OFFER DOCUMENT

VOLUNTARY PARTIAL PUBLIC TENDER OFFER

As per the terms of Article 102 of Legislative Decree no. 58 of February 24,
as subsequently amended and supplemented

OFFEROR AND ISSUER

CIR S.p.A.-Compagnie Industriali Riunite

FINANCIAL INSTRUMENTS ELIGIBLE FOR TENDER

a maximum of 156,862,745 shares of CIR S.p.A.

PRICE PER SHARE OFFERED

Euro 0.51 for each share of CIR S.p.A. tendered in acceptance of the Offer

**PERIOD IN WHICH THE OFFER CAN BE ACCEPTED
AS AGREED WITH BORSA ITALIANA S.P.A.**

from 8:30 a.m. (Italian time) on June 21 2021 to 5:30 p.m. (Italian time) on July 29 2021, inclusive (unless extended)

DATE OF PAYMENT OF THE PRICE OFFERED

August 6 2021, unless extended

FINANCIAL ADVISOR OF THE OFFEROR

UniCredit S.p.A.

INTERMEDIARY APPOINTED TO COORDINATE THE COLLECTION OF THE TENDERS

UniCredit Bank AG, Milan Branch

The approval of this tender offer document, with resolution no. 21898 of June 15 2021, does not imply any judgment by Consob regarding the advisability of accepting the offer or regarding the figures and the information contained in the said document.

June 15 2021

*The Tender Offer described in this Tender Offer Memorandum is being made by CIR S.p.A. - Compagnie Industriali Riunite (the "**Offeror**" or the "**Issuer**" or the "**Company**" or "**CIR**") on a maximum number of 156,862,745 shares of CIR (the "**Shares**").*

The Tender Offer is addressed, on equal terms, to all Shareholders and will be promoted exclusively in Italy, since the Shares are listed on the Mercato Telematico Azionario, organised and managed by Borsa Italiana S.p.A..

In addition to the Italian version of the Tender Offer Memorandum, a version of the Tender Offer Memorandum translated into English is made available to all Shareholders residing abroad. The English version of the Tender Offer Memorandum is merely a courtesy translation and the Italian version of the Tender Offer Memorandum shall remain the only document submitted to CONSOB for approval.

*The Tender Offer has not been and will not be promoted by the Offeror in the United States, Australia, Canada, Japan, as well as in any country other than Italy in which such Tender Offer is not allowed in the absence of authorisation by the competent authorities or other fulfilment by the Offeror (such countries, including the United States, Canada, Japan and Australia, collectively, the "**Other Countries**"), nor by using national or international means of communication or commerce of the Other Countries (including, without limitation, the postal network, fax, telex, e-mail, telephone and internet), nor through any facility of any of the financial intermediaries of the Other Countries, nor in any other way.*

Copies of this Tender Offer Memorandum, or portions thereof, as well as copies of any documents which will be published in connection with the Tender Offer, are not and shall not be sent, nor in any way transmitted, or otherwise distributed, directly or indirectly, in the Other Countries. Any person receiving such documents shall not distribute, send or dispatch them (whether by post or by any other means or instrumentality of communication or commerce) in the Other Countries.

This Tender Offer Memorandum and any other document which may be published in connection with the Tender Offer do not constitute and shall not be construed as an offer to purchase or a solicitation of an offer to sell financial instruments to persons resident in Other Countries. No instrument may be offered or sold in the Other Countries without specific authorisation in accordance with the applicable provisions of the local law of such countries or derogation from such provisions. Acceptance of the Tender Offer by persons resident in countries other than Italy may be subject to specific obligations or restrictions provided for by law or regulations. It is the sole responsibility of the persons intending to accept the Tender Offer to comply with such provisions and, therefore, to verify their existence and applicability by contacting their consultants and complying with such provisions before accepting the Tender Offer.

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DEFINITIONS

Below is a list of the main terms used in the Offer Document. These terms and phrases, except where specified otherwise, have the meaning given below. Where the context requires it, the terms defined in the singular have the same meaning even in the plural and vice versa.

Tenderers The shareholders of the Issuer who have tendered their Shares in acceptance of the Offer.

Shares The shares of CIR, without indication of a nominal value, listed on the MTA market.

As of the Date of the Offer Document, (i) the ISIN code IT0000070786 identifies Shares other than the Shares awaiting registration in the CIR Stable Shareholders book, the Shares awaiting eligibility for increased voting rights and the Shares with increased voting rights, (ii) the code XXITV0000172 identifies the Shares awaiting registration in the CIR Stable Shareholders book, (iii) the code XXITV0000180 identifies the Shares registered in the CIR Stable Shareholders book pending increased voting rights and (iv) the ISIN code IT0005241762 identifies the Shares with Increased Voting Rights.

Shares with Increased Voting Rights The Shares that have matured the right to two votes per share, in accordance with the terms of Art. 8 of the CIR Company Bylaws in force on the Date of the Offer Document, with ISIN code IT0005241762.

Shares Eligible for Tender The maximum number of 156,862,745 Shares to which the Tender Offer refers.

The Shares eligible for Tender, and which can therefore all be tendered, are all the Shares (identification codes: (i) ISIN IT0000070786, (ii) XXITV0000172, (iii) XXITV0000180 and (iv) ISIN IT0005241762), excluding the 26,708,861 own Shares held by CIR as of the Date of the Offer Document, corresponding to 2.091% of the Ordinary Capital.

As of the Date of the Offer Document, the Shares eligible for Tender Offer represent 12.282% of CIR's share capital.

Shareholders The holders of the Shares at whom the Offer is addressed with equal conditions.

Borsa Italiana Borsa Italiana S.p.A., with headquarters in Milan, Piazza degli Affari 6.

Allocation Coefficient The ratio between the Maximum Number of Shares Eligible for Tender and the total number of Shares tendered in acceptance of the Offer for a total number of Shares higher than the Maximum Number of Shares Eligible for Tender.

In the event that: (i) the Offeror does not purchase any Shares outside of the Offer, and (ii) all of the Shares, except for the 392,851,536 Shares held as of the Date of the Offer Document by F.lli De Benedetti S.p.A.,

	which has already informed the Issuer that it does not intend to accept the Offer, and the 26,708,861 own Shares held by CIR as of the Date of the Offer Document, were tendered in acceptance of the Offer, the Allocation Coefficient would be 18.29% (which constitutes the minimum Allocation Coefficient).
Board of Statutory Auditors	The Board of Statutory Auditors of CIR.
Disclosure 102	The disclosure by the Offeror as per the terms of Art. 102, paragraph 1, of the TUF and Art. 37 of the Rules for Issuers, issued on May 10 2021.
Conditions for the Offer to be Effective	The Conditions for the Offer to be Effective, as described in Section A, Paragraph A.1, of the Offer Document.
Board of Directors	The Board of Directors of CIR.
Consob	The National Commission for Companies and the Stock Exchange (*La Commissione Nazionale per le Società e la Borsa*) with headquarters in Rome, Via G.B. Martini 3.
Price	The unit price of Euro 0.51 for each Share tendered in acceptance of the Offer.
Date of the Offer Document	The date on which the Offer Document is published.
Announcement Date	The date on which the Offer was announced to the public through Disclosure 102, i.e. May 10 2021.
Payment Date	The sixth Stock Exchange Trading Day following the end of the Acceptance Period, which corresponds to the date on which the Price will be paid to the Tenderers, i.e. August 6 2021 (provided there are no extensions of amendments to the Offer in compliance with current legal or regulatory requirements).
Right of Purchase	The right of an offeror to purchase the remaining shares of an issuer as per the terms of Art. 111 of the TUF, in the event of the said offeror reaching, after a given total tender offer, a total shareholding interest of at least 95% of the share capital of the same issuer. Given the nature of the Offer, the conditions do not exist for application of the Right of Purchase.
Offer Document	This document containing the tender offer.
Maximum Disbursement	The total maximum amount of the Offer, equal to approximately Euro 80,000,000.00 if the number of shares tendered enable to Offeror to acquire the maximum number of 156,862,745 Shares Eligible for Tender.

Stock Exchange Trading Day	Any day on which the MTA (*Mercato Telematico Azionario*) is operational following the trading calendar established every year by Borsa Italiana.
Group *or* **CIR Group**	Collectively, CIR S.p.A. and the companies in its consolidation perimeter on their respective reference dates.
IAS/IFRS	All of the International Financial Reporting Standards (IFRS), the International Accounting Standards (IAS) and all of the interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC) previously known as the Standing Interpretations Committee (SIC).
Depositary Intermediaries	The intermediaries who can collect and send on the Tender Forms to the Appointed Intermediaries, in accordance with what is stated in Section B, Paragraph B.2, and in Section F, Paragraph F.1 of the Offer Document.
Appointed Intermediaries	The intermediaries appointed to collect the Tender Forms as per Section B, Paragraph B.2, of the Offer Document.
Intermediary Appointed to Coordinate the Collection of the Tenders	UniCredit Bank AG, Milan Branch, with registered office in Piazza Gae Aulenti 4, Tower C, 20154 Milan, as the entity appointed to coordinate the collection of tenders in acceptance of the Offer.
MAR	Regulation (EU) no. 596/2014 of the European Parliament and the Council of April 16 2014 on the subject of market abuse (market abuse directive), as subsequently amended and supplemented.
Monte Titoli	Monte Titoli S.p.A., with registered office in Milan, Piazza degli Affari 6.
MTA *or* ***Mercato Telematico Azionario***	The *Mercato Telematico Azionario* market organized and managed by Borsa Italiana.
Maximum Number of Shares Eligible for Tender	The difference between the number of 156,862,745 Shares and any Shares purchased by the Offeror directly and/or indirectly outside of the Offer between the Announcement Date (inclusive) and the last day of the Acceptance Period (inclusive).
Obligation to Purchase as per the terms of Art. 108, paragraph 1, of the TUF	The obligation of an offeror to purchase from anyone who makes a request, the remaining shares of an issuer not tendered in acceptance of a total tender issue, as per the terms of Article 108, paragraph 1, of the TUF, if the said offeror achieves total ownership, as an effect of the tenders received in acceptance of the said total public tender offer (and/or following execution of the Obligation to Purchase as per the terms of Article 108, paragraph 2, of the TUF) of at least 95% of the share capital of the issuer. Given the nature of the Offer, the conditions do not exist for the Obligation to Purchase as per the terms of 108, paragraph 1, of the TUF

	to be applicable. For further information, see Section A, Paragraph A.8 of the Offer Document.
Obligation to Purchase as per the terms of Art. 108, paragraph 2, of the TUF	The obligation of an offeror to purchase, from anyone who makes a request, the remaining shares of an issuer not tendered in acceptance of a total tender issue, as per the terms of Article 108, paragraph 2, of the TUF, if the said offeror achieves total ownership, as an effect of the tenders received in acceptance of the said public tender offer, of more than 90% but less than 95% of the share capital of the above issuer. Given the nature of the Offer, the conditions do not exist for the Obligation to Purchase as per the terms of 108, paragraph 2, of the TUF to be applicable. For further information, see Section A, Paragraph A.7 of the Offer Document.
Offeror *or* **Issuer** *or* **CIR** *or* **Company**	CIR S.p.A., with registered office in Milan, Via Ciovassino 1
Offer	The voluntary partial public tender offer to purchase the Shares Eligible for Tender launched by CIR as per the terms of Art. 102, paragraph 1, of the TUF and the relative rules for implementing the same contained in the Rules for Issuers, as described in the Offer Document.
Percentage of the Ordinary Capital	The ratio existing, as of the Date of the Offer Document, between: (i) the number of Shares giving voting rights on the subjects stated in Art. 105 of the TUF held by a particular Shareholder and (ii) the total number of 1,277,207,314 Shares of the Issuer (including Own Shares).
Percentage of the Voting Capital	The ratio existing, as of the Date of the Offer Document, between: (i) the voting rights of a particular Shareholder on the subjects stated in Art. 105 of the TUF, pertaining to the Shares held by the same, and (ii) the total number of 1,693,234,901 voting rights that can be cast on the subjects stated in Art. 105 of the TUF held by the total number of the Shareholders of the Issuer, after the 26,708,861 own Shares held by the Issuer have been deducted.
Percentage relevant for a Mandatory *OPA* (tender offer)	The ratio existing, as of the Date of the Offer Document, between: (i) the voting rights to which a particular Shareholder is entitled on the subjects as per Art. 105 TUF, pertaining to the Shares held by the same, and (ii) the total number of 1,712,931,615 voting rights on the subjects as per Art. 105 TUF, pertaining to the total number of Shares of the Issuer, after the deduction, as an effect as per Art. 44-*bis*, paragraph 4, letter b) of the Rules for Issuers, of the 7,012,147 own Shares held by the Issuer and not earmarked for fulfilment of the obligations under approved compensation plans as per the terms of Art. 114-*bis* of the TUF.
Acceptance period	The period for acceptance of the Offer, agreed upon with Borsa Italiana, corresponding to 29 Stock Exchange Trading Days that will start at 8:30

	a.m. (Italian time) on June 21 2021 and will end at 5.30 p.m. (Italian time) on July 29 2021, inclusive unless there is an extension.
Net Financial Position	The difference between (i) the sum of cash and cash equivalents and current financial assets and (ii) financial liabilities.
Rules for Issuers	The Consob regulations approved with resolution no. 11971 of May 14 1999, as subsequently amended and supplemented.
Partial allocation of the Shares *or* **Allocation**	If the tenders in acceptance of the offer are for a total number of Shares that exceed the Maximum Number of Shares Eligible for Tender, the Offeror will purchase Shares from all of the Shareholders using the pro-rata method, allocating the same proportion (equal to the Allocation coefficient) of the Shares as those tendered by them (for further information on the Allocation, see Section A, Paragraph A.2, and Section L, of the Offer Document).
Tender Form	The form that must be used to tender shares in acceptance of the Offer.
SDIR-NIS	The SDIR–NIS circuit managed by Spafid Connect S.p.A., which CIR uses for broadcasting Regulated Disclosures as defined by Art. 113-*ter* of the TUF.
Finance Consolidation Law *or* **TUF**	Legislative Decree no. 58 of February 24 1998, as subsequently amended and supplemented.

FOREWORD

This "Foreword" gives a concise description of the structure of the transaction that is the subject of this offer document (the "**Offer Document**").

In order to fully evaluate the terms and conditions of the transaction and make a reasoned decision on whether of not to accept the Offer (as defined below), the following Section A ("Instructions") should be read carefully, as indeed should the whole Offer Document.

1. Characteristics of the Offer

The transaction described in this Offer Document is a voluntary partial public tender offer (the "**Offer**"), launched by CIR S.p.A. (hereinafter also the "**Offeror**" or the "**Issuer**" or "**CIR**" or the "**Company**") as per the terms and as an effect of Article 102 and following articles of Legislative Decree no. 58 of February 24 1998 and subsequent amendments and supplements (the "**TUF**"), and of Article 37 of Consob Rules approved with resolution no. 11971 of May 14 1999, as subsequently amended and supplemented (the "**Rules for Issuers**"), for a maximum of 156,862,745 shares of the Issuer, without indication of a nominal value and fully freed up (the "**Shares Eligible for Tender**") representing, as of the Date of the Offer Document, 12.282% of the share capital of CIR, a company with its Shares listed on the *Mercato Telematico Azionario* (the "***Mercato Telematico Azionario***" or "**MTA**") organized and managed by Borsa Italiana S.p.A. ("**Borsa Italiana**").

If it purchases the Maximum Number of Shares Eligible for Tender and taking into account the own Shares already in the portfolio of the Issuer as of the Date of the Offer Document, the Company will have 183,571,606 own Shares, corresponding to 14.373% of the share capital of the Issuer and thus a number of Shares comprising less than one fifth of the share capital.

It should be noted that, as of the Date of the Offer Document, the controlling shareholder F.lli De Benedetti S.p.A. ("**FDB**"), who owns 392,851,536 Shares, corresponding to a Percentage of the Ordinary Capital of 30.759%, a Percentage of the Voting Capital of 45.256% and a Percentage Relevant for the purposes of a Mandatory OPA of 44.736%, has stated that it has no intention of accepting the Offer.

The Offer is not aimed at, nor will it lead to, a delisting of the shares of the Issuer from the *Mercato Telematico Azionario*. Given the nature of the Offer, as a voluntary partial public tender offer on the own shares of the Offeror and since it will not in any case lead to the Offeror holding a total shareholding of over 90% of the share capital of the Issuer, the conditions do not exist for the right of purchase as per the terms of Article 111 of the TUF (the "**Right of Purchase**"), or for the mandatory purchase as per the terms of Article 108, paragraph 1 of the TUF (the "**Mandatory Purchase as per the terms of Art. 108, paragraph 1, of the TUF**), or for the mandatory purchase as per the terms of Art. 108, paragraph 2 of the TUF (the "**Mandatory Purchase as per the terms of Art. 108, paragraph 2, of the TUF**).

It should also be noted that, as per the terms of the AGM resolution of the Issuer of April 30 2021, the Offer is not instrumental to the reduction of the share capital through cancellation of the own Shares purchased.

In the event that the tenders in acceptance of the Offer are for a number of Shares the total of which is higher than the Maximum Number of Shares Eligible for Tender, an Allocation process will be carried out using the pro-rata method, on the basis of which the Offeror will buy from all the Shareholders the same proportion (the Allocation Coefficient) of the Shares that they were tendering in acceptance of the

Offer (for further information on the Allocation, see Section A, Paragraph A.2, and Section L, of the Offer Document).

It should be noted that the validity of the Offer is dependent on the conditions for the Offer to be effective (the "**Conditions for the Offer to be Effective**") being fulfilled, in accordance with what is described in Section A, Paragraph A.1, of the Offer Document. The Offer is not subject to reaching a minimum number of subscriptions.

The transfer of title of the Shares Eligible for Tender, with payment of the Price, will take place on the sixth Stock Exchange Trading Day after the date of the close of the Acceptance Period, i.e. on August 6 2021, unless there are any extensions or changes in the Offer in compliance with current legal or regulatory requirements (the "**Payment Date**"), provided that the Conditions for the Offer to be Effective have been met or, if they have not been met, that they have been expressly waived.

For further information relating to the financial instruments that are the subject of the Offer, see below in Section C of the Offer Document.

On April 30 2021 the ordinary General Meeting of CIR resolved among other things:

(i) To give the Board of Directors an authorization to buy back a maximum of 225,000,000 own Shares, valid for a period of 18 months, specifying that the buyback may be for up to a limit of 20% of the total number of Shares making up the share capital of CIR; and

(ii) To establish that the unit price of the own Shares to be bought back must not be more than 15% higher or lower than the benchmark price recorded by the Shares on the Stock Exchange Trading Day prior to the date of each individual buyback deal or (in the event of a purchase through a public tender offer) on the Stock Exchange Trading Day preceding the date on which the offer price is fixed. In any case, if the purchases are effected with orders placed in the regulated market the price must not be higher than the higher of the price of the last independent deal and the highest current independent bid price in the same market, in accordance with the provisions of EU Commission Delegated Regulation no. 2016/1052.

On the same date, the Ordinary General Meeting of CIR approved the Financial Statements for the year 2020, which show distributable reserves for an amount of Euro 96.5 million against a total Maximum Disbursement for the Offer of Euro 80 million.

On May 10 2021, the Board of Directors, in the presence of and with the vote in favour of all its members, resolved to proceed with the Offer and on the same date (the "**Announcement Date**"), the Offer was disclosed to the public and to Consob in a press release published in accordance with the terms of Article 102 of the TUF and Article 38 of the Rules for Issuers (the "**Disclosure 102**").

The Acceptance Period for the Offer, agreed upon with Borsa Italiana as per the terms of Art. 40, paragraph 2, of the Rules for Issuers, will begin at 8:30 a.m. on June 21 2021 and will end at 5.30 p.m. on July 29 2021, inclusive (the "**Acceptance Period**"), unless the Offer is extended and the Offeror must give notice of this in accordance with current legal and regulatory requirements.

For a description of the terms and procedures for acceptance of the Offer, see Section F below of this Offer Document.

2. Price of the Offer and Maximum Disbursement

The Offeror will pay each Tenderer who has accepted the Offer a price in cash of Euro 0.51 for each Share tendered and purchased by the Offeror (the "**Price**").

The Price will be paid on the Payment Date, i.e. on August 6 2021 (unless there are any extensions or amendments to the Offer that conform with current legal or regulatory requirements).

The Price includes a premium of 2.78% over the official price of the Shares recorded on May 7 2021 (i.e. the Stock Exchange Trading Day prior to the Announcement Date), and a premium of 7.10%, 5.76%, 9.49%, and 17.68% over the weighted average of the official prices of the Issuer's shares in the 1 month, 3 months, 6 months and 12 months respectively prior to May 7 2021, as better illustrated in the following table.

Period of time before the Announcement Date	*Weighted average prices (Euro)*	*Implied premium factored into the Price (%)*
May 7 2021	0.496	2.78%
Average 1 month prices	0.476	7.10%
Average 3 month prices	0.482	5.76%
Average 6 month prices	0.466	9.49%
Average 12 month prices	0.433	17.68%

Source: calculations on Borsa Italiana data

The total maximum value of the Offer, if the tenders under the Offer enable the Offeror to acquire the maximum number of 156,862,745 Shares eligible for Tender, is Euro 80 million (the "**Maximum Disbursement**").

For further information on the Price, see Section E of this Offer Document.

3. Reasons for the Offer

The Offer was formulated with the following circumstances taken into account: (i) the Company has for years had a substantial liquidity position; (ii) during the year 2020, the Company sold one of its controlling interests, which while increasing its liquidity significantly, nonetheless reduced the sectors in which it has a presence and its potential needs and/or opportunities for investment; (iii) as of the date of this Offer Document, the Company has liquidity in excess of its short and medium term investment programme, given also that the other companies of the CIR Group expect to self-finance their development; (iv) the Company has a significant amount of distributable reserves, sufficient to buy back the Shares Eligible for Tender.

The Offer would enable those Shareholders who intend to accept it to benefit – all at the same conditions – from the temporary possibility of selling all or part of their investment at a definite price and one that would include a premium over the average prices of the stock in recent months.

For those Shareholders who do not wish to tender their Shares, the buyback of own Shares by the Company following acceptance of the Offer would see, for the same total net income of the Company, a rise in the earnings per Share and in the dividend per Share, as the dividend rights of own Shares are allocated pro-rata to the other Shares, as per the terms of Art. 2357-*ter*, second paragraph, of the Civil Code.

From the Company's point of view, the Offer is a prudent investment of liquidity. Indeed: (i) the investment would take place at a lower level than the intrinsic valuation of the Shares and (ii) as long as the Shares are kept in the portfolio, their purchase would not permanently reduce the financial resources that the Company has available, partly because they could possibly be used for acquisitions and/or the development of alliances.

For further information on the reasons for the transaction, see Section G, Paragraph G.2.1, of this Offer Document.

