



*The interim condensed consolidated financial statements have been translated into the English language solely for the convenience of international readers. Accordingly, only the original text in Italian language is authoritative.*

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INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS OF SEPTEMBER 30, 2022 AND  
DECEMBER 31, 2021

(in thousands of Euro)	Note	As of September 30,	As of December 31,
		2022	2021
Intangible assets		2,589	2,440
Property, plant and equipment	(1)	204,475	145,507
Right-of-use assets	(2)	57,691	61,993
Non-current financial assets	(3)	9,611	17,797
Deferred tax assets	(4)	20,523	23,025
Other non-current assets		2,300	1,907
<b>Total Non-Current Assets</b>		<b>297,189</b>	<b>252,669</b>
Inventories	(5)	355,457	219,948
Trade receivables	(6)	164,791	97,019
Other current assets		37,193	27,094
Current tax receivables		4,597	1,896
Cash and cash equivalents		64,581	137,662
<b>Total Current Assets</b>		<b>626,619</b>	<b>483,619</b>
<b>TOTAL ASSETS</b>		<b>923,808</b>	<b>736,288</b>
Share capital		6,112	6,112
Share premium reserve		34,410	34,410
Other Reserves		11,671	5,204
Retained Earnings		108,831	81,829
<b>Equity attributable to the owners of the Company</b>	(7)	<b>161,024</b>	<b>127,555</b>
<b>Equity attributable to the non-controlling interests</b>		<b>23,522</b>	<b>19,772</b>
<b>Total Equity</b>		<b>184,546</b>	<b>147,327</b>
Non-current financial liabilities and borrowings	(8)	186,419	134,997
Non-current lease liabilities	(9)	43,690	47,568
Employee benefits		4,033	4,809
Deferred tax liabilities	(4)	11,960	8,088
Provisions		1,500	402
Other non-current liabilities	(10)	4,292	9,906
<b>Total Non-Current Liabilities</b>		<b>251,894</b>	<b>205,770</b>
Current financial liabilities and borrowings	(8)	132,877	97,535
Current lease liabilities	(9)	7,726	7,768
Trade payables		319,133	240,210
Other current liabilities		24,180	35,263
Current tax liabilities		3,452	2,415
<b>Total Current Liabilities</b>		<b>487,368</b>	<b>383,191</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>923,808</b>	<b>736,288</b>

The above Interim Condensed Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

The accompanying notes are an integral part of the Interim Condensed Consolidated Financial Statements.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2022 AND 2021

(in thousands of Euro)	Note	For the nine months ended September 30,	
		2022	2021
Revenues	(11)	651,120	391,958
Other income		46	518
Change in work in progress, semi-finished and finished product inventories		34,115	(616)
Costs for purchases of raw materials		(452,433)	(236,338)
Costs for external services	(12)	(72,176)	(49,687)
Personnel costs	(13)	(80,214)	(61,270)
Other expenses	(14)	(3,802)	(1,127)
Share of results of associates		-	2,846
Impairment of assets		(4,773)	-
Depreciation and amortization expenses	(15)	(18,901)	(16,759)
<b>Operating Profit</b>		<b>52,982</b>	<b>29,525</b>
Financial income	(16)	1,612	213
Financial costs	(17)	(10,735)	(5,472)
Exchange gains		5,139	60
<b>Profit before tax</b>		<b>48,998</b>	<b>24,326</b>
Income taxes	(18)	(16,709)	(7,104)
<b>Profit for the period</b>		<b>32,289</b>	<b>17,222</b>
<b>Attributable to:</b>			
Owners of the Company		29,771	15,791
Non-controlling interests		2,518	1,431
Earnings per share basic and diluted	(19)	4.87	2.58

The above Interim Condensed Consolidated Statement of Profit or Loss should be read in conjunction with the accompanying notes.

The accompanying notes are an integral part of the Interim Condensed Consolidated Financial Statements.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME OR LOSS FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2022 AND 2021

(in thousands of Euro)	Note	For the nine months ended September 30,	
		2022	2021
<b>Profit for the period</b>		<b>32,289</b>	<b>17,222</b>
<b>Items that may be reclassified subsequently to profit or loss</b>		<b>8,088</b>	<b>551</b>
Foreign exchange gain on translating foreign operations	(7)	9,837	714
Fair value (loss) on equity instruments measured at FVTOCI	(7)	(2,125)	(203)
Tax effects of fair value gain on equity instruments measured at FVTOCI	(7)	510	49
Fair value (loss) arising on hedging instruments during the period	(7)	(176)	(12)
Tax effects relating to items that may be reclassified subsequently to profit or loss	(7)	42	3
<b>Items that will not be reclassified subsequently to profit or loss</b>	(7)	<b>664</b>	<b>163</b>
Remeasurement of defined benefit plan	(7)	874	214
Tax effects relating to items that will not be reclassified subsequently to profit or loss	(7)	(210)	(51)
<b>Other comprehensive income for the period, net of tax</b>		<b>8,752</b>	<b>714</b>
<b>Attributable to:</b>			
Owners of the Company		36,283	16,440
Non-controlling interests		4,803	1,496
<b>Total comprehensive income for the period</b>		<b>41,041</b>	<b>17,936</b>

The above Interim Condensed Consolidated Statement of Comprehensive Income or Loss should be read in conjunction with the accompanying notes.

The accompanying notes are an integral part of the Interim Condensed Consolidated Financial Statements.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2022 AND 2021

(in thousands of Euro)	Note	For the nine months ended September 30,	
		2022	2021
<b>Profit for the period</b>		<b>32,289</b>	<b>17,222</b>
Income taxes		16,709	7,104
Depreciation and amortization expenses	(15)	18,901	16,759
Difference between pension funding contributions paid and the pension cost charge		(111)	(857)
Financial income		(1,612)	(213)
Financial costs		10,735	5,472
Loss on disposal of property, plant and equipment		26	-
Allocation to the provision for doubtful debt provision		1,316	425
Allocation to the provision for obsolete inventory	(5)	10,384	600
Share award expenses		2,161	182
Net change in Provision		1,097	-
Impairment of assets and liabilities		4,773	-
<b>Operating cash flows before movements in working capital</b>		<b>96,668</b>	<b>46,694</b>
(Increase)/decrease in trade receivables	(6)	(69,088)	(50,315)
(Increase)/decrease in inventories	(5)	(145,893)	(52,057)
Increase/(decrease) in trade payables		78,923	43,719
Increase/(decrease) in current tax liabilities		(9,788)	2,275
(Increase)/decrease in other receivables		(10,142)	(7,175)
Increase/(decrease) in other payables		(11,637)	(1,968)
<b>Cash flow (used in) operating activities</b>		<b>(70,957)</b>	<b>(18,827)</b>
Income taxes paid		(2,231)	(1,204)
<b>Net cash flow (used in) operating activities (A)</b>		<b>(73,188)</b>	<b>(20,031)</b>
Acquisition of Property, plant and equipment	(1)	(62,831)	(29,506)
Proceeds of Property, plant and equipment		5	12
Acquisition of intangible assets		(411)	(312)
Acquisition of subsidiaries net of cash and cash equivalents		-	19,041
Dividends received		-	1,400
Interest received		183	620
<b>Net cash flow (used in) investment activities (B)</b>		<b>(63,054)</b>	<b>(8,745)</b>
Issue of new bank borrowings	(8)	83,129	19,809
Repayment of bank borrowings	(8)	(52,147)	(17,065)
Repayment of current financial liabilities	(8)	(11,781)	(20,030)
Proceeds from current financial liabilities	(8)	62,128	7,777
Principal repayment of lease liabilities	(9)	(6,427)	(3,708)
Dividends paid		(3,822)	-
Interest paid		(10,418)	(5,559)
<b>Net cash from/(used in) financing activities (C)</b>		<b>60,662</b>	<b>(18,776)</b>
<b>Net increase/(decrease) in Cash and Cash Equivalents (A+B+C)</b>		<b>(75,580)</b>	<b>(47,552)</b>
<b>Cash and Cash Equivalents at the beginning of the period</b>		<b>137,662</b>	<b>107,655</b>
Effect of changes in exchange rates		2,499	4,303
<b>Cash and Cash Equivalents at the end of the period</b>		<b>64,581</b>	<b>64,406</b>

The above Interim Condensed Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

The accompanying notes are an integral part of the Interim Condensed Consolidated Financial Statements.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2022 AND 2021

(in thousands of Euro)	Share capital	Share premium reserve	Other Reserves				Retained earnings	Equity of the Group	Equity of non-controlling interests	Total Equity
			Legal reserve	IFRS transition reserve	Foreign exchange translation	Other comprehensive income				
<b>December 31, 2020</b>	<b>6,112</b>	<b>34,410</b>	<b>648</b>	<b>(3,875)</b>	<b>(4,215)</b>	<b>1,492</b>	<b>63,077</b>	<b>97,649</b>	<b>6,307</b>	<b>103,956</b>
Change in scope of consolidated companies									13,462	13,462
Profit for the period							15,791	15,791	1,431	17,222
Actuarial gain						161	-	161	2	163
Fair value gain on equity instruments measured at FVTOCI						(154)	-	(154)	-	(154)
Fair value (loss) arising on hedging instruments during the period						(9)	-	(9)		(9)
Exchange foreign gains					651		-	651	63	714
Total other comprehensive income for the period					651	(2)	15,791	16,440	1,496	17,936
<b>September 30, 2021</b>	<b>6,112</b>	<b>34,410</b>	<b>648</b>	<b>(3,875)</b>	<b>(3,564)</b>	<b>1,490</b>	<b>78,868</b>	<b>114,089</b>	<b>21,265</b>	<b>135,354</b>
<b>December 31, 2021</b>	<b>6,112</b>	<b>34,410</b>	<b>648</b>	<b>(3,875)</b>	<b>1,714</b>	<b>6,717</b>	<b>81,829</b>	<b>127,555</b>	<b>19,772</b>	<b>147,327</b>
Dividends paid							(2,769)	(2,769)	(1,053)	(3,822)
Profit for the period							29,771	29,771	2,518	32,289
Actuarial gain						639		639	25	664
Fair value gain on equity instruments measured at FVTOCI						(1,615)		(1,615)		(1,615)
Fair value (loss) arising on hedging instruments during the period						(134)		(134)		(134)
Exchange foreign gains					7,577			7,577	2,260	9,837
Total other comprehensive income for the period					7,577	(1,110)	29,771	36,238	4,803	41,041
<b>September 30, 2022</b>	<b>6,112</b>	<b>34,410</b>	<b>648</b>	<b>(3,875)</b>	<b>9,291</b>	<b>5,607</b>	<b>108,831</b>	<b>161,024</b>	<b>23,522</b>	<b>184,546</b>

The above Interim Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.  
The accompanying notes are an integral part of the Interim Condensed Consolidated Financial Statements.



