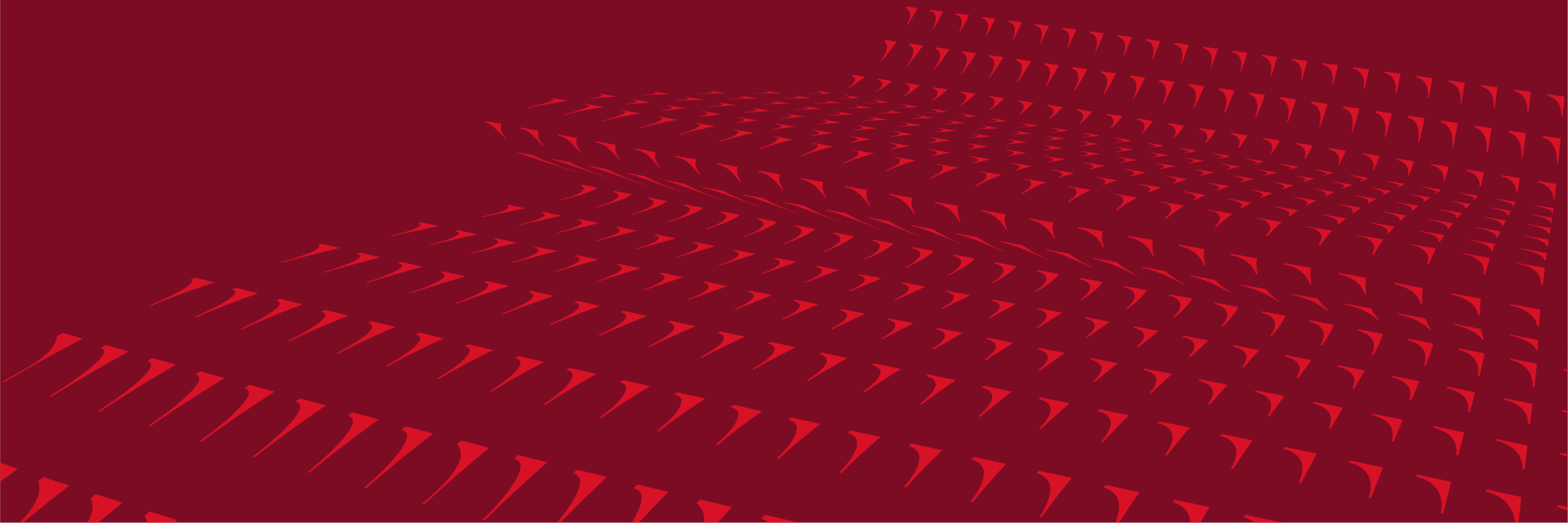




1H 2020 Results

July 2020

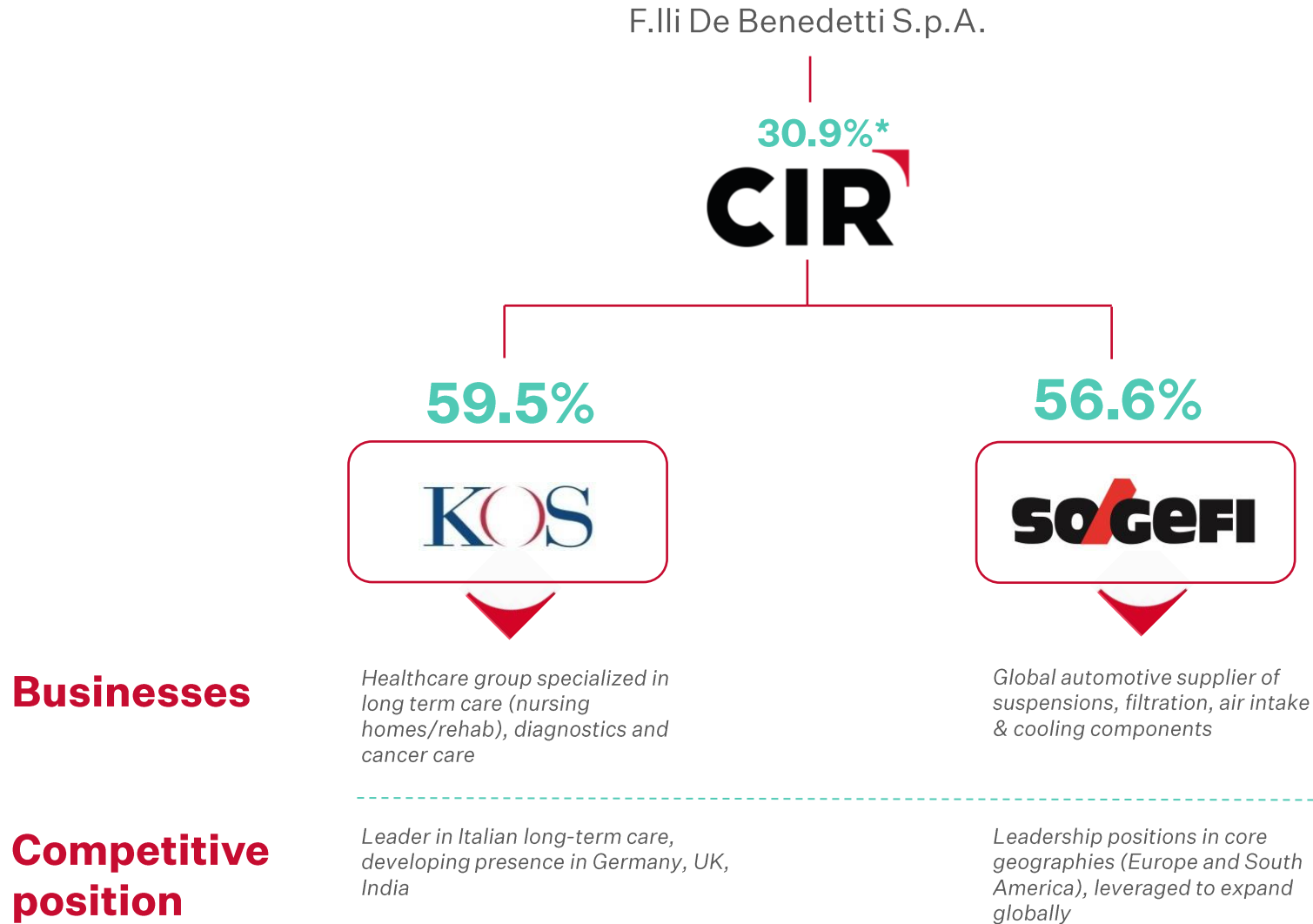




New CIR: streamlined group structure and renewed strategic focus

- Following the completion of the CIR-Cofide merger on February 19, 2020, the CIR Group now has a streamlined and more efficient company structure, with the benefit of increased free float and liquidity in a single holding company
- A new strategic path has been taken by CIR, with the exit from the Publishing business (GEDI sale executed on 23 April 2020) and the acceleration of international growth in Healthcare (acquisition of Charleston in Germany completed by KOS in Oct. 2019)
- Going forward, CIR plans to allocate its resources to further develop its presence in Healthcare, and to dedicate its efforts to the improvement of Sogefi's performance and competitive positioning in Automotive

New CIR: streamlined group structure



* 45.8% voting rights; all participation stakes as of 30 June 2020, calculated net of treasury shares



New CIR: disposal of GEDI completed

- On April 23, 2020 CIR completed the sale of its entire stake in GEDI to Giano Holding (“Giano”, a Newco owned by EXOR), for a total consideration of € 102.4M (€ 0.46 per share)
- Giano launched a mandatory tender offer on the remaining shares of GEDI (the “Offer”), after which, on June 30, 2020, it held 92% of GEDI’s capital
