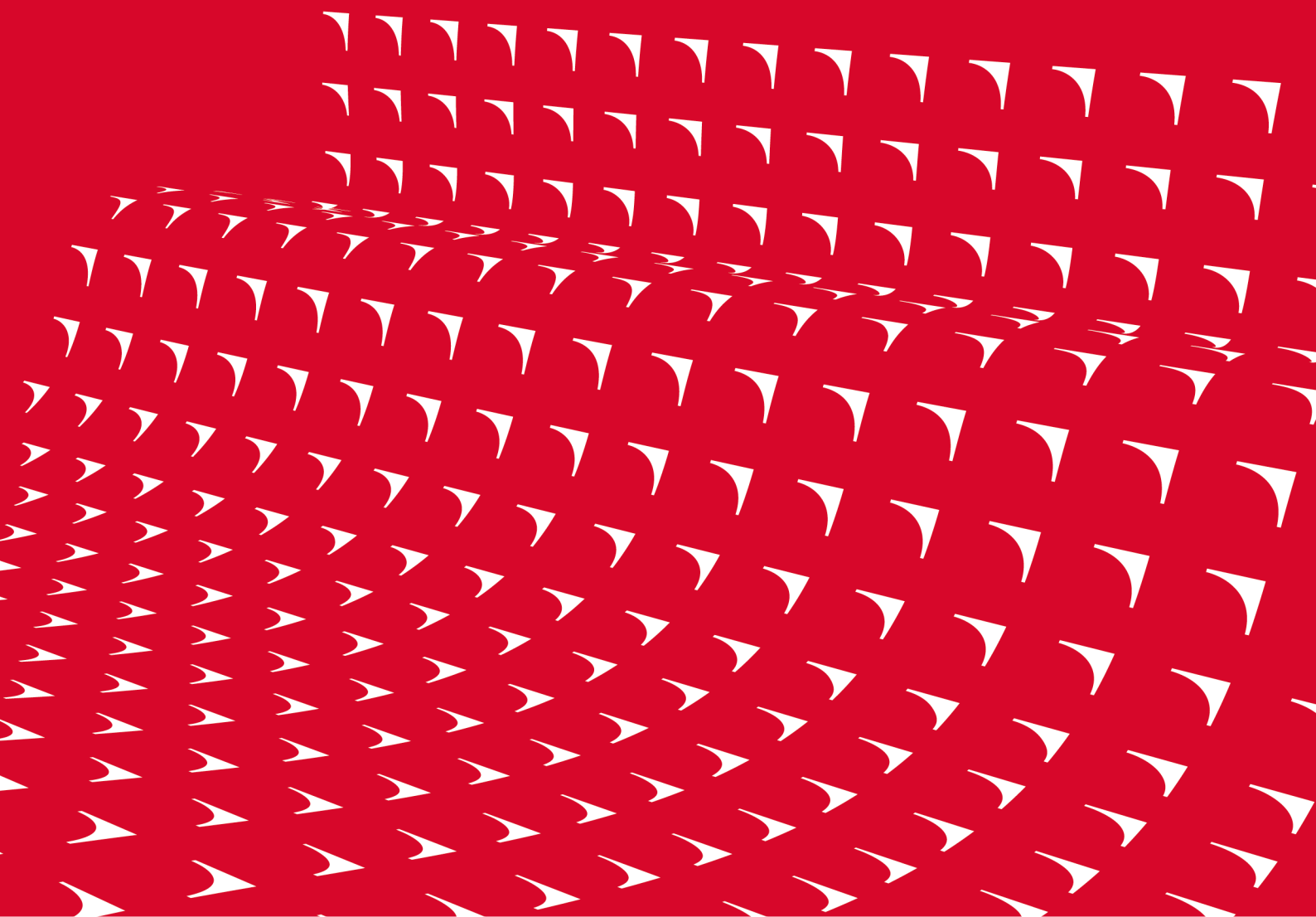




(Translation from the Italian original which remains the definitive version)

Interim Financial Report

at 30 June 2024





Contents

3	Corporate bodies
4	Report on operations
5	1. Key figures
9	2. Performance of the Group
12	3. Performance of the business segments
16	4. Impact of the macroeconomic context, of the Russia-Ukraine and Gaza Israel wars, Covid 19 and climate change on the business
18	5. Significant events after 30 June 2024
18	6. Outlook
19	7. Risk management
25	8. Other information
27	Condensed interim consolidated financial statements
28	Consolidated financial statements
34	Notes to the condensed interim consolidated financial statements
80	Certification of the condensed interim consolidated financial statements
	Certification of the interim financial report at 30 June 2024 pursuant to art. 154-bis, paragraphs 3 and 4, Legislative Decree No. 58/1998
81	List of equity investments at 30 June 2024
88	Report of the independent auditors



CIR S.p.A.

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Share capital € 420,000,000 – Admin. and Econ. Index No. 1950090

Registered in the Company Register of Milan Monza Brianza Lodi / Tax Code / VAT no. 01792930016

The company is subject to management control and coordination by F.lli De Benedetti S.p.A.

Corporate bodies

at 30 June 2024

BOARD OF DIRECTORS

Honorary Chairman	CARLO DE BENEDETTI
Honorary Vice Chairman	FRANCO DEBENEDETTI
Chairman	RODOLFO DE BENEDETTI (*)
Chief Executive Officer and General Manager	MONICA MONDARDINI (*)
Directors	PHILIPPE BERTHERAT (1) (3) EDOARDO DE BENEDETTI MARCO DE BENEDETTI TOMMASO NIZZI (2) (3) ELISABETTA OLIVERI (2) FRANCESCA PASINELLI (1) (3) MARIA SERENA PORCARI (1) (2) (4)
Secretary to the Board	ANTONIO SEGNI

BOARD OF STATUTORY AUDITORS

Chairman	GIOVANNI BARBARA
Standing Statutory Auditors	MARIA MADDALENA GNUDI FRANCESCO MANTEGAZZA
Alternate Statutory Auditors	ANTONELLA DELLATORRE MARCO PARDI GAETANO REBECCHINI

INDEPENDENT AUDITORS

KPMG S.p.A.

Report pursuant to the recommendation in Consob communication DAC/RM/97001574 of 20 February 1997

(*) Powers as per Corporate Governance

(1) Member of the Appointments and Remuneration Committee

(2) Member of the Control, Risk and Sustainability Committee

(3) Member of the Related Party Transactions Committee

(4) Lead Independent Director

Report on operations

Report on operations

1. Key figures

In the first half of 2024, the CIR group reported a significant improvement in the results of its continuing operations and concluded extraordinary asset disposal transactions that generated very significant capital gains and cash flows.

Specifically, the group reported a **profit of € 114.3 million**, compared to a profit of € 14.0 million in the first half of 2023, and a **free cash flow of € 365.1 million**, before dividend distribution and the repurchase of treasury shares.

With regard to **continuing operations**:

- **consolidated revenue** amounted to € 928.2 million, up 2% compared to the first half of 2023; KOS reported revenue up 9.0%, while Sogefi reported revenue down 2.7%;
- **profit** stood at € 27.7 million and at € 19.8 million net of non-controlling interests (compared to a loss of € 3.2 million in the first half of 2023); all the businesses making up the group reported improved results, the subsidiaries Sogefi and KOS and the financial management performed by CIR Investimenti and CIR International.
- **free cash flow** amounted to € 31.0 million, before application of IFRS 16, dividends and the repurchase of treasury shares.

With regard to **the results of assets sold**:

- on 25 June 2024, the **sale of the residential complex located at Via dell'Orso 8 in Milan** was finalised, for a total consideration of € 38 million, of which € 7 million collected in previous years as a deposit, recording a capital gain, net of transaction costs and taxes, of € 18.9 million;
- on 31 May, the subsidiary Sogefi completed the **sale of the Filtration division**, as part of a strategy to enhance the business after very significant growth in results, reduce the group's exposure to activities that are difficult to convert to e-mobility technologies, reduce the group's debt and ensure the investment capacity necessary to complete the turnaround of the Suspension business and to develop Air & Cooling products for e-mobility. The consideration was € 331.2 million and the free cash flow (before IFRS 16) of the transaction amounted to € 316.5, net of cash transferred, deal costs and tax charges arising from the transaction. The transaction generated a net capital gain of € 114.2 million, of which € 64.3 million pertaining to CIR;
- the **contribution to the profit of discontinued operations**, including Filtration's profit for the year, was € 154.1 million and € 94.5 million for the portion held by CIR;
- **free cash flow** of discontinued operations, before IFRS 16, including Filtration's operating free cash flow in the first 5 months of 2024, amounted to € 334.1 million.

At 30 June 2024 the group has a **consolidated net financial position before IFRS 16** of € 316.2 million, compared to a net debt of € 17.8 million at 31 December 2023 and of € 32.8 million at 30 June 2023, thanks to the free cash flow of € 365.1 million and after disbursements in dividends and repurchase of treasury shares of € 31.1 million.

The **net financial position** of the Parent (including the subsidiaries CIR Investimenti and CIR International) is positive, equal to € 369.8 million; the increase compared to 31 December 2023, when the NFP was equal to € 314.4 million, is mainly due to collection of the residual amount for the sale of the real estate complex (€ 31.0 million) and of dividends distributed by the subsidiaries KOS and Sogefi (€ 20.3 million).

Consolidated net financial debt including IFRS 16 lease liabilities, at 30 June 2024, amounts to € 532.6 million, including right-of-use assets for € 848.8 million, mainly belonging to KOS (€ 802.8 million), which operates using mainly leased properties.

Equity attributable to the Group at 30 June 2024 comes to € 863.3 million, compared to € 753.6 million at 31 December 2023.

KOS

In the first half of 2024, KOS recorded an increase in **revenue** of 9%, due to the increased saturation in residential care homes in both Italy and Germany.

In Italy, residential care homes recorded an increase in revenue of 11.6%, with an average saturation of 91%, including start-up facilities, and of 93.2% for established facilities, a rate approaching the one recorded before the pandemic crisis. The expected return to full operations during 2024 is therefore confirmed.

In Germany revenue increased by 14.2%, with the average saturation in the first half of the year remaining lower than in Italy, 90%, but the trend is positive, with a growth of 5 percentage points compared to the first half of 2023. Revenue growth also reflects ongoing adjustments to tariffs to cover the effects of cost inflation in the three-year period 2021-2023.

The Rehabilitation and Psychiatry segment, which had already recovered normal activity levels in 2023, grew by 4.1%, thanks to the increase in services to contracted patients in certain regions.

EBIT (operating profit) amounted to € 27.9 million, or 6.9% of revenue, compared to € 20.8 million, 5.6% of revenue, in the first half of 2023. The increase in the operating profit was the result of the increase in activity and the gradual adjustment of tariffs, especially in Germany, which as yet is still not sufficient to cover the effects of the cost inflation recorded in previous years. The group has established a plan for the progressive recovery of profitability, involving gradual light-handed tariff adjustments, operational efficiency, improvement of the quality of the facilities portfolio, and ramp-up of green fields; performance is currently in line with the plan.

The **net profit** was equal to € 5.0 million, compared to + € 0.8 million in the first half of 2023.

The operating **free cash flow**, before the application of IFRS 16, was balanced, negatively affected by the increase in working capital of € 17.3 million, attributable to the increase in assets from the public administration, in line with the growth in revenue and a recurring interim trend.

Net debt at the end of June 2024 increased by € 17.5 million, excluding liabilities resulting from the application of IFRS 16, at € 149.3 million, compared to € 131.9 million at 31 December 2023, due to development investments of € 4.7 million and dividends of € 12.3 million, of which € 6.9 million were paid to CIR.

Net debt including lease liabilities at 30 June 2024 amounted to € 952.1 million, compared to € 920.7 at 31 December 2023.

Sogefi

In the first half of 2024, against a backdrop of stability in car production worldwide, but of decline in the European (-5.2%) and South American (-7.1%) markets, the consolidated **revenue** of the Sogefi Group (referring only to continuing operations, excluding the Filtration business unit, which was treated in accordance with IFRS 5 following the sale agreement) amounted to € 524.1 million, down by 2.7% compared to the first half of 2023, mainly due to the non-positive performance recorded in Europe (-6.3%), as a result of the market downturn, and in North America (-2.6%), while in South America, China and India revenue grew by 2.6%, 16.2% and 10.3% respectively, outperforming the market.

EBIT, equal to € 27.8 million, recorded an increase on the first half of 2023 (€ 13.8 million), with an EBIT margin of 5.3% of revenue, compared to 2.6% in first half 2023.

The net profit from continuing operations was equal to € 9.4 million, compared to € 2.1 million in the first half of 2023; the net profit from discontinued operations amounted to € 136.4 million, including the net profit of the Filtration business unit in the first five months of 2024 and the capital gain generated by the sale, net of tax expense and transaction costs; total net profit was therefore equal to € 145.8 million (€ 31.4 million in the first half of 2023).

The **free cash flow**, before application of IFRS 16, was positive by € 323.1 million and includes a free cash flow of € 303.1 million from Filtration and of € 20.0 million generated by continuing operations (€ -3.1 million in first half 2023).

The **net financial position before IFRS 16** at 30 June 2024 was € 95.3 million, compared to net debt of € 200.7 million at 31 December 2023, after payment of a total of € 27.1 million in dividends, of which € 13.4 million to CIR.

The net financial position at the end of June 2024 including liabilities for right-of-use assets amounted to € 48.8 million, compared to a net debt of € 266.1 million at 31 December 2023.

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

Financial management

In the first half of the year, financial markets performed positively in all sectors and bond yields were positive, thanks to the interest rate hikes implemented by central banks in previous years to counter inflation.

Management of the financial assets of the parent and financial subsidiaries recorded positive net financial income of € 17.5 million, compared to € 0.9 million in the first half of 2023. More specifically, the return on 'readily marketable' assets (shares, bonds, hedge funds) was € 8.6 million, 2.6%, while the private equity portfolio recorded a profit of € 5.4 million, 9.3%, and the holdings contributed a positive € 3.5 million.

The tables on the next page analyse the contribution made to the Group's results by the industrial subsidiaries, the aggregate of the financial holding companies and the other non-industrial subsidiaries.

Income statement by business segment

(in millions of €)	1st half 2024						1st half 2023
	KOS group (Healthcare)	Sogefi group (Automotive components)	Total industrial subsidiaries	CIR and financial holding companies	Other subsidiaries	Consolidated total for the Group	Consolidated total for the Group
Revenue	404.1	524.1	928.2	--	--	928.2	909.6
Costs of production (1)	(315.8)	(453.1)	(768.9)	(5.4)	--	(774.3)	(789.4)
Other operating income & expense (2)	(14.7)	(4.1)	(18.8)	(0.7)	--	(19.5)	(8.9)
Amortisation, depreciation and impairment losses	(45.7)	(39.1)	(84.8)	(0.1)	--	(84.9)	(82.7)
Operating profit (loss)	27.9	27.8	55.7	(6.2)	--	49.5	28.6
Financial income & expense (3)	(17.1)	(9.1)	(26.2)	3.3	--	(22.9)	(24.5)
Dividends, net of realised and unrealised gains and losses on securities (4)	--	--	--	14.0	--	14.0	0.2
Fair value gains on equity-accounted investments	--	--	--	--	--	--	--
Income taxes	(5.4)	(7.9)	(13.3)	0.4	--	(12.9)	(4.5)
Profit (loss) from assets held for sale	--	136.4	136.4	17.7	--	154.1	30.4
Non-controlling interests	(2.4)	(65.1)	(67.5)	--	--	(67.5)	(16.2)
Group profit (loss) for the period	3.0	82.1	85.1	29.2	--	114.3	14.0

- 1) This item is the sum of "changes in inventories", "costs for the purchase of goods", "costs for services" and "personnel expense" in the income statement. This item does not take into consideration the € (0.3) million effect of intercompany eliminations.
- 2) This item is the sum of "other operating income" and "other operating costs" in the income statement. This item does not take into consideration the €0.3 million effect of intercompany eliminations.
- 3) This item is the sum of "financial income" and "financial expense" in the income statement.
- 4) This item is the sum of "dividends", "gains from securities trading", "losses from securities trading" and "fair value losses/gains on financial assets" in the income statement.

Statement of financial position by business segment

(in millions of euro)	30.06.2024						31.12.2023
	KOS group (Healthcare)	Sogefi group (Automotive components)	Total industrial subsidiaries	CIR and financial holding companies	Other subsidiaries	Consolidated total for the Group	Consolidated total for the Group
Non-current assets (1)	1,381.8	424.9	1,806.7	7.8	--	1,814.5	2,016.7
Other net non-current assets and liabilities (2)	(14.9)	(32.9)	(47.8)	61.0	(0.7)	12.5	15.0
Other liabilities related to assets held for sale	--	--	--	(2.2)	--	(2.2)	2.9
Net working capital (3)	(68.0)	(22.1)	(90.1)	(7.1)	0.7	(96.5)	(128.3)
Net invested capital	1,298.9	369.9	1,668.8	59.5	--	1,728.3	1,906.3
Net financial position (debt) (4)	(952.1)	49.3	(902.8)	369.8	0.4	(532.6)	(871.5)
Total equity	346.8	419.2	766.0	429.3	0.4	1,195.7	1,034.8
Non-controlling interests	142.6	189.8	332.4	--	--	332.4	281.2
Equity attributable to the owners of the parent	204.2	229.4	433.6	429.3	0.4	863.3	753.6

- 1) This item is the sum of "intangible assets", "property, plant and equipment", "right-of-use assets", "investment property", "equity-accounted investments" and "other equity investments" in the statement of financial position.
- 2) This item is the sum of "other assets", "other financial assets" and "deferred tax assets" under non-current assets and of "other liabilities", "deferred tax liabilities", "employee benefits" and "provisions" under non-current liabilities in the statement of financial position.
- 3) This item is the sum of "inventories", "trade receivables", "other assets" in current assets and "trade payables", "other liabilities" and "provisions" in current liabilities in the statement of financial position.
- 4) This item is the sum of "loan assets", "securities", "other financial assets", and "cash and cash equivalents" under current assets, of "bonds", "other financial liabilities" and "lease liabilities" under non-current liabilities and of "bank loans and borrowings", "bonds", "other financial liabilities" and "lease liabilities" under current liabilities in the statement of financial position.

2. Performance of the Group

In the first half of 2024, **consolidated revenue** was € 928.2 million, 2% up on 2023 (€ 909.6 million). KOS recorded an increase in revenue of 9.0%, while Sogefi recorded a downturn of 2.7%. It is worth noting that the group records 67.8% of its revenue abroad.

(in millions of €)	1H2024		1H2023 (1)		Change amount	
		%		%		%
Healthcare						
KOS group	404.1	43.5	370.7	40.8	33.4	9.0
Automotive components						
Sogefi group	524.1	56.5	538.9	59.2	(14.8)	(2.7)
Total consolidated revenue	928.2	100.0	909.6	100.0	18.6	2.0
of which: ITALY	298.7	32.2	283.8	31.2	14.9	5.3
OTHER COUNTRIES	629.5	67.8	625.8	68.8	3.7	0.6

(1) The figures for 2023 have been reclassified following the application of IFRS 5 ("Non-current assets held for sale and discontinued operations").

A condensed **income statement** for the first half of the year is provided below, with comparative figures from the first half of 2023.

(in millions of €)	1H2024	%	1H2023 (1)	%
Revenue	928.2	100.0	909.6	100.0
Consolidated gross operating profit (EBITDA) (2)	134.4	14.5	111.3	12.2
Consolidated operating profit (EBIT)	49.5	5.3	28.6	3.1
Net financial expense (3)	(8.9)	(0.9)	(24.3)	(2.6)
Income taxes	(12.9)	(1.4)	(4.5)	(0.5)
Profit from discontinued operations	154.1	16.6	30.4	3.3
Profit including non-controlling interests	181.8	19.6	30.2	3.3
Non-controlling interests	(67.5)	(7.3)	(16.2)	(1.8)
Profit attributable to the owners of the parent	114.3	12.3	14.0	1.5

(1) The figures for 2023 have been reclassified following the application of IFRS 5 ("Non-current assets held for sale and discontinued operations").

(2) This is the sum of "Operating profit" and "Amortisation, depreciation & impairment losses" in the income statement.

(3) This is the sum of "financial income", "financial expense", "dividends", "gains from securities trading", "losses from securities trading", "share of profit (loss) of equity-accounted investments" and "fair value gains (losses) on financial assets" in the income statement.

The **consolidated gross operating profit (EBITDA)** in the first half of 2024 amounted to € 134.4 million (14.5% of revenue), compared to € 111.3 million in the equivalent period of 2023 (12.2% of revenue).

The **consolidated operating profit (EBIT)** was equal to € 49.5 million, compared to € 28.6 million in the first half of 2023, following the trend in EBITDA.

Net financial expense stood at € 8.9 million (€ -24.3 million in the first half of 2023):

- net gains from the financial investment portfolio of the holding company CIR and subsidiaries CIR Investimenti and CIR International amounted to € 17.3 million, compared to a profit of € 0.9 million in the corresponding period of 2023;

- net interest expense on subsidiaries' debt amounted to € 14.2 million, increasing by € 0.6 million compared to the first half of 2023, partly due to one-off charges incurred by Sogefi for closing a number of financing contracts that were no longer necessary after the sale of Filtration;
- IFRS16 charges amounted to € 12.0 million in the first half of 2024, compared to € 11.6 million in the first half of 2023.

The **consolidated net profit** was € 114.3 million, compared to a profit of € 14.0 million in the first half of 2023. The net profit including non-controlling interests rose to €181.8 million, of which €27.7 million was the profit from continuing operations and €154.1 million the profit from discontinued operations.

The condensed **statement of financial position** of the CIR Group at 30 June 2024, with comparative figures at 31 December 2023, is provided below.

<i>(in millions of €) (1)</i>	30.06.2024	31.12.2023
Non-current assets	1,814.5	2,016.7
Other net non-current assets and liabilities	12.5	15.0
Assets held for sale and liabilities related to assets held for sale	(2.2)	2.9
Net working capital	(96.5)	(128.3)
Net invested capital	1,728.3	1,906.3
Net debt	(532.6)	(871.5)
Total equity	1,195.7	1,034.8
Equity attributable to the owners of the Parent	863.3	753.6
Non-controlling interests	332.4	281.2

(1) *These figures are the result of a different combination of the items in the condensed interim consolidated financial statements. For definitions, see the notes to the "Statement of financial position by business segment" shown earlier.*

Net invested capital at 30 June 2024 amounted to € 1,728.3 million, down from the figure at 31 December 2023 (€ 1,906.3 million), mainly due to the sale of the Filtration business unit.

At 30 June 2024, before application of IFRS 16, **the consolidated net financial position** amounted to +€ 316.2 million (compared to € -17.8 million at 31 December 2023 and € -32.8 million at 30 June 2023) and was broken down as follows:

- a financial surplus for CIR and its financial subsidiaries (CIR International and CIR Investimenti) of € 369.8 million, up from € 314.4 million at 31 December 2023, thanks to collection of the residual amount for the sale of the Orso 8 property complex (€ 31.0 million) and of dividends distributed by the subsidiaries KOS and Sogefi (€ 20.3 million);
- total net debt of the subsidiaries KOS and Sogefi of € 53.6 million, down by approximately € 279 million compared to 31 December 2023 (€ 332.2 million) and by approximately € 293 million compared to 30 June 2023 (€ 346.8 million).

Under IFRS 16, lease liabilities amounted to € 848.8 million at 30 June 2024, giving rise to total consolidated net debt of € 532.6 million (€ 871.5 million at 31 December 2023).

Equity attributable to the owners of the parent at 30 June 2024 came to € 863.3 million, compared to € 753.6 million at 31 December 2023, increasing by € 109.7 million.

The **statement of cash flows**, prepared according to a "management" format and showing the changes in net financial position, is provided below.

<i>(in millions of euro)</i>	<i>1st half 2024</i>	<i>1st half 2023⁽¹⁾</i>
Self-financing	69.0	49.9
Change in working capital and other non-current assets and liabilities	(11.9)	(36.5)
CASH FLOW GENERATED BY OPERATIONS	57.1	13.4
Capital increases	--	--
TOTAL SOURCES OF FUNDS	57.1	13.4
APPLICATION OF FUNDS		
Net investment in non-current assets	(26.1)	(14.0)
Consideration paid for business combinations	--	(3.0)
Payment of dividends	(19.1)	(0.5)
Repurchase of treasury shares	(12.0)	(7.7)
TOTAL APPLICATIONS OF FUNDS	(57.2)	(25.2)
CASH FLOWS FROM (USED IN) CONTINUING OPERATIONS	(0.1)	(11.8)
CASH FLOWS FROM (USED IN) ASSETS HELD FOR SALE	334.1	60.8
CASH FLOWS FROM (USED IN) THE PERIOD	334.0	49.0
OPENING NET DEBT BEFORE IFRS 16	(17.8)	(81.8)
CLOSING NET DEBT BEFORE IFRS 16	316.2	(32.8)
RESIDUAL LIABILITY UNDER IFRS 16	(848.8)	(878.1)
CLOSING NET DEBT	(532.6)	(910.9)

(1) The figures for 2023 have been reclassified following the application of IFRS 5 ("Non-current assets held for sale and discontinued operations").