**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS OF AND FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2022 AND 2021**

**REPORTING STANDARDS AND BASIS OF ACCOUNTING**

**General information**

EuroGroup Laminations S.p.A. (hereinafter "Company" and "EuroGroup Laminations") is a joint stock company incorporated and registered in Italy. Its ultimate controlling party is Euro Management Services S.p.A. (also referred as E.M.S.). The address of the Company's registered office is Via Stella Rosa 48/50, Baranzate (Milan, Italy).

The principal activities of the Company and its subsidiaries (together referred as "the Group") and the nature of the Group's operations regard the production of rotors and stators for rotating electrical machines (electric motors and generators), through cutting (both progressive and in block) or punching of magnetic laminations, the latter for large electrical machines, as well as the aluminum mold casting of rotors intended for such electrical machines. Moreover, also in these sectors, the Group carries out the assembly of the aforesaid goods and the related ancillary processes, as well as the design and construction of molds for the cutting of the laminations described above.

The Interim condensed consolidated financial statements were approved by the board of directors on 18 November 2022.

**Basis of preparation**

**Statement of compliance**

The interim condensed consolidated financial statements for the period ended September 30, 2022, have been prepared in accordance with the International Accounting Standard 34 (IAS 34 – *Interim Financial Reporting*) issued by the International Accounting Standards Board (IASB) and adopted by the European Union. The interim condensed consolidated financial statements should be read in conjunction with the Group's consolidated financial statements as of December 31, 2021, 2020 and 2019 and for each of the three years in the period ended December 31, 2021 (Annual Consolidated Financial Statements), which have been prepared in compliance with the International Financial Reporting Standards ("IFRS") as issued by the IASB and adopted by the European Union. The accounting policies adopted are consistent with those applied in the annual consolidated financial statements, except as described in the section "Adoption of new and revised Standards".

These interim condensed consolidated financial statements include comparative figures for the previous year as required by IAS 34. The parent company prepared these interim condensed consolidated financial statements for the period ended September 30, 2022 partly for inclusion in the prospectus prepared pursuant to article 94.1/2 of Legislative decree no. 58 of February 24, 1998, in accordance with the provisions of Regulation (EC) no. 1129/2017 for the listing of its ordinary shares on the stock exchange organized and managed by Borsa Italiana S.p.A..

**Format of the financial statements**

The interim condensed consolidated financial statements include the interim condensed consolidated of profit and loss, interim condensed consolidated statement of comprehensive income or loss, interim condensed consolidated statement of financial position, interim condensed consolidated statement of cash flows, interim condensed consolidated statement of changes in equity and the explanatory notes (the "Interim Condensed Consolidated Financial Statements").

The Group presents its interim condensed consolidated income statement using a classification method based on the nature of expense, as it is representative of the format used by management for internal reporting processes to evaluate business operations, and able to provide reliable information to investors.

The interim condensed consolidated statement of comprehensive income or loss is presented as a separate

statement and, in addition to presenting the components of profit and loss recognised directly in the interim condensed consolidated statement of profit and loss during the period, presents the components of profit and loss not recognised in profit or loss as required or permitted by IFRS.

The Group presents current and non-current assets and liabilities as separate classifications in its interim condensed consolidated financial statements. Current items are those expected to be realized within 12 months from the reporting date or to be sold or consumed in the normal operating cycle of the Group.

The Group presents its interim condensed consolidated statement of cash flows using the indirect method, as permitted by IAS 7 — Statement of Cash Flows ("IAS 7"), and presents cash flows by operating, investing and financing activities.

These interim condensed financial statements are presented in Euro and rounded to the nearest thousand, which is the Company functional currency and the Group's presentation currency. Foreign operations are included in accordance with the policies set out in the following notes.

The preparation of the interim condensed consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities as well as the disclosure of contingent liabilities. If in the future such estimates and assumptions, which are based on management's best judgment at the date of these interim condensed consolidated financial statements, deviate from the actual circumstances, the original estimates and assumptions will be modified as appropriate in the period in which the circumstances change. Reference should be made to the section "Critical accounting judgements and key sources of estimation uncertainty" in the Annual Consolidated Financial Statements for a detailed description of the more significant valuation procedures used by the Group in preparing its consolidated financial statements.

Moreover, in accordance with IAS 34, certain valuation procedures, in particular those of a more complex nature regarding matters such as any impairment of non-current assets, are only carried out in full during the preparation of the annual consolidated financial statements, other than in the event that there are indications of impairment, in which case an immediate assessment is performed. Similarly, the actuarial valuations that are required for the determination of employee benefit provisions are also usually carried out during the preparation of the annual consolidated financial statements, except in the event of significant market fluctuations, or significant plan amendments, curtailments or settlements.

### Significant accounting policies

The accounting principles applied are consistent with those used for the preparation of the Annual Consolidated Financial Statements, except as otherwise stated below.

### Adoption of new and revised Standards

None of these new standards or interpretations is expected to have a material impact on the consolidated financial statements of the Group.

### Critical accounting judgements and estimates

The preparation of the interim condensed consolidated financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing these interim condensed consolidated financial statements, the significant judgements made by Management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those applied to the consolidated financial statements for the year ended December 31, 2021, 2020 and 2019 with the exception of the following:

#### *Share purchase plan with related parties*

The Group, through its subsidiary Eurotranciatura, which has a minority interest in E.M.S. S.p.A. (parent company of EuroGroup Laminations), in December 2017, entered into an arrangement with four employees with strategic responsibilities for the sale of such minority interest. The arrangement provides an obligation for the employees to purchase the share in yearly instalments over a ten-year period. The arrangements provide that the employee is entitled to receive dividends that eventually will be distributed over the vesting period even for the shares that are retained by the Group (unvested shares). In February 2022, the Group has signed with such employees an amendment according to which the sale is no longer subject to the permanence of the employees within the Group. Following the amendment, the Group has re-assessed the substance of the transaction and has concluded that the arrangement is a sale of shares funded through a loan granted by the Group. The Group has reached this conclusion because: i) it has substantially transferred to the employees all risks and rewards connected to the ownership of the shares and; ii) because the Group has recognized a financial loan receivable for the amount equal to the expected price to be collected, the Group has assessed that it has the ability to pursue full recourse to the employees in respect of the outstanding amount.

Following the contract modification, the Group has derecognised the shares interest for € 7,473 thousand resulting in a recognition of financial loan receivable for € 1,375 thousand, derecognized the share award plan liability for € 3,937 thousand and a compensation expense for € 2,161 thousand relating to the difference between the fair value of the shares, the share award liabilities and the financial loan receivable.

### Going concern

The directors have, at the time of approving the interim condensed consolidated financial statements, a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the financial statements.

### Segment information

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker (CODM). The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors, as defined under IFRS 8—Operating Segments ("IFRS 8"). The Group is organized in two operating and reportable segments, based on a brand perspective, as described below:

1. **EV & Automotive:** is a Business Unit introduced in recent years, operates mainly in the electric EV & Automotive sector and also in general utilities regarding EV & Automotive.
2. **Industrial:** is the historical Business Unit of the Group and produces components mainly for the following product lines: home, logistic, energy, pumps, HVAC, tools and diversified industrial.

Earnings Before Interest, Taxes, Depreciation and Amortization ("EBITDA") is the key profit measure used by the CODM to assess performance and allocate resources to the Group's operating segments, as well as to analyze operating trends, perform analytical comparisons and benchmark performance between periods and among the segments. EBITDA is defined as profit or loss before income taxes, financial income, financial expenses, depreciation and amortization expenses.

There are no significant transactions between segments. No allocations of common costs are made across the segments.

The following is an analysis of the Group's performance indicators by reportable segment as of September 30, 2022 and 2021:

(in thousands of €)	EV & Automotive		Industrial		Consolidated	
	2022	2021	2022	2021	2022	2021
Revenues	217,993	146,758	433,127	245,200	651,120	391,958
<b>EBITDA</b>	<b>27,655</b>	<b>16,576</b>	<b>49,367</b>	<b>29,768</b>	<b>77,022</b>	<b>46,344</b>
<i>Items in reconciliation:</i>						
Depreciation and amortization expenses					(18,901)	(16,759)
Financial income					1,612	213
Financial costs					(10,735)	(5,472)

<b>Profit before tax</b>					<b>48,998</b>	<b>24,326</b>
Income tax					(16,709)	(7,104)
<b>Profit for the period</b>					<b>32,289</b>	<b>17,222</b>

For the purposes of monitoring segment performance and allocating resources between segments, the CODM monitors the total assets of each segment. All assets are allocated to reportable segments with the exception of investments in associates, non-current financial assets, deferred tax assets and other non-current assets.

