HALF-YEAR REPORT
AT JUNE 30, 2023

Elica Group

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Corporate boards, Group structure and corporate information

Members of the Board of Directors[1]

Francesco Casoli	**Executive Chairperson**, born in Senigallia (AN) on 05/06/1961, appointed by resolution of 29/04/2021.
Giulio Cocci	**Chief Executive officer,** born in Fermo on 13/04/1970, appointed by resolution of 29/04/2021.
Elio Cosimo Catania	**Independent Director**, born in Catania on 05/06/1946, appointed by resolution of 29/04/2021.
Monica Nicolini	**Independent Director and Lead Independent Director,** born in Pesaro on 16/04/1963, appointed by resolution of 29/04/2021.
Susanna Zucchelli	**Independent Director**, born in Bologna on 19/12/1956, appointed by resolution of 29/04/2021.
Angelo Catapano	**Independent Director**, born in Naples on 09/12/1958, appointed by resolution of 29/04/2021.
Liliana Fratini Passi	**Independent Director**, born in Rome on 19/06/1970, appointed by resolution of 29/04/2021.

Members of the Board of Statutory Auditors[2]

Giovanni Frezzotti	**Chairperson**, born in Jesi (AN) on 22/02/1944, appointed by resolution of 29/04/2021.
Massimiliano Belli	**Statutory Auditor,** born in Recanati (MC) on 22/08/1972, appointed by resolution of 29/04/2021.
Simona Romagnoli	**Statutory Auditor,** born in Jesi (AN) on 02/04/1971, appointed by resolution of 29/04/2021.
Serenella Spaccapaniccia	**Alternate Auditor,** born in Montegiorgio (FM) on 04/04/1965, appointed by resolution of 29/04/2021.
Leandro Tiranti	**Alternate Auditor,** born in Sassoferrato (AN) on 04/05/1966, appointed by resolution of 29/04/2021.

Control, Risks and Sustainability Committee

Susanna Zucchelli (Chairperson)
Angelo Catapano
Elio Cosimo Catania
Liliana Fratini Passi
Monica Nicolini

Appointments and Remuneration Committee

Elio Cosimo Catania (Chairperson)
Angelo Catapano
Liliana Fratini Passi
Monica Nicolini
Susanna Zucchelli

[1] In office until the approval of the 2023 Annual Accounts

[2] In office until the approval of the 2023 Annual Accounts

Independent Audit Firm[3]

KPMG S.p.a.

Investor Relations Manager

Francesca Cocco – Lerxi Consulting – Investor Relations
Tel: +39 (0)732 610 4205
E-mail: investor-relations@elica.com

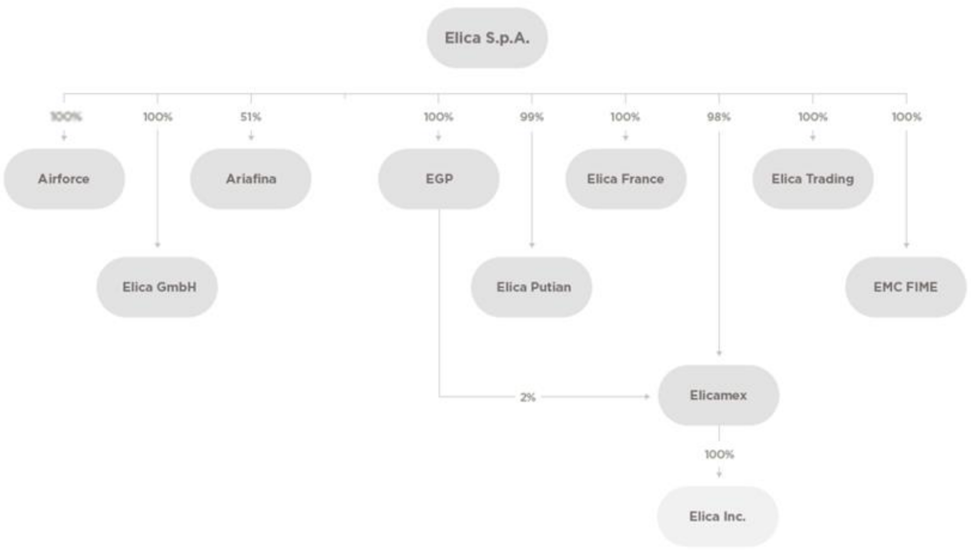
Corporate Financial Reporting Manager

Emilio Silvi

Registered office and Company data

Elica S.p.A.
Sede sociale: Via Ermanno Casoli,2 – 60044 Fabriano (AN)
Capitale Sociale: Euro 12.664.560,00
Codice Fiscale e numero di iscrizione al Registro delle Imprese: 00096570429
Iscritta al REA di Ancona n. 63006 – Partita I.V.A. 00096570429

Group Structure



For further details on the Group's structure and consolidation scope, please refer to Note A.7.

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[3] In office until the approval of the 2023 Annual Accounts

DIRECTORS' REPORT
H1 2023
Elica Group

A.1. Methodology introduction

The half-year report at June 30, 2023 has been drawn up in accordance with the international accounting standard concerning interim reporting (IAS 34 - Interim Financial Reporting), comprising:

- Consolidated Statement of Financial Position
- Consolidated Income Statement
- Consolidated Statement of Comprehensive Income
- Consolidated Statement of Cash Flows
- Consolidated Statement of changes in Equity
- Notes to the condensed consolidated interim financial statements

In addition to the IFRS-compliant indicators included in the official reporting formats, this Interim Directors' Report also presents various alternative performance measures employed by management to monitor and evaluate the Group's performance, set out in a dedicated paragraph.
The columns headed H1 present the Income Statement and Statement of Cash Flow figures for the period between January 1 and June 30 of the year indicated.

A.1.1. Disclaimer

The document contains forward-looking statements, particularly in the sections regarding the "Outlook" and "Subsequent Events", outlining future events and the operating and financial results of the Elica Group. These forecasts are based on the Group's current expectations and projections regarding future events and, by their nature, have an element of riskiness and uncertainty in that they relate to events and depend on circumstances that may, or may not, occur in the future and, as such, should not be unduly relied upon. Actual results may differ, even to a significant degree, from the estimates made in such statements due to a wide range of factors, including the volatility and decline of the capital and finance markets, raw material price changes, altered economic conditions and growth trends and other changes in business conditions, regulatory and institutional framework changes (both in Italy and overseas) and many other factors, the majority of which outside the control of the Group.

A.2. Financial and operating review

H1 2023 Performance

Elica Group Operating Performance

In Euro thousands	H1 2023	% revenue	H1 2022	% revenue	Changes %
Revenue	254,545		290,234		-12.3%
Adjusted EBITDA	**26,060**	**10.2%**	**30,407**	**10.5%**	**-14.3%**
EBITDA	25,058	9.8%	28,411	9.8%	-11.8%
Adjusted EBIT	**14,158**	**5.6%**	**18,521**	**6.4%**	**-23.6%**
EBIT	13,156	5.2%	16,525	5.7%	-20.4%
Net financial expense	(2,276)	-0.9%	2,456	0.8%	-192.7%
Income taxes	(2,373)	-0.9%	(6,061)	-2.1%	60.9%
Profit from continuing operations	8,507	3.3%	12,920	4.5%	-34.2%
Adjusted profit for the period	**9,268**	**3.6%**	**14,437**	**5.0%**	**-35.8%**
Profit for the period	8,507	3.3%	12,920	4.5%	-34.2%
Adjusted profit attributable to the owners of the parent	**8,533**	**3.4%**	**13,826**	**4.8%**	**-38.3%**
Profit attributable to the owners of the parent	7,772	3.1%	12,309	4.2%	-36.9%
Basic earnings per Share (Euro/cents) at closing date	12.43		19.53		-36.4%
Diluted earnings per Share (Euro/cents) at closing date	12.43		19.53		-36.4%

Elica reports H1 2023 revenues of Euro 254.6 million, within a market impacted by contracting volumes and the new destocking measures affecting the motors division.

The Cooking division, accounting for 76% of total revenue, declined 15% (-14.9% at constant exchange rates), with the contraction only partly due to own brand sales.

OEM area destocking continues amid a double-digit contraction. Deteriorating consumer purchasing power has put pressure on the sales mix, as evidenced by extractor hob market demand, which (according to market data) saw a contraction after a prolonged period of consistent growth.

The Motors division, accounting for 24% of total revenue, is seeing initial signs of slowdown, with the slight contraction (-2.8%) fully reflecting market trends.

EMEA revenue, accounting for 80% of total revenue, contracted 10.9%, with Elica's performance therefore mirroring the market.

Adjusted EBITDA amounted to Euro 26.1 million, compared with Euro 30.4 million in the same period of the previous year, with a margin on revenues of 10.2% (10.5% in H1 2022). Despite weak demand and continued raw material pressures, EBITDA remains resilient, laying the basis for sustainable profitability over the medium/long-term.

In the Cooking area, own brand sales in terms of profitability once again acted as a major hedge and as one of Elica's key performance drivers.

"Heating" and "ventilation", and in particular the heat pump segment, were again high profitability segments for the Motors division with significant opportunities for diversification.

Adjusted EBIT amounted to Euro 14.2 million, compared with Euro 18.5 million in the same period of the previous year, with a margin on revenues of 5.6% (6.4% in H1 2022).

Despite the contracting sector, margins were protected by the strategic initiatives taken over recent years, such as ongoing cost control and the flexibility deriving from the new production footprint.

Net financial expense totalled Euro 2.3 million, compared to net financial income of Euro 2.5 million in 2022. In the comparison, the positive currency effect on the Ruble in 2022 is considered, in addition to the increased cost of funding in 2023 following the raising of the ECB's benchmark rates.

The Adjusted Profit was Euro 9.3 million, compared to Euro 14.4 million in H1 2022.

The Adjusted Group Net Profit was Euro 8.5 million, compared to Euro 13.8 million in H1 2022.

The Minorities profit is Euro 0.7 million, in line with the same period of 2022.

The figures for the two operating segments (Cooking and Motors), as per IFRS 8, are presented below.

Euro thousands	**Cooking**	**Motors**	**Eliminations and other adjustments**	**Elica Group**
Revenue - third parties	192,564	61,982	(0)	254,545
Inter-segment revenues	472	13,290	(13,762)	0
Revenues	**193,036**	**75,271**	**(13,762)**	**254,545**
Operating result	6,723	6,396	37	13,156

Currency movements

	Average 2023	**Average 2022**		**30/06/2023**	**31/12/2022**	
EUR	1.00	1.00	0.00%	1.00	1.00	0.00%
USD	1.08	1.09	(0.92%)	1.09	1.07	1.87%
PLN	4.62	4.64	(0.43%)	4.44	4.68	(5.13%)
RUB	83.38	85.88	(2.91%)	94.74	78.14	21.24%
CNY	7.49	7.08	5.79%	7.90	7.36	7.34%
MXN	19.65	22.17	(11.37%)	18.56	20.86	(11.03%)
JPY	145.76	134.31	8.53%	157.16	140.66	11.73%
Source: ECB data						

In 2023, the Euro at average exchange rates appreciated against the Japanese Yen and Chinese Yuan, while depreciating against all other currencies.

Elica Group Equity and Financial Performance Analysis

In Euro thousands	**30/06/2023**	**31/12/2022**
Fixed assets	192,579	192,216
Managerial Working Capital	16,909	10,373
Other net allocated assets	(13,017)	(12,724)
Capital Employed	**196,471**	189,864
Net financial position	(51,332)	(51,903)
Equity	(145,139)	(137,961)
Source of funds	**(196,471)**	**(189,864)**

In Euro thousands	**30/06/2023**	**31/12/2022**	**30/06/2022**
Cash and cash equivalents	61,143	67,727	70,426
Bank loans and borrowings (current)	(44,937)	(42,812)	(34,927)
Bank loans and borrowings (non current)	(53,042)	(54,774)	(66,310)
Adjusted Net Financial Position	**(36,836)**	**(29,859)**	**(30,811)**
Lease liabilities (current)	(3,937)	(4,192)	(4,390)
Lease liabilities (non-current)	(9,084)	(9,831)	(9,330)
Adjusted Net Financial Position - Including the effects of IFRS 16	**(49,857)**	**(43,882)**	**(44,531)**
Other payables for purchase of investments	(1,475)	(8,021)	(13,095)
Net financial position	**(51,332)**	**(51,903)**	**(57,626)**

The Adjusted Net Financial Position at June 30, 2023 was Euro -36.8 million (net of the IFRS 16 effect of Euro 13.0 million and of the payable for the acquisition of investments for Euro 1.5 million).

The main impacts on the net financial position at June 30, 2023 were from:

- close working capital management through strategic projects, including the "Supply Chain Finance Solution" programme;
- the cash out for the reorganisation of the Italian industrial footprint and completion of the industrial footprint restructuring in Poland for Euro 1.9 million.
- the negative impact from the payment (approx. Euro 6.5 million) for the final tranche for the acquisition of the companies E.M.C. S.r.l. and CPS S.r.l., now merged into EMC-Fime;
- capex of Euro 6.8 million (including IFRS 16 effect). The reduction on H1 2022 is due to the appropriate balancing between financial management and investments in innovation and product development.
- the execution of the share buy-back plan for approx. Euro 0.6 million;

In Euro thousands	**30/06/2023**	**31/12/2022**	**30/06/2022**
Trade receivables	46,907	48,491	93,890
Inventories	109,170	101,453	118,566
Trade payables	(139,168)	(139,571)	(178,451)
Managerial Working Capital	**16,909**	**10,373**	**34,005**
% annualised revenue	*3.3%*	*1.9%*	*5.9%*
Other net assets/liabilities	(7,395)	(12,593)	(28,498)
Net Working Capital	**9,514**	**(2,220)**	**5,507**

Working Capital on annualised revenue was 3.3% in H1 2023, significantly decreasing on 5.9% in H1 2022.

The value of inventory reflects the business's seasonality, whereby the value of stock increased on December 31, 2022, although indicating an improved performance on June 2022.

