

09 Sep 2022



PRO·GEST GROUP

paper back to life

PRO-GEST

INVESTOR PRESENTATION Q2-2022

- 1) Market Highlights
- 2) Q2-2022 Pro-Gest Topics
- 3) Current Trading Jul-Aug 2022



CONFERENCE CALL SYSTEM: CISCO WEBEX

- Please note that the Pro-Gest conference call will be made using the Cisco Webex system
- This is a different system than the one previously used: each participant will have the opportunity to interact with the Pro-Gest management sending questions exclusively in writing form, through the Cisco Webex Q&A chat, at any time during the call
- At the end of the presentation, Pro-Gest management will answer all the main and most relevant questions received through the Cisco Webex Q&A chat (requests received by e-mail will not be considered)
- The adoption of this new system, which no longer provides for the direct voice question session as in the past, will allow Pro-Gest to:
 - provide the financial community with broader and more widespread information
 - answer all the main written questions received from the participants during the conference call, as long as they are relevant
 - improve the quality of information for the financial markets
 - give all participants, on an equal position, the effective opportunity to ask Pro-Gest management questions on the published documentation
- The meeting with the financial community is scheduled for **Sep 9th, 2022 at 10:30 am CEST** through a conference call at the following link: <https://progest.webex.com/progest-it/onstage/g.php?MTID=efb344118ae01e31df4aef01e149a40c1> ; if you wish to participate by telephone, to locate the telephone number to dial, consult: <https://progest.webex.com/cmp3300/webcomponents/widget/globalcallin/globalcallin.do?siteurl=progest-it&serviceType=EC&eventID=1625052127&tollFree=0> ID conference: 2741 552 0613 #
- It is recommended you check in advance the correct functioning of your computer system with the Cisco Webex platform

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MARKET HIGHLIGHTS

MARKET TOPICS Q2-2022 AND TREND 2022



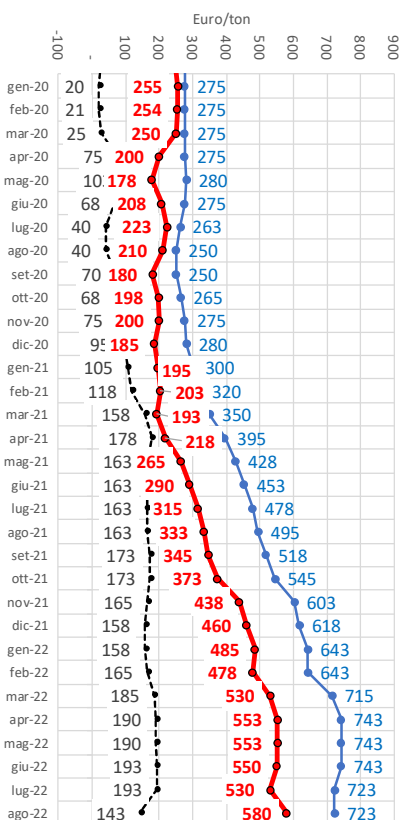
MARKET SCENARIO AND TRENDS - MOST SIGNIFICANT EVENTS IN Q2-2022

- In **Q2-2022**, the market selling prices (RISI source for all competitors) increased significantly vs Q1-2022, reaching a peak for any kind of paper mill product. From July on, the market shows a slowdown/reduction of prices due to a lower level of consumption generated by energy costs and inflation rate trends
- **Cost of gas** during Q2-2022 was rather stable vs Q1-2022, in the area of 107 €/smc (corresponding to 270 €/ton), showing a limited increase in Jun which was equal to 112 €/smc
- **Cost of raw material** remained stable vs Q1-2022 in the area of 140-170 €/ton, depending on the typology of product/paper mill
- The following pages (RISI source) show that **Pro-Gest selling prices and margins in Q2-2022 are aligned with the market, which means that price strategy was similar among all competitors**
- **Pro-Gest was able to transfer the increase of energy costs to the market**, improving also margins compared to Q1-2022. Volumes of corrugators and packaging products increased vs same quarter of previous year while volumes of paper mills showed less quantities sold directly to the market, because increased sales towards consumptions of the Group, to support/favoring sales of packaging and corrugators products

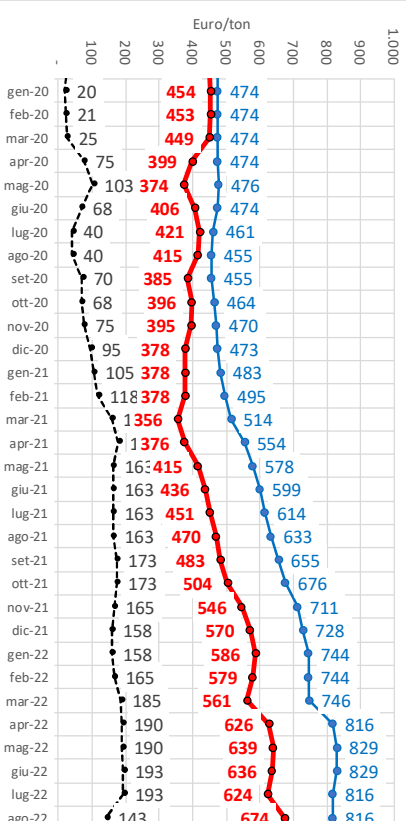
MONTHLY REPORTING PACKAGE - AUG 2022

PREZZI DI VENDITA/SELLING PRICES - PREZZI ACQUISTO MATERIE PRIME/RAW MATERIAL PRICES - DIFFERENZA/SPREAD
(RIFERIMENTO/BENCHMARK PER PRO-GEST CORRUGATED INDUSTRY) - Fonte/Source: RISI (www.risinfo.com)

MKT PRICES (RIF X TOLNT)



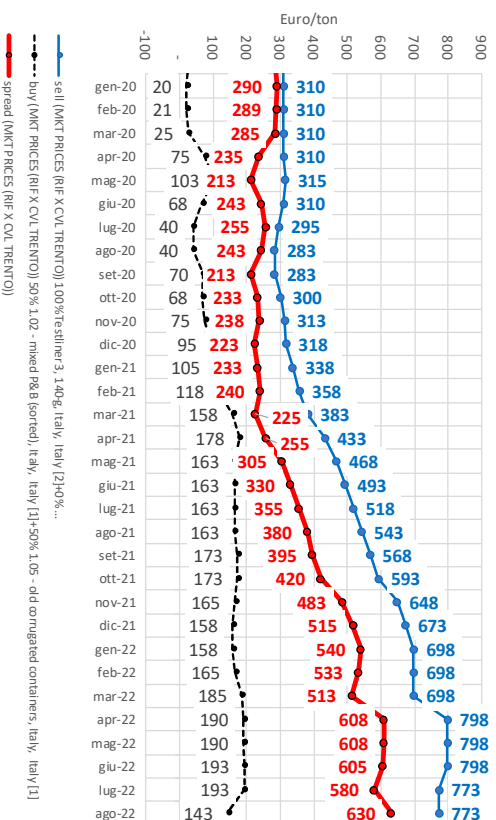
MKT PRICES (RIF X CARTTT)