During the first half of 2024, a **financial surplus** of € 334.0 million was recorded, after the repurchase of treasury shares and dividends to non-controlling interests of subsidiaries totalling € 31.1 million. The free cash flow amounted to €365.1 million, of which € 334.1 million from discontinued operations (+€ 303.1 million from Filtration, including cash flows from operations in the first 5 months of the year, and +€ 31 from sale of the property complex in Milan by the parent CIR S.p.A.) and € 31 million from continuing operations, after net investments in fixed assets of € 26.1 million.

Compared to the first half of 2023, which recorded a financial surplus of € 49.0 million, the free cash flow of continuing operations improved significantly due to higher self-financing and lower cash absorption of the subsidiaries' working capital. As far as assets held for sale are concerned, flows in 2023 amounted to approximately +€ 60.8 million, € 42.0 million from the Filtration business unit and € 18.8 million from the sale of the Indian subsidiary by KOS.

At 30 June 2024, the CIR Group, excluding the employees of the Filtration division sold in May 2024, employed 15,450 people compared to 15,182 at 31 December 2023.

3. Performance of the business segments

3.1 Healthcare

The KOS group provides healthcare services, managing a total of 147 facilities (residential care homes for the elderly and rehabilitation centres) for a total of 13,940 beds, in Italy and Germany. The breakdown of services is as follows:

- Long Term Care in Italy: management of residential care homes for the elderly (59 facilities and approximately 6,631 beds), under the Anni Azzurri brand, functional rehabilitation centres (15 facilities and approximately 1,656 beds), mainly under the Santo Stefano brand, psychiatric rehabilitation centres (18 facilities and approximately 771 beds), mainly under the Neomesia brand, for a total of 93 facilities and approximately 9,058 beds;
- Long Term Care in Germany: management of residential care homes through the subsidiary Charleston (53 facilities and approximately 4,575 beds);
- Acute care: Villa dei Pini (in the Marche region) with 184 beds; the management under concession of the public hospital of Suzzara (123 beds) ended on 30 June 2024.

The main indicators of the KOS group's performance in the current period are provided below, with comparative figures for the same period of the previous year.

<i>(in millions of €)</i>	01/01-30/06 2024	01/01-30/06 2023	Change amount	%
Revenue	404.1	370.7	33.4	9.0
Profit for the period	5.0	0.8	4.2	n.a.

	30/06/2024	31/12/2023	Change
Net debt before IFRS 16	(149.3)	(131.9)	(17.4)
Net debt after IFRS 16	(952.1)	(920.7)	(31.4)
No. of employees	12,088	11,831	257

KOS's business was heavily affected by the pandemic, resulting in a significant decline in turnover from the second quarter of 2020, which continued over the next 12 months. Recovery began in the second quarter of 2021 and during the first half of 2024 the company was operating at almost full capacity in all business segments and in most regions in both Italy and Germany. However, there are still some specific local situations, both in Italy and Germany, where residential care homes have not yet reached pre-pandemic saturation.

In the first half of 2024 **revenue** stood at € 404.1 million, up by 9.0% on the first half of 2023.

The residential care home sector in Italy recorded revenue of € 135.5 million, up by 11.6% compared to the first half of 2023. The average occupancy rate for the period, on a like-for-like basis, was 91% and increased by 4.5 percentage points compared to the first half of 2023. Consolidated facilities recorded an average saturation of 93.2%, still approximately 2 percentage points below pre-pandemic levels, due to the slower return to full capacity in a number of regions, including mainly Piedmont, but the trend is still favourable. The average daily rate increased by 3%.

In residential care homes in Germany revenue increased by 14.2 % compared to 2023, standing at € 121.9 million, due in part to the rise in tariffs (still being implemented), and to the increased saturation. The occupancy rate on a like-for-like basis has indeed increased by 5 percentage points compared to the same period in 2023, but is still approximately 4-5 percentage points lower than in 2019, mainly due to the delay recorded in some specific regions. The average daily rate

increased by 6% and the tariff renegotiation process is still under way to recover the very high increase in wage costs seen after the pandemic crisis.

In the Functional Rehabilitation and Psychiatric Rehabilitation segment, revenue grew by 4.1% compared to the previous year, to € 105.4 million, confirming full operations and a slight budget increase in a number of regions.

Hospital management for acute care reported revenue of € 42.1 million, in line with pre-Covid and 2023 levels. The figure includes revenue from the management under concession of the public hospital of Suzzara, amounting to € 20.0 million, which terminated on 30 June 2024, while the remaining revenue is attributable to the Villa dei Pini facility in the Marche region, which continues to operate as a going concern.

EBITDA (gross operating profit) amounted to € 76.0 million compared to € 65.6 million in the first six months of 2023, due to the increase in the level of activity, the partial adjustment of tariffs in both Italy and Germany, and despite the substantial elimination of the contribution from pandemic-related reimbursements in the first half of 2024.

EBIT (operating profit) amounted to € 27.9 million, an increase of € 7.1 million compared to EBIT in the first half of 2023 (€ 20.8 million) and reflects the increase in EBITDA, which was partly offset by higher IFRS 16 depreciation and amortisation and risk provisions.

Financial expense for the period was in line with the first half of 2023, while higher taxes of € 1.8 million were recorded, taking into account the positive trend in the results in Italy.

The **net profit** stood at € 5.0 million, compared to + € 0.8 million in the first half of 2023, which included a positive contribution of € 1.2 million from the sold Indian operations.

The operating **free cash flow** before application of IFRS 16, was balanced despite an increase in working capital by approximately € 17.3 million, which is expected to be at least partly reabsorbed during the year.

The **change in the net financial position** before IFRS 16 was negative by € 17.4 million, due to the distribution of dividends (€ 11.7 million) and non-recurring investments of € 4.7 million related to development capex and the acquisition of non-controlling interests in subsidiaries.

At 30 June 2024, KOS had **net debt before IFRS 16** of € 149.3 million, compared to € 131.9 million at 31 December 2023 and € 161.9 million at 30 June 2023. Total net debt, including IFRS 16 payables, amounted to € 952.1 million, compared to € 920.7 million at 31 December 2023.

At 30 June 2024, the KOS Group has committed lines of credit in excess of its requirements for € 190 million. The covenants of the loan agreements have been respected and are not expected to be breached at the upcoming deadlines.

At 30 June 2024, consolidated equity amounted to € 341.6 million (€ 348.6 million at 31 December 2023), down by € 7.0 million, taking into account, the increase in profit of € 5.0 million and the decrease caused by the distribution of dividends of € 11.7 million.

The group had 12,088 employees at 30 June 2024, compared to 11,831 at 31 December 2023.

3.2 Automotive components

In the first half of 2024, global car production decreased by 0.2% compared to the first half of 2023. Production increased in China (+5.2%), India (+6.8%) and NAFTA (+1.8%), while it recorded a downturn in Mercosur (-7.1%) and Europe (-5.2%), a geographical area that had shown strong recovery in 2023.

In view of the agreement signed on 23 February 2024 for the sale of the Filtration Business Unit, the figures for this business are reported in accordance with IFRS 5, i.e., by recording only the net profit (loss) of the business under the item 'income from assets held for sale and discontinued operations'. The operating data commented on below refer only to the perimeter of continuing operations excluding Filtration; the net profit (loss) and the free cash flow will be shown for continuing operations, discontinued operations and total operations. The main indicators of Sogefi group's performance in the current period are given below, with comparative figures for the equivalent period of the previous year.

<i>(in millions of €)</i>	01/01-30/06 2024	01/01-30/06 2023	Change amount	%
Revenue	524.1	538.9	(14.8)	(2.7)
Profit for the period	145.8	31.4	114.4	n.a.

	30/06/2024	31/12/2023	Absolute
Net financial position (debt) before IFRS 16	95.3	(200.7)	296.0
Net financial position (debt) after IFRS 16	48.8	(266.1)	314.9
No. of employees	3,351	3,338	13

With regard to continuing operations, in the first half of 2024 **revenue** stood at € 524.1 million, down by 2.7% on first half 2023. The drop mainly reflected the less than positive performance recorded in Europe (-6.3%), due to the market downturn (-5.2%), and in North America (-2.6%), while South America, China and India grew by +2.6%, +16.2% and +10.3% respectively, outperforming the market.

Suspensions recorded a 4.7% drop in revenue, affected by the unfavourable trend in the European market, while significant growth was recorded in China and India, +44.3% and +16.2% respectively. Air and Cooling reported revenue in line with the first half of 2023, recording an above-market performance in Europe, +5.9%, and a slight decline in the North American and Chinese markets.

EBITDA (gross operating profit) stood at € 67 million, up by 27.8% on the first half of 2023 (€ 52.4 million) despite the slight decline in volumes. The EBITDA margin rose from 9.7% in 2023 to 12.8% in the same period of 2024. The contribution margin increased by 7.4% compared to first half of 2023, representing 29% of revenue compared to 26.2%, due in part to lower raw material and energy costs. The ratio of fixed costs to revenue stood at 15.7% in the first half of 2024, essentially stable compared to 2023 (15.5%). Other expense, which specifically included exchange rate differences, made a negative contribution of € 0.5 million to EBITDA, compared to the negative contribution of € 3.2 million in the first half of 2023.

EBIT (operating profit) totalled € 27.8 million, compared to € 13.8 million in first half 2023, and the ratio to revenue rose from 2.6% in the first half of 2023 to 5.3% in the same period of 2024. The increase mainly reflects the improved results recorded by the Suspensions division.

The **net profit from operating activities** stood at € 10.8 million compared to € 3.7 million in the same period of the previous year.

The **net profit from 'discontinued operations'** refers to the Filtration division and amounted to €

136.4 million in the first half of 2024, compared to € 29.3 million in the first half of 2023. This value incorporates the net profit of the business up to the date of sale on 31 May 2024, equal to € 22.2 million, the capital gain realised on the sale of the Filtration business, as well as the tax expense arising from the transaction and the costs incurred in finalising the transaction, for a total net amount of € 114.3 million.

The Group reported a **net profit** (net of the non-controlling interests) of € 145.8 million, compared to € 31.4 million in the first half of 2023.

The operating **free cash flow** of continuing operations, before application of IFRS 16, was positive by € 21.9 million (+€ 3.2 million in the first half of 2023).

The **change in the net financial position** before IFRS 16 was +€ 296.0 million and includes, in addition to the operating cash flow, the contribution from the Filtration Division of +€ 303.1 million, the distribution of dividends of € 27.1 million (of which € 13.4 million to shareholders of the Parent) and non-recurring investments of € 1.9 million.

The **net financial position before IFRS 16** at 30 June 2024 was € 95.3 million, compared to net debt of € 200.7 million at 31 December 2023.

The net financial position at the end of June 2024 including lease liabilities amounted to €48.8 million, compared to a net debt of €266.1 million at 31 December 2023.

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

At 30 June 2024, the Group had committed credit lines in excess of requirements of € 309 million.

At 30 June 2024, excluding non-controlling interests, **equity** came to € 407.6 million (€ 272.9 million at 31 December 2023). The increase essentially reflects the net profit for the period and the dividends paid to the Parent's shareholders (€ 23.7 million).

The Sogefi Group had 3,351 **employees** at 30 June 2024, compared to 3,380 at 30 June 2023 (excluding employees of the Filtration Division).

3.3 Financial investment management

Through its financial holding companies CIR International and CIR Investimenti, the parent CIR S.p.A. manages a diversified portfolio of financial investments, which amounted to € 429.7 million at 30 June 2024 (€ 378.8 million at 31 December 2023). The portfolio consists of traditional financial assets that are readily marketable, private equity funds and non-strategic equity investments. The investment strategy seeks to manage the risk-return trade-off in a prudent manner.

In the first half of 2024, the financial markets performed positively in all segments and bond yields were positive thanks to the interest rate hikes implemented by central banks in previous years to counter inflation.

Financial asset management recorded positive net financial income of € 17.5 million, compared to a contribution of +€ 0.9 million in the first half of 2023. In particular, readily marketable assets, which amounted to € 369.8 million at 30 June 2024, recorded a profit of € 8.6 million in the half-year, with an average return of 2.6% (+1.7% for bonds and +6.3% for hedge funds). Investments in private equity funds, which amounted to € 59.3 million at 30 June 2024, posted a profit of € 5.4 million and a return of 9.3% in the half-year, while non-controlling interests and non-performing loans contributed a positive € 3.5 million.

Furthermore, on 25 June 2024, the sale to Merope s.r.l. of the non-operating residential complex located at Via dell'Orso 8, Milan, was finalised, for a total consideration of € 38 million, of which € 7 million collected in previous years as a deposit. The sale generated a pre-tax gain, net of

transaction costs, of € 26.2 million and a net profit of € 18.9 million, recorded under 'profit from assets held for sale and discontinued operations', in the half-year.

4. Impact of the macroeconomic context, of the Russia-Ukraine and Gaza Israel wars, Covid-19 and climate change on the business

With reference to the **macroeconomic context**, the growth rate of the economies of the main geographical areas where the CIR Group operates was still positive. The first half of 2024 was also characterised by the partial easing of inflationary pressures, after the strong upward trend that began in 2022 and lasted for most of 2023, particularly in the raw materials and energy sectors. Both short-term and long-term interest rates finally stabilised, even though, due to persistent inflationary tensions, the central banks had to delay the expected series of discount rate cuts, making only marginal cuts.

Persistent high levels of inflation led in some cases to further increases in the personnel costs of the group's operating companies, although the trend was lower than the previous year. The impact of these increases is carefully monitored and countered through appropriate interventions on efficiency, product selling prices and service tariffs.

The persistence of high interest rates in the first half of 2024 had an impact on the financial expense of the industrial subsidiaries, but this was mitigated by the high component of fixed-rate loans and the reduction in net debt.

With regard to the consequences of the **Russia-Ukraine and Gaza-Israel conflicts**, the Group's activities did not record any direct impacts worthy of mention. Indirect impacts (availability and prices of raw materials and energy, consequent inflationary pressures, financial market developments), on the other hand, were initially significant, but are now being mitigated, as illustrated below.

The effects of the **Covid-19 pandemic**, which were very particularly significant for the Group's socio-healthcare activities, have almost been eliminated.

Lastly, with reference to the increased significance and relevance of medium-term risks arising from **climate change**, the Group companies have incorporated into their risk management models the analysis of the potential impacts of these factors on their assets and business (including the impacts of policies and regulations implemented at international and local level to deal with it) and have taken them into account in their respective business plans.

The specific impacts of these factors on the companies belonging to the CIR Group are explained below.

4.1 Impact on the KOS group

Since 2020, the **Covid-19** pandemic has had significant repercussions on the group's business, as it operates in the healthcare segment. With the spread of the pandemic, KOS recorded a drop in guests in care homes and a slowdown in rehabilitation due to the block on non-urgent hospital activities. As the direct effects of the pandemic tapered off, the return to full capacity of the rehabilitation and acute care activities was relatively quick, while the care homes saw a more progressive recovery of numbers, which at the end of June 2024 had almost returned to normal levels in nearly all the regions in Italy and Germany where the group operates, and were also improving in the remaining areas. In 2023, the impact of the health emergency on operational efficiency and extra operating costs had already been substantially overcome.

Current **macroeconomic** trends, and in particular high inflation, have led to significant cost increases for the KOS Group. More specifically, since 2021 personnel costs have risen sharply, especially for qualified healthcare resources, due to both the shortage of such personnel in Italy and Germany, and to general inflation. Furthermore, the group recorded a significant increase in

energy costs in 2022, in line with market trends, but this partially eased in the second half of 2023 and continued to do so in the first half of 2024. Lastly, the high inflation index in Italy and Germany affected consumption costs, especially foodstuffs, and rental costs. The company carefully monitored the phenomena in question and implemented various actions to mitigate the economic-financial impact, based on recovering operational efficiency and gradual sustainable adjustments of tariffs, in line and compatible with the measures taken by the regions. The impact of rising interest rates was instead limited, thanks to the significant proportion of fixed-rate loans.

In 2022, the KOS group carried out an analysis of physical risks related to **climate change**, identifying an overall low level of risk per site in the majority of the facilities, mainly linked to extreme phenomena such as thermal and water stress, i.e. the risk of heat waves, frost or flooding. These risk profiles do not require urgent interventions and do not suggest any need to recognise impairment losses on non-current assets, but they could lead to the onset of operating costs that are currently considered immaterial. The need to bear higher costs and investments to improve energy efficiency was also considered and these were incorporated into the company's business plans, while no significant transition risks to the business model were identified. In the first half of 2024 the company's facilities were not affected by any extreme events causing significant damage. However, the KOS Group deemed it appropriate to update the previous year's assessment and therefore a new physical risk analysis is currently being conducted.

4.2 Impact on the Sogefi group

With reference to the **macroeconomic context**, in 2024 the economies of the main geographical areas where Sogefi operates are expected to record a moderately positive performance, while a slight decline in global car production is forecast. Against this backdrop, in the first half of 2024, Sogefi reported revenue down by 2.6% at constant exchange rates. As far as raw material and energy prices are concerned, the first few months of 2024 confirm the relative stability recorded in the second part of 2023, albeit on lower levels than in the first half of 2023. However, prices are still exposed to volatility risks exacerbated by the geopolitical tensions. Inflationary tensions on labour costs also persist in some geographical areas. Faced with this situation, the Sogefi Group carefully monitors production costs and keeps up a constant dialogue with suppliers and customers to safeguard its margins.

The direct impact of the **Russia-Ukraine conflict** has been immaterial. In fact, Sogefi had limited business activity in Russia which was discontinued as of March 2022 and the Russian subsidiary was liquidated in 2023. Instead, like the entire automotive sector, Sogefi has endured the indirect impacts of the war, and in particular the increase in energy and raw material prices. The trend was reversed during 2023 and a certain degree of stabilisation was reached in recent months, as mentioned above. The Gaza-Israel conflict is not expected to have a direct impact on the Group's business, as Sogefi has no direct operations in the affected areas. The conflict could affect the supply chain by generating delays in the delivery of materials passing through the Suez Canal. Sogefi closely monitors this risk by taking appropriate mitigation measures (creating safety stocks, assessing alternative suppliers). At present, it is not possible to assess any further indirect impacts.

In 2022, the Sogefi group carried out an analysis of the physical risks related to **climate change** (currently being updated), identifying an overall low level of risk in the majority of the group's locations, with the exception of 7 sites out of a total of 35, for which an average level of risk was identified overall, mainly linked to extreme phenomena such as thermal and water stress, heat waves or frost. These risk profiles do not require urgent interventions by the Sogefi group and do not suggest any need to recognise impairment losses on fixed assets, but they could lead to the onset of operating costs that are currently considered immaterial.

As it operates in the automotive sector, Sogefi is also affected by the transition of the business from the prevalent production and supply of components for internal combustion engines to electric motors. The evolution of the production range made necessary by this transition affects the Air and Cooling division, which mainly produces components for combustion engines only, but

which thanks to its own know-how and technologies, has long since developed new products for electric platforms, already obtaining its first contracts. Instead the Suspensions division is only marginally affected by the technological transition taking place in engines. For some time now, the Company has been taking into account the impacts of the transition, directing its investments accordingly and assessing the need to write down fixed assets or take other actions.

As far as the **Covid-19 pandemic** is concerned, no effects were encountered in 2024.

4.3 Impact on the parent

In the first half of 2024, the stabilisation of interest rates, which followed the central banks' bullish phase to counter inflation, and the positive macroeconomic context led to positive returns on bond and equity markets. The investment portfolio of CIR and its financial subsidiaries, managed according to a prudent strategy and concentrated on the bond component, also recorded a positive performance.

For the parent, operating as a financial and investment holding company, significant risks to the business model specifically related to climate change have not been identified, whether of a physical or long-term nature, apart from those already identified at the subsidiaries.

4.4 Impact on accounting estimates and measurements

With regard to the impacts on accounting estimates and measurements, it should be noted that the measurements in the condensed interim consolidated financial statements of the CIR Group are fully supported by the amounts calculated on the basis of the most recent business plans approved by the subsidiaries, which take into account the short-term impacts of the ongoing conflict and of Covid-19, as well as the long-term impacts of climate change, based on discount rates that are consistent with the changed macro-economic and financial context.

For more details on accounting estimates and measurements, please refer to the "Notes".

5. Significant events after 30 June 2024

As far as both the parent and its subsidiaries KOS and Sogefi are concerned, there were no significant events that could affect the economic, equity and financial information reported, other than the payment on 24 July 2024 of the extraordinary dividend of € 0.923 per share, totalling approximately € 110 million, of which the market was aware, which resulted in the collection by the parent CIR of approximately € 61.7 million.

6. Outlook

There is still limited visibility on the performance of the Group's activities in the coming months, due to uncertainties linked to macroeconomic developments, in a context where it is difficult to foresee reductions in inflation and interest rates, which are still higher than expected long-term amounts.

As far as **KOS** is concerned, further consolidation of saturation levels is expected due to the gradual recovery in regions not yet at full capacity and in start-up facilities. Due to the inflationary dynamics experienced over the past three years, which especially affected the cost of specialised healthcare personnel, a further adjustment of tariffs will be necessary to ensure full recovery of margins. Providing that there are no facts and circumstances that make the context more difficult than it currently is, KOS's full year operating results should be significantly better than the previous year.

As regards the automotive market in which **Sogefi** operates, there is still limited visibility on market developments in 2024 due to the uncertainties about how the macroeconomic and

geopolitical situations will evolve. S&P Global (IHS) predicts that, after the growth recorded in 2023, global car production may drop by 2%, with Europe down by 5.3% and modest growth in China, NAFTA and India. As far as raw material and energy prices are concerned, the first half of 2024 confirms a certain degree of stability, already seen in the second part of 2023, but they are still exposed to volatility risks exacerbated by geo-political tensions. Inflationary tensions on labour costs also persist in some geographical areas. In this scenario, the Group constantly monitors trends in the various geographic areas, seeking fair agreements on sales prices with all customers.

Based on a more conservative forecast for the automotive market than the S&P Global estimates, and with specific regard to Europe, Sogefi expects its low single-digit revenue to decrease in 2024, but confirms its expectation that operating profitability, excluding non-recurring expense and extraordinary events that are not yet foreseeable, will be higher than in 2023.

As regards the management of financial assets, despite the positive performance of the financial markets in the first half of the year, in view of the uncertainties related to the macroeconomic and financial context, conditions of high volatility are expected to persist in the second half of the year. Therefore, despite the prudent management approach adopted, reductions in the value of the financial instruments held cannot be ruled out, especially for private equity and hedge funds, after the brilliant performances of the first half of the year.

7. Risk management

In a context characterized by market instability and a rapid evolution of business dynamics and regulations, careful and effective identification and management of risks and opportunities is essential i) to support an informed decision-making process consistent with the strategic objectives and ii) to ensure corporate sustainability and the creation of value in the medium to long term.

In this regard, in accordance with the provisions of the Corporate Governance Code of listed companies, promoted by Borsa Italiana S.p.A., ABI, Ania, Assogestioni, Assonime and Confindustria, to which the parent has adhered, and with the national and international best practices recognised on the market, CIR has defined the "Guidelines of the Internal Control and Risk Management System" (ICRMS). These outline the governance model of the risk management system (identifying the persons involved and their roles and responsibilities) and define the operating model, including the analysis and reporting activities to be carried out periodically and the related supporting tools and methodologies.

The Board of Directors of CIR has specifically identified the following persons or bodies who are involved in the ICRMS:

- a. the Board of Directors, which performs a role of guidance and assessment of the adequacy of the system;
- b. the Director in charge of the Internal Control and Risk Management System, identified in the person of the Chief Executive Officer, responsible for implementing and maintaining an effective risk management process.
- c. the Control, Risk and Sustainability Committee ("CRSC"), established as part of the administrative body, with the task of supporting the assessments and decisions of the Board of Directors relating to the ICRMS, based on the reports of the various control functions and bodies, as well as the management and the approval of the periodic reports of a financial and non-financial nature;
- d. the Risk Management function, which has the task of supporting the Director in charge of the ICRMS in identifying risks, defining possible impacts and drawing up mitigation measures;
- e. the "risk owners" and, more generally, the members of management, in their role of responsibility, each within the scope of their competence and within the terms established by the corporate organisation, for the identification, management and monitoring of the risks inherent in the area of corporate operations supervised by them.