(in thousands of €)	Segment assets	
	30/09/2022	31/12/2021
EV & Automotive	137,347	88,790
Industrial	127,408	121,150
<b>Total segment assets</b>	<b>264,755</b>	<b>209,940</b>
<i>Unallocated assets:</i>		
Deferred tax assets	20,523	23,025
Non-current financial assets	9,611	17,797
Other non-current assets	2,300	1,907
<b>Consolidated non-current assets</b>	<b>297,189</b>	<b>252,669</b>

#### Geographical information

The Group's revenue from external customers and information about its segment assets (non-current assets excluding non-current financial assets, deferred tax assets, other non-current assets and investments in associates) by geographical location are detailed below:

(in thousands of €)	September 30,	September 30,
	2022	2021
EMEA	379,018	223,126
- of which in Italy	367,843	213,228
NORTH AMERICA	236,967	150,687
- of which in Mexico	148,841	95,983
- of which in United States	88,126	54,704
ASIA	35,135	18,145
- of which in China	35,135	18,145
<b>Revenues by geographical area</b>	<b>651,120</b>	<b>391,958</b>

(in thousands of €)	September 30	December 31,
	2022	2021
EMEA	124,070	119,707
- of which in Italy	119,365	111,272
NORTH AMERICA	96,747	63,662
- of which in Mexico	64,841	40,477
- of which in United States	31,906	23,185
ASIA	43,938	26,571
- of which in China	43,938	26,571
<b>Segment assets</b>	<b>264,755</b>	<b>209,940</b>

#### Information about major customers

Included in revenues arising from EV & Automotive are revenues of €80,570 thousand (for the nine months ended September 30, 2021 for €67,517 thousand) which arose from sales to the Group's largest customer. No other single customers contributed 10 per cent or more to the Group's revenue in either the nine months ended September 30, 2022 or 2021.

#### SIGNIFICANT EVENTS AFTER SEPTEMBER 30, 2022

No other significant events occurred after the end of the nine months ended September 30, 2022.

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NOTES TO THE INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS OF SEPTEMBER 30, 2022 AND DECEMBER 31, 2021

NON-CURRENT ASSETS

(1) PROPERTY, PLANT AND EQUIPMENT

The following table provides a breakdown for property, plant and equipment:

(in thousands of €)	Land and buildings	Plant and machinery	Commercial and industrial equipment	Other tangible assets	Tangible assets under construction	Total
<b>Balance as of December 31, 2021</b>	<b>23,009</b>	<b>251,254</b>	<b>67,980</b>	<b>18,282</b>	<b>25,549</b>	<b>386,074</b>
Additions	273	8,158	772	609	53,019	62,831
Disposals	-	(67)	(7)	(37)	-	(111)
Reclassifications	7	2,590	146	58	(2,801)	-
Exchange difference and other changes	2,241	10,951	1,578	226	3,773	18,769
Impairment of property, plant and equipment	(13)	(1,041)	(596)	-	(3,226)	(4,876)
<b>Balance as of September 30, 2022</b>	<b>25,517</b>	<b>271,845</b>	<b>69,873</b>	<b>19,138</b>	<b>76,314</b>	<b>462,687</b>
<b>Accumulated depreciation as of December 31, 2021</b>	<b>(8,327)</b>	<b>(160,127)</b>	<b>(57,887)</b>	<b>(14,226)</b>	<b>-</b>	<b>(240,567)</b>
Depreciation	(838)	(9,081)	(2,183)	(921)	-	(13,023)
Disposals	-	39	4	36	-	79
Exchange difference and other changes	(606)	(4,461)	(650)	(96)	-	(5,813)
Impairment of property, plant and equipment	3	726	383	-	-	1,112
<b>Balance as of September 30, 2022</b>	<b>(9,768)</b>	<b>(172,904)</b>	<b>(60,333)</b>	<b>(15,207)</b>	<b>-</b>	<b>(258,212)</b>
<b>Carrying amount at:</b>						
<b>December 31, 2021</b>	<b>14,682</b>	<b>91,127</b>	<b>10,093</b>	<b>4,056</b>	<b>25,549</b>	<b>145,507</b>
<b>September 30, 2022</b>	<b>15,749</b>	<b>98,941</b>	<b>9,540</b>	<b>3,931</b>	<b>76,314</b>	<b>204,475</b>

The caption "Land and buildings" includes general industrial plants and warehouses. The additions amounted to €273 thousands and €187 thousand respectively as of September 30, 2022 and in the year ended December 31, 2021 are mainly related to building improvements on the group's buildings.

"Plant and machinery" include presses and other industrial machinery used for the production process. The additions amounted to € 8,158 thousands as of September 30, 2022 and €19,371 thousand in the year ended December 31, 2021 are mainly related to the purchase of new presses.

This category "Commercial and industrial equipment" includes moulds and other industrial and commercial equipment. The additions amounted €772 thousands as of September 30, 2022 and €2,738 thousand, in the year ended December 31, 2021 mainly refer to the purchase of new moulds.

"Other tangible assets" includes furniture and furnishings for offices and warehouse, warehouse equipment, shelving, electronic office machines, vehicles and cars. The additions equal to €609 thousands as of September 30, 2022 and €797 thousand in the year ended December 31, 2021 refers to the purchase of new electronic office machines in the amount of €228 thousand in 2022 and €285 thousand in 2021 and the purchase of new vehicles and cars in the amount of €211 thousand in 2022 and €209 thousand in 2021.

Tangible assets under construction are assets not yet available for their use. The additions amounted to €53,019 thousands as of September 30, 2022, and €14,000 thousand in the year ended December 31, 2021. The additions are mainly related to the acquisition of the new entity Euro Misi High - Tech for €13,265 thousands, construction of new production plants in Eurotranciatuara Mexico for € 18,664 thousand in order to expand

production, €11,361 thousands mainly related to purchase of new plants in Eurotranciatura S.p.A. and €7,308 thousands related to purchases in Eurotranciatura USA and Euro Misi Laminations Jiaxing L.t.d.

In light of the Russian-Ukrainian military conflict, the Group is considering the possibility of leaving the Russian market and consequently all the operational activities are interrupted. As no recovery forecasts are available, the group has impaired the Russian assets and recorded a write-down of €4,773 thousand as of September 30, 2022 allocated to the Industrial segment and respectively related to property, plant and equipment for € 3,764 thousand and to right of use assets for € 1,009 thousand.

## (2) RIGHT-OF-USE ASSETS

The following table provides a breakdown for right-of-use assets:

(In thousands of €)	Land and buildings	Plant and machinery	Commercial and industrial equipment	Other tangible assets	Total
<b>Historical cost as of December 31, 2021</b>	<b>59,432</b>	<b>35,375</b>	<b>726</b>	<b>1,591</b>	<b>97,124</b>
Additions	780	152	493	26	1,451
Exchange difference and other changes	212	221	105	204	742
Impairment of right of use	(1,305)	-	-	(72)	(1,377)
<b>Balance as of September 30, 2022</b>	<b>59,119</b>	<b>35,748</b>	<b>1,324</b>	<b>1,749</b>	<b>97,940</b>
<b>Accumulated depreciation as of December 31, 2021</b>	<b>(10,056)</b>	<b>(24,144)</b>	<b>(314)</b>	<b>(617)</b>	<b>(35,131)</b>
Depreciation	(3,948)	(1,251)	(145)	(272)	(5,616)
Exchange difference and other changes	(36)	299	(51)	(82)	130
Impairment of right of use	342	-	-	26	368
<b>Balance as of September 30, 2022</b>	<b>(13,698)</b>	<b>(25,096)</b>	<b>(510)</b>	<b>(945)</b>	<b>(40,249)</b>
<b>Carrying amount as of:</b>					
<b>December 31, 2021</b>	<b>49,376</b>	<b>11,231</b>	<b>412</b>	<b>974</b>	<b>61,993</b>
<b>September 30, 2022</b>	<b>45,421</b>	<b>10,652</b>	<b>814</b>	<b>804</b>	<b>57,691</b>

These right-of-use assets were included in the impairment test as described in Note 2 above, as they were allocated to the CGUs identified by the Management.

## (3) NON-CURRENT FINANCIAL ASSETS

The following table provides a breakdown for non-current financial assets:

(in thousands of €)	September 30	December 31
Class	2022	2021
Financial receivables to parent company	5,600	5,600
Share interest in Kuroda	2,018	3,759
Derivatives	1,122	38
Other securities	760	760
Security deposits	107	163
Other equity investments	3	3
Share interest in EMS	-	7,473
<b>Total non-current financial assets</b>	<b>9,611</b>	<b>17,797</b>

As of December 31, 2021, "Share interest in EMS" included the fair value of the minority interest held in the parent company E.M.S. S.p.A. ("EMS") which form a part of the employees share award arrangements. Following the contract modification, the Group has recognised a financial loan receivable equal to the expected cash payment to be received and has derecognised the shares interest.

Financial receivables to parent company refers to the loan granted to E.M.S. S.p.A. for a principal amount of €5,600 thousand provided by the Group in 2022, bearing an annual interest of 1.5%.

"Share interest in Kuroda" include the fair value of the minority interest held in the company Kuroda Precision

Industries Ltd, a listed company on the Tokyo stock exchange. Below is a reconciliation of the amount reported in the table above:

	As of September 30, 2022	As of December 31, 2021
Number of shares owned	168,600	168,600
Unit price	11.97	22.30
Fair value (in thousands of €)	2,018	3,759

#### (4) DEFERRED TAX ASSETS AND LIABILITIES

The following table provides a breakdown for deferred tax assets and deferred tax liabilities:

(in thousands of €)	As of December 31, 2021	Recognised at profit and loss	Recognised in OCI	Exchange difference and other	As of September 30, 2022
<b>Deferred Tax assets arising on:</b>					
Employee benefits	178	(7)	(155)	-	16
Property, plant and equipment	9,258	193	-	(41)	9,410
Right-of-use assets	1,052	(887)	-	42	207
Intangible assets	2,875	(67)	-	66	2,874
Provision for obsolete inventory	1,091	2,477	-	224	3,792
Doubtful debt provision	2,269	(589)	-	80	1,760
Share interest in EMS	1,576	(1,576)	-	-	-
Derivative instruments	-	29	-	-	29
Tax losses	825	(859)	-	34	-
Customer advances	777	(395)	-	89	471
Other	3,124	(1,632)	-	472	1,964
<b>Total deferred tax assets</b>	<b>23,025</b>	<b>(3,313)</b>	<b>(155)</b>	<b>966</b>	<b>20,523</b>
<b>Deferred Tax liabilities arising on:</b>					
Employee benefits	-	44	37	-	81
Property, plant and equipment	4,597	1,016	-	667	6,280
Right-of-use assets	-	6	-	-	6
Share award expenses	2,144	(2,116)	-	-	28
Derivative instruments	-	260	-	-	260
Other	84	852	-	77	1,013
Inventory	1,263	3,029	-	-	4,292
<b>Total deferred tax liabilities</b>	<b>8,088</b>	<b>3,091</b>	<b>37</b>	<b>744</b>	<b>11,960</b>

#### CURRENT ASSETS

##### (5) INVENTORIES

The breakdown of the caption is detailed below:

(in thousands of €)	As of September 30, 2022	As of December 31, 2021
<b>Class</b>	<b>2022</b>	<b>2021</b>
Raw materials	208,347	114,530
Semi-finished goods	45,030	32,780
Finished products	111,430	57,801
Contract work-in-progress	5,056	21,367
Inventory obsolescence provision	(14,164)	(6,530)
Impairment of inventories	(242)	-
<b>Inventories</b>	<b>355,457</b>	<b>219,948</b>

The table below shows changes in inventory obsolescence provision:

(in thousands of €)	As of September 30, 2022	As of December 31, 2021
<b>Opening Inventory obsolescence provision</b>	<b>(6,530)</b>	<b>(1,096)</b>
Provision	(10,384)	(5,453)

Utilization	2,750	19
<b>Closing Inventory obsolescence provision</b>	<b>(14,164)</b>	<b>(6,530)</b>

Inventories are not collateralised.