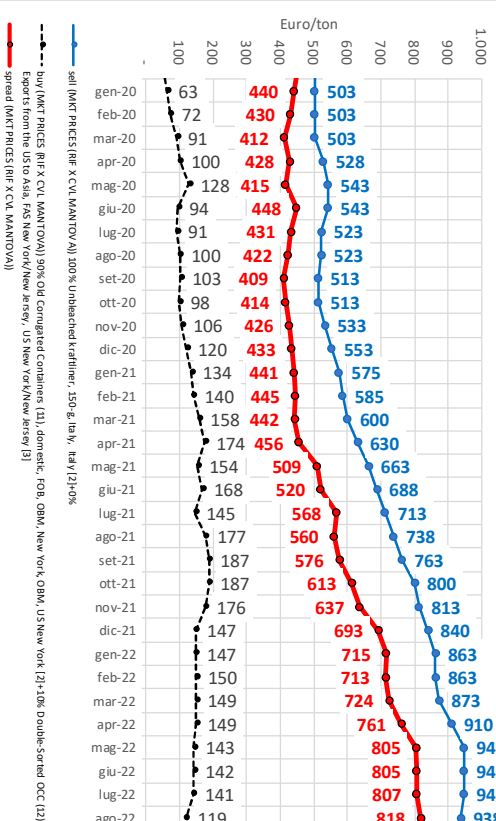
sell (MKT PRICES (RIF X TOLNT)) 100% Fluting, 105 g, Italy v2+0%
buy (MKT PRICES (RIF X TOLNT)) 50% 1.02 - mixed P&B (sorted), Italy, Italy [1]+50% 1.05 - old corrugated containers, Italy, Italy [1]
spread (MKT PRICES (RIF X TOLNT))

sell (MKT PRICES (RIF X CARTTT)) 50% Semi-chemical fluting, 127 g, Italy, Italy [2]+50% Testliner 2, 140 g, Italy, Italy [2]
buy (MKT PRICES (RIF X CARTTT)) 50% 1.02 - mixed P&B (sorted), Italy, Italy [1]+50% 1.05 - old corrugated containers, Italy, Italy [1]
spread (MKT PRICES (RIF X CARTTT))

MKT PRICES (RIF X CVL TRENTO)



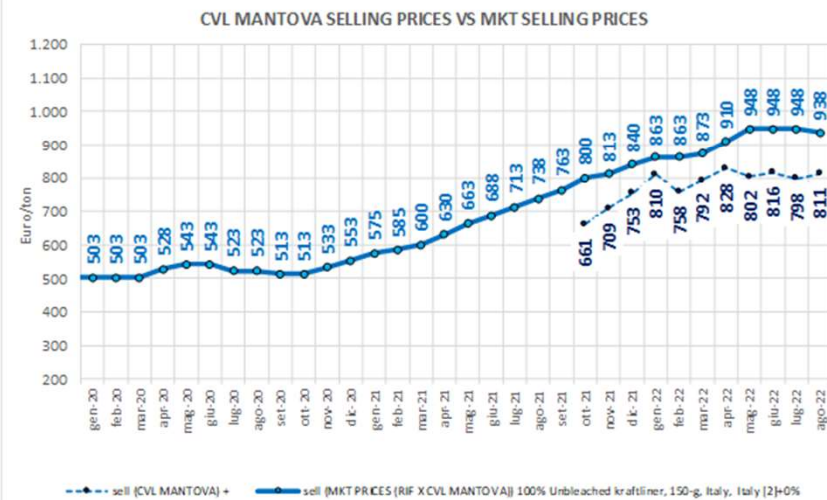
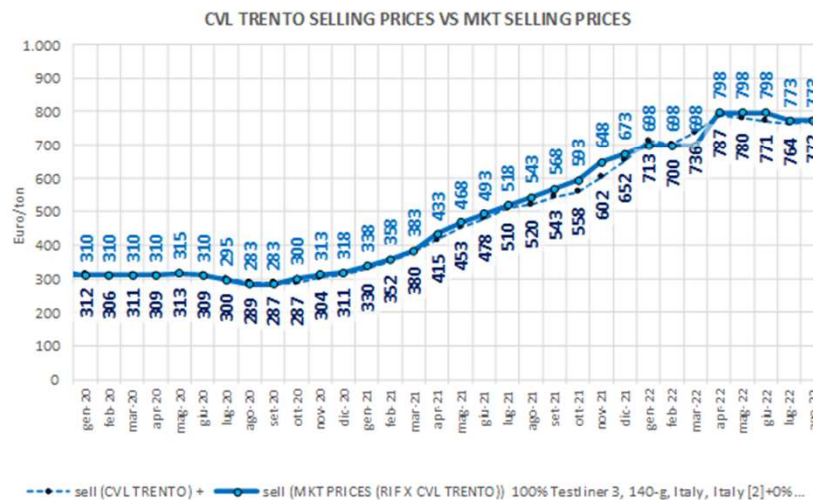
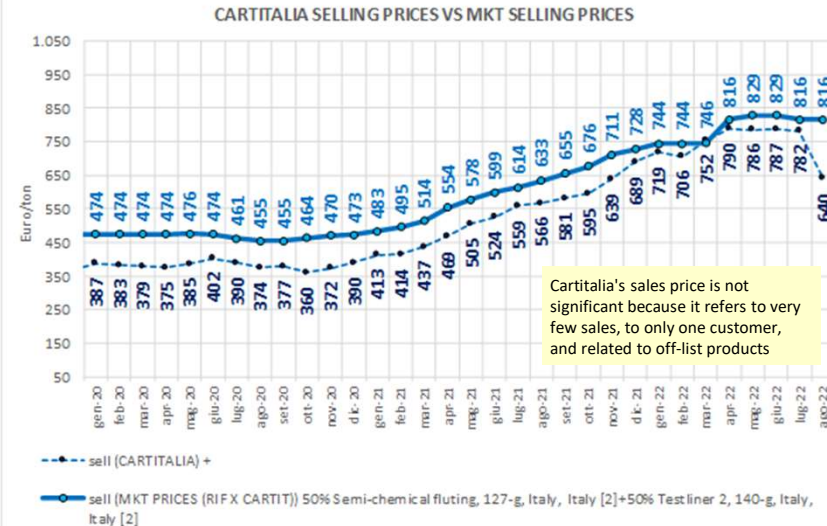
MKT PRICES (RIF X CVL MANTOVA)



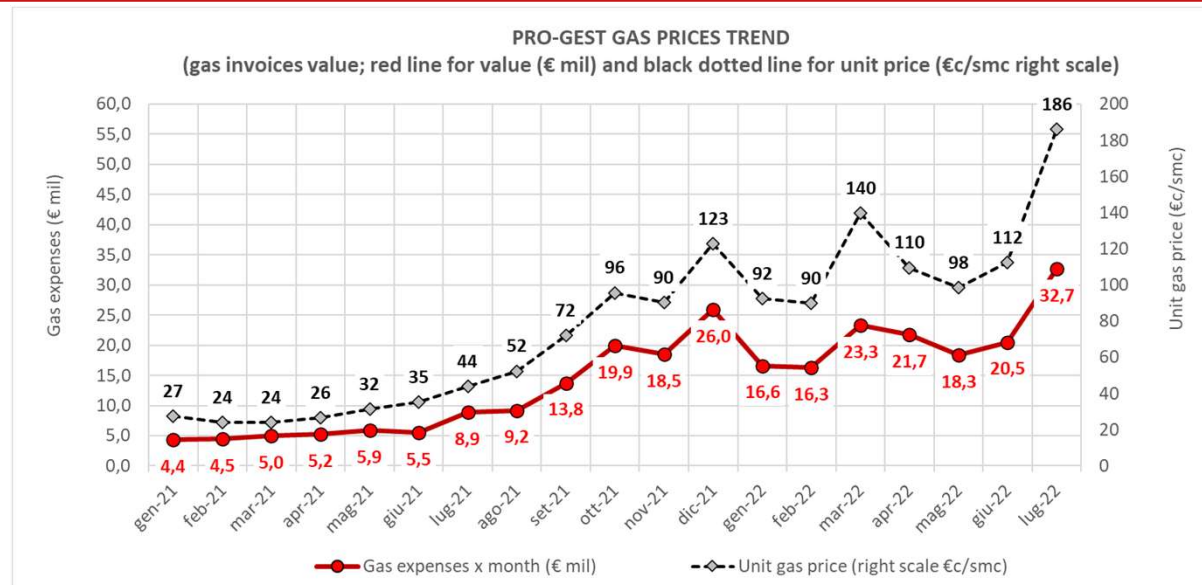
sell (MKT PRICES (RIF X CVL MANTOVA)) 100% Unbleached Kraftliner, 150 g, Italy, Italy [2]+0%
buy (MKT PRICES (RIF X CVL MANTOVA)) 90% Old Corrugated Containers (1), domestic, FOB, QBM, New York, QBM, US New York [2]+10% Double-Sided OCC (12), Exports from the US to Asia, P&B New York, New Jersey, US New York/New Jersey [3]
spread (MKT PRICES (RIF X CVL MANTOVA))