- As already agreed in the context of the sale transaction, on July 13, 2020 CIR acquired from EXOR an interest in Giano representing 5% of GEDI’s capital, for a total consideration of € 11.7M (at a price, in transparency, of € 0.46 per GEDI share). A *Put&Call* agreement has also been signed, which provides for the options to transfer such participation from CIR back to EXOR after a period of 3 years.
- After the completion of the *Sell-Out/Squeeze out* procedures related to the Offer, a merger between Giano and GEDI is envisaged, resulting in the delisting of GEDI



CIR: 1H 2020 financial highlights

Financial results of the CIR Group in 1H 2020 were significantly impacted by Covid-19 pandemics and related containment measures, which affected the operations of CIR's subsidiaries in all sectors and geographies

Hereinafter we present the 1H 2020 results of CIR, compared to the post merger pro-forma results for 1H 2019⁽¹⁾

- Consolidated net result € -30.4 M (vs € 1.6 M in 1H 2019)
- Contribution of core businesses (KOS and Sogefi): € -17.5 M (vs € + 10.1 M in 1H 2019)
- Consolidated net financial position at June 30, 2020:

Without IFRS16: - € 285.7 M (vs. - € 327.6 M at December 31, 2019), including:

- A net financial surplus at holding level of € 397.1 M
(improved vs. € 296.2 M at December 31, 2019 following the sale of GEDI in April)
- A net debt of consolidated subsidiaries of € 682.8 M
(increasing vs. € 623.8 M at December 31, 2019 due to Sogefi).