Trade receivables reflect revenue developments and collection policies, while the movement in trade payables is due to procurement and payment dynamics, impacted also by strategic projects, such as the "Supply Chain Finance Solution" programme.

Capex in the period for the Cooking area mainly concerned the installation of additional production lines for extractor hobs and the entry into production of the LHOV. In the Motors division, investments were made in the production of motors for heat pumps and in the bringing in-house of the production of the shearing unit.

The statement of financial position for the two business segments (Cooking and Motors) are presented below.

In Euro thousands	**Cooking**	**Motors**	**Eliminations and other adjustments**	**Elica Group**
Fixed assets	140,226	52,352	0	192,579
Managerial Working Capital	15,121	2,005	(217)	16,909
Other net allocated assets	(8,357)	(4,651)	(9)	(13,017)
Capital Employed	**146,991**	**49,707**	**(226)**	**196,471**
Net financial position				(51,332)
Equity				(145,139)
Source of funds				**(196,471)**

A.3 Alternative performance measures - Definitions and reconciliations

The Elica Group utilises some alternative performance indicators, which are not identified as accounting measures within IFRS, for management`s view on the performance of the Group. Therefore, the criteria applied by the Group may not be uniform with the criteria adopted by other groups and these values may not be comparable with that determined by such groups. These alternative performance measures exclusively concern historical data of the Group and are determined in accordance with those established by the Alternative Performance Measure Guidelines issued by ESMA/2015/1415 and adopted by CONSOB with communication No. 92543 of December 3, 2015. These indicators refer to the performance for the accounting period of the present Half-Year Financial Report and of the comparative periods and not to the expected performance of the Group and must not be considered as replacement of the indicators required by the accounting standards (IFRS). The alternative performance measures utilised in this Half-Year Financial Report are as follows:

Definitions

EBITDA is the operating result (EBIT) plus amortisation and depreciation and any impairment losses on Goodwill, brands and other tangible and intangible assets.

EBIT is the operating result as reported in the consolidated Income Statement.

Adjusted EBITDA is EBITDA net of the relative adjustment items.

Adjusted EBIT is EBIT net of the relative adjustment items.

Net financial income/(expense) is the sum of the Share of profit/(loss) from Group companies, Financial income, Financial Charges and Exchange rate gains and losses.

The adjusted result is the result for the period, as published in the Consolidated Income Statement, net of the relative adjustment items.

The adjusted Group result is the result for the period attributable to the owners of the Parent, as published in the Consolidated Income Statement, net of the relative adjustment items.

Adjustment items: earnings items are considered for adjustment where they: (i) derive from non-recurring events and operations or from operations or events which do not occur frequently; (ii) derive from events and operations not considered as in the normal course of business operations, as is the case of restructuring charges, of the costs for M&A’s, whether executed or not, and any rightsizing costs.

The earnings per share for H1 2023 and H1 2022 was calculated by dividing the Group profit attributable to the owners of the Parent, as defined in the Consolidated Income Statement, by the number of outstanding shares at the respective reporting dates. The number of shares outstanding at period-end differs from that at December 31, 2022 and June 30, 2022 due to the launch of the treasury share buy-back plan. The earnings (loss) per share so calculated does not match the earnings (loss) per share as per the consolidated Income Statement, which is calculated as per IAS 33, based on the average weighted number of shares outstanding.

Managerial Working Capital is the sum of Trade receivables with Inventories, net of Trade payables, as presented in the Consolidated Statement of Financial Position.

Net Working Capital is the amount of Managerial Working Capital and Other net receivables/payables.

Other net receivables/payables comprise the current portion of Other receivables and Tax Receivables, net of the current portion of Provisions for risks and charges, Other payables and Tax payables, as presented in the Consolidated Statement of Financial Position.

The Adjusted Net Financial Position is the sum of Cash and Cash equivalents, less Current and Non-current bank loans and borrowings, as reported in the Statement of Financial Position.

The Adjusted Net Financial Position - Including IFRS 16 Impact is the sum of the Adjusted Net Financial Position and current and non-current lease payables from application of IFRS 16, as reported in the Consolidated Statement of Financial Position.

The Net Financial Position is the sum of the Adjusted Net Financial Position - Including IFRS 16 Impact and of the liabilities included among other payables arising in relation to the acquisition of the new companies, belonging to the consolidation scope or of additional shares in existing subsidiaries. The result coincides with the Consob definition of the Net Financial Position

Fixed assets is the sum of Property, Plant and Equipment, Intangible Assets with a definite useful life and Goodwill.

Other net allocated assets is the sum of all asset and liability items, excluding those included in Fixed Assets, Managerial Working Capital, Equity and the Net Financial Position.

Reconciliations

in Euro thousands	H1 2023	H1 2022
Operating profit – EBIT	**13,156**	**16,525**
(Impairment losses on Tangible and Intangible assets)	-	-
(Amortisation & Depreciation)	11,902	11,886
EBITDA	**25,058**	**28,411**
Capital gain from patent sharing		**(3,200)**
Other revenues		(3,200)
Cooking production reorganisation	**238**	**4,774**
Changes in inventories finished/semi-finished goods	45	
Raw materials and consumables	61	182
Services	132	915
Other operating expenses and accruals		81
Restructuring charges		3,596
Realised and unrealised M&A's	**88**	**-**
Services	88	
Other reorganisations and Rightsizing	**608**	**422**
Restructuring charges	444	422
Personnel expenses	165	
Others	**68**	**-**
Services	68	
EBITDA adjustment items	**1,002**	**1,996**
Adjusted EBITDA	**26,060**	**30,407**

in Euro thousands	H1 2023	H1 2022
Operating profit – EBIT	**13,156**	**16,525**
EBITDA adjustment items	**1,002**	**1,996**
EBIT adjustment items	**1,002**	**1,996**
Adjusted EBIT	**14,158**	**18,521**

in Euro thousands	**H1 2023**	**H1 2022**
Profit for the period	**8,507**	**12,920**
EBIT adjustment items	**1,002**	**1,996**
Income taxes on adjusted items	(240)	(479)
Adjusted Net Profit for the period	**9,268**	**14,437**
(Profit attributable to non-controlling interests)	**(735)**	**(611)**
(Adjustments to non-controlling interests)	-	-
Adjusted Group Net Profit	**8,533**	**13,826**

in Euro thousands	**H1 2023**	**H1 2022**
Group Net Profit *(in Euro thousands)*	7,772	12,309
Outstanding shares at year-end	62,544,450	63,018,699
Earnings (loss) per share (Euro/cents)	**12.43**	**19.53**

In Euro thousands	**30/06/2023**	**31/12/2022**	**30/06/2022**
Other current assets	7,567	5,521	7,212
Tax assets	23,447	27,473	27,125
Provisions for risks and charges	(9,101)	(14,344)	(18,284)
Other current liabilities	(23,486)	(23,075)	(34,797)
Tax liabilities	(5,822)	(8,168)	(9,755)
Other net assets/liabilities	**(7,395)**	**(12,593)**	**(28,499)**

A.4 Significant events in H1 2023

On February 14, 2023, the Board of Directors of Elica S.p.A. approved the additional periodic disclosure for the fourth quarter of 2022, prepared according to IFRS, in addition to the 2022 preliminary consolidated results.
On March 16, 2023, the Board of Directors of Elica S.p.A. approved the consolidated results at December 31, 2022 and the statutory financial statements at December 31, 2022, prepared in accordance with IFRS, in addition to the Directors' Report.
Elica on April 19, 2023 announced the extension of its cooking segment product offer, in line with the 2023 objectives, and announced a strategic partnership with Ilve S.p.A, an Italian enterprise specialised in oven manufacturing, based in Padua.
On April 27, 2023, the Shareholders' Meeting of Elica S.p.A., meeting in ordinary session, approved the 2022 Annual Accounts of Elica S.p.A., the Directors' Report, the Non-Financial Report and viewed the Board of Statutory Auditors' Report and the Independent Auditors' Report. The Shareholders' Meeting also noted the consolidated results for 2022.
On the same date, the Board of Directors of Elica S.p.A. approved the additional periodic disclosure for the first quarter of 2023, prepared according to IFRS.
Also on April 27, 2023, Elica S.p.A. announced the conclusion of the third tranche of the ordinary share Buyback plan, announced to the market on February 14, 2023 and launched on February 15, 2023, in execution of the Shareholders' Meeting resolution of April 28, 2022.
From April 28, 2023 and until December 31, 2023, the Company is executing a buyback plan, for a maximum 240,000 purchasable treasury shares (approx. 0.4% of the subscribed and paid-in share capital), authorised by the Shareholders' Meeting of April 27, 2023.
On May 18, 2023 (as per the press release of July 2023), Elica S.p.A. and Banco BPM agreed a Sustainability Linked Loan to fund Elica's investment plan. As part of its global sustainable development plan, Elica will benefit from credit lines with a total value of Euro 30 million. The transaction supports the company's investment plan through the "Sustainability Objective" unsecured loan. This "Sustainable Linked Loan" type solution involves sharing improvement goals in the area of sustainability with the company through specific performance indicators (ESG KPIs). In Elica's

case, the ESG KPI identified concerns the increase in the percentage of energy derived from renewable sources in relation to total energy used. The credit lines granted to Elica SpA are within the Euro 5 billion earmarked under the "2020-2023 Sustainable Investment" programme which Banco BPM set up in response to the ESG needs of the business community.
On June 23, 2023, the Board of Directors of Elica S.p.A. called the Ordinary Shareholders' Meeting to consider the change to the By-Laws. The proposed amendments mainly concern the forms of participation, calling and hosting of the meetings of the Company's boards, in order to better govern the right to utilise remote means of communication and the appointment of the sole designated representative. In terms of the above amendments, the Company also intends to extend its duration and update a number of provisions, so that they are in line with the latest regulatory and governance provisions.

A.5. Subsequent events and outlook

Subsequent events

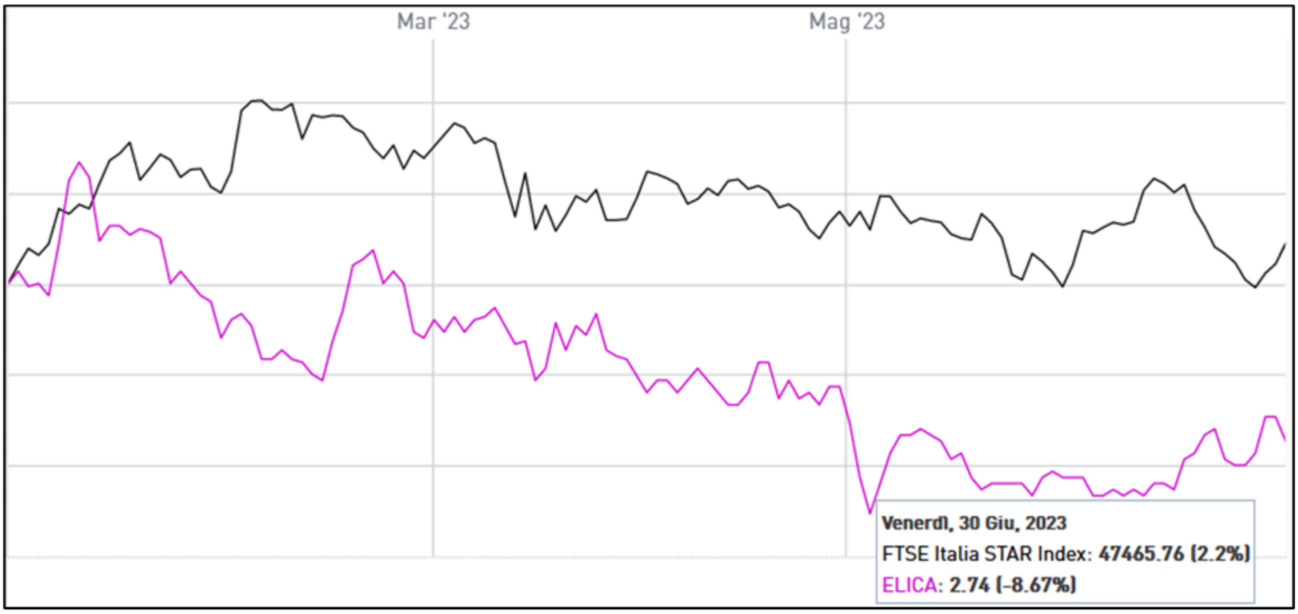
No subsequent events are reported.

Outlook

On the basis of the Q2 performance and weaker market demand than forecast, we expect the second half of the year to be substantially in line with the previous year. We forecast slight growth for the Cooking business in the latter part of the year, driven by the launch of new products. The Motors division is expected to slow, due mainly to the heating segment and as the result of reduced new construction and a drop off in the incentives which have provided a tailwind over recent years.
The expected margin is however in line with the previous year, thanks to further cost containment initiatives and the flexibility established with the new European footprint, in addition to the launch of the new product lines for both the Cooking (ovens, induction hobs and wine cellars) and motors (heat pumps) segments.
In geopolitical terms, the Elica Group continues to monitor the impacts and developments of the conflict between Russia and Ukraine, which broke out at the end of February 2022, particularly assessing potential risks upon Group operations. Although Elica Group business in the area involved is limited, given that the Russian market accounts for 2% of revenue, procedures have been put in place to monitor this risk.

A.6. Elica S.p.A. and the financial markets

In Euro	
Official price at June 30, 2023	2.74
Stock market capitalisation at June 30, 2023	173,504,472
No. shares comprising the share capital at June 30, 2023	63,322,800
No. shares in circulation on the market at June 30, 2023	15,404,815



Source: Italian Stock Exchange

The graph outlines the Elica S.p.A. share performance for H1 2023, compared with the FTSE Italia STAR benchmark index. The share performance reflects the deteriorating general economic and sector environment, impacted by the restrictive monetary policies adopted by the main central banks and a geopolitical environment which does not indicate signs of improvement. Rising bond yields and normal sector rotation, to the detriment of cyclical stocks such as Elica, resulted in a widening of the gap between the share price and the benchmark index during the period. Despite these factors, we highlight that the share features moderate volatility, with a Beta of close to one. It's five year performance at +20.84% compares with the +23.75% of the FTSE Italia STAR index, confirming its close medium/long-term correlation to the benchmark index.