MONTHLY REPORTING PACKAGE - AUG 2022

PREZZI DI VENDITA / SELLING PRICES DEL MERCATO DI RIFERIMENTO (linea blu/blue line) vs PREZZI DI VENDITA / SELLING PRICES DI PRO-GEST
(riga blu tratteggiata/blue dotted line) - Fonte/Source: RISI (www.risiinfo.com)



FOCUS ON GAS PRICES TREND



- The graph above shows the trend of cost of gas (unit gas prices and gas expenses) from Jan 2021 to Jul 2022. Gas costs experienced in **March 2022 an intraday highest peak ever** equal to about 330 €/smc corresponding to about 750 €/ton (more than 3 times the Jan-2022 prices, which itself has been 4 times the Q1-2021 level); this peak Justified the temporary stop of paper mills (just for 4-5 days) in order to give to the Government and all involved Authorities a precise signal of the very difficult momentum; the sudden high increase of gas cost afforded the companies to transfer some extra cost to the customer, protecting the profitability
- Starting from the end of March, **the gas cost has positioned, even if still high, in the area of €105-110 €/smc**, not so different from the budget (€ 100 €/smc); the flattening of energy cost in Q2-2022 afforded the companies to improve profitability since the market prices remained substantially stable after the increase realized at the end of Q1-2022. Good contribution to sales and margins also came from positive consumption trend
- The **gas scenario is changing continuously** and in fact, in July it started to skyrocket again, and the situation has even worsened in the second part of August (with an average price of 250 €/smc corresponding to about 625 €/ton)
- Government Q2-2022 subsidies were confirmed** (25% of total gas costs equal to about € 15 mil for Q2-2022) and **now this % of contribution has been confirmed also for Q3-2022**

PRO-GEST TOPICS

Q2-2022

PRO-GEST EXECUTIVE SUMMARY

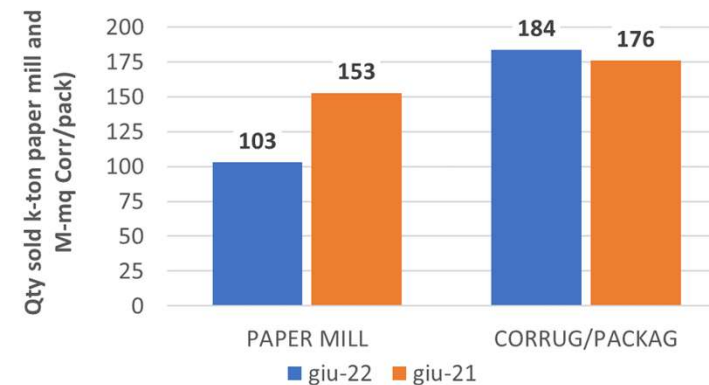
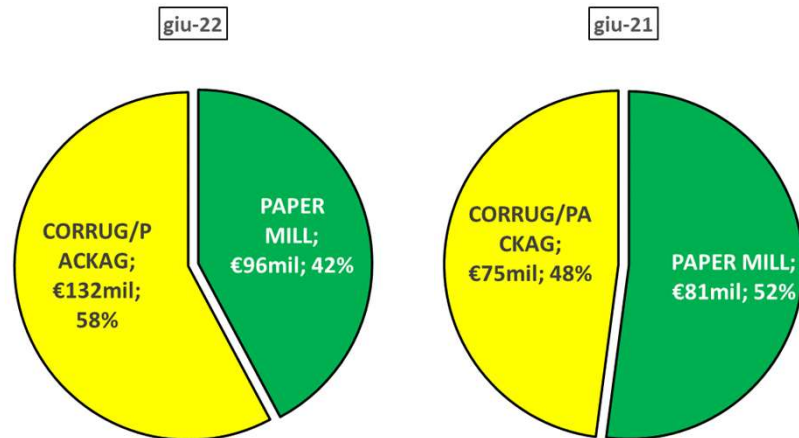


PRO-GEST Q2-2022 QUALITATIVE TOPICS

- The Group is working in order to take benefit from the implementation of the new qualitative projects:
 - **Communication/advertising project in Italy:** the 2022 budget was based on two campaigns:
 - the first successfully launched in April 2022
 - the second is going to be launched this week and will terminate by the end of September and it is mainly based on TV investment
 - **Environmental factors** are important for the Group; Pro-Gest has started to work on these topics with the assistance of international consultant Ernst Young; the huge investments done in the last five years by the Group should afford to be in a quite good position/competitiveness to manage this process; the first issue of **ESG Report**, relevant to 2021 activity of the Group, is expected to be completed by November 2022
 - The implementation of the **“Full Potential Project”** developed with international consultant Afry Poyry in order to obtain an improvement of the operational activity of paper mills thus generating an increase of Ebitda - from 2023 on - of about €15m/€20m per year is still under process and will be one of the most relevant project to be included in the 2023 budget process

PRO-GEST EXECUTIVE SUMMARY – SALES

CONSOLIDATED DATA		value (€ mil, var %, var val)					
BUSINESS UNITS	giu-22	giu-22	AC vs BDG in %	AC vs BDG in val (€mil)	giu-21	AC vs PY in %	AC vs PY in val (€mil)
	AC consunt	BDG			AC storico		
PAPER MILL	96,2	124,6	-23%	-28,4	81,2	+18%	+15,0
CORRUG/PACKAG	131,8	120,9	+9%	+10,9	74,7	+76%	+57,0
TOTAL (A1 CORE)	228,0	245,5	-7%	-17,5	155,9	+46%	+72,0



- The graphs show “A1 product” sales (excluding A5/other sales). The Group shows a growth in value of 46% vs same period of last year with a different performance of paper mills (+18%) vs corrugator/packaging which grew by 76%
- The **quantity table** (on the right), in fact, confirm that sales of **paper mills have been oriented to support corrugator/packaging internal activity rather than sell directly to the market**

Q2-2022 FINANCIALS – EXECUTIVE SUMMARY

consolidated data (€ mil) dati consolidati alla data (€ mil)	Q2-2022 act	Q2-2022 bdg	act vs bdg change in %	act vs bdg change in val	Q2-2021 act	act vs prev change in %	act vs prev change in val
PROFIT & LOSS							
TOTAL SALES A1+A5 (excluded capital gains)	261,9	270,2	-3,1%	-8,3	181,0	+44,7%	+80,9
EBITDA operating	55,9	34,8		+21,1	19,9	+180,8%	+36,0
EBITDA normalization	2,1	-		+2,1	4,0	-47,5%	-1,9
OPERATING EBITDA NORMALIZED	58,0	34,8	+66,8%	+23,2	23,9	+142,6%	+34,1
in % total sales	22,2%	12,9%			13,2%		
SALES A5 (capital gains)	-	-		-	-		-
(depreciation, amortization and others)	-19,2	-16,3		-3,0	-14,2		-5,0
(interest expense)	-9,3	-9,3		-0,1	-6,5		-2,8
(others)	0,1	-1,0		+1,1	2,4		-2,3
INCOME BEFORE TAX NORMALIZED	29,6	8,3	+257,0%	+21,3	5,6	+427,4%	+24,0