With IFRS16: - € 1,073.5 M (of which -€ 1,470.2 M from subsidiaries)

(1) These differ from pre-merger CIR for the contribution of Cofide S.p.A., as well as for the different consolidation perimeter. The Merger involves a restatement of part of third party equity to group equity, since the equity attributable to the shareholders of old CIR (other than COFIDE) no longer constitutes third party equity. Third party equity in new CIR only relates to the minorities of the group subsidiaries



CIR Group Consolidated income statement

€/M	1H 2019	1H 2020
Revenues	1.059,1	856,7
EBITDA	140,0	103,8
EBIT	46,0	(8,3)
Financial result	(13,6)	(34,6)
Taxes	(14,4)	(0,6)
Group net result from continuing operations ⁽¹⁾	8,0	(30,0)
Assets held for sale ⁽²⁾	(6,4)	(0,4)
Group net result	1,6	(30,4)

- - 19.1%, as a result of:
 - KOS +19.9% including the Charleston acquisition, -11% at constant perimeter
 - SOGEFI -33.2%, despite better than market performance
- Loss of margins is mainly volume related:
 - Limited cost reduction possible at KOS, in order to cope with the emergency
 - SOGEFI's EBITDA margin down from 11% to 9%, loss limited thanks to fixed costs containment
- Impacted mainly by € -5.6 M performance of financial assets at CIR Holding level (vs +7.7M in 1H 2019) and higher financial charges related to IFRS 16 in Charleston

(1) Net of third party interests (equal to € -10.0 M in 1H 2019; € +13.5 M in 1H 2020)

(2) GEDI + Sogefi's Fraize plant in 1H 2019 and GEDI transaction costs in 1H2020

CIR Group – Impacts of Covid-19



€/M	January-February		March-April-May		June		6M	
	2019	2020	2019	2020	2019	2020	2019	2020
Revenues	346,1	379,8	539,8	324,0	173,2	152,9	1.059,1	856,7
EBITDA	42,0	50,9	76,6	20,2	21,4	32,7	140,0	103,8
EBIT	12,1	14,9	29,7	(33,3)	4,2	10,1	46,0	(8,3)

- January-February: revenues growth (+9.7%), reflected in EBIT increase
- Quarter March to May: revenues down by -40% and consequent EBIT contraction of -€ 63 M vs PY
- June: signals of recovery, with revenue at -11.7% and EBIT in positive field



CIR Group Consolidated income statement by business

€/M	1H 2019	1H 2020
KOS Group	8,5	(1,2)
Sogefi Group	1,6	(16,3)
Total core businesses⁽¹⁾	10,1	(17,5)
CIR Holding	(2,1)	(12,5)
Group net result from continuing operations	8,0	(30,0)

(1) Pro-rata share of subsidiaries' net result from continuing operations

CIR Group - Consolidated balance sheet

€/M	31 Dec. 2019	30 June 2020
KOS	171,1	169,8
Sogefi	109,0	84,1
Total operating companies	280,1	253,9
Fixed assets	19,7	19,4
Private equity	56,6	48,3
Other investments	11,2	7,9
Other Assets (Liabilities)	5,0	2,3
Assets held for sale (GEDI)	102,4	
Net cash	295,7	396,7
Total CIR holding level	490,6	474,6
Total CIR Group shareholders'equity	770,7	728,5
Shareholder's equity per share	0,60	0,57
Shareholder's equity per share (net of treasury shares) ⁽¹⁾	0,62	0,58