A.7 Elica Group structure and consolidation scope

Parent

Elica[4] S.p.A. - Fabriano (Ancona, Italy) is the parent of the Group (in short Elica).The company produces and sells products for cooking, especially range hoods for household use and extractor hobs.

Subsidiaries

- Elica Group Polska Sp.zo.o – Wroclaw – (Poland) (in short Elica Group Polska). This wholly-owned company has been operational since September 2005 in the production and sale of electric motors and from December 2006 in the production and sale of exhaust hoods for domestic use;
- Elicamex S.A. de C.V. – Queretaro (Mexico) (in short Elicamex). This company was incorporated at the beginning of 2006 and is wholly-owned (the parent owns 98% directly and

[4] The company also has a stable organisation in Spain, in Avda, Generalitat de Catalunya Esc.9, bayos 1 08960 Sant Just Desvern – Barcelona.

2% through Elica Group Polska). The Group intends to concentrate production for the American markets with this company in Mexico and reap the benefits of optimising operations and logistics;

- Ariafina CO., LTD – Sagamihara-Shi (Japan) (in short Ariafina). Incorporated in September 2002 as an equal Joint Venture with Fuji Industrial of Tokyo, the Japanese range hood market leader, Elica S.p.A. acquired control in May 2006 (51% holding) to provide further impetus to the development of the important Japanese market, where high-quality products are sold;
- Airforce S.p.A. – Fabriano (Ancona, Italy) (in short Airforce). Manufactures high quality kitchen range hoods and cooktops that are highly customisable and unique, thereby positioning itself in a specific niche market and allowing it to satisfy the most specific of customer needs, distancing itself from the mass market. Experience, design, flexibility and made-in-Fabriano innovation fit perfectly into the Elica Group's development and growth strategy. By December 31, 2022, following the acquisition of a 40% stake from minority interests in 2022, Elica S.p.A. has owned 100% of this company;
- Elica Inc – Chicago, Illinois (United States), offices in Issaqua, Washington (United States). This company aims to develop the Group's brands in the US market by carrying out marketing and trade marketing with resident staff. The company is a wholly-owned subsidiary of ELICAMEX S.A. de C.V.;
- Zhejiang Elica Putian Electric CO.,LTD. - Shengzhou (China) (in short Putian), a 99% owned Chinese company. Putian is one of the main players in the Chinese hood market and the principal company developing Western-style hoods. The production site is located in Shengzhou, a major Chinese industrial district for the production of cooking appliances.
- Elica Trading LLC – St. Petersburg (Russian Federation) (in short Elica Trading), a Russian company held 100%, incorporated on June 28, 2011 and selling Elica Group products on the Russian market.
- Elica France S.A.S. - Paris (France) (in short Elica France), a wholly-owned French company incorporated in 2014 and selling Elica Group products on the French market.
- Elica GmbH – Munich (Germany), a German company wholly-owned by Elica S.p.A. and incorporated in 2017 and selling Elica Group products on the German market.
- EMC Fime S.r.l. – Castelfidardo (AN-Italia), an Italian company 100% held by Elica S.p.A.. On July 2, 2021, the closing took place, by which Elica S.p.A. acquired from third parties the two companies E.M.C. S.r.l. and C.P.S. S.r.l. In the second half of 2021, the company C.P.S. was merged by incorporation into E.M.C. S.r.l., which at the same time changed its name to EMC Fime S.r.l. The transfer of Elica's Motors division to EMC was effective as of January 1, 2022.

Changes in the consolidation scope

There were no changes in the consolidation scope compared to December 31, 2022.

A.8 Research and development

Development activities are a central part of the Group's operations: resources have devoted substantial efforts to developing, producing and offering customers innovative products both in terms of design and the utilisation of materials and technological solutions.
During the period, the Group was involved in industrial research, seeking to improve products, as well as organisational, process and structural improvements. These amounts are in line with those incurred in the past by the Group.

A.9 Financial disclosure and shareholder relations

Elica S.p.A., in order to maintain close relations with Shareholders, with potential investors and financial analysts, and in compliance with CONSOB's recommendation, has established an Investor Relator function. This role ensures constant communication between the Group and the financial markets.
The operating-financial results, the institutional presentations and the periodic publications, the official press releases and the updates and real-time share updates are available at https://investors.elica.com/it/.

A.10 Treasury shares or holdings in parent companies

At June 30, 2023, Elica S.p.A. held 778,350 treasury shares in portfolio (1.23% of the Share Capital), acquired in 2022 and 2023 for a total outlay, including bank commissions and related tax charges, of approx. Euro 2,289 thousand. At the same date, its subsidiaries did not hold any of its shares. The Group does not hold directly or indirectly parent company shares and in the period did not purchase or sell parent company shares.

A.11 Transactions relating to atypical and/or unusual operations

The Group did not carry out atypical and/or unusual transactions, i.e. those transactions which owing to their significance, the nature of the counterparties, the subject-matter of the transaction, the transfer price calculation method and the timing of the event, may give rise to doubts concerning the accuracy/completeness of the information in the financial statements, conflicts of interest, the safeguarding of corporate assets and the protection of non-controlling shareholder interests.

A.12 Significant non-recurring events and operations

In the first half of 2023, no significant non-recurring operations were undertaken by the Elica Group.

A.13 Risk Management

The Elica Group's operations are exposed to different types of financial risks, including risks associated with fluctuations in exchange rates, interest rates, the cost of its main raw materials and cash flows. In order to mitigate the impact of these risks on results, the Elica Group has commenced the implementation of a financial risk monitoring system through a "Financial Risk Policy" approved by the Parent's Board of Directors. Within this policy, the Group constantly monitors the financial risks of its operations in order to assess any potential negative impact and takes corrective action where necessary.

Risks related to Climate Change, Cyber Security and the geopolitical situation are also under the Group's control.

For further details, reference should be made to paragraph B.3.18 of the subsequent Explanatory Notes.

A.14 Related party transactions and balances

Inter-company transactions are eliminated in the Condensed Consolidated Half-Year Financial Statements and therefore not shown in this note.
Related party transactions were carried out in accordance with law and based on reciprocal business needs.
The income statement and statement of financial position amounts deriving from the transactions carried out as per IAS 24 with related parties are summarised below. The table below does not include the remuneration of Directors, Statutory Auditors and Senior Executives. Reference should be made to the annual accounts and the Remuneration Report for these figures (in line with the past).
There are no balances with the parents Fan and Fintrack.

Elica Group vs Related parties

In Euro thousands	**Trade receivables**	**Payables/ IFRS16 Payables**	**Revenues**	**Costs**
La Ceramica	-	(1)		(3)
Other related parties and natural persons	1	(38)	-	(51)
	1	**(39)**	**-**	**(53)**

A.15 Compliance with Article 5, paragraph 8, Consob Regulation 17221 of 12.03.2010 regarding transactions with subsidiaries, associates and other related parties

In the first half of 2023, transactions were entered into with subsidiaries, associates and other related parties.
All transactions were conducted on an arm's length basis in the ordinary course of business.
There are no particular issues to highlight in accordance with Article 5, paragraph 8 of Consob Regulation 17221 of 12.03.2010[5].
Reference should be made to the documentation published on the institutional website https://corporate.elica.com/en/governance/internal-control-system with regards to the Related Party Transactions policy.

A.16 Compliance with Section II of the regulation implementing Legislative Decree no. 58 of February 24, 1998 concerning market regulations ("Market Regulations")

Elica S.p.A. confirms compliance with the conditions for listing pursuant to Articles 36 and 37 of Consob's Market Regulations. In particular, having control, directly or indirectly, over certain companies registered in countries outside of the European Union, the financial statements of these companies, prepared for the purposes of the Elica Group Consolidated Financial Statements, have

[5] The article provides that: "Companies that have issued listed shares and that have Italy as their home Member State, pursuant to Article 154-ter of the Consolidated Act, shall provide information, in their interim report on operations and annual report on operations: a) on individual transactions of greater importance concluded during the reporting period; b) on any other individual transactions with related parties as defined under Article 2427, second subsection, of the Italian Civil Code, concluded in the reporting period, that have materially affected the financial position or results of the companies; c) any change in or development of transactions with related parties described in the most recent annual report that has had a material effect on the financial situation or operating results of the companies in the reporting period".

been made available in accordance with the provisions required by the applicable regulations since March 30, 2009.

A.17 Compliance with Article 70, paragraph 8 and Article 71, paragraph 1-bis of the "Issuers' Regulation"

In accordance with Article 70, paragraph 8 and Article 71, paragraph 1-*bis* of Consob's Issuers' Regulation, on January 16, 2013, Elica announced that it would apply the exemption from publication of the required disclosure documents concerning significant mergers, demergers and share capital increases through the contribution of assets in kind, acquisitions and sales.

CONDENSED CONSOLIDATED HALF-YEAR FINANCIAL STATEMENTS FOR THE PERIOD ENDING JUNE 30, 2023

Elica Group

B.1. Consolidated financial statements at June 30, 2023

B.1.1 Consolidated Income Statement

In Euro thousands	***Note***	**H1 2023**	**H1 2022**
Revenue	B.3.1	254,545	290,234
Other operating income	B.3.1.1	2,656	4,117
Change in finished/semi-finished products	B.3.2	6,266	21,995
Increase in internal work capitalised	B.3.2	1,304	1,049
Raw materials and consumables	B.3.2	(145,915)	(178,180)
Services	B.3.2	(46,162)	(50,924)
Personnel expense	B.3.2	(44,484)	(51,014)
Amortisation and depreciation	B.3.2	(11,902)	(11,886)
Other operating expenses and accruals	B.3.2	(2,708)	(4,848)
Restructuring charges	B.3.2	(444)	(4,018)
Operating profit		**13,156**	**16,525**
Financial Income	B.3.3	85	185
Financial expense	B.3.3	(2,692)	(1,501)
Net exchange rate gains/(losses)	B.3.3	331	3,772
Profit before taxes		**10,880**	**18,981**
Income taxes		(2,373)	(6,061)
Profit from discontinued operations		0	0
Profit/(loss) for the period		**8,507**	**12,920**
of which:			
Profit (loss) attributable to non-controlling interests		735	611
Profit (loss) attributable to the owners of the Parent		7,772	12,309
Basic earnings (loss) per share (Euro/cents)		12.42	19.47
Diluted earnings (loss) per share (Euro/cents)		12.42	19.47

B.1.2 Consolidated Statement of Comprehensive Income

In Euro thousands	***Note***	**H1 2023**	**H1 2022**
Profit for the period		**8,507**	**12,920**
Other comprehensive income/(expense) which will not be subsequently reclassified to profit or loss:			
Actuarial gains/(losses) on defined benefit plans	B.3.11	(11)	1,096
Tax effect of Other gains/(losses) which will not be subsequently reclassified to the profit/(loss)		0	0
Total items which will not be subsequently reclassified to profit or loss, net of the tax effect		**(11)**	**1,096**
Other comprehensive income/(expense) which will be subsequently reclassified to profit or loss:			
Exchange differences on the translation of foreign financial statements	B.3.14	5,512	3,229
Net change in cash flow hedges	B.3.14	55	(157)
Tax effect of Other gains/(losses) which will be subsequently reclassified to the profit/(loss)	B.3.14	(13)	62
Total items which will be subsequently reclassified to profit or loss, net of the tax effect		**5,554**	**3,134**
Total other comprehensive income, net of the tax effect:		**5,543**	**4,230**
Comprehensive income		**14,050**	**17,150**
of which:			
Attributable to non-controlling interests		177	272
Attributable to the owners of the parent		13,873	16,878

B.1.3 Consolidated Statement of Financial Position

In Euro thousands	***Note***	**30/06/2023**	**31/12/2022**
Property, plant & equipment	B.3.4	102,438	101,332
Goodwill	B.3.5	49,678	49,936
Intangible assets with a finite useful life	B.3.6	28,559	28,584
Right-of-use assets	B.3.4	11,904	12,364
Deferred tax assets	B.3.7	19,868	22,480
Derivative assets (non-current)	B.3.18.1	1,136	1,981
Other receivables and other assets	B.3.12	1,055	1,056
Non-current Assets		**214,638**	**217,733**
Trade receivables	B.3.8	46,907	48,491
Inventories	B.3.9	109,170	101,453
Other current assets	B.3.12	7,568	5,520
Tax assets	B.3.13	23,447	27,473
Derivative assets (current)	B.3.18.1	3,197	2,661
Cash and cash equivalents	B.3.15	61,143	67,727
Currents Assets		**251,432**	**253,325**
Total assets		**466,070**	**471,058**
Employee benefit liabilities	B.3.11	7,782	7,988
Provisions for risks and charges	B.3.10	14,668	17,768
Deferred tax liabilities	B.3.7	7,902	7,835
Lease liabilities (non-current)	B.3.15	9,084	9,831
Bank loans and borrowings (non current)	B.3.15	53,042	54,774
Other non-current liabilities	B.3.12	500	1,000
Non-Current Liabilities		**92,978**	**99,196**
Provisions for risks and charges	B.3.10	9,101	14,344
Lease liabilities (current)	B.3.15	3,937	4,192
Bank loans and borrowings (current)	B.3.15	44,937	42,812
Trade payables	B.3.8	139,168	139,571
Other current liabilities	B.3.12	23,486	23,075
Tax liabilities	B.3.13	5,822	8,168
Derivative liabilities (current)	B.3.18.1	1,502	1,739
Current liabilities		**227,953**	**233,901**
Liabilities directly related to discontinued operations		**0**	**0**
Share capital	B.3.14	12,665	12,665
Capital reserves	B.3.14	71,123	71,123
Hedging and translation reserve	B.3.14	(4,817)	(10,948)
Treasury shares	B.3.14	(2,289)	(1,703)
Actuarial reserve	B.3.14	(2,249)	(2,220)
Retained earnings	B.3.14	58,172	47,006
Profit/(loss) attributable to the owners of the Parent		7,772	16,608
Equity attributable to the owners of the Parent	**B.3.14**	**140,377**	**132,531**
Capital and reserves attributable to non-controlling interests		4,027	3,858
Profit attributable to non-controlling interests	B.3.14	735	1,572
Equity attributable to non-controlling interests	**B.3.14**	**4,762**	**5,430**
Equity	**B.3.14**	**145,139**	**137,961**
Total liabilities and equity		**466,070**	**471,058**