- **Q2-2022 sales** (A1+A5/other sales) are equal to € 262m, slightly lower than budget (€ 270m), but significantly better than Q2-2021, equal to about € 181m (+45%); for more info, see sales analysis on the following pages
- **Profitability of Q2-2022** (including normalization and Government subsidies for € 15m in Q2) is equal to € 58,0m (22,2% on revenues), higher than both budget (€ 34,8m) and the previous year (€ 23,9m); excluding normalization, Q2-2022 Ebitda is equal to €55,9m (21,3% on revenues) compared to budget data equal to € 34,8 (11,5% on revenues); this result was obtained both transferring energy cost to the market and taking benefit from the gas government contribution as well as a strong control of the other costs, both fixed and variable
- **The Q2-22 normalization** includes only the impact on P&L of ramp up of Ondulati Maranello (equal to € 2,1m)

H1-2022 FINANCIALS – EXECUTIVE SUMMARY

consolidated YEAR TO DATE data (€ mil) dati PROGRESSIVI consolidati alla data (€ mil)	Jun-2022 act	Jun-2022 bdg	act vs bdg change in %	act vs bdg change in val	Jun-2021 act	act vs prev change in %	act vs prev change in val
PROFIT & LOSS							
TOTAL SALES A1+A5 (excluded capital gains)	489,8	513,8	-4,7%	-24,0	321,6	+52,3%	+168,2
EBITDA operating	92,4	62,9		+29,5	44,4	+108,0%	+48,0
EBITDA normalization	10,8	-		+10,8	12,1	-10,7%	-1,3
OPERATING EBITDA NORMALIZED	103,2	62,9	+64,0%	+40,3	56,5	+82,6%	+46,7
in % total sales	21,1%	12,2%			17,6%		
SALES A5 (capital gains)	-	-		-	-		-
(depreciation, amortization and others)	-35,8	-32,5		-3,3	-31,2		-4,6
(interest expense)	-18,9	-18,5		-0,4	-13,1		-5,8
(others)	0,1	-2,0		+2,1	2,4		-2,3
INCOME BEFORE TAX NORMALIZED	48,6	9,9	+390,8%	+38,7	14,6	+232,8%	+34,0

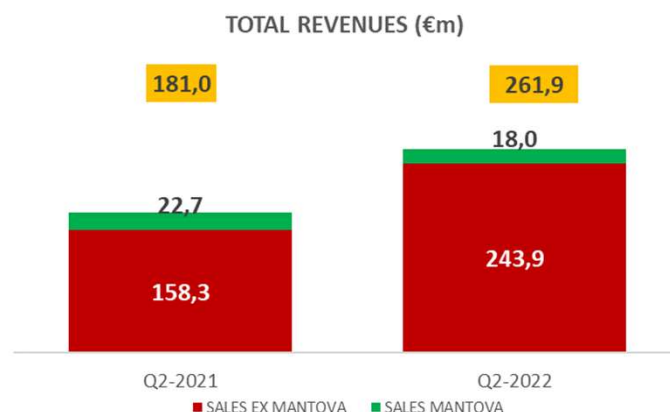
- **The June year to date Ebitda in % of revenues** is the result of the mix of profitability of paper mills and corrugator/packaging that we consider just at consolidated level since the Group operates through an “open pipeline” going from raw material collection to packaging products
- **Very interesting the profitability obtained in Q2 (22,2%)** vs Q1 (19,8%), due to the capability to transfer energy cost to the market

H1-2022 FINANCIALS – EXECUTIVE SUMMARY

consolidated data €mil	Jun-2022 act	Jun-2022 bdg	act vs bdg change in %	act vs bdg change in val	FY-2021 act	21 vs 20 change in %	21 vs 20 change in value
BALANCE SHEET							
NET INVESTED CAPITAL	998,7	na			925,2		+73,5
NET EQUITY	506,1	na			463,9		+42,3
(GROSS FINANCIAL POSITION)	-631,0				-615,6		-15,4
LIQUIDITY	138,4	na			154,3		-15,8
(NET FINANCIAL POSITION)	-492,6	na			-461,4		-31,2
PFN / EBITDA NORMALIZED	3,46x				4,83x		-1,36x
PFN / EBITDA REPORTED	3,75x				5,53x		-1,78x

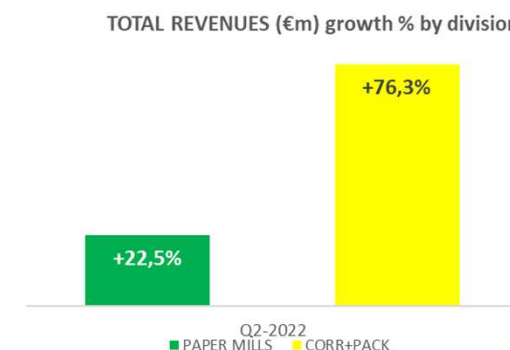
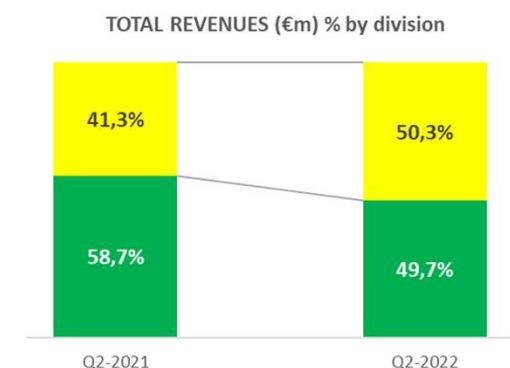
- The interim balance sheet **budget** (during the year) is not available; the cash flow analysis per quarter is shown in the following pages
- Net Financial Position (IAS39)** at 30.06.2022 is equal to €492,6m and the **ratio PFN / Ebitda normalized** is equal to 3,46x significantly better than 4,83x normalized at the end of 2021
- The improvement of ratio PFN/EBITDA below 4,0x creates the condition for a **reduction of Carlyle € 200m private placement interest expenses rate by 0,75%** starting from 01.01.2023
- See the following pages for detailed cash flow analysis

Q2-2022 FINANCIALS – REVENUES DETAIL



- **Total consolidated revenues** (A1+A5) in Q2-2022 amounted to €262m (compared to €181m in Q2-2021; growth is equal to +45%); Mantova consolidated revenues is equal to €18m (vs €22,7m) and consequently the LFL growth is equal to +54%. Mantova aggregated revenues (the sum of sales to the market and to internal corrugator/packaging business unit) is equal to €64,3m vs €29,1m in Q2-2021 (growth +121%) confirming the **validity of Mantova products** not only vs the market, but also to support the Group product portfolio of corrugators and packaging business unit
- **Paper mills consolidated** revenues (A1+A5) increased by +23% vs Q2-2021 while **Corrugators/Packaging consolidated** revenues increased by +76% vs Q2-2021; growth data confirmed that the increase in paper mills selling prices is now impacting positively the final part of production chain (corrugators/packaging)
- The analysis of business unit, considering only A1 product sales, is the following:
 - **Paper mills** consolidated revenues grew significantly (+18% vs Q2-2021) mainly due to the increase of selling prices (+76%) and despite the reduction in volume (-33%; as explained before, paper mills increased the % of internal sales)
 - **Corrugators/packaging consolidated revenues** grew more than paper mills (+76% vs Q2-2021) due to both the increase in selling prices (+69%) and volume (+4%)

Note: A5 sales represents White certificates, other raw material sales, revenues other than products

