# INTERIM FINANCIAL REPORT
## 30 SEPTEMBER 2022

cementirholding
GRUPPO CALTAGIRONE

## CORPORATE BODIES

| | | |
|---|---|---|
| **Board of Directors**<br>In office until approval of 2022 financial statements | *Executive Director, Chairman and CEO* | Francesco Caltagirone Jr. |
| | *Vice-Chairman and Non-Executive Director* | Alessandro Caltagirone |
| | *Vice-Chairwoman and Non-Executive Director* | Azzurra Caltagirone |
| | *Non-Executive Directors* | Edoardo Caltagirone |
| | | Saverio Caltagirone |
| | | Fabio Corsico |
| | | Veronica De Romanis *(independent)* |
| | | Paolo Di Benedetto *(independent - Senior Non Executive Director)* |
| | | Chiara Mancini *(independent)* |
| | | Adriana Lamberto Floristan *(independent)*[1] |
| **Audit Committee** | **Chairwoman** | Veronica De Romanis *(independent)* |
| | ***Members*** | Paolo Di Benedetto *(independent)* |
| | | Chiara Mancini *(independent)* |
| **Remuneration and Nomination Committee** | **Chairwoman** | Chiara Mancini *(independent)* |
| | ***Members*** | Paolo Di Benedetto *(independent)* |
| | | Veronica De Romanis *(independent)* |
| **Sustainability Committee** | **Chairman** | Francesco Caltagirone Jr. |
| | ***Members*** | Veronica De Romanis *(independent)* |
| | | Chiara Mancini *(independent)* |
| | | Adriana Lamberto Floristan *(independent)*[2] |
| **Independent Auditors** | | PricewaterhouseCoopers Accountants N.V. |

[1] Appointed by resolution of the shareholders' meeting of 21 April 2022
[2] Appointed by resolution of the Board of Directors dated 5 May 2022

# INTERIM FINANCIAL REPORT AT 30 SEPTEMBER 2022

## INTRODUCTION

This Interim Financial Report refers to the Cementir Group's consolidated financial statements as at 30 September 2022, prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU and Part 9 of Book 2 of the Dutch Civil Code.

As of June 2022, the Turkish economy is considered hyperinflationary according to the criteria set out in “IAS 29-Financial Reporting in Hyperinflationary Economies”.

For the purpose of preparing this Interim Financial Report and in accordance with the provisions of IAS 29, certain items on the balance sheets of investee companies in Turkey have been re-measured by applying the general consumer price index to historical data; this makes it possible to reflect changes in the purchasing power of the Turkish Lira as of the reporting date of the investees themselves.

This report was prepared on the basis of the going concern assumption.

It is noted that this interim Directors’ report is unaudited.

## GROUP PROFILE

Cementir Holding N.V. is a multinational group with registered office in the Netherlands operating in the building materials sector. The Group is the global leader in white cement with 3.3 million tonnes of installed capacity, the leading producer of cement in Denmark and of ready-mixed concrete in the Scandinavian area, the third-largest producer in Belgium and among the main international operators for grey cement in Turkey. In Belgium, the Group operates one of the largest aggregate quarries in Europe. In Turkey and the United Kingdom, Cementir is also active in the processing of urban and industrial waste, used to produce fuel for cement plants from waste.

Cementir’s international growth over the years was mainly driven by investments and acquisitions for over EUR 1.7 billion, which have transformed the company from a domestic to a multinational player with production sites in 18 countries, a production capacity of over 13 million tonnes of cement and a commercial presence in over 70 countries. The company continues to pursue a strategy aimed at geographical and product diversification with a view to environmental sustainability.

The Group has boosted the extensive use of digital technology in production processes with the Cementir 4.0 project, which aims to ensure a level of operational excellence along the entire value chain, including limestone extraction, the use of raw materials and alternative fuels, predictive maintenance, supply management and logistics.

Cementir has set ambitious targets to reduce its CO2 emissions that have been independently verified by the Science Based Targets initiative (SBTi) and judged consistent with the goal of keeping warming well below 2°C. The Group has defined a ten-year Roadmap and in the 2022-2024 Business Plan, it will commit funds of around EUR 97 million to sustainability projects, including: large-scale production of low carbon footprint sustainable products such as FUTURECEM®, which reduces CO2 emissions by 30%; the use of alternative raw materials and fuels, or more sustainable fuels such as natural gas; investments aimed at reducing the consumption of thermal energy and electricity in our plants in Denmark and Belgium.

In December 2021, the Group obtained an improvement in its climate change rating to an "A-", ranking, above the average for the cement and ready-mixed concrete sector (B), the European average (B) and the global average (B-). For the first time, Cementir also took part in the CDP Water Security questionnaire, obtaining a rating of B, in line with the sector and the European average (B).

In May 2022, the rating agency Standard and Poor's confirmed the BBB- rating with a stable outlook.

Cementir Holding has been listed on the Milan Stock Exchange since 1955 and today is one of the main companies in the Euronext STAR Milan segment. Since 1992, Cementir has been part of the Caltagirone Group, one of the leading private business groups in Italy with activities in the residential construction, infrastructure, publishing, real estate and finance sectors.

## GROUP PERFORMANCE

**TURKEY - HYPERINFLATED ECONOMY: IMPACTS OF THE APPLICATION OF IAS 29**

As of June 2022, the Turkish economy is considered hyperinflationary according to the criteria set out in "IAS 29 - Financial Reporting in Hyperinflationary Economies".

The accounting effects of this adjustment, in addition to already being reflected in the opening balance sheet as of 1 January 2022, incorporate the changes for the period. In particular, the effect related to the re-measurement of non-monetary assets and liabilities, equity items, and income statement items recognised in the first nine months of 2022 was recognised in a separate income statement item under financial income and expenses. The related tax effect of non-cash assets was recognised in taxes for the period.

To take into account the impact of hyperinflation also on the local currency exchange rate, profit and loss account balances expressed in hyperinflationary currencies have been converted into Euro, the Cementir Group's presentation currency, applying the final exchange rate instead of the average exchange rate for the period, in line with IAS 21's requirement to report these amounts at current values.

The cumulative levels of the general consumer price indices are as follows:

- From January 2005 to 31 December 2021: 503.30%
- January 2022 to 30 September 2022: 52.40%

In the first nine months of 2022, the application of IAS 29 resulted in the recognition of a net financial income (pre-tax) of EUR 18.2 million.