B.1.4 Consolidated Statement of Cash Flows

In Euro thousands	1H 2023	1H 2022
Cash flow from operations		
Net profit for the period	**8,507**	**12,920**
Adjustments for:		
-Depreciation of property, plant and equipment	6,656	6,209
-Amortisation of intangible assets	5,246	5,676
-Impairment losses on tangible and intangible assets and goodwill	0	0
-Exchange rate (income) and charges	(2,944)	(4,959)
-Interest on post-employment benefits and other discounting	138	134
-Net financial expense	3,295	976
-Provisions for risks, restructuring and LTI	(466)	6,265
-Inventory obsolescence provision	(1,438)	13
-Doubtful debt provision	(897)	112
-Other changes	(4,867)	(829)
-Income taxes	5,623	12,095
Sub-Total	**18,852**	**38,613**
Changes in:		
-Inventories	(4,211)	(31,516)
-Trade receivables	4,700	(8,708)
-Other receivables and other tax assets	3,036	(7,964)
-Trade payables	(4,259)	33,021
-Other payables and other tax liabilities	4,502	6,620
-Employee provisions and benefits	(8,368)	(14,505)
Cash flow generated by operating activities	14,252	15,561
Income taxes paid	(1,151)	(4,872)
Cash flow generated/(absorbed) from operating activities	**13,101**	**10,689**
Cash flows from investing activities		
Acquisition of subsidiaries, net of liquidity acquired	(6,546)	
Purchase of property, plant and equipment	(3,766)	(6,850)
Purchases of intangible assets	(2,990)	(1,665)
Cash flow generated/(absorbed) by investment activities	**(13,302)**	**(8,515)**
Cash flow from financing activities		
Cash in from derivative financial instruments and other financial assets	137	(858)
Settlement for purchase of treasury shares	(586)	(953)
Repayment/disbursements of bank financial liabilities	444	(21,286)
Repayment of financial liabilities related to the purchase of equity investments	0	(4,903)
Settlement of leasing payables	(2,534)	(1,931)
Dividends paid	(844)	(1,076)
Interest paid	(2,468)	(1,182)
Cash flow from generated/(absorbed) by financing activities	**(5,852)**	**(32,188)**
Net increase/(decrease) in cash and cash equivalents	**(6,052)**	**(30,014)**
Cash and cash equivalents at January 1	67,727	99,673
Effect of exchange rate fluctuations on cash and cash equivalents	(530)	767
Closing cash and cash equivalents	**61,144**	**70,426**

B.1.5 Statement of changes in Consolidated Equity

In Euro thousands	**Share capital**	**Share premium reserve**	**Acquisition/Sale Treasury shares**	**Hedge, trans. & post-employ ben. res.**	**Retained earnings**	**Profit/(loss) for the period**	**Equity owners of parent**	**Equity non-controlling interests**	**Consolidated equity**
31/12/2021	**12,665**	**71,123**	**0**	**(18,063)**	**39,386**	**12,119**	**117,230**	**6,914**	**124,144**
Fair value changes on cash flow hedges net of the tax effect	0	0	0	(95)	0	0	(95)	0	(95)
Actuarial gains/(losses) on post-employment benefits	0	0	0	1,024	0	0	1,024	72	1,095
Exchange rate differences on translation of foreign subsidiaries' financial statements	0	0	0	3,640	0	0	3,640	(411)	3,229
Total gains/(losses) recognised directly in equity	**0**	**0**	**0**	**4,569**	**0**	**0**	**4,569**	**(339)**	**4,230**
Profit for the period	0	0	0	0	0	12,309	12,309	611	12,920
Total gains/(losses) recognised in comprehensive income	**0**	**0**	**0**	**4,569**	**0**	**12,309**	**16,878**	**272**	**17,150**
Allocation of profit/(loss) for the period	0	0	0	0	12,119	(12,119)	0	0	0
Other movements	0	0	(953)	0	(59)	0	(1,012)	3	(1,009)
Dividends	0	0	0	0	0	0	0	(1,076)	(1,076)
30/06/2022	**12,665**	**71,123**	**(953)**	**(13,493)**	**51,444**	**12,309**	**133,095**	**6,113**	**139,208**
31/12/2022	**12,665**	**71,123**	**(1,703)**	**(13,168)**	**47,006**	**16,608**	**132,531**	**5,430**	**137,961**
Fair value changes on cash flow hedges net of the tax effect	0	0	0	42	0	0	42	0	42
Actuarial gains/(losses) on post-employment benefits	0	0	0	(11)	0	0	(11)	0	(11)
Exchange rate differences on translation of foreign subsidiaries' financial statements	0	0	0	6,071	(1)	0	6,070	(558)	5,512
Total gains/(losses) recognised directly in equity	***0***	***0***	***0***	***6,102***	***(1)***	***0***	***6,101***	***(558)***	***5,543***
Profit/(loss) for the period	0	0	0	0	0	7,772	7,772	735	8,507
Total gains/(losses) recognised in comprehensive income	***0***	***0***	***0***	***6,102***	***(1)***	***7,772***	***13,873***	***177***	***14,050***
Allocation of profit for the period	0	0	0	0	16,608	(16,608)	0	0	0
Change from dividends distributed	0	0	0	0	(4,378)	0	(4,378)	(844)	(5,222)
Change in % of ownership	0	0	0	0	0	0	0	0	0
Other movements	0	0	(586)	0	(1,063)	0	(1,649)	(1)	(1,650)
30/06/2023	**12,665**	**71,123**	**(2,289)**	**(7,066)**	**58,172**	**7,772**	**140,377**	**4,762**	**145,139**

B.2 Notes To The Condensed Consolidated Half-Year Financial Statements

B.2.1. Group structure and activities

Elica, a market player for over 50 years, is the leading global manufacturer of kitchen aspiration systems, thanks to the production of range hoods and extractor hobs. It is also the leading European manufacturer of electric motors for home appliances and heating boilers. Chaired by Francesco Casoli and led by Giulio Cocci, the Group has a number of plant, including in Italy, Poland, Mexico and China and employs approx. 2,850 people. A meticulous care for design and a judicious choice of high-quality materials and cutting-edge technology to guarantee maximum efficiency and low energy consumption make the Elica Group the prominent market figure it is today. This has enabled the Group to revolutionise the traditional image of kitchen extractor systems: they are no longer seen as a simple accessory but as a design element that improves the quality of life.

The Euro is the functional and presentation currency of Elica S.p.A. and of the consolidated companies, except for the foreign subsidiaries Elica Group Polska Sp.zo.o, Elicamex S.A. de C.V., Ariafina CO., LTD, Elica Inc., Zhejiang Elica Putian Electric Co. Ltd and Elica Trading LLC, which prepare their financial statements in the Polish Zloty, Mexican Peso, Japanese Yen, US Dollar, Chinese Renminbi and Russian Ruble respectively.

The exchange rates used for the translation to Euro of the financial statements of companies consolidated in a currency other than the consolidation currency, compared with those used in the previous periods, are shown in the table below:

	Average 2023	Average 2022		30/06/2023	31/12/2022	
EUR	1.00	1.00	0.00%	1.00	1.00	0.00%
USD	1.08	1.09	(0.92%)	1.09	1.07	1.87%
PLN	4.62	4.64	(0.43%)	4.44	4.68	(5.13%)
RUB	83.38	85.88	(2.91%)	94.74	78.14	21.24%
CNY	7.49	7.08	5.79%	7.90	7.36	7.34%
MXN	19.65	22.17	(11.37%)	18.56	20.86	(11.03%)
JPY	145.76	134.31	8.53%	157.16	140.66	11.73%
Source: ECB data						

The columns headed H1 present the Income Statement and Statement of Cash Flow figures for the period between January 1 and June 30 of the year indicated.

B.2.2. Approval of the 2023 Half-Year Report

The half-year report at June 30, 2023 was approved by the Board of Directors on July 27, 2023, who authorised its publication**.**

B.2.3. Accounting standards and consolidation criteria and scope

The annual consolidated financial statements were prepared in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and approved by the European Union through Regulation No. 1606/2002.
These condensed consolidated 2023 half-year financial statements were prepared, in summary form, in conformity with IAS 34 “Interim Financial Reporting” and as per the requirements of Consob Regulation No. 11971 of May 14, 1999 and subsequent amendments and integrations.

The condensed consolidated half-year financial statements therefore do not include all the information published in the annual report and must be read together with the consolidated financial statements as at December 31, 2022.
The accounting and consolidation principles adopted for the preparation of the current condensed consolidated half-year financial statements are unchanged compared to those adopted for the preparation of the Group annual consolidated financial statements for the year ended December 31, 2022.
The Condensed Consolidated Half-Year Financial Statements were prepared on the basis of the historical cost convention, except for some financial instruments which are recognised at fair value. The financial statement accounts have been measured in accordance with the general criteria of prudence and accruals and on a going concern basis, and also take into consideration the economic function of the assets and liabilities.
The Condensed Consolidated Interim Financial Statements at June 30, 2023 consist of the Statement of Financial Position, the Income Statement, the Statement of Comprehensive Income, the Statement of Cash Flows and the Statement of Changes in Equity and the related notes. The condensed interim consolidated financial statements are compared with the corresponding period of the previous year for the income statement, the statement of comprehensive income, the statement of cash flows and the statement of changes in equity and with the consolidated statement of financial position.
The present consolidated financial statements are presented in thousands of Euro and all the amounts are rounded to the nearest thousandth, unless otherwise specified.
The consolidation scope has not changed compared to December 31, 2022.

B.2.4 Changes in accounting standards

There are no accounting standards applied for the first time for the preparation of these condensed financial statements that have produced any effects to be noted.

B.2.5 New accounting standards not yet in force

As required by IAS 8 - Accounting standards, changes in accounting estimates and errors - the main new accounting standards and interpretations, in addition to amendments to the existing standards and interpretations that are already applicable, not yet in force or not yet approved by the European Union (EU), which could be applied in the future to the financial statements, are illustrated below.
The International Accounting Standards Board (IASB) published "Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7)" to add disclosure requirements and "guidance" within the existing disclosure requirements, which require entities to provide qualitative and quantitative information on supplier finance agreements. The provisions will enter into force from January 1, 2024.
For all the newly issued standards, as well as the revision and amendments to existing standards, the Group is assessing impacts which are currently unforeseeable that will derive from their future application.

B.2.6 Going concern

These condensed half-year financial statements are prepared on a going concern basis, as there are no elements that affect the Group's going concern.

B.2.7 Utilisation of estimates

In the preparation of the condensed half-year financial statements, the Group's management made accounting estimates and assumptions which have an effect on the values of the assets and liabilities and disclosures. The actual results may differ from these estimates. The estimates and assumptions are periodically reviewed and the effects of any changes are promptly recognised in the consolidated financial statements.
In this context, the situation caused by the historic volatility of the financial markets has resulted in the need to make assumptions about a future performance characterised by significant uncertainty, in which results in the coming years could differ from such estimates and, therefore, require adjustments that is not currently possible to estimate or forecast, and these adjustments might even be significant.
The account items principally concerned by uncertainty are: goodwill, valuation of trade receivables and inventory obsolescence provision, non-current assets (property, plant and equipment and intangible assets), pension funds and other post-employment benefits, provisions for risks and charges and deferred tax assets and liabilities.
Reference is made to the previous year annual accounts and the notes to the present condensed consolidated half-year financial statements for the details relating to the estimates stated above.

B.2.8 Seasonality

The Group's market features seasonality which may result in uneven sales and operating cost levels during the various months of the year. It is therefore recalled that the results for the first half of the year may not proportionally reflect the full-year result. Also from an equity and financial viewpoint, the half-year figures may be impacted by seasonality.

B.2.9 Disclaimer

The document contains forward-looking statements, particularly in the sections regarding the "Outlook" and "Subsequent Events", outlining future events and the operating and financial results of the Elica Group. These forecasts are based on the Group's current expectations and projections regarding future events and, by their nature, have an element of riskiness and uncertainty in that they relate to events and depend on circumstances that may, or may not, occur in the future and, as such, should not be unduly relied upon. Actual results may differ, even to a significant degree, from the estimates made in such statements due to a wide range of factors, including the volatility and decline of the capital and finance markets, raw material price changes, altered economic conditions and growth trends and other changes in business conditions, regulatory and institutional framework changes (both in Italy and overseas) and many other factors, the majority of which outside the control of the Group.

B.3 Composition and main changes in the Income Statement and Statement of Financial Position

B.3.1 Revenue and other income

In Euro thousands	**H1 2023**	**H1 2022**	**Changes**
Revenue	254,545	290,234	(35,689)
Revenue	**254,545**	**290,234**	**(35,689)**

In Euro thousands	**H1 2023**	**H1 2022**	**Changes**
EMEA	203,927	229,164	(25,237)
AMERICA	34,848	41,604	(6,756)
ASIA and the Rest of World	15,770	19,467	(3,697)
Revenue	**254,545**	**290,234**	**(35,689)**

In Euro thousands	**H1 2023**	**H1 2022**	**Changes**
Cooking	192,565	226,488	(33,923)
Motors	61,981	63,746	(1,765)
Revenue	**254,545**	**290,234**	**(35,689)**

Reference should be made to paragraph A.2. outlining the H1 2023 Performance for further details on this item.
The Group carried out an analysis to identify the separate performance obligations which indicated that it was not necessary to further breakdown revenue. The criteria applied by the Group are in line with those established by IFRS 15. Finally, no circumstances were identified whereby a Group company had the role of "agent".

