

Italian Car Market. October 2020 registrations

Substantial stability of the market in October: -0.2% with 156,978 units registered. The final balance of the first ten months was 1,123,194 units registered, (- 30.9%), with a loss of approximately 500,000 cars compared to 2019.

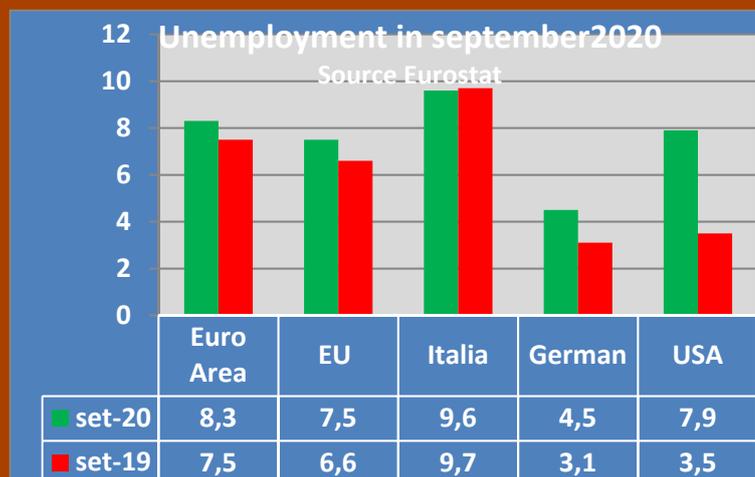
Monthly registrations trend. ('000 units) Source Min. Transport / Anfia / Unrae



According to Anfia "In this phase, we are engaged in ministerial meetings for the presentation of the proposals of the Italian automotive supply chain in relation to the Recovery plan, an opportunity from do not miss to support the sector in this difficult industrial transition, working on the four pillars necessary to ensure its strategic repositioning and the competitive advantage: interventions to support investments in research and innovation and first industrialization; promotion of smart and sharing mobility projects; interventions on human

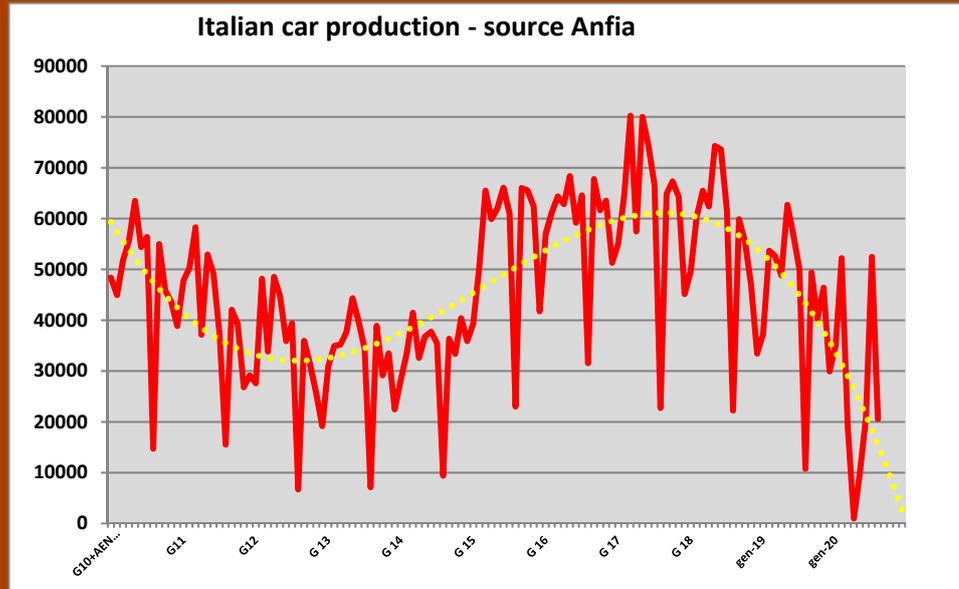
capital and financial interventions to support businesses. We hope that these lines of action are considered a priority and may have adequate space in the final plan. With reference to the current economic situation, we believe it appropriate to introduce a measure that encourages business investments for the renewal of the fleet of light commercial vehicles, in order to support the market and, at the same time, comply with the needs for improving the quality of air in urban areas, where freight logistics is experiencing a phase of particular development. The idea is to provide for a differentiated economic contribution based on the total ground mass of the vehicle, the type of fuel and the possible scrapping of a vehicle of the same category up to Euro 4 / IV".