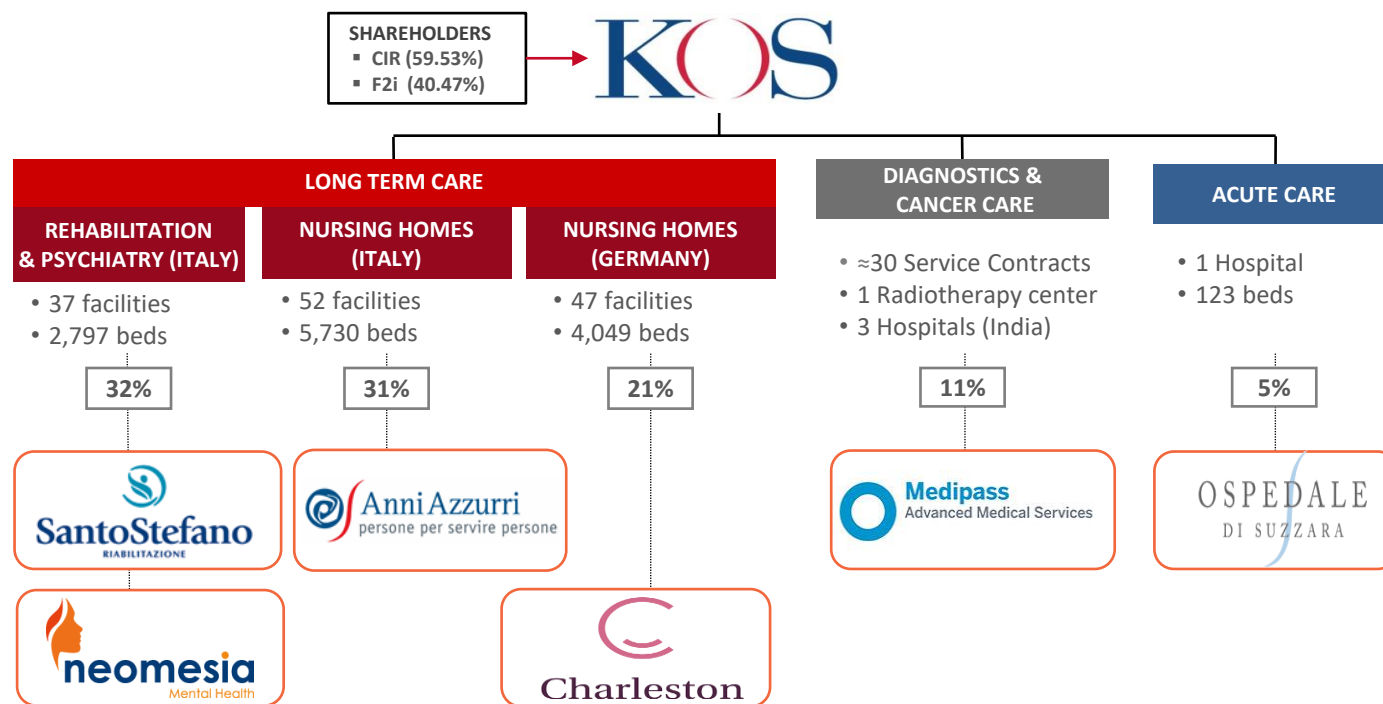
(1) Treasury shares as of 30 June 2020: n. 27.2 m, equal to 2.13% of share capital

KOS – A leading operator in Long Term Care



KOS is the leading operator in Italian Long Term Care (Nursing Homes, Rehabilitation and Psychiatric Care), with 8,527 beds in 89 facilities, a premium offering and coverage of the most attractive Italian regions

KOS entered the German Nursing Homes market with the acquisition of Charleston (4,049 beds in 47 facilities), within the top 10 German operators



KOS also operates in the Diagnostics & Cancer Care business (D&CC) through Medipass:

- A pioneer and leader in advanced medical and technological outsourcing services to hospitals
- An operator of own Cancer Care Centers and Hospitals
- Internationally diversified in Italy, India and UK

In Acute Care, KOS manages one public hospital in Suzzara

KOS – 1H 2020 performance

€/M	1H 2020			
	KOS Group	LTC Germany	LTC & Acute Care ITA	D&CC
Number of beds	12.699	4.049	8.650	
N. of beds under construction /acquired	952		952	
Revenues	337,2	85,6	218,2	34,3
EBITDAR	67,4	15,1	42,2	9,9
EBITDA	65,2	14,8	40,8	9,7
EBITDA w/o IFRS16	33,9	1,1	22,9	9,2
EBIT	18,1	2,6	12,5	3,3
Net result	(2,1)	(3,5)	2,2	(0,1)