B.3.1.1 Other Revenue

In Euro thousands	**H1 2023**	**H1 2022**	**Changes**
Grants related to income	1,362	579	783
Ordinary gains	39	3,336	(3,297)
Claims and insurance settlement	88	70	18
Other operating income	1,167	132	1,035
Other operating income	**2,656**	**4,117**	**(1,461)**

The decrease in other operating revenue concerned the Ordinary Gains item, which last year included for Euro 3.2 million the gain realised by the Parent following the sale of sharing rights on a number of patents.
Grants related to income, mainly at the parent and the subsidiary EMC Fime, include income from public grants provided to support businesses in relation to energy and gas expenses, in addition to photovoltaic income.
Other operating income includes the recovery for transportation costs and other extraordinary income due to the write-off of debt items deemed no longer due.

B.3.1.2 Segment reporting

The segment reporting required in accordance with IFRS 8 "Operating segments" is presented below.
The Elica Group produces and sells range hoods and extractor hobs (Cooking segment) and of motors for domestic ventilation and other uses (Motors segment).
Until December 31, 2021, the Elica Group had a single, global view of the Group's business, whereby the "chief operating decision maker", as defined by IFRS 8, was the Chief Executive Officer. The Group's operational reporting mirrored this centralized management approach to business; therefore, in accordance with IFRS 8, there was just one operating segment.

In 2021, the company began a reorganisation of operations, completed in the second half of 2022, that resulted in the transformation of the Italian production site of Mergo into a high-end hub, the transfer of the higher standardised production lines to the Jelcz-Laskowice plant in Poland, and the integration into the Mergo plant of the activities currently carried out at the Cerreto site. Within this context, in the first half of 2022, the Motors division of Elica S.p.A. was transferred to the subsidiary EMC FIME S.r.l. with the goal of concentrating this operating segment within a single company.
Upon completion of this process, the Group began operating under a new organizational structure with two distinct areas of managerial responsibility, which now make up the Group's operating segments: Cooking and Motors.
These areas of responsibility are represented in procedures by which the Group is managed, and reporting is structured in the same manner and is periodically analysed by the CEO and by senior management.

in Euro thousands	**Cooking**	**Motors**	**Eliminations and other adjustments**	**Elica Group H1 2023**
Revenue - third parties	192,564	61,982	(0)	254,545
Inter-segment revenues	472	13,290	(13,762)	0
Revenues	**193,036**	**75,271**	**(13,762)**	**254,545**
Other operating revenues/(expenses)	303,896	(103,488)	(429,452)	(229,044)
Restructuring charges	(480,966)	37,272	443,251	(444)
Amortisation and depreciation	(9,242)	(2,659)	(0)	(11,902)
EBIT	**6,723**	**6,396**	**37**	**13,156**
Financial income				85
Financial expenses				(2,692)
Exchange rate gains/(losses)				331
Profit/(loss) before taxes				**10,880**
Income taxes				(2,373)
Profit/(loss) from continuing operations				**8,507**
Profit from discontinued operations				0
Profit for the period				**8,507**

More specifically, financial performance is measured and monitored by operating segment down to the level of earnings before interest and taxes (EBIT). Financial expenses are not monitored in that they are strictly tied to decisions made centrally regarding the financing methods (debt or equity) of each area. Similarly, taxes are also not monitored by operating segment.
Finally, it should be noted that, because disaggregated data for profit and loss is not available for the period ended June 30, 2022, it is not possible to present a breakdown by operating segment for comparative purposes. Therefore, in accordance with IFRS 8, the table below is presented in the same manner as that of the previous year.

In Euro thousands	**H1 2023**	**H1 2022**	**Changes**
Cooking	192,565	226,488	(33,923)
Motors	61,981	63,746	(1,765)
Revenue	**254,545**	**290,234**	**(35,689)**

There were no customers comprising more than 10% of total revenue in the first six months of 2023 (10.4% in 2022).

In Euro thousands	**Cooking**	**Motors**	**Eliminations and other adjustments**	**30/06/2023**	**Cooking**	**Motors**	**Eliminations and other adjustments**	**31/12/2022**
Property, plant and equipment	74,894	27,544	-	102,438	74,558	26,773	-	101,332
Goodwill	37,603	12,075	-	49,678	37,861	12,075	-	49,936
Intangible assets with finite useful lives	17,448	11,110	-	28,559	17,342	11,242	-	28,584
Right-of-use assets	10,281	1,623	-	11,904	10,622	1,742	-	12,364
Fixed Assets	**140,226**	**52,352**	**-**	**192,579**	**140,383**	**51,832**	**-**	**192,216**
Trade receivables	34,074	16,156	(3,324)	46,907	27,279	23,902	(2,689)	48,491
Inventories	75,798	33,372	-	109,170	71,607	29,846	-	101,453
Trade payables	(94,751)	(47,523)	3,106	(139,168)	(95,392)	(46,871)	2,689	(139,571)
Managerial Working Capital	**15,121**	**2,005**	**(217)**	**16,909**	**3,494**	**6,877**	**-**	**10,373**
Deferred tax assets	16,616	3,252	-	19,868	19,435	3,045	-	22,480
Other non-current receivables and other assets	914	141	-	1,055	942	114	-	1,056
Other current receivables	6,358	1,209	-	7,567	4,820	700	-	5,520
Tax assets (current)	21,326	2,121	-	23,447	15,458	12,015	-	27,473
Assets for derivative financial instruments (current)	3,192	5	-	3,197	2,659	2	-	2,661
Assets for derivative financial instruments (non-current)	1,136	-	-	1,136	1,975	6	-	1,981
Other allocated assets	**49,542**	**6,729**	**-**	**56,270**	**45,289**	**15,882**	**-**	**61,171**
Deferred tax liabilities	(3,852)	(4,051)	-	(7,902)	(3,942)	(3,893)	-	(7,835)
Other current payables – excluding purchases equity investments	(18,285)	(4,216)	(9)	(22,510)	(12,914)	(3,140)	-	(16,054)
Current tax payables	(5.468)	(354)	-	(5,822)	(6,360)	(1,807)	-	(8,168)
Liabilities for derivative financial instruments (current)	(953)	(550)	-	(1,502)	(396)	(1,343)	-	(1,739)
Employee benefits	(6,239)	(1,543)	-	(7,782)	(6,359)	(1,629)	-	(7,988)
Provisions for risks and charges (non-current)	(14,163)	(505)	-	(14,668)	(17,307)	(461)	-	(17,768)
Provision for risks and charges (current)	(8,939)	(161)	-	(9,101)	(13,495)	(849)	-	(14,344)
Other allocated liabilities	**(57,899)**	**(11,380)**	**(9)**	**(69,287)**	**(60,773)**	**(13,122)**	**-**	**(73,896)**
Capital Employed	**146,991**	**49,707**	**(226)**	**196,471**	**128,393**	**61,469**	**-**	**189,864**
Net Financial Position				**(51,332)**				**(51,903)**
Consolidated equity				**(145,139)**				**(137,961)**
Source of funds				**(196,471)**				**(189,864)**

The components of financial position are analysed by operating segment.
All financial information is measured using the same accounting standards and principles used to prepare the consolidated financial statements.

B.3.2 Operating costs

Raw materials and consumables and changes in inventories of finished and semi-finished goods

In Euro thousands	H1 2023	H1 2022	Changes
Purchase of raw material	116,232	149,116	(32,884)
Purchase of semi-finished products	13,014	16,317	(3,303)
Purchase of consumables and supplies	984	1,067	(83)
Purchase of finished products	12,044	13,979	(1,935)
Packaging	824	941	(117)
Others	1,056	1,310	(254)
Transport on purchases	2,125	4,120	(1,995)
Change in inventory of raw materials, consumables, supplies and goods	(364)	(8,670)	8,306
Raw materials and consumables	**145,915**	**178,180**	**(32,265)**
Change in finished/semi-finished products	**(6,266)**	**(21,995)**	**15,729**
Total Consumables	**139,649**	**156,185**	**(16,536)**

Consumables, including the impact of changes to finished and semi-finished products, accounted for 54.8% of revenues (53.8% in the previous year). The movement reflects the ongoing increase in raw material costs since 2021. The absolute figures on the other hand decreased, reflecting the reduction in revenues. The changes in inventory, both of raw materials and finished goods, indicate against the first half of last year a reduction in the propensity to increase stock values. This aggregate includes also the risk assessment by Management upon inventory obsolescence.

Service costs

In Euro thousands	H1 2023	H1 2022	Changes
Outsourcing	14,353	17,494	(3,141)
Maintenance	1,139	1,811	(672)
Transport	5,789	5,769	20
Trade fairs and promotional events	911	2,140	(1,229)
Utilities	3,583	3,113	470
Promotion & advertising fees	1,279	665	614
Commissions	965	959	6
Management of finished goods	4,662	5,188	(526)
Consultancy	3,718	3,984	(266)
Industrial services	436	507	(71)
Travel	769	851	(82)
Insurance	674	711	(37)
Bank services & expenses	173	147	26
Other professional services	5,080	4,593	487
Heating expenses	1,068	1,184	(116)
Statutory Auditor fees and remuneration	56	55	1
Directors’ fees and remuneration	905	1,216	(311)
Vehicle management expenses	368	385	(17)
Stock Exchange maintenance costs	234	152	82
Service costs	**46,162**	**50,924**	**(4,762)**

Service costs decreased in almost all cases. In addition to Outsourcing, Maintenance and the Management of Finished Goods, on the basis of decreased production and revenue, Trade Fairs and promotional event costs also decreased, in view of participation at Eurocucina in 2022 and not in 2023. “Directors fees” also decreased, mainly due to the adjustment of the long-term incentive provisions.

Personnel expense

In Euro thousands	H1 2023	H1 2022	Changes
Wages and salaries	33,242	35,692	(2,450)
Social security expenses	9,153	10,077	(924)
Post-employment benefits	1,122	1,462	(340)
Other personnel expense	967	3,783	(2,816)
Personnel expense	**44,484**	**51,014**	**(6,530)**

The decrease in personnel expense is due to the actions implemented by the Group in reaction to the contracting revenue. The decrease in other personnel expense reflects the accrual to the Long term Incentive plans. Reference should be made to B.3.10 for further details.

Workforce	30/06/2023	31/12/2022	30/06/2022
Executives	31	31	29
White-collar	754	771	810
Blue-collar	1,835	1,776	1,967
Others	228	107	305
Total	**2,848**	**2,685**	**3,111**

At June 30, 2023, the Group workforce numbered 2,848, increasing by 163 (of which 121 temporary) on December 31, 2022, although decreasing 263 on June 30, 2022. This is mainly due to the execution of the European industrial footprint reorganisation plan.

Other operating expenses and provisions

In Euro thousands	H1 2023	H1 2022	Changes
Rental of vehicles and industrial equipment	285	248	37
Leases and rentals	508	455	53
HW, SW, patent use fees	266	232	34
Other taxes (no income tax)	461	435	26
Magazines, Subscriptions' expenses	3	3	0
Sundry equipment	225	210	15
Catalogues and brochures	84	70	14
Credit losses and loss allowance	(896)	112	(1,008)
Provisions for risks and charges	1,354	2,674	(1,320)
Other prior year expenses and losses	418	409	9
Other operating expenses and accruals	**2,708**	**4,848**	**(2,140)**

Other operating expenses and provisions in H1 2023 decreased on the same period of the previous year. Provisions for risks and charges and the item which includes the valuation of receivables decreased as a result of the Group's assessment on the probability of occurrence of certain risks and therefore the adjustment of the relative provisions. Reference should be to paragraph B.3.10. Provisions for risks and charges for further details.

Restructuring charges

In Euro thousands	H1 2023	H1 2022	Changes
Restructuring charges	444	4,018	(3,574)
Restructuring charges	**444**	**4,018**	**(3,574)**

Restructuring charges include in 2023 the costs needed for the Group’s rightsizing, while the 2022 amount reflected the estimate made for the costs for the application of the Italian footprint reorganisation plan.
They principally concern personnel expense.

Increase in internal work capitalised

The account amounted to Euro 1,304 thousand (Euro 1,049 thousand in the same period of the previous year) and mainly relates to the capitalisation of charges regarding the design and development of new products, in addition to costs sustained internally for the construction of mouldings, industrial equipment and the introduction of new IT programmes. Internal works capitalised principally comprise personnel expense.

Amortisation and Depreciation

Amortisation and depreciation is in line with the first half of 2022, increasing from Euro 11,886 thousand in H1 2022 to Euro 11,902 thousand in H1 2023. In particular, the item includes depreciation of Euro 6,656 thousand, amortisation of Euro 3,147 thousand and the depreciation of right-of-use of Euro 2,099 thousand.

B.3.3 Net financial expense

Details of financial income are shown below:

In Euro thousands	**H1 2023**	**H1 2022**	**Changes**
Financial Income	85	185	(100)
Financial expense	(2,692)	(1,501)	(1,191)
Net exchange rate gains/(losses)	331	3,772	(3,441)
Net financial expenses	**(2,276)**	**2,456**	**(4,732)**

The item reports a significant movement on the past.
The principal impact was upon Net exchange rate gains/(losses), which saw a net decrease of over Euro 3.4 million, mainly due to the movement of the Euro against the Russian Ruble. Financial expense also rose significantly (by approx. Euro 1.2 million), based on the increased funding costs on the short-term lines granted to Elica SpA. This increase is mainly due to interest rate rises by the central banks in the second half of 2022 and the first half of 2023.

Paragraph B.3.18. Risk management of these Notes reports information on derivative operations.

B.3.4 Property, plant and equipment and Right-of-use assets

The breakdown of property, plant and equipment at June 30, 2023 and December 31, 2022 is detailed below.