## (6) TRADE RECEIVABLES

Trade receivables comprise the following:

(in thousands of €)	September 30,	December 31,
Class	2022	2021
Trade receivables	174,153	104,926
Doubtful debt provision	(9,179)	(7,907)
Impairment of trade receivables	(183)	-
<b>Trade receivables</b>	<b>164,791</b>	<b>97,019</b>

These are reported net of the provision for doubtful debt that reflects the estimated losses in connection with the Group's credit portfolio. Changes in the provision for doubtful debt during the three years are shown below:

(in thousands of €)	September 30,	December 31,
	2022	2021
<b>Opening Doubtful debt provision of trade receivables</b>	<b>7,907</b>	<b>7,821</b>
Effect of change in scope of consolidation	-	339
Provisions	1,417	1,227
Utilization	(44)	(138)
Releases	(101)	(1,342)
<b>Closing Doubtful debt provision of trade receivables</b>	<b>9,179</b>	<b>7,907</b>

The following table shows trade receivables by geographic area:

(in thousands of €)	As of September 30,	As of December 31,
	2022	2021
EMEA	114,578	64,211
- of which in Italy	111,651	35,316
NORTH AMERICA	37,955	21,921
- of which in Mexico	25,598	10,678
- of which in United States	12,357	11,243
ASIA	12,258	10,887
- of which in China	12,258	10,887
<b>Trade receivables</b>	<b>164,791</b>	<b>97,019</b>

## EQUITY

### (7) EQUITY ATTRIBUTABLE TO THE OWNERS OF THE COMPANY

On September 30, 2022, share capital is wholly subscribed and paid and amounts to €6,112 thousand and it is divided into 6,111,940 shares.

Table below, shows a reconciliation between the number of ordinary shares as of September 30, 2022 and December 31 2021:

<b>N° shares as of December 31, 2021</b>	<b>6,111,940</b>
Increase for subscription of a capital increase	-
<b>N° shares as of September 2022</b>	<b>6,111,940</b>

## SHARE PREMIUM RESERVE

The share premium reserve at 30 September 2022 amounted to €34,410 thousand and it is the same as of December 31, 2021.



## OTHER RESERVES

Other reserves amount to €11,671 as of September 30, 2022, €5,204 thousand as of December 31, 2021 and are detailed as the following table:

	As of September,	As of December,
(in thousands of €)	2022	2021
Legal reserve	648	648
IFRS transition reserve	(3,875)	(3,875)
Foreign exchange translation	9,291	1,714
Other comprehensive income	5,607	6,717
Of which:		
- Cumulative actuarial (loss)	213	(426)
- Cumulative fair value gain on equity instruments measured at FVTOCI	5,540	7,156
- Cumulative fair value gain/(loss) arising on hedging instruments	(146)	(13)
<b>Total Other Reserve</b>	<b>11,671</b>	<b>5,204</b>

## RETAINED EARNINGS

Retained Earnings amount to €108,831 thousand as of September 30, 2022, € 81,829 thousand as of December 31, 2021.

## NON-CURRENT E CURRENT LIABILITIES

### (8) FINANCIAL LIABILITIES AND BORROWINGS

The following table provides below shows the detail of the changes in liabilities arising from financing activities:

(in thousands of €)	Bank borrowings	Committed loans	Payables to factors	Payables to other investors	Derivatives	Total
Opening balance	141,026	48,298	8,381	16,456	569	214,730
Repayments	(32,684)	(9,679)	(8,381)	(1,468)	-	(52,212)
Proceeds	54,140	-	11,781	2,053	-	67,974
Other non-cash movements	2,063	388	-	-	(411)	2,040
<b>As of 31 December 2021,</b>	<b>164,545</b>	<b>39,007</b>	<b>11,781</b>	<b>17,041</b>	<b>158</b>	<b>232,532</b>
Of which:						
<b>Non-current</b>	<b>119,742</b>	<b>-</b>	<b>-</b>	<b>15,097</b>	<b>158</b>	<b>134,997</b>
<b>Current</b>	<b>44,803</b>	<b>39,007</b>	<b>11,781</b>	<b>1,944</b>	<b>-</b>	<b>97,535</b>

(in thousands of €)	Bank borrowings	Committed loans	Payables to factors	Payables to other investors	Derivatives	Total
Opening balance	164,545	39,007	11,781	17,041	158	232,532
Repayments	(50,001)	-	(11,781)	(2,147)	-	(63,929)
Proceeds	81,379	26,919	35,210	1,750	-	145,258
Other non-cash movements	1,082	2,099	-	2,000	254	5,435
<b>As of 30 September 2022,</b>	<b>197,005</b>	<b>68,025</b>	<b>35,210</b>	<b>18,644</b>	<b>412</b>	<b>319,296</b>
Of which:						
<b>Non-current</b>	<b>169,113</b>	<b>-</b>	<b>-</b>	<b>16,894</b>	<b>412</b>	<b>186,419</b>
<b>Current</b>	<b>27,892</b>	<b>68,025</b>	<b>35,210</b>	<b>1,750</b>	<b>-</b>	<b>132,877</b>

Payables to other investor are related to the investment agreements with Simest S.p.A.. The current portion due in the second half of 2022 is related to the loan for the setting-up of Eurotranciatúra México, S. A. De C.V..

Bank	Interest rate	Terms	Expiry Date	Remaining debt 31 December 2021	Within 12 months	Over 12 months
Monte dei Paschi di Siena	Variable	Euribor 6M + 7.80%	23/03/2022	552	552	-
Intesa San Paolo	variable	Libor 6M + 2.4%	30/06/2024	3,532	1,766	1,766
Intesa San Paolo	Fixed	4.40%	30/10/2022	2,207	2,207	-
Unicredit	Fixed	5.00%	27/10/2022	676	676	-
Unicredit	Fixed	5.00%	27/10/2022	396	396	-
Unicredit	Fixed	5.00%	23/11/2022	861	861	-
Unicredit	Fixed	5.00%	23/11/2022	452	452	-
Unicredit	Fixed	5.00%	05/12/2022	190	190	-
Unicredit	Fixed	4.90%	31/08/2022	504	504	-
Unicredit	Fixed	3.70%	24/02/2025	155	44	111
Unicredit	Fixed	5.45%	24/02/2025	63	18	45
Unicredit	Fixed	5.25%	24/02/2025	63	18	45
Unicredit	Fixed	3.92%	24/02/2025	63	18	45
Unicredit	Fixed	2.00%	24/02/2025	245	70	175
Unicredit	Fixed	3.30%	24/02/2025	63	18	45
Unicredit	Fixed	6.65%	24/02/2025	163	47	116
Unicredit	Fixed	2.03%	24/02/2025	123	35	88
Unicredit	Fixed	1.90%	24/02/2025	86	25	61
Cassa Depositi e Prestiti S.p.A.	Fixed	5.20%	02/05/2022	10,492	10,492	-
TC Leasing	Fixed	5.27%	15/05/2022	42	42	-
MSI	Fixed	1.50%	14/04/2023	2,737	2,737	-
Ideal Lease	Fixed	4.00%	31/10/2023	168	126	42
First Bank	Fixed	2.31%	25/02/2022	47	47	-
First Bank	Fixed	2.00%	14/06/2026	856	236	620
First Bank	Fixed	4.75%	21/01/2025	39	13	26
Monte dei Paschi di Siena	Variable	Euribor 6M + 1.45%	30/09/2026	15,000	2,317	12,683
Deutsche Bank	Fixed	1.00%	11/06/2024	1,500	450	1,050
Deutsche Bank	Variable	Euribor 6M + 1.40%	30/06/2026	6,300	700	5,600
Banca Nazionale del Lavoro	Fixed	2.77%	22/12/2028	14,268	1,853	12,415
Banca Nazionale del Lavoro	Fixed	3.02%	22/12/2028	2,500	341	2,159
BCC	Fixed	1.25%	15/11/2023	2,212	945	1,267

Unicredit	Variable	Euribor 12M + 3.20%	31/12/2023	6,056	2,898	3,158
Unicredit	Variable	Euribor 6M + 1.50%	30/06/2026	10,000	-	10,000
Unicredit	Variable	Euribor 6M + 2.16%	31/12/2027	10,000	-	10,000
Banco BPM	Variable	Euribor 6M + 1.90%	31/03/2025	5,827	1,742	4,085
Banco BPM	Fixed	1.00%	30/09/2023	2,018	1,137	881
Banco BPM	Variable	Euribor 6M + 1.50%	30/06/2026	7,200	800	6,400
Banco BPM	Variable	Euribo 3M + 1.85%	30/09/2026	4,000	533	3,467
Intesa San Paolo	Variable	Euribor 6M + 2.00%	17/04/2025	7,000	2,000	5,000
Credit Agricole	Fixed	1.00%	05/10/2022	1,010	1,010	-
Credit Agricole	Variable	Euribor 6M + 1.75%	31/12/2025	5,000	300	4,700
Banco Desio	Fixed	0.80%	10/04/2023	674	376	298
Banco Desio	Variable	Euribor 3M + 1.40%	10/07/2025	1,444	295	1,149
Credit Agricole	Fixed	0.90%	24/07/2024	4,444	1,193	3,251
Credit Agricole	Variable	Euribor 3M + 1.40%	13/12/2025	4,018	738	3,280
Credit Agricole	Fixed	1.63%	30/09/2027	15,000	-	15,000
Raiffeisen	Fixed	2.15%	31/08/2026	1,654	156	1,498
MedioCredito Centrale	Fixed	2.00%	30/09/2025	7,593	1,931	5,662
Deutsche Bank	Variable	Euribor 6M + 1.40%	29/12/2026	3,000	346	2,654
Banco BPM	Fixed	1.00%	30/09/2022	152	152	-
BCC	Fixed	1.10%	30/06/2022	700	700	-
Credit Agricole	Fixed	1.70%	31/12/2025	1,200	300	900
<b>Total</b>				<b>164,545</b>	<b>44,803</b>	<b>119,742</b>