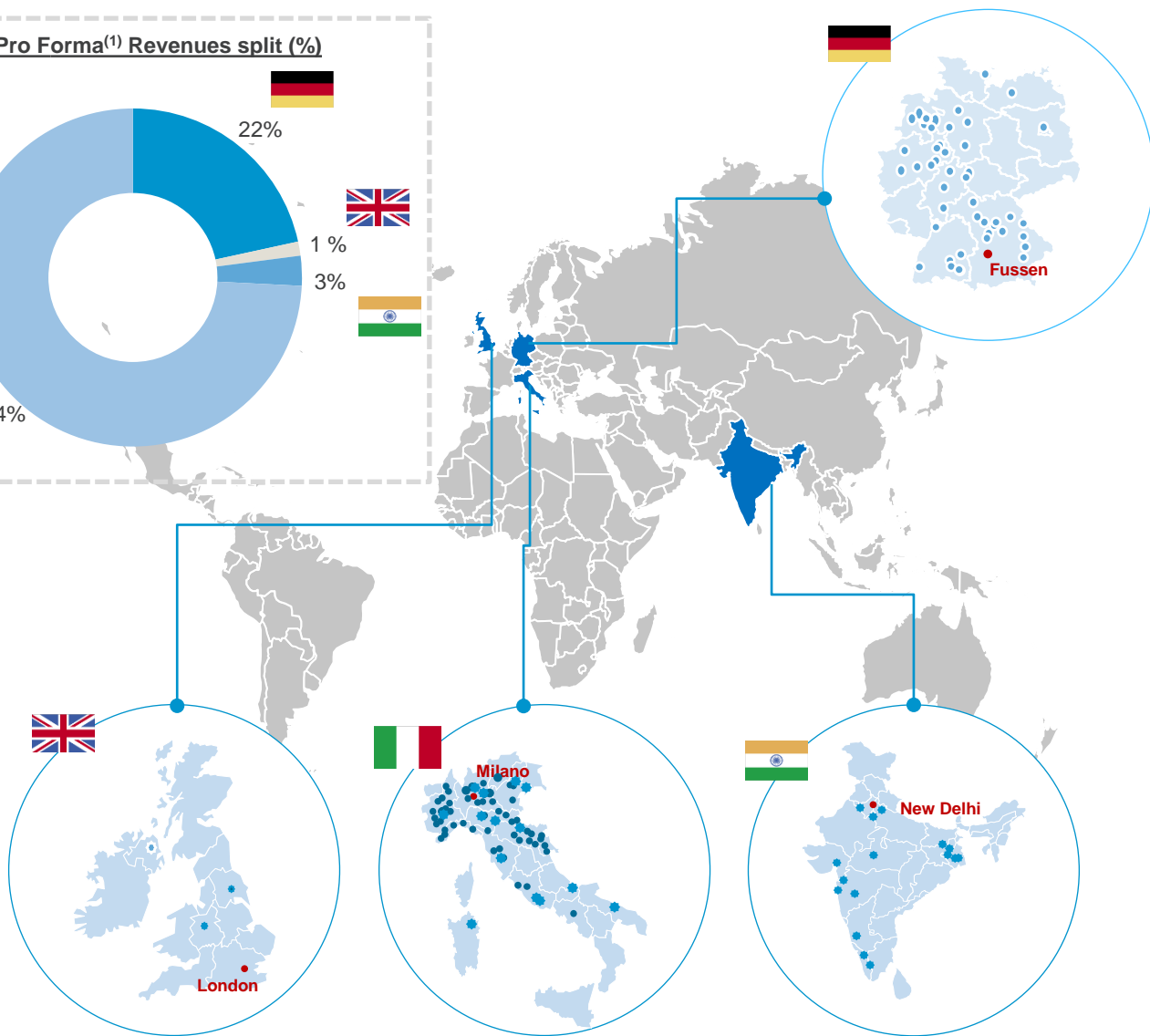
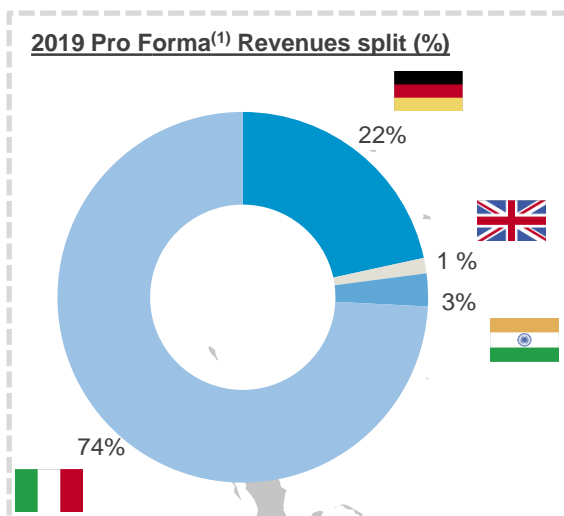
NFP w/o IFRS16	(356,2)
NFP with IFRS16	(1.088,0)

1H 2020 ex Germany	1H 2019
8.650	
952,0	
251,6	281,2
52,3	66,9
50,5	65,9
32,8	48,8
15,5	31,6
1,4	14,4

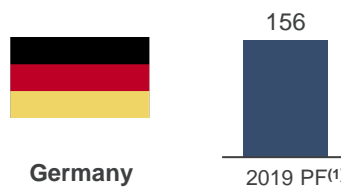
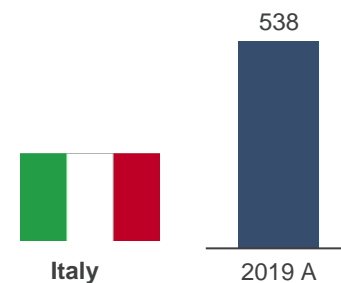
(292,7)
(606,7)