In Euro thousands	**30/06/2023**	**31/12/2022**	**Changes**
Land & buildings	36,254	36,715	(461)
Plant and machinery	39,037	36,737	2,300
Industrial and commercial equipment	21,561	20,855	706
Other assets	3,163	3,385	(222)
Assets under construction and payments on account	2,423	3,640	(1,217)
Property, plant & equipment	**102,438**	**101,332**	**1,106**

Property, plant and equipment increased from Euro 101,332 thousand at December 31, 2022 to Euro 102,438 thousand at June 30, 2023, an increase of Euro 1,106 thousand as a result of the sales, purchases and of depreciation recorded in the income statement of Euro 6,656 thousand (Euro 6,209 thousand of depreciation). The increase includes exchange rate gains of approx. Euro 4 million.

In Euro thousands	30/06/2023	31/12/2022	Changes
Right-of-use of Buildings	6,624	7,135	(511)
Right-of-use of Machines and installation	74	91	(17)
Right-of-use of Industrial and commercial equipment	0	0	0
Other Right-of-use	5,205	5,138	67
Right-of-use assets	**11,903**	**12,364**	**(461)**

The Group has many assets under lease, such as buildings, production machinery, cars and IT equipment. The relative right-of-use decreased from Euro 12,364 thousand at December 31, 2022 to Euro 11,903 thousand at June 30, 2023, a net decrease of Euro 0.5 million as a result of the sales, purchases and of depreciation recognised to the income statement of Euro 2,099 thousand (Euro 2,214 thousand in 2022). The movement includes exchange rate gains of approx. Euro 0.4 million.

B.3.5 Goodwill

In Euro thousands	31/12/2022	Increases	Decreases	other changes	30/06/2023
Goodwill allocated to subsidiaries	49,936	-	-	(259)	49,678
Goodwill	**49,936**	**-**	**-**	**(259)**	**49,678**

This item increased as a result of exchange rate movements. No operations in the half-year produced additional goodwill compared to December 2022.
IAS 36 requires that each CGU or CGU group to which goodwill is allocated represent the minimum level, within the entity, at which goodwill is monitored for management purposes and not be broader than an operating segment as defined by IFRS 8 – Operating Segments.
Impairment testing of the Group's goodwill was undertaken by identifying the CGUs into which it is possible to break down the Group's business and analysing the income flows that they will be able to generate in future years, based on an approach consistent with segment reporting as presented in the annual report, which, in turn, mirrors management reporting.

As discussed in paragraph B.3.1.2., at December 31, 2021, the Group had a single operating segment for the purposes of IFRS 8, given that management made operating decisions centrally.

At December 31, 2021, this segment also represented the minimum level at which goodwill was monitored for management purposes and, consequently, subjected to impairment testing.
In 2021, the company began a reorganisation of operations, completed in the second half of 2022, that resulted in the transformation of the Italian production site of Mergo into a high-end hub, the transfer of the higher standardised production lines to the Jelcz-Laskowice plant in Poland, and the integration into the Mergo plant of the activities currently carried out at the Cerreto site. Within this context, in the first half of 2022, the Motors division of Elica S.p.A. was transferred to the subsidiary EMC FIME S.r.l. with the goal of concentrating this operating segment within a single company.
Upon completion of this process, the Group began operating under a new organizational structure with two distinct areas of managerial responsibility, which now make up the Group's operating segments: Cooking and Motors.
These areas of responsibility are represented in procedures by which the Group is managed, and reporting is structured in the same manner and is periodically analysed by the CEO and by senior management.
As a result, the Group has defined two CGUs, and namely the segments Motors (which includes EMC FIME and the Motors division of the Polish subsidiary, Elica Group Polska) and Cooking, which encompasses the rest of the Group.

Therefore, at December 31, 2022, goodwill was allocated to the two CGUs that comprise the two operating segments defined by management, which represent the minimum level at which goodwill is monitored for internal management purposes. This allocation was undertaken using the relative fair value approach based on the present value of the expected future cash flows for the two CGUs, as this was the approach found to best represent the allocation of goodwill.
At June 30, 2023, goodwill was therefore allocated to the Motors segment for Euro 12.1 million and to the Cooking segment for Euro 37.6 million.

At June 30, 2023, the Directors reviewed the information available to them in order to identify possible triggers events and do not report the existence of any such events. Current results, updates of prospective estimates, and the extensive coverage that the results of impairment tests performed as of December 31, 2022 indicated were in fact analysed and considered, in addition to the sensitivity analyses performed. These considerations did not reveal the need for an impairment test.
It is also indicated that the stock market capitalisation at June 30, 2023 of Elica S.p.A. of Euro 173.5 million was comfortably in excess of Group equity at that date (Euro 140.4 million), confirming the absence of external indicators of impairment.

The Group continues extensive monitoring of demand dynamics across all markets in execution of the three-year Strategic Plan launched in 2020 and in particular the guidance for 2023, presented in the Outlook section of the Directors' Report. The Management of the Group will continue to constantly monitor the circumstances and the events which form the basis of the future development of the business of the two CGU's and will carry out at December 31, 2023 a more extensive analysis in relation to an impairment test.

B.3.6 Intangible assets with definite useful lives

The breakdown of the "Other intangible assets" at June 30, 2023 and December 31, 2022 is shown below.

In Euro thousands	**30/06/2023**	**31/12/2022**	**Changes**
Development costs	7,301	7,834	(533)
Industrial patents and intellectual property rights	7,702	7,943	(241)
Concessions, licences, trademarks and software	264	261	3
Other intangible assets	10,784	10,380	404
Assets under development and payments on account	2,508	2,166	342
Intangible assets with a finite useful life	**28,559**	**28,584**	**(25)**

The other intangible assets decreased from Euro 28,584 thousand at December 31, 2022 to Euro 28,559 thousand at June 30, 2023, a reduction of Euro 25 thousand as a result of the purchases, sales and amortisation recorded to the income statement of Euro 3,147 thousand (Euro 3,462 thousand at June 30, 2022). The decrease is due also to the impact of the change on the opening balances for approx. Euro 0.3 million.
Assets in progress and payments on account refer to advances and the development of projects for the implementation of new IT platforms and the design, development and creation of new software applications, and also the development of new products.

B.3.7 Deferred tax assets - Deferred tax liabilities

In Euro thousands	**30/06/2023**	**31/12/2022**	**Changes**
Deferred tax assets	19,868	22,480	(2,612)
Deferred tax liabilities	(7,902)	(7,835)	(67)
Total	**11,966**	**14,645**	**(2,679)**

Deferred tax assets principally concern the following accounts: amortisation and depreciation, accruals to non-deductible provisions, employee bonuses and tax losses.
The deferred tax asset was recorded as it is considered recoverable in relation to the assessable results for the periods in which deferred taxes will reverse in the financial statements and as Group management considers that such commitments will be respected. The parent's portion is Euro 11.5 million, of which Euro 3.9 million relating to prior year losses.
The tax rate (income taxes/profit before taxes) at 31.12.2022 was 29.7%, while at 30.06.2023 was 21.8%. The increase is due to the geographical composition of results and of the taxes on income.

B.3.8 Trade receivables and payables

In Euro thousands	**30/06/2023**	**31/12/2022**	**Changes**
Trade receivables	46,907	48,491	(1,584)
Trade payables	(139,168)	(139,571)	403
Total	**(92,261)**	**(91,080)**	**(1,181)**

Trade receivables are recognised net of the Doubtful Debt Provision of Euro 3,480 thousand (Euro 4,400 thousand at December 31, 2022), equal to 7.4% of the receivables (9.1% at December 31, 2022). The Provision was made following an analysis of the credit risk on receivables and on the basis of historical data on impairment losses, considering that a substantial portion of the receivables are insured by leading international insurance companies. Management considers that the value approximates the fair value of the receivables.
At June 30, 2023, trade receivables of Euro 46.9 million (Euro 48.5 million at December 31, 2022) included approx. Euro 5.1 million (Euro 7.5 million at December 31, 2022) of overdue receivables. Of total trade receivables at June 30, 2023, the amount overdue by more than 30 days was minimal (1.1% at December 31, 2022).
The value of trade payables was in line with December, based on procurement and payment dynamics.

B.3.9 Inventories

In Euro thousands	**30/06/2023**	**31/12/2022**	**Changes**
Raw materials, consumables and supplies	45,898	44,255	1,643
Provision for the write-down of raw materials	(1,558)	(1,673)	115
Raw materials, consumables and supplies	**44,340**	**42,582**	**1,758**
Semi-finished goods	21,888	22,759	(871)
Provision for the write-down of semi-finished products	(719)	(2,105)	1,386
Semi-finished goods	**21,169**	**20,654**	**515**
Work in progress	**0**	**0**	**0**
Finished products	45,666	39,918	5,748
Provision for the write-down of finished products	(2,009)	(1,706)	(303)
Finished products	**43,657**	**38,212**	**5,445**
Prepayments	**4**	**5**	**(1)**
Inventories	**109,170**	**101,453**	**7,717**

The value of inventories reported a net increase of approx. Euro 7.7 million. The increase was across many Group companies and was due to business seasonality.
Inventories are stated net of the provision for inventory write-down of approximately Euro 4,287 thousand (Euro 5,484 thousand in December 2022), in order to take into consideration the effect of waste, obsolete and slow moving items and the risk estimates of the use of some categories of raw materials and semi-finished products based on assumptions made by management. The quantification of the stock obsolescence provision of raw materials, semi-finished and finished products is based on assumptions made by Management and amounts to 4% of inventories (5% in December 2022).

Inventories also include materials and products that were not physically held by the Group at the reporting date. These items were held by third parties for display, processing or examination.

B.3.10 Provision for risks and charges

The breakdown of the account is presented below:

In Euro thousands	30/06/2023	31/12/2022	Changes
Agents' termination benefits	774	713	61
Product warranties	4,241	4,351	(110)
Legal risks	4,312	4,381	(69)
Long Term Incentive Provision	6,794	10,084	(3,290)
Personnel provision	2,055	5,022	(2,967)
Restructuring provision	2,805	4,970	(2,165)
Other provision	2,788	2,591	197
Provisions for risks and charges	**23,769**	**32,112**	**(8,343)**
of which:			
Non-current	14,668	17,768	(3,100)
Current	9,101	14,344	(5,243)
Provisions for risks and charges	**23,769**	**32,112**	**(8,343)**

- Accruals for agents’ termination benefits cover possible charges upon the termination of contracts with agents and sales representatives
- Product warranties represent an estimate of the costs likely to be incurred to repair or replace items sold to customers. These provisions reflect the average warranty costs historically incurred by the Group as a percentage of sales still covered by warranty.
- The provision for legal risks relates to likely costs and charges to be incurred as a result of ongoing legal disputes, estimated by Management on the basis of the best information available. As was the case at December, the provision includes, among others, the estimate made by the Board of Directors with regards to the risk upon outstanding cases.
- The Long-Term Incentive Plan provision contains the amount matured at June 30, 2023, measured based on the conclusion on the probability of realisation of the underlying conditions, of the Long Term Incentive plan, entirely cash-based, reserved to Key People, the related contributions, the accrued portion of the C.E.O.'s long-term incentive plan and the valuation of a specific incentive plan for some members of top management. For further details, reference should be made to the Remuneration Report. The provision was utilised in the period for Euro 1,470 thousand, with the settlement to beneficiaries of the amounts matured from the two Phantom Stock & Voluntary Co-investment plans still outstanding. At June 30, 2023, no Phantom Stock plans are still in place.
- The Personnel provision includes contractual indemnities and employee bonuses accrued in the year, based on the best estimates according to the information available. The utilisations relate to payments in 2023 of the amounts maturing in 2022.
- The restructuring provision of Euro 2.8 million mainly covers the costs the Group is incurring to reorganise the Cooking Business Unit production plant. This concerns primarily personnel expenses and the value of assets that will lose their future use. Utilisations were made for staff departures, including for outplacements with companies in the area, and for stock assessment.
- The other risks provisions include the provisions quantified by the Group to cover risks affecting business operations, in addition to the product disposal provision.

The impact of discounting non-current provisions is not significant.

B.3.11 Post-employment benefit provision

The most recent calculation of the present value of this item was performed at December 31, 2022 and at June 30, 2023 and was supported by the service company Managers &Partners – Actuarial Services S.P.A. The changes in the present value of post-employment benefit obligations in the reporting period were as follows:

In Euro thousands	**30/06/2023**	**31/12/2022**	**30/06/2022**
Opening balance	7,988	10,380	10,380
Current service cost	1,122	2,629	1,462
Actuarial gains and losses	11	(1,146)	(1,095)
	1,133	**1,483**	**10,367**
Financial expenses	137	158	37
Pension fund	(929)	(2,189)	(1,232)
Benefits provided	(547)	(1,844)	(978)
	(1,339)	**(3,875)**	**(2,173)**
Liabilities for post-employment benefits	**7,782**	**7,988**	**8,574**

B.3.12 Other receivables and Other payables

In Euro thousands	**30/06/2023**	**31/12/2022**	**Changes**
Other receivables and other assets (non-current)	1,055	1,056	(1)
Other current assets	7,567	5,520	2,047
Total	**8,622**	**6,576**	**2,046**

Other non-current receivables include guarantee deposits paid by the Polish subsidiary.

Other non-current assets regards unqualified non-controlling interests held by the Elica Group in other companies. These investments are held in unlisted companies whose shares are not traded on a regulated market. This item includes for Euro 663 thousand the investment of approx. 6% in Elica PB Whirlpool Kitchen Appliances (previously Elica PB India Private Ltd.), an approx. 87% subsidiary of Whirlpool of India Limited.

This company was previously an Elica Group subsidiary which was sold to Whirlpool of India Ltd in the second half of 2021. Following this transaction, the company was deconsolidated and the residual investment maintained by the Elica Group, equal to 6,375% of the share capital, was reclassified to Other Financial Assets. Simultaneous to this sale to Whirlpool of India Ltd., Elica PB Whirlpool Kitchen Appliances signed new product supply and license agreements for the use of the Elica brand (Trademark & Technical License Agreement) and the Whirlpool brand (Trademark License Agreement) respectively in India.