- f. the Head of Internal Audit, who is in charge of verifying that the ICRMS functions properly, is adequate and consistent with the guidelines defined by the Board of Directors;
- g. the Manager in charge of financial reporting, who is charged with carrying out the duties required by the legislation and by the financial reporting control system;
- h. the Supervisory Body pursuant to art. 6, paragraph 1.b) of Legislative Decree 231/2001, structured in relation to the company's size, segment, complexity and risk profile;
- i. the Board of Statutory Auditors, which supervises, among other things, the effectiveness of the ICRMS;

For a more complete examination of the parent's ICRMS, please refer to paragraph 9 of the Report on Corporate Governance and Ownership Structures for the year 2023, made available to the market within the terms established by the applicable legislation.

Within the framework of its ICRMS, CIR i) adopted and implemented a structured and formalised "ERM- Enterprise Risk Management" process, aimed at the identification, assessment, management and systematic monitoring of the main risks that could jeopardise the achievement of the Group's strategic and business objectives and the definition of adequate information flows within the group, and ii) established the Risk Manager ("RM") function, with the task of ensuring that the process is carried out correctly.

The ERM *framework* has been subject to continuous updating with a view to greater "customisation" and its evolution and improvement, while maintaining continuity with the activities carried on in the past. In particular, the Board of Directors, on 11 March 2024, updated the risk assessment, the related mitigation measures and the strategies to respond to the residual risk.

The ERM process is supervised on several levels: i) the control set up at the level of the parent CIR S.p.A., which has the task of ensuring the functioning of the process with a focus on the parent and its financial holding subsidiaries CIR Investimenti S.p.A. and CIR International S.A, and incorporating the results of the analyses carried out as part of the similar processes set up at the level of the subsidiaries Sogefi S.p.A. and KOS S.p.A.; ii) the controls set up at the level of the two subsidiaries, Sogefi S.p.A. and KOS S.p.A.

The ERM framework is designed to analyse and evaluate, at least once a year, a large portfolio of risks, varied by nature and type, including all of the risks associated with sustainability issues. The risks potentially applicable to the Group's business model are represented in the so-called Risk Model, and grouped into four main risk categories:

- **Strategic Risks**, relating to the external and business context or to strategic decisions, which can significantly influence the Group's performance and/or the achievement of its strategic objectives.
- **Financial Risks**, linked in general to the performance of the financial markets, and in particular to exchange rates, interest rates and share prices, as well as credit/counterparty risk and the availability of liquid resources, which could affect the results and the sustainability of the Group's plans.
- **Legal and Compliance Risks**, relating to non-compliance with applicable laws and regulations, and/or internal Codes, Policies and Procedures, which could lead to legal disputes, financial losses and potentially negative effects on the Group's reputation.
- **Operational Risks**, which can influence the effectiveness/efficiency of business processes, compromising the creation of value.

Within these categories, the main risks to which the parent and its subsidiaries are potentially exposed are identified and represented below.

In order to measure the relevance of the identified risks, and consequently manage them effectively, an assessment of the inherent risk is carried out based on two parameters: the probability of the risk event occurring (likelihood) and the potential impact (financial/reputational/ operational/other), should it happen. The assessment then takes into

account the measures taken to mitigate each risk and thus identifies the residual risk. Top priority risks are managed, for the purpose of their mitigation, by means of ad hoc action plans and their evolution is periodically monitored.

The results of the ERM process are also used by Internal Audit for the preparation of its annual Audit Plan, which therefore takes on a risk-based connotation in line with best practices, directing activities and resources towards those areas considered most critical and/or at risk. For further details on the characteristics and functioning of the Internal Control and Risk Management System, please refer to the Annual Report on Corporate Governance available on the group's website.

In light of the assessments carried out during 2023, the most significant risks were identified in relation to the company's own activities, as a financial and investment holding company. The risk assessments carried out by the operating subsidiaries in relation to their respective activities in the Healthcare (KOS) and Automotive segments (Sogefi) have also been included.

7.1 Risks inherent in the Parent and financial holding companies

Strategic risks

The main strategic risk for the parent is a possible decline in the value of its controlling interests (in KOS and Sogefi) due to adverse exogenous factors such as: an unfavourable trend in the respective segments (Healthcare and Automotive) in terms of market demand and/or increased competition; reduction of public funding levels (for KOS); regulation; increases in the prices of raw materials and energy; relationships with customers and suppliers; technological evolutions, also linked to climate change.

In order to be able to mitigate the impact of these risks, CIR S.p.A. has laid down procedures to ensure effective monitoring of the subsidiaries' operations, in order to promptly identify the onset of any risk factors, to prompt the taking of appropriate countermeasures and to verify their implementation.

Financial risks

The value of the investment portfolio held by CIR S.p.A. and by the financial holding companies (CIR Investimenti S.p.A. and CIR International S.A.) is exposed to the risk of suffering a decrease due to exogenous factors linked to the negative performance by financial markets (market risk, credit/counterparty risk and unfavourable evolution of interest and exchange rates).

A further risk in the financial sphere is the possible lack of short-term liquidity to meet financial commitments or investments and/or other uses. This risk could arise from the inability to monetise the financial assets held, in the event of need, due to a possible deterioration in the liquidity conditions of the financial markets, or in the redemption terms stipulated in fund investment contracts.

The main mitigating factor is the adoption by the parent's Board of Directors, on an annual basis, at the proposal of the Chief Financial Officer, of a prudent investment policy based on the criteria of Value at Risk (VaR) containment, high portfolio diversification and liquidity of the financial assets held.

For more details on the parent's and the Group's exposure to these risks, please refer to the paragraph "19. Financial risk management: additional disclosure" in the notes to the consolidated financial statements and to the paragraph "23. Other information" in the notes to the financial statements.

Legal and compliance risks

The main risks in this area are the management of taxation, administrative-accounting processes, compliance with regulations (e.g. regarding Health, Safety in the work place, Privacy, ESG) and the management of privileged information.

To mitigate these risks, the parent has adopted specific procedures in each area, identifying responsibilities, controls and processes, the effective application of which is periodically verified by the Internal Audit function.

Operational risks

The main operational risks identified by the parent concern possible damage to its property, plant and equipment or investment property and/or indemnities to third parties deriving from the parent's activity (mitigated through the stipulation of appropriate insurance coverage), dependence on key figures (mitigated by the adoption of a Succession Plan) and IT security.

7.2 Risks inherent in the KOS group

Strategic risks

The main strategic risks identified by the KOS group are those related to dependence on the public sector and the changing regulatory environment in the health and social sector, and reputational risks.

As for dependence on the public sector, 62% of the KOS Group's revenue in 2023 have public bodies as counterparties, such as Municipalities and Regions in Italy and state pension funds in Germany. It follows that any decrease in the spending capacity of these public bodies and the potential inability of KOS group companies to diversify their sources of revenue could have a negative impact on the group's results and financial position. The diversification of public counterparties at international and regional level as well as the activities carried out and the presence in the territory and in trade associations constitute mitigating elements. In addition, in order to reduce dependence on the public sector, the KOS Group has developed and continues to expand its private-sector service offerings and, as of 2021, has created the Innovative Services function with the aim of developing new services with a strong digital connotation.

As regards the risks associated with the legislative and regulatory framework, KOS group companies are subject to: i) national regulations on accreditation for the activities in which the Group operates; ii) the policies for allocating spending budgets and the tariff review policies by public health management bodies. It cannot be excluded that changes to these regulations and policies could have a significant impact on the group's economic situation. Geographical and activity type diversification is a mitigating factor, as regulations and budget allocation policies are mainly decided on a regional scale. On account of the services provided by the Company, it is significantly exposed to reputational risks arising from ineffective management of any negative events or ineffective governance of communications to users and stakeholders. In order to contain and manage the reputational risk, the KOS Group pays the utmost attention to preventing negative events and manages institutional and media relations, promoting its image and values.

Risks linked to the macro-economic and financial context

The main risks related to the macroeconomic and financial context identified by KOS concern *i)* risks related to the increase in costs in a context of high inflation that developed in 2022 and 2023, with significant impacts on the company's profitability *ii)* credit risk, given by the concentration on certain public counterparties, which is however mitigated by their high creditworthiness, diversification on a large number of other counterparties and exposure also to highly fragmented private customers; *iii)* interest rate risk, which affects the cost of financing, which is in any case considered not particularly relevant and well monitored and managed through appropriate hedging policies.

Operational risks

In the operational field, KOS has identified as significant: *i)* the risks associated with litigation, deriving from claims for compensation for civil liability, for events occurring in the context of the core business (e.g. clinical errors, patients falling, accidents,...), against which a structured monitoring and management system is in place, along with effective insurance coverage; *ii)* the

risks associated with the retention of healthcare personnel and the procurement of the professional skills needed to run the business, for which KOS has launched specific initiatives to increase its appeal to personnel.

Intensification of the physical risks associated with climate change is also an element that could affect the Group's activities. Rapid deterioration of the climate affects the frequency of so-called acute phenomena (such as storms, floods, fires, heat waves, etc.). In 2022, KOS carried out an analysis of the physical risks associated with climate change for its healthcare facilities. This analysis was carried out for each location, considering both acute and chronic risks, based on 4 main aspects (temperature, wind, water and solid mass) and two different scenarios (optimistic and pessimistic). The 4 specific risks considered significant are the chronic risk of thermal stress, the acute risk of cold spells, the acute risk of heat waves and the chronic risk of water stress, which will be managed as operational risks. The results of this analysis, which was performed with the support of specialised consultants, show that 94% of KOS locations are "Low" risk and that none of the KOS facilities need to be relocated or require structural adaptation to cope with climate risk. Based on these results, and considering that the climatic events that occurred in 2023 did not have an impact on any of the KOS Group's facilities, the need for structural interventions by the Company has not been highlighted and therefore the risk is considered moderately relevant.

Legal and compliance risks

The companies of the KOS Group are subject to national regulations regarding: (i) accreditation and methods of carrying on healthcare activities; (ii) environmental protection (storage of special waste, use and management of hazardous substances); (iii) construction; (iv) fire prevention; (v) workplace safety. The risks of non-compliance with these regulations are monitored through the supervision of the relevant central functions and are subject to control activities by the Internal Audit function. Further risks, overseen by the internal control function, concern the possible violation of corporate ethical principles, such as compliance with Group policies and procedures and respect for anti-corruption regulations.

7.3 Risks inherent in the Sogefi group

Strategic risks

The main strategic risks identified by the Sogefi group are those related to (i) the global and market context; (ii) climate change, and in particular the transition to e-mobility; (iii) the company's technological innovation.

As far as the **global context** is concerned, there is the risk of returning to a competitive dynamic highly focused on sales prices; in this scenario, the major OEMs would transfer strong price pressure throughout the value chain, potentially posing a risk to the margins of products sold by Sogefi. In this context, Sogefi pays the utmost attention to retaining its profitability through i) appropriate sourcing strategies and ii) careful management of relations and agreements with its customers.

There is also a risk of a drop in demand in the automotive sector: after the growth of 2023, in a context of uncertainty related to macroeconomic and technological developments, a drop in the market and a consequent contraction of sales volumes cannot be ruled out, in correlation with an economic recession or a downturn in the automotive sector. This risk is most relevant for the Air & Cooling and Suspensions Business Units, which focus on the OE market, and for the European market. Sogefi monitors risk through i) constant monitoring of the backlog by geographic area/market/product line; ii) constant interaction with customers to identify and anticipate possible risks.

Particularly relevant for Sogefi are the **transition risks** related to the regulations put in place for climate change mitigation. The regulatory framework is in fact giving strong impetus to decarbonisation and emission reduction, with impacts on (i) industrial processes and (ii) products, which will have to progressively move towards e-mobility. In view of the above, Sogefi is

closely monitoring regulatory developments and has drawn up a roadmap focused on the development of the e-mobility product range. The Group has also implemented several actions aimed at reducing emissions: i) installation of solar panels (with the progressive coverage of an additional plant per year); ii) production efficiency actions to reduce energy consumption for the same production; iii) in production processes, switching from gas to electricity/hydrogen when operationally possible; and iv) progressive increase in the purchase of green energy.

As regards the risks relating to the company's **technological innovation**, in the current context of technological transition towards EVs, Sogefi could i) lose market share due to the failure to develop innovative technologies and solutions required by the market or as a result of the introduction of disruptive new products by competitors, and/or ii) incur extra costs for the development of new products. This risk particularly concerns the Filtration and, to a lesser extent, Air and Cooling divisions, which have product ranges specifically intended for the ICE (Internal Combustion Engine) segment. In order to reduce the risks associated with technological innovation, and to seize all the opportunities offered by the technological transition, the Group has strengthened its R&D Function through new hires and has formulated a plan for the development of new products dedicated to e-mobility, defining specific targets in terms of sales of new e-mobility products, value of orders for e-mobility products; R&D expenditure for e-mobility products.

Operational risks

The main operational risks identified by Sogefi relate to *i)* the attraction, retention and professional development of talent (these risks are duly monitored and controlled by strengthening the recruiting and talent attraction strategy, identifying and enhancing talent and critical skills and developing special retention plans, collecting and analysing employee feedback through internal surveys, organising training activities to develop and enhance managerial and technical skills and, lastly, through brand promotion activities to increase the Group's attractiveness); *ii)* the risk relating to health and safety in the work place, which is monitored and managed through prevention and protection programmes that are constantly monitored and updated; *iii)* the risk of increased labour costs, mitigated through constructive social dialogue in the search for sustainable agreements, careful management of personnel remuneration policy and talent development, and the implementation of variable remuneration measures linked to the achievement of specific objectives; *iv)* product reliability (in terms of quality and safety), an issue that is also well monitored through the application of the main national and international technical reference standards, the identification and monitoring of specific KPIs relating to performance in terms of quality and customer satisfaction, and the obtaining of technical certifications for its production processes; *v)* the possible interruption of the supply chain, a risk that is carefully monitored through appropriate procurement policies, avoiding excessive concentration of the supplier portfolio, carefully monitoring the operational and financial soundness of suppliers and geographically diversifying supplies; *vi)* the possible modification or cancellation of projects by customers, a risk that is mitigated through the careful assessment of the soundness of the counterparty and its projects, the development of partnership relations, increased contractual safeguards and careful monitoring in the project area; *vii)* cyber risks (IT security, breakdowns or service interruptions), which are well monitored through periodic IT risk assessment activities, aimed at directing appropriate prevention and protection actions, training activities and awareness-raising campaigns on Cyber Security, periodic audits by external companies on IT security, and finally, the formulation of specific Disaster Continuity and Recovery Plans; *viii)* risks related to the alignment between planning and production capacity, mitigated through periodic reviews of investment planning and production capacity, constant monitoring of volumes and production capacity at individual plant level; *ix)* risks related to the occurrence of potential crisis events, in relation to which Sogefi is structuring a management system aimed at promptly addressing potential crisis events and safeguarding business continuity, based on international reference standards; *x)* physical risks related to climate change.

Regarding this last risk area, the intensification of climate change-related phenomena and the related impacts on the value chain (e.g. operations, suppliers, customers and markets) represent

one of the main challenges that companies will face in the short and medium to long term. The rapid worsening of the climatic situation affects the frequency of so-called acute phenomena (e.g. storms, floods, fires or heat waves) that may: i) negatively impact the well-being of employees; ii) lead to production interruptions and/or increase operating costs for operating in adverse conditions; iii) damage company assets, reduce their efficiency or increase prevention/maintenance costs; iv) generate interruptions in the supply chain; v) lead to increases in insurance premiums. In 2022, Sogefi, supported by a leading consulting firm, conducted a Climate Risk Assessment to evaluate the impact of climate change on its local production sites, considering a 5-year time horizon (2023-2028). All risks listed in the Climate Change Delegated Act Annex I - Appendix A were analysed and the assessment was carried out for all Group sites, analysing for each risk the exposure and probability of occurrence through specific assessment tools. Risks were classified as acute (related to specific events) or chronic (long-term changes in the climate pattern) based on four main aspects (temperature, wind, water, solid mass). From the analysis of the results of the climate physical assessment and considering that the acute climatic events that occurred in 2023 did not impact any of the Group's plants, the need for structural interventions by the Company has not been highlighted and therefore the risk is considered moderately relevant. During 2024, Sogefi will carry out an update of the climate physical assessment with a time horizon of 10-30 years.

Financial risks

The main financial risks identified by Sogefi concern *i)* fluctuations in commodity prices (raw materials and energy), the costs of which represent a significant part of the cost of production, and which can be subject to volatility, including at significant level, that depend on a wide variety of factors, to a large extent uncontrollable by Sogefi and difficult to predict, such as, for example, changes in demand levels, the introduction of new laws or regulations, exchange rate fluctuations; this risk is managed through an intensified activity of optimisation of production costs (also resorting to new supply sources) and the adjustment of sales prices to changes in raw material prices; *ii)* currency risk, both in translation (deriving from the fact that, despite preparing its financial statements in Euro, Sogefi has controlling interests in companies with functional currencies other than the Euro), and in transactions (deriving from the fact that the Group carries out frequent purchases and sales, both direct and indirect, in currencies other than the functional currency), which is well monitored and managed through appropriate hedging policies.

Legal and compliance risks

The main risks identified by Sogefi in this area concern the violation of ethical principles. The Group's Code of Ethics defines the values by which the Sogefi Group is inspired to achieve its objectives and establishes binding rules of conduct for directors, employees and others who have ongoing relations with the Group.

The Company has also adopted an "Organisation, Management and Control Model pursuant to Legislative Decree no. 231 of 8 June 2001", in line with the provisions of the Decree itself, aimed at ensuring fairness and transparency in the conduct of company activities. Finally, the company has formulated a set of policies and procedures, aimed at sound and conscious management, which are continuously updated, and promotes dedicated training programmes. Thanks to the consolidated internal control system in place, the risks relating to the violation of ethical principles are well monitored.

8. Other information

Treasury shares

At 30 June 2024 the parent owned 20,140,063 treasury shares, equal to 1.923% of share capital.

For more detailed information on treasury shares held, please refer to the comments on equity in the notes to the financial statements.

Definition of performance indicators

In line with recommendation CESR/05-178b published on 3 November 2005 and subsequent ESMA's new guidance 1095/2010 of 15 October 2015, the criteria used for constructing the main performance indicators that management considers useful for monitoring the Group's performance are reported below.

EBITDA: this is the sum of "Operating profit" and "Amortisation, depreciation and write-downs".

At 30 June 2024 there were no non-recurring expense as defined by Consob in communication DEM/6064293 of 28 July 2006.

Main risks and uncertainties to which the Group is exposed

The main risk factors to which the CIR Group is exposed are essentially the same as those that characterised the year 2023. For risks and uncertainties related to specific events, please refer to the paragraph "Performance of the Business Segments" and the paragraph "Outlook" of this Report and the paragraph "Risk Management" of the Notes to the condensed interim consolidated financial statements at 30 June 2024.

Related party transactions

With regard to significant transactions with related parties, as required by Article 154-ter, paragraph 4 of Legislative Decree 58/98, please refer to paragraph 22 'Other Information' of the notes to the condensed interim consolidated financial statements at 30 June 2024.

Other

CIR S.p.A. - Compagnie Industriali Riunite has its registered office in Via Giovassino 1, 20121 Milan, Italy.

CIR shares are quoted on the Milan Stock Exchange, Euronext Milan segment, FTSE Italia Mid Cap index.

This report for the period 1 January - 30 June 2024 was approved by the Board of Directors on 29 July 2024.

The parent is subject to management and coordination by Fratelli De Benedetti S.p.A.

Condensed interim consolidated financial statements

Consolidated financial statements

Notes to the condensed interim
consolidated financial statements



Consolidated financial statements

1. Statement of financial position
2. Income statement
3. Statement of comprehensive income
4. Statement of cash flows
5. Statement of changes in equity

1. Statement of financial position

(in thousands of euro)

ASSETS	Notes	30.06.2024	31.12.2023
NON-CURRENT ASSETS		1,961,272	2,198,637
INTANGIBLE ASSETS AND GOODWILL	(3.a.)	482,018	577,208
PROPERTY, PLANT AND EQUIPMENT	(3.b.)	511,690	613,225
RIGHT-OF-USE ASSETS	(3.c.)	815,950	821,368
INVESTMENT PROPERTY	(3.d.)	2,366	2,426
EQUITY-ACCOUNTED INVESTMENTS	(3.e.)	670	670
OTHER EQUITY INVESTMENTS	(3.f.)	1,828	1,872
OTHER ASSETS	(3.g.)	17,426	36,141
OTHER FINANCIAL ASSETS, INCLUDING DERIVATIVES	(3.h.)	65,098	72,932
DEFERRED TAX ASSETS	(3.i.)	64,226	72,795
CURRENT ASSETS		1,108,211	1,021,650
INVENTORIES	(4.a.)	87,881	143,605
TRADE RECEIVABLES	(4.b.)	211,547	254,658
OTHER ASSETS	(4.c.)	65,688	67,254
LOAN ASSETS	(4.d.)	15,255	16,014
SECURITIES	(4.e.)	135,591	74,806
OTHER FINANCIAL ASSETS, INCLUDING DERIVATIVES	(4.f.)	415,742	315,322
CASH AND CASH EQUIVALENTS	(4.g.)	176,507	149,991
ASSETS HELD FOR SALE	(4.h.)	--	10,976
TOTAL ASSETS		3,069,483	3,231,263
LIABILITIES		30.06.2024	31.12.2023
EQUITY		1,195,673	1,034,851
SHARE CAPITAL	(5.a.)	420,000	420,000
RESERVES	(5.b.)	282,823	298,183
RETAINED EARNINGS	(5.c.)	46,157	2,640
PROFIT FOR THE PERIOD		114,269	32,792
EQUITY ATTRIBUTABLE TO THE OWNERS OF THE PARENT		863,249	753,615
EQUITY ATTRIBUTABLE TO NON-CONTROLLING INTERESTS		332,424	281,236
NON-CURRENT LIABILITIES		1,166,180	1,375,533
BONDS	(6.a.)	35,063	79,870
OTHER FINANCIAL LIABILITIES	(6.b.)	213,825	345,038
LEASE LIABILITIES	(6.c.)	788,709	793,256
OTHER LIABILITIES		41,454	57,379
DEFERRED TAX LIABILITIES	(3.i.)	43,417	48,172
EMPLOYEE BENEFITS	(6.d.)	36,579	42,530
PROVISIONS	(6.e.)	7,133	9,288
CURRENT LIABILITIES		705,396	812,809
BANK LOANS AND BORROWINGS	(4.g.)	406	659
BONDS	(7.a.)	118,631	72,166
OTHER FINANCIAL LIABILITIES	(7.b.)	53,569	73,985
LEASE LIABILITIES	(7.c.)	71,169	72,214
TRADE PAYABLES	(7.d.)	250,248	326,252
OTHER LIABILITIES	(7.e.)	169,760	217,002
PROVISIONS	(6.e.)	41,613	50,531
LIABILITIES RELATED TO ASSETS HELD FOR SALE	(4.h.)	2,234	8,070
TOTAL LIABILITIES AND EQUITY		3,069,483	3,231,263

2. Income statement

(in thousands of euro)

	Notes	1st half 2024	1st half 2023(*)
REVENUE	(8)	928,182	909,568
CHANGE IN INVENTORIES		(1,643)	5,673
COSTS FOR THE PURCHASE OF GOODS	(9.a.)	(326,392)	(353,128)
COSTS FOR SERVICES	(9.b.)	(135,922)	(141,383)
PERSONNEL EXPENSES	(9.c.)	(309,944)	(300,188)
OTHER OPERATING INCOME	(9.d.)	8,333	20,333
OTHER OPERATING COSTS	(9.e.)	(28,179)	(29,538)
AMORTISATION, DEPRECIATION & IMPAIRMENT LOSSES		(84,956)	(82,774)
OPERATING PROFIT		49,479	28,563
FINANCIAL INCOME	(10.a.)	12,886	7,407
FINANCIAL EXPENSE	(10.b.)	(35,743)	(31,858)
DIVIDENDS		22	27
GAINS FROM SECURITIES TRADING	(10.c.)	5,166	872
LOSSES FROM SECURITIES TRADING	(10.d.)	(2,256)	(382)
SHARE OF PROFIT (LOSS) OF EQUITY-ACCOUNTED INVESTMENTS	(3.e.)	--	--
NET FAIR VALUE LOSSES ON FINANCIAL ASSETS	(10.e.)	11,060	(359)
PROFIT BEFORE TAXES		40,614	4,270
INCOME TAXES	(11)	(12,942)	(4,567)
PROFIT (LOSS) FROM CONTINUING OPERATIONS		27,672	(297)
PROFIT FROM DISCONTINUED OPERATIONS	(12)	154,149	30,437
PROFIT FOR THE PERIOD INCLUDING NON-CONTROLLING INTERESTS		181,821	30,140
- PROFIT ATTRIBUTABLE TO NON-CONTROLLING INTERESTS		(67,552)	(16,193)
- PROFIT ATTRIBUTABLE TO THE OWNERS OF THE PARENT		114,269	13,947
BASIC EARNINGS PER SHARE (in euro)	(13)	0.1088	0.0130
DILUTED EARNINGS PER SHARE (in euro)	(13)	0.1081	0.0129
BASIC EARNINGS PER SHARE FROM CONTINUING OPERATIONS (IN EURO)	(13)	0.0264	(0.0003)
DILUTED EARNINGS PER SHARE FROM CONTINUING OPERATIONS (IN EURO)	(13)	0.0262	(0.0003)

(*) Values for H1 2023, relating to "Assets held for sale", were reclassified following the application of IFRS 5 "Non-current Assets Held for Sale and Discontinued Operations" to the line "Profit from discontinued operations".