The impact of hyperinflation on the main income statement items for the first nine months of 2022 and the third quarter of 2022 is shown below:

## Financial Highlights

| (EUR'000) | IAS 29 Jan-Sep 2022 | Jan-Sept 2021 | Change % | IAS 29 3rd Quarter 2022 | 3rd Quarter 2021 | Change % |
|---|---|---|---|---|---|---|
| **REVENUE FROM SALES AND SERVICES** | **1,257,677** | **1,008,296** | **24.7%** | **446,640** | **343,753** | **29.9%** |
| Change in inventories | 24,529 | (1,883) | n.s. | 6,342 | 832 | n.s. |
| Increase for internal work and other income | 56,627 | 13,551 | n.s. | 13,350 | 5,214 | 156.0% |
| **TOTAL OPERATING REVENUE** | **1,338,833** | **1,019,964** | **31.3%** | **466,332** | **349,799** | **33.3%** |
| Raw materials costs | (633,814) | (406,805) | 55.8% | (223,816) | (139,439) | 60.5% |
| Personnel costs | (149,244) | (138,052) | 8.1% | (47,591) | (43,052) | 10.5% |
| Other operating costs | (317,481) | (260,020) | 22.1% | (100,407) | (85,727) | 17.1% |
| **TOTAL OPERATING COSTS** | **(1,100,539)** | **(804,878)** | **36.7%** | **(371,814)** | **(268,218)** | **38.6%** |
| **EBITDA** | **238,294** | **215,086** | **10.8%** | **94,518** | **81,581** | **15.9%** |
| *EBITDA MARGIN %* | *18.95%* | *21.33%* | | *21.16%* | *23.73%* | |
| Amortisation, depreciation, impairment losses and provisions | (93,233) | (81,779) | 14.0% | (31,720) | (27,319) | 16.1% |
| **EBIT** | **145,061** | **133,307** | **8.8%** | **62,798** | **54,262** | **15.7%** |
| *EBIT Margin %* | *11.53%* | *13.22%* | | *14.06%* | *15.79%* | |
| Share of net profits of equity-accounted investees | 404 | 641 | -37.0% | 299 | 246 | 21.5% |
| Net financial income (expense) | 15,033 | (12,797) | 217.5% | (2,522) | (2,663) | 5.3% |
| **NET FINANCIAL INCOME (EXPENSE)** | **15,437** | **(12,156)** | **227.0%** | **(2,223)** | **(2,417)** | **8.0%** |
| **PROFIT BEFORE TAXES** | **160,498** | **121,151** | **32.5%** | **60,575** | **51,844** | **16.8%** |
| *PROFIT BEFORE TAXES/REVENUE %* | *12.76%* | *12.02%* | | *13.56%* | *15.08%* | |

The consolidated income statement for the first nine months of 2022 is reported below, with comparative figures provided for the same period of 2021.

These results do not include the impacts of the application of IAS 29 - Financial Reporting for Hyperinflationary Economies for Turkey, the effects of which are reported in the previous section. This representation allows a more direct understanding of the change in the Group's performance compared to the same period of the previous year.

### Financial highlights without hyperinflation effect

| (EUR'000) | Jan-Sept 2022 | Jan-Sept 2021 | Change % |
|---|---|---|---|
| **REVENUE FROM SALES AND SERVICES** | **1,248,217** | **1,008,296** | **23.8%** |
| Change in inventories | 28,135 | (1,883) | n.s. |
| Increase for internal work and other income | 56,770 | 13,551 | n.s. |
| **TOTAL OPERATING REVENUE** | **1,333,121** | **1,019,964** | **30.7%** |
| Raw materials costs | (616,508) | (406,805) | 51.6% |
| Personnel costs | (148,348) | (138,052) | 7.5% |
| Other operating costs | (315,390) | (260,021) | 21.3% |
| **TOTAL OPERATING COSTS** | **(1,080,246)** | **(804,878)** | **34.2%** |
| **EBITDA** | **252,875** | **215,086** | **17.6%** |
| *EBITDA MARGIN %* | *20.26%* | *21.33%* | |
| Amortisation, depreciation, impairment losses and provisions | (85,609) | (81,779) | 4.7% |
| **EBIT** | **167,265** | **133,307** | **25.5%** |
| *EBIT Margin %* | *13.40%* | *13.22%* | |
| Share of net profits of equity-accounted investees | 404 | 641 | -37.0% |
| Net financial income (expense) | (2,907) | (12,797) | -77.3% |
| **NET FINANCIAL INCOME (EXPENSE)** | **(2,502)** | **(12,156)** | **-79.4%** |
| **PROFIT BEFORE TAXES** | **164,763** | **121,151** | **36.0%** |
| *PROFIT BEFORE TAXES/REVENUE %* | *13.20%* | *12.02%* | |

### Sales volumes

| ('000) | Jan-Sept 2022 | Jan-Sept 2021 | Change % |
|---|---|---|---|
| Grey, White cement and Clinker (metric tons) | 8,191 | 8,331 | -1.7% |
| Ready-mixed concrete ($m^3$) | 3,539 | 3,767 | -6.0% |
| Aggregates (metric tons) | 7,857 | 8,259 | -4.9% |

### Group employees

| | 30-09-2022 | 31-12-2021 | 30-09-2021 |
|---|---|---|---|
| Number of employees | 3,108 | 3,083 | 3,090 |

During the first nine months of 2022, cement and clinker **sales volumes**, amounting to 8.2 million tonnes, decreased by 1.7% compared to the same period of 2021. The decline is mainly attributable to the performance of Turkey, Denmark, China and Egypt.

Sales volumes of ready-mixed concrete, equal to 3.5 million cubic metres, were down by 6.0% due to the decline recorded in Turkey, Denmark, Belgium and Sweden.

In the aggregates sector, sales volumes amounted to 7.9 million tonnes, down 4.9% compared to the first nine months of 2021, with growth in Turkey and Belgium, offset by negative trends in Sweden and Denmark.

**Group revenue from sales and services** reached EUR 1,248.2 million, up 23.8% compared to EUR 1,008.3 million in the first nine months of 2021. The increase in revenue is mainly due to price increases, offsetting higher costs for fuel, electricity, raw materials, transport and services. At constant 2021 exchange rates, revenue would have reached EUR 1,342.6 million, up by 33.2% on the previous period.

At EUR 1,080.2 million, **operating costs** increased by 34.2% compared to EUR 804.9 million in the first nine months of 2021.