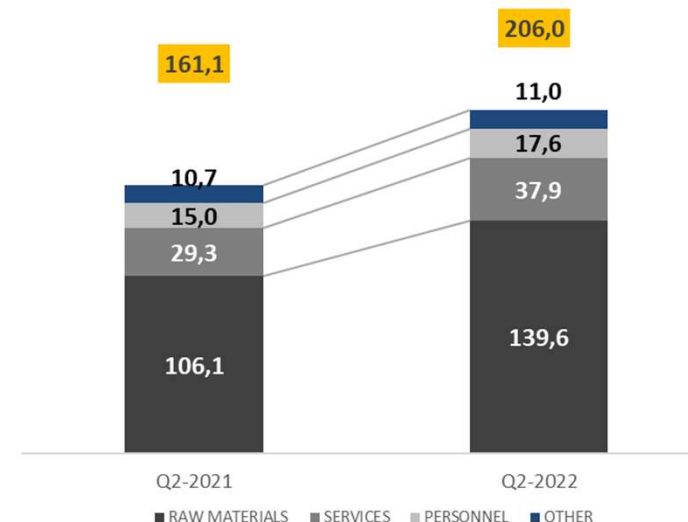


Q2-2022 FINANCIALS – OPEX DETAILS

OPERATING EXPENSES (€m, excluding D&A) and % on revenues

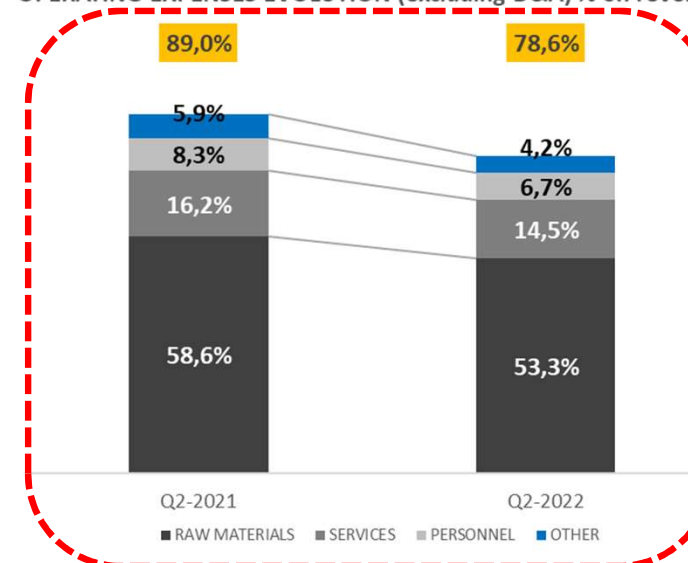


OPERATING EXPENSES EVOLUTION (€m, excluding D&A)

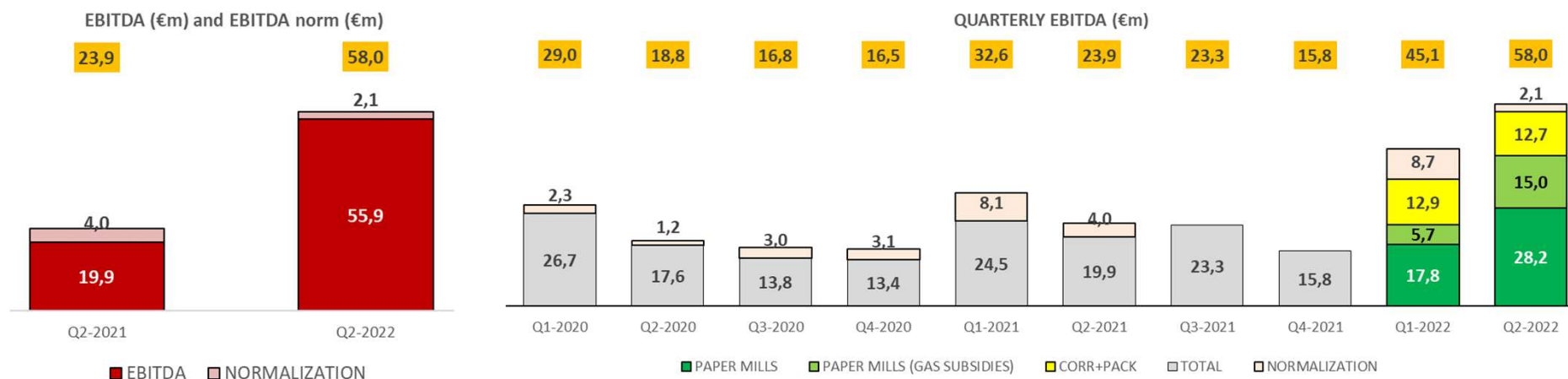


- **Operating expenses** in Q2-2022 were €206m (compared to €161m in Q2-2021) with a % on revenues equal to 79% (compared to 89% in Q2-2021); the reduction of % is mainly due to the increase of selling prices compared to the lower increase of cost of sales and all other variable and fixed costs, thus **increasing the group profitability**
- The main changes are:
 - The % of **cost of raw materials** (including gas costs) on revenues was 53% in Q2-2022 compared to 59% in Q2-2021; the gas cost (included in raw materials) in the period as % of revenues is equal to 23% compared to 9% in the same period of 2021
 - The % of **service costs** on revenues was 15% (compared to 16% in Q2-2021) and the % of personnel costs on revenues was 7% (compared to 8% in Q2-2021) due to both the capability of the management to keep under control fixed costs
 - **Personnel count** is as follows:
 - 31.12.2021: 1.270
 - 30.06.2022: 1.213 (the reduction vs 31.12.2021 is due to restructuring of Ondulati Maranello)

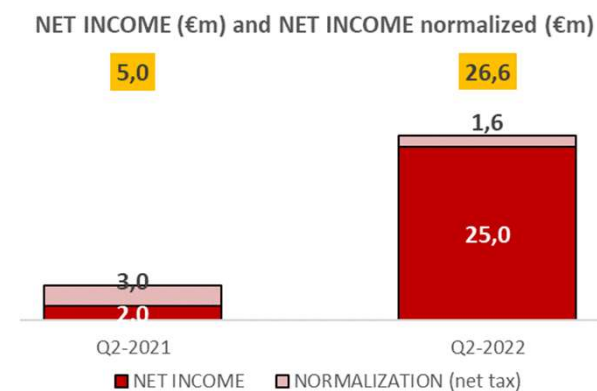
OPERATING EXPENSES EVOLUTION (excluding D&A) % on revenues



Q2-2022 FINANCIALS – EBITDA BY QUARTER

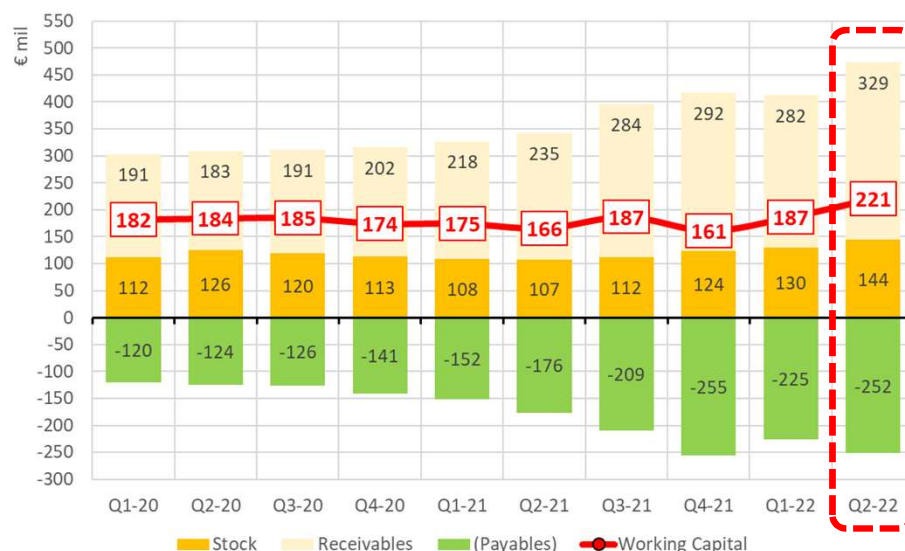


- The **Q2-2022 EBITDA normalized** is equal to €58,0m (22,2% on revenues) compared to €23,9m in Q2-2021 (+142%; excluding normalization operating Ebitda growth is equal to +181%, corresponding to €55,9m vs €19,9m); the normalization in Q2-2022 equal to € 2,1m is related to the **startup cost of Ondulati Maranello** new plant in Castelbelforte (the normalization in Q1-2022 equal to € 4,0 mil is related to Mantova 2021 startup period)
- The quarterly Ebitda chart above (on the right) shows the results from Q1-2020 and the **breakdown of Group Ebitda by business unit** starting from Q1-2022 (comparison with last year is not available):
 - in Q2-2022 the **paper mills Ebitda** normalized (including subsidies for €15m which are allocated only to paper mills business unit) is equal to €43,3m (33% on paper mills revenues)
 - In Q2-2022 the **corrugator/packaging Ebitda** normalized is equal to €14,8m (11% on corrugator/packaging revenues)
- The **Net Income normalized of Q2-2022** is equal to €26,6m (compared to €5m in Q1-2021 (for the normalization of Q2-2022, see above)