4. Calendar of main events regarding the Offer

The following table shows in a concise form and in chronological order, the significant dates of the Offer starting from the Announcement Date, i.e. May 10 2021:

Date	*Event*	*Method of disclosure*
May 10 2021	Announcement by the Offeror of its decision to launch the Offer and the guidelines of the same	Press release by the Offeror in accordance with Art. 102, paragraph 1, of the TUF and Art. 37 of the Rules for Issuers
May 31 2021	Presentation to Consob of the Offer Document as per Art. 102, paragraph 3, of the TUF	Press release by the Offeror in accordance with Art. 102, paragraph 3, of the TUF and Art. 36 and 37-*ter* of the Rules for Issuers
June 15 2021	Approval of the Offer Document by Consob as per Art. 102, paragraph 4, of the TUF	Press release by the Offeror as per Art. 36 of the Rules for Issuers
June 17 2021	Publication of the Offer Document	Press release as per the terms of Art. 38, paragraph 2, of the Rules for Issuers Distribution of the Offer Document in accordance with Art. 36, paragraph 3, and Art. 38, paragraph 2, of the Rules for Issuers.
June 21 2021	Start of the Acceptance Period of the Offer	Not applicable
July 29 2021	End of the Acceptance Period of the Offer (unless extended)	Not applicable
By the end of the evening of the last day of the Acceptance Period and in any case by 7:59 a.m. on July 30 2021 (first Stock Exchange Trading Day after the end of the Acceptance Period of the Offer)	Announcement of provisional results of the Offer Calculation of provisional allocation coefficient (if necessary)	Press release by the Offeror as per Art. 36 of the Rules for Issuers
By 7:59 a.m. on August 2 2021 (second Stock Exchange Trading Day after the end of the Acceptance Period of the Offer)	Announcement that the Conditions for the Offer to be Effective have been fulfilled, or not fulfilled and/or of a decision to waive the same	Press release by the Offeror as per Art. 41, paragraph 6, of the Rules for Issuers
By 7:59 a.m. on August 5 2021 (Stock Exchange Trading Day before the Payment Date)	Announcement regarding the effectiveness of the Offer and the definitive results of the same. Decision as to the Allocation Coefficient (if necessary)	Press release by the Offeror as per Art. 41, paragraph 6, of the Rules for Issuers
By the end of the first Stock Exchange Trading Day after the press release in the preceding point or any press release announcing that the Conditions for the	Return of the Shares tendered in excess following allocation (*riparto*). The shares tendered become available again if the Conditions for the Offer to be Effective have not been fulfilled and	Not applicable

Date	*Event*	*Method of disclosure*
Offer to be Effective have not been fulfilled without a waiver of the same	there has been no waiver of the same by the Offeror	
The sixth Stock Exchange Trading Day after the end of the Acceptance Period, i.e. August 6 2021 (unless the Acceptance Period is extended)	Payment of the Price for the Shares tendered in acceptance of the Offer during the Acceptance Period	Not applicable

* * *

It should be noted that, as per the terms of Article 36, paragraph 3, of the Rules for Issuers, press releases, notices and documents relating to the Offer will be published without delay on the Issuer's website www.cirgroup.it in the area "*Governance/Voluntary partial public tender offer*".

A. POINTS TO BE AWARE OF

A.1 Conditions for the Offer to be effective

For the Offer to be effective the following conditions must be met:

(A) That by the close of the Stock Exchange Trading Day after the end of the Acceptance Period none of the following situations has occurred: (i) exceptional events or situations at national and/or international level involving serious changes to the political, financial, economic, foreign exchange or market situation that had not already taken place as of the date of publication of the Offer Document and which have substantially prejudicial effects on the Offer, on the conditions of the businesses and/or on the patrimonial, economic and/or financial conditions of CIR and/or of the companies belonging to the CIR Group, as resulting from the consolidated accounts for the year 2020, or (ii) actions, facts, circumstances, events or situations that had not taken place as of the date of publication of the Offer Document and such as to cause significant prejudice to the Offer, the conditions of the businesses and/or the patrimonial, economic or financial conditions of CIR and/or the CIR Group as resulting from the consolidated accounts for the year 2020 (the "**MAC Condition**"); and/or

(B) That by the close of the Stock Exchange Trading Day after the end of the Acceptance Period, no legislative or administrative acts or measures (including mandatory tender offers as per Art. 106 and following articles of the TUF) or judicial measures have been adopted and/or published by the competent institutions, entities or authorities, such as to preclude or limit partially or totally or even temporarily the possibility for CIR and/or the CIR Group to complete the Offer or make the procedure more onerous.

((A) and (B), jointly, the "**Conditions for the Offer to be Effective**").

The MAC Condition includes events that have the characteristics as above and that could occur as a result of or in connection with the spread of the Covid-19 pandemic (which, although a phenomenon of the public domain today, could have consequences that cannot currently be predicted in any way on any of the business areas) including, as examples that are not exhaustive, any crisis, temporary block or close of the financial markets and/or of production activities and/or a service that involves or could reasonably cause substantial prejudice to the Offer and/or the Issuer or the CIR Group.

The Offeror can waive or change all or part of the terms of the Conditions for the Offer to be Effective at any time and at its own indisputable decision within the limits and according to the procedures set out in Article 43 of the Rules for Issuers.

The Offeror must make an announcement as to whether or not the Conditions for the Offer to be Effective have been fulfilled and of any decision to waive the same by 7:59 a.m. on the second Stock Exchange Trading Day after the end of the Acceptance Period, with a press release as per the terms of Article 36 of the TUF and also in the press release giving the definitive results of the Offer as described below in Section F, Paragraph F.3 of this Offer Document.

In the event of the non-fulfilment of any of the Conditions for the Offer to be Effective and the non-exercise by the Offeror of the right to waive the same, the Offer is rendered invalid and the Shares tendered in acceptance of the Offer will be returned fully available to their respective owners, without the latter being liable for any costs or expenses, by the close of the first Stock Exchange Trading Day after the first announcement in which the Offer is declared to be invalid.

It should be noted that the mere acceptance of the Offer does not per se involve the loss of increased voting rights or of the conditions for achieving increased voting rights. Therefore, when the Shares are returned in the event of the Offer being invalid for any reason, Tenderers will have the right to have their Shares returned with the same rights (such as, for example, increased voting rights as per the terms of Article 127-*quinquies* of the TUF, or the right to obtain increased voting rights, or the right to be registered in CIR's stable shareholders book) as they would have had if they had not accepted the Offer.

For further information on the Conditions for the Offer to be Effective, see Section F, Paragraph F.3, of the Offer Document.

A.2 **Allocation (riparto)**

If at the end of the Acceptance Period the total number of Shares tendered in acceptance of the Offer is lower than the Maximum Number of Shares Eligible for Tender (and the Conditions for the Offer to be Effective have been fulfilled or waived), the Offeror will go ahead and accept all the Shares tendered.

However, if at the end of the Acceptance Period the total number of Shares tendered in acceptance of the Offer is higher than the Maximum Number of Shares Eligible for Tender (and the Conditions for the Offer to be Effective have been fulfilled or waived), as this is a voluntary partial tender offer, there will be a pro-rata allocation, on the basis of which the Offeror will purchase from all the Shareholders the same proportion (equal to the Allocation Coefficient) of Shares as those tendered in acceptance of the Offer.

It should be noted that the Maximum Number of Shares Eligible for Tender could decrease if, from the Announcement Date (inclusive) to the end of the Acceptance Period (inclusive), the Offeror were to buy directly and/or indirectly Shares outside of the Offer in observance of what is set out in Article 41, paragraph 2, and Art. 42, paragraph 2, of the Rules for Issuers. In this case the Maximum Number of Shares Eligible for Tender would be 156,862,745 minus the number of Shares bought by the Offeror outside of the Offer.

By 7:59 a.m. on the first Stock Exchange Trading Day after the end of the Acceptance Period, the Offeror will check the provisional results of the Offer and will calculate a provisional Allocation Coefficient, if necessary. The definitive Allocation Coefficient will be established by 7:59 a.m. on the Stock Exchange Trading Day before the Payment Date.

The Offeror will collect from each Tenderer a number of Shares resulting from the multiplication of (a) the number of Shares tendered in acceptance of the Offer by (b) the Allocation Coefficient, rounded down to the nearest full number of Shares.

If the Shares tendered in acceptance of the Offer by a single Shareholder have different identification codes, the Offeror will collect the Shares from each Tenderer according to the mechanisms described in Section L of the Offer Document, which gives further information on this point.

Any excess Shares after the Allocation will be given back to the Tenderers through the Depositary Intermediaries by the end of the first Stock Exchange Trading Day after the press release on the definitive results of the Offer in which the definitive Allocation Coefficient will also be disclosed.

It should also be noted that in the event of an Allocation it will not be possible to cancel acceptance of the Offer.

For further information on the subject, see Section L of this Information Document.

A.3 Description of possible critical areas pertaining to the economic, patrimonial and financial position of the Offeror/Issuer and to recent significant extraordinary transactions

The most recent extraordinary transactions of significance are described below.

On February 19 2020 the merger by incorporation of CIR S.p.A. – Compagnie Industriali Riunite (for the purposes of this Paragraph A.3, the "**Incorporated Company**") into the Company (then Cofide – Gruppo De Benedetti S.p.A., for the purposes of this Paragraph A.3, the "**Incorporating Company**") took place. On completion of the merger by incorporation, the Company took the name "CIR S.p.A. – Compagnie Industriali Riunite", previously that of the Incorporated Company. All the Shares of the Incorporated Company were cancelled. The shareholders of the Incorporated Company, other than the Incorporating Company, were offered shares of the Incorporating Company at an exchange rate of 2.01 Shares of the Incorporating Company for each share of the Incorporated Company. To service this exchange, the Company issued 557,997,396 new shares, each with a nominal value of Euro 0.50 with a capital increase of a total of Euro 278,998,698.00. No critical aspects have been identified in relation to the merger cited above.

On April 23 2020, CIR completed the sale of all of the 222,705,235 shares in GEDI Gruppo Editoriale S.p.A. (for the purposes of this Paragraph A.3, "**GEDI**") that it owned (for the purposes of this Paragraph A.3, the "**CIR shareholding**"), equal to 43.78% of the share capital of GEDI, to the company Giano Holding S.p.A., wholly owned by EXOR N.V. (for the purposes of this Paragraph A.3, "**EXOR**"), for a total amount of Euro 102.4 million. Subsequently Giano Holding launched a mandatory tender offer for the remaining shares of GEDI in circulation, at the same price per share paid to CIR (Euro 0.46), as per the terms and as an effect of Art. 106, first paragraph, of the TUF, which led to the delisting of GEDI. On July 13 2020, following what was stipulated in the investment agreement signed on April 23 2020 by CIR, EXOR and Giano Holding, CIR purchased from EXOR an interest in the share capital of Giano Holding that represented, transparently, 5% of the issued share capital of GEDI at the same price per share at which it had sold its original interest in GEDI. On the same date the shareholder agreement and the put & call agreement between EXOR and CIR also took effect. The first agreement regulates the reciprocal relations between the parties as shareholders of Giano Holding and indirectly of GEDI, as well as the rules for the circulation of Giano Holding shares. The put & call agreement regulates CIR's put option and EXOR's corresponding call option on the interest held by CIR in Giano Holding; these options will be exercisable as from three years after CIR's entry into the share capital of Giano Holding, unless the shareholder agreement is terminated before then or certain other circumstances arise. Lastly, on December 18 2020 the reverse merger took place of Giano Holding S.p.A. by incorporation into GEDI and thus as of the date of the Offer Document CIR is holding a direct interest of 5% in GEDI. The contract for the purchase and sale of shares between CIR and EXOR contains contractual guarantees and possible compensation obligations, in forms commonly used in such transactions. The potentially critical aspects regarding the transaction described above refer to the possible compensatory obligations that CIR could be called upon to meet if the acquirer were to petition for compensation and there were good grounds for such petition. To date CIR has not received any petition from the acquirer for application of the said agreement and in any case the maximum amount of any compensation would not be significant in the light of the considerable size of the Company's capital.

During this current year, as of the Date of the Offer Document no extraordinary transactions of a significant size have been entered into.

With reference to the economic, patrimonial and financial situation, it should be stressed that the results of the Group in financial year 2020 and the performance of the Group in the early months of 2021 were affected by the impact of the Covid-19 pandemic on the subsidiaries, which operate in sectors that were hard hit.

KOS, which is active in social healthcare, had to deal with the consequences of the pandemic on its nursing homes and the reduction of rehabilitation services, partly on account of the stress to which the health system was subject, which caused a significant reduction in scheduled activities; as from the second half of 2020 rehabilitation services recovered but were still below normal levels while the activity of the nursing homes continued to suffer because of the second and the third waves of the pandemic and the level of presences was significantly lower than historical averages.

Sogefi, which is active in the production of automotive components, like all of the sector, in the first half of 2020 suffered an unprecedented fall in volumes because of the generalized suspension of production activities and plummeting demand; in the second half of 2020 and in the first quarter of 2021 production recovered significantly, reaching volumes close to those of 2019 despite a backdrop of strong volatility in terms of vehicle production volumes and the availability of raw materials.

For further information on any critical areas pertaining to the economic, patrimonial and financial situation of the Offeror/Issuer, and on the performance of operations which were characterized by considerable changes compared to past years, and on any significant events that have taken place since the close of financial year 2020, reference should be made to the Report on Operations contained in the Annual Report booklet for the year 2020 and, more specifically, to Sections 2 ("*Performance of the Group*"), 3 ("*Performance of the Parent*"), 5 ("*Performance of the business segments*"), 7 ("*Impact of Covid-19 on the business*") and 9 ("*Outlook"*), available to the public at the Company's headquarters and on the Issuer's website *www.cirgroup.it* in the section "*Investors/Financial Reports*".

A.4 Relationship between the Offeror and the Issuer

Given that the Offeror and the Issuer coincide, the relevant shareholders and members of the Board of Directors and the Board of Statutory Auditors of the Offeror are the same as the relevant shareholders and members of the Board of Directors and the Board of Statutory Auditors of the Issuer and are necessarily related parties.

For information on the subject of the related parties of the Offeror and Issuer, reference should be made to what is explained in the Notes to the Consolidated Financial Statements for the year 2020, included in the Annual Report 2020 booklet and more specifically on pages 125-127, and also to what is explained in the Notes to the Consolidated Financial Statements for the year 2019, contained in the Annual Report 2019 booklet, particularly on pages 130-132, all of which are available to the public at the Company's headquarters and on the website of the Issuer *www.cirgroup.it* in the section "*Investors/ Financial Reports*".

As of the Date of the Offer Document, no significant transactions have been concluded with related parties during this current year.

A.5 Future plans of the Issuer

CIR is an Investment Holding Company and intends to continue to pursue its investment activity and to manage its equity investments.

More specifically, the Offeror aims to support the growth and strategic development of the investments already in its portfolio in the automotive and healthcare sectors, evaluating new opportunities for investment in these sectors. In addition to this, the Offeror also plans to continue to actively manage its portfolio of financial investments.

Its main objective is still to maintain a good quality and balanced portfolio which will give a gradual growth in value, a diversification of the risk and an adequate return on capital invested.

As of the Date of the Offer Document, the Offeror has not taken any decision as to possible new extraordinary transactions.

For further information on the subject, see Section B, Paragraph B.1.6, of this Offer Document.

A.6 Potential conflict of interest between the entities involved in the transaction (i.e. Offeror, entity appointed to collect the tenders, advisors, funding entities)

The financial advisors of the Offeror involved in the transaction carry out other consulting activities for the same Offeror.

UniCredit acts both as the Intermediary appointed to Coordinate the Collection of the Tenders, through UniCredit Bank AG, Milan branch, and as financial advisor to the Offeror, through UniCredit S.p.A. and also holds the position of guarantor bank ensuring the exact fulfilment of the Offeror's obligations with regard to the payment of the Price.

Therefore, UniCredit S.p.A. and UniCredit Bank AG, Milan branch, are in position of conflict of interest as they will be paid commissions and fees for their roles in the sphere of the Offer.

In addition to the above, it should also be pointed out that UniCredit S.p.A. and/or other companies of the Group to which it belongs are also in a position of potential conflict of interest because:

- They have financed the companies of the CIR Group;
- They provide/have provided in the last 12 months corporate finance and/or investment banking services to the companies of the CIR Group.

Lastly, the possibility cannot be ruled out that in carrying out its activity UniCredit S.p.A. and/or other companies of the group to which it belongs could also provide advisory, corporate finance or investment banking services to the Offeror or to the group that it heads.

A.7 Declaration by the Offeror as to whether or not it would restore the free float if the threshold of 90% of the Issuer's share capital were exceeded – Mandatory Purchase as per the terms of Article 108, paragraph 2, of the TUF

The Offer is a voluntary partial tender offer launched in accordance with the terms of Articles 102 onwards of the TUF and is not aimed at, nor can it lead to the Offeror exceeding the threshold of 90% of the capital of the Issuer or the delisting of its Shares from the MTA market.

Therefore, given the nature of the Offer, there is no basis for a Mandatory Purchase as per the terms of Art. 108, paragraph 2, of the TUF.

A.8 Declaration by the Offeror as to whether or not it will make use of the Right of Purchase set out in Art. 111 of the TUF or the Mandatory Purchase as per Art. 108, paragraph 1, of the TUF

The Offer is a voluntary partial tender offer launched in accordance with the terms of Articles 102 onwards of the TUF and is not aimed at, nor can it lead to the delisting of the Company's Shares from the MTA market.

Therefore, given the nature of the Offer, there is no basis for resorting to the Right of Purchase as per Art. 111 of the TUF, or for the Mandatory Purchase as per the terms of Art. 108, paragraph 1, of the TUF.

A.9 Alternatives for the addressees of the Offer

Below are the possible scenarios facing the current Shareholders of CIR both in accepting the offer and in not accepting the Offer.

A.9.1 Acceptance of the Offer

In the event that they accept the Offer and the Conditions for the Offer to be Effective stated in Section A, Paragraph A.1 of the Offer Document are in place (or have been waived by the Offeror), the shareholders of the Issuer will receive a price of Euro 0.51 for each Share tendered under the Offer and purchased by the Offeror.

By accepting the Offer the CIR Shareholder:

(i) If the shareholder tenders all the Shares held and there is no Allocation, he or she will no longer be a shareholder of the Issuer, or

(ii) In the event of an Allocation or if the Shareholder tenders only a part of his or her Shares, he or she will remain a shareholder of the Issuer and, if he or she were the owner of Shares with special rights (such as, for example, increased voting rights as per the terms of Art. 127-*quinquies* of the TUF, or meeting the conditions for obtaining increased voting rights, or the right to be registered in CIR's stable shareholders book), the remaining Shares still owned will continue to enjoy the special rights as per the applicable legal and regulatory rules.

The Shareholders of the Issuer can tender their Shares during the Acceptance Period as described in greater detail in Paragraph F.1 of the Offer Document.

The Shares tendered in acceptance of the Offer will remain secured to service the same Offer and thus from the date of acceptance until the Payment Date those who have accepted the Offer: (i) will be able to exercise their patrimonial rights (such as, for example, option rights and dividend rights) and their administrative rights (such as the right to vote) for the Shares tendered, but (ii) they will not be able to sell part or all of them, or to effect any other payment based on these Shares (without prejudice to the right to cancel their acceptance of the Offer in the event of competing offers or a price hike as per Art. 44, paragraph 7, of the Rules for Issuers).

It remains understood that if even one of the Conditions for the Offer to be Effective should fail to be met and if the Offeror does not exercise the right to waive the same, the Offer will not complete and will be considered as terminated. In this case, the Shares tendered in acceptance of the Offer will be once again be made available to their respective owners, without debiting any charges or expenses to their account, by the close of the Stock Exchange Trading Day after the date on which the non-completion of the Offer has been announced (for the first time), and the Shares can continue to be traded on the MTA market.

It should be remembered that acceptance of the Offer does not *per se* mean that the increased voting rights or the conditions for maturing the said increased voting rights will necessarily lapse. Thus if the Shares are returned because the Offer does not take effect for some reason or because of an Allocation, Tenderers will have the right to have their Shares returned with the same rights (such as, for example, increased voting rights as per Art. 127-*quinquies* of the TUF, having matured the right to obtain increased voting rights, or the right to be registered in CIR's stable shareholders book) as they would have had if they had not accepted the Offer.

For further information regarding the procedure for accepting the Offer, see Section F, Paragraph F.1.2, of the Offer Document.

For further information on the Allocation process, see Section A, Paragraph A.2, and Section L of the Offer Document.

A.9.2 **Non-acceptance of the Offer**

The Offer is a voluntary partial public tender offer launched in accordance with the terms of Articles 102 onwards of the TUF and is not aimed at, nor can it lead to, the delisting of the Company's Shares from the MTA market.

Therefore, in the case of non-acceptance of the Offer, the Shareholders will maintain their status as shareholders of the Issuer.

A.10 **Applicability of the exemptions given in Art. 101-bis, paragraph 3, of the TUF**

According to what is stipulated in Article 101-*bis*, paragraph 3, letter d), of the TUF, for this Offer the following rules are not applicable: the rules contained in Articles 102 paragraphs 2 and 5 (*Obligations of Offerors and Disqualification powers*), 103 paragraph 3-*bis* (*The Offer Procedure*), 104 (*Defence*), 104-*bis* (*Neutralization rule*) and 104-*ter* (*Reciprocity clause*) of the TUF and any other clause of the TUF that gives the Offeror or the Issuer responsibility for giving specific information to employees or their representatives.

A.11 **Non-applicability of the mandatory launch of an incremental offer as per Art. 106, paragraph 3, letter b), of the TUF and Art. 46 of the Rules for Issuers**

As of the Date of the Offer Document, the Issuer can state that:

(i) The shareholder FDB holds 392,851,536 Shares, corresponding to a Percentage of the Ordinary Capital of 30.759%, a Percentage of the Voting Capital of 45.256% and a Percentage Relevant for a Mandatory OPA of 44.736%, and that the above percentages have never fallen below 30.225%, 45.234% and 44.736% respectively during the twelve months preceding the Date of the Offer Document;

(ii) The shareholder Rodolfo De Benedetti (Chairman of the Board of Directors of the Company and of the Board of Directors of FDB) holds ([1]), directly and indirectly, 16,497,569 Shares and 16,497,569 voting rights of the Company, corresponding to a Percentage of the Ordinary Capital of 1.292%, a Percentage of the Voting Capital of 0.974% and a Percentage Relevant for a Mandatory OPA of 0.963% and that the above numbers have never fallen below 1.292%, 0.974% and 0.963% respectively during the twelve months preceding the Date of the Offer Document;

(iii) There is a Shareholder Agreement between FDB and CIR, which contains clauses relevant to the terms of Art. 122, paragraphs 1 and 5, letters a), b) and c) of the TUF, signed by Rodolfo De Benedetti, Marco De Benedetti, Edoardo De Benedetti, FDB and Margherita Crosetti (the "**Agreement**").

Given the decision of the shareholder FDB not to accept the Offer, there could be an increase in the Percentage Relevant for a Mandatory OPA for FDB as an effect of the acceptance of the Offer by other Shareholders. It should be pointed out that the increased vote mechanism adopted by the Company makes it impossible to predict with any certainty the amount of a possible increase in the Percentage Relevant for a Mandatory OPA, even in the case of acceptance of the Offer for a number of Shares equal to or higher than the Maximum Number of Shares. In the event of full acceptance of the Offer by all of the Shareholders (apart from FDB), with all of their Shares, the Percentage relevant for a Mandatory OPA by FDB would rise to a maximum of 49.650%.

In line with the principles stated by Consob([2]) it is thought that, for the purposes of verifying the conditions for the launch of a mandatory public tender offer (OPA) as per the terms of Art. 106 of the TUF, the overall shareholding interests held by the signatories of a shareholder agreement should be considered significant (and more in general those of persons acting in concert as per the terms of Art. 101-*bis*, paragraph 4 and following articles of the TUF, including, without limitations, the company and its directors), without considering whether or not the said shareholdings are subject to constraints under the shareholder agreement. Therefore, the opinion is that any exceeding of the threshold of the Percentage Relevant for a Mandatory OPA as per the terms of Article 106, paragraph 3, letter b) of the TUF and Art. 46 of the Rules for Issuers must be evaluated by adding the Percentage Relevant for a Mandatory OPA held by FDB to the Percentage Relevant for a Mandatory OPA held by Rodolfo De Benedetti.