The **cost of raw materials** was EUR 616.5 million (EUR 406.8 million in the first nine months of 2021), up by over 51% due to the generalised increase in fuel prices on international markets.

At EUR 148.3 million, **personnel costs** increased by 7.5% compared to EUR 138.1 million for the same period in 2021.

**Other operating costs,** equal to EUR 315.4 million, were up by 21.3% compared to EUR 260.0 million in the first nine months of 2021, mainly attributable to the evolution of transport costs.

**EBITDA** amounted to EUR 252.9 million, up 17.6% from EUR 215.1 million in the first nine months of 2021. EBITDA included non-recurring income of EUR 10.7 million related to the updated value assessment of non-industrial real estate in Turkey. The increase in EBITDA is attributable to better results in Belgium, Denmark, Turkey, the United States and Egypt, while the Asia Pacific region and Sweden saw a decline in results.

The EBITDA margin was 20.3%, compared to 21.3% in the first nine months of 2021.

At constant 2021 exchange rates, EBITDA would have amounted to EUR 256.9 million, up 19.4% year-on-year.

**EBIT**, taking into account depreciation, amortisation, write-downs and provisions of EUR 85.6 million (EUR 81.8 million in the first nine months of 2021), amounted to EUR 167.3 million, up 25.5% from EUR 133.3 million in the first nine months of the previous year. Depreciation and amortisation due to the application of IFRS 16 amounted to EUR 21.5 million compared to EUR 20.6 million in the same period of 2021.

At constant 2021 exchange rates, the EBIT would have amounted to EUR 169.9 million.

The **share of net profits of equity-accounted investees** was positive by EUR 0.4 million (EUR 0.6 million in the first nine months of 2021).

**Net financial expense** of EUR 2.9 million (expense of EUR 12.8 million in the same period of the previous year), included net financial expenses of EUR 8.4 million (EUR 8.3 million in the first nine months of 2021), net foreign exchange income of EUR 9.6 million (net foreign exchange expenses of EUR 2.8 million in the first nine months of 2021) and the effect of the valuation of derivatives.

**Profit before taxes** was EUR 164.8 million, an increase of 36.0% on EUR 121.2 million in the first nine months of 2021.

## GROUP PERFORMANCE IN THE THIRD QUARTER OF 2022

### Profit (loss) for the period with no hyperinflation effect

| (EUR'000) | 3rd Quarter 2022 | 3rd Quarter 2021 | Change % |
|---|---|---|---|
| **REVENUE FROM SALES AND SERVICES** | **443,030** | **343,753** | **28.9%** |
| Change in inventories | 7,813 | 832 | n.s. |
| Increase for internal work and other income | 12,486 | 5,214 | 139.5% |
| **TOTAL OPERATING REVENUE** | **463,330** | **349,799** | **32.5%** |
| Raw materials costs | (218,447) | (139,439) | 56.7% |
| Personnel costs | (47,304) | (43,052) | 9.9% |
| Other operating costs | (99,432) | (85,727) | 16.0% |
| **TOTAL OPERATING COSTS** | **(365,183)** | **(268,218)** | **36.2%** |
| **EBITDA** | **98,147** | **81,581** | **20.3%** |
| *EBITDA Margin %* | *22.15%* | *23.73%* | |
| Amortisation, depreciation, impairment losses and provisions | (28,844) | (27,319) | 5.6% |
| **EBIT** | **69,303** | **54,262** | **27.7%** |
| *EBIT Margin %* | *15.64%* | *15.79%* | |
| Share of net profits of equity-accounted investees | 299 | 246 | 21.5% |
| Net financial income (expense) | (4,914) | (2,663) | 84.5% |
| **NET FINANCIAL INCOME (EXPENSE)** | **(4,615)** | **(2,417)** | **90.9%** |
| **PROFIT BEFORE TAXES FOR THE PERIOD** | **64,688** | **51,845** | **24.8%** |
| *PROFIT BEFORE TAXES/REVENUE %* | *14.60%* | *15.08%* | |

### Sales volumes

| ('000) | 3rd Quarter 2022 | 3rd Quarter 2021 | Change % |
|---|---|---|---|
| Grey, White cement and Clinker (metric tons) | 2,780 | 2,874 | -3.3% |
| Ready-mixed concrete ($m^3$) | 1,151 | 1,251 | -8.0% |
| Aggregates (metric tons) | 2,374 | 2,744 | -13.5% |

In the third quarter of 2022, cement and clinker **sales volumes** of 2.8 million tonnes decreased by 3.3% compared to the same period in 2021, mainly due to negative developments in Turkey.

Ready-mixed concrete sales volumes of 1.2 million cubic metres decreased by 8.0% due to the negative performance in Turkey, Belgium and Denmark.

In the aggregates segment, sales volumes amounted to 2.4 million tonnes, down by 13.5% mainly as a result of the performance in the Nordic & Baltic area and in Belgium.

**Revenues from sales and services** amounted to EUR 443.0 million, an increase of 28.9% compared to EUR 343.8 million in the third quarter of 2021. The increase in revenues affected all geographical areas mainly in Turkey (45%), Nordic & Baltic (20%), the United States (38%) and Belgium (17%).

**Operating costs** amounted to EUR 365.2 million (EUR 268.2 million in the third quarter of 2021), an increase of 36.2%. This increase is mainly due to the increase in purchasing cost of raw materials, fuels and transport as well as other operating costs.

**EBITDA,** amounting to EUR 98.1 million, increased by 20.3% compared to the third quarter of 2021 (EUR 81.6 million).

**EBIT** amounted to EUR 69.3 million (EUR 54.3 million in the third quarter of 2021).

The **share of net profits of equity-accounted investees** was EUR 0.3 million (EUR 0.2 million in the same period of 2021).

**Net financial expense** was EUR 4.9 million (expense of EUR 2.7 million in the third quarter of 2021).

**Profit before taxes** was EUR 64.7 million, an increase compared to the third quarter of 2021 (EUR 51.8 million).

**Investments** in the third quarter of 2022 amounted to EUR 13.8 million (EUR 20.1 million in the third quarter of 2021).