3. Statement of comprehensive income

(in thousands of euro)

	<i>1st half 2024</i>	<i>1st half 2023</i>
PROFIT FOR THE PERIOD INCLUDING NON-CONTROLLING INTERESTS	181,821	30,140
OTHER COMPREHENSIVE INCOME		
<i>ITEMS THAT WILL NEVER BE RECLASSIFIED TO PROFIT OR LOSS</i>		
- NET ACTUARIAL GAINS	1,372	798
- TAX EFFECT OF ITEMS THAT WILL NEVER BE RECLASSIFIED TO PROFIT OR LOSS	(347)	(163)
SUB-TOTAL OF ITEMS THAT WILL NEVER BE RECLASSIFIED TO PROFIT OR LOSS	1,025	635
<i>ITEMS THAT MAY SUBSEQUENTLY BE RECLASSIFIED TO PROFIT OR LOSS</i>		
- EXCHANGE DIFFERENCES ON TRANSLATION OF FOREIGN OPERATIONS	4,487	(8,483)
- NET FAIR VALUE LOSSES ON CASH FLOW HEDGES	(2,736)	(424)
- OTHER COMPREHENSIVE INCOME (EXPENSE)	--	--
- TAX EFFECT OF ITEMS THAT MAY SUBSEQUENTLY BE RECLASSIFIED TO PROFIT OR LOSS	656	101
SUB-TOTAL OF ITEMS THAT MAY SUBSEQUENTLY BE RECLASSIFIED TO PROFIT OR LOSS	2,407	(8,806)
OTHER COMPREHENSIVE INCOME (EXPENSE)	3,432	(8,171)
COMPREHENSIVE INCOME FOR THE PERIOD	185,253	21,969
COMPREHENSIVE INCOME FOR THE PERIOD ATTRIBUTABLE TO:		
OWNERS OF THE PARENT	116,186	9,312
NON-CONTROLLING INTERESTS	69,067	12,657

4. Statement of cash flows

(in thousands of euro)

	1st half 2024	1st half 2023(*)
OPERATING ACTIVITIES		
PROFIT FOR THE PERIOD	181,821	30,140
PROFIT FROM DISCONTINUED OPERATIONS	(154,149)	(30,437)
ADJUSTMENTS:		
- AMORTISATION, DEPRECIATION & IMPAIRMENT LOSSES	84,956	82,774
- MEASUREMENT OF STOCK OPTION AND STOCK GRANT PLANS	923	913
- CHANGES IN EMPLOYEE BENEFIT OBLIGATIONS, PROV. FOR RISKS & CHARGES	(4,993)	(711)
- FAIR VALUE (GAINS) LOSSES ON FINANCIAL ASSETS	(11,060)	359
- GAINS ON DISPOSAL OF NON-CURRENT ASSETS	(2,811)	(548)
- OTHER NON-MONETARY CHANGES	(3,148)	(8,225)
- INCREASE (DECREASE) IN NON-CURRENT ASSETS/LIABILITIES	(2,513)	(6,289)
- (INCREASE) DECREASE IN NET WORKING CAPITAL	(23,154)	(22,223)
CASH FLOWS FROM OPERATING ACTIVITIES	65,872	45,753
of which:		
- interest received (paid)	(10,849)	(8,523)
- income tax paid	(6,164)	(5,339)
INVESTING ACTIVITIES		
CONSIDERATION PAID FOR BUSINESS COMBINATIONS	--	(1,300)
NET FINANCIAL POSITION OF ACQUIRED COMPANIES	--	1,131
CHANGE IN OTHER FINANCIAL ASSETS AND LOAN ASSETS	4,637	(51,934)
(PURCHASE) SALE OF SECURITIES	(152,718)	24,535
SALE OF NON-CURRENT ASSETS	12,421	5,277
PURCHASE OF NON-CURRENT ASSETS	(43,837)	(25,073)
CASH FLOWS USED IN INVESTING ACTIVITIES	(179,497)	(47,364)
FINANCING ACTIVITIES		
SETTLEMENT OF OTHER LOANS AND BORROWINGS	(150,662)	(2,115)
REPAYMENT OF LEASE LIABILITIES	(34,342)	(29,401)
REPURCHASE OF TREASURY SHARES OF GROUP COMPANIES	(11,992)	(7,738)
DIVIDENDS PAID	(19,154)	(508)
CASH FLOWS USED IN FINANCING ACTIVITIES	(216,150)	(39,762)
INCREASE (DECREASE) IN NET CASH & CASH EQUIVALENTS OF CONTINUING OPERATIONS	(329,775)	(41,373)
OPENING CASH FLOWS/NET CASH & CASH EQUIVALENTS FROM DISCONTINUED OPERATIONS	356,544	55,102
INCREASE (DECREASE) IN NET CASH & CASH EQUIVALENTS	26,769	13,729
OPENING NET CASH & CASH EQUIVALENTS	149,332	217,695
CLOSING NET CASH & CASH EQUIVALENTS	176,101	231,424

(*) Values for H1 2023, relating to "Assets held for sale", were reclassified following the application of IFRS 5 "Non-current Assets Held for Sale and Discontinued Operations" to the line "Loss from discontinued operations".

5. Statement of changes in equity

	Attributable to the owners of the parent										Non-controlling interests	Total
	Share capital issued	Share premium	Legal reserve	Fair value reserve	Translation reserve	Stock option and stock grant reserve	Other reserves	RETAINED EARNINGS	Profit (loss) for the period/year	Total		
<i>(in thousands of euro)</i>												
BALANCE AT 31 December 2022	420,000	5,044	25,621	2,244	(28,590)	3,730	298,506	17,061	(257)	743,359	260,818	1,004,177
Increase (Decrease) in capital	--	--	--	--	--	--	--	--	--	--	--	--
Dividends to Shareholders	--	--	--	--	--	--	--	--	--	--	(6,808)	(6,808)
Allocation of the profit of the previous year	--	--	152	--	--	--	2,893	(3,302)	257	--	--	--
Fair value losses on treasury shares	--	--	--	--	--	--	--	(7,738)	--	(7,738)	--	(7,738)
Notional cost of share-based plans	--	--	--	--	--	642	--	--	--	642	--	642
Reclassifications	--	--	--	--	--	(538)	52	486	--	--	--	--
Effects of changes in equity attributable to subsidiaries	--	--	--	(3)	33	--	1,713	--	--	1,743	2,019	3,762
<i>Comprehensive income for the period</i>												
Fair value losses on cash flow hedges	--	--	--	(182)	--	--	--	--	--	(182)	(141)	(323)
Translation differences	--	--	--	--	(4,812)	--	--	--	--	(4,812)	(3,671)	(8,483)
Net actuarial gains	--	--	--	--	--	--	359	--	--	359	276	635
Profit for the period	--	--	--	--	--	--	--	--	13,947	13,947	16,193	30,140
<i>Comprehensive income for the period</i>	--	--	--	(182)	(4,812)	--	359	--	13,947	9,312	12,657	21,969
BALANCE AT 30 June 2023	420,000	5,044	25,773	2,059	(33,369)	3,834	303,523	6,507	13,947	747,318	268,686	1,016,004
BALANCE AT 31 December 2023	420,000	5,044	25,773	1,166	(38,006)	4,464	299,742	2,640	32,792	753,615	281,236	1,034,851
Increase (Decrease) in capital	--	--	--	--	--	--	--	--	--	--	--	--
Dividends to Shareholders	--	--	--	--	--	--	--	--	--	--	(19,154)	(19,154)
Allocation of the profit of the previous year	--	--	--	--	--	--	(6,720)	39,512	(32,792)	--	--	--
Fair value losses on treasury shares	--	--	--	--	--	--	(11,992)	--	--	(11,992)	--	(11,992)
Notional cost of share-based plans	--	--	--	--	--	655	--	--	--	655	--	655
Reclassifications	--	--	--	--	--	(889)	(3,116)	4,005	--	--	--	--
Effects of changes in equity attributable to subsidiaries	--	--	--	1	52	--	4,732	--	--	4,785	1,275	6,060
<i>Comprehensive income for the period</i>												
Fair value losses on cash flow hedges	--	--	--	(1,170)	--	--	--	--	--	(1,170)	(910)	(2,080)
Translation differences	--	--	--	--	2,510	--	--	--	--	2,510	1,977	4,487
Net actuarial gains	--	--	--	--	--	--	577	--	--	577	448	1,025
Profit for the period	--	--	--	--	--	--	--	--	114,269	114,269	67,552	181,821
<i>Comprehensive income for the period</i>	--	--	--	(1,170)	2,510	--	577	--	11,4269	116,186	69,067	185,253
BALANCE AT 30 June 2024	420,000	5,044	25,773	(3)	(35,444)	4,230	283,223	46,157	114,269	863,249	332,424	1,195,673

Notes to the condensed interim consolidated financial statements

1. Basis of preparation

These condensed interim consolidated financial statements of the CIR Group - Compagnie Industriali Riunite (the "Group") at 30 June 2024 have been prepared in accordance with the International Financial Reporting Standards (IFRS) adopted by the European Union, as well as all the measures issued in implementation of art. 9 of Legislative Decree 38/05, on a going-concern basis. This takes into account the fact that, on the basis of the most recent forecasts prepared by management, over a minimum time horizon of 12 months the companies of the Group have sufficient liquidity to meet their commitments and expect to comply with any covenants in their loan agreements.

These condensed interim consolidated financial statements have been prepared in condensed form in accordance with IAS 34 'Interim Financial Reporting'. This means that they do not include all of the information required for annual financial statements and should be read in conjunction with the annual report as at and for the year ended 31 December 2023. Even though they do not include all the information required for complete disclosure, specific explanatory notes are included to explain events and transactions that are relevant to understanding changes in the Group's financial position and performance since the last set of annual financial statements. The same accounting principles, recognition and measurement criteria, as well as consolidation methods, adopted in preparing the consolidated financial statements at 31 December 2023 were also applied to these condensed interim consolidated financial statements, with the exception of the new accounting standards in force as of 1 January 2024 for which reference is made to the section entitled "Basis of consolidation".

The condensed interim consolidated financial statements at 30 June 2024 include the parent CIR S.p.A. and its subsidiaries, and were prepared using the financial statements of the individual companies included in the consolidation scope; these correspond to their separate interim financial statements or the consolidated interim financial statements of sub-groups, examined and approved by their respective boards and amended and re-stated where necessary to bring them into line with the accounting policies listed below, providing they are compatible with Italian regulations.

The presentation criteria adopted are as follows:

- the statement of financial position is organised by matching items on the basis of current and non-current assets and liabilities;
- the income statement is shown by type of expenditure;
- the statement of comprehensive income shows the income and expense items that are in suspense in equity;
- the statement of cash flows has been prepared using the indirect method;
- the statement of changes in equity gives a breakdown of the changes that took place in the reporting period and in the same period of the previous year.

The figures for the first half of 2023 have been restated in order to apply IFRS 5 ("Non-current assets held for sale and discontinued operations") to the Sogefi group, with reference to the activities of the Filtration segment, following completion of the sale of the shares of the companies belonging to this segment in May 2024.

The classification, form, order and nature of the financial statement items have not changed compared to the consolidated financial statements approved at 31 December 2023.

The financial statements of each of the companies within the consolidation scope are prepared in the currency of the main geographical area in which it operates ("functional currency"). For the purposes of the consolidated financial statements, the assets and liabilities of foreign companies that use functional currencies other than the euro, including goodwill and fair value adjustments

generated by the acquisition of a foreign company, are translated at the exchange rates in force at the end of the period. Revenue, income, costs and charges are all translated at average exchange rates for the period, which approximate those of the underlying transactions. Exchange gains or losses are recognised in the statement of comprehensive income and shown in the statement of changes in equity in the "Translation reserve". Exchange gains and losses on monetary amounts receivable or payable to foreign operations, the collection or payment of which is neither planned nor probable in the foreseeable future, are considered part of the net investment in foreign operations, are accounted for in other components of comprehensive income and shown in the statement of changes in equity in the "Translation reserve".

The condensed interim consolidated financial statements at 30 June 2024 were approved by the Board of Directors on 29 July 2024.

Information on IFRS 5

Sogefi group

In May 2024, the Sogefi group finalised the transfer of the shares of the companies belonging to the Filtration segment (the "*Discontinued Operations*").

In this regard, the following entries have been made in the condensed interim consolidated financial statements at 30 June 2024:

- in the income statement and the statement of comprehensive income at 30 June 2024 and for comparative purposes at 30 June 2023, the items of revenue and income, costs and charges and the capital gain recorded with the sale, less the sale costs relating to the *Discontinued Operations* have been reclassified to "*Profit from discontinued operations*";
- in the statement of cash flows for the period ended 30 June 2024, and for comparative purposes 30 June 2023, the individual flows generated by the activities constituting the *Discontinued Operations* have been reclassified to "*Cash flow generated by assets held for sale*" excluding from the cash flow generated by *continuing operations* the effects of the flows of the two subsidiaries.

The income statement and statement of comprehensive income for the Filtration segment at 30 June 2024 are shown below in detail. The figures at 30 June 2023, in the income statement and the cash flow statement, also include the amounts for the Suspensions business in Mexico sold in October 2023.

INCOME STATEMENT*(in thousands of euro)*

	1st half 2024	1st half 2023
REVENUE	244,844	313,574
COSTS	(214,639)	(272,504)
OPERATING PROFIT	30,205	41,070
NET FINANCIAL EXPENSE	(1,846)	(2,828)
INCOME TAXES	(6,180)	(8,966)
NET PROFIT FOR THE PERIOD	22,179	29,276
COSTS INCURRED IN THE SALE, NET OF THE TAX EFFECT	(10,214)	--
RECLASSIFICATION OF EXCHANGE DIFFERENCES FROM EQUITY TO PROFIT/LOSS FOR THE PERIOD	(6,017)	--
CAPITAL GAIN ON DISPOSAL	130,493	--
PROFIT FROM DISCONTINUED OPERATIONS	136,441	29,276

STATEMENT OF COMPREHENSIVE INCOME*(in thousands of euro)*

	1st half 2024	1st half 2023
NET PROFIT FOR THE PERIOD	136,441	29,276
OTHER COMPREHENSIVE INCOME (EXPENSE)	6017	--
COMPREHENSIVE INCOME	142,458	29,276

STATEMENT OF CASH FLOWS*(in thousands of euro)*

	30/06/2023
CASH FLOWS FROM OPERATING ACTIVITIES	48,677
CASH FLOWS USED IN INVESTING ACTIVITIES	(4,046)
CASH FLOWS USED IN FINANCING ACTIVITIES	(6,405)
INCREASE (DECREASE) IN NET CASH & CASH EQUIVALENTS	38,226

Significant estimates and assumptions

The preparation of these condensed interim consolidated financial statements and the Notes thereto in accordance with IFRS requires management to make estimates and assumptions which affect the carrying amounts of the assets and liabilities shown therein, as well as the disclosures made regarding contingent assets and liabilities at the reporting date.

The estimates and assumptions used are based on experience and other factors considered relevant and include a considerable degree of subjectivity. The actual results could differ from these estimates.

Estimates and assumptions are reviewed periodically and the effects of any changes are reflected in the income statement for the period in which the amendment is made if the amendment only affects that period, or also in subsequent periods if the amendment affects both the current and future periods.

In view of the impacts of the current macroeconomic and financial situation and of the Russia-Ukraine conflict, these estimates have a high degree of uncertainty, which could affect the

assessments and the estimate of the carrying amounts of assets and liabilities, affected by greater volatility.

The items in the financial statements mainly affected by such a assessment process are:

- Non-financial assets subject to impairment testing;
- Inventories;
- Receivables;
- Other financial assets at fair value;
- Deferred tax assets;
- Provisions for risks, such as onerous contracts according to IAS 37.

The assessments made did not show significant impacts on the condensed interim consolidated financial statements. The following paragraphs of the Notes to the financial statements include the relevant information regarding the estimates listed above.

1.a. Translation of foreign companies' financial statements into euro

The financial statements of foreign subsidiaries in countries not belonging to the single currency are translated into euro at period-end exchange rates for the statement of financial position, while the income statement is translated at average exchange rates for the period. Any exchange gains or losses arising on translation of equity at the closing exchange rate and of the income statement at the average rate are recognised under "Other reserves" in equity.

The main exchange rates used are the following:

	1st half 2024		1st half 2023	
	Average exchange rate	30.06.2024	Average exchange rate	30.06.2023
US dollar	1.0812	1.0705	1.0811	1.0866
GB pound	0.8545	0.8464	0.8766	0.8583
Brazilian real	5.4945	5.8915	5.4834	5.2788
Argentine peso	975.3883	975.3883	278.5022	278.5022
Chinese renminbi	7.8009	7.7748	7.4895	7.8983
Indian rupee	90.0090	89.2495	88.8889	89.2065
New Romanian leu	4.9741	4.9773	4.9339	4.9635
Canadian dollar	1.4685	1.4670	1.4569	1.4415
Mexican peso	18.5185	19.5654	19.6541	18.5614
Moroccan dirham	10.8319	10.6550	11.0241	10.7560

1.b. Consolidation scope

The Group's condensed interim consolidated financial statements at 30 June 2024 and consolidated financial statements for the previous year are the result of the consolidation of the parent CIR and of all directly and indirectly controlled, jointly controlled or associated companies at those dates. Assets held for sale and liabilities related to assets held for sale are reclassified to specific asset and liability items to highlight these circumstances.

A list of the equity investments included in the consolidation scope, with an indication of the consolidation method used, is provided in a specific section of these financial statements, along with a list of those that have been excluded.

1.c. Change in the consolidation scope

The main changes in the consolidation scope compared with the previous year concern the following:

- *Healthcare*

There were no changes in the consolidation scope during the period.

- *Automotive components*

The following changes in the consolidation scope occurred during the period:

- in the first half of 2024, the subsidiary Sogefi Air & Cooling S.A.S. acquired the remaining 49% of the share capital of the French company ATN Molds & Parts S.A.S.;
- sale of the Filtration division in May 2024. The effects of this sale are described in the paragraph "Information on IFRS 5".

- *Other companies*

There were no changes in the consolidation scope during the period.

2. Basis of consolidation

Except as noted below, these condensed interim consolidated financial statements have been prepared using the same accounting principles applied by the Group to the consolidated financial statements for the year ending 31 December 2023.

IFRS standards, amendments and interpretations applied from 1 January 2024:

The following IFRS standards, amendments and interpretations were applied for the first time by the group with effect from 1 January 2024:

- Amendment to IAS 7: "Statement of Cash Flows and IFRS 7 Financial Instruments: *Disclosures: Supplier Finance Arrangements*" (issued on 25 May 2023). The amendments are effective from the years starting 1 January 2024. At 30 June 2024, this amendment did not have any impact on the Group's condensed interim consolidated financial statements.
- Amendment to IFRS 16 "*Leases: Lease Liability in a Sale and Leaseback*" (issued on 22 September 2022). The amendments are effective from the years starting 1 January 2024. At 30 June 2024, this amendment did not have any impact on the Group's condensed interim consolidated financial statements.
- Amendment to IAS 1: "*Presentation of Financial Statements: Classification of Liabilities as Current or Non-current*", '*Classification of Liabilities as Current or Non-current - Deferral of Effective Date*' and '*Non-current Liabilities with Covenants*' (issued on 23 January 2020, 15 July 2020 and 31 October 2022, respectively). The amendments are effective from the years starting 1 January 2024. At 30 June 2024, this amendment did not have any impact on the Group's condensed interim consolidated financial statements.

IFRS and IFRIC standards, amendments and interpretations endorsed by the European Union, but not yet mandatory, and not adopted in advance by the Group at 30 June 2024

At the date of this financial report, there are no new and amended standards that have been issued but are not yet in force.

IFRS Standards, amendments and interpretations not yet endorsed by the European Union

At the reporting date, the competent bodies of the European Union had not yet completed the endorsement process necessary for the adoption of the following amendments and standards. The Directors are currently assessing the potential effects of these amendments on the Group's consolidated financial statements:

- Lack of Exchangeability (Amendments to IAS 21) (published on 15 August 2023). The amendments are effective from the financial year commencing on 1 January 2025.
- Amendments to the classification and measurement of financial instruments (Amendments to IFRS 9 and IFRS 7) (published on 30 May 2024). The amendments are effective from the financial year commencing on 1 January 2026.
- IFRS 18 Presentation and disclosures in financial statements (published on 9 April 2024). The amendments are effective from the financial year commencing on 1 January 2027.
- IFRS 19 Subsidiaries without public accountability: disclosures (published on 9 May 2024). The amendments are effective from the financial year commencing on 1 January 2027.

Statement of financial position

3. Non-current assets

3.a. Intangible assets and goodwill

[riordinare voci tabella, non si capisce]

	Opening balance			Changes for the period						Closing balance			
	Original cost	Provisions and impairment losses Balance 31.12.2023	Final 31.12.2023	Acquisitions	Business combinations and disposals Exchange	Business combinations and disposals and disposals Reclassification	Other Other movements	Disposals disposals Depreciation	Net disposals and impairment losses	Original cost	Provisions and impairment losses Balance and impairment losses 30.06.2024	Final 30.06.2024	
<i>(in thousands of euro)</i>													
Start-up and capital costs	36	(36)	--	--	--	--	--	--	--	36	(36)	--	
Capitalised development costs													
- purchased	--	--	--	--	--	--	--	--	--	--	--	--	
- produced internally	219,195	(169,909)	49,286	4,097	--	(7,789)	230	547	--	(7,150)	152,126	(112,905)	39,221
Industrial patents and intellectual property rights	46,582	(38,663)	7,919	143	--	(631)	--	--	--	(352)	43,220	(36,141)	7,079
Concessions, licences, trademarks and similar rights	50,569	(41,300)	9,269	372	--	(169)	11	203	--	(1,067)	47,578	(38,959)	8,619
Goodwill	547,559	(52,997)	494,562	--	--	(77,030)	--	--	--	--	456,948	(39,416)	417,532
Assets under development and payments on account													
- purchased	3,806	--	3,806	527	--	(2,972)	--	17	--	--	1,378	--	1,378
- produced internally	8,128	(2,949)	5,179	2,254	--	(7,022)	(7)	--	--	(11)	4,589	(4,196)	393
Other	22,708	(15,521)	7,187	29	--	--	(19)	1,212	--	(613)	21,300	(13,504)	7,796
Total	898,583	(321,375)	577,208	7,422	--	(95,613)	215	1,979	--	(9,193)	727,175	(245,157)	482,018

Intangible assets and goodwill went from € 577,208 thousand at 31 December 2023 to € 482,018 thousand at 30 June 2024.

The column 'Business combinations and disposals - Decreases' refers to the sale of the Filtration division within the Sogefi group.

GOODWILL

<i>(in thousands of euro)</i>	30.06.2024	31.12.2023
Automotive segment (Sogefi group)	49,045	126,075
Healthcare segment (KOS group)	368,487	368,487
Total	417,532	494,562

The above table shows the allocation of goodwill by group business segment. Goodwill has been allocated to the CGUs that were identified in the same way as the parent's management operates and manages its assets, based on the group's business segments.

This item went from € 494,562 thousand at 31 December 2023 to € 417,532 thousand at 30 June 2024.