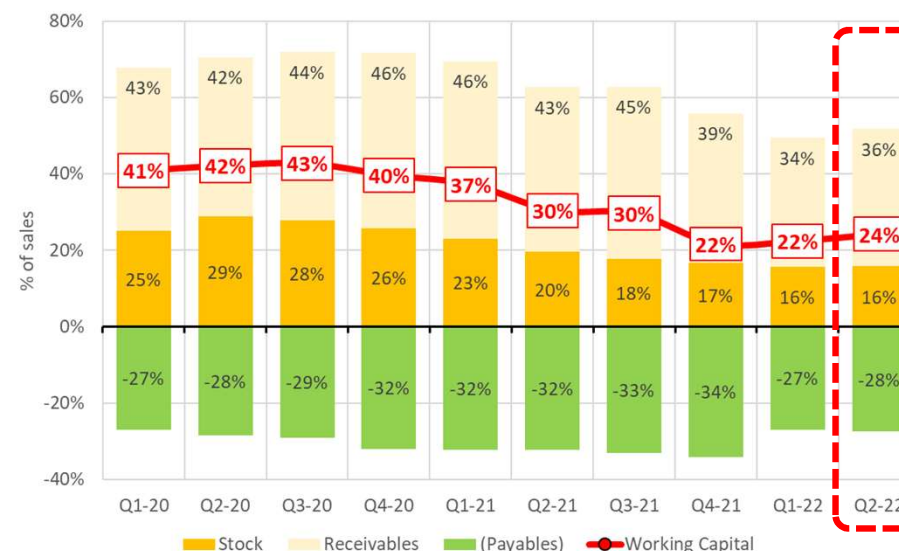


Q2-2022 FINANCIALS – OPERATING WORKING CAPITAL

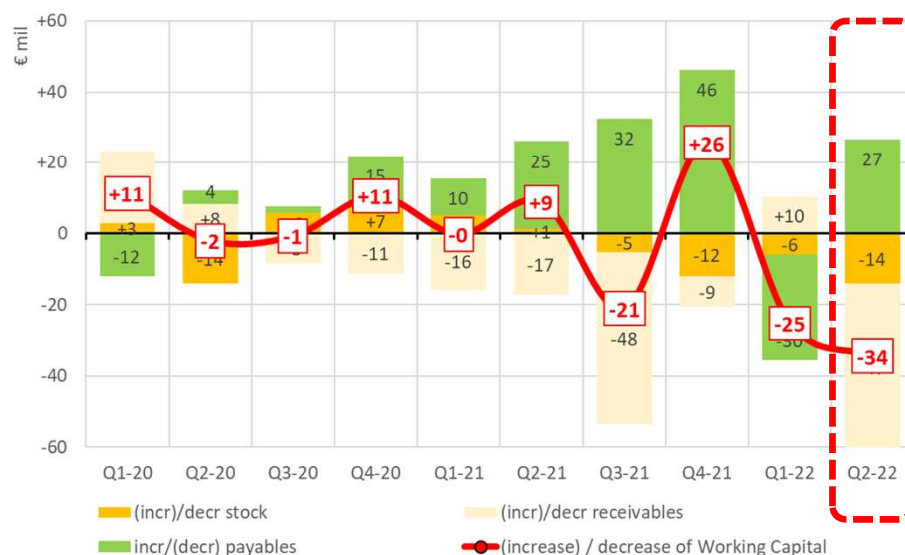
OPERATING WORKING CAPITAL ANALYSIS (€m)



OPERATING WORKING CAPITAL ANALYSIS in % of sales

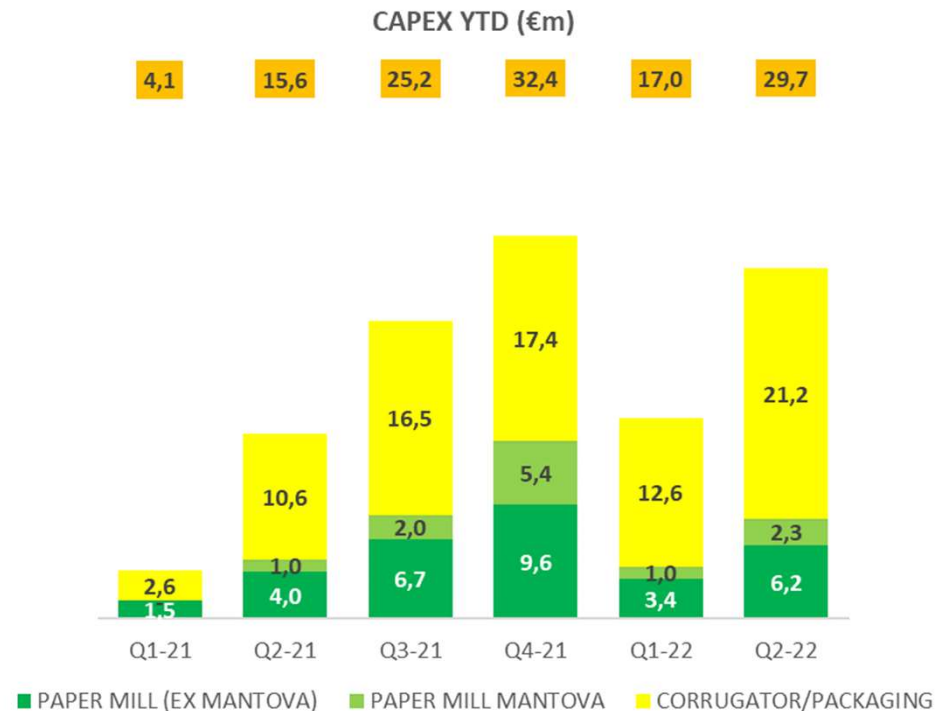


OPERATING WORKING CAPITAL ANALYSIS (incr) / decr of WC (var q/q)



- The **operating working capital** of Pro-Gest Group (including Ondulati Maranello from Q4-2021; consequently, the Q4-21 changes are not significant, as explained in FY-2021 presentation) at 30.06.2022 is equal to €221M (vs € 161m at the end of FY-21) and the cash absorption in Q2-2022 is equal to €34m, mainly due to the increase of receivables position (which started to normalized during the month of July and August)
- The **management of operating working capital** continues to remain virtuous: the incidence on sales in Q2-22 has remained around 25%, substantially stable vs previous quarter and significantly lower than in the previous years

H1-2022 FINANCIALS – TANGIBLE CAPEX



- The graph shows **year to date investments by quarter** from Q1-2020 to Q2-2022, divided by paper mill and corrugator/packaging business units
- Total investments at 30.06.2022 is equal to €29,7m, in line with the budget target.
- The capex during Q2-22 is equal to €12,7m:
 - **Paper mill** capex is equal to €4,1m mainly due to technical improvements to the equipment
 - **Corrugator/packaging** is equal to €8,6m mainly due to the completion of Altopascio plant and Ondulati Maranello plant; the enlargement of Altopascio plant aims at creating the conditions for potential combination of Sesto Fiorentino into Altopascio plant generating synergies in operations and costs