## Financial highlights

| (EUR'000) | IAS29 30/09/2022 | 30-09-2022 | 31-12-2021 | 30-09-2021 |
|---|---|---|---|---|
| Net capital employed | 1,558,056 | 1,371,971 | 1,267,932 | 1,335,537 |
| Total equity | 1,528,149 | 1,342,064 | 1,227,557 | 1,235,444 |
| Net Financial Position | 29,907 | 29,907 | 40,375 | 100,093 |

**Net financial debt** at 30 September 2022 amounted to EUR 29.9 million (EUR 100.1 million at 30 September 2021). The EUR 70.2 million reduction in debt over the past twelve months includes the distribution of EUR 28.0 million in dividends in May. The impact of the application of IFRS16 on net financial debt at 30 September 2022 is EUR 66.2 million (EUR 75.3 million at 30 September 2021), while no effect is due to the application of IAS 29.

The positive change in relation to the net financial debt at 31 December 2021 was equal to EUR 10.5 million.

**Total equity** at 30 September 2022 amounted to EUR 1,342.1 million (EUR 1,227.6 million at 31 December 2021 and EUR 1,235.4 million at 30 September 2021). With the application of IAS 29, total equity amounted to EUR 1,528.1 million at 30 September 2022.

## FINANCIAL INDICATORS

The following table provides the most significant indicators for a brief assessment of the performance and financial position of the Cementir Holding Group. Return on Equity and Return on Capital Employed allows for a rapid understanding of how the operational performance of the Group impacts on overall profitability. The other Financial Indicators highlight the ability of the company to meet its financial obligations.

| Performance indicators | IAS29 30-09-2022 | 30-09-2022 | 2021 | 30-09-2021 | COMPOSITION |
|---|---|---|---|---|---|
| Return on Equity | 10.2% | 11.8% | 10.0% | 11.3% | Profit from continuing operations/Equity |
| Return on Capital Employed | 14.0% | 16.9% | 15.6% | 14.4% | EBIT/(Equity + Net financial debt) |

| Financial indicators | IAS29 30-09-2022 | 30-09-2022 | 2021 | 30-09-2021 | COMPOSITION |
|---|---|---|---|---|---|
| Equity Ratio | 57.4% | 56.9% | 57.7% | 58.4% | Adjusted Equity/Total Assets |
| Net Gearing Ratio | 2.1% | 2.3% | 3.3% | 8.1% | Net financial debt/ Adjusted Equity |
| Liquidity Ratio | 1.06 | 1.06 | 0.98 | 1.02 | Cash + Receivables / Current Liabilities |
| Cash Flow | 0.74 | 0.74 | 0.89 | 0.89 | Operating Cash Flow / Total Financial Debt |
| Finance Needs | 29.9 | 29.9 | 40.4 | 100.1 | Net Financial Position |

The change in the performance indicators is due to the positive trend of the current economic management and the impact generated by the cash flow from ordinary activities. In particular, from a financial point of view, we note the constant reduction of debt compared to the previous year and therefore the strengthening of the equity structure.

## PERFORMANCE BY GEOGRAPHICAL SEGMENT

### Nordic and Baltic

| (EUR'000) | Jan-Sept 2022 | Jan-Sept 2021 | Change % |
|---|---|---|---|
| Revenue | 531,100 | 460,575 | 15.3% |
| *Denmark* | *361,041* | *310,313* | *16.3%* |
| *Norway / Sweden* | *160,922* | *141,695* | *13.6%* |
| *Other (1)* | *59,505* | *51,441* | *15.7%* |
| *Eliminations* | *(50,368)* | *(42,874)* | |
| EBITDA | 115,032 | 109,948 | 4.6% |
| *Denmark* | *99,967* | *91,751* | *9.0%* |
| *Norway / Sweden* | *12,880* | *13,861* | *(7.1%)* |
| *Other (1)* | *2,185* | *4,336* | *(49.6%)* |
| EBITDA Margin % | 21.7% | 23.9% | |
| Investments | 28,899 | 31,870 | |

*(1) Iceland, Poland, Russia and white cement operating activities in Belgium and France*

### Denmark

Sales revenues in the first nine months of 2022 reached EUR 361.0 million, up 16.3% compared to EUR 310.3 million in the first nine months of 2021, due mainly to the rise in sales prices.

Cement volumes in the domestic market, both grey and white, increased by about 10% due to growth in all major market segments and favourable weather conditions, despite the extended summer vacation period in the third quarter that slowed construction activity.

White cement exports declined by 28% mainly due to the redistribution of sales in the United States to other group companies and a decline in sales in France, Belgium and Germany due to the slowdown of business in these countries.

Gray cement exports also fell by 25% due to lower sales in Norway, only partially offset by increased volumes in Iceland due to growth in construction activity.

Ready-mixed concrete volumes in Denmark decreased by 7% compared to the corresponding period in 2021 due to both a different commercial strategy and weakening demand, which was held back by rising prices, the completion of some public works and the postponement of others due to rising energy and raw material costs.

Aggregate volumes were down 26% from the first nine months of 2021 during which sales had been particularly strong for specific local projects.

EBITDA in the first nine months of 2022 amounted to EUR 100.0 million, up 9% on EUR 91.8 million in 2021. The increase can be attributed to the cement sector, which benefits from higher selling prices in the face of higher variable costs for raw materials, fuel, electricity, clinker purchase and higher fixed costs.

The ready-mixed concrete sector instead recorded a contraction in EBITDA due to lower sales volumes and higher costs for the purchase of cement, raw materials and logistics as well as higher fixed costs, only partially offset by higher sales prices. Aggregates also experienced a decline in EBITDA due to lower sales volumes and higher variable costs only partially offset by higher sales prices.

Total investments in the first nine months amounted to EUR 25.3 million, of which approximately EUR 20.6 million in the cement sector, focused on extraordinary maintenance, sustainability projects and production streamlining. Investments in ready-mixed concrete amounted to EUR 3.6 million and included the renewal of some functions of the ready-mixed concrete distribution vehicles and leasing contracts of transport vehicles. The region's investments include EUR 1 million accounted for according to the IFRS 16 accounting standard.

### Norway and Sweden

In **Norway**, ready-mixed concrete sales volumes increased by 5% compared to the first nine months of 2021 due to the strong recovery of infrastructural and civil activities in the face of a contraction in residential and commercial activities. Despite competitive pressures in some regions, volumes are increasing due in part to higher sales from new mobile plants operating from 2022.

It should be noted that the Norwegian krone appreciated by 2% against the average euro exchange rate in the same period in 2021.

In **Sweden**, ready-mixed concrete and aggregate volumes decreased by 12% and 33%, respectively, from the previous year due to the completion of major infrastructure projects near the Malmö region where the company's plants operate, only partly replaced by projects in the residential and commercial sectors. Several public projects have been postponed due to rising costs and uncertainty over the economic situation and international politics.