Bank	Interest rate	Terms	Expiry Date	Remaining debt 30 September 2022	Within 12 months	Over 12 months
Intesa San Paolo	Variable	Libor 6M + 2.40%	30/06/2024	3,078	2,052	1,026
Unicredit	Fixed	3.70%	28/02/2025	188	60	128
Unicredit	Fixed	5.45%	28/02/2025	72	20	52
Unicredit	Fixed	5.25%	28/02/2025	68	16	52
Unicredit	Fixed	3.92%	28/02/2025	71	19	52
Unicredit	Fixed	2.00%	28/02/2025	184	17	167
Unicredit	Fixed	3.30%	28/02/2025	71	18	53
Unicredit	Fixed	5.65%	28/02/2025	167	46	121
Unicredit	Fixed	2.03%	28/02/2025	99	11	88
Unicredit	Fixed	1.90%	28/02/2025	65	4	61
TC Leasing	Fixed	5.51%	15/12/2022	35	35	-
MISI	Fixed	1.50%	15/04/2023	3,252	110	3,142
Deutsche Bank	Variable	Euribor 6M + 1.40%	29/12/2026	2,558	594	1,964
BCC	Fixed	1.70%	31/12/2025	1,047	300	747
Ideal Lease	Fixed	4.00%	31/10/2023	86	85	1
First Bank	Fixed	3.25%	14/06/2026	792	194	598
First Bank	Fixed	8.43%	10/04/2028	102	14	88
Banca Nazionale del Lavoro	Variable	Euribor 3M + 3.02%	22/12/2028	2,527	339	2,188
Banca Nazionale del Lavoro	Variable	Euribor 3M + 2.77%	22/12/2028	12,579	1,646	10,933
Monte dei Paschi di Siena	Variable	Euribor 3M + 3.60%	30/09/2026	14,817	3,797	11,021
Deutsche Bank	Variable	Euribor 3M + 1.00%	11/06/2024	1,041	602	439
Deutsche Bank	Variable	Euribor 3M + 1.40%	30/06/2026	5,176	1,417	3,759
BCC	Fixed	1.25%	15/11/2023	1,355	1,160	195
Banco BPM	Variable	Euribor 3M + 1.00%	29/09/2023	1,166	1,166	-
Banco BPM	Variable	Euribor 3M + 1.50%	30/06/2026	5,965	1,644	4,321
Banco BPM	Variable	Euribor 3M + 1.85%	30/09/2026	3,588	904	2,684
Banco BPM	Variable	Euribor 3M + 1.85%	31/03/2025	4,459	1,802	2,657
Unicredit	Variable	Euribor 3M + 1.50%	31/12/2027	9,947	78	9,869
Unicredit	Variable	Euribor 6M + 2.66%	30/06/2028	25,100	-	25,100
Intesa San Paolo	Variable	Euribor 6M + 2.00%	17/04/2025	6,041	2,051	3,990
Intesa San Paolo	Variable	Euribor 6M + 1.75%	25/07/2028	25,150	-	25,150
Cassa Depositi e Prestiti	Variable	Euribor 6M + 1.23%	09/08/2028	30,030	-	30,030
Intesa San Paolo	Variable	Euribor 3M + 1.75%	31/12/2025	4,976	1,287	3,689
Banco Desio	Variable	Euribor 1M + 0.80%	10/04/2023	296	296	-
Banco Desio	Variable	Euribor 1M + 1.40%	10/07/2025	1,139	402	737
Credit Agricole	Fixed	0.90%	24/07/2024	3,256	1,622	1,634
Credit Agricole	Variable	Euribor 3M + 1.00%	05/10/2022	255	255	-
Credit Agricole	Variable	Euribor 3M + 1.00%	13/12/2025	3,267	1,015	2,251
Credit Agricole	Variable	Euribor 3M + 1.63%	30/09/2027	15,010	-	15,010
Raiffeisen	Variable	Euribor 6M + 2.15%	31/08/2026	1,345	349	996
MedioCredito Centrale	Variable	Euribor 3M + 2.00%	27/09/2025	6,173	2,053	4,120
Fees				412	412	-
<b>Total</b>				<b>197,005</b>	<b>27,892</b>	<b>169,113</b>

Some of the loans stipulated have a variable rate. The use of derivative financial instruments is reserved for management to limit the exposure to fluctuations in interest rates associated with monetary flows and no speculative activities are carried out or permitted. The instruments used for this purpose are exclusively Interest Rate Swaps (IRS). The Group generally borrows at fixed interest rates and manages the risk of interest fluctuation of those loans at a variable interest rate through hedging arrangements.

#### Derivative financial instruments

Type of instrument	Identification number	Contractual Notional	Reference date Notional	EuroGroup Laminations S.p.A. Parameter	Bank Parameter	Maturity	Fair value as of September 30, 2022
(in thousands of €)							
IRS	61	450	30/09/2022	1.00	0.26+Euribor 3M/360	09/06/2023	(3)
IRS	64	8,000	30/09/2022	(0.55)	0.495+Euribor 3M	24/07/2023	9
IRS	66	5,000	30/09/2022	(0.55)	Euribor 3M	17/10/2024	121
IRS	67	2,729	30/09/2022	(0.55)	(0.2)+Euribor 3M	31/03/2024	60
IRS	69	5,000	30/09/2022	0.00	0.001+Euribor 3M/360	13/12/2024	70
IRS	73	5,250	30/09/2022	(0.48)	0.1+Euribor 3M/360	30/06/2026	(263)
IRS	76	6,000	30/09/2022	(0.55)	(0.318)+Euribor 3M	30/06/2026	350
IRS	3	2,509	30/09/2022	(0.54)	Euribor 3M/360	29/12/2026	(146)
CAP	81	25,000	30/09/2022	2.78	2.5+Euribor 3M/360	30/06/2028	328
IRS	78	3,567	30/09/2022	(0.55)	0.2+Euribor3M/360	30/09/2026	185
<b>Total</b>		<b>63,505</b>					<b>711</b>

#### (9) LEASE LIABILITIES

The following table provides a breakdown for non-current and current lease liabilities:

(in thousands of €)	As of September 30, 2022	As of December 31, 2021
Class		
Non-current lease liabilities	43,690	47,568
Current lease liabilities	7,726	7,768
<b>Total lease liabilities</b>	<b>51,416</b>	<b>55,336</b>

(in thousands of €)	As of September 30, 2022	As of December 31, 2021
Class		
Opening balance	55,336	41,327
Additions due to new leases and renewals	1,451	15,555
Principal repayment of lease liabilities	(6,427)	(10,377)
Exchange difference and other non-cash items	1,056	-
Business combination	-	8,831
<b>Closing balance</b>	<b>51,416</b>	<b>55,336</b>

The following table summarizes the undiscounted contractual cash flows of lease liabilities by maturity date:

in thousands of €	As of September 30, 2022	As of December 31, 2021
Expiry date		
1 years	7,726	7,768
2 years	7,450	6,717
3 years	6,498	6,427
4 years	5,272	6,218
Beyond	24,470	28,206
<b>Total lease liabilities</b>	<b>51,416</b>	<b>55,336</b>

## (10) OTHER NON-CURRENT LIABILITIES

The following table provides a breakdown for other non-current liabilities:

in thousands of €	As of September 30,	As of December 31,
Class	2022	2021
Deferred income	3,637	3,349
Other non-current tax payables	655	485
Other non-current payables	-	627
Payables for shareholder dividends	-	1,508
Share award plan liability	-	3,937
<b>Other non-current liabilities</b>	<b>4,292</b>	<b>9,906</b>

The caption "Deferred income" is related to the tax credit, in the nature of grants for an investment made to purchase a plant during 2020 and 2021, that is deferred over the amortization period of the underlying asset. Such capital contribution will be recognised in the financial statement on a *pro-rata temporis* basis, in the fiscal years in which the economic benefits deriving from these investments are manifested, which will coincide with the economic useful life of such plants.

As of September 30, 2022, following the contract modification reported in the paragraph "Critical accounting judgements and estimates", the liability for "Share award plan liability" was measured at fair value and the decrease in the value of the liability not due, has been recognised in profit or loss.

NOTES TO THE INTERIM CONDENSED STATEMENT OF PROFIT OR LOSS FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2022 AND 2021

**(11) REVENUES**

The Group generates revenues primarily from the sale of rotor, stator, spare parts and tooling. The following table provides a breakdown for revenues by product line:

(in thousands of €)	For the nine months ended September 30,	
	2022	2021
EV & Automotive	217,993	146,758
Industrial	433,127	245,200
<b>Total Revenues</b>	<b>651,120</b>	<b>391,958</b>

**(12) COSTS FOR EXTERNAL SERVICES**

The following table provides a breakdown for costs for external services:

(in thousands of €)	For the nine months ended September 30,	
	2022	2021
Maintenance	12,739	9,877
Outsourced work	8,990	9,623
Energy	17,972	7,030
Transport	9,928	7,386
General expenses	3,658	3,161
Directors' remunerations	2,345	2,482
Recruitment cost	3,028	2,337
Rents and leases	1,140	328
<i>of which short-term:</i>	752	272
<i>of which low values:</i>	388	56
Consultancy fees	2,585	2,460
Legal, notary and administrative expenses	3,946	1,028
Commissions	2,193	1,268
Insurance	1,199	1,049
Other costs for external services	2,453	1,658
<b>Costs for external services</b>	<b>72,176</b>	<b>49,687</b>

Other services mainly include security and cleaning costs, travel expenses and marketing expenses.