The change in the Sogefi segment is attributable to the sale of the Filtration division during the first half of the year.

The impairment tests carried out on the goodwill allocated to the Healthcare and Automotive segments for the purposes of the consolidated financial statements at 31 December 2023 ascertained that there were no impairment losses.

During the period ended 30 June 2024, there were no specific indicators of impairment ("trigger events") which, if identified, would require an impairment test to be carried out. For the purpose of verifying the possible presence of impairment at 30 June 2024, both internal and external indicators were considered.

The external indicators considered included the trend in the market capitalisation of the group's listed companies, also in relation to their equity.

The market capitalisation of Sogefi S.p.A. at the end of the second quarter of 2024 was slightly lower (-7%) than its equity at the end of the period, a situation already observed in the past, with deviation values even significantly higher, and as such already considered when looking at indicators of impairment. Sogefi S.p.A.'s market value has been affected in recent years by low market multiples in the automotive sector, and in particular in the segment of suppliers of components for combustion engines. Sogefi's market multiple has historically been even lower than sector averages, due to the limited size of the company compared to its competitors, the small size of the free float and the limited liquidity of the stock. Therefore, the fact that Sogefi's stock market capitalisation was lower than its equity for long periods of time was not considered in itself a significant indicator of impairment, as confirmed by the large amounts of coverage found in the past during impairment tests, both on the equity investment in Sogefi at the level of CIR S.p.A.'s separate financial statements, and on the automotive CGU at the level of the consolidated financial statements. CIR S.p.A.'s market capitalisation at the end of the second quarter of 2024 was also about 28% lower than its equity at the end of the period, a situation already observed in the past, and as such already considered when verifying the existence of indicators of impairment. In addition to the low liquidity of the stock and the small size of the free float, the reasons also lie in the holding discount normally applied to holding companies such as CIR, which has fluctuated over time in a range estimated by analysts to be between 25% and 50%. Therefore, the fact that CIR's market capitalisation was lower than its equity for long periods of time was not considered in itself an indicator of impairment, as confirmed by the large amounts of coverage found in the past during impairment tests.

Trends in the Automotive and Healthcare segments, and in their component CGUs, in the first half of 2024 compared to the forecasts prepared by the management of the respective units, approved by their respective Boards of Directors, and used in previous impairment tests, were considered as internal indicators of possible impairment.

The economic performance of both segments and all of their component CGUs was in line with or better than these forecasts, and therefore it was not deemed necessary to update the impairment test.

Sogefi's sale of the Filtration division in the first half of 2024 was considered as a further internal indicator of possible impairment. This transaction entailed a significant change to the perimeter of the Automotive CGU considered for the purpose of the impairment test carried out at 31 December 2023, due to the elimination of the cash flows and carrying amount related to the Filtration division. Therefore, the impairment test at 31 December 2023 was recalculated for the Sogefi CGU, deducting the Filtration division, in order to verify whether this circumstance could lead to an impairment loss. This was done by recalculating the impairment test of Sogefi's second-level CGU, using the business plans, methodology, WACC and g rate used in the test for the 2023 financial statements, but deducting the free cash flows and the carrying amount relating to the first-level CGU of the Filtration division. This recalculation confirmed the results of the impairment test at 31 December 2023 and therefore did not show any need for impairment at the CIR consolidated level.

Summary of the results of the impairment test

During the period ended 30 June 2024, there were no specific indicators of impairment ("trigger events") which, if identified, would require an impairment test to be carried out. However, considering that the recoverable amount is determined on the basis of estimates, the Group cannot guarantee that no impairment of goodwill will occur in future periods. Given the current context of market crisis, the various factors used to make the estimates could be revised if conditions prove not to be in line with those on which the forecasts were based.

3.b. Property, plant and equipment

[riordinare voci tabella, non si capisce]

Opening balance				Changes for the period						Closing balance		
	Original	Provisions	Final	Acquisitions	Business combinations	Business combinations	Other	Disposals	Net disposals	Original	Provisions	Final
	cost	and impairment losses	Balance		and disposals	and disposals					Other	disposals
(in thousands of euro)		and impairment losses	31.12.2023		increases	decreases	movements	Depreciation	cost			30.06.2024
Land	35,388	(444)	34,944	--	--	(6,070)	34	--	--	29,352	(444)	28,908
Industrial buildings	296,338	(158,120)	138,218	773	--	(5,789)	3	3	(2)	(4,054)	(134,872)	129,152
Plant and machinery	801,203	(602,771)	198,432	4599	--	(37,839)	372	62	(247)	(14,894)	(425,250)	150,485
Industrial and commercial equipment	362,377	(279,592)	82,785	4340	--	(13,567)	299	44	(183)	(13,986)	(194,700)	59,732
Other assets	222,428	(147,029)	75,399	4458	--	(1,659)	(32)	158	(71)	(6,313)	(142,432)	71,940
Assets under construction and payments on account	84,455	(1,008)	83,447	30,181	--	(41,831)	16	(340)	--	--	(569)	71,473
Total	1,802,189	(1,188,964)	613,225	44,351	--	(106,755)	692	(73)	(503)	(39,247)	(898,267)	511,690

Property, plant and equipment went from € 613,225 thousand at 31 December 2023 to € 511,690 thousand at 30 June 2024.

The "Acquisitions" in the period refer for € 32,500 thousand to the Sogefi group and for € 11,843 thousand to the KOS group.

The column 'Business combinations and disposals - Decreases' refers to the sale of the Filtration division within the Sogefi group.

It should be noted that the balances of "Industrial and commercial equipment" and "Assets under construction and payments on account" at 30 June 2024 include the investments made by the Sogefi group in tooling for € 35,084 thousand and € 31,074 thousand respectively.

DEPRECIATION RATES

Description	%
Industrial buildings	3%
Plant and machinery	10-25%
<i>Other assets:</i>	
- Electronic office equipment	20%
- Furniture and fittings	12%
Motor vehicles	25%

3.c. Right-of-use assets

	Opening balance			Changes for the period							Closing balance		
	Original	Provisions	Final	Increases	Business combinations		Business combinations and disposals	Other	Disposals	Net disposals	Original	Provisions	Final
	cost	Amortisation and impairment losses and impairment losses	31.12.2023		and disposals	Exchange	and disposals Reclassification	Other movements	disposals Depreciation	and impairment losses	cost	and impairment losses Balance	30.06.2024
(in thousands of euro)				increases	decreases								
Industrial buildings	1,117,238	(304,957)	812,281	47,841	--	(16,670)	553	2	(820)	(34,861)	1,136,022	(327,696)	808,326
Plant and machinery	9,452	(9,320)	132	165	--	(114)	4	(5)	--	(10)	9,540	(9,368)	172
Industrial and commercial equipment	1,884	(1,431)	453	--	--	(75)	--	3	--	(82)	1,701	(1,402)	299
Other assets	16,094	(7,592)	8,502	1,805	--	(1,592)	(29)	4	(34)	(1,503)	13,876	(6,723)	7,153
Total	1,144,668	(323,300)	821,368	49,811	--	(18,451)	528	4	(854)	(36,456)	1,161,139	(345,189)	815,950

The right-of-use assets amount to € 815,950 thousand at 30 June 2024 and refer to the KOS group for € 772,996 thousand, the Sogefi group for € 42,905 thousand and the Parent CIR S.p.A. for € 49 thousand.

The "Increases" in the period refer to the KOS group for € 43,751 thousand and to the Sogefi group for € 6,060 thousand.

The column 'Business Combinations - Decreases' refers to the sale of the Filtration division within the Sogefi group.

3.d. Investment property

[riordinare voci tabella, non si capisce]

Opening balance			Changes for the period								Closing balance		
Original	Provisions	Net balance	Acquisitions	Business combinations	Charges	Business combinations and disposals	Other	Disposals	Net disposals	Original	Provisions	Final	
cost	Accumulated depreciation and impairment losses	31.12.2023		and disposals Exchange	financial	and disposals Reclassification	Other movements	disposals Depreciation	and impairment losses	cost	Accumulated depreciation and impairment losses	30.06.2024	
	and impairment losses			increases	decreases	capitalised		cost			and impairment losses		
(in thousands of euro)													
Buildings	5,832	(3,406)	2,426	--	--	--	--	--	(60)	5,832	(3,466)	2,366	
Total	5,832	(3,406)	2,426	--	--	--	--	--	(60)	5,832	(3,466)	2,366	

Investment property fell from € 2,426 thousand at 31 December 2023 to € 2,366 thousand at 30 June 2024, and € 2,351 thousand of this refers to non-operating properties within the KOS group.

The market value is significantly higher than the carrying amount.

DEPRECIATION RATES

Description	%
Buildings	3

3.e. Equity-accounted investments

<i>(in thousands of euro)</i>	Balance 31.12.2023	Increases (Decreases)	Write-downs	Dividends	Portion of the result		Other changes	Balance 30.06.2024
					Loss	Profit		
Apokos Rehab PVT Ltd	670	--	--	--	--	--	--	670
Total	670	--	--	--	--	--	--	670

3.f. Other equity investments

<i>(in thousands of euro)</i>	30.06.2024	31.12.2023
Other	1,828	1,872
Total	1,828	1,872

The carrying amounts correspond to the cost, reduced where necessary for impairment, and are essentially considered to be equivalent to their fair value. They refer to non-controlling interests held by the KOS group for € 1,825 thousand.

3.g. Other assets

"Other assets" at 30 June 2024 had a balance of € 17,426 thousand, compared to € 36,141 thousand at 31 December 2023, and were mainly made up of:

- € 1,772 thousand (€ 3,384 thousand at 31 December 2023) related to guarantee deposits;
- € 12,115 thousand (€ 22,208 thousand at 31 December 2023), within the Sogefi group, including tax credits (including those related to the research and development activities of the French subsidiaries);

The item at 31 December 2023 included, within the Sogefi group, € 6,694 thousand of "Pension fund surplus" and € 5,002 thousand of "Other assets" of the Filtration division sold in May 2024.

It should also be noted that the financial assets (unsecured and mortgage loans) held by CIR International S.A, which amounted to € 707 thousand at 31 December 2023, were fully impaired in the first half of 2024.

3.h. Other financial assets, including derivatives

"Other financial assets, including derivatives" at 30 June 2024 amounted to € 65,098 thousand (€ 72,932 thousand at 31 December 2023) and referred to investments in private equity funds and non-controlling interests held by CIR S.p.A. and by the financial holding companies for € 59,444 thousand (€ 63,400 thousand at 31 December 2023). The fair value measurement of these investments led to net gains in the income statement for € 5,654 thousand recorded under item 10.e "Net fair value losses on financial assets".

This item also includes, within the Sogefi group, € 5,654 thousand (€ 6,771 thousand at 31 December 2023) of investments made by the Argentine subsidiary Sogefi Suspensions Argentina S.A. in dollar-linked bonds to mitigate the effects of the devaluation of the local currency.

The balance at 31 December 2023 included, within the Sogefi group, € 2,761 thousand related to the fair value of interest rate swap hedging contracts closed in advance in June 2024 following the repayment of the underlying loan.

3.i. Deferred tax assets

The amounts relate to taxes resulting from deductible temporary differences and from benefits deriving from tax losses carried forward, which are deemed to be recoverable over a reasonable time horizon.

The breakdown of "Deferred tax assets" by type of temporary difference is as follows:

<i>(in thousands of euro)</i>	30.06.2024		31.12.2023	
	<i>Amount of temporary differences</i>	<i>Tax effect</i>	<i>Amount of temporary differences</i>	<i>Tax effect</i>
Deductible temporary differences from:				
- impairment losses on current assets	13,441	3,227	19,160	4,748
- impairment losses on non-current assets	84,615	21,036	77,093	19,193
- reversal of current liabilities	30,441	7,412	76,573	10,707
- reversal of employee benefit obligations	17,702	4,452	27,769	6,975
- reversal of provisions for risks and charges	20,732	5,148	21,044	5,240
- reversal of long-term borrowings	--	--	--	--
- impairment losses on financial instruments	16	4	39	9
- tax losses from previous years	95,889	22,947	108,534	25,923
Total deferred tax assets	262,836	64,226	330,212	72,795
Taxable temporary differences from:				
- reversal of current assets	31,353	7,935	31,011	7,877
- reversal of non-current assets	142,203	31,706	161,967	35,426
- impairment losses on current liabilities	14,018	3,672	21,384	4,744
- measurement of employee benefit obligations	442	104	530	125
- impairment losses on provisions for risks and charges	--	--	--	--
- reversal of financial instruments	--	--	--	--
Total deferred tax liabilities	188,016	43,417	214,892	48,172
Net deferred tax assets		20,809		24,623

Deferred tax assets have been recognised, at operational sub-group level, with reference to their recoverability based on the related business plans.

Changes in 'Deferred tax assets' during the period were as follows:

2024	<i>Balance at 31.12.2023</i>	<i>Use of deferred taxes from prior periods</i>	<i>Deferred taxes in the period</i>	<i>Exchange rate differences</i>	<i>Changes in the consolidation scope</i>	<i>Balance at 30.06.2024</i>
Deferred tax assets:						
- income statement	60,643	(4,747)	939	--	(5,301)	51,534
- equity	12,152	--	363	177	--	12,692
Deferred tax liabilities:						
- income statement	(33,194)	900	(231)	--	3,897	(28,628)
- equity	(14,978)	--	(2)	191	--	(14,789)
Net deferred taxes	24,623	(3,847)	1,069	368	(1,404)	20,809

The column 'Changes in the consolidation scope' refers to the sale of the Filtration division within the Sogefi group.

4. Current assets

4.a. Inventories

Inventories can be broken down as follows:

<i>(in thousands of euro)</i>	30.06.2024	31.12.2023
Raw materials, supplies and consumables	53,783	77,572
Work in progress and semi-finished products	14,863	18,960
Finished products and goods	18,986	46,814
Payments on account	249	259
Total	87,881	143,605

This item refers for € 82,711 thousand (€ 138,231 thousand at 31 December 2023) to the Sogefi group and for € 5,170 thousand (€ 5,374 thousand at 31 December 2023) to the KOS group.

The € 55,724 thousand decrease in this item is attributable to the sale of the Filtration division, whose net value of inventories at 31 December 2023 was € 55,382 thousand.

The value of inventories is shown net of any write-downs which take into account the degree of obsolescence of finished products, goods and supplies. The provision for inventory write-down at 30 June 2024 amounts to € 6,758 thousand (€ 11,156 thousand at 31 December 2023).

4.b. Trade receivables

<i>(in thousands of euro)</i>	30.06.2024	31.12.2023
Due from customers	211,547	254,658
Total	211,547	254,658

This item refers for € 103,294 thousand (€ 163,277 thousand at 31 December 2023) to the Sogefi group and for € 108,135 thousand (€ 91,330 thousand at 31 December 2023) to the KOS group.

"Due from customers" are interest-free and have an average maturity in line with market conditions.

Note that the balance at 31 December 2023 included € 76,423 thousand "Due from customers" of the Filtration division sold in May 2024.

Trade receivables are shown net of any impairment losses that take credit risk into account.

During the first half of 2024, allocations were made within the Sogefi group to the related loss allowance in the amount of € 156 thousand and, within the KOS group, to the loss allowance in the amount of € 718 thousand.

4.c. Other assets

<i>(in thousands of euro)</i>	30.06.2024	31.12.2023
Associates	105	105
Tax assets	28,760	34,254
Other	36,823	32,895
Total	65,688	67,254

Note that the balance at 31 December 2023 included € 6,717 thousand "Due from customers" of the Filtration division sold in May 2024.

4.d. Loan assets

"Loan assets" went from € 16,014 thousand at 31 December 2023 to € 15,255 thousand at 30 June 2024. The item includes € 5,236 thousand (€ 5,128 thousand at 31 December 2023) relating to financial instruments issued in favour of the Sogefi group by leading Chinese banks, at the request of some customers, as consideration for supplies made by the Chinese subsidiaries, and € 10,009 thousand (€ 9,428 thousand at 31 December 2023) of amounts due to the KOS group from factoring companies for assignments without-recourse.

4.e. Securities

This item consists of the following categories of securities:

<i>(in thousands of euro)</i>	30.06.2024	31.12.2023
Bonds	124,176	63,873
Investment funds and similar funds	11,415	10,933
Total	135,591	74,806

At 30 June 2024, the item totalled € 135,591 thousand (€ 74,806 thousand at 31 December 2023) and refers to bonds held by the subsidiary CIR Investimenti S.p.A. for € 122,626 thousand (€ 63,873 thousand at 31 December 2023), shares held in investment funds by the subsidiary CIR Investimenti S.p.A. for € 11,415 thousand (€ 10,933 thousand at 31 December 2023) and dollar-linked bond instruments for € 1,550 thousand held, within the Sogefi group, by the Argentine subsidiary Sogefi Suspensions Argentina S.A. for the purpose of mitigating the effects of the devaluation of the local currency.

The fair value measurement of the item "Securities" led to net losses in the income statement for € 741 thousand recorded under item 10.e "Net fair value losses on financial assets".

4.f. Other financial assets, including derivatives

This item totals € 415,742 thousand (€ 315,322 thousand at 31 December 2023) and refers for € 70,361 thousand (€ 63,652 thousand at 31 December 2023) to investments in hedge funds and redeemable shares in asset management companies held by CIR International S.A. The degree of liquidity of the investment is based on the time required for the redemption of the funds, which normally varies from one to three months.

The fair value measurement of these funds gave rise to a positive adjustment in the income statement of € 5,372 thousand. During the period gains equal to € 118 thousand (€ 259 thousand in the same period of 2023) were realised and recognised under item 10.c "Gains from securities trading".

This item includes € 127,855 thousand (€ 144,822 thousand at 31 December 2023) for whole-life insurance and capitalisation policies arranged with leading insurance companies by CIR Investimenti S.p.A., with yields mostly linked to separate managed insurance funds and, in some cases, to unit-linked funds. The net return during the period was positive for an amount of € 2,374 thousand (negative for € 1,923 thousand in the same period of 2023).

The item also includes, within the KOS group, cash investments for € 87,526 thousand (€ 106,848 thousand at 31 December 2023) in time deposits at major banks with agreed maturities within 12 months and, within the Sogefi group, cash investments for € 130,000 thousand in time deposits at a major bank with maturities in July 2024 and December 2024.

4.g. Cash and cash equivalents - Bank loans and borrowings

"Cash and cash equivalents" went from € 149,991 thousand at 31 December 2023 to € 176,507 thousand at 30 June 2024.

"Bank loans and borrowings" went from € 659 thousand at 31 December 2023 to € 406 thousand at 30 June 2024.

A breakdown of the changes in these two items is given in the statement of cash flows.

4.h. Assets held for sale and liabilities related to assets held for sale

Assets held for sale and liabilities related to assets held for sale at 30 June 2024 amounted to -€ 2,234 thousand and refer to the liability allocated in relation to a specific guarantee issued by the parent CIR S.P.A. to the purchasing counterparty in connection with the sale of GEDI.

On 23 April 2020, CIR S.p.A. finalised the sale to Giano Holding S.p.A., a vehicle at the time wholly owned by EXOR N.V., of its investment in GEDI, equal to 43.78% of the latter's share capital. In execution of this agreement, on 13 July 2020 CIR indirectly reinvested in GEDI by purchasing from EXOR a 5% stake in the share capital of Giano, which in the meantime had become the owner of the entire capital of GEDI. As a result of the merger of Giano into GEDI, CIR now owns a 5.19% stake in the share capital of GEDI.

As part of the sale, CIR granted the buyer Giano Holding S.p.A. (and as a result of the merger to GEDI as the incorporating company) a specific guarantee, accompanied by a "special indemnity", in relation to criminal proceedings, of which GEDI became aware on 21 March 2018, for the alleged offence provided for in art. 640, paragraph 2, no. 1 in respect of the persons who at the time of the facts held the position of Chief Executive Officer, Central Director of Human Resources and General Manager of the National Press, as well as for the offence provided for in art. 24 of Legislative Decree 231/2001 versus GEDI itself and its subsidiaries A. Manzoni & C. S.p.A., Elemedia S.p.A., Gedi News Network S.p.A. and Gedi Printing S.p.A. (the "**Companies**"). The investigation conducted by the Rome Public Prosecutor's Office concerned an alleged fraud against INPS in relation to an allegedly irregular access to State redundancy payments (CIGS) by some employees wanting to obtain early retirement as provided for by Law 416/81. In the context of the Proceedings, various different episodes are disputed, the outcome of which could have varied results depending on the situation.

By virtue of the above-mentioned "special indemnity" contractual provision, CIR is required to indemnify GEDI for a portion corresponding to 38.6% of certain liabilities that GEDI may incur as a result of the proceedings, for a maximum amount of € 12.0 million. Based on the analysis of GEDI's information during 2023, a provision for risks of € 5.9 million was set aside, with a balancing entry in the income statement under "profit from discontinued operations". On 11 December 2023, GEDI announced that it had incurred a liability as a result of the proceedings, which have not yet been concluded, and therefore requested CIR S.p.A. to be indemnified for the portion corresponding to 38.6% of such liability. CIR fulfilled this request with the payment, in December 2023, of an amount of € 4.8 million and therefore the residual risk provision has been reduced to €

1.1 million. During the first half of 2024, on the basis of additional information on the proceedings received from GEDI, the risk provision was increased by an amount of € 1.1 million and therefore totalled € 2.2 million at 30 June 2024. Since the information provided by GEDI is subject to change depending on the development of the proceedings, it cannot be excluded that the total amount of the indemnity may vary in the future, within a ceiling of € 12 million, including the indemnity already paid.

The item at 31 December 2023, amounting to +€2,906 thousand, was composed as follows:

- +€ 10,976 thousand for the value of a real estate complex being sold. On 22 December 2022, the Parent CIR S.p.A. signed with Merope S.r.l., a property investment and development company, a binding preliminary agreement subject to certain conditions precedent, for the sale of a non-operating real estate complex located in Via dell'Orso 8 and Via Ciovassino 1/A Milan, for a total of € 38.0 million, of which € 7.0 million paid by way of deposit. The transaction was closed in June 2024;
- -€ 7,000 thousand for the deposits collected after reaching the binding preliminary agreement for the sale of the non-operating real estate complex located in Milan;
- -€ 1,065 thousand for the liability allocated in relation to a specific guarantee issued by the parent CIR S.p.A. to the purchasing counterparty in connection with the sale of GEDI;
- -€ 5 thousand for the amount due to the purchaser of an additional non-operating property located in Rome sold on 28 June 2023, for the reimbursement of maintenance costs.

5. Equity

5.a. Share Capital

The share capital at 30 June 2024, unchanged from 31 December 2023, amounted to € 420,000,000.00 and is made up of 1,107,207,314 shares with no par value.

The share capital is fully subscribed and paid up.

At 30 June 2024 the Parent held 20,140,063 treasury shares (1.923% of the share capital) for an amount of € 9,455 thousand, compared to 59,157,253 treasury shares (5.343% of the share capital) for an amount of € 26,462 thousand at 31 December 2023.

On 29 April 2024, the Extraordinary Shareholders' Meeting resolved to cancel 60,000,000 treasury shares, ordinary shares with no par value, keeping the amount of the share capital unchanged.

The changes in treasury shares during the period were as follows:

<i>(in thousands of euro)</i>	<i>Number of shares</i>	<i>Amount</i>
Balance at 31 December 2023	59,157,253	26,462
Increases	22,749,730	11,992
Decreases	(1,766,920)	(830)
Cancellation of treasury shares	(60,000,000)	(28,169)
Balance at 30 June 2024	20,140,063	9,455

The decreases refer to the exercise of the stock grant plans currently outstanding.

In accordance with IAS 32, treasury shares are deducted from total equity.

None of the shares are subject to any rights, privileges or limitations on the distribution of dividends, with the exception of treasury shares.

The Parent's controlling shareholder is Fratelli De Benedetti S.p.A. with registered office in Via Valeggio 41, Turin.