As of the Date of the Offer Document, from the Company's records the Percentage Relevant for a Mandatory OPA held jointly by FDB and Rodolfo De Benedetti stands at 45.699% and in the previous 12 months FDB and Rodolfo De Benedetti (considered jointly) have continuously held a Percentage Relevant for a Mandatory OPA of over 45%.

Given the above, in line with the opinion of Consob on the subject ([3]), it is believed that even with a possible increase of the Percentage Relevant for a Mandatory OPA of over 5% as a consequence of the Offer, FDB and/or Rodolfo De Benedetti will not be subject to the obligation to launch a

([1]) As of the Date of the Offer Document, the Issuer is not aware of Rodolfo De Benedetti having notified of any internal dealing transactions as per the terms of Art. of MAR during 2020 and until the Date of the Offer Document.

([2]) Consob Communiqués no. 99024712 of March 31 1999, no. 38036 of May 18 2000 and 4073976 of August 6 2004.

([3]) Consob Communiquès no. 2042919 of June 14 2002 and no. 11016918 of March 4 2011.

mandatory OPA pursuant to the combined rules contained in Art. 106, paragraph 3, letter b) of the TUF and Art. 46 of the Rules for Issuers.

In any case it should be noted that, even if FDB were obliged to launch a Mandatory OPA as an effect of the buyback of own shares by the Company as per the combined rules of Article 106, paragraph 3, letter b) of the TUF and Art. 46 of the rules for Issuers, the Company FDB has already informed the market of its commitment, if and when it were needed, to give up a sufficient number of its increased voting rights and in any case not to exercise any of the excess votes before they are reduced to below the relevant threshold for the obligation set out in Article 106, paragraph 3, letter b) of the TUF and Art. 46 of the Rules for Issuers. For further information, see what is explained in Disclosure 102, which is available on the Issuer's website www.cirgroup.it in the area "*Governance/Voluntary partial public tender offer*".

A.12 **Disclosure by the Issuer**

In view of the fact that the Offer is being launched by CIR and that the Offeror and the Issuer are one and the same, the Issuer did not publish a press release giving full information for an evaluation of the Offer and the Issuer in relation to the same Offer, as required by Art. 103, paragraph 3, of the TUF and Art. 39 of the Rules for Issuers.

B. ENTITIES TAKING PART IN THE TRANSACTION

B.1 Offeror and Issuer of the financial instruments eligible for tender under the Offer

Below is the information regarding CIR in its role as Offeror and Issuer.

B.1.1 Name, legal status, headquarters, date of incorporation, duration, relevant legislation and competent jurisdiction

The company's name is "CIR S.p.A. – Compagnie Industriali Riunite" which can be abbreviated to "CIR S.p.A.".

The Issuer is a public limited company (*società per azioni*) under Italian law with registered office in Milan, Via Ciovassino 1, tax code, IVA number and registration number on the Milan, Monza-Brianza, Lodi Register of Companies 01792930016, R.E.A. MI–1950090.

The Company was incorporated in Turin on December 22 1976 with a deed drawn up and signed by Notary Public in Turin Silvio Pettiti, rep. no. 86378, file no. 19649.

As per the terms of Art. 28 of the CIR Company Bylaws, the duration of the Company is established as until December 31 2050.

CIR is a company whose Shares are listed on the *Mercato Telematico Azionario* (MTA) market and operates in compliance with Italian Law. The competent jurisdiction is that of Milan.

B.1.2 Share capital subscribed and paid up

As of the Date of the Offer Document the share capital of the Issuer amounts to Euro 638,603,657.00, which is fully subscribed and paid in and consists of 1,277,207,314 Shares.

As of the date of the Offer Document the Issuer has not issued any other categories of Shares or any bonds convertible into Shares.

Art. 8 of CIR's Company Bylaws gives increased voting rights as per Art.127-*quinquies* of the TUF, to Shares that have satisfied all of the following conditions:

(a) The right to vote has been held by the same person/entity on the strength of a real right giving entitlement (full ownership with the right to vote, bare ownership with the right to vote and usufruct with the right to vote) for a continuous period of no less than 48 months;

(b) The condition in (a) above has been attested by continuing registration for a period of no less than 48 months in the list contained in the stable shareholders book, set up for this purpose and kept and updated by the Company.

Shares meeting these conditions can be qualified as Shares with Increased Voting Rights and each of them can cast two votes.

The following chart shows the breakdown of the Company's capital and voting rights updated as of May 25 2021.

	Euro	*No. of Shares*	*Number of voting rights for calculation of Percentage of Voting Capital (1)*	*Number of voting rights for calculation of Percentage Relevant for Mandatory OPA (2)*
Total Shares	638,603,657	1,277,207,314	1,693,234,901	1,712,931,615
Of which: Shares without increased voting rights, with identification codes:(i) ISIN IT0000070786, (ii) XXITV0000172, (iii) XITV0000180	417,235,433	834,470,866	807,762,005	827,458,719
Of which: Shares with increased voting rights, identification code: (iv) ISIN IT0005241762	221,368,224	442,736,448	885,472,896	885,472,896

([1]) Calculated with the exclusion of the 26,708,861 own Shares.

([2]) Calculated, as per Art. 44-*bis*, paragraph 4, letter b) of the Rules for Issuers, excluding only the 7,012,147 own Shares not earmarked for fulfilment of obligations resulting from approved compensation plans as per Art. 114-*bis* of the TUF.

For further information regarding the procedure for acceptance of the Offer by holders of Shares with Increased voting rights, see Section A, Paragraph A.9.1, of the Offer Document.

B.1.2.1 Main capital transactions effected or approved in the last 12 months

On April 30 2021, the Extraordinary General Meeting of the Issuer eliminated the nominal value of the Shares, approving an amendment to Art. 4, paragraph 1 of the Company Bylaws.

On the same date the Annual General Meeting of the Issuer in the ordinary part adopted the following resolutions:

(i) To give the Board of Directors the authorization to buy back a maximum of 225,000,000 own Shares, valid for a period of 18 months, specifying that the buyback may take place up to the limit of 20% of the total number of Shares making up the share capital of CIR; and

(ii) To establish that the unit price of the own Shares bought back must not be more than 15% higher or lower than the benchmark price recorded by the Company's Shares on the Stock Exchange Trading Day preceding the date of each single buyback transaction or the date on which the price is fixed. In any case, when the purchases are effected with orders placed in the regulated market, the price must not be higher than the higher of the price of the last independent transaction and the highest current independent bid price in the same market, in compliance with what is set out in Commission Delegated Regulation (EU) 2016/1052.

The main reasons why the authorization was renewed are the following:

(i) To fulfil obligations resulting from possible stock option plans or other awards of shares of the Company to employees or members of the Board of Directors of CIR or its subsidiaries;

(ii) To have a portfolio of own shares to use as consideration for possible extraordinary transactions, even those involving an exchange of equity holdings, with other entities within the scope of transactions of interest to the Company (a stock of securities);

(iii) To support market liquidity, optimize the capital structure and remunerate the shareholders in particular market conditions;

(iv) To take advantage of opportunities for creating value, as well as investing liquidity efficiently in relation to the market trend;

(v) For any other purpose qualitied by the competent Authorities as admitted market practice in accordance with applicable European and domestic rules and with the procedures established therein.

In the last 12 months the Company has not bought back any of its own Shares.

B.1.3 **Principal shareholders**

The chart below gives the figures relating to the main shareholders of CIR (those with interests equal to or higher than 5% of the share capital) based on the shareholders book and other information available to the Issuer as of the date of the Offer Document.

SIGNIFICANT HOLDERS OF THE CAPITAL AS OF THE DATE OF THE OFFER DOCUMENT				
Declarant	*Direct Shareholder*	*Percentage of Ordinary Capital*	*Percentage of Voting Capital* (1)	*Percentage Significant for Mandatory OPA* (2)
F.LLI DE BENEDETTI S.p.A. (3)	F.LLI DE BENEDETTI S.p.A.	30.759%	45.256%	44.736%
COBAS ASSET MANAGEMENT SGIIC SA	COBAS ASSET MANAGEMENT SGIIC SA	13.203%	11.385%	11.254%
BESTINVER GESTION SGIIC SA	BESTINVER GESTION SGIIC SA	13.193%	9.951%	9.837%

(1) Ratio existing as of the Date of the Offer Document between: (i) the voting rights of a particular Shareholder on the subjects as per Art. 105 TUF, pertaining to the Shares held by the same, and (ii) the total of 1,693,234,901 voting rights that can be cast on subjects as per Art. 105 TUF, associated with the total number of Shares of the Issuer after the 26,708,861 own Shares held by the Issuer have been deducted.

(2) Ratio existing as of the Date of the Offer Document, between: (i) the voting rights of a particular Shareholder on the subjects as per Art. 105 TUF, pertaining to the Shares held by the same, and (ii) the total of 1,712,931,615 voting rights on subjects as per Art. 105 TUF, pertaining to the total number of Shares of the Issuer, and after the deduction, as an effect as per Art. 44-bis, paragraph 4, letter b) of the Rules for Issuers, of the 7,012,147 own Shares not earmarked for fulfilling future obligations resulting from compensation plans approved as per the terms of Art. 114-*bis* del TUF.

(3) FDB is holding 392,851,536 Shares, of which 373,441,844 Shares have Increased Voting Rights.

As of the Date of the Offer Document, FDB has de facto control over the Issuer. Its registered office is in Turin, Via Valeggio 41, share capital of Euro 170,820,000, fully paid up, tax code and registration number with the Turin Register of Companies no. 05936550010, as per the terms of Article 93 of the TUF, as it has title to a Percentage of the Voting Capital of 45.256%. FDB has declared its intention not to accept the Offer.

In the event of full acceptance of the Offer and taking into account the Shares that the Issuer already has in its portfolio as of the Date of the Offer Document, CIR would be the owner of 183,571,606 Shares, corresponding to a Percentage of the Ordinary Capital of 14.373%.

The following chart contains a projection of the possible evolution of the Percentage of the Voting Capital held by the Shareholders specified in the previous chart in accordance with the combined provisions of Art 2357-*ter*, paragraph 2, last sentence, and Art. 2368, paragraph 3, of the Civil Code, assuming that the Offer is fully subscribed, that none of the said Shareholders accept it and that none of the Shares tendered under the Offer have increased voting rights.

POSSIBLE EVOLUTION OF THE PERCENTAGES OF VOTING CAPITAL			
Declarant	***Direct Shareholder***	***Percentage of Voting Capital as of Date of Offer Document (1)***	***Percentage of Voting Capital if Offer is fully subscribed***
F.LLI DE BENEDETTI S.p.A.	F.LLI DE BENEDETTI S.p.A	45.256%	49.877%
COBAS ASSET MANAGEMENT SGIIC SA	COBAS ASSET MANAGEMENT SGIIC SA	11.385%	12.547%
BESTINVER GESTION SGIIC SA	BESTINVER GESTION SGIIC SA	9.951%	10.967%

(1) Ratio existing as of the Date of the Offer Document between: (i) the voting rights of a particular Shareholder on the subjects as per Art. 105 TUF, pertaining to the Shares owned, and (ii) the total number of 1,693,234,901 voting rights that can be cast on the subjects as per Art. 105 TUF, pertaining to the total number of the Shares of the Issuer, after the 26,708,861 own Shares held by the Issuer have been deducted.

Regarding the existence of possible shareholder agreements relevant as per Art. 122 of the TUF, it should be noted that on March 16 2021 Rodolfo De Benedetti, Marco De Benedetti, Edoardo De Benedetti (for the purposes of this Paragraph, the "**Shareholders**"), FDB and Margherita Crosetti signed the Agreement in force as of the Date of the Offer Document, which contains clauses relevant to the provisions of Art. 122, paragraphs 1 and 5, letters a), b) and c), TUF, regarding the shares of (i) FDB, controlling shareholder of the Offeror, and of (ii) CIR, i.e. the Offeror.

The Agreement is binding on the Shareholders, who together hold 100% of the share capital of FDB, as well as on Margherita Crosetti, as holder of usufruct with voting rights for part of the shares of FDB, and on FDB itself, as owner of CIR shares.

For further information regarding the Agreement, see the extract from the Agreement pursuant to Art. 129 of the Rules for Issuers given in Section M of the Offer Document, as well as essential information on the Agreement published in accordance with the terms of Art. 130 of the Rules for Issuers on the CIR website www.cirgroup.it, "*Governance/Shareholder Agreements*".

As far as CIR is aware, apart from the Agreement there are no other shareholder agreements of relevance as per the terms of Art. 122 of the TUF regarding CIR shares.

For further information on the significance of the Agreement for the purposes of the non-applicability of the mandatory incremental offer, see the previous Section A, Paragraph A.11, of the Offer Document.

B.1.4 **Brief description of the Group**

The Offeror is a holding company of equity investments, listed on the MTA with controlling interests in companies active in different sectors and more specifically: the company KOS S.p.A, operating in the social-healthcare sector, Sogefi S.p.A., operating the automotive components sector, CIR Investimenti S.p.A. and CIR International S.A., which manage exclusively financial affairs.

Social-healthcare sector

The KOS group provides social healthcare services, managing a total of 136 facilities (nursing homes for the elderly, functional and psychiatric rehabilitation units, hospitals) with a total of 12,500 beds in Italy and Germay and around 11,600 employees. It is organized in the following areas of activity:

- *Long Term Care* Italy: managing 52 nursing homes for the elderly with the Anni Azzurri brand, 37 rehabilitation units both functional, with the Santo Stefano brand, and psychiatric, with the Neomesia brand, for a total of approximately 8,500 beds;
- *Long-term care* Germany: managing 47 nursing homes, through the subsidiary Charleston, which has around 4,000 beds;
- *Acute care*: managing under concession the public hospital in Suzzara near Mantua with 123 beds;
- *Diagnostics and oncology treatments* in India: managing under contract high technology diagnostics and radiotherapy services with 14 centres operational in India. The diagnostics and oncology treatment businesses in Italy and the UK were sold by KOS to DWS Infrastructure in the fourth quarter of 2020.

The *Long Term Care* sector has very solid fundamentals, given the demographic and social evolution. KOS is a market leader in Italy and recently acquired a significant position in Germany, a country that offers further opportunities for growth.

In 2020, the KOS group suffered the impact of the spread of the Covid-19 pandemic. The number of guests in the care homes gradually fell due to the lower number of entries and then stabilized at much lower levels than those before the pandemic both in Italy and, to a lesser extent, in Germany.

Even the rehabilitation business contracted sharply during the acute phase in which the virus was spreading because of the reduction in routine hospital activity needed for hospitals to be able to cope with the emergency. The recovery was however more rapid. Significant additional costs were incurred for managing the emergency both for protective equipment and for extra staff to counter the emergency.

For the results for the year 2020, see Section B, Paragraph B.1.6, of the Offer Document.

As far as the outlook for the year is concerned, it is expected, thanks to the vaccines, that there will be a return to pre-Covid levels for Rehabilitation services during 2021 and for care-homes in Italy during 2022. In Germany, where the pandemic had less of an impact and more public support, the results should continue to be in line with the growth expectations formulated at the time of the acquisition in 2019.

Automotive components sector

The Sogefi group operates in the design and production of filtration systems, engine air and cooling systems, and suspension components. The group supplies the main world producers of cars and commercial vehicles both with original equipment and spare parts, where it also operates in the Aftermarket channel, and has 40 production plants in 23 countries in 4 continents.

The Air and Cooling Business Unit focuses on the design and production of high-tech thermoplastic parts for motor vehicles, including air intake manifolds, intercooler pipes, systems for managing engine temperature, pump modules for the cooling liquid, with applications both for combustion engines and for electric motors. In this sector, the company has for years had a position of leadership in Europe, a significant position in the North American market and an area of growth in South East Asia.

The Filtration Business Unit produces a complete range of filters for original equipment (*OEM*), for the original parts market (*OES*) and for the Independent Aftermarket (*IAM*), where it serves the independent workshop channel, selling products under the following brands that it owns: CoopersFiaam, FRAM, Purflux, Sogefi Pro. In this sector Sogefi has in important role particularly in the European market with areas of growth in North America and India.

The Suspensions Business Unit produces a complete range of flexible parts for suspension systems, such as coil springs, stabilizer bars, torsion bars, stabilinkers, leaf springs and precision springs, designed in close collaboration with the main car-makers and used on cars, light and heavy commercial vehicles, earth moving equipment, armoured vehicles and railway trucks. In this sector Sogefi has a position of leadership in Europe and in the South American market with areas of development in China and North America.

In 2020 the Sogefi group was also affected by the Covid-19 epidemic as in the first half of the year world car production suffered an unprecedented fall (-33.2%) due to the suspension of production by all car producers, while in the second part of the year and in the first quarter of 2021 the market reported a definite recovery, despite the fact that there was still considerable uncertainty as to the future trend of demand for motor vehicles and the availability of raw materials.

For the results for the year 2020, see Section B, Paragraph B.1.6, of the Offer Document.

For 2021, sources commonly used by the sector are expecting a recovery in world production of 13.7% compared to 2020, but production will still be lower than in 2019 (-4.8%). In this scenario, Sogefi expects to return to profit for the full year 2021, thanks to the recovery in volumes and the action on costs already taken with more planned for the future.

Financial management activities

CIR carries out part of its financial management activity through its subsidiaries CIR Investimenti S.p.A. and CIR International S.A..

At December 31 2021, liquidity and financial investments totalled Euro 467.9 million; this sum is managed following guidelines established by the Board of Directors, which are updated from time to time. The current investment policy has a conservative risk profile and funds are allocated to financial instruments that can easily be liquidated, in line with the Company's need to have liquidity available for potential investment activity of a strategic nature.

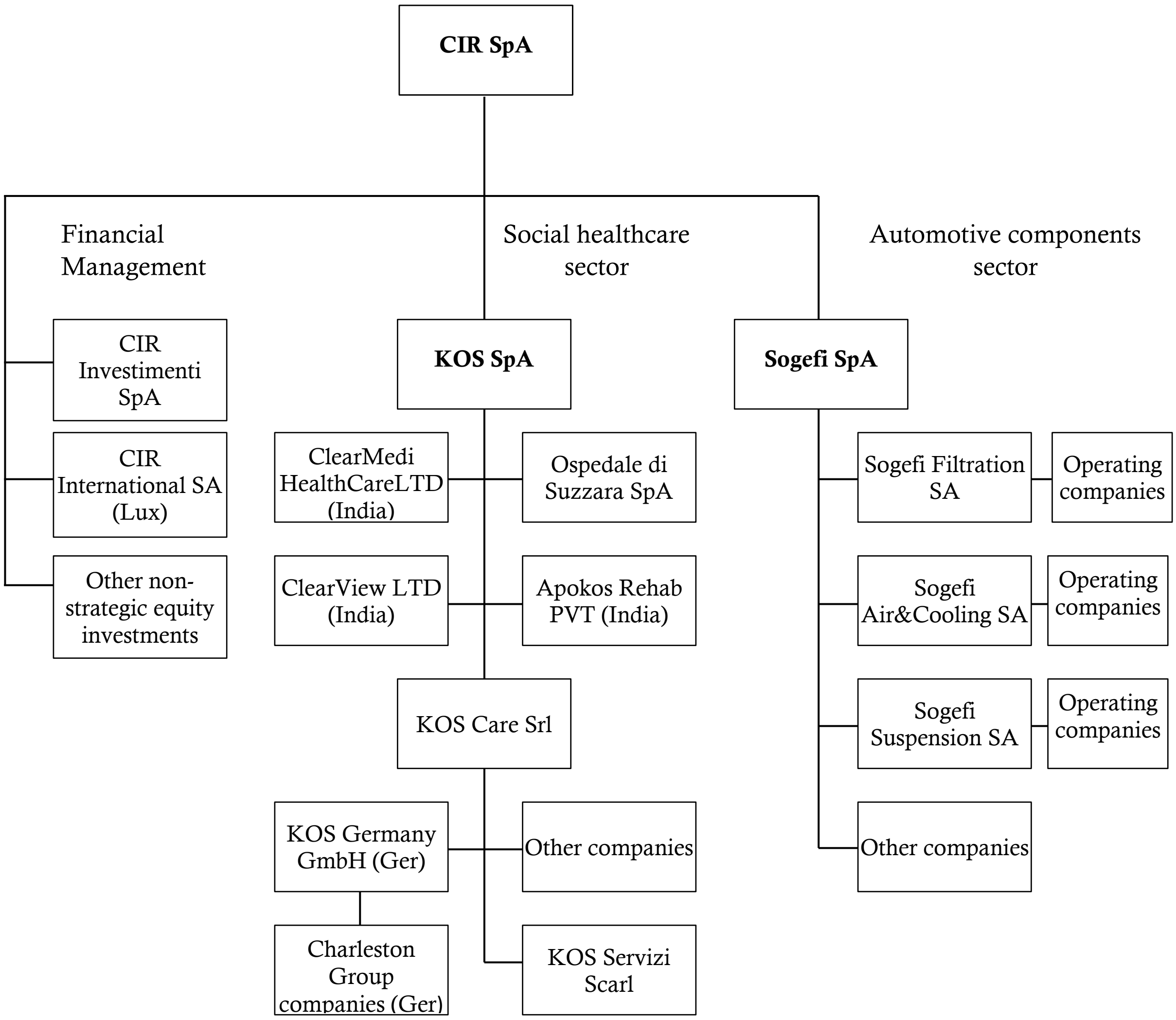
At the end of 2020, assets that could easily be liquidated amounted to Euro 392.1 million, of which 12% was in bank deposits, 70% in bond funds, 15% in hedge funds and 4% in stock funds. The return for the year 2020 was 5.3% on the average capital invested.

In addition to easily cashable financial assets, CIR has a portfolio of private equity funds, which at December 31 2021 totalled Euro 56 million, and a portfolio of non-core minority investments, including the 5% interest in GEDI, which amounted to Euro 19.8 million.

As well as the assets listed above, CIR also has a portfolio of real-estate investments, of which some are instrumental and some are leased to third parties, with a carrying value at the end of 2020 of Euro 18.7 million, which is considerably lower than professional valuations.

Simplified diagram showing the structure of the Group

Below is a complete list of the companies belonging to the CIR Group as of the Date of the Offer Document.



(A) Subsidiaries consolidated using the line-by-line method

Below is a list of the subsidiaries fully consolidated on a line-by-line basis.