**(13) PERSONNEL COSTS**

The following table provides for a breakdown for personnel costs:

(in thousands of €) Class	For the nine months ended September 30,	
	2022	2021
Wages and salaries	63,467	48,756
Social security costs	12,534	10,519
Allocation of Defined Benefit Plan	1,824	1,677
Share award expenses	2,161	182
Other payroll costs	228	136
<b>Personnel Costs</b>	<b>80,214</b>	<b>61,270</b>

The Group, through its subsidiary Eurotranciatutura has granted to four employees with strategic responsibilities the minority interest representing the 5% of the share capital of EMS. The arrangement provides an obligation for the employees to pay the consideration for the share in yearly instalments over a ten-year period. The effectiveness of the annual purchase of the shares (vested shares) is subject to the permanence of the employees within the Group during the ten years period (vesting period). The arrangements also provide that the employee is entitled to receive dividends that eventually will be distributed over the vesting period even for the shares not yet delivered to the employee and retained by the Group (unvested shares). If the employee

leaves the Group's employment during the service period (bad leaver), the vested shares may be returned to Group, upon its discretion, at the same purchase price. Following the contract modification, reported in the paragraph "Critical accounting judgements and estimates", the Group has recognised a compensation expense for € 2,161 thousand relating to the difference between the fair value of the shares, the share award liabilities and the financial loan receivable.

The average composition of employees was as follows:

	For the nine months ended September 30,	
	2022	2021
Directors	44	39
Senior Managers	67	64
White Collars	606	508
Blue Collars	1,615	1,588
<b>Total average</b>	<b>2,332</b>	<b>2,199</b>

#### (14) OTHER EXPENSES

The following table provides for a breakdown for other expenses:

(in thousands of €)	For the nine months ended September 30,	
Class	2022	2021
Impairment/Release of receivables	1,354	(61)
Penalty Charges	160	116
Prior year expenses	559	352
Provision for risks	314	90
Consumption taxes and excise duties	345	238
Other	219	49
Capital loss from asset disposals	31	79
Other provisions	820	264
<b>Other Expenses</b>	<b>3,802</b>	<b>1,127</b>

#### (15) DEPRECIATION AND AMORTIZATION EXPENSES

The following table provides a breakdown for depreciation and amortization expenses:

(in thousands of €)	For the nine months ended September 30,	
Class	2022	2021
Property, plant and equipment	13,023	12,475
Right-of-use assets	5,616	4,063
Intangible assets with a finite useful life	262	221
<b>Total depreciation and amortization expense</b>	<b>18,901</b>	<b>16,759</b>

#### (16) FINANCIAL INCOME

The following table provides for a breakdown for financial income:

(in thousands of €)	For the nine months ended September 30,	
Class	2022	2021
Derivative financial instruments FVTPL	1,429	-
Other financial income	72	161
Financial income from Parent Company	63	-
Interest income from banks	48	52
<b>Total financial income</b>	<b>1,612</b>	<b>213</b>

## (17) FINANCIAL COSTS

The following table provides for a breakdown for financial costs:

(in thousands of €)	For the nine months ended September 30,	
Class	2022	2021
Interest on borrowings	3,423	2,380
Financial expenses from other investors	4,583	1,408
Interest expenses to factors	1,257	779
Interest for lease liabilities	639	551
Derivative financial instruments	246	182
Other financial costs	587	172
<b>Total financial costs</b>	<b>10,735</b>	<b>5,472</b>

## (18) INCOME TAXES

(in thousands of €)	For the nine months ended September 30,	
Class	2022	2021
IRES Italian Income taxes	7,775	1,353
Deferred tax	6,404	3,279
IRAP Regional Income taxes	1,706	2,457
Taxes other countries	931	15
Tax previous years	(107)	-
<b>Total tax</b>	<b>16,709</b>	<b>7,104</b>

On July 15, 2022, the Italian Revenue Agency (Agenzia delle Entrate) notified to the Company a final audit report ("processo verbale di constatazione") with respect to tax period 2016 reporting alleged violations relating to (i) the misapplication of the VAT pro-rata rule, and (ii) the non-deductibility of the amortization of certain intangible assets ("Intangible Asset"). On November 11, 2022 the company received a formal notice ("avviso di accertamento") in relation to the alleged violations.

The Issuer deducted in years subsequent to 2016 the amortization of certain intangible assets and, therefore, the tax authority may in theory proceed to formalize substantially similar findings for additional tax periods. In any case, although valid arguments exist to support the defense of the tax approach adopted, the Company has assessed that it is probable that the Agency may extend the tax assessment also to the subsequent years, a provision of € 1,654 has recognised in the financial statement of which € 820 thousand in the other expenses and for € 834 thousand in the tax previous years.

Deferred tax liabilities are not recognised if it can be demonstrated that their payment is improbable or not due. Deferred tax assets are recognised if their recovery is reasonably certain. All the measurements referred to above were conducted on a going concern basis.

The table below provides a reconciliation between actual income taxes and the theoretical income taxes, calculated on the basis of the applicable group's average tax rate, which was 25.3 percent for each of the periods ended September 30, 2022, and 2021:

(in thousands of €)	For the nine months ended September 30,	
Class	2022	2021
Profit before taxes	48,998	24,326
<b>Theoretical income tax expense — average tax rate</b>	<b>(12,372)</b>	<b>(6,142)</b>
Tax effect on:		
Taxes relating to prior years	(107)	-
Deferred taxes	(6,404)	(3,279)
Effect of different tax rates of subsidiaries operating in other jurisdictions	3,880	4,774
<b>Total tax expense, excluding IRAP</b>	<b>(15,003)</b>	<b>(4,647)</b>
Effective average tax rate	<b>30.62%</b>	<b>19.10%</b>



Italian regional income tax expense (IRAP)	(1,706)	(2,457)
<b>Total income tax</b>	<b>(16,709)</b>	<b>(7,104)</b>

In order to facilitate the understanding of the tax rate reconciliation presented above, income tax expense has been presented net of other taxes paid abroad and of the Italian Regional Income Tax ("IRAP"). IRAP is calculated on a measure of income defined by the Italian Civil Code as the difference between operating revenues and costs, before financial income and expense, the cost of fixed term employees, credit losses and any interest included in lease payments. IRAP is calculated using financial information prepared under Italian accounting standards. The applicable IRAP rate was 3.9 percent for the other Italian components, for each of the periods ended September 30, 2022 and 2021.

There are no unrecognised deferred tax assets related to tax losses.

### (19) EARNINGS PER SHARE

Basic and diluted earnings per share were calculated as the ratio of net profit or (loss) attributable to the shareholders of the Company by the weighted average number of outstanding shares (basic and diluted) of the Company.

The following table summarizes the amounts used to calculate basic and diluted earnings per share:

(in thousands of Euro)	September 30,	
	2022	2021
Profit of the period attributable to the Group (A)	29,771	15,791
Number of shares at start of the period	6,111,940	6,111,940
Number of shares at end of the period	6,111,940	6,111,940
Weighted average number of ord shares for basic EPS (B)	6,111,940	6,111,940
<b>Basic earnings per share (Euro) (C)=(A)/(B)</b>	<b>4.87</b>	<b>2.58</b>

Diluted earnings per share is equal to basic earnings per share as there were no potentially dilutive instruments for the periods presented.

## RISK MANAGEMENT POLICY

### Credit risk

The Group is exposed to a credit risk that its customers may delay or fail to fulfill their payment requirements in terms agreed and the internal procedures adopted in relation to the assessment of credit risk and customer solvency are not sufficient.

These risks could have negative effects on the Group's economic, financial and equity situation.

To mitigate this risk, the Group monitors the credit quality of the third-parties on the basis of internal or external ratings and sets credit limits subject to regular monitoring. The customers are all major players in the sectors in which the Group is active, and credit risk is concentrated on only a small percentage of smaller customers.

It occurs that the Group uses factoring instruments to collect certain type of trade receivables.

The following table contains a breakdown of third-party trade receivables by overdue category:

(in thousands of €)	As of September 30		As of December 31	
	2022		2021	
	Receivables	Provisions	Receivables	Provisions
Receivables due	133,535	(94)	76,788	(64)
Receivables past due by less than 60 days	27,418	(418)	12,814	(95)
Receivables between 60 and 180 days past due	1,502	(73)	3,385	(182)
Receivables past due by over 180 days	11,515	(8,594)	11,939	(7,566)
<b>Total trade receivables</b>	<b>173,970</b>	<b>(9,179)</b>	<b>104,926</b>	<b>(7,907)</b>

### Liquidity risk

The Group is exposed to the risk of not being able to obtain new borrowings or to get renewal of existing ones at conditions that are not worse than the existing ones, or it could default on the commitments (covenants) assumed in the existing loan agreements. Furthermore, the breach of covenants provided in some existing loan agreements could in some cases, to lead (due to cross default clauses) to the forfeiture of benefit of the term, respect to other loan agreements. The occurrence of these risks could have significant negative effects on the Group's economic and financial situation.

In consideration of the net financial position and the ability to generate positive cash flows from operating activities, the liquidity risk is assessed, in the economic situation in which the Group is at the time of approval of these financial statements, as low. The Group has credit lines granted by the banking system, which are adequate with respect to operational needs.

The Group's cash flows, financing requirements and liquidity are carefully monitored and managed by:

- maintaining an appropriate level of available liquidity;
- diversifying the methods used to raise financial resources;
- arranging appropriate credit facilities;
- monitoring prospective liquidity conditions, in relation to the business planning process.