- The Italian healthcare sector was severely affected by the Covid-19 emergency between March and May, with major disruptions occurring in Lombardy and Marche, where KOS has a strong presence
- KOS immediately enacted the strongest sanitary measures across its structures, in order to preserve the health of its patients and staff; nevertheless Covid cases and casualties were reported especially in the most affected areas
- In Italy NH occupancy declined progressively to -20% as a result of new admissions freeze, with early signs of stabilization in July; activity declined faster and sharper in rehabilitation, acute care and diagnostics due to the limitations imposed on non-urgent medical treatments; however these activities had a trough in April and are now on a steeper recovery path
- As a result, revenues declined -11% in 1H in Italy; increased safety equipment costs and the need to maintain staffing at elevated levels to cope with the emergency produced ca. € 15M EBITDA shortfall
- Covid impact has been far less severe in Germany, thanks to more limited contagion levels and public reimbursements
- NFP improved by ca. € 12M in 1H, including +€ 25M WC effect, ca. € 24M development capex and € 10M divestments
- Strong liquidity position and no breach of covenants in 1H
- KOS expects a gradual recovery to pre-crisis activity levels over several quarters for NH activities, while rehabilitation, acute care and D&CC could recover by year end

KOS – A geographically diversified player



2019 Pro Forma⁽¹⁾ Revenues (€m)



● Long Term Care site
 ✱ Diagnostics & Cancer Care site
 ● Headquarter

(1) 2019 Full year revenues for Germany (consolidated only since Nov 1st)

KOS – Growth strategy and track record

€/M	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019 w/o IFRS16	CAGR
Number of beds	6.404	7.257	7.347	7.764	8.157	12.249	
Revenues	392,4	439,2	461,1	490,6	544,9	595,2	+8,7%
EBITDAR	85,8	102,1	111,7	119,7	137,1	144,1	+10,9%
EBITDA	60,4	73,0	82,4	87,8	101,8	102,0	+11,0%
Net result	13,7	21,4	24,6	30,7	36,3	33,8	

NFP	(157,0)	(210,0)	(213,6)	(237,1)	(259,4)	(368,0)
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KOS has profitably grown since its startup by CIR in 2003, by focusing and developing excellence in two core activities:

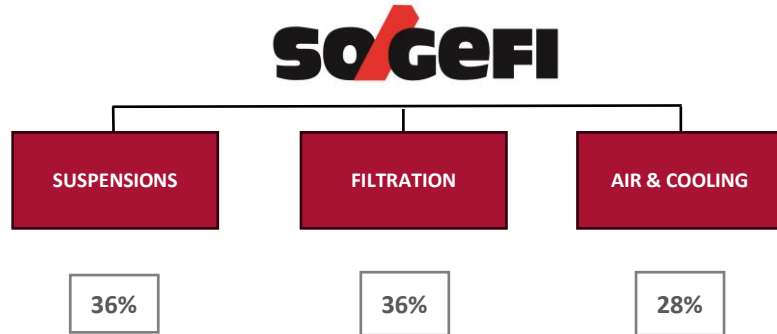
Long Term Care

- KOS started market consolidation in Italy in Nursing Homes, Rehabilitation and Psychiatry, at a pace of 400-500 beds per year, through both acquisitions and greenfield projects
- Focus is on the acquisition of high quality assets, to be further improved both from a qualitative and operational point of view, by leveraging on distinctive know how and economies of scale (EBITDA margin from 15.4% to 17.1% over the last 5 years)
- KOS started its international expansion strategy in LTC in 2019, with the acquisition of Charleston in Germany, one of the top 10 Nursing Homes operators. The objective is to leverage on the newly acquired platform to participate in the consolidation of the German Nursing Homes market, through both acquisitions and greenfield projects

Diagno- stics & Cancer Care

- Medipass was a pioneer in offering advanced medical and tech services in Diagnostics in Italy; later expanded in the high growth Cancer Care segment and started operating own centers
- Leveraging on its leadership position in Italy, Medipass started an international expansion focused on the nascent and high growth Indian market, as well as on the more mature UK market

Sogefi – overview



2019 Revenues breakdown

Customers		Regions	
RENAULT/NISSAN	11.7%	Europe	60.9%
PSA	11.2%	North America	19.0%
FORD	10.7%	South America	10.5%
FCA/CNH Industrial	10.1%	Asia	9.6%
GM	8.1%		
DAIMLER	7.6%		
VOLKSWAGEN/AUDI	5.0%		
TOYOTA	3.2%		
BMW	3.1%		
OTHER	29.3%		

Key financials

€/M	1H 2019	1H 2020
Revenues	777,8	519,5
EBITDA	86,4	47,0
EBIT	24,4	(18,8)
Net result	6,9	(28,8)