The Swedish krona depreciated by 3.7% against the average euro exchange rate in the first nine months of 2021.

In the first nine months of 2022, sales revenue in Norway and Sweden amounted to EUR 160.9 million, up 13.6% from EUR 141.7 million in 2021, while EBITDA decreased by 7.1% to EUR 12.9 million (EUR 13.9 million in the same period of 2021).

The decrease in EBITDA is due to the aggregates segment in Sweden as a result of lower sales volumes only partly offset by price increases and fixed cost savings. In Norway, on the other hand, EBITDA increased compared to 2021 due to higher sales volumes and prices against higher costs for cement, raw materials and distribution and higher fixed costs due to inflationary dynamics.

Investments in the area in the first nine months of 2022 amounted to EUR 3.5 million, of which EUR 1.6 million in Norway, mainly for the purchase of machinery and leasing contracts for transport vehicles and investments in the main plant at Sjursøya, and EUR 1,9 million in Sweden, for the purchase of aggregate mining and crushing machinery. Investments recognised as a result of IFRS 16 were EUR 0.7 million.

## Belgium

| (EUR'000) | Jan-Sept 2022 | Jan-Sept 2021 | Change % |
|---|---|---|---|
| Revenue | 238,681 | 205,131 | 16.4% |
| EBITDA | 56,808 | 47,936 | 18.5% |
| EBITDA Margin % | 23.8% | 23.4% | |
| Investments | 10,967 | 13,637 | |

In the first nine months of 2022, cement sales volumes were unchanged from 2021, with a slightly positive trend in Belgium, stable in France, increasing in the Netherlands, and slightly decreasing in Germany. In Belgium, demand developed positively, especially in the first quarter, supported in part by favourable weather conditions, which was followed by a gradual deterioration of the market in the second and third quarters. Average sales prices followed a growing trend.

Ready-mixed concrete sales volumes in Belgium and France fell by 4% compared to the first nine months of 2021, but with differing trends in the two countries: in Belgium there was a 9% contraction in the period with a gradual decline in the market in the second and third quarters due to rising commodity prices and the subsequent postponement of some private construction projects, as well as the closure of a plant from 1 July. Sustained activity continues especially in the Brussels metropolitan area, with some important projects. In contrast, sales in France increased 11% thanks in part to the introduction of tax incentives to address inflation and mitigate its impact on the construction sector.

Aggregate sales volumes increased by 4% compared to the corresponding period in 2021. Sales in Belgium increased by 8% despite strong competition as a result of price increases, and benefited from infrastructure growth, positive weather conditions, and the acquisition of new customers. In France and the Netherlands, however, sales performance is down 3% from the previous year.

Overall, in the first nine months of 2022, sales revenue grew by 16.4% to EUR 238.7 million (EUR 205.1 million in the same period of 2021) while EBITDA increased by 18.5% to EUR 56.8 million (EUR 47.9 million in the previous year).

In the cement sector, which contributed most to the growth in earnings, revenues and EBITDA benefited from the growth in selling prices in the face of significant increases in the costs of fuels, electricity, raw materials, purchase of semi-finished products, as well as fixed production costs; in the aggregates segment, the increase in EBITDA was driven by higher sales volumes and prices, only partially offset by the growth of variable and fixed costs. In contrast, EBITDA for the ready-mixed concrete business is down from 2021 due to the strong impact of variable raw material and cement costs that have not been fully recovered on the sales price side.

Investments made in the reporting period amounted to EUR 11 million and mainly related to the Gaurain cement plant and quarry sustainability projects. Investments accounted in accordance with IFRS 16 amounted to EUR 1.3 million and mainly related to contracts for aggregate vehicles.

## North America

| (EUR'000) | Jan-Sept 2022 | Jan-Sept 2021 | Change % |
|---|---|---|---|
| Revenue | 151,301 | 115,794 | 30.7% |
| EBITDA | 22,652 | 17,260 | 31.2% |
| EBITDA Margin % | 15.0% | 14.9% | |
| Investments | 6,401 | 2,916 | |

In the United States, white cement sales volume growth of 2% was supported by higher deliveries mainly in Texas and California.

The region of York (PA) was affected by adverse weather conditions in the first quarter and issues caused by staff shortages in logistics and subsequent cement shortages at terminals. In Florida, on the other hand, sales trends have been affected by strong price competition and Hurricane Ian, which hit the southwest area of the region in late September.

The dollar appreciated by 11.7% against the average euro exchange rate in the first nine months of 2021.

Overall in the US, revenues increased by 30.7% to EUR 151.3 million (EUR 115.8 million in the first nine months of 2021), while EBITDA increased by 31.2% to EUR 22.7 million (EUR 17.3 million in 2021), due to higher selling prices of white cement and the positive exchange rate effect, only partially offset by higher cement, raw materials, fuel and fixed costs. The company Vianini Pipe, active in the production of cement products, reported an increase in EBITDA compared to the previous year due to higher business volumes and sales prices.

Investments in the first nine months of the year amounted to approximately EUR 6.4 million, almost entirely related to the white cement plants. Investments accounted for under IFRS 16 amounted to EUR 3.8 million for cement terminals and transport vehicles.

## Turkey

| (EUR'000) | Jan-Sept 2022 | Jan-Sept 2021 | Change % |
|---|---|---|---|
| Revenue | 186,993 | 129,223 | 44.7% |
| EBITDA | 31,090 | 13,930 | 123.2% |
| EBITDA Margin % | 16.6% | 10.8% | |
| Investments | 13,183 | 9,102 | |

Please note that this representation does not include the impacts of hyperinflation based on the application of IAS 29.

Revenues of EUR 187.0 million increased by 44.7% compared to the first nine months of 2021 (EUR 129.2 million), despite the devaluation of the Turkish lira against the euro (-73.8% compared to the average exchange rate for the same period of 2021).

In the cement sector, in the context of the general inflationary environment, the increase in selling prices led to a significant increase in sales revenues in local currency, with sales volumes in the domestic market decreasing by 13% due to significantly lower sales at the Elazig plant (-35%) in Eastern Anatolia and Kars (-35%) in Northeastern Turkey, only partially offset by higher deliveries from the Izmir plant (+1.5%) in the Aegean region and Trakya (+1%) in the Marmara region.

The performance of the Izmir plant has been boosted by the continuation of reconstruction following the October 2020 earthquake as well as the start of new projects.