(in thousands of €)	September 30, 2022	Total cash flows	Less than 1 year	Between 1 and 5 years	> 5 years
Non-current financial liabilities and borrowings	186,419	186,419	-	129,840	56,579
Non-current lease liabilities	43,690	43,690	-	19,220	24,470
<b>Total Non-Current Financial Liabilities</b>	<b>230,109</b>	<b>230,109</b>	<b>-</b>	<b>149,060</b>	<b>81,049</b>
Current financial liabilities and borrowings	103,235	103,235	103,235	-	-
Current portion of non-current financial liabilities and borrowings	29,642	29,642	29,642	-	-
Current lease liabilities	7,726	7,726	7,726	-	-
<b>Total Current Financial Liabilities</b>	<b>140,603</b>	<b>140,603</b>	<b>140,603</b>	<b>-</b>	<b>-</b>
<b>Total Financial Liabilities</b>	<b>370,712</b>	<b>370,712</b>	<b>140,603</b>	<b>149,060</b>	<b>81,049</b>

(in thousands of €)	December 31, 2021	Total cash flows	Less than 1 year	Between 1 and 5 years	> 5 years
Non-current financial liabilities and borrowings	134,997	134,997	-	100,051	34,946
Non-current lease liabilities	47,568	47,568	-	19,362	28,206
<b>Total Non-Current Financial Liabilities</b>	<b>182,565</b>	<b>182,565</b>	<b>-</b>	<b>119,413</b>	<b>63,152</b>
Current financial liabilities and borrowings	50,788	50,788	50,788	-	-
Current portion of non-current financial liabilities and borrowings	46,747	46,747	46,747	-	-
Current lease liabilities	7,768	7,768	7,768	-	-
<b>Total Current Financial Liabilities</b>	<b>105,303</b>	<b>105,303</b>	<b>105,303</b>	<b>-</b>	<b>-</b>
<b>Total Financial Liabilities</b>	<b>287,868</b>	<b>287,868</b>	<b>105,303</b>	<b>119,413</b>	<b>63,152</b>

The factors which mainly influence the Group's liquidity are the resources generated or absorbed by current operating and investing activities, the possible distribution of dividends, the maturity or refinancing of debt and the management of surplus cash. Liquidity needs or surpluses are monitored on a daily basis by the Parent Company in order to guarantee effective sourcing of financial resources or adequate investment of excess liquidity.

The negotiation and management of credit lines is coordinated by the Parent Company with the aim of satisfying the short and medium-term financing needs of the individual companies within the Group according to efficiency and cost-effectiveness criteria. It has always been the Group's policy to sign and constantly maintain with various and diversified banks a total amount of committed credit lines that is considered consistent with the needs of the individual companies and suitable to ensure at any time the liquidity needed to satisfy and comply with all the Group's financial commitments, at the established economic conditions, as well as guaranteeing the availability of an adequate level of operational flexibility for any expansion programs.

The following table summarizes the main information relating to the uncommitted credit lines as of September 30, 2022.

	Currency	Maturity date	Line amount	Used	Residual	Rate
(in thousands of Euro)						
Intesa San Paolo	EUR	27/10/2022	23,200	9,002	14,198	2.00%
Deutsche Bank	EUR	25/11/2022	3,100	3,000	100	6.32%
BCC	EUR	19/12/2022	10,000	10,000	-	2.50%
Monte dei Paschi di Siena	EUR	07/11/2022	5,000	5,000	-	2.50%
Unicredit	EUR	14/11/2022	26,750	12,311	14,439	3.00%
Banco Desio	EUR	09/01/2023	2,000	2,000	-	1.00%
Banca Nazionale del Lavoro	EUR	02/02/2023	5,025	3,517	1,508	1.00%
Banco BPM	EUR	09/11/2022	14,500	137	14,363	1.01%
Intesa San Paolo	EUR	17/10/2022	14,552	58	14,494	1.00%
Credit Agricole	EUR	11/12/2022	17,050	1,036	16,014	1.58%
Monte dei Paschi di Siena	EUR	Withdrawal	974	-	974	n.a.
Intesa San Paolos	EUR	Withdrawal	50	-	50	n.a.
Intesa San Paolo	EUR	Withdrawal	2,575	-	2,575	n.a.
Deutsche Bank	EUR	Withdrawal	50	-	50	n.a.
Banco BPM	EUR	Withdrawal	50	-	50	n.a.
Intesa San Paolo	EUR	Withdrawal	300	-	300	n.a.
Unicredit	EUR	Withdrawal	1,000	-	1,000	n.a.
Unicredit	CNY	27/10/2022	836	836	-	5.00%
Unicredit	CNY	27/10/2022	411	411	-	5.00%
Unicredit	CNY	23/11/2022	893	893	-	5.00%
Unicredit	CNY	23/11/2022	469	469	-	5.00%
Unicredit	CNY	05/12/2022	197	197	-	5.00%
Unicredit	CNY	31/08/2022	522	-	522	4.90%
Monte dei Paschi di Siena	CNY	21/03/2023	997	-	997	4.85%
Monte dei Paschi di Siena	CNY	23/09/2022	577	-	577	4.85%
Monte dei Paschi di Siena	CNY	15/12/2022	283	283	-	4.85%
Monte dei Paschi di Siena	CNY	29/07/2022	432	-	432	4.85%
Monte dei Paschi di Siena	CNY	17/01/2023	288	288	-	4.85%

Monte dei Paschi di Siena	CNY	22/03/2023	894	894	-	4.85%
Monte dei Paschi di Siena	CNY	10/08/2023	307	307	-	4.85%
Monte dei Paschi di Siena	CNY	10/08/2023	104	104	-	4.85%
Monte dei Paschi di Siena	CNY	21/09/2023	153	153	-	4.85%
Intesa San Paolo	USD	30/10/2022	4,103	4,103	-	5.42%
Intesa San Paolo	USD	21/11/2022	2,565	2,565	-	5.10%
Intesa San Paolo	USD	21/11/2022	1,539	1,539	-	5.10%
Intesa San Paolo	USD	30/10/2022	595	595	-	4.60%
Intesa San Paolo	USD	30/10/2022	3,483	3,483	-	4.45%
Unicredit	USD	28/11/2022	3,078	3,078	-	2.07%
Unicredit	USD	28/11/2022	1,539	1,539	-	2.60%
Monte dei Paschi di Siena	USD	Withdrawal	18,465	-	18,465	n.a.
Commercial Bank	USD	Withdrawal	227	227	-	n.a.
<b>Total Uncommitted Lines in Euro</b>			<b>169,133</b>	<b>68,025</b>	<b>101,108</b>	

The following table summarizes the main information relating to the uncommitted credit lines as of December 31, 2021.

	Currency	Maturity date	Line amount	Used	Residual	Rate
(in thousands of Euro)						
Unicredit	EUR	Withdrawal	26,750	-	26,750	n.a.
Unicredit	EUR	Withdrawal	1,000	-	1,000	n.a.
Credit Agricole	EUR	Withdrawal	14,552	8,000	6,552	0.7%
BPER	EUR	Withdrawal	50	-	50	n.a.
BPM	EUR	Withdrawal	13,500	-	13,500	n.a.
BPM	EUR	Withdrawal	50	-	50	n.a.
BCC	EUR	Withdrawal	10,000	10,000	-	0.8%
Intesa San Paolo	EUR	Withdrawal	11,200	-	11,200	n.a.
Intesa San Paolo	EUR	Withdrawal	2,575	-	2,575	n.a.
Intesa San Paolo	USD	Withdrawal	7,063	7,063	-	4.4%
Cariparma	EUR	Withdrawal	18,000	-	18,000	n.a.
MPS	EUR	Withdrawal	5,000	5,000	-	0.7%
MPS	EUR	Withdrawal	974	-	974	n.a.
MPS	USD	Withdrawal	15,893	-	15,893	n.a.
Banco Desio e Brianza	EUR	Withdrawal	2,000	2,000	-	1.0%
BNL	EUR	Withdrawal	5,025	-	5,025	n.a.
Credito Valtellinese	EUR	Withdrawal	4,050	2,500	1,550	0.1%
Credito Valtellinese	EUR	Withdrawal	1,500	1,444	56	0.00%
Deutsche Bank	EUR	Withdrawal	3,100	3,000	100	1.7%
Deutsche Bank	EUR	Withdrawal	50	-	50	n.a.
<b>Total Uncommitted Lines in Euro</b>			<b>142,332</b>	<b>39,007</b>	<b>103,325</b>	

### Interest rate risk

The Group is subject to the risk of fluctuations in the interest rate relating to the indebtedness. Any changes in interest rates (EURIBOR) could have effects with increase or reduction of financing costs.

(in thousands of €)	September 30, 2022					
	Outstanding debts	% total	Within one year	% total	Over a year	% total
Total fixed rate financial liability	133,612	41.85%	109,130	82.13%	24,482	13.13%
Total variable rate financial liability	185,684	58.15%	23,747	17.87%	161,937	86.87%
<b>Total outstanding debts</b>	<b>319,296</b>	<b>100%</b>	<b>132,877</b>	<b>100%</b>	<b>186,419</b>	<b>100%</b>
<b>Interest to be paid on variable rate not covered by derivative</b>	4,484		572		3,912	
<b>Interest to be paid as a result of the change (+2%) in base reference rate</b>	11,803		3,767		8,036	

(in thousands of €)	December 31, 2021					
	Outstanding debts	% total	Within one year	% total	Over a year	% total
Total fixed rate financial liability	143,602	61.76%	82,547	84.63%	61,055	45.23%
Total variable rate financial liability	88,930	38.24%	14,988	15.37%	73,942	54.77%
<b>Total outstanding debts</b>	<b>232,532</b>	<b>100%</b>	<b>97,535</b>	<b>100%</b>	<b>134,997</b>	<b>100%</b>
Interest to be paid on variable rate not covered by derivative	492		460		32	
Interest to be paid as a result of the change (+2%) in base reference rate	6,197		2,481		3,716	

### Foreign exchange risk

The Group undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. The Group does not adopt specific policies to hedge exchange rate fluctuations as in order to mitigate the exposure to foreign exchange risk, the Group mainly carries out purchase and sale transactions in the same local currency therefore foreign exchange risk is low.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the reporting date are as follows:

(in thousands of €)	As of September 30, 2022						
	USD	TND	MXN	CNY	GBP	JPY	Total
<b>Total assets</b>	9,539	2,742	-	1,372		118	13,771
<b>Total liabilities</b>	10,330	778	-	3,861		10,268	25,237

(in thousands of €)	As of December 31, 2021						
	USD	TND	MXN	CNY	GBP	JPY	Total
<b>Total assets</b>	8,176	-	-	157	-	152	8,485
<b>Total liabilities</b>	6,709	-	-	464	-	10,113	17,286

The following table details the Group's sensitivity to a 10 per cent increase and decrease in currency units against the relevant foreign currencies. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the year-end for a 10 per cent change in foreign currency rates.