In addition, the shareholders of the Indian company signed a shareholder agreement which stipulated, among other matters, a prohibition on the sale to third parties of their respective investments held in Elica PB Whirlpool Kitchen Appliances within 90 days from the approval date of the financial statements for the year ending March 31, 2024. In addition, this shareholder agreement includes Put & Call options, under which Whirlpool of India Limited may acquire (i.e. Elica and the other Indian shareholders may sell to Whirlpool of India Ltd.) the entire holding, from March 31, 2024, or before that date exclusively on the occurrence of certain events. In view of the consolidated business relationships between the shareholders of the Indian company, these options were included in the shareholders' agreement to protect the rights of the minorities in the case of an exit from the investment, a possibility which the directors consider as unlikely given the current circumstances.

The current portion of other receivables includes the prepayments and therefore mainly the advances paid, in addition to other receivables, including the receivables related to the obtaining of government grants for investments, such as Industry 2015, the SM project, the Sell project, the Seal project and photovoltaic plant grants.

Management considers that the carrying amount approximates the fair value.

In Euro thousands	**30/06/2023**	**31/12/2022**	**Changes**
Other non-current liabilities	500	1,000	(500)
Other current liabilities	23,485	23,074	411
Total	**23,985**	**24,074**	**(89)**

With regards to other payables, we highlight the payment for Euro 6.5 million of the amount due to the former shareholders of E.M.C. and C.P.S. (now EMC Fime) for the full acquisition of the two companies on July 2, 2021. We indicate therefore a differing breakdown between current and non-current payables of Euro 1.5 million owed to the former minority shareholder of Airforce. Other current payables also include Euro 4.3 million corresponding to dividends to be paid in July to shareholders from the allocation of the 2022 profit.
Other current payables include the amounts due to employees for salaries and to social security institutions.

B.3.13 Tax Assets and Payables

In Euro thousands	**30/06/2023**	**31/12/2022**	**Changes**
Tax assets	23,447	27,473	(4,026)
Tax liabilities	(5,822)	(8,168)	2,346
Total	**17,625**	**19,305**	**(1,680)**

The decrease in Tax assets regarded the VAT Receivable (decreasing Euro 6.6 million), net of the increase in the Income tax receivable of over Euro 1 million of the Parent and of the Mexican subsidiary.
The decrease in tax payables is mainly due to a reduction of the IRPEF withholdings and of the VAT payable.

B.3.14. Equity

Equity attributable to owners of the parent at June 30, 2023 amounted to Euro 140,377 thousand (Euro 137,961 thousand at December 31, 2022). The movement in this item in the period mainly concerned the translation reserve, the cash flow hedge reserve and the post-employment benefit revaluation reserve, the purchase of treasury shares and the distribution of dividends. Dividends amounting to Euro 4.3 million were distributed to shareholders by the Parent. For further details, reference should be made to the Statement of changes in Consolidated Equity.
The movement in the translation reserve, positive at consolidated level for Euro 5.5 million and at Group level for Euro 6.1 million, mainly relates to the Mexican subsidiary Elicamex and the Polish subsidiary Elica Group Polska and therefore to the performance of the Mexican Peso and US Dollar and of the Zloty against the Euro.
The movement in the Cash Flow Hedge reserve is positive for Euro 42 thousand, with Euro 55 thousand due to the valuation and an opposing tax impact of Euro 13 thousand. This includes the valuation of derivatives on commodities and the movement in currency derivatives.
Elica on March 21, 2022 launched the treasury share buy-back plan authorised by the Shareholders' Meeting of April 2021, April 2022 and April 2023. This resulted in a Euro 2.3 million reduction in Equity at June 30, 2023.

Non-controlling interest Equity at June 30, 2023 amounted to Euro 4.8 million (Euro 5.4 million at December 31, 2022). The movements in the account in the period principally related to: an increase of Euro 0.7 million following the recording of the profit for the period and a decrease of Euro 0.8 million for the distribution of dividends to third parties.

B.3.15 Net financial position

(disclosed in accordance with Consob Communication No. DEM 6064293 of July 28, 2006 - supplemented by Call for attention 5/21)

	In Euro thousands	30/06/2023	31/12/2022	Changes
A.	**Cash and cash equivalents**	**61,143**	**67,727**	**(6,584)**
	Cash and cash equivalents	61,143	67,727	(6,584)
B.	**Other liquidity**			
C.	**Other current financial assets**	**0**	**0**	**0**
D.	**Liquidity (A+B+C)**	**61,143**	**67,727**	**(6,584)**
E.	**Current financial debt (including debt instruments but excluding the current portion of non-current financial debt)**	**17,022**	**14,836**	**2,186**
	Bank borrowings	13,085	10,644	2,441
	Lease liabilities (current)	3,937	4,192	(255)
F.	**Current portion of non-current financial debt**	**31,852**	**32,168**	**(316)**
	Mortgages	31,852	32,168	(316)
G.	**Current financial debt (E+F)**	**48,874**	**47,004**	**1,870**
H.	**NET CURRENT FINANCIAL DEBT (G-D)**	**(12,269)**	**(20,723)**	**8,454**
I.	**Non-current financial debt (excluding current portion and debt instruments)**	**62,126**	**64,605**	**(2,479)**
	Bank loans and borrowings (non current)	53,042	54,774	(1,732)
	Lease liabilities (non-current)	9,084	9,831	(747)
J.	**Debt instruments**			**0**
K.	**Trade payables and other non-current payables**	**1,475**	**8,021**	**(6,546)**
	Other payables for purchase of investments	1,475	8,021	(6,546)
L.	**Non-current financial debt (I+J+K)**	**63,601**	**72,626**	**(9,025)**
M.	**NET FINANCIAL DEBT (H+L)**	**51,332**	**51,903**	**(571)**

The company’s net financial position (including IFRS 16 and the payables for the acquisition of derivatives) was a debt position of Euro 51.3 million and therefore, according to the Consob Communication, is defined as “net financial debt”. This parameter decreased by over 0.6 million compared to December 2022.

The loan covenants have been complied with and according to the available information shall be complied with in the future. The bank loans of Elica S.p.A. stipulate covenants concerning the ratio between NFP/EBITDA, EBITDA/Net Financial Expense and NFP/Equity, tested half-yearly on an LTM basis on the Group's consolidated figures.

On May 18, 2023 (as per the press release of July 2023), Elica S.p.A. and Banco BPM agreed a Sustainability Linked Loan to fund Elica’s investment plan. As part of its global sustainable development plan, Elica will benefit from credit lines with a total value of Euro 30 million. This “Sustainable Linked Loan” type solution involves sharing improvement goals in the area of sustainability with the company through specific performance indicators (ESG KPIs). In Elica's case, the ESG KPI identified concerns the increase in the percentage of energy derived from renewable sources in relation to total energy used. The credit lines granted to Elica SpA are within the Euro 5 billion earmarked under the “2020-2023 Sustainable Investment” programme which Banco BPM set up in response to the ESG needs of the business community.

Management believes that at the present moment, the funds available, in addition to those that will be generated from operating and financial activities, will permit the Group to satisfy its requirements deriving from investment activities, working capital management and repayment of debt in accordance with their maturities.

B.3.16 Related party transactions and balances

Inter-company transactions are eliminated in the Condensed Consolidated Half-Year Financial Statements and therefore not shown in this note.
Related party transactions were carried out in accordance with law and based on reciprocal business needs.
The income statement and statement of financial position amounts deriving from the transactions carried out as per IAS 24 with related parties are summarised below. The table below does not include the remuneration of Directors, Statutory Auditors and Senior Executives. Reference should be made to the annual accounts and the Remuneration Report for these figures (in line with the past).
There are no balances with the parents Fan and Fintrack.

Elica Group vs Related parties

In Euro thousands	**Trade receivables**	**Payables/ IFRS16 Payables**	**Revenues**	**Costs**
La Ceramica	-	(1)		(3)
Other related parties and natural persons	1	(38)	-	(51)
	1	**(39)**	**-**	**(53)**

B.3.17 Contingent liabilities

Group companies have valued the contingent liabilities that could arise from pending judicial proceedings and have made appropriate provisions in their financial statements on a prudent basis.
The allocation in the financial statements at June 30, 2023 for contingent risks and charges relating to legal disputes amounts to Euro 4,312 thousand and is mainly held by the Parent. In addition to the risks assessed as probable, we report below the events that lead to a contingent liability.
In 2019 the Company was subject to an audit by the Italian Agency of Revenue, Marche Regional Department, Tax Audits Office, for the tax years 2014, 2015 and 2016. It received an auditors' report on October 14, 2019.
There was found to have been an alleged violation of the transfer pricing rules set out in Art. 110, paragraph 7, of Presidential Decree No. 917 of December 22, 1986 (the Tax Consolidation Act) in respect of the transfer prices applied by the Company to transactions with the Mexican sister company Elicamex S.A. de C.V., the value of which the Office adjusted, proposing that additional IRES (company income tax) and IRAP (regional production tax) be levied on Euro 1,014,887 in 2015 and on Euro 1,012,783 in 2016. The Company has tax losses that can be used to offset the financial risk for IRES purposes.
It was therefore determined that the Company had unduly benefited from the research and development tax credit due to allegedly failing meet the requirements established by the tax relief rules for qualifying for the credit in question and that Elica was therefore ineligible for the related tax relief measures for the costs of research and development activities it had carried out in 2015 and 2016. The Company reported a credit of Euro 838,814 for 2015 and a credit of Euro 1,075,878 for 2016. In relation to this finding, the assessment process has yet to proceed further.

As counselled by its legal advisors, Elica believes that the arguments laid out in the Notice of assessments in support of the findings discussed in this paragraph are not compelling and that there are considerable defensive arguments against this reconstruction.
The Company sought counsel from its legal advisors in support of the view that the risk that tax liabilities may flow for the Company from potential disputes that might arise from the assessment action by the revenue authorities in connection with the findings presented in the auditors' report discussed above is possible but not probable.
In January 2022, An IPEC petition was submitted regarding use of previous losses to reduce the higher taxable income, and the Company - though its lawyers - is preparing an appeal before the competent Tax Commission.

On 24.08.2022 and 09.11.2022, the Ancona Tax Commission accepted the grounds of appeal brought by the company for the transfer pricing findings for the years 2015 and 2016, concerning the notices of assessment (IRES and IRAP), received in May 2021 and December 2021 - against which it had appealed - by entering an appearance for the Ancona Provincial Tax Commission.
On 27.02.2023, the Tax Agency served three Notices of Appeal against each of the First Instance Judgments, favourable to the Company, regarding the Transfer Pricing challenges on the 2015 and 2016 fiscal years.
On 27.04.2023, the Company, through its lawyers, submitted counterclaims to the appeals filed by the Tax Agency.
On 09.05.2023, the Regional Directorate of the Tax Agency served two notices of assessment (IRES and IRAP) for Transfer Pricing findings, for fiscal year 2017.
On 31.05.2023, an IPEC petition was submitted regarding use of previous losses to reduce the higher taxable income, and the Company - though its lawyers - is preparing in the present month an appeal before the competent Tax Commission.

B.3.18 Risk management

B.3.18.1 Introduction

The Elica Group's operations are exposed to different types of financial risks, including risks associated with fluctuations in exchange rates, interest rates, the cost of its main raw materials and cash flows. In order to mitigate the impact of these risks on the company's results, the Elica Group has implemented a financial risk monitoring system through a "Financial Risk Policy" approved by the Board of Directors of the Parent Company. Within this policy, the Group constantly monitors the financial risks of its operations in order to assess any potential negative impact and takes corrective action where necessary.
The main guidelines for the Group's risk policy management are as follows:

- identify the risks related to the achievement of the business objectives;
- assess the risks to determine whether they are acceptable considering the controls in place and if they require additional treatment;
- respond appropriately to risks;
- monitor and report on the current state of the risks and the effectiveness of their control.

The Group's Financial Risk Policy is based on the principle of active management and the following assumptions:

- prudent management of the risk with a view to protecting the expected value of the business;
- use of "natural hedges" in order to minimise the net exposure on the financial risks described above;

- undertake hedging transactions within the limits approved by management and only for actual, clearly identified exposures.

The process for the management of the financial risks is structured on the basis of appropriate procedures and controls, based on the correct segregation of conclusion, settlement, registration and reporting of results.
The following table breaks down the derivative instruments in place:

	30/06/2023		31/12/2022	
In Euro thousands	**Assets**	**Liabilities**	**Assets**	**Liabilities**
FX derivatives	755	952	325	396
Interest rate derivatives	3,578	0	4,317	0
Commodities derivatives	0	550	0	1,343
Derivative financial instruments	**4,333**	**1,502**	**4,642**	**1,739**
of which:				
Non-current	1,136	0	1,981	0
Current	3,197	1,502	2,661	1,739
Derivative financial instruments	**4,333**	**1,502**	**4,642**	**1,739**

The Group uses derivative financial instruments to hedge the market risks to which it is exposed: foreign currency risk, interest rate risk and commodities price risk.
IFRS 7 requires that the classification of financial instruments valued at fair value is determined based on the quality of the input sources used in the valuation of the fair value.
The IFRS 7 classification implies the following hierarchy:

- Level 1: determination of fair value based on prices listed in active markets for identical assets or liabilities. The instruments with which the Group operates directly on active markets or in OTC markets characterised by an adequate level of liquidity belong to this category;
- Level 2: determination of fair value based on other inputs than the listed prices included in “Level 1” but which are directly or indirectly observable. In particular instruments which the Group operates on OTC markets, not characterised by an adequate level of liquidity are included in this category;
- Level 3: determination of fair value based on valuation models whose input is not based on observable market data.

The classification of the financial instruments may have a discretional element, although not significant, where in accordance with IFRS, the Group utilises, where available, prices listed on active markets as the best estimate of the fair value of derivative instruments.

All the derivative instruments in place at June 30, 2023 and December 31, 2022 belong to level 2 of the fair value hierarchy. It should be noted that there were no transfers between the three levels of fair value under IFRS 13 during the period.

B.3.18.2. Market risk

According to IFRS 7, market risk includes all the risks directly or indirectly related to the fluctuations of the general market prices and the financial markets in which the company is exposed:

- currency risk;
- commodity risk, related to the volatility of the prices of the raw materials utilised in the production processes;
- interest rate risk.