5.b. Reserves

The breakdown of reserves is as follows:

<i>(in thousands of euro)</i>	<i>Share premium reserve</i>	<i>Legal reserve</i>	<i>Fair value reserve</i>	<i>Translation reserve</i>	<i>Stock option and stock grant reserve</i>	<i>Other reserves</i>	<i>Total reserves</i>
Balance at 31 December 2022	5,044	25,621	2,244	(28,590)	3,730	298,506	306,555
Retained earnings	--	152	--	--	--	2,893	3,045
Fair value gains (losses) on treasury shares	--	--	--	--	--	--	--
Notional cost of stock grants credited	--	--	--	--	642	--	642
Reclassifications	--	--	--	--	(538)	52	(486)
Fair value measurement of cash flow hedges	--	--	(182)	--	--	--	(182)
Effects of changes in equity attributable to subsidiaries	--	--	(3)	33	--	1,713	1,743
Exchange rate differences from translation	--	--	--	(4,812)	--	--	(4,812)
Net actuarial gains	--	--	--	--	--	359	359
Balance at 30 June 2023	5,044	25,773	2,059	(33,369)	3,834	303,523	306,864
Balance at 31 December 2023	5,044	25,773	1,166	(38,006)	4,464	299,742	298,183
Retained earnings	--	--	--	--	--	(6,720)	(6,720)
Fair value gains (losses) on treasury shares	--	--	--	--	--	(11,992)	(11,992)
Notional cost of stock grants credited	--	--	--	--	655	--	655
Reclassifications	--	--	--	--	(889)	(3,116)	(4,005)
Fair value measurement of cash flow hedges	--	--	(1,170)	--	--	--	(1,170)
Effects of changes in equity attributable to subsidiaries	--	--	1	52	--	4,732	4,785
Exchange rate differences from translation	--	--	--	2,510	--	--	2,510
Net actuarial gains	--	--	--	--	--	577	577
Balance at 30 June 2024	5,044	25,773	(3)	(35,444)	4,230	283,223	282,823

The “Fair value reserve”, net of tax effects, negative by € 3 thousand, refers to the measurement of hedging instruments of the KOS group.

The "Translation reserve" had a negative balance of € 35,444 thousand at 30 June 2024 with the following breakdown:

<i>(in thousands of euro)</i>	31.12.2023	Increases	Decreases	30.06.2024
Sogefi group	(38,006)	2,562		(35,444)
KOS group	--	--	--	--
Total	(38,006)	2,562		(35,444)

The breakdown of "Other reserves" at 30 June 2024 was as follows:

<i>(in thousands of euro)</i>	
Share capital reduction reserve	197501
Reserve as per art. 6 Leg. Decr. 38/2005	5,022
Statutory reserve	234
Other	80,466
Total	283,223

5.c. Retained earnings

The changes in retained earnings are shown in the "Statement of Changes in Equity".

6. Non-current liabilities

6.a. Bonds

The breakdown of "Bonds" is as follows:

<i>(in thousands of euro)</i>	30.06.2024	31.12.2023
Sogefi S.p.A. Bond 2019/2025	63	44,870
Private Placement Kos S.p.A. 2017/2025	35,000	35,000
Total	35,063	79,870

6.b. Other financial liabilities

<i>(in thousands of euro)</i>	30.06.2024	31.12.2023
Collateralised bank loans and borrowings	69,201	74,117
Other bank loans and borrowings	144,211	270,595
Other	413	326
Total	213,825	345,038

This item consists of loans to companies of the KOS group for € 141,497 thousand and loans to companies of the Sogefi group for € 72,328 thousand.

The decrease in this item is attributable to repayments made during the half-year by the subsidiary Sogefi S.p.A.

6.c. Lease liabilities

The item, amounting to € 788,709 thousand (€ 793,256 thousand at 31 December 2023), refers to lease liabilities relating to companies in the KOS group, which operate out of mainly leased properties, for € 752,310 thousand, to companies in the Sogefi group for € 36,380 thousand and to the parent CIR S.p.A. for € 19 thousand.

Note that the balance at 31 December 2023 included € 19,796 thousand of lease liabilities of the Filtration division sold in May 2024.

6.d. Employee benefits

Details of this item are as follows:

<i>(in thousands of euro)</i>	30.06.2024	31.12.2023
Post-employment benefits (TFR)	22,897	18,999
Pension funds and similar obligations	13,682	23,531
Total	36,579	42,530
<i>(in thousands of euro)</i>	30.06.2024	31.12.2023
Opening balance	42,530	51,581
Accrual for labour provided during the year	6,915	12,346
Increases for interest	300	1,502
Actuarial (gains) losses	(1,372)	968
Benefits paid	(2,299)	(14,553)
Increases/(Decreases) due to changes in the consolidation scope	(4,285)	--
Exchange rate gains (losses)	(176)	189
Other changes	(5,034)	(9,503)
Closing balance	36,579	42,530

The item mainly refers to companies of the Sogefi group for € 12,770 thousand, to companies of the KOS group for € 21,108 thousand and to the parent CIR S.p.A. for € 2,422 thousand.

Decreases due to changes in the consolidation scope refer, within the Sogefi group, to the sale of the Filtration division.

6.e. Provisions

The breakdown and changes in the non-current part of these provisions are as follows:

<i>(in thousands of euro)</i>	<i>Provision for restructuring charges</i>	<i>Provision for product warranties</i>	<i>Provision for other risks</i>	<i>Total</i>
Balance at 31 December 2023	70	--	9,218	9,288
Accruals of the period	100	--	344	444
Uses/Releases	(7)	--	(344)	(351)
Exchange rate gains (losses)	--	--	15	15
Change in the consolidation scope	(66)	--	(2,016)	(2,082)
Other changes	--	--	(181)	(181)
Balance at 30 June 2024	97	--	7,036	7,133

This item consists of amounts attributable to the Sogefi group companies for € 2,322 thousand and to the KOS group companies for € 4,162 thousand.

“Changes in the consolidation scope” refer to the sale of the Filtration division within the Sogefi group.

The “Provision for restructuring charges” includes amounts set aside for restructuring plans announced and disclosed to the parties concerned and refers to production reorganisation projects mainly involving subsidiaries of the Sogefi group.

The "Provision for other risks" was set aside mainly for disputes of various kinds involving various Group companies and includes liabilities to employees and other parties. It refers principally to KOS group companies for € 4,162 thousand and to Sogefi group companies for € 2,225 thousand.

The breakdown and changes in the current part of these provisions are as follows:

<i>(in thousands of euro)</i>	<i>Provision for restructuring charges</i>	<i>Provision for product warranties</i>	<i>Provision for other risks</i>	<i>Total</i>
Balance at 31 December 2023	3,030	7,111	40,390	50,531
Accruals of the period	--	2,546	5,462	8,008
Uses/Releases	(1,338)	(2,908)	(8,316)	(12,562)
Exchange rate gains (losses)	23	11	1	35
Change in the consolidation scope	(15)	(2,692)	(456)	(3,163)
Other changes	--	(637)	(599)	(1,236)
Balance at 30 June 2024	1,700	3,431	36,482	41,613

This item consists of amounts attributable to the Sogefi group companies for € 7,293 thousand and to the KOS group companies for € 33,095 thousand.

“Changes in the consolidation scope” refer to the sale of the Filtration division within the Sogefi group.

The “Provision for restructuring charges” includes amounts set aside for restructuring plans that have been publicly announced and communicated to the parties concerned and refers in particular to the production reorganisation projects involving companies of the Sogefi group.

The “Provision for product warranties” relates to the Sogefi group.

The "Provision for other risks" was set aside mainly for disputes of various kinds involving various Group companies and includes liabilities to employees and other parties. It refers principally to KOS group companies for € 33,095 thousand and to Sogefi group companies for € 2,162 thousand.

In particular, the KOS group is a party to various civil proceedings involving medical and surgical practice, which could lead to compensation orders. The potential liabilities that could derive from pending disputes were assessed and a provision was made in the financial statements to cover the risk of losing these proceedings. Lawsuits and disputes can derive from complex and difficult problems, subject to a varying degree of uncertainty and characterised by differing levels of justice over a long period of time. This estimate is the result of a complex process, which involves consultants essentially in the legal and medical field and subjective judgements by the management of the group. Against the assessments made, there are provisions in the financial statements for disputes against third parties and staff for an amount equal to € 9,018 thousand.

In this regard, it should be noted that the doctors operating at KOS group structures have insurance policies in place to partially cover the risks associated with claims for compensation made by patients or their relatives for damages incurred in the event of accidents during their stay at the structure due to the alleged malfunctions of the health services rendered by the structure and to the staff working at these structures.

We would also point out the inclusion in the provisions for other risks of € 10,755 thousand in employee benefit obligations, mainly for possible contractual renewals.

7. Current liabilities

7.a. Bonds

This item, totalling € 118,631 thousand (€ 72,166 thousand at 31 December 2023), includes € 52,340 thousand for the current portion of the Sogefi S.p.A. Bond 2019/2025 and € 66,291 thousand for the current portion of the private placements issued by KOS S.p.A.

7.b. Other financial liabilities

<i>(in thousands of euro)</i>	30.06.2024	31.12.2023
Collateralised bank loans and borrowings	80,23	3,025
Other bank loans and borrowings	42,575	66,297
Other loans and borrowings	2,971	4,663
Total	53,569	73,985

This item refers to loans to Sogefi group companies for € 16,882 thousand, to loans to KOS group companies for € 36,312 thousand and other financial liabilities of the subsidiary CIR International S.A.

The decrease in this item is attributable to repayments made during the half-year by the subsidiary Sogefi S.p.A.

7.c. Lease liabilities

This caption, € 71,169 thousand (€ 72,214 thousand at 31 December 2023), comprises the lease liabilities of companies within the KOS group, € 61,544 thousand, and the Sogefi group, € 9,599 thousand, as well as those of CIR S.p.A., € 26 thousand.

7.d. Trade payables

<i>(in thousands of euro)</i>	30.06.2024	31.12.2023
Due to suppliers	222,911	287,591
Payments on account	27,337	38,661
Total	250,248	326,252

This item refers for € 153,794 thousand (€ 218,569 thousand at 31 December 2023) to the Sogefi group and for € 67,382 thousand (€ 68,565 thousand at 31 December 2023) to the KOS group.

The item 'Trade payables' at 31 December 2023 included the amount of €75,039 thousand related to the Filtration division sold in May 2024.

"Payments on account" mainly include the liabilities recognised by the Sogefi group on FTA of IFRS 15. These liabilities represent the amounts received from customers for the sale of tooling and prototypes that will be recognised in the income statement over the life of the product. The item at 31 December 2023 included the amount of € 9,359 thousand related to the Filtration division sold in May 2024.

7.e. Other liabilities

<i>(in thousands of euro)</i>	30.06.2024	31.12.2023
Due to employees	72,696	69,919
Tax liabilities	40,369	32,399
Social security liabilities	21,592	30,276
Other liabilities	35,103	84,408
Total	169,760	217,002

The item “Due to employees” refers for € 50,230 thousand to the KOS group and for € 22,143 thousand to the Sogefi group.

“Tax liabilities” refer for € 16,161 thousand to the KOS group and for € 18,187 thousand to the Sogefi group.

The item “Social security liabilities” concerns for € 10,164 thousand the KOS group and for € 11,312 thousand the Sogefi group. This item at 31 December 2023 included the amount of €5,083 thousand related to the Filtration division sold in May 2024.

“Other liabilities” refer for € 18,370 thousand to the KOS group and for € 11,373 thousand to the Sogefi group.

In particular, the amount of € 5,720 thousand refers to credit notes to be issued to customers for price reductions and discounts granted to customers of the Aftermarket segment upon reaching certain levels of turnover. At 31 December 2023, credit notes to be issued to customers included the amount of €34,080 thousand relating to the Filtration division sold in May 2024.

“Other liabilities” included € 4,197 thousand for the portion of the registration tax due for the judgements in the Lodo Mondadori affair that CIR S.p.A. had to reimburse to the other party.

Income Statement

8. Revenue

Breakdown by business segment

(in millions of euro)	1st half 2024		1st half 2023(*)		Change
	%	%	%	%	
Automotive components	524.1	56.5	538.9	59.2	(2.7)
Healthcare	404.1	43.5	370.7	40.8	9.0
Total consolidated revenue	928.2	100.0	909.6	100.0	

Breakdown by geographical area

(in millions of euro)							
1st half 2024	Total revenue	Italy	Other European countries	North America	South America	Asia	Other Countries
Automotive components	524.1	16.5	272.1	121.6	48.6	62.8	2.5
Healthcare	404.1	282.2	121.9	--	--	--	--
Total consolidated revenue	928.2	298.7	394.0	121.6	48.6	62.8	2.5
Percentages	100.0%	32.2%	42.4%	13.1%	5.2%	6.8%	0.3%

1st half 2023 (*)	Total revenue	Italy	Other European countries	North America	South America	Asia	Other Countries
Automotive components	538.9	19.8	287.1	125.3	21.9	55.7	29.1
Healthcare	370.7	264.0	106.7	--	--	--	--
Total consolidated revenue	909.6	283.8	393.8	125.3	21.9	55.7	29.1
Percentages	100.0%	31.2%	43.3%	13.8%	2.4%	6.1%	3.2%

(*) It should be noted that in May 2024, Sogefi completed the process of divestment of the Filtration business division, the figures of which were reclassified in accordance with IFRS 5, in the item "Profit from discontinued operations".

The types of products marketed by the group and the nature of its business segments mean that revenue flows are reasonably linear throughout the period and are not subject to any particular cyclical phenomena on a like-for-like basis.

9. Operating income and costs

9.a. Costs for the purchase of goods

The cost for the purchase of goods decreased from € 353,128 thousand in the first half of 2023 to € 326,392 thousand in the same period of 2024.

The decrease is mainly attributable to the Sogefi group.

9.b. Costs for services

This item went from € 141,383 thousand in the first half of 2023 to € 135,922 thousand in the first half of 2024, as can be seen from the following breakdown:

<i>(in thousands of euro)</i>	1st half 2024	1st half 2023
Technical and professional consulting	48,007	43,788
Outsourcing	13,909	17,750
Other	74,006	79,845
Total	135,922	141,383

The decrease in this item is attributable to the Sogefi group for € 3,983 thousand and to the KOS group for € 1,396 thousand.

9.c. Personnel expenses

Personnel expenses amounted to € 309,944 thousand in the first half of 2024 (€ 300,188 thousand in the first half of 2023) and are broken down as follows:

<i>(in thousands of euro)</i>	1st half 2024	1st half 2023
Salaries and wages	228,517	222,479
Social security contributions	62,574	57,185
Post-employment benefits	6,268	6,370
Pensions and similar benefits	640	1,067
Measurement of stock option plans	923	913
Other costs	11,022	12,174
Total	309,944	300,188

The increase is attributable to the KOS group.

The Group had an average of 15,296 employees in the first half of 2024 (14,936 in the first half of 2023).

9.d. Other operating income

This item can be broken down as follows:

<i>(in thousands of euro)</i>	1st half 2024	1st half 2023
Grants related to income	269	22
Gains on asset disposals	1,416	215
Prior period and other income	6,648	20,096
Total	8,333	20,333

Last year's 'Prior period and other income' included, within the KOS group, € 5,148 thousand in compensation on revenue accrued in previous periods and COVID compensation obtained in Germany in the amount of € 982 thousand, as well as a contribution of € 4,694 thousand to cover the increase in energy and gas expenses incurred by the group.

9.e. Other operating costs

This item can be broken down as follows:

<i>(in thousands of euro)</i>	1st half 2024	1st half 2023
Impairment and credit losses	1,006	247
Accruals to provisions for risks and charges	3,095	1,634
Indirect taxes	16,116	17,586
Restructuring charges	2,016	1,992
Losses on asset disposals	1,372	144
Prior period and other losses	4,574	7,935
Total	28,179	29,538

The item "Restructuring charges" refers to costs for restructuring plans already being implemented within the Sogefi group.

10. Financial income and expense

10.a. Financial income

The item includes the following:

<i>(in thousands of euro)</i>	1st half 2024	1st half 2023
Interest income on bank accounts	4,229	1,969
Interest income on securities	866	399
Other interest income	3,953	3,706
Interest rate derivatives	3,434	1,327
Exchange gains	404	6
Total	12,886	7,407

10.b. Financial expense

The item includes the following:

<i>(in thousands of euro)</i>	<i>1st half 2024</i>	<i>1st half 2023</i>
Interest expense on bank loans	13,438	11,472
Interest expense on bonds	820	1,268
Interest on lease liabilities	12,071	11,620
Other interest	5,818	2,544
Interest rate derivatives	64	421
Exchange losses	--	1,318
Other financial expense	3,532	3,215
Total	35,743	31,858

10.c. Gains from securities trading

The breakdown of "Gains from securities trading" is as follows:

<i>(in thousands of euro)</i>	<i>1st half 2024</i>	<i>1st half 2023</i>
Other securities and other gains	5,166	872
Total	5,166	872

The item "Other securities and other gains" refers to CIR S.p.A. and financial holding companies and refers for € 5,000 thousand to the sale by the parent CIR S.p.A. of the investment in GEDI Gruppo Editoriale S.p.A. in June 2024.

10.d. Losses from securities trading

The breakdown of "Losses from securities trading" is the following:

<i>(in thousands of euro)</i>	<i>1st half 2024</i>	<i>1st half 2023</i>
Other securities and other losses	2,256	382
Total	2,256	382

"Other securities and other losses" refer to CIR S.p.A. and the financial holding companies

10.e. Net fair value losses on financial assets

The item in question, which is positive by € 11,060 thousand (negative by € 359 in the first half of 2023), refers for € 6,113 thousand to the fair value gain on "Securities" and "Other financial assets, including derivatives" recognised under current assets, and for € 4,947 thousand to the fair value gain on "Other financial assets, including derivatives" and "Other assets" recognised under non-current assets.

11. Income taxes

Income taxes can be broken down as follows:

<i>(in thousands of euro)</i>	<i>1st half 2024</i>	<i>1st half 2023</i>
Current taxes	13,715	4,085
Deferred taxes	(774)	539
Income taxes from prior years	1	(57)
Total	12,942	4,567

The increase in this item is mainly attributable to the Sogefi group for € 6,103 thousand and the KOS group for € 1,787 thousand.

Income tax expense is recognised based on the management's best estimate of the expected weighted average annual tax rate for the entire year, applying it to the pre-tax profit for the period, adjusted to reflect the tax effect of certain items recognised in full during the period. Therefore, the actual rate in the interim financial statements may differ from the rate estimated by the management for the entire year.

The Pillar Two/GloBE model rules became effective in Italy for periods beginning on or after 1 January 2024 by means of Legislative Decree no. 209/2023 implementing Directive no. 2523/2022/EU and apply to CIR S.p.A., providing that the entities belonging to the Group (wherever located) are subject to a minimum tax rate of 15%, to be determined on the basis of a detailed computation based on the accounting and tax data of such entities. Where the level of taxation is lower than the minimum level, a minimum tax (the "Top-Up Tax") shall be applied up to 15%.

From a regulatory point of view, it should be noted that during 2024, several ministerial decrees implementing the provisions of the aforementioned Legislative Decree No. 209/2023 were issued, while a number of ministerial decrees are still in the process of being issued.

The Group made an estimate of the impact of the entry into force of the Pillar Two model rules, with the support of an external consultant, in order to identify the scope of application and the potential impact of this new legislation on the jurisdictions within its consolidation scope, also making use of the "transitional safe harbours" that can be applied in the three-year period 2024-2026 (transitional period) as provided for by the OECD guidelines. These rules require that no top-up tax is due if any of the following tests are passed (to be performed with respect to each jurisdiction):

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

If none of the tests are passed for a specific jurisdiction, the Group is required to calculate the level of effective taxation based on the full set of Pillar Two rules, i.e. by making specific "adjustments" to the accounting and tax data of entities located in that jurisdiction, also for the purpose of

determining - where this level of effective taxation is below 15% - the amount of the minimum tax due.

On the basis of current figures - for CIR S.p.A. and its subsidiaries - the company Fratelli De Benedetti S.p.A. assumes the role of "Ultimate Parent Entity" while the companies CIR S.p.A., Sogefi S.p.A. and KOS. S.p.A. assume the role of "Partially Owned Parent Entity" ('POPE').

Furthermore, for the purposes of Pillar Two regulations, the companies Sogefi S.p.A. and KOS S.p.A. have the status of "Minority-Owned Constituent Entity" ("MOCE") and, in relation to their subsidiaries, of "Minority-Owned Parent Entity" ("MOPE").

In accordance with the OECD Guidelines, the transitional safe harbours tests have been prepared using - from a forward-looking perspective - the information available in the Ultimate Parent Entity's "Country-by-Country Report" for the financial year 2023 adopting an approach that considers the "aggregate" data of the entities within the group in a single jurisdiction where the group operates ("jurisdictional approach").

Based on this activity, transitional safe harbours were positively found in all jurisdictions for CIR S.p.A., including its wholly-owned subsidiaries, and the KOS group.

As far as the Sogefi group is concerned, transitional safe harbours were positively found for the following jurisdictions: Netherlands, Sweden, France, Spain, India, Canada, USA, Argentina, Brazil, Italy, Germany, Romania, UK, Mexico. In these jurisdictions in the first half of 2024 there were no changes in the business structure or the local legislation that would suggest a change in the conclusions of the test performed.

The jurisdictions that did not pass any of the tests applicable during the transitional period (based on data for 2023, taken from the Sogefi Group's Country-by-Country data supplemented by the additional data at 31 December 2023 required for the purposes of the transitional safe harbours, which represent the latest available Pillar Two data) and which could therefore lead to the application of the top-up tax are Slovenia, China and Morocco.

It is specified that, in the prospective view adopted for the purposes of this disclosure in consideration of the entry into force of the Pillar Two rules as of 1 January 2024, the results described above are in line with the analyses carried out for the application of the transitional safe harbours for the financial years 2021 and 2022. On the basis of the data available for 2023 (reporting packages drawn up by the subsidiaries for preparation of the group's consolidated financial statements and CbCR data), on a forward-looking basis considering the "adjustments" that could have an impact on the level of effective taxation in 2024, for the group entities located in Slovenia, China and Morocco, the estimated amount of the top-up tax would be equal to approximately € 227 thousand. At 30 June 2024, the relevant pro-rata amount (€ 114 thousand) was set aside in the income statement.

This estimated value, based on a prospective approach to the data available to date, as detailed above, represents the best estimate to date available to the Sogefi group on the expected impacts of the entry into force of the complex set of Pillar Two rules starting from 2024 and has been determined considering the amount of pre-tax income (as arising from the CbCR for the year 2023), the amount of the Substance based income exclusion and a minimum tax rate equal to the difference between 15% and the effective tax rate in the individual jurisdiction (obtained on the basis of the Simplified effective tax rate test described above). Since not all the adjustments that would have been required by the Pillar Two regulations "at full capacity" have been included in the calculation, the actual impacts that the Pillar Two regulations might have had on the Sogefi group's income, had they been in place for the year 2023 (and therefore also for the year 2024), might have differed from the estimate made on the historical data available to date.

Furthermore, the Group carried out a preliminary update of the estimate of the transitional safe harbours based on data at 31 May 2024, also in order to assess the possible effects arising from the transaction involving the entities of the "Filtration" division in 2024. The update of the transitional

safe harbours on the entities located in the above-mentioned countries did not reveal any significant issues to report on the matter.

Finally, it should be noted that the Group has not recognised any effect for deferred taxation purposes arising from the entry into force of the Pillar Two rules as of 1 January 2024.

12. Profit from discontinued operations

The item, amounting to € 154,149 thousand in the first half of 2024 (profit of € 30,437 thousand in the first half of 2023), includes, within the Sogefi group, the amount of € 136,441 thousand (€ 29,276 thousand in the first half of 2023, which included the amounts relating to the Suspension business in Mexico sold in October 2023) relating to the sale of the Filtration division in May 2024 (for further details see note on IFRS 5) and the amount of € 18,877 thousand relating to the gain, net of tax effects, on the sale of a non-operating real estate complex in June 2024 by the parent CIR S.p.A.

This item also includes a loss in the amount of €1,169 for the allocation of a provision for risks, relating to a specific guarantee issued by the parent CIR S.P.A. to the purchasing counterparty in connection with the sale of GEDI (for further details, see Note 21. "Contingent assets/liabilities").

The item in the first half of 2023 also included the amount of € 1,161 thousand relating to the sale of the company ClearMedi Healthcare LTD by the Kos Group.

13. Earnings per share

Basic earnings (loss) per share are calculated by dividing the net profit (loss) for the period, i.e., the profit (loss) deriving from continuing operating activities or the profit (loss) from discontinued operations attributable to the ordinary shareholders by the weighted average number of shares outstanding during the period, excluding treasury shares in the portfolio. Diluted earnings (loss) per share is calculated by dividing the net profit (loss) for the period, i.e., the profit (loss) deriving from continuing operating activities or the profit (loss) from discontinued operations attributable to the ordinary shareholders by the weighted average number of ordinary shares outstanding during the period, excluding treasury shares in the portfolio and adjusted by the dilutive effects of outstanding options.