Company name	*Registered office*	*Share/quota capital*	*Currency*	*Held by*	*Investment %*
CIR GROUP					
CIR INTERNATIONAL S.A.	Luxembourg	15,000,000.00	Euro	CIR S.p.A.	100.00
CIGA LUXEMBOURG S.À.R.L.	Luxembourg	1,000,000.00	Euro	CIR S.p.A.	100.00
JUPITER MARKETPLACE S.R.L.	Italy	100,000.00	Euro	CIR S.p.A.	100.00
CIR INVESTIMENTI S.P.A.	Italy	19,426,162.00	Euro	CIR S.p.A.	100.00
KOS GROUP					
KOS S.P.A.	Italy	8,848,103.70	Euro	CIR S.p.A.	59.77
OSPEDALE DI SUZZARA S.P.A.	Italy	120,000.00	Euro	KOS S.p.A.	99.90
CLEARMEDI HEALTHCARE LTD	India	58,464,060.00	INR	KOS S.p.A.	95.07
				CLEARVIEW HEALTHCARE LTD	4.93
					100.00
KOS CARE S.R.L.	Italy	2,550,000.00	Euro	KOS S.p.A.	100.00
CLEARVIEW HEALTHCARE LTD	India	4,661,880.00	INR	KOS S.p.A..	85.19
ABITARE IL TEMPO S.R.L.	Italy	100,826.00	Euro	KOS CARE S.r.l.	54.00
SANATRIX S.R.L.	Italy	843,700.00	Euro	KOS CARE S.r.l.	91.27
SANATRIX GESTIONI S.R.L.	Italy	300,000.00	Euro	SANATRIX S.r.l.	99.61
JESILAB S.R.L.	Italy	80,000.00	Euro	KOS CARE S.r.l.	100.00
FIDIA S.R.L.	Italy	10,200.00	Euro	KOS CARE S.r.l.	60.00
VILLA MARGHERITA S.R.L.	Italy	20,000.00	Euro	KOS CARE S.r.l.	100.00
CASA DI CURA SANT'ALESSANDRO S.R.L.	Italy	10,000.00	Euro	KOS CARE S.r.l.	100.00
FINORO IMMOBILIARE S.R.L.	Italy	52,000.00	Euro	KOS CARE S.r.l.	100.00
GES.CA.S. VILLA ARMONIA NUOVA S.R.L.	Italy	52,000,00	Euro	Finoro Immobiliare S.r.l.	100.00
KOS GERMANY GMBH	Germany	25,000,00	Euro	KOS Care S.r.l.	100.00
CHARLESTON HOLDING GMBH	Germany	1,025,000.00	Euro	KOS Germany GmbH	100.00
REGENTA BETRIEBSGESELLSCHAFT MBH	Germany	250,000.00	Euro	Charleston Holding GmbH	100.00
ELISABETHENHAUS BETRIEBSGESELLSCHAFT MBH	Germany	250,000,00	Euro	Charleston Holding GmbH	100.00
DIENSTLEISTUNGSGESELLSCHAFT FÜR SOZIALEINRICHTUNGEN MBH	Germany	25,600.00	Euro	Charleston Holding GmbH	100.00
WOHN- UND PFLEGEZENTRUM FRIESENHOF GMBH	Germany	25,000.00	Euro	Charleston Holding GmbH	100.00
WOHN- & PFLEGEZENTRUM GUT HANSING GMBH	Germany	50,000.00	Euro	Charleston Holding GmbH	100.00
RDS RESIDENZPARK DIENSTLEISTUNG & SERVICE GMBH	Germany	25,000.00	Euro	Wohn- & Pflegezentrum Gut Hansing GmbH	100.00

Company name	*Registered office*	*Share/quota capital*	*Currency*	*Held by*	*Investment %*
WOHN- UND PFLEGEZENTRUM HAUS TEICHBLICK GMBH	Germany	128,150.00	Euro	Charleston Holding GmbH	100.00
DIENSTLEISTUNGSGESELLSCHAFT FÜR SOZIALEINRICHTUNGEN - NORD MBH	Germany	25,000.00	Euro	Wohn- und Pflegezentrum Haus Teichblick GmbH	100.00
WOHN- UND PFLEGEZENTRUM HAUS AM BAHNHOF GMBH	Germany	51,150.00	Euro	Charleston Holding GmbH	100.00
RSG ROTENBURGER SERVICEGESELLSCHAFT AM BAHNHOF MBH	Germany	25,000.00	Euro	Charleston Holding GmbH	100.00
WOHN- UND PFLEGEZENTRUM HAUS OTTERSBERG GMBH	Germany	51,150.00	Euro	Charleston Holding GmbH	100.00
OSW OTTERSBERGER SERVICEGESELLSCHAFT WÜMMEBLICK MBH	Germany	25,000.00	Euro	Wohn- und Pflegezentrum Haus Ottersberg GmbH	100.00
WOHN- & PFLEGEZENTRUM SEEHOF GMBH	Germany	51,200.00	Euro	Charleston Holding GmbH	100.00
DGS DIENSTLEISTUNGSGESELLSCHAFT SEEHOF MBH	Germany	26,000.00	Euro	Wohn- & Pflegezentrum Seehof GmbH	100.00
WOHN- UND PFLEGEZENTRUM HAUS SCHWANEWEDE GMBH	Germany	27,500.00	Euro	Charleston Holding GmbH	100.00
PROGUSTO SCHWANEWEDER SERVICEGESELLSCHAFT MBH	Germany	25,000.00	Euro	Wohn- und Pflegezentrum Haus Schwanewede GmbH	100.00
ALTEN- UND PFLEGEZENTRUM ZU BAKUM GMBH	Germany	51,129.00	Euro	Charleston Holding GmbH	100.00
APZ ZU BAKUM SERVICEGESELLSCHAFT MBH	Germany	25,000.00	Euro	Alten- und Pflegezentrum zu Bakum GmbH	100.00
CURATUM BETEILIGUNGS- UND VERWALTUNGSGESELLSCHAFT MBH	Germany	25,000.00	Euro	Charleston Holding GmbH	100.00
SENIORENDOMIZIL HAUS AM PARK GMBH	Germany	50,000.00	Euro	Curatum Beteiligungs- und Verwaltungsgesellsch aft mbH	100.00
VSG VÖRDER SERVICE GESELLSCHAFT MBH	Germany	25,000.00	Euro	Seniorendomizil Haus am Park GmbH	100.00
WOHN- UND PFLEGEZENTRUM BURG AUF FEHMARN GMBH	Germany	25,000.00	Euro	Curatum Beteiligungs- und Verwaltungsgesellsch aft mbH	100.00
FFH FEHMARNSCHE FLINKE HÄNDE SERVICEGESELLSCHAFT MBH	Germany	25,000.00	Euro	Wohn- und Pflegezentrum Burg auf Fehmarn GmbH	100.00
LANDHAUS GLÜCKSTADT WOHN- & PFLEGEZENTRUM GMBH	Germany	51,129.00	Euro	Curatum Beteiligungs- und Verwaltungsgesellsch aft mbH	100.00
LH GLÜCKSTADT SERVICEGESELLSCHAFT MBH	Germany	25,000.00	Euro	Landhaus Glückstadt Wohn- & Pflegezentrum GmbH	100.00
WOHN- UND PFLEGEZENTRUM HAUS AM GOLDBACH GMBH	Germany	50,000.00	Euro	Curatum Beteiligungs- und Verwaltungsgesellsch aft mbH	100.00

Company name	***Registered office***	***Share/quota capital***	***Currency***	***Held by***	***Investment %***
GBS GOLDBACH SERVICEGESELLSCHAFT MBH	Germany	25,000.00	Euro	Wohn- und Pflegezentrum Haus am Goldbach GmbH	100.00
WOHN- & PFLEGEZENTRUM UP'N KAMP GMBH	Germany	26,000.00	Euro	Curatum Beteiligungs- und Verwaltungsgesellschaft mbH	100.00
BSG BÖRDE SERVICEGESELLSHCAFT MBH	Germany	25,565.00	Euro	Wohn- & Pflegezentrum Up'n Kamp GmbH	100.00
CHARLESTON VOR GMBH	Germany	25,000.00	Euro	Charleston Holding GmbH	100.00
SSB SERVICEGESELLSCHAFT SELSINGER BÖRDE MBH	Germany	25,000.00	Euro	Charleston VOR GmbH	100.00
CHARLESTON - AMBULANTE DIENSTE GMBH	Germany	25,000.00	Euro	Charleston Holding GmbH	100.00
SENOVUM GMBH	Germany	226,000.00	Euro	Charleston Holding GmbH	100.00
WOHN- UND PFLEGEHEIM LESMONA GMBH	Germany	25,000.00	Euro	Charleston Holding GmbH	100.00
WPH LESMONA SERVICEGESELLSCHAFT MBH	Germany	25,000.00	Euro	Wohn- und Pflegeheim Lesmona GmbH	100.00
SENIOREN- UND PFLEGEHAUS "DRENDEL" BETRIEBS GMBH	Germany	30,000.00	Euro	Charleston Holding GmbH	100.00
WOHN- UND PFLEGEEINRICHTUNG BAD CAMBERG GMBH -ANNA-MÜLLER-HAUS-	Germany	100,000.00	Euro	Charleston Holding GmbH	100.00
WOHN- UND PFLEGEZENTRUM HAUS KIKRA GMBH	Germany	26,000.00	Euro	Charleston Holding GmbH	100.00
MPS CATERING GMBH	Germany	25,000.00	Euro	Charleston Holding GmbH	100.00
BAYERNSTIFT - GESELLSCHAFT FÜR SOZIALE DIENSTE UND GESUNDHEIT MBH	Germany	250,000.00	Euro	Charleston Holding GmbH	100.00
BAYERNSTIFT SERVICE GMBH	Germany	25,000.00	Euro	BayernStift - Gesellschaft für Soziale Dienste und Gesundheit mbH	100.00
SLW ALTENHILFE LIEBFRAUENHAUS GMBH	Germany	50,000.00	Euro	BayernStift - Gesellschaft für Soziale Dienste und Gesundheit mbH	100.00
BAYERNSTIFT MOBIL GMBH	Germany	25,000.00	Euro	BayernStift - Gesellschaft für Soziale Dienste und Gesundheit mbH	100.00
DIE FRANKENSCHWESTERN GMBH	Germany	25,000.00	Euro	Bayernstift Mobil GmbH	60.00
BRISA MANAGEMENT GMBH	Germany	25,000.00	Euro	Charleston Holding GmbH	100.00
WOHNPARK DR. MURKEN GMBH	Germany	25,000.00	Euro	Brisa Management GmbH	100.00
WOHNPARK KLOSTERGARTEN GMBH	Germany	26,000.00	Euro	Brisa Management GmbH	100.00
WOHNPARK SCHRIEWESHOF GMBH	Germany	25,000.00	Euro	Brisa Management GmbH	100.00

Company name	*Registered office*	*Share/quota capital*	*Currency*	*Held by*	*Investment %*
WOHNPARK LUISENHOF GMBH	Germany	25,000.00	Euro	Brisa Management GmbH	100.00
CHRISTOPHORUS SENIORENRESIDENZEN GMBH	Germany	25,000.00	Euro	Brisa Management GmbH	100.00
CHRISTOPHORUS PFLEGE- UND BETREUUNGSDIENSTE GMBH	Germany	25,000.00	Euro	Brisa Management GmbH	100.00
CHRISTOPHORUS INTENSIVPFLEGEDIENSTE GMBH	Germany	25,000.00	Euro	Brisa Management GmbH	100.00
WOHN- UND PFLEGEZENTRUM ESSEN GMBH	Germany	25,000.00	Euro	Charleston Holding GmbH	100.00
WOHN- UND PFLEGEZENTRUM MÜLHEIM GMBH	Germany	25,000.00	Euro	Charleston Holding GmbH	100.00
CHARLESTON DIENSTLEISTUNGSGESELLSCHAFT RUHR MBH	Germany	25,000.00	Euro	Charleston Holding GmbH	100.00
WOHN- UND PFLEGEZENTRUM NEUENSTEIN GMBH	Germany	25,000.00	Euro	Charleston Holding GmbH	100.00
SIG GMBH	Germany	25,000.00	Euro	Brisa Management GmbH	100.00
GSA GP GMBH	Germany	25,000.00	Euro	Brisa Management GmbH	100.00
GSA GMBH & CO. IMMOBILIEN VERWALTUNGS KG	Germany	5,000.00	Euro	Brisa Management GmbH	100.00
QLT.CARE GMBH	Germany	25,000.00	Euro	Charleston Holding GmbH	100.00
WOHN- UND PFLEGEZENTRUM CRAILSHEIM GMBH	Germany	25,000.00	Euro	Charleston Holding GmbH	100.00
WOHN- UND PFLEGEZENTRUM DURLANGEN GMBH	Germany	25,000.00	Euro	Charleston Holding GmbH	100.00
KOS SERVIZI SOCIETÀ CONSORTILE A R.L.	Italy	115,000.00	Euro	KOS S.p.A.	6.42
				KOS CARE S.r.l.	81.32
				OSPEDALE DI SUZZARA S.p.A.	2.15
				SANATRIX GESTIONI S.r.l.	3.02
				ABITARE IL TEMPO S.r.l.	4.94
				FIDIA S.r.l.	0.43
				JESILAB S.r.l.	0.43
				CASA DI CURA SANT'ALESSANDRO S.r.l.	0.43
				GES.CA.S. VILLA ARMONIA NUOVA S.r.l.	0.43
				VILLA MARGHERITA S.r.l.	0.43
					100.00

Company name	*Registered office*	*Share/quota capital*	*Currency*	*Held by*	*Investment %*
GRUPPO SOGEFI					
SOGEFI S.p.A. ([4])	Italy	62,461,355.84	Euro	CIR S.p.A.	55.64
SOGEFI FILTRATION ITALY S.p.A.	Italy	8,000,000.00	Euro	SOGEFI FILTRATION S.A.	99.88
SOGEFI FILTRATION S.A.	France	120,596,780.00	Euro	SOGEFI S.p.A.	99.99998
SOGEFI FILTRATION Ltd	UK	5,126,737.00	GBP	SOGEFI FILTRATION S.A.	100.00
SOGEFI AFTERMARKET S.L.U.	Spain	10,503000.00	Euro	SOGEFI FILTRATION S.A.	100.00
SOGEFI FILTRATION d.o.o.	Slovenia	10,291,798.00	Euro	SOGEFI FILTRATION S.A.	100.00
SOGEFI SUSPENSIONS S.A.	France	73,868,383.00	Euro	SOGEFI S.p.A.	99.999
FILTER SYSTEMS MAROC S.a.r.l.	Morocco	215,548,000.00	MAD	SOGEFI FILTRATION S.A.	100.00
SOGEFI FILTRATION RUSSIA LLC	Russia	6,800,000.00	RUB	SOGEFI FILTRATION S.A.	100.00
SOGEFI GESTION S.A.S.	France	100,000.00	Euro	SOGEFI S.p.A.	100.00
SOGEFI U.S.A. Inc.	United States	20,055,000.00	USD	SOGEFI S.p.A.	100.00
SOGEFI AIR & COOLING S.A.S.	France	54,938,125.00	Euro	SOGEFI S.p.A.	100.00
SOGEFI FILTRATION ARGENTINA S.A.	Argentina	820,510,522.00	ARP	SOGEFI FILTRATION S.A.	100.00
SHANGHAI SOGEFI AUTO PARTS Co., Ltd	China	13,000,000.00	USD	SOGEFI S.p.A.	100.00
SOGEFI (SUZHOU) AUTO PARTS CO., Ltd	China	37,400,000.00	USD	SOGEFI S.p.A.	100.00
ALLEVARD SPRINGS Ltd	UK	4,000,002.00	GBP	SOGEFI SUSPENSIONS S.A.	100.00
SOGEFI PC SUSPENSIONS GERMANY GmbH	Germany	50,000.00	Euro	SOGEFI SUSPENSIONS S.A.	100.00
SOGEFI SUSPENSION ARGENTINA S.A.	Argentina	61,356,535.00	ARP	SOGEFI SUSPENSIONS S.A.	89.999
				SOGEFI SUSPENSIONS BRASIL Ltda	9.9918
					99.99
IBERICA DE SUSPENSIONES S.L. (ISSA)	Spain	10,529,668.00	Euro	SOGEFI SUSPENSIONS S.A.	50.00

([4]) 56.63% net of the treasury shares

Company name	*Registered office*	*Share/quota capital*	*Currency*	*Held by*	*Investment %*
SOGEFI SUSPENSION BRASIL Ltda	Brazil	37,161,683.00	BRL	SOGEFI SUSPENSIONS S.A.	99.997
				ALLEVARD SPRINGS Ltd	0.003
					100.00
UNITED SPRINGS Ltd	UK	4,500,000.00	GBP	SOGEFI SUSPENSIONS S.A.	100.00
UNITED SPRINGS B.V.	Holland	254,979.00	Euro	SOGEFI SUSPENSIONS S.A.	100.00
SHANGHAI ALLEVARD SPRING Co., Ltd	China	5,335,308.00	Euro	SOGEFI SUSPENSIONS S.A.	60.58
UNITED SPRINGS S.A.S.	France	5,109,000.00	Euro	SOGEFI SUSPENSIONS S.A.	100.00
SOGEFI HD SUSPENSIONS GERMANY GmbH	Germany	50,000.00	Euro	SOGEFI PC SUSPENSIONS GERMANY GmbH	100.00
S.ARA COMPOSITE S.A.S.	France	13,000,000.00	Euro	SOGEFI SUSPENSIONS S.A.	96.15
SOGEFI ENGINE SYSTEMS INDIA Pvt Ltd	India	21,254,640.00	INR	SOGEFI FILTRATION S.A.	64.29
				SOGEFI AIR & COOLING S.A.S.	35.71
					100.00
ALLEVARD IAI SUSPENSIONS Pvt Ltd	India	432,000,000.00	INR	SOGEFI SUSPENSIONS S.A.	74.23
SOGEFI AIR & COOLING CANADA CORP.	Canada	9,393,000.00	CAD	SOGEFI AIR & COOLING S.A.S.	100.00
SOGEFI AIR & COOLING USA Inc.	United States	100.00	USD	SOGEFI AIR & COOLING S.A.S.	100.00
SOGEFI ENGINE SYSTEMS MEXICO S. de R.L. de C.V.	Mexico	126,246,760.00	MXN	SOGEFI AIR & COOLING CANADA CORP.	99.9999992
				SOGEFI AIR & COOLING S.A.S.	0.0000008
					100.00
S.C. SOGEFI AIR & COOLING S.r.l.	Romania	7,087,610.00	RON	SOGEFI AIR & COOLING S.A.S.	100.00
SOGEFI SUSPENSIONS HEAVY DUTY ITALY S.p.A.	Italy	6,000,000.00	Euro	SOGEFI SUSPENSIONS S.A.	99.88
SOGEFI SUSPENSIONS PASSENGER CAR ITALY S.p.A.	Italy	8,000,000.00	Euro	SOGEFI SUSPENSIONS S.A.	99.88
SOGEFI SUSPENSION EASTERN EUROPE S.R.L.	Romania	31,395,890.00	RON	SOGEFI SUSPENSIONS S.A.	100.00

(C) Equity investments in associates measured at equity

Company name	*Registered office*	*Share/quota capital*	*Currency*	*Held by*	*Investment %*
GRUPPO CIR					
DEVIL PEAK S.R.L.	Italy	69,659.00	Euro	NEXENTI S.r.l.	36.16
GRUPPO CIR INTERNATIONAL					
KTP GLOBAL FINANCE S.C.A.	Luxembourg	566,573.75	Euro	CIR INTERNATIONAL S.A.	47.55
GRUPPO KOS					
APOKOS REHAB PVT LTD	India	169,500,000.00	INR	KOS S.p.A.	50.00

(D) Equity investements in subsidiary and associates measured at cost

Company name	*Registered office*	*Share/ quota capital*	*Currency*	*Held by*	*Investment %*
GRUPPO KOS					
OSIMO SALUTE S.P.A.	Italy	750,000.00	Euro	ABITARE IL TEMPO S.r.l.	25.50
GRUPPO CIR INTERNATIONAL					
KTP GLOBAL FINANCE MANAGEMENT S.A.	Luxembourg	31,000.00	Euro	CIR INTERNATIONAL S.A.	46.00

B.1.5 **Administrative and Control Bodies**

B.1.5.1 Board of Directors

In accordance with Article 11 of CIR's Company Bylaws, the Issuer is administered by a Board of Directors consisting of between 5 and 21 members.

The Board of Directors of the Issuer in office as of the Date of the Offer Document was appointed by the Annual General Meeting of the Shareholders on June 8 2020 and will remain in office until the approval of the financial statements for the year that will end of December 31 2022. Below is a chart showing the members of the Board of Directors.

Position held	**Name**	**Place and date of birth**	**Date appointed**
Chairman	Rodolfo De Benedetti	Turin, July 2 1961	June 8 2020
Chief Executive Officer and General Manager	Monica Mondardini	Montescudo (RN), September 26 1960	June 8 2020
Director	Philippe Bertherat	Geneva (CH), October 2 1960	June 8 2020
Director	Maristella Botticini	Travagliato (BS), November 7 1966	June 8 2020
Director	Edoardo De Benedetti	Turin, December 7 1964	June 8 2020
Director	Marco De Benedetti	Turin, September 9 1962	June 8 2020
Director	Franco Debenedetti	Turin, January 7 1933	June 8 2020
Director	Paola Dubini	Novara, March 8 1963	June 8 2020
Director	Silvia Giannini	Ferrara, December 11 1952	June 8 2020

Position held	Name	Place and date of birth	Date appointed
Director	Francesca Pasinelli	Gardone Val Trompia (BS), March 23 1960	June 8 2020
Director	Maria Serena Porcari	Premosello-Chiovenda (VB), April 11 1971	June 8 2020

It should be noted that the Ordinary General Meeting held on June 8 2020 established 12 as the number of Board Members; following the resignation of Ms Pia Luisa Hahn Marocco, the AGM held on April 30 2021 approved the reduction of the number of Board Members from 12 to 11.

The appointment of the Board of Directors was carried out using the list vote method. The directors were drawn from the single list presented, that of the shareholder FDB.

Of the 11 members of the Board of Directors, 6 are independent directors, as per the terms of the TUF and the Corporate Governance Code adopted by the Company: Philippe Bertherat, Maristella Botticini, Paola Dubini, Silvia Giannini, Francesca Pasinelli and Maria Serena Porcari.

The Board of Directors, again on June 8 2020, appointed Rodolfo De Benedetti as Chairman of the Board of Directors and Monica Mondardini as Chief Executive Officer.

The Chairman of the Board of Directors, Rodolfo De Benedetti, also holds the position of Chairman of the Board of Directors of the subsidiary CIR Investimenti S.p.A. and is a Director of the subsidiary Sogefi S.p.A.; the Chief Executive Officer and General Manager, Monica Mondardini, is also Chairman of the Board of Directors of the subsidiary Sogefi S.p.A. and is a Director of the subsidiary KOS S.p.A. Apart from the Chairman of the Board of Directors and the Chief Executive Officer, the remaining directors were not holding any positions in companies of the CIR Group as of the Date of the Offer Document.

For further information on the members of the Board of Directors, reference should be made to their CVs available on the Issuer's website www.cirgroup.it, "*Governance/Shareholders Meeting/Report on Corporate Governance and ownership structure for financial year 2020*".

The chart below shows the shareholding interests owned by the Directors of CIR in the Issuer and/or in other companies of the CIR Group as of the Date of the Offer Document.

Position held	Name	Investee company	Number of shares owned as of the Date of the Offer Document
Chairman of the Board of Directors	Rodolfo De Benedetti	CIR S.p.A.	16,497,569
Director	Franco Debenedetti	CIR S.p.A.	753,570

B.1.5.2 Board of Statutory Auditors

As per the terms of Article 22 of CIR's Company Bylaws, the Board of Statutory Auditors consists of 3 statutory auditors in office and 3 reserve auditors.

The Board of Statutory Auditors of the Issuer in office as of the date of the Offer Document was appointed by the Annual General Meeting of the Shareholders on June 8 2020 and will remain in office until the approval of the financial statements for the year that will end on December 31 2022. Its composition is shown in the chart below.

Position held	Name	Place and date of birth	Date appointed
Chairman of the Board of Statutory Auditors	Francesco Mantegazza	Milan, May 3 1973	June 8 2020
Statutory Auditor	Maria Maddalena Gnudi	Pesaro (PU), March 13 1979	June 8 2020
Statutory Auditor	Gaetano Rebecchini	Washington D.C. (U.S.A.), March 24 1987	June 8 2020
Reserve Auditor	Antonella Dellatorre	Casale Monferrato (AL), January 9 1971	June 8 2020
Reserve Auditor	Luigi Macchiorlatti Vignat	Turin, September 25 1963	June 8 2020
Reserve Auditor	Gianluca Marini	Rome, June 3 1965	June 8 2020

The appointment was made using the list vote method. The members of the Board of Statutory Auditors were drawn from the single list presented to the AGM, by the Shareholder FDB.