The contraction in Elazig is to be attributed to the end of infrastructure projects related to the reconstruction following the earthquake in January 2020 and the postponement and cancellation of some infrastructure projects. In the Kars area, weather conditions were worse than expected and uncertainties about the economic situation in Turkey affected the start of new construction projects.

Cement and clinker exports increased by 10% also due to higher clinker volumes exported to the subsidiaries in Denmark and Belgium.

Ready-mixed concrete volumes decreased by 10.5% compared to the corresponding nine months of 2021 for reasons already stated related to the country's economic situation, the postponement of new large-scale projects, and the slowdown of urban transformation projects due to the low financial capacity of private entities.

Aggregate volumes increased by 70% compared to the first nine months of 2021 following the full operation of the newly acquired quarry in the second half of 2021.

In the waste sector, the industrial waste treatment subsidiary Sureko recorded 150% higher revenues in local currency than in 2021, due to increased volumes and prices of fuel sales (RDF), landfill quantities and trading of raw materials for recycling. In contrast, the UK subsidiary Quercia reported revenues down 41.7% from 2021.

Overall, the region's EBITDA was a positive EUR 31.1 million, an increase of 123% over the previous year (EUR 13.9 million). This result includes non-recurring income for the revaluation of non-industrial real estate in Turkey in the amount of about EUR 10.7 million. Net of these revaluations, the increase in EBITDA would have been 46.1%, mainly attributable to the cement segment due to higher sales prices despite higher costs for raw materials, fuels and electricity, and higher fixed costs due to inflation, compounded by the significant depreciation of the Turkish lira. The ready-mixed concrete segment also saw an increase in EBITDA due to higher sales prices, partially offset by higher variable costs for raw materials, cement and distribution charges in addition to fixed costs.

Investments for the period amounted to EUR 13.2 million; investments in cement amounted to about EUR 5.6 million, concentrated mainly in the Izmir plant for extraordinary maintenance and in the Trakya plant for an additive supply system in cement mills. Capital expenditure accounted for in accordance with IFRS 16 amounted to EUR 4.7 million and mainly related to concrete transport vehicles. Investments in the Waste division amounted to approximately EUR 0.6 million.

## Egypt

| (EUR'000) | Jan-Sept 2022 | Jan-Sept 2021 | Change % |
|---|---|---|---|
| Revenue | 44,022 | 37,789 | 16.5% |
| EBITDA | 9,001 | 7,254 | 24.1% |
| EBITDA Margin % | 20.4% | 19.2% | |
| Investments | 558 | 1,225 | |

Sales revenue increased by 16.5% to EUR 44.0 million (EUR 37.8 million in 2021), despite the fact that sales volumes decreased by 5% compared to 2021.

White cement sales in the domestic market decreased by 7% due to the bringing forward of some deliveries to customers to December 2021 before year-end and due to greater competition.

Exports decreased by 4% compared to the first nine months of 2021 due to lower volumes in Saudi Arabia partially offset by higher deliveries to the United States and Central Europe.

EBITDA increased 24.1% to EUR 9.0 million from EUR 7.3 million in the previous year, due to higher sales prices, both in the domestic and export markets, which more than offset higher fuel purchase costs.

The Egyptian pound is in line with the average exchange rate of the euro in the corresponding period of 2021.

Investments made in the first nine months of 2022 amounted to EUR 0.6 million and mostly concerned lab equipment and recladding the sand mills.

## Asia Pacific

| (EUR'000) | Jan-Sept 2022 | Jan-Sept 2021 | Change % |
|---|---|---|---|
| Revenue | 91,736 | 76,634 | 19.7% |
| *China* | *49,727* | *44,586* | *11.5%* |
| *Malaysia* | *42,009* | *32,048* | *31.1%* |
| *Eliminations* | - | - | |
| EBITDA | 15,996 | 17,639 | (9.3%) |
| *China* | *12,275* | *13,469* | *(8.9%)* |
| *Malaysia* | *3,721* | *4,170* | *(10.8%)* |
| EBITDA Margin % | 17.4% | 23.0% | |
| Investments | 5,897 | 3,978 | |

### China

Sales revenue increased by 11.5% to EUR 49.7 million (EUR 44.6 million in the first nine months of 2021) despite the fact that sales volumes decreased by 8% compared to the same period of 2021 for a number of reasons: further restrictions to limit the spread of COVID-19 ("zero COVID policy") in many areas of the country (Shanghai was in lockdown until 1 June), logistical issues in the country's major ports, declining activity in the major infrastructure works and residential sector, competition in the local market, as well as adverse weather conditions and international political tensions.

EBITDA decreased by 8.9% to EUR 12.3 million (EUR 13.5 million in the same period of 2021) due to higher fuel and electricity purchase costs and lower sales volumes, partially offset by higher sales prices, a positive exchange rate effect and higher government grants for technological innovations and workforce retention.

The Chinese renminbi appreciated by 9.3% against the average Euro exchange rate in the corresponding period of 2021.

Investments in the period amounted to EUR 2.7 million, mainly related to the construction of a cement silo.

## Malaysia

Sales revenue increased by 31.1% to EUR 42 million (EUR 32 million in the corresponding period of 2021) against a 2% growth in total volumes.

In the domestic market, sales declined by 7.5% due to falling private residential activity, a shortage of foreign labour at some large construction sites, rising prices of building materials and the government's lack of attention to the sector's difficulties.

Exports increased by around 3% compared to 2021: higher sales volumes in the Philippines, Vietnam and Myanmar were partially offset by lower volumes in South Korea.

At EUR 3.7 million, EBITDA decreased by 10.8% compared to EUR 4.2 million in the corresponding period of 2021. Higher fuel purchase costs but especially higher freight costs for exports to Australia were only partially offset by higher average selling prices in domestic and foreign markets.

The local currency appreciated by 6.5% against the average euro exchange rate in the corresponding period of 2021.

In the first nine months of 2022, investments amounted to EUR 3.2 million in connection with efficiency-boosting renovation works at the cement mills and silos.

## Holding and Services

| (EUR'000) | **Jan-Sept 2022** | **Jan-Sept 2021** | **Change %** |
|---|---|---|---|
| Revenue from sales | 165,002 | 95,963 | 71.9% |
| EBITDA | 2,296 | 1,119 | 105.2% |
| EBITDA Margin % | 1.4% | *1.2%* | |
| Investments | 2,288 | 1,662 | |

This grouping includes the parent company, Cementir Holding, the trading company, Spartan Hive, and other minor companies. The increase in revenue and EBITDA is attributable to higher volumes of clinker, cement and fuels traded by Spartan Hive.