For its part, UNRAE underlines that "beyond the contingent market data, the experience of recent months clearly shows the

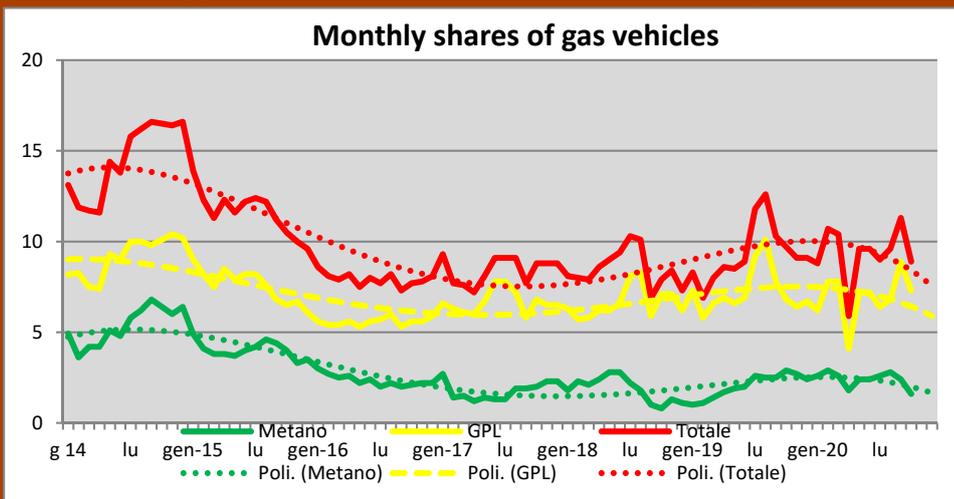


insufficiency of a policy centered on "hit and run" incentives. It is also clear, in the current phase of economic emergency, that the decision NOT to refinance the funds linked to the most important CO2 band from the point of view of volumes has immediately blocked the market again. At this point, the need to give greater continuity to the support of the automotive sector is very clear, starting with the next Budget Law. In parallel, it will be necessary to launch a strategic approach towards structural solutions that accompany the technological transition towards zero-emission mobility, including the entire production and commercial chain. From a strategic vision on charging infrastructures for new engines to a fiscal approach on company cars no longer in derogation and finally aligned with other European countries". "The forecasts for the end of the year - continues Unrae - project a level of registrations that should probably be below 1,400,000 units, down by over 27% compared to 2019, a dramatic reduction that has only one precedent in modern history.

Unemployment fell to 9.6% in September compared to 9.7% in August; it was 9.7% in September 2019. Youth unemployment also falls: 29.7% compared to 31.4% in August and 28.7% last year. As for the automotive sector as a whole, according to preliminary data from ANFIA, in August 2020 the domestic production of cars grew by 87.9% compared to the same month last year. In the first eight months, car production fell by 44%.

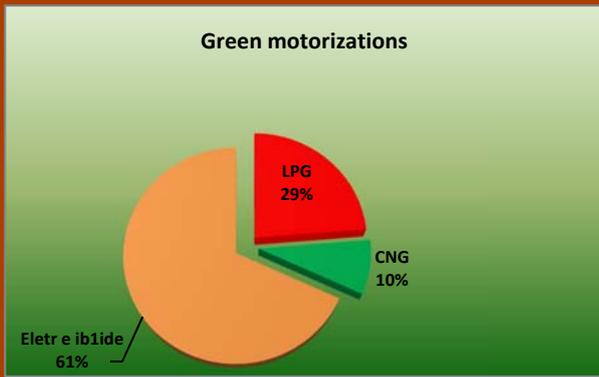


The share of gas vehicles fell to 8.9% in October compared to 11.3% in September and 9.7% in the same month last year. Together with electric and hybrid vehicles, the share of vehicles powered by an alternative fuel to oil stood at 37.7% in October compared to 18.3% last year, solely due to electric vehicles. During the month, diesel dropped to 30.8% (it was 35.9% in October 2019). Petrol vehicles covered 31.5% of the market in the month compared to 45.8% in October 2019.



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Consequently, with regard to environmentally friendly engines, the proportions between the various alternatives continue to shift in favor of the electric and hybrid.



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