Q2-2022 FINANCIALS – EBITDA TO CASH FLOW BRIDGE

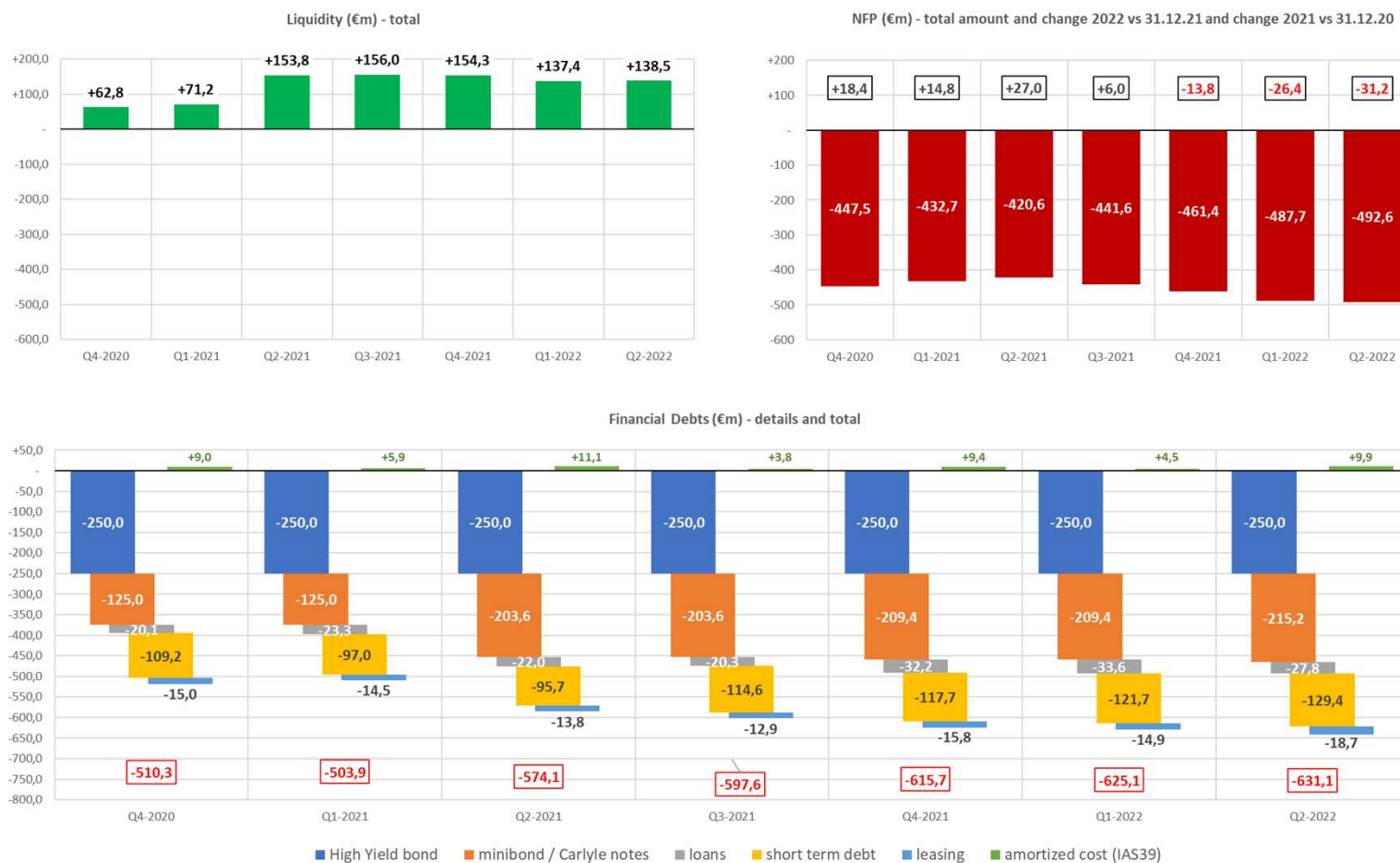
EBITDA TO CASH FLOW (€ mil)	Q4-21	Q1-22	Q2-2022
EBITDA adjusted	15,8	36,4	55,9
(increase) / decrease of working capital	25,6	-25,3	-34,5
(increase) / decrease of other items (included TFR)	0,3	-5,6	2,9
Operating Cash Flow (OCF)	+41,7	+5,5	+24,3
<i>OCF conversion rate</i>	263%	15%	43%
(capex tangible and intangible)	-72,3	-16,8	-12,6
Cash flow after capex	-30,6	-11,3	+11,7
(increase) / decrease of financial investment	19,8	0,0	-0,1
increase / (decrease) of other provisions (AGCM)	-4,5	-4,6	-4,6
Cash flow after extraordinary items	-15,3	-16,0	+7,0
(taxes)	5,1	-0,8	-2,5
Operating Post-tax free cash flow	-10,2	-16,8	+4,5
(interest expenses)	-9,6	-9,6	-9,3
Cash Flow (CF)	-19,7	-26,4	-4,9
<i>CF conversion rate</i>	(neg)	(neg)	(neg)
(NFP) at the beginning of the period	-441,6	-461,4	-487,7
(NFP) at the end of the period	-461,4	-487,7	-492,6
Change in NET FINANCIAL POSITION	-19,7	-26,4	-4,9
<i>check zero</i>	0	0	0

(€/m) - NFP detailed change analysis	Q4-21	Q1-22	Q2-2022
(increase) / decrease of PFL	-18,0	-9,5	-5,9
increase / (decrease) of EQUITY	-	-	-
increase / (decrease) of LIQUIDITY	-1,8	-16,8	+1,0
<i>check zero</i>	0	0	0

- EBITDA does not consider normalizations of € 10,8 mil (ytd data: € 6,6 mil for gas peak in March + € 4,2 mil for Ondulati Maranello)
- WC absorbed in the first six months about € 60 mil, of which € 20 mil due to higher stocks and over € 40 mil due to the combination of customer receivables and payables/suppliers related to price dynamics
- The capex until the end of June is equal to about € 30 mil
- Interest expense in H1-2022 is equal to € 19m
- For all the above, the NFP (IAS39) of the Group is equal to about €493m and should improve in the following months for recovery through “Credito Imposta” of gas subsidies of Government not exploited in the first half and hopefully by some disposal of asset (Monza)

- The Government Subsidies in H1-2022 (€20,7m) will be collected during H2-2022

H1-2022 FINANCIALS – NET FINANCIAL POSITION



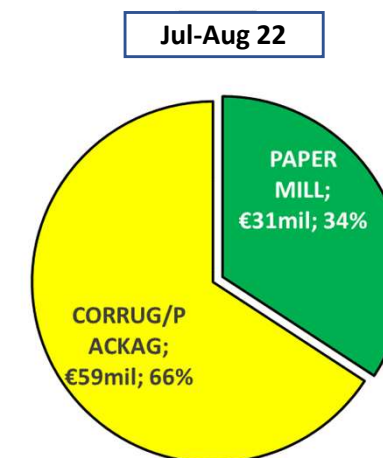
- **Net Financial Position (IAS39)** at 30.06.2022 is equal to €492,6m (higher by €31,2m vs 31.12.2021); during the Q2-2022, as explained in the previous page, NFP has been affected by the working capital and the capex as well as gas payments
- **There are no delays in payments / collections** from banks, suppliers, employees or other creditors
- The **short-term debt** equal to €129m represents approximately 64% of available credit lines

Cash and NFP do not include related party securities (€ 26.5m) and bank bonds (€ 2.0m)

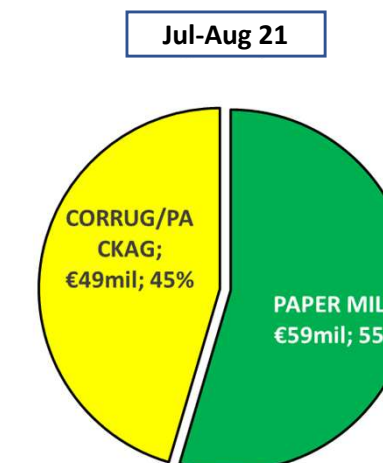
CURRENT TRADING **JUL-AUG 2022**

CURRENT TRADING – SALES JUL-AGO 2022 (2 months)