## INVESTMENTS

During the first nine months of 2022, the Group made overall investments of approximately EUR 68.2 million (EUR 64.4 million in the corresponding period of 2021) of which approximately EUR 12 million (EUR 10.8 million in the first nine months of 2021) relating to the application of IFRS 16.

Investments included EUR 46.4 million in the cement sector, EUR 14 million in ready-mixed concrete, EUR 4.4 million in aggregates and EUR 3.4 million for other business sectors.

The breakdown by asset class shows that EUR 63.1 million (EUR 62.6 million in 2021) relates to property, plant and equipment and EUR 5.1 million (EUR 1.8 million in 2021) to intangible assets.

## SIGNIFICANT EVENTS DURING THE FIRST NINE MONTHS

As already reported in the 2022 half-yearly report, on 8 February 2022, the Parent Company's Board of Directors approved the 2022-2024 Business Plan, to whose press release please refer (www.cementirholding.com in the Investors, Press Releases section).

In May 2022, the rating agency Standard & Poor's confirmed the BBB- rating with a Stable outlook.

With reference to the Russian-Ukrainian conflict, the directors have not identified any significant direct impacts on the financial statements as a whole, in light of the Group's substantial lack of activities in these areas and dealings with them.

# OTHER INFORMATION

## ALTERNATIVE PERFORMANCE INDICATORS

The Cementir Group uses some alternative performance indicators to enable a better assessment of the performance of economic management and the capital and financial situation. In line with that established in the ESMA/2015/1415 guidelines, the meaning and contents of those indicators are noted below.

- EBITDA: is an indicator of operating performance calculated by adding together "EBIT" and "Amortisation, depreciation, impairment losses and provisions";
- Net financial debt: is an indicator of financial structure calculated according to Consob Communication No. 6064293/2006, as the sum of the items:
  - Current financial assets;
  - Cash and cash equivalents;
  - Current and non-current financial liabilities.
- Net capital employed: is calculated as the total amount of non-financial assets, net of non-financial liabilities.

## NON-FINANCIAL STATEMENT

In recent years, Cementir has implemented a programme inspired by circular economy principles, which envisages a series of initiatives focused on reducing the environmental impact of production processes and developing products with reduced $CO_2$ emissions.

In July 2021, the Science Based Targets Initiative (SBTi) certified that the Group's $CO_2$ emission reduction targets are consistent with the scenario of limiting global temperature increase to well below 2°C compared to pre-industrial levels.

Cementir's target is to achieve emission levels below 500 kg of $CO_2$ per tonne of grey cement produced (which means a 30% reduction in $CO_2$ emissions per tonne of cement by 2030, compared to 1990). For white cement, which is a special product with niche applications and markets (0.5% of world cement production), the target is an emission level below 800 kg of $CO_2$ per tonne of white cement produced (equivalent to a 35% reduction, compared to 1990). With this reduction, emissions will be below the EU ETS benchmark for white cement of 928 kg $CO_2$ per tonne of cement (calculated by multiplying the EU ETS benchmark for clinker, 957 kg $CO_2$/t clinker, by the clinker factor of 0.97).

In the 10-year Roadmap, the Group planned out the main investments needed until 2030, of which EUR 97 million is declared in the Industrial Plan 2022-2024, approved by the Cementir Board of Director in February 2022.

As part of its climate commitments, the Group has defined its policy on water management. Maximising its reuse/recycling, minimising withdrawals and consumption and applying efficient operating practices are areas of focus, starting with those geographical areas with the greatest water scarcity.

The Group has set targets for improvement in the specific consumption of water for cement production, with an overall reduction of 20% by 2030. In the most water-stressed areas the improvement target is 25%.

At the end of 2021, Cementir received an "A-" climate change rating from CDP[1], improving on the previous year's "B" rating and placing the Group above the cement and ready-mixed concrete industry average (B), the European average (B) and the global average (B-). In addition, Cementir obtained a “B” rating for the first time for the management of water resources ("Water Security"), in line with the sector and the European average (B).

For the reporting period 2021, the European Taxonomy introduced by the EU Regulation 2020/852 and in force as of 1 January 2022, requires non-financial undertakings, such as Cementir Group, to disclose the proportion of Taxonomy-eligible and Taxonomy non-eligible economic activities in terms of turnover, capital expenditure (CapEx) and operating expenditures (OpEx).

The Cementir Group produces and distributes grey and white cement, ready-mixed concrete, aggregates and cement products. In addition, it is active in the treatment of municipal and industrial waste. The economic activities above-mentioned have been examined and reconciled with the descriptions included in the annexes (Annexes I and II) of the Taxonomy.

As a result of this reconciliation, only the production and distribution of grey cement and processing of urban and industrial waste meet the descriptions of the Climate Delegated Act. This choice was made considering the technical screening criteria that the Group will have to be compliant to for the next reporting years, that specify “cement production” refers to the production of grey cement only.

Based on the above considerations, in the next table, the 2021 proportion of Taxonomy-eligible and Taxonomy-non-eligible economic activities in total turnover, CapEx and OpEx are presented.

[1] CDP is a non-profit organization widely recognised as the gold standard of corporate environmental transparency, that encourages companies and governments to reduce their greenhouse gas emissions and to safeguard water resources and protect forests

| Proportion of Taxonomy-eligible and Taxonomy-non-eligible economic activities in total turnover, CapEx and OpEx. | | | |
|---|---|---|---|
| **Year 2021** | **Total EURO** | **Proportion of Taxonomy eligible economic activities (%)** | **Proportion of Taxonomy non-eligible economic activities (%)** |
| **Turnover** | 1,359,976,185.00 € | 29.19% | 70.81% |
| **Operating expenditure (OpEx)** | 169,134,940.19 € | 37.21% | 62.79% |
| **Capital expenditure (CapEx)** | 99,151,307.00 € | 36.71% | 63.29% |

The Group is preparing analyses to report, for the full year 2022, the share of economic activities aligned under the European Taxonomy in terms of turnover, capital expenditure (CapEx) and operating expenditure (OpEx) with reference to the environmental objectives of climate change mitigation and adaptation.

## RELATED-PARTY TRANSACTIONS

With regard to related-party transactions, as defined by IAS 24, the Group did not conduct any atypical and/or unusual transactions. All business and financial dealings with related parties were conducted on terms equivalent to those that prevail in arm's length transactions.