Alternate Auditor Luigi Macchiorlatti Vignat is also a statutory auditor in office of the subsidiaries KOS S.p.A. and CIR Investimenti S.p.A.; Alternate Auditor Antonella Dellatorre is also a statutory auditor in office of the subsidiary CIR Investimenti S.p.A. The other members of the Board of Statutory Auditors have no positions in other companies of the CIR Group as of the date of the Offer Document.

As of the Date of the Offer Document, none of the members of the Board of Statutory Auditors of the Offeror has declared that he or she owns any Shares of the Issuer.

B.1.5.3 Legal Auditor

The company appointed to carry out the legal audit of the statutory and consolidated financial statements of the Issuer and of the statutory and consolidated statements of the companies of the Group is KPMG S.p.A., with registered office in Milano, Via Vittor Pisani 25 (the "**Firm of Auditors**").

The mandate was given by the AGM of the Issuer on April 29 2016 and will end with the approval of the financial statements for the year that will end on December 31 2025.

The latest Audit Report report was issued on April 8 2021 without any critical issues or requests for further information. The report can be found on page 207 of the booklet containing the Financial Statements for the year ended December 31 2020 and is available on the Company's website www.cirgroup.it in the section "*Investors/Financial Reports*".

B.1.6 **Financial Statements**

Foreword

The following financial statements were drawn, for the sole purpose of this Offer Document, from the financial statements included in the Consolidated Financial Statements of the Issuer for the financial years ended December 31 2020 and December 31 2019.

The consolidated financial statements and the statutory financial statements for the financial years ended December 31 2020 and December 31 2019, prepared on the basis of the going concern assumption, were prepared in accordance with the International Financial Reporting Standards adopted by the European Union and with the measures published in implementation of Art 9 of D.Lgs. 38/05.

(A) Consolidated statement of financial position of CIR group

(in thousands of Euro)

ASSETS	***31.12.2020***	***31.12.2019***
NON-CURRENT ASSETS	**2,310,573**	**2,436,085**
INTANGIBLE ASSETS	625,128	670,368
PROPERTY, PLANT AND EQUIPMENT	640,347	701,188
RIGHT-OF-USE ASSETS	835,988	865,988
INVESTMENT PROPERTY	15,770	16,481
EQUITY-ACCOUNTED INVESTEES	596	851
OTHER EQUITY INVESTMENTS	13,572	1,863
OTHER ASSETS	45,284	45,982
OTHER FINANCIAL ASSETS	64,146	67,866
DEFERRED TAX ASSETS	69,742	65,498
CURRENT ASSETS	**1,150,810**	**1,074,058**
INVENTORIES	107,066	119,985
TRADE RECEIVABLES	196,928	260,813
of which with related parties (*)	*--*	*611*
OTHER ASSETS	66,904	61,029
of which with related parties (*)	*133*	*105*
LOAN ASSETS	10,940	23,135
SECURITIES	48,992	35,482
OTHER FINANCIAL ASSETS	295,434	264,278
CASH AND CASH EQUIVALENTS	424,546	309,336
ASSETS HELD FOR SALE	**6,548**	**722,587**
TOTAL ASSETS	**3,467,931**	**4,232,730**
LIABILITIES	***31.12.2020***	***31.12.2019***
EQUITY	**987,820**	**1,116,971**
SHARE CAPITAL	625,125	345,998
RESERVES	91,225	43,355
RETAINED EARNINGS	38,314	112,885
PROFIT (LOSS) FOR THE YEAR	16,313	(69,807)
EQUITY ATTRIBUTABLE TO THE OWNERS OF THE PARENT	**770,977**	**432,431**
EQUITY ATTRIBUTABLE TO NON-CONTROLLING INTERESTS	216,843	684,540
NON-CURRENT LIABILITIES	**1,669,210**	**1,801,985**
BONDS	192,843	310,671
OTHER LOANS AND BORROWINGS	463,857	472,677
LEASE LIABILITIES	763,725	786,980
OTHER LIABILITIES	59,430	60,112
DEFERRED TAX LIABILITIES	56,699	56,852
EMPLOYEE BENEFIT OBLIGATIONS	93,812	85,906
PROVISIONS FOR RISKS AND CHARGES	38,844	28,787
CURRENT LIABILITIES	**805,649**	**817,131**
BANK LOANS AND BORROWINGS	4,561	8,455
BONDS	119,747	40,180
OTHER LOANS AND BORROWINGS	60,873	68,946

(in thousands of Euro)		
LEASE LIABILITIES	71,126	72,065
TRADE PAYABLES	341,218	396,391
OTHER LIABILITIES	161,796	173,043
PROVISIONS FOR RISKS AND CHARGES	46,328	58,051
LIABILITIES HELD FOR SALE	**5,252**	**496,643**
TOTAL LIABILITIES AND EQUITY	**3,467,931**	**4,232,730**

(B) Consolidated income statement of CIR group

(in thousands of Euro)	***2020***	***2019 (*)***
REVENUE	1,834,776	2,001,637
CHANGE IN INVENTORIES	(8,785)	(1,108)
COST FOR THE PURCHASE OF GOODS	(711,602)	(858,547)
COST FOR SERVICES	(273,049)	(291,115)
of which with related parties (**)	--	*(228)*
PERSONNEL EXPENSE	(563,862)	(532,373)
OTHER OPERATING INCOME	45,451	26,563
of which with related parties (**)	*90*	*688*
OTHER OPERATING EXPENSE	(95,953)	(70,238)
AMORTISATION, DEPRECIATION & IMPAIRMENT LOSSES	(218,972)	(190,393)
OPERATING PROFIT	**8,004**	**84,426**
FINANCIAL INCOME	5,815	7,062
FINANCIAL EXPENSE	(65,073)	(48,713)
DIVIDENDS	56	42
GAINS FROM TRADING SECURITIES	1,312	2,326
LOSSES FROM TRADING SECURITIES	(368)	(2,949)
SHARE OF PROFIT (LOSS) OF EQUITY-ACCOUNTED INVESTEES	(255)	43
FAIR VALUE GAINS ON FINANCIAL ASSETS	20,144	11,460
PROFIT (LOSS) BEFORE TAXES	**(30,365)**	**53,697**
INCOME TAX	(9,269)	(22,041)
PROFIT (LOSS) FROM CONTINUING OPERATIONS	**(39,634)**	**31,656**
PROFIT (LOSS) FROM DISCONTINUED OPERATIONS	61,067	(298,404)
PROFIT(LOSS) FOR THE YEAR INCLUDING NON-CONTROLLING INTERESTS	**21,433**	**(266,748)**
- PROFIT (LOSS) ATTRIBUTABLE TO NON-CONTROLLING INTERESTS	(5,120)	196,941
- PROFIT (LOSS) ATTRIBUTABLE TO THE OWNERS OF THE PARENT	**16,313**	**(69,807)**
BASIC EARNINGS (LOSS) PER SHARE (in euro)	0.0139	(0.1008)
DILUTED EARNINGS (LOSS) PER SHARE (in euro)	0.0138	(0.1008)
BASIC EARNINGS (LOSS) PER SHARE FROM CONTINUING OPERATIONS (IN EURO)	(0.0338)	0.0457
DILUTED EARNINGS (LOSS) PER SHARE FROM CONTINUING OPERATIONS (IN EURO)	(0.0338)	0.0457

(*) Certain 2019 figures, relating to "Assets held for sale", in KOS and Sogefi groups, have been reclassified to "Profit (loss) from discontinued operations" following the application of IFRS 5 "Non-current assets held for sale and discontinued operations".

(C) Consolidated statement of changes in equity of CIR group

(in thousands of Euro)	Attributable to the owners of the Parent														
	Share capital issued	less treasury shares	Share capital	Share premium reserve	Legal reserve	Fair value reserve	Translation reserve	Reserve for treasury shares	Stock option & stock grant reserve	Other reserves	Retained earnings (losses carried forward)	Profit (loss) for the year	Total	Non-controlling interests	Total
BALANCE AT DECEMBER 31 2018	**359,605**	**(12,082)**	**347,523**	**5,044**	**24,292**	**(988)**	**(19,227)**	**12,082**	**--**	**30,287**	**112,263**	**4,535**	**515,811**	**920,226**	**1,436,037**
Adjustments on FTA of IFRS 16 (net of taxs)	--	--	--	--	--	--	--	--	--	385	(2,472)	--	(2,087)	(4,392)	(6,479)
BALANCE RESTATED AT 1 JANUARY 2019	**359,605**	**(12,082)**	**347,523**	**5,044**	**24,292**	**(988)**	**(19,227)**	**12,082**	**--**	**30,672**	**109,791**	**4,535**	**513,724**	**915,834**	**1,429,558**
Capital increases	--	--	--	--	--	--	--	--	--	--	--	--	--	79	79
Dividends to Shareholders	--	--	--	--	--	--	--	--	--	(10,034)	--	--	(10,034)	(30,885)	(40,919)
Retained earnings	--	--	--	--	554	--	--	--	--	887	3,094	(4,535)	--	--	--
Adjustment for treasury share transactions	--	(1,525)	(1,525)	--	--	--	--	1,525	--	(1,505)	--	--	(1,505)	--	(1,505)
Effects of equity changes in subsidiaries	--	--	--	--	--	53	(50)	--	--	2,616	--	--	2,619	1,923	4,542
Comprehensive income for the year															
Fair value measurement of hedging instruments	--	--	--	--	--	235	--	--	--	--	--	--	235	492	727
Effects of changes in equity changes attributable to subsidiaries	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
Ttranslation differences	--	--	--	--	--	--	(1,086)	--	--	--	--	--	(1,086)	(2,388)	(3,474)
Actuarial losses	--	--	--	--	--	--	--	--	--	(1,715)	--	--	(1,715)	(3,574)	(5,289)
Profit for the year	--	--	--	--	--	--	--	--	--	--	--	(69,807)	(69,807)	(196,941)	(266,748)
Comprehensive expense for the year	*--*	*--*	*--*	*--*	*--*	*235*	*(1,086)*	*--*	*--*	*(1,715)*	*--*	*(69,807)*	*(72,373)*	*(202,411)*	*(274,784)*
BALANCE AT 31 DECEMBER 2019	**359,605**	**(13,607)**	**345,998**	**5,044**	**24,846**	**(700)**	**(20,363)**	**13,607**	**--**	**20,921**	**112,885**	**(69,807)**	**432,431**	**684,540**	**1,116,971**
Capital increases	--	--	--	--	--	--	--	--	--	--	--	--	--	82	82
Dividends to Shareholders	--	--	--	--	--	--	--	--	--	--	--	--	--	(3,000)	(3,000)
Losses carried forward	--	--	--	--	670	--	--	--	--	1,274	(71,751)	69,807	--	--	--
Effects of merger	278,999	--	278,999	--	--	(535)	(15,535)	--	--	75,333	(10)	--	338,252	(338,252)	--
Adjustment for treasury share transactions	--	128	128	--	--	--	--	(128)	--	145	(145)	--	--	--	--
Notional cost of stock options and stock grants	--	--	--	--	--	--	--	--	1,515	--	--	--	1,515	--	1,515
Movements between reserves	--	--	--	--	--	--	--	--	(34)	487	(453)	--	--	--	--
Effects of changes in equity attributable to subsidiaries	--	--	--	--	--	1	42	--	--	(2,039)	(2,212)	--	(4,208)	(121,292)	(125,500)
Comprehensive income for the year															
Fair value measurement of hedging instruments	--	--	--	--	--	(24)	--	--	--	--	--	--	(24)	(27)	(51)
Effects of changes in equity attributable to subsidiaries	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
Translation differences	--	--	--	--	--	--	(5,907)	--	--	--	--	--	(5,907)	(4,661)	(10,568)
Actuarial losses	--	--	--	--	--	--	--	--	--	(7,395)	--	--	(7,395)	(5,667)	(13,062)
Profit for the year	--	--	--	--	--	--	--	--	--	--	--	16,313	16,313	5,120	21,433
Comprehensive expense for the year	*--*	*--*	*--*	*--*	*--*	*(24)*	*(5,907)*	*--*	*--*	*(7,395)*	*--*	*16,313*	*2,987*	*(5,235)*	*(2,248)*
BALANCE AT 31 DECEMBER 2020	***638,604***	***(13,479)***	***625,125***	***5,044***	***25,516***	***(1,258)***	***(41,763)***	***13,479***	***1,481***	***88,726***	***38,314***	***16,313***	***770,977***	***216,843***	***987,820***

(D) Consolidated statement of cash flow of CIR group

(in thousands of Euro)

	2020	*2019*
OPERATING ACTIVITIES		
PROFIT (LOSS) FROM CONTINUING OPERATIONS	(39,634)	27,968
ADJUSTMENTS:		
AMORTISATION, DEPRECIATION & IMPAIRMENT LOSSES	218,972	204,845
NET FAIR VALUE GAINS (LOSSES) ON EQUITY-ACCOUNTED INVESTEES	255	(43)
NET GAINS ON STOCK OPTION / STOCK GRANT PLANS	2,031	2,358
CHANGES IN EMPLOYEE BENEFIT OBLIGATIONS, PROV. FOR RISKS & CHARGES	(1,331)	10,113
FAIR VALUE LOSSES ON FINANCIAL ASSETS	(20,272)	(7,394)
LOSSES ON DISPOSAL OF NON-CURRENT ASSETS	(53)	(2,839)
OTHER NON-MONETARY CHANGES	(2,215)	(2,938)
INCREASE (DECREASE) IN NON-CURRENT ASSETS/LIABILITIES	14,556	(5,193)
INCREASE IN NET WORKING CAPITAL	(1,457)	(4,362)
CASH FLOWS FROM OPERATING ACTIVITIES	**170,852**	**222,515**
of which:		
- interest paid	(29,480)	(27,783)
- income tax paid	(17,842)	(31,230)
INVESTING ACTIVITIES		
CONSIDERATION PAID FOR BUSINESS COMBINATIONS	(9,395)	(98,384)
NET FINANCIAL POSITION OF ACQUIRED COMPANIES	(182)	4,615
CHANGE IN OTHER LOAN ASSETS	11,845	1,824
(PURCHASE) SALE OF SECURITIES	(24,285)	25,207
SALE OF NON-CURRENT ASSETS	--	6,668
PURCHASE OF NON-CURRENT ASSETS	(128,792)	(180,555)
CASH FLOWS USED IN INVESTING ACTIVITIES	**(150,809)**	**(240,625)**
FINANCING ACTIVITIES		
PROCEEDS FROM CAPITAL INCREASES	82	79
OTHER CHANGES	--	(163)
DRAWDOWN OF OTHER LOANS AND BORROWINGS	(75,399)	250,038
REPAYMENT OF LEASE LIABILITIES	(66,904)	(49,247)
PURCHASE OF TREASURY SHARES OF GROUP COMPANIES	--	(4,686)
DIVIDENDS PAID	--	(40,919)
CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES	**(142,221)**	**155,102**
INCREASE (DECREASE) IN NET CASH & CASH EQUIVALENTS OF CONTINUING OPERATIONS	**(122,178)**	**136,992**
OPENING CASH FLOWS/NET CASH & CASH EQUIVALENTS		
FROM DISCONTINUED OPERATIONS	**241,282**	**6,334**
OPENING NET CASH & CASH EQUIVALENTS	**300,881**	**157,555**
CLOSING NET CASH & CASH EQUIVALENTS	**419,985**	**300,881**

(E) Consolidated net financial indebtedness of CIR group, in accordance with Consob Resolution no. 6064293 dated 28 July 2006

(in thousands of Euro)			*31.12.2020*	*31.12.2019*
A.	Cash and bank deposits		424,546	309,336
B.	Other cash equivalents		295,434	264,278
C.	Securities held for trading		48,992	35,482
D.	**Cash and cash equivalents (A) + (B) + (C)**		**768,972**	**609,096**
E.	**Current loan assets**		**10,940**	**23,135**
F.	Current bank loans and borrowings	(*)	(63,536)	(71,115)
G.	Bonds		(119,747)	(40,180)
H.	Current portion of non-current debt		(1,898)	(6,286)
I.	Lease liabilities (***)		(71,126)	(72,065)
J.	**Current financial indebtedness (F)+(G)+(H)+(I)**		**(256,307)**	**(189,646)**
K.	**Current net financial position (J)+(E)+(D)**		**523,605**	**442,585**
L.	Non-current bank loans and borrowings	(**)	(460,814)	(470,347)
M.	Bonds issued		(192,843)	(310,671)
N.	Other non-current liabilities	(**)	(3,043)	(2,330)
O.	Lease liabilities (***)		(763,725)	(786,980)
P.	**Non-current financial indebtedness (L)+(M)+(N)+(O)**		**(1,420,425)**	**(1,570,328)**
Q.	**Net financial indebtedness (K) + (P)**		**(896,820)**	**(1,127,743)**

(*) 58,975 thousand (€ 63,536 - € 4,561) is classified in the Statement of Financial Position under "Other loans and borrowings".

(**) Classified under "Other loans and borrowings" – Non-current Liabilities.

(***) *It should be noted that the items "I" and "O" referring to financial payables for rights of use include, for an amount of Euro 38 million, the remaining portions of the leasing contracts as per IAS 17 already outstanding at the date of first application of IFRS 16.*

The chart below shows the contribution to the consolidated Net Financial Position of the CIR Group with a breakdown by sector of activity.

(in thousands of Euro)	***31.12.2020***	***31.12.2019***
KOS group (*)	(930,995)	(1,105,313)
Sogefi group	(357,867)	(318,536)
Other subsidiaries	397	437
Total Net Financial Position industrial subsidiaries	**(1,288,465)**	**(1,423,412)**
CIR S.p.A./ CIR Investimenti S.p.A./ CIR International S.A.	391,645	295,669
Total Consolidated Net Financial Position	**(896,820)**	**(1,127,743)**

(*) It should be noted that financial payables for rights of use of KOS group totalled Euro 730.3 million at December 31 2020 (Euro 737,3 million at December 31 2019).

(F) Related party transactions in the year 2020

(thousands of Euro)	Other operating income	Other receivables – Current assets
Subsidiaries	90	--
Associates	--	133

For further details of items in the balance sheet and income statement, see the explanatory notes to the consolidated financial statements of the CIR Group from page 37 to page 127 of the booklet "Financial Statements 2020" available in the section "*Investors/Financial Reports*", on the Company's website www.cirgroup.it.

(G) Performance of the Group

The results of the Group for the year 2020 were affected by the impact of the Covid-19 pandemic on the subsidiaries, which operate in sectors that were hard hit.

KOS, which is active in social healthcare services, after the first cases of infection arose in February 2020 in Italy, immediately adopted the appropriate measures for ensuring safety for workers and patients. During the year, and particularly in March and April, operations in hospitals for acute patients were reduced or suspended, new entries to nursing homes and rehabilitation units were limited and out-patient services were also suspended. Only from June onwards did new patients start being accepted by rehabilitation facilities, the two hospitals for acute patients and the day hospitals, and also by the nursing homes, although in greatly reduced numbers. The second wave of the pandemic in the autumn and the third in the spring of 2021 had a more limited impact on rehabilitation activity, while for the nursing homes they led to a further gradual reduction in the number of presences.

Dealing with the public health emergency involved higher costs for personal protective equipment, for sanitization products and for making the working environments safe; even personnel costs in relation to the number of guests increased because of the higher level of care needed during the pandemic phase.

As from January 2021 the vaccination campaign began in all the facilities of the group in Italy and Germany with a high level of participation by guests and staff. The good performance of the campaign is considered fundamental for operations to return to normality, especially in the nursing homes.

In the light of the above, KOS formulated a new plan for 2020-2024 taking into account the economic and financial effects of the pandemic still ongoing and of the expectations of recovery in the level of activity and the evolution of costs in the next few years. The plan was approved by the board of directors of KOS in February 2021 in the light of the results for 2020 and was based on prudential assumptions as to the speed of the recovery of business and the increase in personnel costs linked to the renewal of tariffs in progress, and assuming only a partial recovery of these increased costs through the charge structure. On the basis of the plan, the year 2021 would see a significantly worse economic situation compared to that before covid-19, not too different from 2020, with a gradual recovery in 2023 of correct profitability parameters.

Sogefi, which is active in the production of components for the automotive sector, following the spread of the Covid-19 pandemic suspended production in China and subsequently, in the second half of March 2020, in almost all of its production sites. Business started up again first in China then from May onwards in the other countries in which the group operates, with production volumes that were initially significantly lower than those of the previous year, gradually recovering in the third quarter and in line with 2019 in fourth quarter 2020.

These circumstances had a significant impact on sales and on Sogefi's results: compared to the pre-Covid-19 forecasts, which were for 2020 revenues to be substantially in line with 2019, the company's revenues were down by 17.8% compared to 2019. The contraction in volumes, even though partly offset by the reduction in fixed costs, nonetheless had a negative impact of around Euro 34 million on EBIT and Euro 21 million on the Net Result, not to mention the significant rise in debt.

In the light of the above, the Board of Directors of Sogefi approved a new 2020-2024 business plan taking into account the economic/patrimonial effects of the continuing crisis and the forecasts that it is possible to make on the recovery of the market over the next few years. Although the plan uses prudential assumptions as to the speed and extent of the market recovery, it highlights how the measures for protecting margins and reducing fixed costs contained therein would enable the profitability of the business and its financial equilibrium to the safeguarded in the medium term.

The impact of Covid-19 on the parent company and the financial holding companies was reflected particularly in the fair value of financial assets in the first phase of the pandemic. Stock and bond markets suffered strong corrections in March 2020 but recovered in the following months, closing the year and the first quarter of 2021 in positive territory. The investment portfolio of CIR and its financial holding companies, despite following a conservative investment strategy, suffered a correction in the first quarter; thanks to the recovery of the financial markets in the following quarters, the year-end performance was positive and higher than expected.

During the year some important extraordinary transactions were effected.

In April 2020, CIR completed the sale of its controlling stake in GEDI, in which it currently has an interest of 5%, following the strategic decision taken in 2019 to leave the sector in which the group operates and the agreement reached in December 2019 with EXOR.

In November 2020 KOS sold its subsidiary Medipass, realizing a significant capital gain; the deal was part of its strategic objective of focusing on and boosting the development of its activities in long-term care (care-homes and rehabilitation), even outside Italy, after having acquired an important player in Germany at the end of 2019.

Lastly, Sogefi launched a plan to rationalize its geographical presence and its industrial footprint, aimed at increasing the profitability of the group, particularly in Filtration, by selling its branches in Brazil and Spain.

These extraordinary transactions had a positive impact on the results of the Group and led to a significant reduction in its consolidated net debt.

For information regarding the critical profiles relating to the economic, capital and financial position of the Offeror/Issuer, the performance of operations characterized by changes compared to the past, and the important events that have taken place since the close of financial year 2020, reference should be made to what is explained in the Report on Operations contained in the Annual Report booklet for the year 2020, and particularly to sections 2 ("*Performance of the Group*"), 3 ("*Performance of the Parent*"), 5 ("*Performance of the business segments*"), 7 ("*Impact of Covid-19 on the business*") and 9 ("*Outlook*"), available to the public at the Company's headquarters and on the Issuer's website www.cirgroup.it in the section "*Investors/Financial Reports*".

Consolidated Results

The consolidated revenues of the Group came in at Euro 1,834.8 million, down by 8.3% on 2019, because of the reduction of activity in both the sectors in which the Group operates due to the circumstances created by the pandemic.

The consolidated gross operating margin (EBITDA), which is the sum of the items "operating result" and "amortization, depreciation and write-downs" in the consolidated income statement, came to Euro 227 million, equal to 12.4% of revenues in 2020 versus 13.7% in 2019 (Euro 274.8 million).

The consolidated operating result (EBIT) came to euro 8 million, down from Euro 84.4 million in 2019.