1H 2020 Performance and outlook

- As a consequence of Covid containment measures, almost all Sogefi's plants were shut down in the period March-May; production resumed early and strongly in China, more gradually in Europe and NAFTA, while Latam and Indian operations are still lagging
- Sogefi 's revenues were down 33% in 1H, outperforming reference markets by >10%
- EBITDA was 9.1% on sales vs 11.1% in 1H19, due to volume loss, mitigated by a reduction of gross fixed costs of € 38.8M, also thanks to temporary unemployment measures
- EBIT was impacted by assets write down of € 6.4M
- Free Cash Flow was -€ 70.8M, mainly due to a -€ 54,2M cyclical Working Capital absorption (lower factoring as a consequence of revenues shortfall) and € 7,5M investments in the new Romanian plant for suspensions
- Strong liquidity position: € 194M committed lines in excess at June 30, 2020, forecast stable to year end; no breach of covenants envisaged
- For the remainder of FY 2020 Sogefi is planning on a -20% volume scenario, more conservative than consensus, under which it expects to achieve a slightly positive EBIT (before restructuring costs), a significant reduction in the net loss vs 1H and a positive free cash flow
- In light of the uncertain mid-term outlook, Sogefi launched a significant fixed cost reduction plan, to be completed by the end of 1H 21, as well as actions to rationalize its footprint and suppliers base

CIR Group - Consolidated net financial position



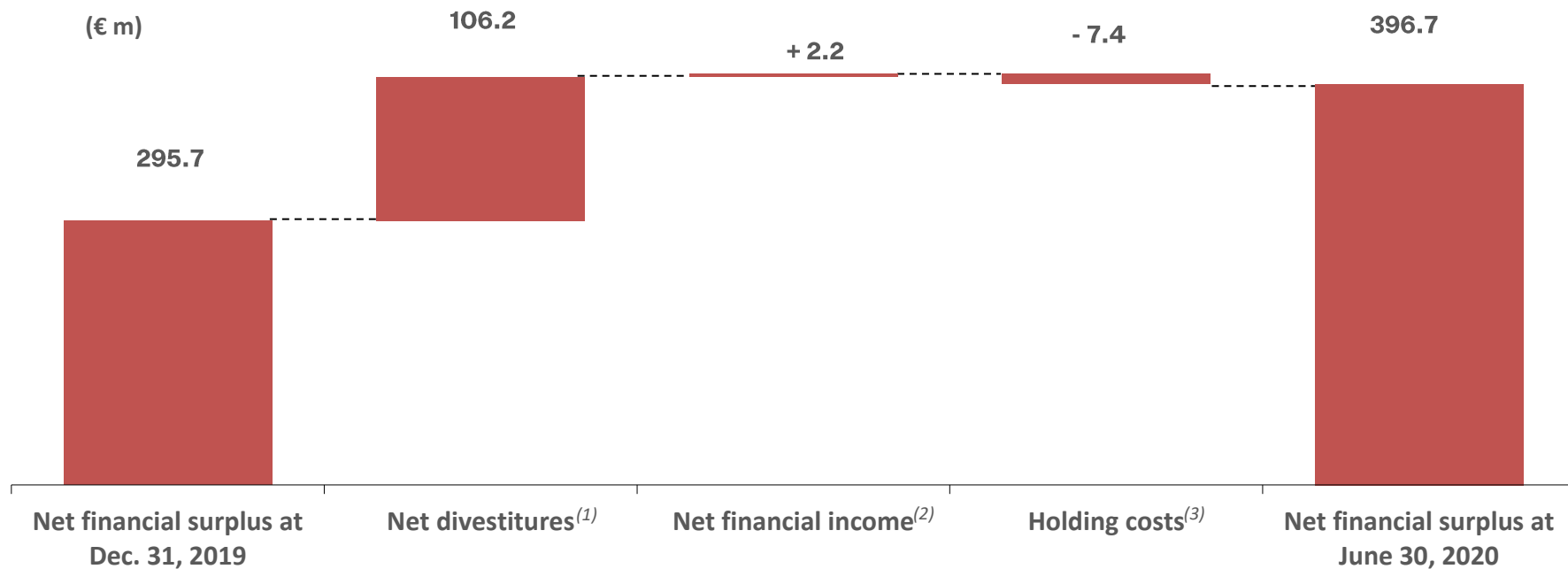
€/M	31 Dec. 2019 with IFRS16	30 June 2020 with IFRS16	31 Dec. 2019 w/o IFRS16	30 June 2020 w/o IFRS16
KOS Group	(1.105,3)	(1.088,0)	(368,0)	(356,2)
Sogefi Group	(318,5)	(382,6)	(256,2)	(327,0)
Other subsidiaries / IC	0,4	0,4	0,4	0,4
Total subsidiaries net financial indebtedness	(1.423,4)	(1.470,2)	(623,8)	(682,8)
CIR holding	295,7	396,7	296,2	397,1
CIR Group net financial indebtedness	(1.127,7)	(1.073,5)	(327,6)	(285,7)