In relation to these risk profiles, the Group uses derivative instruments to hedge its risks. The Group does not engage in derivative trading.

B.3.18.2.1 Currency risk

The Group's operating currency is the Euro. However, the Group companies trade also in American Dollars (USD), British Pounds (GBP), Japanese Yen (JPY), Polish Zloty (PLN), Mexican Pesos (MXN), Swiss Francs (CHF), Russian Roubles (RUB), Chinese Yuan (CNY) and the Indian Rupee (INR).
The amount of the currency risk, defined in advance by management of the Group on the basis of the budget for the reporting period, is gradually hedged over the acquisition process of the orders, up to the amount of the orders corresponding to budget projections or emerging during the year.
The hedge is entered into through agreements with third party lenders for forward contracts and options for the purchase and sale of foreign currency. As previously described, these hedges are entered into without any speculative or trading purposes, in line with the strategic policies of prudent cash flow management.
In addition to the aforementioned transaction risks, the Group is also exposed to translation risk. The assets and liabilities of consolidated companies whose currency differs from the Euro may be translated into Euro with carrying amounts that vary according to different exchange rates, with recognition in the translation reserve under equity.
The Group monitors this exposure, against which there were no hedging operations at the reporting date; in addition, given the Parent's control over its subsidiaries, governance over the respective foreign currency transactions is greatly simplified.

B.3.18.2.2 Commodity risk

The Group is subject to market risk deriving from price fluctuations in commodities used in the production process. The raw materials purchased by the Group (including copper and aluminium) are affected by the trends of the principal markets. The Group regularly evaluates its exposure to the risk of changes in the price of commodities and manages this risk through fixing the price of contracts with suppliers and through hedging contracts with financial counterparties.
In particular, between the end of the previous year and the beginning of the year, on the basis of the production budget for the year, the prices and quantities were fixed through both channels described above. Operating in this manner, the Group covers the standard cost of the raw materials contained in the budget from possible increases in commodity prices, achieving the operating profit target.

B.3.18.2.3 Interest rate risk

The management of interest rate risk by the Elica Group is in line with longstanding, consolidated practices to reduce the volatility risk on the interest rates, while at the same time minimising the borrowing costs within the established budget limits.
The Group's debt mainly bears a floating rate of interest.

B.3.18.3 Credit risk

The credit risk (or insolvency risk) represent the exposure of the Elica Group to potential losses deriving from the non-compliance of obligations by trading partners. This risk derives in particular from economic-financial factors related to a potential solvency crisis of one or more counterparties.
For further details, see paragraph B.3.8 "Trade receivables and payables" of these notes.

B.3.18.4 Liquidity risk

The liquidity risk represents the risk related to the unavailability of financial resources necessary to meet short-term commitments assumed by the Group and its own financial needs. The principal factors which determine the liquidity of the Group are, on the one hand, the resources generated and absorbed by the operating and investment activities and on the other the due dates and the renewal of the payable or liquidity of the financial commitments and also market conditions. These factors are monitored constantly in order to guarantee a correct equilibrium of the financial resources.
Management believes that at the present time, the funds available, in addition to those that will be generated from operating activities and, if necessary, from sources of funding, will permit the Group to satisfy its requirements deriving from investment activities, working capital management and the repayment of debt in accordance with their maturities.
For details on the net financial position, reference should be made to note B.3.15 of the notes.

B.3.18.5 Climate Change Risk Analysis

In accordance with the suggestions published by ESMA, the Group has updated the analysis on the impacts that climate change could have on the business. It has also considered the impacts that the Group may have on climate change.

The geographical location of Group assets is not particularly impacted by the increased risk of extreme events.

The technical department of the Elica Group constantly monitors changes in laws and regulations as they concern the energy labelling of the products sold.

We constantly assess the characteristics that the Group's products must meet in order to be sold based on existing legislation or changes that are about to go into effect.

Regulatory requirements related to energy conservation are considered in the inventory obsolescence process, appropriately in advance of the regulations coming into effect.

Information in our possession, from the legal department, was then considered to rule out the existence of contingent liabilities for potential litigation, environmental damages, additional taxes or penalties related to environmental requirements, contracts that may become onerous, or restructuring to meet climate-related goals. We have therefore decided not to set aside provisions or recognise contingent liabilities.

Given the ongoing evolution and significance of the issue, the Group will continue to monitor these possible risks.

B.3.18.6 Geopolitical risk

The Elica Group is monitoring the geopolitical developments caused by the war in Ukraine, and we continue to assess the potential risks it could have on our operations.
Although the Elica Group's business in the affected area is however limited, given that Russian market revenue accounts for approx. 2.3% of total revenues, all actions necessary to protect the Group from the identified risks were put in place. Sanctions have had only a marginal impact

on certain Group products; therefore, 2023 margins remained in line with forecasts on operations that were in line with past years.
The Elica Group continues to operate in Russia through the wholly owned subsidiary Elica Trading LLC, which is responsible for distributing the Group's products in Russia. The Russian trading company does not have significant fixed assets.
Group management constantly monitors the impacts and developments of the military conflict between Russia and Ukraine. To this end, we have established a task force of the main areas of the company involved.
The Internal Audit & Risk Compliance unit provides the Control, Risks & Sustainability Committee with periodic updates on risk management within the company and constantly monitors trends in the most critical risks by way of meetings with management, internal analyses, and the support of consultants.
The Purchasing unit frequently monitors risks related to procurement and trends in the price of energy and raw materials coming from Russia and Ukraine.
The Finance unit measures the monthly revenues of the Russian trading company by way of reporting packages provided each month by the subsidiary; monitors currency trends and their impact on Group financials; monitors the derivatives market aimed at hedging currency risk; monitors the efficacy of the insurance coverage on trade receivables with Russian customers; monitors payments on intercompany receivables from the Russian subsidiary; and monitors the liquidity risk of the Russian trading company to confirm that it has the liquidity needed to meet its payment obligations for the following two months.
The Logistics unit coordinates shipments by the Group to the Russian subsidiary in compliance with the sanctions issued by the competent authorities related to the types of products that can be exported and thresholds in the per-unit value of exportable goods.
The Commercial unit monitors daily trends in customer orders in order to properly estimate demand and facilitate the organization and optimization of the supply chain.
The Legal Affairs unit monitors EU legislation, directives and regulations and reports to management in order to jointly assess the impact they may have on compliance and on certain aspects of company operations.

B.3.18.7 Cyber Security Risk

The growing use of information systems increases the Group's exposure to various types of risk. The most significant is the risk of cyber attack, which is a constant threat for the Group.
The impacts analysed include:
• data loss
• data protection impacts
• the interruption of business
• reputational harm
Mitigation efforts made by the Group concern:
• the strengthening of network infrastructure;
• the strengthening of protection systems;
• the constant updating of company procedures;
• continuous training of all personnel to reinforce company know-how with regard to cyber security.

B.3.19 Significant events in H1 2023

On February 14, 2023, the Board of Directors of Elica S.p.A. approved the additional periodic disclosure for the fourth quarter of 2022, prepared according to IFRS and the 2022 preliminary consolidated results.
On March 16, 2023, the Board of Directors of Elica S.p.A. approved the consolidated results at December 31, 2022 and the statutory financial statements at December 31, 2022, prepared in accordance with IFRS, in addition to the Directors' Report.
Elica on April 19, 2023 announced the extension of its cooking segment product offer, in line with the 2023 objectives, and announced a strategic partnership with Ilve.
On April 27, 2023, the Shareholders' Meeting of Elica S.p.A., meeting in ordinary session, approved the 2022 Annual Accounts of Elica S.p.A., the Directors' Report, the Non-Financial Report and viewed the Board of Statutory Auditors' Report and the Independent Auditors' Report. The Shareholders' Meeting also noted the consolidated results for 2022.
On the same date, the Board of Directors of Elica S.p.A. approved the additional periodic disclosure for the first quarter of 2023, prepared according to IFRS.
Also on April 27, 2023, Elica S.p.A. announced the conclusion of the third tranche of the Elica ordinary share Buyback plan, announced to the market on February 14, 2023 and launched on February 15, 2023, in execution of the Shareholders' Meeting resolution of April 28, 2022.
From April 28, 2023 and until December 31, 2023, the Company is executing a buyback plan, for a maximum 240,000 purchasable treasury shares (approx. 0.4% of the subscribed and paid-in share capital), authorised by the Shareholders' Meeting of April 27, 2023.
On May 18, 2023 (as per the press release of July 2023), Elica S.p.A. and Banco BPM agreed a Sustainability Linked Loan to fund Elica's investment plan. As part of its global sustainable development plan, Elica will benefit from credit lines with a total value of Euro 30 million. This "Sustainable Linked Loan" type solution involves sharing improvement goals in the area of sustainability with the company through specific performance indicators (ESG KPIs). In Elica's case, the ESG KPI identified concerns the increase in the percentage of energy derived from renewable sources in relation to total energy used. The credit lines granted to Elica SpA are within the Euro 5 billion earmarked under the "2020-2023 Sustainable Investment" programme which Banco BPM set up in response to the ESG needs of the business community.
On June 23, 2023, the Board of Directors of Elica S.p.A. called the Ordinary Shareholders' Meeting to consider the change to the By-Laws. The proposed amendments mainly concern the forms of participation, calling and hosting of the meetings of the Company's boards, in order to better govern the right to utilise remote means of communication and the appointment of the sole designated representative. In terms of the above amendments, the Company also intends to extend its duration and update a number of provisions, so that they are in line with the latest regulatory and governance provisions.

B.3.20 Subsequent events after the period end

No subsequent events are reported.

B.3.21 Outlook

On the basis of the Q2 performance and weaker market demand than forecast, we expect the second half of the year to be substantially in line with the previous year. We forecast slight growth for the Cooking business in the latter part of the year, driven by the launch of new products. The Motors division is expected to slow, due mainly to the heating segment, as the result of reduced new construction and a drop off in the incentives which have provided a tailwind over recent years.

The expected margin is however in line with the previous year, thanks to further cost containment initiatives and the flexibility established with the new European footprint, in addition to the launch of the new product lines for both the Cooking (ovens, induction hobs and wine cellars) and motors (heat pumps) segments.

In geopolitical terms, the Elica Group continues to monitor the impacts and developments of the conflict between Russia and Ukraine, which broke out at the end of February 2022, particularly assessing potential risks upon Group operations. Although Elica Group business in the area involved is limited, given that the Russian market accounts for 2% of revenue, procedures have been put in place to monitor this risk.

B.3.22 Positions or transactions arising from atypical and/or unusual operations

The Group did not carry out atypical and/or unusual transactions, i.e. those transactions which owing to their significance, the nature of the counterparties, the subject-matter of the transaction, the transfer price calculation method and the timing of the event, may give rise to doubts concerning the accuracy/completeness of the information in the financial statements, conflicts of interest, the safeguarding of corporate assets and the protection of non-controlling shareholder interests.

B.3.23 Significant non-recurring events and operations

In the first half of 2023, no significant non-recurring operations were undertaken by the Elica Group.

Fabriano, July 27, 2023

The Executive Chairperson
Francesco Casoli

C. Statement of the corporate financial reporting manager in accordance with Article 154 bis, paragraph 5 of Legislative Decree 58/1998

The undersigned Giulio Cocci, as Chief Executive Officer, and Emilio Silvi, Corporate Financial Reporting Officer of Elica S.p.A., affirm, and also in consideration of Article 154-*bis*, paragraphs 3 and 4, of Legislative Decree No. 58 of February 24, 1998:

- the adequacy considering the company's characteristics and
- the effective application of the administrative and accounting procedures for the compilation of the consolidated financial statements for the first half of 2023.

In addition, we declare that the condensed consolidated half-year financial statements:

- corresponds to the underlying accounting documents and records;
- are drawn up in conformity with the applicable international accounting standards recognised by the European Union in conformity with Regulation (CE) No. 1606/2002 of the European Parliament and the Commission of 19 July 2002;
- provide a true and fair view of the issuers' financial position and results of operations and of the other companies in the consolidation scope.

The Interim Directors' Report includes a reliable analysis of the significant events in the first six months of the year and their impact on the condensed consolidated half-year financial statements, with a description of the principal risks and uncertainties for the remaining six months. The condensed consolidated half-year financial statements also contain a reliable analysis of the significant transactions with related parties.

Fabriano, July 27, 2023
The Chief Executive Officer
Giulio Cocci

Corporate Financial Reporting Officer
Emilio Silvi

KPMG

KPMG S.p.A.
Revisione e organizzazione contabile
Via 1° Maggio, 150/A
60131 ANCONA AN
Telefono +39 071 2901140
Email it-fmauditaly@kpmg.it
PEC kpmgspa@pec.kpmg.it

(Translation from the Italian original which remains the definitive version)

Report on review of condensed interim consolidated financial statements

To the Shareholders of
Elica S.p.A.

Introduction

We have reviewed the accompanying condensed interim consolidated financial statements of Elica Group comprising the income statement and the statements of comprehensive income, statement of financial position, statement of cash flows, statement of changes in equity and notes thereto, as at and for the six months ended 30 June 2023. The company's parent's directors are responsible for the preparation of these condensed interim consolidated financial statements in accordance with the International Financial Reporting Standard applicable to interim financial reporting (IAS 34), endorsed by the European Union. Our responsibility is to express a conclusion on these condensed interim consolidated financial statements based on our review.

Scope of Review

We conducted our review in accordance with Consob (the Italian Commission for Listed Companies and the Stock Exchange) guidelines set out in Consob resolution no. 10867 dated 31 July 1997. A review of condensed interim consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (ISA Italia) and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion on the condensed interim consolidated financial statements.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed interim consolidated financial statements of Elica Group as at and for the six months ended 30 June 2023 have not been prepared, in all material respects, in accordance with the International Financial

Reporting Standard applicable to interim financial reporting (IAS 34), endorsed by the European Union.

Ancona, 28 July 2023

KPMG S.p.A.

(signed on the original)

Alessandro Arienti
Director of Audit