Net interest expense on the debt of the subsidiaries, which amounted to Euro 30.7 million in 2020, rose by Euro 3.4 million mainly because of the rise in debt linked to the acquisition of Charleston.

The next income from the financial investment portfolio of the holding companies was Euro 17.4 million, up from Euro 13.0 million in 2019.

IFRS 16 payables went up by Euro 8.4 million to Euro 17.2 million mainly as an effect of the consolidation of Charleston (which reported in the period IFRS payables of Euro 10.5 million).

Given the above, the balance of financial management was negative for Euro 38.4 million (Euro -30.7 million in 2019).

The result of operations held for disposal was positive for Euro 61.0 million and includes the results for 2020 and the effects of the sale of Medipass by KOS and of the Brazilian and Spanish branches of the Filtration division by Sogefi.

The result of continuing business operations was negative for Euro 39.6 million (in 2019 it was positive for Euro 31.6 million).

The net result was a positive Euro 16.3 million thanks to the extraordinary transactions realized.

Consolidated net debt stood at Euro 100 million at December 31 2020, before IFRS 16, and was considerably lower than the figure for December 31 2019 (Euro 327.6 million). Financial payables for rights of use from application of IFRS 16 totalled Euro 796.8 million at December 31 2020 (without counting the remaining payables for rights of use relating to leasing as per IAS 17, which bring the total increase for payables for rights of use to Euro 834.8 million) and thus the total consolidated net debt figure was Euro 896.8 million. The payables for rights of use IFRS 16 refer mainly to the subsidiary KOS (Euro 730.3 million), which operates largely in leased premises.

The net debt of the subsidiaries declined to Euro 491.7 million (Euro 623.8 million at December 31 2019), thanks to the reduction reported by KOS (Euro 167.2 million), on account of the sale of Medipass and of certain properties; Sogefi reported a rise in net debt of Euro 35.1 million, most of which was due to the evolution of working capital because of the particular circumstances of the year that recently ended.

CIR's Net Financial Position (including the financial holding subsidiaries) was a positive Euro 391.7 million at December 31 2020, before IFRS 16, and was higher than the position at December 31 2019 (Euro 296.2 million).

The equity of the Group stood at Euro 771 million at December 31 2020 (Euro 770.7 million at December 31 2019 on a pro-forma basis.

February 19 2020 saw the completion of the merger by incorporation of CIR S.p.A. – Compagnie Industriali Riunite (for the purposes of this Paragraph, the "**Incorporated Company**") into the Company (then Cofide – Gruppo De Benedetti S.p.A., for the purposes of this Paragraph, the "**Incorporating Company**"). After the completion of this merger by incorporation the Company took the name of "CIR S.p.A. – Compagnie Industriali Riunite", formerly the name of the Incorporated Company. All of the shares of the Incorporated Company were cancelled. The shareholders of the Incorporated Company, other than the Incorporating Company, were offered shares of the Incorporating Company in exchange at a rate of 2.01 Shares of the Incorporating Company for every share of the Incorporated Company; to service this exchange, the Company issued 557,997,396 newly issued shares, each with a nominal value of Euro 0.50, on the strength of a capital increase of a total of Euro 278,998,698.00.

The merger takes the form of a business combination between entities subject to common control. As an effect of the merger by incorporation a part of the elements of the assets and liabilities of the Incorporated subsidiary entered the accounts of the Incorporating Company offsetting the elimination of the interest held in the Incorporated Company. This situation was already reflected in the consolidated financial statements as of December 31 2019 of the Incorporating Company, which therefore already included the carrying values of the Incorporated company as a consequence of the latter being fully consolidated on a line-by-line basis with the Incorporating Company, except for the attribution of minority interests that are commented on below.

In the consolidated financial statements of the Incorporating Company the merger is viewed as a purchase of a minority interest , through the issue of new shares of the Company, effected on the date on which the merger took effect.

The following chart illustrates the effects of the transaction on the consolidated equity of CIR S.p.A. (as the Incorporating Company):

(thousands of Euro)	**Consolidated accounts as of 31.12.2019**	**Effects of the merger**	**Consolidated accounts as of 31.12.2019 (pro-forma)**
	(i)	**(ii)**	**(i) + (ii)**
SHAREHOLDERS' EQUITY	1.116.971	--	1.116.971
EQUITY OF THE GROUP	432.431	338.252	770.683
MINORITY SHAREHOLDERS' EQUITY	684.540	(338.252)	346.288

The pro-forma adjustments reflect the share capital increase not for payment of euro 278,999 thousand and the effects of the acquisition of the minority interests as a movement of the minority shareholders' equity acquired through the merger, for an amount of Euro 338,252 thousand, from minority shareholders' equity to the equity of the Group.

It should be remembered that as from the year 2021 the Company no longer publishes its interim financial reports as of March 31 and September 30.

KOS

In 2020, revenues came to Euro 631.6 million and were up by 17.4% from 2019, thanks to the constant development carried out over the last few years and particularly to the acquisition at the end of 2019 of Charleston, which operates in Germany in the care-home sector. Revenues in Italy were down by 9.5%.

Revenues on a like-for-like basis show a contraction of 10.2% compared to 2019, due to the decline in the number of presences in the care homes and rehabilitation units as a result of the particular circumstances determined by the pandemic. The contribution of the Charleston group, acquired at the end of 2019, was Euro 172.9 million in 2020 and was not significantly affected by the pandemic.

In the Italian nursing homes efforts were concentrated on the difficult management of the healthcare emergency. During the year new entries were either blocked or at least greatly reduced and thus the number of presences fell and even today are significantly lower than in 2019.

In the German nursing homes the impact of the pandemic was significantly lower from the public health point of view and thus the reduction in the number of guests was less accentuated than it was in Italy. Moreover, the public support received by the care facilities enabled them to limit the economic impact.

In the rehabilitation units and acute care facilities in Italy, where in the first half of the year the number of patients declined due to the slowing of routine hospital activity, there was a vigorous recovery in the second half of the year with treatments in line with the same period of 2019.

EBITDA (which is the sum of the items "*operating result*" and "*amortization, depreciation, write-downs of fixed assets and other write-downs*" of the income statement) came in at Euro 111.7 million, down from the same period of 2019 (Euro 121.7 million) ([5]); the EBITDA of the Italian operations declined from Euro 117.1 million in 2019 to Euro 73.9 million; the contribution of the Charleston group was Euro 34.2 million. and the reduction was due not only to the decline in the number of guests and services provided caused by the public health emergency but also to the higher costs incurred for personal protection equipment to counter and limit the effects of the pandemic.

EBIT came to Euro 15.4 million, compared to Euro 57.9 million in 2019, and the reduction was due not only to the decline in the number of guests and services provided but also to the higher costs incurred for protective equipment to counter and limit the effects of the pandemic.

KOS reported net income of Euro 46.7 million (Euro 30.3 million in 2019), of which Euro 54.4 million relating to the capital gain realized on the sale of Medipass, net of the write-down of the Indian subsidiaries that were not sold.

In November 2020 KOS sold to DWS Alternatives Global Limited ("**DWS**") the Medipass business in Italy and the UK, keeping the Indian branch. The enterprise value recognized on the sale was Euro 169.2 million, with an equity value of Euro 105.6 million, a capital gain for KOS of Euro 54.4 million net of transaction costs and a positive impact on the overall Net financial Position of Euro 162.8 million.

Free cash flow was a positive figure of Euro 167.2 million, almost entirely generated by the Medipass deal. The Group invested in new facilities for around Euro 30 million and sold properties for an equivalent amount.

Net debt before IFRS 16 totalled Euro 200.7 million at the end of 2020, down from Euro 368 million at December 31 2019.

Sogefi

In 2020 world car production declined by 16.2% on 2019: -23.3% in the EU, -20.1% in North America, -4.2 % in China and -30.7% in South America, as a result of the unprecedented contraction in the first half of the year. The second half was characterized by a recovery of business in all geographical areas with world production in the period almost in line with that of 2019.

In 2020 Sogefi reported revenues of Euro 1,203.2 million, down compared to 2019 by 17.8% at historical exchange rates and by 14.2% at constant rates.

Looking at the performance of revenues during the year, in the first quarter revenues were down by 9.6% due to the spread worldwide of the pandemic in March; in the second quarter the decline was 55.6% in a phase of substantial lockdown of the main markets; in the third quarter there was a gradual recovery (-

([5]) The contribution of the KOS group to the consolidated EBITDA of the CIR group (according to the accounting definition adopted at consolidated group level) was Euro 103.2 million in 2020, versus Euro 118.3 million in 2019. The difference was due mainly to the treatment of write-downs of trade receivables.

6.6% on 2019), which led to a fourth quarter that grew by 2% (+8.9% at constant exchange rates) compared to the same period of 2019.

Revenues at constant exchange rates outperformed the market in all the main geographical areas: the decline in Europe was 18.1% versus the market's -23.3%, and in North America it was 9.8% compared to -20.1%; in Asia revenues increased, versus the market's -7%, thanks to the good performance of China (+15.8% compared to the market's -4.2%).

By business sector, "*Filtration*" (with a fall in revenues of 8.1% at constant exchange rates) and "*Air and Cooling*" (-10.7% at constant exchange rates) reported a performance decidedly less unfavourable than the market thanks, for "*Filtration*" to the fact that the OES and After Market held up better and for "*Air and Cooling*" to the development of the contract portfolio especially in China and North America. The impact of the crisis was greater for "*Suspensions*", with a decline in revenues of 22.7% at constant exchange rates, which reflects the greater concentration of the business in Europe and South America and the particularly unfavourable performance of the sector in these areas.

EBITDA (which is the sum of the items "*operating result*" and "*amortization, depreciation and write-downs*" of the income statement) came to Euro 137.6 million versus Euro 177.4 million in 2019. Excluding non-recurring expenses as above, EBITDA declined from Euro 177.4 million to Euro 156.9 million with a profitability (EBITA / Revenues %) of 13% which is higher than the value for 2019 (12.1%).

The contribution margin (defined as the difference between sales revenues and the variable costs of sales) improved slightly in 2020 compared to 2019, from 30.2% to 30.8% and the ratio of fixed costs to sales remained constant, despite the fall in revenues, thanks to the cost cutting action adopted, part of which were temporary and part were destined to become structural.

EBIT came in at Euro 7.2 million, compared to Euro 48.4 million in 2019. The decline in EBIT reflects the reduction in revenues, the gross non-recurring charges of Euro 20 million (Euro 4.3 million in 2019) and further write-downs of fixed assets of Euro 12.9 million (Euro 4.9 million in 2019), resulting from the action taken by the company to respond to the crisis.

Sogefi reported a net result of operations destined to continue that was a negative Euro 19.6 million, due mainly to Euro 16.2 million of non-recurring rationalization charges (compared to net income of Euro 11.1 million in 2019). The operations sold between the end of 2020 and the beginning of this year (the Brazilian and Spanish subsidiaries of the "*Filtration*" business unit) gave rise to a loss of Euro 15.5 million, which compares to a loss of the same subsidiaries of Euro 7.9 million in 2019. The normalized net result, excluding non-recurring restructuring costs, came in at around break-even, thanks to the measures adopted to counter the market crisis, which led to a slight increase in the contribution margin (difference between sales revenues and variable costs of sales, to 30.8% from 30.2% in 2019) and a reduction in fixed costs of approximately 20%, with a ratio to sales unchanged at 17% compared to 2019, despite the lower revenues, but lower at 15.8% in the fourth quarter (17.1% in the last quarter of 2019). The net result of the group was therefore Euro 35.1 million, compared to net income of Euro 3.2 million in 2019.

The net result was affected by the costs incurred for the restructuring plan launched in 2020 and already implemented in part, the net amount of which amounts to a total of approximately Euro 16 million.

Free cash flow was negative for Euro 38.2 million (compared to cash generation of Euro 8.4 million in 2019), mainly because of the unfavourable evolution of working capital due to the particular circumstances that arose during the year.

Net financial debt before IFRS 16 totalled Euro 291.3 million at December 31 2020 (Euro 256.2 million at year-end 2019).

In 2020 Sogefi obtained new contracts for a value in line with previous years and consistent with the objectives of maintaining/growing its market share, with a significant part of the new orders being for hybrid or full electric vehicles, thus positioning itself in the markets of the future.

In the first quarter of 2021 world car production reported growth of 14% on the first quarter of 2020 with March posting +34.7% compared to the previous year. World production however remains at lower levels than before Covid-19.

The Group has seen a significant recovery in its revenues: in the first quarter of 2021 Sogefi's revenues totalled Euro 356.6 million, up from the same period of 2020 by 5% at historical exchange rates and by 9.3% at constant exchange rates; revenues were 5.2% lower than in first quarter 2019. After the first two months of the year with revenues down by 8.7% at historical exchange rates, in March, month when the effects of the pandemic were confirmed in 2020 (with a decline of 30%), there was a strong recovery (+42.1%), with volumes substantially in line with those of 2019.

The performance of revenues at constant exchange rates was better than that of the market in all geographical areas: +1.9% in Europe versus the market's -0.9%, +3.3% in North America versus -4.5%, +104.5% in China versus the market's +78.2%. The lower growth in the total revenues of the Group (+9.3%) compared to the world market (+14%) is due to the fact that China, the area of the world in which there was most growth in the quarter, represents just 6.7% of the Group's revenues, while at market level it accounts for 28.1%.

By business sector, "Air and Cooling" reported good growth (+15.2% at constant exchange rates) thanks to the development of its contract portfolio particularly in China, where revenues doubled compared to the previous year; revenues at current exchange rates were 2.6% higher than in first quarter 2019. "*Filtration*" reported more moderate growth (+4.2% at constant exchange rates), which followed a decidedly more limited decline in 2020 than that of the market thanks to the after-market business. In first quarter 2021 revenues were slightly higher (+2.1% at current exchange rates) than those of first quarter 2019. Lastly, "*Suspensions*" reported revenues up by 9.7% at constant exchange rates, thanks to good performance in China and South America, but the business is still significantly below the level of the corresponding period of 2019 (-16.9% at current exchange rates).

EBITDA came in at Euro 54.8 million, which is higher than that of first quarter 2020 (Euro 38.2 million) and first quarter 2019 (Euro 41.4 million); gross profitability (EBITDA / Revenues %) rose to 15.4% from approximately 11% in the first quarter of 2019 and 2020.

The contribution margin improved from 30.3% to 30.7% despite the current tensions in the market vis-à-vis the availability and the prices of raw materials.

The rationalization measures adopted in 2020 and which continued in the early months of 2021 led to a decline in fixed costs of 5.5% compared to first quarter 2020 which, combined with the recovery of the business, gave rise to a reduction in the ratio of fixed costs to revenues from 18% in first quarter 2020 to 16.1% in the same period of 2021. It should be noted that compared to the first quarter of 2019, fixed costs fell by 13.8%.

Lastly, the higher EBITDA was also partly due to the positive effect of exchange rates (Euro +1.7 million in 2021 compared to Euro -3.4 million in first quarter 2020) and the recognition of a non-operating gain of Euro 2.4 million.

EBIT amounted to Euro 25.9 million, versus Euro 7.9 million in the same period of 2020 and Euro 12.5 million in first quarter 2019. Financial expense, amounting to Euro 6.2 million, was in line with that of the same period of 2020, tax expense came to Euro 6.1 million, compared to Euro 2.5 million in the previous year, and the net result of "discontinued operations" was a negative figure of Euro 0.8 million, versus Euro -4.9 million in the first quarter of 2020.

The Group reported net income of Euro 11.8 million compared to a loss of Euro 5.6 million in first quarter 2020 and net income of Euro 1.6 million in first quarter 2019.

Free cash flow was positive for Euro 32.4 million (Euro 5.4 million in first quarter 2020), thanks to the higher EBITDA and the favourable evolution of working capital.

Net financial debt before IFRS 16 at March 31 2021 was Euro 261.1 million, lower than at the end of 2020 (Euro 291.3 million) and substantially unchanged from March 31 2020 (Euro 256.7 million). The Group succeeded in keeping its debt level stable despite the dramatic effects of the pandemic on business over the last twelve months.

Including the financial payables for rights of use, in accordance with IFRS 16, net debt at March 31 2021 stood at Euro 328.4 million, down from Euro 358.1 million at December 31 2020 and Euro 313.4 million at March 31 2020.

(H) Financial Management

With reference to financial management, thanks to the recovery of the markets in the second half of the year for all categories of assets, total net financial income of Euro 17.3 million was reported, with a return on capital of 4%. More specifically the overall return on "readily convertible" assets, i.e. stocks, bonds and hedge funds, rose to 5.3% (Euro 19.1 million), while the private equity portfolio and minority equity investments reported a reduction in fair value of Euro 1.8 million, with a return of -2.3%.

(I) Events that have occurred since the close of the year

Since the close of CIR's financial year no significant events have occurred.

It should be noted that on May 21 2021 Sogefi S.p.A. repaid its equity-linked maturing bond with a nominal value of Euro 100.0 million issued by the Company on May 21 2014.

(J) Outlook for the year

Given the continuing uncertainty as to the evolution of the pandemic, there is little visibility regarding the performance of the Group in coming months.

As far as KOS is concerned, as a result of the vaccination campaign, levels of activity are expected to return to pre-Covid-19 levels during 2021 for Rehabilitation services and in 2022 for the nursing homes in Italy. In Germany where the pandemic has had a lower impact and there has been greater public support, results should continue to be in line with the growth forecasts formulated at the time of the acquisition in 2019.

As for Sogefi, IHS is forecasting a recovery in world production of 13.7% compared to 2020, but it will still be lower than in 2019 (-4.8%). In this scenario Sogefi expects to return to profit for the full year 2021 thanks to a recovery in volumes and to the cost-cutting action already implemented and planned to be implemented in the future.

(K) Covenants

As of the date of the Offer, CIR has no loan agreements that involve guarantees and/or covenants, nor has it issued any guarantees on debt positions outstanding in other companies of the CIR Group.

The subsidiaries KOS and Sogefi have signed loan agreements containing special clauses that, in the event of non-compliance with certain economic and financial covenants, involve the possibility for the lending banks to request repayment of the loans made if the company involved does not remedy the infringement of the same covenants within the time frames and following the procedures set out in the loan agreements.

Below is a description of the covenants relating to the debt positions of Sogefi S.p.A. and its subsidiaries, outstanding as of December 31 2020. It should be noted that consolidated net financial position, normalized consolidated EBITDA and consolidated net financial expense have the meaning defined in the respective loan agreements:

- in some agreements, for a total amount of Euro 440 million, the ratio of consolidated net financial position and normalized consolidated EBITDA lower or equal to 4 and the ratio of normalized consolidated EBITDA to consolidated net financial expense no lower than 3;
- or in other agreements, for a total amount of USD 115 million, the ratio of consolidated net financial position to normalized consolidated EBITDA lower than or equal to 3.5 and the ratio of normalized consolidated EBITDA to consolidated net financial expense no lower than 4.

At December 31 2020 all the contractual clauses relating to loan agreements were being complied with by the Sogefi group and, based on the economic and patrimonial performance set out in the latest plan approved, the company expects to comply with them even at subsequent maturities. Moreover, in order to guarantee the group the necessary financial resources to support its business plan, including a liquidity reserve allowing it to cope with possible fluctuations in such an uncertain period, in the third quarter of 2020 new loan agreements were signed for a total of Euro 124.5 million, including a loan of Euro 80 million granted by prime Italian banks and guaranteed by SACE and new credit lines with French banks for an amount of Euro 54.5 million.

Below is a description of the covenants relating to the debt positions of KOS S.p.A. and its subsidiaries, outstanding as of December 31 2020. It should be noted that consolidated net financial position, normalized consolidated EBITDA and consolidated net financial expense have the meanings defined in the respective loan agreements

- loans of KOS S.p.A. for a total amount of Euro 277.9 million, ratio of consolidated net financial position to consolidated EBITDA lower than or equal to 3.5 and ratio of consolidated EBITDA and consolidated financial expense higher than or equal to 3 and Loan to value lower than 60%;
- loans of KOS Care s.r.l. for a contract with a total amount of Euro 5.7 million, ratio of consolidated net financial position to consolidated EBITDA lower than or equal to 3.5; for another contract with a total amount of Euro 5.1 million, ratio of consolidated net financial position to consolidated EBITDA lower than or equal to 4;
- loan of Sanatrix Gestione S.r.l. for an amount of Euro 7.1 million: ratio of consolidated net financial position to consolidated EBITDA lower than or equal to 4.

It should be noted that for the purposes of calculating the covenants, the consolidated net financial position and EBITDA do not take IFRS 16 into account.

At December 31 2020 all the contractual clauses relating to loan agreements were being complied with by the KOS group; regarding the risk of non-compliance with the covenants at the next two maturities, June and December 2021, in the light of the still uncertain prospects for 2021, the risk of non-compliance cannot be ruled out; the management of the company has, however, identified action aimed at minimizing the risk in question. In the event of non-compliance with the covenants by KOS, there would not be any direct effects for the Company, as the latter has not issued any guarantees of the debt exposure of its subsidiary.

On the basis of the expected cash flows, as per the latest plan approved, for the loan of Euro 75 million recently signed within the framework of rules in force in Italy for loans guaranteed by the state, and of the maturities of outstanding loans, the KOS group has the resources necessary to meet the demands of the next eighteen/twenty-four months; the management of the company has also started negotiations with its banks to obtain further new credit facilities.

For further information, see the explanatory notes to the consolidated financial statements for the year 2020, contained in the Annual Report booklet for 2020, and more specifically on pages 104-106.

(L) Accounting effects of the Offer

At December 31 2020, the shareholders' equity of CIR S.p.A. stood at Euro 770.9 million with the following breakdown: distributable reserves and earnings Euro 96.5 million and consolidated equity of the CIR Group Euro 771.0 million. The aggregate Net Financial Position of CIR S.p.A. and its subsidiaries devoted to financial management, CIR Investimenti S.p.A. and CIR International S.A., (the "**Aggregate Net Financial Position of the Holding**") was Euro 391.7 million.

In the event of the Offer being fully subscribed, there would be the following accounting effects:

- Investments for an amount of Euro 80 million in "*buyback of own shares*".
- Reduction of the shareholders' equity of CIR S.p.A. and of the consolidated equity of the CIR Group of Euro 80 million, through withdrawal from distributable reserves;
- Reduction in the Aggregate Net Financial Position of the Holding of Euro 80 million;
- Reduction of future financial income as a consequence of the reduction of the financial assets, for a non-significant amount given the Company's prudent investment policy and low interest rates.

Even in the event of total acceptance of the Offer, the Company and the Group would still have a solid capital and financial position, compatible with the implementation of its current business plan.

B.2 Intermediaries

The intermediary appointed by the Offeror to coordinate the collection of the tenders in acceptance of the Offer by signing and delivering the appropriate tender form (the "**Tender Form**") is UniCredit Bank AG, Milan Branch (the "**Intermediary appointed to Coordinate the Collection of the Tenders**").

The intermediaries appointed to collect the Tenders, who are authorized to carry out their activity in Italy, through signing and delivering the Tender Form are the following (the "**Appointed Intermediaries**"):

(i) BNP Paribas Securities Services – Milan Branch;

(ii) EQUITA SIM S.p.A.;

(iii) Intermonte SIM S.p.A.;

(iv) UniCredit Bank AG, Milan Branch;

(v) SGSS S.p.A..

The Offer Document and, for consultation, the documents indicated in Section N below of the Document Offer are available at the registered office of the Issuer and that of the Intermediary appointed to Coordinate the Collection of the Tenders. The Offer Document is also available from the Appointed Intermediaries.