The following chart provides information on the shares used to calculate basic and diluted earnings per share:

Basic earnings per share

	<i>1st half 2024</i>	<i>1st half 2023</i>
Profit for the period attributable to the owners of the parent (in thousands of euro)	114,269	13,947
Average number of ordinary shares outstanding	1,049,982,190	1,073,150,904
Basic earnings per share (euro)	0.1088	0.0130
	<i>1st half 2024</i>	<i>1st half 2023</i>
Other comprehensive income attributable to the owners of the parent (in thousands of euro)	116,186	9,312
Average number of ordinary shares outstanding	1,049,982,190	1,073,150,904
Basic earnings per share (euro)	0.1107	0.0087
	<i>1st half 2024</i>	<i>1st half 2023</i>
Profit (loss) from continuing operations attributable to the owners of the parent (in thousands of euro)	27,672	(297)
Average number of ordinary shares outstanding	1,049,982,190	1,073,150,904
Basic earnings per share (euro)	0.0264	(0.0003)
	<i>1st half 2024</i>	<i>1st half 2023</i>
Profit from discontinued operations attributable to the owners of the parent (in thousands of euro)	154,149	30,437
Average number of ordinary shares outstanding	1,049,982,190	1,073,150,904
Basic earnings per share (euro)	0.1468	0.0284

Diluted earnings per share

	<i>1st half 2024</i>	<i>1st half 2023</i>
Profit for the period attributable to the owners of the parent (in thousands of euro)	114,269	13,947
Average number of ordinary shares outstanding	1,049,982,190	1,073,150,904
Average number of options	6,660,410	5,637,862
Adjusted average number of shares outstanding	1,056,642,600	1,078,788,766
Diluted earnings per share (in euro)	0.1081	0.0129
	<i>1st half 2024</i>	<i>1st half 2023</i>
Other comprehensive income attributable to the owners of the parent (in thousands of euro)	116,186	9,312
Average number of ordinary shares outstanding	1,049,982,190	1,073,150,904
Average number of options	6,660,410	5,637,862
Adjusted average number of shares outstanding	1,056,642,600	1,078,788,766
Diluted earnings per share (in euro)	0.1100	0.0086
	<i>1st half 2024</i>	<i>1st half 2023</i>
Profit (loss) from continuing operations attributable to the owners of the parent (in thousands of euro)	27,672	(297)
Average number of ordinary shares outstanding	1,049,982,190	1,073,150,904
Average number of options	6,660,410	5,637,862
Adjusted average number of shares outstanding	1,056,642,600	1,078,788,766
Diluted earnings per share (in euro)	0.0262	(0.0003)

	<i>1st half 2024</i>	<i>1st half 2023</i>
Profit from discontinued operations attributable to the owners of the parent (in thousands of euro)	154,149	30,437
Average number of ordinary shares outstanding	1,049,982,190	1,073,150,904
Average number of options	6,660,410	5,637,862
Adjusted average number of shares outstanding	1,056,642,600	1,078,788,766
Diluted earnings per share (in euro)	0.1459	0.0282

14. Dividends paid

The parent did not distribute any dividends during the first half of 2024.

15. Risk management

The Group operates in various industry and service sectors, both nationally and internationally, and so its business is exposed to various kinds of financial risk, including market risk (foreign exchange risk and price risk), credit risk, liquidity risk and interest rate risk.

The Group uses hedging derivatives to minimise certain types of risks.

Risk management is carried out by the central finance and treasury function on the basis of policies approved by the management and transmitted to the subsidiaries on 25 July 2003.

15.a. Market risk

Currency risk

As the group, and Sogefi in particular, operates internationally it is exposed to the risk that fluctuations in exchange rates could affect the fair value of some of its assets and liabilities. The Sogefi group manufactures and sells mainly in the euro area but is subject to currency risk especially against the British Pound, Brazilian Real, US Dollar, Argentine Peso, Chinese Renminbi and Canadian Dollar.

With regard to the currency risk associated with the translation of the financial statements of foreign subsidiaries, despite being active both in their domestic market and abroad, the operating companies generally have a substantial convergence between the currencies used for billing sales and purchases and, in case of need, the financial resources are generally found locally.

15.b. Credit risk

Credit risk can be assessed both in commercial terms in relation to the type of customers, the contractual terms and the sales concentration, and in financial terms by type of counterparty used in financial transactions. There is no significant concentration of credit risk within the group.

For some time adequate policies have been in place to ensure that sales are made to customers of good standing. The counterparties for derivative products and cash transactions are exclusively financial institutions with a high credit rating. The group has policies that limit credit exposure to individual financial institutions.

Credit risk can vary depending on the business segment concerned.

In the "Automotive Components" segment there is no excessive concentration of credit risk since the Original Equipment and After Market distribution channels with which it operates are car manufacturers or large purchasing groups without any particular concentration of risk.

Credit risk in the "Healthcare" segment varies according to the nature of the activities carried on by the operating companies, and of their various key customers; concentration is mitigated by the fact that the credit exposure is spread over a large number of institutional counterparties and private customers. The concentration of credit is lower when managing residential care homes,

whose revenue derives by more than 50% from the number of guests in the facility and whose credit recorded in the financial statements from public entities (mainly local health authorities and municipalities) are due from a plurality of subjects. The concentration of credit is higher when managing rehabilitation or acute care hospitals due to the fact that almost all the revenue of each facility comes from a single institutional entity.

The monitoring of credit risk towards customers includes grouping trade receivables together by type, age, whether the company is in financial difficulty or is involved in disputes and the existence of legal or insolvency proceedings.

15.c. Liquidity risk

Prudent liquidity risk management entails maintaining sufficient liquidity and negotiable securities and having the availability of resources through an adequate level of credit facilities.

The Group systematically plans cash requirements and commitment maturities in order to maintain a proper balance between the acquisition and use of financial resources.

The companies heading up the two main business segments manage their liquidity risk directly and independently. Tight control is exercised over the net financial position and its outlook in the short, medium and long term. In general, the Group follows an extremely prudent financial policy using mainly medium/long-term funding arrangements. Treasury management is centralised for the operating groups.

15.d. Interest rate risk (fair value and cash flow)

Interest rate risk depends on fluctuations in market rates, which can cause changes in the cash flows of financial assets or liabilities.

In accordance with the financial risk management policies, the Parent and the subsidiaries have entered into various fixed-rate loans and IRS contracts with leading financial institutions over the years to hedge the interest rate risk on variable-rate loan agreements.

15.e. Derivatives

Derivatives are measured at fair value.

For accounting purposes hedging transactions can be classified as:

- fair value hedges, if they are entered into to hedge the risk of changes in the market value of the underlying asset or liability;
- cash flow hedges, if they are entered into to hedge the risk of changes in cash flows from an existing asset and liability, or from a future transaction;
- hedges of net investments in foreign operations, if they are entered into to hedge the currency risk associated with the translation of the subsidiaries' equity denominated in a currency other than the group's functional currency.

For derivatives classified as fair value hedges, both the gains and losses resulting from the determination of their market value and the fair value gains and losses of the element underlying the hedge are recognised in the income statement.

For derivatives classified as cash flow hedges (such as, interest rate swaps), gains and losses from marking them to market are recognised directly in equity for the part which "effectively" hedges the underlying risk, while any "non-effective" part is recognised in the income statement.

For derivatives classified as hedges of a net investment in a foreign operation, gains and losses from marking them to market are recognised directly in equity for the part which "effectively" hedges the underlying risk, while any "non-effective" part is recognised in the income statement.

On initial recognition under hedge accounting, derivatives are accompanied by an effective hedging relationship which designates the individual derivative as a hedge and specifies its effectiveness parameters in relation to the financial instrument being hedged.

Hedge effectiveness is tested at regular intervals, with the effective part of the relationship being recognised in equity and the ineffective part, if any, in the income statement.

More specifically, the hedge is considered effective when fair value gains or losses or changes in the cash flows of the instrument being hedged are "almost entirely" offset by the fair value gains or losses or changes in the cash flow hedges, and when the results achieved are in a range of 80%-125%.

At 30 June 2024, the Group had the following derivatives outstanding accounted for as hedges, expressed at their notional value:

a) interest rate hedge:

Sogefi group:

- hedging of bank borrowings, with a notional value € 66.5 million.

KOS group:

- on 25 June 2024, the interest rate cap contract entered into by the group in 2019 was terminated for a notional value of € 4.4 million.

b) exchange rate hedge:

CIR International S.A.:

- forward sales totalling USD 76.3 million to hedge investments in hedge funds.

Sogefi group:

- forward sales of USD 1.2 million and purchases of BRL;
- forward purchase of Euro 0.24 million and sale of BRL;

15.f. Capital ratios

Management modulates the use of leverage to ensure that the capital and financial structure is sound and flexible at the same time, parameterising the use of sources of finance for the investing activity to the repayment capacity based on the cash flows generated by operating activities, taking into account the restrictions present in the loan agreements (in the form of covenants).

15.g. Borrowing conditions

Some of the group's borrowing agreements contain special clauses which, in the event of failure to comply with certain economic and financial covenants, give the financing banks an option to claim immediate repayment if the company involved does not immediately remedy the infringement of such covenants as required under the terms and conditions of the agreements.

At 30 June 2024, all contractual clauses relating to medium and long term financial liabilities were fully complied with by the group.

Below is a summary of the main covenants relating to the borrowings of the operating sub-holding companies outstanding at the end of the first half of 2024.

Sogefi group

The Sogefi group has undertaken to comply with the following covenants relating to some of its loans, as summarised below:

- ratio of consolidated net financial position to consolidated normalised gross operating profit (loss) less than or equal to 4; ratio of consolidated normalised gross operating profit (loss) to consolidated net financial expense not less than 3.

At 30 June 2024 these covenants were all met.

KOS group

The KOS group has undertaken to comply with the following covenants relating to some of its loans:

- ratio of consolidated net financial position to gross operating profit (loss) less than or equal to 3.5;
- ratio gross operating profit (loss) to financial charges greater than or equal to 3;
- and a loan to value ratio of less than 60%.

Note that for the purpose of calculating the covenants, the consolidated net financial position and gross operating profit (loss) do not take into account the impacts of IFRS 16 and refer to “operating” profitability and debt, net of property loans.

At 30 June 2024, these covenants were all met.

15.h. Measurement of financial assets and liabilities and fair value hierarchy

The fair value of financial assets and liabilities is calculated as follows:

- the fair value of financial assets and liabilities with standard terms and conditions listed on an active market is measured on the basis of prices published on the active market;
- the fair value of other financial assets and liabilities (except for derivatives) is measured using commonly accepted valuation techniques based on analytical models using discounted cash flows, which as variables use prices observable in recent market transactions and broker listed prices for similar instruments;
- the fair value of derivatives that are listed on an active market is measured on the basis of market prices; if no prices are published, different approaches are used according to the type of instrument.

In particular, for the measurement of certain investments in bond instruments with no regular market, i.e., where there is an insufficient number of frequent transactions with a sufficiently limited bid-ask spread and volatility, the fair value of these instruments is measured principally on the basis of prices supplied by leading international brokers at the parent's request, validated by comparing them with market prices, even if limited in number, or with prices observable for other instruments with similar characteristics.

When measuring investments in mutual funds, hedge funds and private equity funds, the fair value is determined on the basis of the NAV disclosed by the fund administrators at the reporting date. Where such information is not available at the reporting date, the last official communication is used, though it must not be more than three months old at the reporting date and, if necessary, validated against more recent information made available to investors by the fund administrators. With regard to Class 1 capitalisation insurance policies, these instruments cannot be classified as level 1 fair value, as they are not listed and the price cannot be derived from public info providers. It should also be noted that, as it is impossible for the investor/policyholder to sell these instruments to third parties, there are no transactions that could identify the instrument as 'liquid'. The fair value is instead classified as level 2 in that, even though these instruments are not listed, the method of determining their value is the same for all policyholders investing in the same fund, and is based on information provided by the counterparty or available on the websites of the insurance counterparties.

The following table gives a breakdown of financial assets and liabilities measured at fair value with an indication of whether the fair value is determined, in whole or in part, directly by reference to price quotations published in an active market ("Level 1") or estimated using prices derived from market quotations for similar assets or using valuation techniques for which all significant factors are derived from observable market data ("Level 2") or from valuation techniques based mainly on input not observable on the market, which therefore involve estimates and assumptions being made by management ("Level 3").

CATEGORIES OF FINANCIAL ASSETS AND LIABILITIES SHOWN IN THE FINANCIAL STATEMENTS

Category of financial assets and liabilities at 30 June 2024	Classification	Carrying amount	Fair value Level 1	Fair value Level 2	Fair value Level 3
NON-CURRENT ASSETS					
OTHER FINANCIAL ASSETS	FVTPL	65,098	--	65,098	--
CURRENT ASSETS					
SECURITIES	FVTPL	135,591	124,176	11,415	--
OTHER FINANCIAL ASSETS	FVTPL	198,216	--	198,216	--

During the year, there were no transfers between the various levels of the fair value hierarchy.

16. Guarantees and commitments

At 30 June 2024 the position of guarantees and commitments was the following:

CIR & financial holding companies

Contractual indemnity commitments by the parent CIR S.p.A. in relation to the sale of the GEDI group. For more information, see paragraph 21 "Contingent assets /liabilities".

Commitments for private equity fund investments by CIR International for € 17,537 thousand (€ 18,953 thousand at 31 December 2023).

Sogefi group

Investment commitments

At 30 June 2024, there are binding commitments for investments relating to purchases of property, plant and equipment of € 471 thousand (€ 552 thousand at 31 December 2023).

Guarantees given

Details of these guarantees are as follows:

<i>(in thousands of euro)</i>	30.06.2024	31.12.2023
Sureties given to third parties	449	1,039
Other unsecured guarantees given to third parties	3,743	3,743
Secured guarantees given for borrowings shown in the financial statements	27,444	26,258

The guarantees given in favour of third parties relate to guarantees given to certain customers by Sogefi Suspensions Heavy Duty Italy S.p.A.; and to guarantees given to tax authorities by Sogefi Filtration Ltd; sureties are shown at the amount of the outstanding commitment as of the reporting date. These items indicate risks, commitments and guarantees given by group companies to third parties.

"Other unsecured guarantees given to third parties" refer to the commitment of Sogefi HD Suspensions Germany GmbH to the employees' pension fund of the two business divisions at the time of the acquisition in 1996. This commitment is covered by contractual obligations on the part of the vendor, which is a leading German company.

The secured guarantees relate exclusively to the subsidiaries Sogefi Suspensions Eastern Europe S.R.L., Sogefi (Suzhou) Auto Parts Co., Ltd and Sogefi ADM Suspensions Private Limited which have granted to the lenders secured guarantees over their property, plant and equipment and trade receivables for the loans obtained from them.

Other risks

At 30 June 2024 the Sogefi Group held assets belonging to third parties on its premises for € 2,151 thousand.

KOS group

The following is a breakdown of the bank guarantees and other sureties given by KOS S.p.A. and/or other subsidiaries against loans of KOS S.p.A. for a total of € 28,163 thousand:

- a guarantee on behalf of KOS S.p.A. for the lease of the Via Durini offices for € 46 thousand;
- a guarantee on behalf of KOS Care S.r.l. for lease contracts worth € 27,892 thousand;
- a guarantee in favour of the Municipality of Sanremo as a security deposit for urbanisation works, for € 225 thousand.

At 30 June 2024, other commitments and risks amounted to € 5,093 thousand, mainly related to:

- assets on free loan for € 3,013 thousand;
- guarantees issued by Suzzara Hospital in favour of F.lli Montecchi, for € 953 thousand;
- tenders for € 756 thousand;
- contractual commitments of around € 371 thousand.

17. Disclosure on the business segments

The business segments coincide with the groups of companies that CIR S.p.A. controls: the KOS group for the healthcare segment, the Sogefi group for automotive components.

An analysis of the performance by segment is provided in the report on operations, while the breakdown of turnover by geographical segment (secondary segment) is provided in the notes to the financial statements on revenue (Note 8).

18. Joint ventures

The group does not have any investments in joint ventures at 30 June 2024.

19. Net financial position

The net financial position, in accordance with Consob communication 6064293 dated 28 July 2006 and ESMA communication 32-382-1138 of 4 March 2021, can be analysed as follows:

<i>(in thousands of euro)</i>	30.06.2024	31.12.2023
A. Cash	176,507	149,991
B. Cash equivalents	415,742	315,322
C. Other current financial assets	150,846	90,820
D. Cash and cash equivalents (A) + (B) + (C)	743,095	556,133
E. Current financial indebtedness	119,037	72,825
F. Current portion of non-current financial indebtedness	124,738	146,199
G. Current financial indebtedness (E) + (F)	243,775	219,024
H. NET CURRENT FINANCIAL POSITION (G) - (D)	(499,320)	(337,109)
I. Non-current financial indebtedness	1,002,534	1,138,294
J. Debt instruments	35,063	79,870
K. Trade payables and other non-current liabilities	--	--
L. Non-current financial indebtedness (I) + (J) + (K)	1,037,597	1,218,164
M. NET FINANCIAL INDEBTEDNESS (H) + (L)	538,277	881,055
Other non-current financial assets	(5,654)	(9,532)
NET FINANCIAL INDEBTEDNESS (as per the "Net Financial Position" in the tables in the Report on Operations)	532,623	871,523

A) item 4.g "Cash and cash equivalents";

B) item 4.f "Other financial assets, including derivatives";

C) item 4.d "Loan assets" and item 4.e "Securities";

E) item 4.g "Bank loans and borrowings" and item 7.a "Bonds";

F) item 7.b "Other financial liabilities" and item 7.c "Lease liabilities";

I) item 6.b "Other financial liabilities" and item 6.c "Lease liabilities";

J) item 6.a "Bonds".

20. Disclosures regarding share-based payment plans

20.a. Employee payment plans at 30 June 2024 (CIR)

The following chart shows the stock grant plans of the parent CIR S.p.A.

CIR - Stock Grant Plans at 30 June 2024

	Instruments outstanding at start of period		Instruments granted during the period		Instruments exercised during the period		Instruments vested during the period		Instruments outstanding at end of period			Instruments exercisable at the end of the period	
	No. of Units	Opening amount	No. of Units	Opening amount	No. of Units	Weighted average strike price	No. of Units	Weighted average strike price	No. of Units	Opening amount	Average duration (years)	No. of Units	Opening amount
Stock Grant Plan 2016	1,033,057	0.5267	-	-	1,033,057	0.5267	-	-	-	-	-	-	-
Stock Grant Plan 2017	897,538	0.7144	-	-	-	-	-	-	897,538	0.7144	2.83	897,538	0.7144
Stock Grant Plan 2018	1,453,451	0.4378	-	-	24,624	0.4378	-	-	1,428,827	0.4378	3.83	1,428,827	0.4378
Stock Grant Plan 2019	1,342,470	0.4557	-	-	91,312	0.4557	-	-	1,251,158	0.4557	4.83	1,251,158	0.4557
Stock Grant Plan 2020	3,522,479	0.4066	-	-	252,120	0.4066	1,820,155	0.4066	1,450,204	0.4066	5.94	1,450,204	0.4066
Stock Grant Plan 2021	3,536,117	0.4025	-	-	295,833	0.4025	-	-	3,240,284	0.4025	6.84	1,160,534	0.4025
Stock Grant Plan 2022	4,124,469	0.3512	-	-	69,974	0.3512	-	-	4,054,495	0.3512	7.84	273,732	0.3512
Stock Grant Plan 2023	4,423,662	0.3292	-	-	-	-	-	-	4,423,662	0.3292	8.83	-	-
Stock Grant Plan 2024	-	-	2,982,130	0.4896	-	-	-	-	2,982,130	0.4896	9.83	-	-
Total	20,333,243	0.4030	2,982,130	0.4896	1,766,920	0.4769	1,820,155	0.4066	19,728,298	0.4091	7.35	6,461,993	0.4627

20.b. Employee payment plans at 30 June 2024 (Sogefi group)

The following table shows the total number of rights existing with reference to the plans for the period 2015 - 2024:

	30/06/2024	31/12/2023
Not exercised/not exercisable at the start of the period	2,503,788	2,200,191
Granted during the period	--	980,000
Cancelled during the period	(274,408)	(268,427)
Exercised during the period	(163,757)	(407,976)
Not exercised/not exercisable at the end of the period	2,065,623	2,503,788
Exercisable at the end of the period	60,470	54,712

The line "Not exercised/not exercisable at the end of the period" refers to the total amount of rights net of those exercised or cancelled during the current and previous periods.

The line "Exercisable at the end of the period" refers to the total amount of rights vested at the end of the period and not yet subscribed.

20.c. Employee payment plans at 30 June 2024 (KOS group)

The following chart shows the stock option plans of the KOS group:

KOS - Stock Option Plans 30 June 2024

	<i>Options in circulation at the start of the period</i>		<i>Options granted during the period</i>		<i>Options exercised during the period</i>		<i>Options expired during the period</i>		<i>Options in circulation at the end of the period</i>		<i>Options exercisable at the end of the period</i>			<i>Maturities options</i>	
	<i>No. of options</i>	<i>Weighted average strike price</i>	<i>No. of options</i>	<i>Weighted average strike price</i>	<i>No. of options</i>	<i>Weighted average strike price</i>	<i>No. of options</i>	<i>Weighted average strike price</i>	<i>Number</i>	<i>Weighted average strike price</i>	<i>Average duration (years)</i>	<i>No. of options</i>	<i>Weighted average strike price</i>	<i>Vesting date</i>	<i>Expiry dates</i>
Stock Option Plan '10 rev	1,404,583	2.65	--	--	--	--	--	--	1,404,583	2.65	9.4	1,404,583	2.65	31/12/2014	17/05/2033
Stock Option Plan '16	951,000	8.02	--	--	--	--	--	--	951,000	8.02	9.4	951,000	8.02	17/05/2023	17/05/2033
Total	2,355,583	4.82	--	--	--	--	--	--	2,355,583	4.82	9.4	2,355,583	4.82		



21. Contingent assets/liabilities

Contingent liabilities

Certain group companies have legal disputes pending, against which their Boards have set aside risk provisions for amounts that are considered appropriate, taking into account the opinion of their consultants regarding the likelihood that significant liabilities will actually occur.

Sogefi group

In October 2016, Sogefi S.p.A. received four notices of assessment relating to the tax years 2011 and 2012, following a tax audit in the first half of 2016, containing the following two observations: i) undue deduction of € 0.6 million of VAT paid on goods and services, ii) undue deduction for IRES purposes (and related non-deductible VAT of € 0.2 million) in costs for services rendered by the parent CIR S.p.A. for a total taxable amount of € 1.3 million, plus interest and penalties.

The notices have already been appealed before the Mantua Provincial Tax Commission, which on 14 July 2017 issued ruling 119/02/2017 that was entirely favourable to the Company. The ruling was partially appealed by the Tax Authorities, which requested confirmation only of the assessments notified for VAT purposes, definitively renouncing the assessment notices issued for IRES purposes.

The Company has filed counterclaims against this partial appeal. On 19 November 2019 the hearing was held at the Lombardy Regional Tax Commission, which accepted the Tax Office's argument.

The ruling of the Brescia section of the Lombardy Regional Tax Commission was challenged by the Company in an appeal filed with the Court of Cassation on 30 September 2020. The Office filed a counter-appeal through the state legal advisory service. The Company is waiting for the hearing date to be set.

The Company paid the amount specified in Regional Tax Commission ruling 1/26/2020 on 31 December 2020. This amount, equal to € 1.3 million, has been included in "Tax assets".

The Directors, backed by the professional opinion of the company's tax consultant, consider that the risk of losing is possible, but not probable.

Consequently, for this contingent liability, the Sogefi group did not set aside any provisions for tax risks in the condensed interim consolidated financial statements at 30 June 2024.

Parent CIR S.p.A.

During the first half of 2024, a provision for risks of € 0.4 million was set aside in connection with a dispute for which the possibility of losing the case was deemed 'Possible', after developments in the proceedings.



22. Other information

MANAGEMENT AND COORDINATION

CIR S.p.A. is subject to management and coordination by Fratelli De Benedetti S.p.A. (art. 2497-bis of the Italian Civil Code).

SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

As far as both the parent and its subsidiaries KOS and Sogefi are concerned, there were no significant events that could have an impact on the economic, equity and financial information presented, other than the payment on 24 July 2024 of the extraordinary dividend of € 0.923 per share, totalling approximately €110 million, of which the market was aware, which involved the collection by the parent CIR of approximately € 61.7 million and the early repayment on 15 July 2024, for an amount of € 52,430 thousand, of the Sogefi 2019/2025 bond loan originally of € 75 million maturing in November 2025.