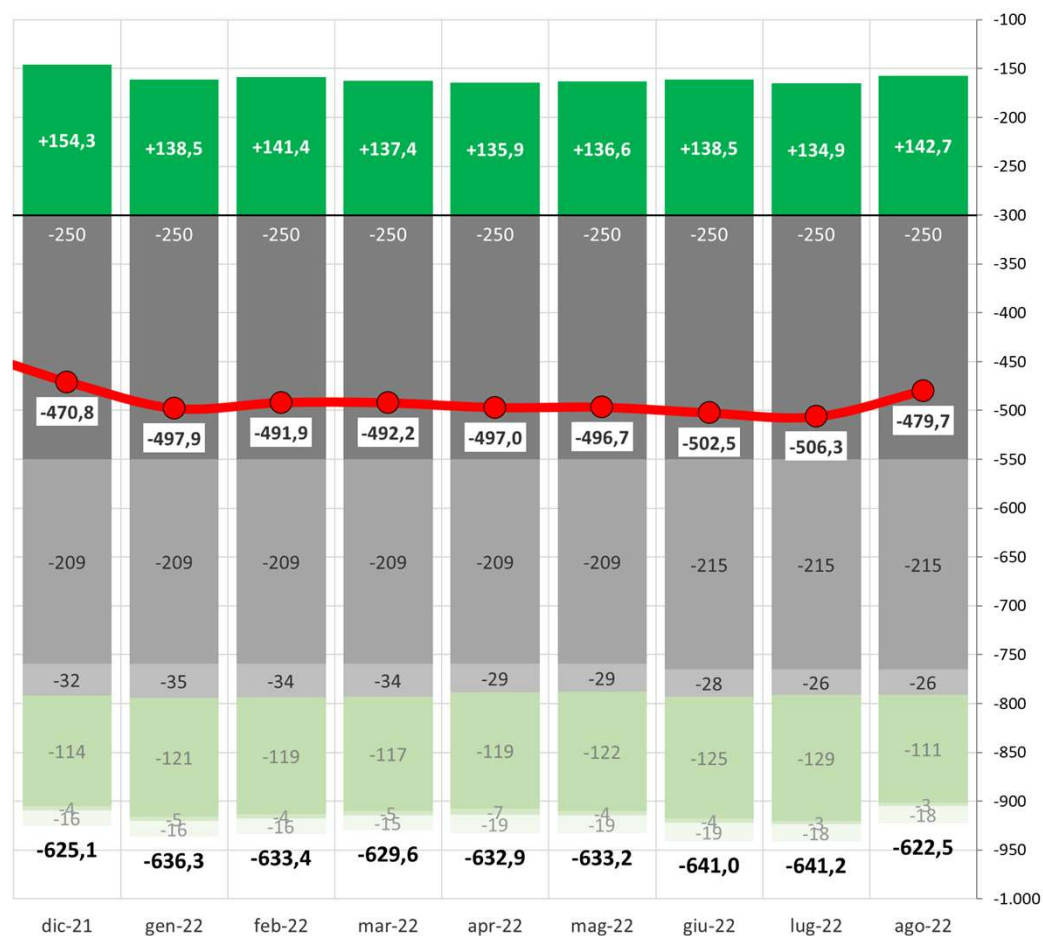
BUSINESS UNITS	value (€ mil, var %, var-val)							changes vs BDG (€ mil)		
	ago-22	ago-22	AC vs BDG in %	AC vs BDG in val (€mil)	ago-21	AC vs PY in %	AC vs PY in val (€mil)	vol	prz+mix	tot
	AC consunt	BDG			AC storico					
PAPER MILL	30,7	66,7	-54%	-35,9	59,0	-48%	-28,3	-46,2	+10,3	-35,9
CORRUG/PACKAG	59,1	58,8	+0%	+0,3	49,2	+20%	+9,9	-17,3	+17,6	+0,3
TOTAL (A1 CORE)	89,9	125,5	-28%	-35,6	108,2	-17%	-18,4	-63,5	+27,9	-35,6



- **Total revenues** (the chart show sales of A1 core products, excluded other sales, related to Jul-Aug period, i.e. 2 months): total sales are negative affected in July-August by the decision to temporary stop of paper mills in August in order to develop extraordinary maintenance for a period longer than past years
- Nevertheless, the turnover towards the market is equal to about € 90m, compared to € 108m in 2021 (-17%)
 - **Paper mills** highly affected by the maintenance show a reduction towards the market of about -50% but increased significantly the sales towards the internal business units (+32%) favoring the Group paper cycle as happened during the first half of 2022
 - **Corrugator/Packaging** increased significantly thanks to higher selling prices and showed an increase of about +20% compared to Jul-Aug 2021



CURRENT TRADING – NFP AT 31.08.2022




POSIZIONE FINANZIARIA NETTA (€ MIL)

- **Net Financial Position (1)** at the end of Aug 2022 is equal to €479,7m (compared to €470,8m at the end of 2021); **the estimate of NFP IAS39 at 31.08.2022 is equal to €470m (close to the same level of 31.12.2021)**
- The **liquidity** remains high and equal to €142,7m (compared to €154,3m at 31.12.2021)
- NFP at 31.08.2022 has been positively affected by:
 - **Working capital:** lower absorption than previous months due to stabilization of prices, slowdown of raw material costs and collection of receivables which at the end of June were higher than the average of the first half
 - **Less amount of VAT** paid since is offset by “Credito Imposta” granted by the Government trough subsidies gas program (estimated in more than €5 mil in two months)
 - **Capex** of the period were limited

Note (1): the data showed in this page are not expressed adopting IAS39 accounting standard (i.e. amortized cost) and consequently they are slightly different compared to the data reported in the annual financial statement and interim financial statements as well as in previous slides illustrating the quarterly trend of NFP

MINIBOND LOANS M/L C/C Passivi, Hot mon., sbf
FINIMPORT LEASING LIQUIDITA' PFL NFP (scala dx)

COMMENTS ON BUSINESS PLAN IMPLEMENTATION

- 
- **Pro-Gest first half performance of 2022 was rather good** both in sales and profitability/Ebitda
 - **The Group was able to transfer to the market the higher costs** of energy (gas), transports and limited increases of raw material
 - **July and August 2022 show a very different market scenario**, with a slowdown of consumptions, due to dramatic increase of energy costs and inflation trend. Selling prices were stable or even softening since the customers are waiting for better understanding of market dynamics
 - **At the beginning of September**, Pro-Gest – considering the continuous increase of energy cost - decided to anticipate to the customers a possible increase of prices in the area of 15%-25% (+130-180 €/ton), depending on different type of products and waiting for a reaction of the market/customers before a final decision
 - **Cost of gas** is still high in the area of 200-220 €/ton (as of 08.09.2022) and industries players are waiting for some new rules (price cap?) coming from each National Government and/or European Commission; in other words, market is far from a stabilization ...
 - **Cost of raw material/wastepaper is going down**, due to reduced request of volumes and this will create benefit to pricing and profitability compensating a bit the gas cost
 - **Ebitda for Jul-Aug 2022** is expected to be positive, and **Ebitda for September 2022** is difficult to foresee, since the market is not yet restarted
 - **Q4-2022** should recover normal trend of consumption, even if probably based on lower volumes, but accepting higher selling prices due to the gas trend which is assumed to remain in the area of 200-250 €/smc, unless there is a European price cap or other incentives
 - In summary, **Pro-Gest is confident that Q4-2022 will show a revitalization of paper industry** and relevant profitability

All data and information of this slide can not be considered as a reliable objective but are only a reference point for the activities that the Group intend to implement in the next months



PRO·GEST GROUP

paper back to life