The Group did not conduct any significant or material transactions concerning related-party transactions.

## TREASURY SHARES

The number of treasury shares held following the completion of the share buy-back programme in October 2021 did not change.

It should be noted that under the Programme, between 15 October 2020 and 12 October 2021 (ends included), 3,600,000 treasury shares, equal to 2.2624% of the share capital, were purchased on the Mercato Telematico Azionario organised and managed by Borsa Italiana S.p.A. at a weighted average price of EUR 8.1432 per share and for a total outlay of EUR 29,315 thousand.

## MANAGEMENT AND COORDINATION

Cementir Holding NV sets its general and operational strategies independently. In particular, the Board of Directors of Cementir Holding NV has sole responsibility for reviewing and approving strategic, commercial and financial plans, and for overseeing the adequacy of organisational, administrative and accounting structures.

## PERSONAL DATA PROTECTION

The Parent Company ensures the protection of personal data in accordance with current laws.

The Company has adopted internal regulations and the relevant operational tools needed to ensure regulatory compliance at the date of entry into force of EU regulation 679/2016. In order to ensure full compliance with the legislation and review the system created also in light of Legislative Decree 101 of 10 August 2018, which came into force on 19 September 2018, Cementir Holding subsequently launched and completed a project to update and refine its privacy policy.

## LITIGATION

The Company is responsible for leading the defence in proceedings, of which it is not a party in accordance with the terms and conditions set out in a settlement agreement with Italcementi S.p.A., relating to the sale of the shares of Cementir Italia S.p.A. (today Cemitaly S.p.A.), Cementir Sacci S.p.A. (today Italsacci S.p.A.) and Betontir S.p.A., finalised on 2 January 2018.

The main proceedings, relating to events in which the Company may be abstractly subject to compensation obligations based on the aforementioned settlement agreement, in relation to events prior to the transfer, are noted below.

***Antitrust proceedings***

On 7 August 2017, upon completion of an investigation, the Italian Competition Authority ("Authority") found there to have been an agreement aimed at coordinating cement selling prices across the entire country and imposed an administrative fine on the producers involved, including Cemitaly. The Company paid Cemitaly the sum of EUR 5,118,076 as compensation, to extinguish the fine and the interest accrued.

***Proceedings in relation to the Cemitaly plant in Taranto***

On 28 September 2017, Cemitaly was notified of criminal proceedings brought against it, Ilva S.p.A. and Enel Produzione S.p.A. in relation to administrative offences under Articles 5, 6 and 25 undecies paragraph 2 letter F) of Legislative Decree 231/2001. According to investigator allegations, (i) Cemitaly was aware of the fact that the fly ash it bought from Enel Produzione did not comply with applicable legislation, as traces of substances not derived solely from burning coal were found; (ii) the blast-furnace slag supplied by Ilva to Cemitaly should be qualified and treated as waste, due to its alleged "mechanical" impurities (presence of ferrous metals, crushed stone, debris, etc.), such as to require treatments such as sieving and deferrization, both of which, according to the investigator, are outside "normal industrial practice". At the outcome of the hearing of 15 April 2019, the Public Prosecutor requested that the company and natural persons appeared before the court, limited to answering the charges relating to the fly ash purchased from Enel Produzione, with consequent dismissal of the disputes related to the slag. Following the annulment of the decree that ordered the trial, in a ruling filed with the clerk's office on 18 October 2022, the Preliminary Hearing Judge acquitted all persons of the crimes charged against them because "the fact does not exist."

***Other legal disputes***

An administrative dispute is pending before the Court of Appeal in Turkey, brought by the Turkish company Cimentas AS, indirect subsidiary of Cementir Holding. The dispute relates to the order issued by the Turkish stock exchange's regulatory and supervisory body (Capital Market Board – CMB), requiring Cimentas AS to demand back from the concerned Cementir Group companies around 100 million Turkish Lira (now equal to around EUR 6 million) by way of hidden profit distribution, allegedly generated by an intragroup company sale in 2009. On 29 January 2017, CMB served a summons to Cementir Holding to appear before the Court of Izmir, requesting that the company be ordered to pay to Cimentas AS an amount provisionally set at approximately 1 million Turkish lira. The Company duly appeared in court, arguing the total lack of foundation of the plaintiff's argument and requested that the civil proceedings be suspended until the administrative proceeding is finally settled. With a ruling of 1 July 2020, the Court of Appeal in Turkey declared lack of jurisdiction in relation to the case in question. That judgment was overturned on 18 October 2021 by the Supreme Court, which definitively affirmed the existence of Turkish jurisdiction. We are therefore waiting for the substantive case to be resumed.

The Danish and Italian tax authorities have concluded the Mutually Agreed Procedure (MAP), already disclosed in the annual report, initiated in 2013 relating to transfer pricing issues for the period 2008/2012, which was the subject of a tax audit in Denmark.

## SUBSEQUENT EVENTS AFTER THE REPORTING DATE

No other significant events occurred after the end of the period.

## MANAGEMENT OPERATING OUTLOOK

In the third quarter, the global economy continued to be affected by the exceptionally high inflation, worsening financial conditions, the uncertainty linked to the conflict in Ukraine, weak economic activity in China and, less so than at the beginning of the year, supply chain difficulties. The latest forecasts by the international institutions expect global growth to weaken further next year, with risks tilted to the downside.

In light of the good results for the first half of the year, the targets announced on 8 February 2022 are confirmed, i.e., to achieve consolidated revenues of more than EUR 1.5 billion, an EBITDA of between EUR 305 and 315 million and a net cash position of about EUR 60 million at year-end, including industrial investments of about EUR 95 million. The Group's workforce is expected to remain stable during the period.

These expectations do not take into account any intensification of the current crisis in Ukraine or any new resurgence of the Covid 19 pandemic and the potential negative effects on demand deriving from the worsening of the macroeconomic situation related to the increase in inflation in the euro area. Since the expectations described above are based on a number of assumptions that are beyond the scope of management's control, results could deviate even significantly from these forecasts.

The foregoing solely reflects the views of the company's management, and does not constitute a guarantee, promise, operational suggestion or even investment advice. Therefore, it should not be taken as a forecast on future market trends and of any financial instruments concerned.

Rome, 3rd November 2022

Chairman of the Board of Directors

Signed: /f/ Francesco Caltagirone Jr.