RELATED PARTY TRANSACTIONS

On 28 June 2021, the Parent updated its Procedure on Related Party Transactions (the "Procedure"), in compliance with the new "Regulation containing provisions on related party transactions" issued with Resolution 17221 of 12 March 2010 provided for by Resolution 21624 of 10 December 2020. This procedure is published on the Parent's website www.cirgroup.it in the "Governance" section.

The Procedure lays down principles of conduct that the Parent is required to adopt to ensure that related party transactions are handled properly. This means that it:

- 1) lays down the criteria and methods of identifying the Parent's related parties;
- 2) establishes principles for identifying related party transactions ("Transactions");
- 3) governs the procedures for carrying out such Transactions;
- 4) establishes ways to ensure compliance with the related disclosure requirements.

The procedure envisages, among other things, the functions of the Related Party Transactions Committee, previously established by the Board of Directors. Functions and operating methods of the Related Party Transactions Committee are also governed by its internal regulations.

The parties defined as such by the International Financial Reporting Standards currently in force have been identified as related parties, which at the reporting date include (i) the ultimate parent of CIR S.p.A., its subsidiaries, also joint ventures, and its associates, (ii) the subsidiaries jointly controlled and the associates of CIR S.p.A. (whose relationships are eliminated in the consolidation process) and (iii) the persons who have control, joint control, who have significant influence or are individuals with strategic responsibilities of the Parent, as well as their close family members and any companies directly or indirectly controlled by them or subject to joint control or significant influence.

The Transactions currently in place during 2024, "not exempt" pursuant to art. 4.1 of the Procedure, are both of Lesser Importance pursuant to the Procedure and concern: i) the donation of € 300,000 to the Fondazione Ing. Rodolfo De Benedetti; ii) the rent of a property owned by the Parent to a Related Party (a natural person), with a contract lasting 6+6 years.

We also point out the other Transactions that are "exempt" pursuant to art. 4.1 of the Procedure: intercompany service, rent and financing contracts, and the tax consolidation contract, with subsidiaries of the CIR Group as counterparties (and as such "exempt"), and a financial asset management mandate with a related party company, of a Negligible Amount pursuant to art. 4.1.v of the Procedure (and as such "exempt").



The following table gives a summary of transactions with related parties:

INCOME STATEMENT

(in thousands of euro)

	Revenue	Costs for the purchase of goods	Costs for services	Other operating costs	Other operating income	Financial income	Financial expense	Dividends
Parents	--	--	--	--	--	--	--	--
Subsidiaries	--	--	--	--	--	--	--	--
Associates	--	--	--	--	--	--	--	--
Joint ventures	--	--	--	--	--	--	--	--
Other related parties	--	--	--	(300)	44	--	--	--
Total	--	--	--	(300)	44	--	--	--

STATEMENT OF FINANCIAL POSITION

	Current assets		Current liabilities		
	Trade receivables	Other assets	Other financial liabilities	Trade payables	Other liabilities
Parents	--	--	--	--	--
Subsidiaries	--	--	--	--	--
Associates	--	105	--	--	--
Joint ventures	--	--	--	--	--
Other related parties	--	--	--	300	--
Total	--	105	--	300	--

Certification of the
condensed interim
consolidated financial
statements

Certification of the condensed interim consolidated financial statements at 30 June 2024 pursuant to art. 154-bis, paragraphs 3 and 4, Legislative Decree No. 58/1998

1. The undersigned, Monica Mondardini, the Chief Executive Officer, and Michele Cavigioli, the manager in charge of financial reporting of CIR S.p.A., hereby certify, also taking into account the provisions of art. 154-*bis*, paragraphs 3 and 4, of Legislative Decree no. 58 of 24 February 1998:

the appropriateness, in relation to the characteristics of the business, and

the effective application of the administrative and accounting procedures for the preparation of the Interim Financial Report at 30 June 2024, during the period from 1 January 2024 to 30 June 2024.

2. In this respect, no significant issues have arisen which need to be reported.

3. It is also certified that the condensed interim consolidated financial statements at 30 June 2024:

are prepared in accordance with International Financial Reporting Standards as endorsed by the European Community pursuant to Regulation (EC) No. 1606/2002 of the European Parliament and of the Council of 19 July 2002;

agree with the balances on the books of account and accounting entries;

are able to give a true and fair view of the financial position, financial performance and cash flows of the issuer and of the companies included in the consolidation.

The report on operations at 30 June 2024 includes a reliable analysis of the group's performance and results of operations, as well as of the general situation of the issuer and of the companies included in the consolidation scope, together with a description of the main risks and uncertainties to which they are exposed.

Milan, 29 July 2024

Monica Mondardini

Chief Executive Officer

Michele Cavigioli

Manager in charge of financial reporting



LIST OF EQUITY INVESTMENTS

AT 30 JUNE 2024

pursuant to art. 38.2 of Legislative Decree 127/91



SUBSIDIARIES CONSOLIDATED ON A LINE-BY-LINE BASIS

(in euro or foreign currency)

Company name	Registered office	Share/quota Capital	Currency	Held by	% investment
CIR GROUP					
CIR INTERNATIONAL S.A.	Luxembourg	15,000,000.00	€	CIR S.p.A.	100.00
CIGA LUXEMBOURG S.À.R.L.	Luxembourg	1,000,000.00	€	CIR S.p.A.	100.00
JUPITER MARKETPLACE S.R.L.	Italy	100,000.00	€	CIR S.p.A.	100.00
CIR INVESTIMENTI S.P.A.	Italy	19,426,162.00	€	CIR S.p.A.	100.00
KOS GROUP					
KOS S.P.A.	Italy	8,853,458.40	€	CIR S.p.A.	59.77
OSPEDALE DI SUZZARA S.P.A.	Italy	120,000.00	€	KOS S.p.A.	99.90
KOS CARE S.R.L.	Italy	2,550,000.00	€	KOS S.p.A.	100.00
ABITARE IL TEMPO S.R.L.	Italy	100,826.00	€	KOS CARE S.r.l.	54.00
SANATRIX S.R.L.	Italy	843,700.00	€	KOS CARE S.r.l.	94.08
SANATRIX GESTIONI S.R.L.	Italy	300,000.00	€	SANATRIX S.r.l.	99.64
JESILAB S.R.L.	Italy	80,000.00	€	KOS CARE S.r.l.	100.00
FIDIA S.R.L.	Italy	10,200.00	€	KOS CARE S.r.l.	60.00
CHARLESTON HOLDING GMBH	Germany	25,000.00	€	KOS CARE S.r.l.	100.00
REGENTA BETRIEBSGESELLSCHAFT MBH	Germany	250,000.00	€	Charleston Holding GmbH	100.00
ELISABETHENHAUS BETRIEBSGESELLSCHAFT MBH	Germany	250,000.00	€	Charleston Holding GmbH	100.00
DIENSTLEISTUNGSGESELLSCHAFT FÜR SOZIALEINRICHTUNGEN MBH	Germany	25,600.00	€	Charleston Holding GmbH	100.00
WOHN- UND PFLEGEZENTRUM FRIESENHOF GMBH	Germany	25,000.00	€	Charleston Holding GmbH	100.00
WOHN- & PFLEGEZENTRUM GUT HANSING GMBH	Germany	50,000.00	€	Charleston Holding GmbH	100.00
RDS RESIDENZPARK DIENSTLEISTUNG & SERVICE GMBH	Germany	25,000.00	€	Wohn- & Pflegezentrum Gut Hansing GmbH	100.00
WOHN- UND PFLEGEZENTRUM HAUS TEICHBlick GMBH	Germany	128,150.00	€	Charleston Holding GmbH	100.00
DIENSTLEISTUNGSGESELLSCHAFT FÜR SOZIALEINRICHTUNGEN - NORD MBH	Germany	25,000.00	€	Wohn- und Pflegezentrum Haus Teichblick GmbH	100.00
WOHN- UND PFLEGEZENTRUM HAUS AM BAHNHOF GMBH	Germany	51,150.00	€	Charleston Holding GmbH	100.00
RSG ROTENBURGER SERVICEGESELLSCHAFT AM BAHNHOF MBH	Germany	25,000.00	€	Charleston Holding GmbH	100.00
WOHN- UND PFLEGEZENTRUM HAUS OTTERSBERG GMBH	Germany	51,150.00	€	Charleston Holding GmbH	100.00
OSW OTTERSBERGER SERVICEGESELLSCHAFT WÜMMEBlick MBH	Germany	25,000.00	€	Wohn- und Pflegezentrum Haus Ottersberg GmbH	100.00
WOHN- & PFLEGEZENTRUM SEEHOF GMBH	Germany	51,200.00	€	Charleston Holding GmbH	100.00
DGS DIENSTLEISTUNGSGESELLSCHAFT SEEHOF MBH	Germany	26,000.00	€	Wohn- & Pflegezentrum Seehof GmbH	100.00
WOHN- UND PFLEGEZENTRUM HAUS SCHWANEWEDER GMBH	Germany	27,500.00	€	Charleston Holding GmbH	100.00
PROGUSTO SCHWANEWEDER SERVICEGESELLSCHAFT MBH	Germany	25,000.00	€	Wohn- und Pflegezentrum Haus Schwanewede GmbH	100.00

Company name	Registered office	Share/quota Capital	Currency	Held by	% investment
ALTEN- UND PFLEGEZENTRUM ZU BAKUM GMBH	Germany	51,129.00	€	Charleston Holding GmbH	100.00
APZ ZU BAKUM SERVICEGESELLSCHAFT MBH	Germany	25,000.00	€	Alten- und Pflegezentrum zu Bakum GmbH	100.00
CURATUM BETEILIGUNGS- UND VERWALTUNGSGESELLSCHAFT MBH	Germany	25,000.00	€	Charleston Holding GmbH	100.00
SENIORENDOMIZIL HAUS AM PARK GMBH	Germany	50,000.00	€	Curatum Beteiligungs- und Verwaltungsgesellschaft mbH	100.00
VSG VÖRDER SERVICE GESELLSCHAFT MBH	Germany	25,000.00	€	Senioren-domizil Haus am Park GmbH	100.00
WOHN- UND PFLEGEZENTRUM BURG AUF FEHMARN GMBH	Germany	25,000.00	€	Curatum Beteiligungs- und Verwaltungsgesellschaft mbH	100.00
FFH FEHMARNSCHE FLINKE HÄNDE SERVICEGESELLSCHAFT MBH	Germany	25,000.00	€	Wohn- und Pflegezentrum Burg auf Fehmarn GmbH	100.00
LANDHAUS GLÜCKSTADT WOHN- & PFLEGEZENTRUM GMBH	Germany	51,129.00	€	Curatum Beteiligungs- und Verwaltungsgesellschaft mbH	100.00
LH GLÜCKSTADT SERVICEGESELLSCHAFT MBH	Germany	25,000.00	€	Landhaus Glückstadt Wohn- & Pflegezentrum GmbH	100.00
WOHN- UND PFLEGEZENTRUM HAUS AM GOLDBACH GMBH	Germany	50,000.00	€	Curatum Beteiligungs- und Verwaltungsgesellschaft mbH	100.00
GBS GOLDBACH SERVICEGESELLSCHAFT MBH	Germany	25,000.00	€	Wohn- und Pflegezentrum Haus am Goldbach GmbH	100.00
WOHN- & PFLEGEZENTRUM UP'N KAMP GMBH	Germany	26,000.00	€	Curatum Beteiligungs- und Verwaltungsgesellschaft mbH	100.00
BSG BÖRDE SERVICEGESELLSCHAFT MBH	Germany	25,565.00	€	Wohn- & Pflegezentrum Up'n Kamp GmbH	100.00
CHARLESTON VOR GMBH	Germany	25,000.00	€	Charleston Holding GmbH	100.00
SSB SERVICEGESELLSCHAFT SELSINGER BÖRDE MBH	Germany	25,000.00	€	CHARLESTON VOR GMBH	100.00
CHARLESTON - AMBULANTE DIENSTE GMBH	Germany	25,000.00	€	Charleston Holding GmbH	100.00
SENOVUM GMBH	Germany	226,000.00	€	Charleston Holding GmbH	100.00
WOHN- UND PFLEGEHEIM LESMONA GMBH	Germany	25,000.00	€	Charleston Holding GmbH	100.00
WPH LESMONA SERVICEGESELLSCHAFT MBH	Germany	25,000.00	€	Wohn- und Pflegeheim Lesmona GmbH	100.00
SENIOREN- UND PFLEGEHAUS "DRENDEL" BETRIEBS GMBH	Germany	30,000.00	€	Charleston Holding GmbH	100.00
WOHN- UND PFLEGE-EINRICHTUNG BAD CAMBERG GMBH - ANNA-MÜLLER-HAUS-	Germany	100,000.00	€	Charleston Holding GmbH	100.00
WOHN- UND PFLEGEZENTRUM HAUS KIKRA GMBH	Germany	26,000.00	€	Charleston Holding GmbH	100.00
MPS CATERING GMBH	Germany	25,000.00	€	Charleston Holding GmbH	100.00
BAYERNSTIFT - GESELLSCHAFT FÜR SOZIALE DIENSTE UND GESUNDHEIT MBH	Germany	250,000.00	€	Charleston Holding GmbH	100.00
BAYERNSTIFT SERVICE GMBH	Germany	25,000.00	€	BayernStift - Gesellschaft für Soziale Dienste und Gesundheit mbH	100.00
SLW ALTENHILFE LIEBFRAUENHAUS GMBH	Germany	50,000.00	€	BayernStift - Gesellschaft für Soziale Dienste und Gesundheit mbH	100.00

<i>Company name</i>	<i>Registered office</i>	<i>Share/quota Capital</i>	<i>Currency</i>	<i>Held by</i>	<i>% investment</i>
BAYERNSTIFT MOBIL GMBH	Germany	25,000.00	€	BayernStift - Gesellschaft für Soziale Dienste und Gesundheit mbH	100.00
DIE FRANKENSCHWESTERN GMBH	Germany	25,000.00	€	Bayernstift Mobil GmbH	60.00
BRISA MANAGEMENT GMBH	Germany	25,000.00	€	Charleston Holding GmbH	100.00
WOHNPARK DR. MURKEN GMBH	Germany	25,000.00	€	Brisa Management GmbH	100.00
WOHNPARK KLOSTERGARTEN GMBH	Germany	26,000.00	€	Brisa Management GmbH	100.00
WOHNPARK SCHRIEWESHOF GMBH	Germany	25,000.00	€	Brisa Management GmbH	100.00
WOHNPARK LUISENHOF GMBH	Germany	25,000.00	€	Brisa Management GmbH	100.00
CHRISTOPHORUS SENIORENRESIDENZEN GMBH	Germany	25,000.00	€	Brisa Management GmbH	100.00
CHRISTOPHORUS PFLEGE- UND BETREUUNGSDIENSTE GMBH	Germany	25,000.00	€	Brisa Management GmbH	100.00
CHRISTOPHORUS INTENSIVPFLEGEDIENSTE GMBH	Germany	25,000.00	€	Brisa Management GmbH	100.00
WOHN- UND PFLEGEZENTRUM ESSEN GMBH	Germany	25,000.00	€	Charleston Holding GmbH	100.00
WOHN- UND PFLEGEZENTRUM MÜLHEIM GMBH	Germany	25,000.00	€	Charleston Holding GmbH	100.00
CHARLESTON DIENSTLEISTUNGSGESELLSCHAFT RUHR MBH	Germany	25,000.00	€	Charleston Holding GmbH	100.00
WOHN- UND PFLEGEZENTRUM NEUENSTEIN GMBH	Germany	25,000.00	€	Charleston Holding GmbH	100.00
SIG GMBH	Germany	25,000.00	€	Brisa Management GmbH	100.00
GSA GP GMBH	Germany	25,000.00	€	Brisa Management GmbH	100.00
GSA GMBH & CO. IMMOBILIEN VERWALTUNGS KG	Germany	5,000.00	€	Brisa Management GmbH	100.00
QLT.CARE GMBH	Germany	25,000.00	€	Charleston Holding GmbH	100.00
WOHN- UND PFLEGEZENTRUM CRAILSHEIM GMBH	Germany	25000.00	€	Charleston Holding GmbH	100.00
WOHN- UND PFLEGEZENTRUM DURLANGEN GMBH	Germany	25,000.00	€	Charleston Holding GmbH	100.00
INNTAL PFLEGEHEIME GMBH	Germany	25,000.00	€	Charleston Holding GmbH	100.00
KOS SERVIZI SOCIETÀ CONSORTILE A R.L.	Italy	138,000.00	€	KOS CARE S.r.l.	85.51
				KOS S.p.A.	5.35
				ABITARE IL TEMPO S.r.l.	4.11
				SANATRIX GESTIONI S.r.l.	2.52
				OSPEDALE DI SUZZARA S.p.A.	1.79
				FIDIA S.r.l.	0.36
				JESILAB S.r.l.	0.36
					100.00

<i>Company name</i>	<i>Registered office</i>	<i>Share/quota Capital</i>	<i>Currency</i>	<i>Held by</i>	<i>% investment</i>
SOGEFI GROUP					
SOGEFI S.p.A. (*)	Italy	62,461,355.84	€	CIR S.p.A.	55.64
SOGEFI SUSPENSIONS S.A.	France	73,868,383.00	€	SOGEFI S.p.A.	99.999
SOGEFI GESTION S.A.S.	France	100,000.00	€	SOGEFI S.p.A.	100.00
SHANGHAI SOGEFI AUTO PARTS Co., Ltd	China	13,000,000.00	USD	SOGEFI S.p.A.	100.00
SOGEFI AIR & COOLING S.A.S.	France	54,938,125.00	€	SOGEFI S.p.A.	100.00
SOGEFI (SUZHOU) AUTO PARTS CO., Ltd	China	37,400,000.00	USD	SOGEFI S.p.A.	100.00
SOGEFI AIR & COOLING CANADA CORP.	Canada	9,393,000.00	CAD	SOGEFI AIR & COOLING S.A.S.	100.00
SOGEFI AIR & COOLING USA INC.	U.S.A.	100.00	USD	SOGEFI AIR & COOLING S.A.S.	100.00
S.C. SOGEFI AIR & COOLING S.R.L.	Romania	7,087,610.00	RON	SOGEFI AIR & COOLING S.A.S.	100.00
ATN MOLDS & PARTS S.A.S.	France	400,000.00	€	SOGEFI AIR & COOLING S.A.S.	100.00
SOGEFI ENGINE SYSTEMS MEXICO S. de R.L. de C.V.	Mexico	126,246,760.00	MXN	SOGEFI AIR & COOLING CANADA CORP.	99.99999
ALLEVARD SPRINGS Ltd	Great Britain	4,000,002.00	GBP	SOGEFI SUSPENSIONS S.A.	100.00
SOGEFI PC SUSPENSIONS GERMANY GmbH	Germany	50,000.00	€	SOGEFI SUSPENSIONS S.A.	100.00
SOGEFI SUSPENSION ARGENTINA S.A.	Argentina	61,356,535.00	ARS	SOGEFI SUSPENSIONS S.A.	89.999
				SOGEFI SUSPENSIONS BRASIL Ltda	9.9918
					99.99
IBERICA DE SUSPENSIONES S.L. (ISSA)	Spain	10,529,668.00	€	SOGEFI SUSPENSIONS S.A.	50.00
SOGEFI SUSPENSION BRASIL Ltda	Brazil	37,161,683.00	BRL	SOGEFI SUSPENSIONS S.A.	100.00
UNITED SPRINGS Limited	Great Britain	4,500,000.00	GBP	SOGEFI SUSPENSIONS S.A.	100.00
UNITED SPRINGS B.V.	The Netherlands	254,979.00	€	SOGEFI SUSPENSIONS S.A.	100.00
UNITED SPRINGS S.A.S.	France	5,109,000.00	€	SOGEFI SUSPENSIONS S.A.	100.00
S.ARA COMPOSITE S.A.S.	France	13,000,000.00	€	SOGEFI SUSPENSIONS S.A.	96.15
SOFEFI ADM SUSPENSIONS Private Limited	India	432,000,000.00	INR	SOGEFI SUSPENSIONS S.A.	74.23
SOGEFI SUSPENSIONS HEAVY DUTY ITALY S.p.A.	Italy	6,000,000.00	€	SOGEFI SUSPENSIONS S.A.	99.88
SOGEFI SUSPENSIONS PASSENGER CAR ITALY S.p.A.	Italy	8,000,000.00	€	SOGEFI SUSPENSIONS S.A.	99.88
SOGEFI SUSPENSIONS EASTERN EUROPE S.R.L.	Romania	31,395,890.00	RON	SOGEFI SUSPENSIONS S.A.	100.00

(*) 56.28% net of the treasury shares

EQUITY INVESTMENTS IN ASSOCIATES MEASURED AT EQUITY

<i>Company name</i>	<i>Registered office</i>	<i>Share/quota Capital</i>	<i>Currency</i>	<i>Held by</i>	<i>% investment</i>
CIR GROUP					
DEVIL PEAK S.R.L.	Italy	115,446.64	€	JUPITER MARKETPLACE S.r.l.	41.18
CIR INTERNATIONAL GROUP					
KTP GLOBAL FINANCE S.C.A.	Luxembourg	566,573.75	€	CIR INTERNATIONAL S.A.	47.55
KOS GROUP					
APOKOS REHAB PVT LTD	India	169,500,000.00	INR	KOS S.p.A.	50.00

EQUITY INVESTMENTS IN SUBSIDIARIES AND ASSOCIATES MEASURED AT COST (*)

(in euro or foreign currency)

<i>Company name</i>	<i>Registered office</i>	<i>Share/quota Capital</i>	<i>Currency</i>	<i>Held by</i>	<i>% investment</i>
KOS GROUP					
OSIMO SALUTE S.P.A.	Italy	750,000.00	€	ABITARE IL TEMPO S.r.l.	25.50
CIR INTERNATIONAL GROUP					
KTP GLOBAL FINANCE MANAGEMENT S.A.	Luxembourg	31,000.00	€	CIR INTERNATIONAL S.A.	46.00

(*) Non-significant, non-operating equity investments or recently acquired equity investments, if not otherwise indicated

EQUITY INVESTMENTS IN OTHER COMPANIES MEASURED AT COST

(in euro or foreign currency)

<i>Company name</i>	<i>Registered office</i>	<i>Share/quota Capital</i>	<i>Currency</i>	<i>Held by</i>	<i>% investment</i>
KOS GROUP					
FONDO SPAZIO SANITÀ	Italy	112,043,000	€	KOS CARE S.r.l.	0.80

EQUITY INVESTMENTS IN SUBSIDIARIES, ASSOCIATES AND IN OTHER COMPANIES NOT INCLUDED IN THE CONSOLIDATED FINANCIAL STATEMENTS

(in euro or foreign currency)

<i>Company name</i>	<i>Registered office</i>	<i>Share/quota Capital</i>	<i>Currency</i>	<i>Held by</i>	<i>% investment</i>
CIR GROUP					
FINAL S.A. (in liquidation)	France	2,324,847.00	€	CIGA LUXEMBOURG S.à.r.l.	47.73

Report of the independent auditors



(This independent auditors' report has been translated into English solely for the convenience of international readers. Accordingly, only the original Italian version is authoritative.)

CIR - Compagnie Industriali Riunite Group

**Condensed interim consolidated financial statements as at
and for the six months ended 30 June 2024**

(with independent auditors' report thereon)

KPMG S.p.A.

2 August 2024



KPMG S.p.A.
Revisione e organizzazione contabile
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Report on review of condensed interim consolidated financial statements

*To the shareholders of
CIR S.p.A. – Compagnie Industriali Riunite*

Introduction

We have reviewed the accompanying condensed interim consolidated financial statements of the CIR - Compagnie Industriali Riunite Group as at and for the six months ended 30 June 2024, comprising the income statement, the statements of comprehensive income, financial position, changes in equity and cash flows and notes thereto. The directors are responsible for the preparation of these condensed interim consolidated financial statements in accordance with the International Financial Reporting Standard applicable to interim financial reporting (IAS 34), endorsed by the European Union. Our responsibility is to express a conclusion on these condensed interim consolidated financial statements based on our review.

Scope of the review

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



CIR – Compagnie Industriali Riunite Group

Report on review of condensed interim consolidated financial statements

30 June 2024

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed interim consolidated financial statements of the CIR - Compagnie Industriali Riunite Group as at and for the six months ended 30 June 2024 have not been prepared, in all material respects, in accordance with the International Financial Reporting Standard applicable to interim financial reporting (IAS 34), endorsed by the European Union.

Milan, 2 August 2024

KPMG S.p.A.

(signed on the original)

Alessandra Ponzio
Director of Audit

CIR S.p.A.

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