The Appointed Intermediaries will collect the Tender Forms, will keep the Shares tendered, check that the above-mentioned Tender Forms and the Shares comply with Conditions for the Offer to be

Effective and will pay the price according to the procedures and timing indicated in Section F, Paragraphs F.5 and F.6, of the Offer Document.

The Tenders will be received by the Appointed Intermediaries: (i) directly through collection of the Tender Forms from the Tenderers, or (ii) indirectly through the Depositary Intermediaries, who will collect the Tender Forms from the Tenderers, as described in Section F, Paragraph F.1 of this Offer Document.

On the Payment Date the Appointed Intermediaries will transfer the Shares tendered in acceptance of the Offer, through the Intermediary Appointed to Coordinate the Collection of the Tenders, to a securities account in the name of the Offeror, following the procedures indicated in Section F, Paragraphs F.5 and F.6 of the Offer Document.

C. CATEGORY AND NUMBER OF FINANCIAL INSTRUMENTS ELIGIBLE FOR TENDER

C.1 Category and number of financial instruments eligible for tender

The Offer is aimed, without distinction and at equal conditions, at the Shareholders and is for a maximum of 156,862,745 Shares, equal to 12.282% of the share capital of CIR.

The Offeror will pay each Tenderer who accepts the Offer a price of Euro 0.51 for each Share tendered in acceptance of the Offer and purchased, for a total maximum amount of approximately Euro 80 million. The Price was determined by the Offeror according to what is described in Section E below and will be paid following the timing and the procedures indicated in Section F of the Offer Document.

The Shares tendered in acceptance of the Offer must be freely transferable to the Offeror and must be free of all real, mandatory or personal constraints.

Each Tenderer may tender even any Shares with Increased Voting rights that they may hold. For the sake of clarity, it should be remembered that tendering in acceptance of the Offer does not per se mean that the increased voting rights or the conditions for obtaining the same will be lost. For further information on the consequences of holders of Shares with Increased Voting Rights accepting the Offer, see Section A, Paragraph A.9.1 above.

In the event of the purchase of the Maximum Number of Shares Eligible for Tender and taking into account the own Shares already in the Issuer's portfolio as of the Date of the Offer Document, CIR will be holding 183,571,606 Shares, equal to a Percentage of the Ordinary Capital of 14.373%. Therefore, after the outcome of the Offer (even in the event of full subscription of the same) the limit set out in Art. 2357, paragraph 3, of the Civil Code would still be complied with. This clause states that the nominal value of the own shares bought back may not exceed one fifth of the Share Capital, taking into account for this purpose even the shares held by the subsidiaries.

As of the date of the Offer Document, the Issuer has not issued any convertible bonds or other financial instruments.

C.2 Convertible financial instruments

The Offer does not apply to financial instruments convertible into Shares or those that give the right to subscribe to Shares.

C.3 Disclosures or application for authorization required by applicable regulations

This Offer is not subject to any authorization by the competent Authorities.

For further information regarding the Conditions for the Offer to be Effective, see Section A above, Paragraph A.1, of the Offer Document.

D. FINANCIAL INSTRUMENTS OF THE ISSUER OR THOSE WITH THE SAID INSTRUMENTS UNDERLYING OWNED BY THE OFFEROR EVEN THROUGH FIDUCIARY COMPANIES OR THIRD PARTIES

D.1 **Number and category of financial instruments of the Issuer owned by the Offeror, with a specification of the title of ownership and title to voting rights**

As of the Date of the Offer document, the Offeror is the owner of 26,708,861 own Shares, corresponding to a Percentage of the Ordinary Capital of 2.091%, which are not included among the Shares Eligible for Tender.

The Offeror does not have any other financial instruments that give the right to exercise voting rights at the General Meetings of the Issuer.

D.2 **Indication of the possible existence of repurchase agreements, loans of securities, rights of usufruct or pledges on the financial instruments of the Issuer or other contracts of another kind with the said financial instruments as the underlying**

As of the Date of the Offer Document, the Offeror has not entered into any repurchase agreement, loan of securities, contracts setting up rights of usufruct or pledges on its own Shares, nor has it entered into any other contracts in which the same financial instruments (such as, merely as examples, option contracts, futures, swaps, forward deals on the said financial instruments) even through fiduciary companies or third parties or through subsidiaries.

E. UNIT PRICE FOR THE FINANCIAL INSTRUMENTS AND ITS DETERMINATION

E.1 Indication of the Price and the criteria followed in its determination

The Price of the Offer is Euro 0.51 for each Share tendered in acceptance of the Offer and purchased.

The Price is net of stamp duty, registration duty and the Italian tax on financial transactions, where due, and of fees, commissions and costs for which the Offeror will remain liable. However, any income tax, withholding tax or substitute tax, where due, on any capital gain that may be realized, will remain the responsibility of the Tenderers.

In deciding on the Price, the Offeror took into consideration the following criteria:

- The price of CIR shares on the Stock Exchange Trading Day prior to the Announcement Date of the Offer, i.e. May 7 2021;
- An analysis of the trend of CIR's share price in the months preceding the Announcement Date, at various time intervals;
- An analysis of the average premiums offered by previous market transactions with characteristics similar to those of the Offer, including voluntary public tender offers on own shares payable in cash launched in the Italian market.

It should be noted that these criteria were considered as a whole in the definition of the Price, with no one criterion being preponderant.

In determining the Price, the Offeror used the consulting services of UniCredit S.p.A., as financial advisor.

Below is a short description of the main criteria for the determination of the Price.

E.1.1 Market price on the day preceding the Announcement of the Offer

The official prices of CIR Shares on the Stock Exchange Trading Day preceding the Announcement Date of the Offer, i.e. May 7 2021, was Euro 0.496 ([6]). Therefore, the Price incorporates a premium of 2.78% over that price.

E.1.2 Weighted average of the official prices in the 12 months preceding the Announcement Date

The chart below shows the weighted average of the official prices of the shares of the Issuer in various periods prior to the Announcement Date of the Offer and shows the implied premiums contained in the Price compared to these average values. The Price incorporates a premium of 7.10%, 5.76%, 9.49% and 17.68% compared to the weighted average of the official prices of the shares of the Issuer in the 1 month, 3 months, 6 months and 12 months prior to May 7 2021.

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(6) Source: Borsa Italiana official prices.

Period of time prior to the Announcement Date	Weighted average prices (Euro)	Implied premium in the Price (%)
1 month (08/04/2021 – 07/05/2021)	0.476	7.10%
3 months (08/02/2021 – 07/05/2021)	0.482	5.76%
6 months (09/11/2020 – 07/05/2021)	0.466	9.49%
12 months (08/05/2020 – 07/05/2021)	0.433	17.68%

Source: calculations on Borsa Italiana data.

In its analysis of the premium offered, the Offeror also took into account the significant appreciation that the CIR shares have recorded over the 12 months preceding the Announcement Date of the Offer, a period in which it increased from a value of Euro 0.401 per share to Euro 0.496 per share, posting an increase of Euro 0.095 per share, equal to a performance of +23.81% ([7]).

E.1.3 **Implied premiums paid in previous voluntary public tender offers for own shares**

In recent times similar voluntary public tender offers for own shares with the price paid in cash have been launched by the issuers Italmobiliare S.p.A. in 2017, SAES Getters S.p.A. in 2019, Sias – Società Iniziative Autostradali e Servizi S.p.A. ([8]) in 2019 and Retelit S.p.A. in 2020.

Compared to the implied prices in cash paid in previous voluntary public tender offers for own shares launched in the Italian market, the Price incorporates a lower premium with reference to the 1 month, 3 month and 6 month time period but a higher premium for the 12 month time period. The chart below shows (i) the implied premium paid in previous comparable deals launched in the Italian market compared to the weighted average prices of the Shares Eligible for Tender with regard to the 1 month, 3 month, 6 month and 12 month periods, respectively, preceding the Announcement Date, and (ii) the implied premium paid by this Offer compared to the weighted average of the prices of the Shares in relation to the 1 month, 3 month, 6 month and 1 year time periods, respectively.

Time period preceding the Announcement Date	Average prices of previous deals in Italy (%)	Implied premium in the Price (%)
1 month	14.23%	7.10%
3 months	15.18%	5.76%
6 months	15.08%	9.49%
12 months	16.81%	17.68%

Sources: calculations on Borsa Italiana data and calculations using data contained in the offer documents of the voluntary public tender offers for own shares launched in the Italian market: Italmobiliare S.p.A. (2017), SAES Getters S.p.A. (2019), Sias – Società Iniziative Autostradali e Servizi S.p.A. (2019) and Retelit S.p.A. (2020).

(7) Source: Borsa Italian official prices.

(8) The voluntary partial tender offer of ASTM for SIAS can be considered as a buyback of own shares because at the same time the announcement was made of the merger of SIAS into ASTM.

E.2 **Indication of the total value of the Offer**

The total value of the Offer for 156,862,745 Shares, if it is fully subscribed, amounts to Euro 80 million.

E.3 **Comparison of the Price with certain indicators**

The chart below shows certain consolidated indicators of the Issuer for the years ended December 31 2020 and December 31 2019. On February 19 2020, when the merger by incorporation had taken place of CIR S.p.A. – Compagnie Industriali Riunite ("**Incorporated Company**") into the Issuer (formerly Cofide – Gruppo De Benedetti S.p.A. – "**Incorporating Company**"), all the shares of the Incorporated Company were cancelled and exchanged for Shares issued in execution of the capital increase of Euro 278,998,698 (557,997,396 Shares). Including a comparison with financial year 2019, the chart below also shows the pro-forma comparative figures, which include the effects of the merger transaction.

Consolidated figures at December 31 *(Values in thousands of Euro, except for values per Share which are in Euro)*	**2020**	**2019**	**2019** *pro-forma*
Gross operating margin (GOM)	226,976	274,819	274,819
- *per Share*	*0.18*	*0.40*	*0.22*
Operating result	8,004	84,426	84,426
- *per Share*	*0.01*	*0.12*	*0.07*
Operating cash flow (9)	*98,184*	*100,932*	*n.s.*
- *per Share*	*0.08*	*0.15*	*n.s.*
Result of the group	16,313	(69,807)	(122,463)
- *per Share*	*0.01*	*(0.10)*	*(0.10)*
Equity of the group	770,977	432,431	770,683
- *per Share*	*0.62*	*0.62*	*0.62*
Ordinary dividends distributed by the Parent Company	-	10,034	20,854
- *per Share*	-	*0.014*	*0.017*
Ordinary dividends distributed by the Group	-	40,919	40,919
- *per Share*	*n.s.*	*n.s.*	*n.s.*
Number of shares in circulation	1,250, 249,921	691,995,019	1,249,992,415

Source: consolidated financial statements of CIR S.p.A. 2020; the number of shares in circulation considered in the column "2019 pro-forma" is the number present when the CIR-Cofide merger took effect

Regarding the Price, the chart below shows the EV/GOM, EV/Operating result, Price/Earnings and Price/Book Value multipliers of the Issuer for the years 2019 and 2020. It should be noted that due to its nature as a holding of equity investments, the EV/GOM and EV/Operating result are of little significance.

(9) Calculated as EBITDA – Capex. It should be noted that the definition of "*operating cash flow*" considered in this Paragraph does not coincide with that of "*free cash flow*" used in the cash flow statements in Section B Paragraph B.1.6, of the Offer Document.

- EV/MOL is the ratio between (i) the Enterprise Value or "EV" calculated as the algebraic sum of a) capitalization calculated based on the Price paid for the Shares, b) minority shareholder interests, c) net financial position, d) payables for leaving indemnity (TFR), adjusted for the carrying value of the investments in associated companies and the assets held for disposal net of their respective liabilities and (ii) the GOM;
- EV/Operating result, is the ratio between (i) the EV calculated as the algebraic sum of a) capitalization calculated based on the Price paid for the Shares, b) minority shareholder interests, c) net financial position, d) TFR payables adjusted for the carrying value of the investments in associated companies and the assets held for disposal net of their respective liabilities and (ii) the Operating result;
- *Price/Earnings*, is the ratio between (i) capitalization calculated based on the Price paid for the Shares and (ii) the result of the group;
- *Price/Book Value* is the ratio between (i) capitalization calculated based on the Price paid for the Shares and (ii) the equity of the group.
- *Price/Operating cash flow* is the ratio between (i) the capitalization determined based on the Price for the Shares and (ii) the Operating cash flow calculated as the difference between EBITDA and Capex (investments in tangible and intangible assets).

Multipliers *(calculated on consolidated numbers at December 31*	**2020**	**2019**
EV/GOM	8.1	6.7
EV/Operating result	n.s.	21.83
Price/Earnings	39.1	n.s.
Price/Book Value	0.8	0.8[10]
Price/Operating cash flow	6.5	6.3

Source: FactSet, company data.

These multipliers were compared with the average Price/Earnings, Price/Book Value figures (indexes considered more significant for holding companies) and Price/Operating cash flow for the years 2019 and 2020 for a sample of listed Italian companies, which although to a more limited extent than the Issuer, do nonetheless carry out the activity of a holding company.

Company	**Country where listed**	**Stock Exchange capitalization**	**P / E**		**P / BV**		**P/Operating cash flow**	
		(Euro mn)	**2020**	**2019**	**2020**	**2019**	**2020**	**2019**
EXOR N.V.	Italy	16,155	n.s.	5.3x	1.2x	1.1x	n.s.	3.4x
Italmobiliare S.p.A.	Italy	1,209	17.7x	19.0x	0.9x	0.9x	15.8x	11.1x
Tamburi Investment Partners S.p.A.	Italy	1,270	n.s.	41.0x	1.3x	1.5x	n.s	n.s
Media			**17.7x**	**21.8x**	**1.2x**	**1.2x**	**15.8x**	**7.2x**
CIR S.p.A. - Compagnie Industriali Riunite	Italy	638	39.1x	n.s.	0.8x	0.8x	6.5x	6.3x

(10) Calculated using the 2019 pro-forma value of the group equity.

Source: FactSet, company data. Stock Exchange capitalization at average prices in the 3 months preceding May 7 2021. For CIR the theoretical capitalization was calculated by multiplying the number of Shares by the Price.

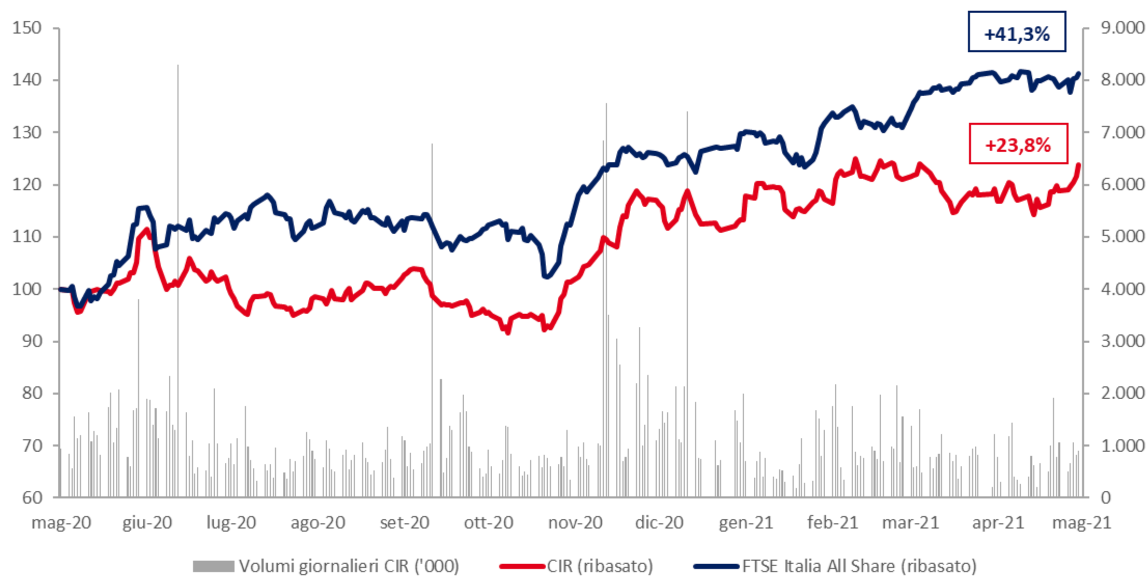
E.4 Monthly weighted average of the quotes recorded by the instruments eligible for Tender

The following chart shows the weighted average official Stock Exchange prices for the volumes traded of the Shares, recorded in the twelve months prior to May 7 2021, the last Stock Exchange Trading Day before the Date of the Offer Document.

Month	Weighted average (Euro)
May 2021	0.486
April 2021	0.474
March 2021	0.483
February 2021	0.484
January 2021	0.464
December 2020	0.465
November 2020	0.435
October 2020	0.377
September 2020	0.398
August 2020	0.395
July 2020	0.394
June 2020	0.418
May 2020	0.398

Source: calculations using Borsa Italiana data.

The graph below shows the trend of the official prices of the CIR shares and of the FTSE Italia All Share index in the period between May 7 2021, last Stock Exchange Trading Day before the Announcement Date, and the previous 13 months.



E.5 Indication of the values assigned to the financial instruments eligible for Tender on the occasion of financial transactions carried out during last year and this current year

At the beginning of 2020 the merger by incorporation took effect of CIR S.p.A. (incorporated entity) into the Issuer (formerly Cofide – Gruppo De Benedetti S.p.A. – incorporating entity). The merger involved application of the following exchange rate: 2.01 shares of the incorporating entity, each with a nominal value of Euro 0.50, for each share of the incorporated entity. In application of the exchange rate, the incorporating company issued 557,997,396 new Shares each with a nominal value of Euro 0.50.

E.6 Indication of the values at which purchases and sales of the financial instruments eligible for Tender were effected in the last twelve months.

In the last twelve months the Offeror, who is also the Issuer, has not effected any purchase and/or sale transactions of the Shares Eligible for Tender (i.e. own Shares).

F. TERMS AND CONDITIONS FOR ACCEPTING THE OFFER, DATE AND METHOD OF PAYMENT OF THE PRICE AND RETURN OF THE SHARES ELIGIBLE FOR TENDER

F.1 Terms and conditions for accepting the Offer and for depositing the Shares

F.1.1 Period for Acceptance of the Offer

The Period for Acceptance of the Offer, agreed upon with Borsa Italiana as per the terms of Art. 40, paragraph 2, of the Rules for Issuers, will begin at 8.30 a.m. on June 21 2021 (inclusive) and will end at 5.30 p.m. on July 29 2021 (inclusive), unless the Offer is extended. Notification of such extension will be given as per the terms of the laws and regulations in force.

July 29 2021 is, therefore, the closing date of the Acceptance Period unless there are any extensions.

F.1.2 Irrevocability of the tenders and procedures for subscribing to the Offer

Tenders submitted by the owners of the Shares (or by a representative with the necessary powers) are irrevocable, without prejudice to the possibility of revoking them provided by Art. 44, paragraph 7, of the Rules for Issuers in the event of publication of a rival offer or of a relaunch of the price.

Acceptance of the Offer will take place by delivering the appropriate tender form (the "**Tender Form**"), duly completed in full and signed, with the delivery at the same time of the Shares being tendered in acceptance of the Offer to an Appointed Intermediary. For further information on the Intermediaries, see the previous Section B, Paragraph B.2, of the Offer Document.

In view of the dematerialization of the shares, as per Article 83-bis and following articles of the TUF and Consob-Bank of Italy measure of August 13 2018 as subsequently amended and supplemented, for the purpose of this Paragraph deposit of the Shares is considered as effected even when the owners of the Shares give the Depositary Intermediary with whom the Shares are deposited appropriate instructions to transfer the said Shares to the Offeror.

The signing of the Tender Form will, in consideration of the above-mentioned dematerialization regime, be valid as an irrevocable instruction given by each single holder of the Shares to its Depositary Intermediary – with whom their Shares are deposited in a securities account – to transfer the said Shares to deposit accounts – where present – with the same intermediaries in favour of the Appointed Intermediaries.

Shareholders who intend to tender shares in acceptance of the Offer can also deliver their Tender Form and deposit the Shares indicated therein to Depositary Intermediaries (i.e. banks, brokerage firms, investment companies or stockbrokers, as described more fully in Paragraph B.2 of the Offer Document) on condition that the delivery and the deposit are made with sufficient time for the Depositary Intermediaries to deposit the Shares with an Appointed Intermediary no later than on the last day of the Acceptance Period.

The Depositary Intermediaries in their role as agents, must counter-sign the Tender Forms. The Tenderers will have sole responsibility for the risk of the Depositary Intermediaries not delivering the Tender Form or depositing the relative Shares with an Appointed Intermediary by the last day of the Acceptance Period.

When the Offer is accepted and the Shares are deposited with the signing of the Tender Form, a mandate will be given to the Appointed Intermediary and to any Depositary Intermediary to carry out all the formalities necessary in preparation for the transfer of the Shares to the Offeror who will be responsible for paying the costs involved.

In order to be tendered in acceptance of the Offer the Shares must be freely transferable to the Offeror and must be free of constraints or limitations of any kind or nature whether real, obligatory or personal.

Only Shares that at the moment of tender are regularly registered and available in a securities account of the Tenderer opened by the same with an intermediary belonging to the centralized management system with Monte Titoli will be accepted. In particular, Shares resulting from purchase transactions effected in the market can be tendered under the Offer only when their settlement has been completed through the settlement system.

Shares identified by the following identification codes may be tendered in acceptance of the Offer: (i) ISIN IT0000070786, (ii) XXITV0000172, (iii) XXITV0000180 and (iv) ISIN IT0005241762 (i.e. the Shares with Increased Voting Rights). If any Shareholders wish to tender in acceptance of the Offer Shares in their possession identified by different identification codes, they will be required to specify on the Tender Form for each type of Share identified by different identification codes, the quantity that they intend to tender.

Shareholders in possession of non-dematerialized Shares who intend to subscribe to the Offer must first hand over their share certificates to a Depositary Intermediary belonging to the Monte Titoli centralized management system so that they can be dematerialized and credited to a securities account with the intermediary.

Subscriptions to the Offer by underage persons or persons entrusted to a legal guardian, as per the terms of applicable legislation, signed by the person who has the power to do so, if not accompanied by the authorization of the competent Court, will only be accepted with reserve and will not be included in the calculation for the purpose of determining the percentage of subscription to the Offer; the payment of the Price for Shares thus tendered will take place only if the authorization is received.

This partial Offer, which is for a maximum number of 156,862,745 Shares equal to 12.282% of the share capital of the Issuer, is not subject to reaching a minimum quantity of subscriptions.

In the event that Tenders are presented during the Acceptance Period for more Shares than the maximum Number of Shares Eligible for Tender, the Allocation process will be applied to the Shares following the pro-rata approach, on the basis of which the Offeror will buy from all the Shareholders who subscribed to the Offer during the Acceptance Period the same proportion of the Shares (at the Allocation coefficient) as they had tendered in acceptance of the Offer.

If the Shares tendered in acceptance of the Offer by a single Shareholder are identified by different identification codes, the Allocation will take place following the mechanisms described in Section L of the Offer Document to which reference should be made for further information.

If at the end of the Acceptance Period the number of Shares tendered in acceptance of the Offer is lower than the Maximum Number of Shares Eligible for Tender (and the Conditions for the Offer to be Effective have been either fulfilled or waived), the Offeror will take possession of all the Shares delivered.

The Shares in excess after an Allocation process will be made available to the Tenderers through the Depositary Intermediaries by the close of the Stock Exchange Trading Day after the issue of the Press Release with the Definitive Results of the Offer in which the definitive Allocation Coefficient will also be announced.

It should be noted that an Allocation process does not mean that tenders can be cancelled.

For further details, see Section L below of this Offer Document.