- Almost stable, as a result of lower FCF, compensated by capex containment and WC management
- Mainly affected by working capital absorption
- Improvement mainly related to GEDI disposal

Net financial position at CIR Holding level



- Increase of net cash at CIR holding is mainly due to the cash-in for the disposal of GEDI in April



(1) GEDI disposal € 102.4 M + Private equity reimbursements

(2) Performance of liquid assets / HF (Fair value + income + trading)

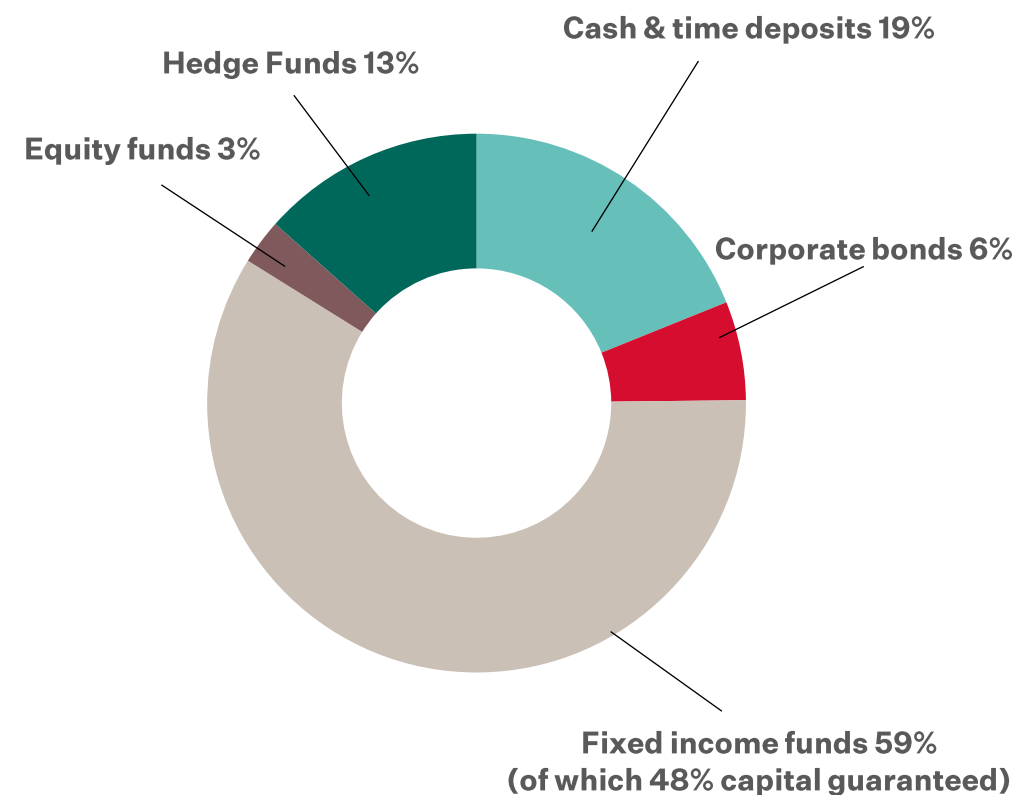
(3) Operating costs, taxes, etc. of which €1,0 M non recurring cash costs related to the merger and GEDI sale

Composition of net financial position at CIR Holding level



€/M	31 Dec. 2019	30 June 2020
Cash and time deposits	28,3	75,2
Corporate bonds	10,5	23,6
Fixed income funds	235,2	234,9
Equity funds	11,0	10,8
Hedge funds	43,1	53,4
Other	3,9	
Total liquid assets	332,0	397,9
Gross financial debt and others ⁽¹⁾	(36,3)	(1,2)
Net financial position	295,7	396,7

Liquid Assets at 30 June 2020



(1) 31.12 2019 Debt of ex-Cofide Holding Company

Non-core investments



Private equity

- Diversified portfolio of private equity funds and direct minority private equity investments, with a fair value of € 48.3 M at 30 June 2020 (vs € 56.6 M Dec 31, 2019, as a result of reimbursements and negative fair value adjustments of € 3.6 M)
- The portfolio has reached its maturity/reimbursement phase, as limited investments were added in the recent past

Other Investments

- Other non strategic investments include direct minority stakes with a value of € 7.9 M at 30 June 2020 (vs € 11.2 M at the end of 2019, mainly due negative fair value adjustments)

Disclaimer



- *This document has been prepared by CIR for information purposes only and for use in presentations of the Group's results and strategies.*
- *For further details on CIR and its Group, reference should be made to publicly available information, including the Annual Report, the Semi-Annual and Quarterly Reports*
- *Statements contained in this document, particularly the ones regarding any CIR Group possible or assumed future performance, are or may be forward looking statements and in this respect they involve some risks and uncertainties*
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