(in thousands of €)	Year ended September 30, 2022	
	FX +10%	FX -10%
USD - U.S. Dollar	72	(88)
CNY - Chinese Renminbi (Yuan)	226	(277)
JPY - Japanese Yen	923	(1,128)
TND - Tunisian Dinar	(179)	218
<b>Total other currencies</b>	<b>1,042</b>	<b>(1,274)</b>
<b>Total effect on Profit before Tax</b>	<b>1,042</b>	<b>(1,274)</b>

### Financial assets and liabilities

The following table combines information about:

- Classes of financial instruments based on their nature and characteristics
- The carrying amounts of financial instruments
- Fair values of financial instruments (except financial instruments when carrying amount approximates their fair value)
- Fair value hierarchy levels of financial assets and financial liabilities for which fair value was disclosed

Fair value hierarchy levels 1 to 3 are based on the degree to which the fair value is observable:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities

- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs)

The table below shows the financial assets and liabilities for applied evaluation methodology:

(in thousands of €)	Financial assets and liabilities				Fair value level		
September 30, 2022	FVPL	FVOCI	Amortised cost	Total	1	2	3
Financial assets (note 3 )	-	3,895	5,716	9,611	2,773	6,838	-
Trade receivables (note 6 )	-	-	164,791	164,791	-	164,791	-
Other assets	-	-	39,493	39,493	-	39,493	-
Cash and cash equivalents	-	-	64,581	64,581	-	64,581	-
<b>Total financial assets</b>	-	<b>3,895</b>	<b>274,581</b>	<b>278,476</b>	<b>2,773</b>	<b>275,703</b>	-
Financial liabilities and borrowings (note 8)	-	412	318,884	319,296	-	319,296	-
Lease liabilities (note 9)	-	-	51,416	51,416	-	51,416	-
Trade payables	-	-	319,133	319,133	-	319,133	-
Other liabilities	-	-	28,472	28,472	-	28,472	-
<b>Total financial liabilities</b>	-	<b>412</b>	<b>717,905</b>	<b>718,317</b>	-	<b>718,317</b>	-

(in thousands of €)	Financial assets and liabilities				Fair value level		
December 31, 2021	FVPL	FVOCI	Amortised cost	Total	1	2	3
Financial assets (note 3 )	-	12,025	5,772	17,797	4,514	5,810	7,473
Trade receivables (note 6 )	-	-	97,019	97,019	-	97,019	-
Other assets	-	-	29,001	29,001	-	29,001	-
Cash and cash equivalents	-	-	137,662	137,662	-	137,662	-
<b>Total financial assets</b>	-	<b>12,025</b>	<b>269,454</b>	<b>281,479</b>	<b>4,514</b>	<b>269,492</b>	<b>7,473</b>
Financial liabilities and borrowings (note 8)	-	158	232,374	232,532	-	232,532	-
Lease liabilities (note 9)	-	-	55,336	55,336	-	55,336	-
Trade payables	-	-	240,210	240,210	-	240,210	-
Other liabilities	3,937	-	41,232	45,169	-	41,232	3,937
<b>Total financial liabilities</b>	<b>3,937</b>	<b>158</b>	<b>569,152</b>	<b>573,247</b>	-	<b>569,310</b>	<b>3,937</b>

#### Reconciliation of Level 3 fair value measurements of financial instruments

The following table presents the changes in level 3 items for the periods ended 30 September 2022 and 31 December 2021:

(in thousands of €)	Equity investments – EMS shares	Share award liability
<b>Balance at 1 January 2022</b>	<b>7,473</b>	<b>(3,937)</b>
Total gains or losses:		
in profit or loss		
in other comprehensive income		
Settlements	(7,473)	3,937
<b>Balance at 30 September 2022</b>	<b>-</b>	<b>-</b>

## TRANSACTIONS WITH RELATED PARTIES

In accordance with IAS 24, related parties are: a) entities that directly, or indirectly through one or more intermediaries, control, are controlled by, or are under common control with, the reporting entity; b) associates; c) individuals who directly or indirectly have voting power in the reporting entity that gives them significant influence over the entity, and their close family members; d) members of the key management personnel, i.e. those persons having authority and responsibility for planning, directing and controlling the activities of the reporting entity, including the entity's directors or managers and the close family members of such persons; e) entities in which significant voting power is held directly or indirectly by any individual described in c) or d) above or over which that individual is able to exercise significant influence. The case of e) above includes entities owned by directors or controlling shareholders of the reporting entity and entities that have key management personnel in common with the reporting entity.

The table below, shows, a list of related parties, with the type of correlation:

Related parties	Type and main correlation relationship
EMS S.P.A.	Shareholder of the issuer
EUOTRANCIATURA S.P.A.	Company 100% owned by the issuer
CORRADA S.P.A.	Company 100% owned by the issuer
EUOTRANCIATURA MÉXICO, S. A. DE C. V	Company 71.24% owned by the issuer
EUROPPOPERTIES MEXICO S.A. DE C.V.	Company 100% owned by the issuer
SAF S.P.A.	Company 50% owned by the issuer
EUOTRANCIATURA TUNISIE	Company 51% owned by the issuer
EMS MEXICO SA DE CV	Company 71.24% owned by the issuer
EUOSLOT TOOLS S.r.l.	Company 60% owned by the issuer
EURO GROUP LAMINATIONS RUSSIA LLC	Company 100% owned by the issuer
EUOTRANCIATURA USA LLC	Company 64.12% owned by the issuer
EUROPPOPERTIES USA LLC	Company 100% owned by the issuer
EURO MISI LAMINATIONS JIAXING CO. LTD	Company 41.58% owned by the issuer
EURO GROUP ASIA LIMITED	Company 60,26% owned by the issuer
EURO HIGHTECH S.A. DE C.V	Company 70.90% owned by the issuer
EUROGROUP LEVERAGE LENDER LLC	Company 100% owned by the issuer
EURO MISI HIGH TECH	Company 60,26% owned by the issuer
<b>Physical persons</b>	
Iori Sergio	Chairman of the issuer's Board of Directors appointed on September 08, 2020
Arduini Marco Stefano	CEO of the issuer, appointed on September 08, 2020
Guardala' Isidoro	Deputy Chairman appointed on September 08, 2020
Iori Marzio Andrea	Adviser of the issuer's Board of Directors, appointed on September 08, 2020
Quagliuolo Roberto Francesco	Adviser of the issuer's Board of Directors, appointed on September 08, 2020
Gales Jean-Marc Pierre	Adviser of the issuer's Board of Directors, appointed on September 08, 2020
Bertocchi Gianluca Umberto Maria	Adviser of the issuer's Board of Directors, appointed on September 08, 2020
Garavaglia Luigi Emilio	Chairman of the Board of Statutory Auditors, appointed on September 08, 2020
Alabiso Francesco	Effective statutory auditor in charge, appointed on September 08, 2020
Venruini Maria	Effective statutory auditor in charge, appointed on September 08, 2020
Gandola Giancarlo	Alternate statutory auditor in charge appointed, appointed on September 08, 2020
Sironi Roberta	Alternate statutory auditor in charge appointed, appointed on September 08, 2020

The Group carries out transactions with related parties on commercial terms that are normal in the respective markets, considering the characteristics of the goods or services involved.

Transactions carried out by the Group with these related parties are of commercial and financial nature and, in particular, these transactions relate to:

Related parties (in thousands of €)	Parent Company	Total	Total item	Incidence on total item
<b>Right-of-use assets</b>				
As of September 30, 2022	26,370	26,370	57,691	45.71%
As of December 31, 2021	28,393	28,393	61,993	45.80%
<b>Non-current financial assets</b>				

As of September 30, 2022	5,600	5,600	9,611	57.27%
As of December 31, 2021	5,600	5,600	17,797	31.47%
<b>Non-current lease liabilities</b>				
As of September 30, 2022	24,215	24,215	43,690	55.42%
As of December 31, 2021	26,139	26,139	47,568	54.95%
<b>Other non-current liabilities</b>				
As of September 30, 2022	-	-	4,292	0.00%
As of December 31, 2021	5,445	5,445	9,906	54.97 %
<b>Current lease liabilities</b>				
As of September 30, 2022	2,561	2,561	7,726	33.15%
As of December 31, 2021	2,533	2,533	7,768	32.61%
<b>Trade payables</b>				
As of September 30, 2022	63	63	319,133	0.02%
As of December 31, 2021	-	-	240,210	0.00%
<b>Costs for external services</b>				
As of September 30, 2022	-	-	-	0.00%
As of September 30, 2021	-	-	(49,687)	0.00%
<b>Personnel costs</b>				
As of September 30, 2022	(2,161)	(2,161)	(80,214)	2.69%
As of September 30, 2021	(182)	(182)	(61,270)	0.30%
<b>Depreciation and amortization expenses</b>				
As of September 30, 2022	(2,021)	(2,021)	(18,901)	10.69%
As of September 30, 2021	(2,004)	(2,004)	(16,759)	11.96%
<b>Financial costs</b>				
As of September 30, 2022	(307)	(307)	(10,735)	2.86%
As of September 30, 2021	(328)	(328)	(5,472)	5.99%

#### KEY MANAGEMENT PERSONNEL

Pursuant to IAS 24—Related Party Disclosures, the related parties of the Group are all entities and individuals capable of exercising control, joint control or significant influence over the Group and its subsidiaries. In addition, members of the Board of Directors and executives with strategic responsibilities and their families are also considered related parties. The following tables summarize remuneration of directors, key executives with strategic responsibilities:

Key management personnel			
	Compensation		
	Short Term employee benefits	Share purchase plan	Total compensation
2022	2,345	2,161	4,506
2021	2,482	182	2,664

Key management personnel	
	Outstanding Balance
	Other non current liabilities
As of 30 September 2022,	-
As of 31 December 2021,	3,937