F.2 Indications regarding the entitlement and exercise of administrative and patrimonial rights pertaining to the financial instruments eligible for Tender pending the Offer

The Shares tendered in acceptance of the Offer will remain bound to service the Offer and thus from the date of tender until the Payment Date, those who have accepted the Offer: (i) will be able to exercise their patrimonial rights (such as, for example, option rights or dividend rights) and their administrative rights (such as voting rights) for the Shares that they have tendered, but (ii) they will not be able to sell all or part of them or to give instructions regarding these Shares (without prejudice to the right to revoke the tender in acceptance of the Offer in the event of other competing offers or relaunches as per the terms of Art. 44, paragraph 7, of the Rules for Issuers.

The Shares tendered in acceptance of the Offer during the Acceptance Period will be transferred to the Offeror on the Payment Date.

F.3 Announcements regarding the progress of the Offer

F.3.1 Obligations of the appointed intermediaries in relation to the data regarding acceptance of the Offer

The definitive results of the Offer will be published by the Offeror, as per the terms of Art. 41, paragraph 6, of the Rules for Issuers, with a press release by 7:59 a.m. on the Stock Exchange Trading Day before the Payment Date, i.e. on August 5 2021.

F.3.2 Information regarding the results of the Offer

During the Acceptance Period, the Intermediary Appointed to Coordinate the Collection of the Tenders will give Borsa Italiana on a daily basis, pursuant to the provisions of Art. 41, paragraph 2, letter d), of the Rules for Issuers, the numbers relating to the tenders received during the day and the total number of Shares tendered under the Offer, together with the percentage of these numbers in relation to the Shares eligible for Tender. Borsa Italiana will ensure that these figures are published the following day with a special notice.

Furthermore, if by the Payment Date, the Offeror should purchase further shares outside of the Offer, whether directly and/or indirectly, the Offeror will inform Consob and the market of this fact on the same day in accordance with Art. 41, paragraph 2, letter c), of the Rules for Issuers.

F.3.3 Information regarding the fulfilment of the Conditions for the Offer to be Effective

For the Offer to be effective the following conditions must be met:

(A) That by the close of the Stock Exchange Trading Day after the end of the Acceptance Period none of the following situations have occurred: (i) exceptional events or situations at national and/or international level involving serious changes to the political, financial, economic, foreign exchange or market situation that had not already taken place as of the date of publication of the Offer Document and which have substantially prejudicial effects on the Offer, on the conditions of the businesses and/or on the patrimonial, economic and/or financial conditions of CIR and/or of the companies belonging to the CIR Group, or (ii) actions, facts, circumstances, events or situations that had not taken place as of the publication of the Offer Document and such as to cause significant prejudice to the Offer, the conditions of the businesses and/or the patrimonial, economic or financial conditions of CIR and/or the CIR Group as resulting from the most recent financial statements approved by the Issuer; and/or

(B) That by the close of the Stock Exchange Trading Day after the end of the Acceptance Period, no legislative or administrative acts or measures (including mandatory tender offers as per Art. 106 and following articles of the TUF) or judicial measures have been adopted and/or published by the competent institutions, entities or authorities, such as to preclude or limit partially or totally or even temporarily the possibility for CIR and/or the CIR Group to complete the Offer, or to make the procedure more onerous.

The Offeror may waive, or change all or part of the terms of, the Conditions for the Offer to be Effective at any time and at its own indisputable decision.

The Offeror will make an announcement as to whether or not the Conditions for the Offer to be Effective have been fulfilled and of any decision to waive the same by 7:59 a.m. on the second Stock Exchange Trading Day after the end of the Acceptance Period, in a press release as per the terms of Art. 36 of the Rules for Issuers and also in the press release giving the definitive results of the Offer as described in Section F, Paragraph F.3.2 above of this Offer Document.

In the event of non-fulfilment of the Conditions for the Offer to be Effective and the non-exercise by the Offeror of the right to waive the same, the Offer is rendered invalid and the Shares tendered in acceptance of the same Offer will be returned fully available to their respective owners, without the latter being liable for any costs or expenses, by the close of the first Stock Exchange Trading Day after the first announcement in which the Offer is declared to be invalid.

For further information on the Conditions for the Offer to be Effective, see Section A, Paragraph A.1, of the Offer Document.

F.4 Market on which the Offer is being launched

The Offer is being launched exclusively in Italy, as the Shares are listed only on the MTA market, and it is aimed at the same conditions at all of the Shareholders.

The Offer has not been nor will it be launched in the United States of America, Canada or Japan, or in any other State in which such an Offer is not permitted without authorization by the competent authorities or where it would infringe local rules and regulations ("**Other Countries**"), using instruments of communication or international commerce (including, for example, the postal service, fax, telex, email, telephone and the internet) of the United States of America, Canada, Japan, Australia or Other Countries, or through any structure of a financial intermediary of the United States of America, Canada, Japan, Australia or Other Countries, or in any other way. A copy of the Offer Document, or parts of the same, as well as a copy of any subsequent document that the Offeror may issue in relation to the Offer, has not been sent nor will it be sent or transmitted in any way or distributed, directly or indirectly, in the United States of America, Canada, Japan, Australia or Other Countries. Anyone who should receive the said documents must not distribute them, send them or forward them (either by post or by any other means or instrument of communication or international commerce) to the United States of America, Canada, Japan, Australia or Other Countries.

Any tenders resulting from solicitation activities in infringement of the above limitations will not be accepted.

The Offer Document does not constitute, and cannot be interpreted as, an offer of financial instruments aimed at persons resident in the United States of America, Canada, Japan, Australia or Other Countries. No instrument can be offered, bought or sold in the United States of America, Canada, Japan, Australia or Other Companies in the absence of a specific authorization in compliance with the applicable local rules of law of those countries of Other Countries or in waiver of the said rules of law.

Acceptance of the Offer by persons resident in countries other than Italy may be subject to specific obligations or restrictions imposed by rules of law or regulations. It is the exclusive responsibility of the addressees of the Offer to comply with such rules and thus before accepting the Offer, they should check with their advisors whether there are any such rules and whether they are applicable.

F.5 **Date of payment of the Price**

Payment of the Price to the persons who have accepted the Offer with the transfer of ownership of the Shares tendered to the Offeror will take place on the Payment Date, i.e. the sixth Stock Exchange Trading Day after the date of the closure of the Acceptance Period and therefore, unless there are any extensions or amendments to the Offer in accordance with current legislation or regulations, on August 6 2021.

On the Payment Date the Intermediary Appointed to Coordinate the Collection of the Tenders will transfer the total of the Shares tendered in acceptance of the Offer to a securities account in the name of the Offeror.

As from the Payment Date the Tenders under the Offer will no longer be able to exercise patrimonial rights (such as, for example, option rights and dividend rights) or administrative rights (such as voting rights) on the Shares tendered. As for the rights that the Tenderers are entitled to exercise in the period between the acceptance date and the Payment Date, reference should be made to what is described in Section F, Paragraph F.2 of the Offer Document.

F.6 **Method of payment of the Price**

Subject to fulfilment of the Conditions for the Offer to be Effective (or to the waiver of the same by the Offeror), payment of the Price for the Shares tendered will be in cash. The methods of payment of the Price are given on the Tender Form.

The Price of the Offer will be paid by the Offeror, through the Intermediary Appointed to Coordinate the Collection of the Tenders, to the Appointed Intermediaries, who will transfer the funds to the Depositary Intermediaries so that they can transfer them to the Tenderers according to the instructions provided by the same Tenderers (or by their agents) on acceptance of the Offer and with the payment instructions specified therein.

The Offeror's obligation to pay the Price due for the Shares tendered under the Offer will be considered as fulfilled at the moment when the relative funds are credited to the Appointed Intermediaries. Therefore, the risk that the Appointed Intermediaries or the Depositary

Intermediaries may not transfer the funds or may delay payment of the same is to be borne exclusively by the Tenderers.

F.7 Law regulating the contracts signed by the Offeror and the owners of the financial instruments of the Issuer, and competent jurisdiction

The law regulating acceptance of the offer is Italian Law and the appropriate jurisdiction is an ordinary Italian Court of Law.

F.8 Procedures and terms for returning Shares tendered in the event that the Offer is invalid and/or in the event of an allocation process

In the event of non-fulfilment of the Conditions for the Offer to be Effective and non-exercise of the right of waiver by the Offeror with the result that the Offer is invalid, the Shares tendered in acceptance of the Offer will be returned available to their respective owners, without any charges or costs being debited to the latter, by the first Stock Exchange Trading Day after the first announcement in which the Offer is declared invalid.

For further information on the subject of an allocation process, see Section L below of this Offer Document.

G. FUNDING METHOD, GUARANTEES OF EXACT FULFILMENT AND FUTURE PLANS OF THE OFFEROR

G.1 Method of funding the Offer and guarantees of the exact fulfilment of the deal

The Offeror intends to cover the Maximum Disbursement of the Offer, equal to a maximum of Euro 80 million, using part of its cash holdings.

On June 9 2021 the Offeror paid a total amount of Euro 80,800,000.00 (of which approximately Euro 80,000,000.00 is the total maximum amount of the Offer and Euro 800,000.00 in order to pay the costs and commissions relating to the Offer) into escrow account no. IT 04 L 02008 09440 000106158275, opened with UniCredit S.p.A. (the "**Account**") (the "**Sum in Escrow**").

On June 16 2021, UniCredit S.p.A. issued the guarantee of exact fulfilment of the obligations of the Offer for the purposes set out in Art. 37-*bis* of the Rules for Issuers, on the basis of which:

(i) The Sum in Escrow will remain deposited in the Account until the Payment Date and will be destined exclusively, unconditionally and irrevocably for payment (a) to the Tenderers under the Offer of the total value of the Shares that will be delivered in acceptance of the Offer and actually purchased by the Offeror, and (b) on the Payment Date of the fees to the intermediaries as stated in Section I of the Offer Document, and

(ii) UniCredit S.p.A. at the simple request of UniCredit Bank AG, Milan Branch, in its role as Intermediary Appointed to Coordinate the Collection of the Tenders, in the way indicated by the latter, will pay in full in the name of and on behalf of the Offeror, the amounts due as per the terms of paragraph (i) above up to the amount of the Sum in Escrow.

To guarantee fulfilment by the Offeror of the fees referred to in point (i)(b), it should be noted that a pledge has been placed on the Account in favour of UniCredit S.p.A., as the bank guaranteeing the exact fulfilment of the obligations of the Offeror to pay the Price.

G.2 Reasons for the transaction and future plans formulated by the Offeror

G.2.1 Reasons for the Offer

The Company, which has a high level of liquidity, aims to allow the Shareholders, through the Offer to benefit – with equal treatment for all – from a temporary possibility of selling all or part of their investment at a price that includes a premium over the average price of the share in recent months, the fruit of a series of growth-enhancing transactions realized by the Company over the last three years.

For those Shareholders who do not intend to accept the Offer, the buyback of own Shares by the Company, with parity of overall earnings and as long as the Shares are still owned by the Company, will lead to an increase in the earnings per Share and in the dividend per Share, given that the dividend rights of own Shares are allocated pro-rata to the other Shares as per Art. 2357-*ter*, second paragraph, of the Civil Code, and will enable the Company to maintain a solid capital structure with ample margin for further action to optimize capital and growth.

From the point of view of the Company and those Shareholders who do not intend to tender their Shares, the Offer is seen – according to a widespread practice among holding companies – as an effective way of investing part of its liquidity, a way that will not permanently prejudice its capital position or the resources available to the Company. The buyback of own shares is also an investment that could be revalued and create greater value for the Company and its Shareholders.

At present the Company has not yet identified the way in which the own shares to be bought back under the Offer will be used and/or what their destination will be. CIR is in any case of the opinion that having a stock of own shares is an opportunity from various viewpoints and can have different uses according to practices already widespread in the market. These shares can be used, for example, as payment and/or exchange in the event of acquisitions and/or for the development of alliances in line with the strategic policies of the CIR group, or as part of a future distribution of dividends or reserves, even in kind.

G.2.2 Future plans formulated by the Offeror for the Issuer and the group that it heads

Plans relating to the management of the businesses and any approved business plans

CIR is an "Investment Holding Company" and intends to continue in its business of investing and managing its equity interests. More specifically, the Issuer will support the growth and strategic development of the investments already in its portfolio in the various business sectors and in private equity and will continue to evaluate new acquisition opportunities along the guidelines that it has already identified. The main objective remains that of maintaining a balanced portfolio of good quality and one that can give gradual growth in value, diversification of risk and an adequate remuneration of capital.

Investments to be made and forms of funding for the same

The business of being a holding company as carried out by the Issuer is characterized by an analysis of many investment opportunities in different sectors in a structured way. These investment opportunities must be disclosed to the market only when they have reached a degree of precision as to include the notion of inside information as defined by Art. 7 of MAR. At the present time, the Issuer has not entered into any obligation regarding new investments.

Possible restructuring or reorganization plans

The Issuer has no restructuring or reorganization plans outstanding.

Amendments planned in the composition of the administrative and control bodies and their fees

As of the Date of the Offer Document, the Issuer has not taken any decision regarding possible changes in the composition of its administrative and control bodies or their respective fees.

Amendments to the Company Bylaws of the Issuer

As of the Date of the Offer Document, the Issuer has not identified any specific amendment to be made to the current Bylaws of CIR in the 12 months following the Payment Date.

G.3 Reconstitution of the free float

The Offer is a voluntary partial public tender offer launched in accordance with Article 120 and following articles of the TUF and is not aimed at, nor will it lead to, the delisting of the Issuer's shares from the MTA market.

Given the nature of the Offer, which is precisely a voluntary partial public tender offer for the Issuer's own shares, it cannot in any way entail the Offeror holding a total interest of over 90% of the ordinary share capital of the Issuer and thus the conditions do not exist either for the Right of Purchase as per Art. 111 of the TUF, or for the Mandatory Purchase as per Art. 108, paragraphs 1 and 2 of the TUF.

For further information, see Section A, Paragraphs A.6 and A.7 of the Offer Document.

H. POSSIBLE AGREEMENTS AND TRANSACTIONS BETWEEN THE OFFEROR AND THE ISSUER OR SIGNIFICANT SHAREHOLDERS OR MEMBERS OF THE ADMINISTRATIVE AND CONTROL BODIES OF THE SAME ISSUER

H.1 **Indication of any agreements and financial and/or commercial transactions that have been approved and/or effected in the twelve months prior to the publication of the Offer, between the above persons or entities, which could have or have had significant effects on the business of the Issuer**

In the twelve months prior to the Date of the Offer Document no financial and/or commercial agreements or transactions were approved and/or implemented between the above-mentioned persons or entities that could have or have had significant effects on the business of the Issuer.

H.2 **Indication of agreements between the above persons or entities concerning the exercise of voting rights or the transfer of shares and/or other financial instruments of the Issuer**

As of the Date of the Offer Document there are no agreements between the Offeror, who is also the Issuer, and the persons or entities indicated regarding the exercise of voting rights or the transfer of Shares of the Issuer.

I. FEES FOR THE INTERMEDIARIES

As a fee for the functions carried out within the sphere of the Offer, the Offeror will pay the following fees, inclusive of all and every intermediation fee:

1. The Intermediary Appointed to Coordinate the Collection of the Tenders, provided the Offer has been launched, will receive: a fixed commission of Euro 100,000;
2. Each Appointed Intermediary will receive:
   (i) A commission equal to 0.05% of the value of the Shares purchased by the Issuer directly through them and/or indirectly through the Depositary Intermediaries, up to a maximum limit of Euro 5,000 per Shareholder who has tendered Shares in acceptance of the Offer;
   (ii) A fixed commission of Euro 5.00 for each Tender Form presented.

The Appointed Intermediaries will pay on to the Depositary Intermediaries 50% of the commission referred to in point 2(i) above in relation to the value of the Shares purchased by the Offeror through the latter, as well as the entire fixed commission referred to in point 2(ii) above for the Tender Forms presented to them.

The commissions referred to in point 2 will be paid to the Appointed Intermediaries when the Offer has closed and in any case after receipt by the Intermediary Appointed to Coordinate the Collection of the Tenders of the amounts due from the Offeror.

No cost will be debited to the Tenderers.

L. IN THE EVENT OF ALLOCATION (RIPARTO)

If, at the end of the Acceptance Period, the total number of Shares tendered in acceptance of the Offer is lower than the Maximum Number of Shares Eligible for Tender (and the Conditions for the Offer to be Effective have been fulfilled or waived), the Offeror will go ahead and collect all the Shares that have been delivered.

If however at the end of the Acceptance Period the total number of Shares tendered under the Offer is higher than the Maximum Number of Shares Eligible for Tender (and the Conditions for the Offer to be Effective have been fulfilled or waived), there will be an Allocation process following the pro-rata method on the basis of which the Offeror will buy from all the Shareholders the same proportion (equal to the Allocation Coefficient) of the Shares that they tendered under the same Offer.

It should be noted that the Maximum Number of Shares Eligible for Tender could be reduced if, from the Announcement Day (inclusive) until the end of the Acceptance Period (inclusive), the Offeror were to buy Shares outside of the Offer, either directly or indirectly, in compliance with the provisions of Article 41, paragraph 2, and Article 42, paragraph 2, of the Rules for Issuers, In this case the Maximum Number of Shares Eligible for Tender will be 156,862,745 minus the number of Shares bought by he Offeror outside of the Offer.

More specifically, (i) the Allocation Coefficient will be calculated, which will be equal to the Maximum Number of Shares Eligible for Tender and the total number of Shares tendered in acceptance of the Offer, which will be announced by 7:59 a.m. on the Stock Exchange Trading Day before the Payment Date, and (ii) the Offeror will take from each Tenderer a number of Shares equal to the product of (a) the number of Shares tendered in acceptance of the Offer and (b) the Allocation Coefficient, rounded down to nearest whole number of Shares.

If the Shares tendered under the Offer by a single Shareholder are identified by different identification codes, in order to safeguard the positions matured in relation to the possibility of exercising increased voting rights, in the event of an Allocation process, the Offeror will take Shares from each Tenderer following the following order of priority:

(i) First, the Shares identified by ISIN code IT0000070786 will be taken;

(ii) Second, the Shares awaiting registration in CIR's stable shareholders book, identified by XXITV0000172 will be taken;

(iii) Third, the Shares recorded in CIR's stable shareholders book awaiting increased voting rights, identified by code XXITV0000180 will be taken;

(iv) Fourth, the Shares with Increased Voting Rights, identified by ISIN code IT0005241762 will be taken.

In case bids are received from a certain Bidder through multiple Depository Intermediaries, the waterfall order described above will be applied by each Depository Intermediary, exclusively on the Shares tendered by that Intermediary, therefore without taking into account of any other Share tendered by the same Bidder through other Intermediaries.

The shares remaining after the Allocation will be made available to the Tenderers by the close of the first Stock Exchange Trading Day after the announcement as above. The fact that there is an Allocation process will not mean that Tenders can be revoked.

In any case it remains understood that, in the event that Shares are returned after an Allocation process, the Tenderer will have the right to receive Shares that have the same rights (such as, for example, increased voting rights as per the terms of Art. 127- *quinquies* of the TUF, or accrual of the right to obtain increased voting rights, or the right to be registered in CIR's stable shareholders book) that they would have had if they had not subscribed to the Offer.

For further information regarding the Allocation process, see Section A, Paragraph A.2, of the Offer Document.

For further information on the procedure for subscribing to the Offer, see Section A, Paragraph A.9.1 and Section F, Paragraph F.1.2 of the Offer Document.

M. APPENDICES

Below is an extract from the Agreement, published as per the terms of Art. 122 of the TUF and of Art. 129 of the Rules for Issuers.

Shareholder agreement regarding the shares of Fratelli De Benedetti S.p.A. ("FDB") and CIR S.p.A. - Compagnie Industriali Riunite ("CIR"). Extract published as per the terms of Art. 122 of D.Lgs 58/1998 ("TUF") and Art. 127 of Consob Regulation 11971/1999 and subsequent amendments and supplements ("Rules for Issuers" "RI")

As per the terms of Art. 122 of the TUF and Art. 129 of the RI, it is hereby announced that on March 16 2021 a shareholders agreement took effect in relation to FDB and CIR, containing clauses pursuant to Art. 122, paragraphs 1 and 5, letters. a), b) and c), TUF ("**Agreement**") signed by Rodolfo Lorenzo Franco De Benedetti, Marco De Benedetti, Edoardo Enzo Tito De Benedetti ("**Shareholders**"), FDB and Margherita Crosetti.

Companies whose financial instruments are the subject of the shareholder agreement

Fratelli De Benedetti S.p.A., registered office in Turin, Via Valeggio 41, share capital Euro 170,820,000 fully paid up, Tax Code and registration no. on the Turin Register of Companies 05936550010.

CIR S.p.A. - Compagnie Industriali Riunite, registered office in Milan, Via Ciovassino 1, share capital Euro 638,603,657.00 fully paid up, consisting of 1,277,207,314 ordinary shares with a total of 1,712,652,763 voting rights, Tax Code and registration no. on the Milan Monza-Brianza Lodi Register of Companies 01792930016, a company with its shares listed on the *Mercato Telematico Azionario* organized and managed by Borsa Italiana S.p.A.

Entities and individuals part of the Agreement

The Agreement is binding on the Shareholders, who together own 100% of the share capital of FDB, as well as Margherita Crosetti, as holder of usufruct with voting rights for part of the shares of FDB, and the same FDB, as holder of 392,851,536 ordinary shares, equal to 30.759% of all the ordinary shares, of 766,293,380 voting rights, equal to 44.743% of the total voting rights of CIR, and thus:

Fratelli De Benedetti S.p.A.;

Rodolfo Lorenzo Franco De Benedetti, born in Turin on July 2 1961, Tax Code: DBN RLF 61L02 L219N;

Marco De Benedetti, born in Turin on September 9 1962, Tax Code: DBN MRC 62P09 L219Z;

Edoardo Enzo Tito De Benedetti, born in Turin on December 7 1964, Tax Code: DBN DDN 64T07 L219J;

Margherita Crosetti, born in Siena on July 15 1935, Tax Code: CRS MGH 35L55 I726O.

Website where the essential information regarding the Agreement is published

The essential information on the Agreement is published, as per the terms of Art. 130 of the Rules for Issuers, on the CIR website *www.cirgroup.it* .

Milan, March 16 2021

N. DOCUMENTS MADE AVAILABLE TO THE PUBLIC, EVEN BY REFERENCE, AND PLACES OR SITES WHERE THE SAME DOCUMENTS ARE AVAILABLE FOR CONSULTATION

The following documents are available to those interested at the Registered Office in Via Ciovassino 1, 20121 Milan.

The statutory Financial Statements and the Consolidated Accounts for the year 2020 of the Issuer, accompanied by the Report of the Board of Directors on Operations, the Report of the Board of Statutory Auditors and the reports of the firm of auditors KPMG S.p.A., are available at the Registered Office of the Issuer and on the website *www.cirgroup.it* in the area "*Governance/Public Tender Offer*".

The Offer Document is available to the public at the Registered Office in Milan, Via Ciovassino 1, and from the Intermediary Appointed to Coordinate the Collection of the Tenders, from the offices of the Appointed Intermediaries and on the website of the Issuer *www.cirgroup.it* in the area "*Corporate Governance/ Voluntary partial public tender offer*".

The press release disclosing the publication of the Offer Document will be published, as per the terms of Art. 38, paragraph 2 and Art. 36 of the Rules for Issuers, on June 17 2021.

DECLARATION OF RESPONSIBILITY

Responsibility for the completeness and truthfulness of the data and the information contained in this Offer Document lies with the Offeror.

The Offeror declares that as far as it is aware the data contained in the Offer Document corresponds to reality and that there are no omissions that could alter the scope of the same.

CIR S.p.A. – Compagnie Industriali Riunite

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Name:	Rodolfo De Benedetti
Position:	Chairman of the Board of Directors