HALF-YEAR REPORT AT JUNE 30, 2024

Elica Group

Contents

Corporate boards, Group structure and company data

Members of the Board of Directors[1]

Francesco Casoli	**Executive Chairperson**, born in Senigallia (AN) on 05/06/1961, appointed by resolution of 29/04/2024.
Giulio Cocci	**Executive Director**, born in Fermo on 13/04/1970, appointed by resolution of 29/04/2024.
Elio Cosimo Catania	**Independent Director,** born in Catania on 05/06/1946, appointed by resolution of 29/04/2024.
Cristina Casoli	**Director,** born in Senigallia (AN) on 13/08/1964, appointed by resolution of 29/04/2024.
Susanna Zucchelli	**Independent Director**, born in Bologna on 19/12/1956, appointed by resolution of 29/04/2024.
Angelo Catapano	**Independent Director**, born in Napoli on 09/12/1958, appointed by resolution of 29/04/2024.
Alice Acciarri	**Independent Director and Leader Independent Director,** born in San Benedetto del Tronto (AP) on 01/06/1981, appointed by resolution of 29/04/2024.

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.
Paolo Massinissa Magini	**Statutory Auditor**,born in Fabriano (AN) on 26/04/1960, appointed by resolution of 29/04/2024.
Simona Romagnoli	**Statutory Auditor,** born in Jesi (AN) on 02/04/1971, appointed by resolution of 29/04/2021.
Monica Nicolini	**Alternate Auditor**, born Pesaro on 16/04/1963, appointed by resolution of 29/04/2024.
Leandro Tiranti	**Alternate Auditor,** born in Sassoferrato (AN), on 04/05/1966, appointed by resolution of 29/04/2021.

Control, Risks, Sustainability and Remuneration Committee

Susanna Zucchelli (Chairperson)
Angelo Catapano
Elio Cosimo Catania
Cristina Casoli
Alice Acciarri

Independent Audit Firm[3]

EY 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

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[1] In office until the approval of the 2026 Annual Accounts
[2] In office until the approval of the 2026 Annual Accounts
[3] In office until the approval of the 2032 Annual Accounts

Registered office and Company data

Elica S.p.A.

Registered office: Via Ermanno Casoli,2 – 60044 Fabriano (AN)

Share Capital: Euro 12.664.560,00

Tax Code and Company Registration No.: 00096570429

Ancona REA n. 63006 – VAT No. 00096570429

Secondary offices and local units di Elica S.p.A.

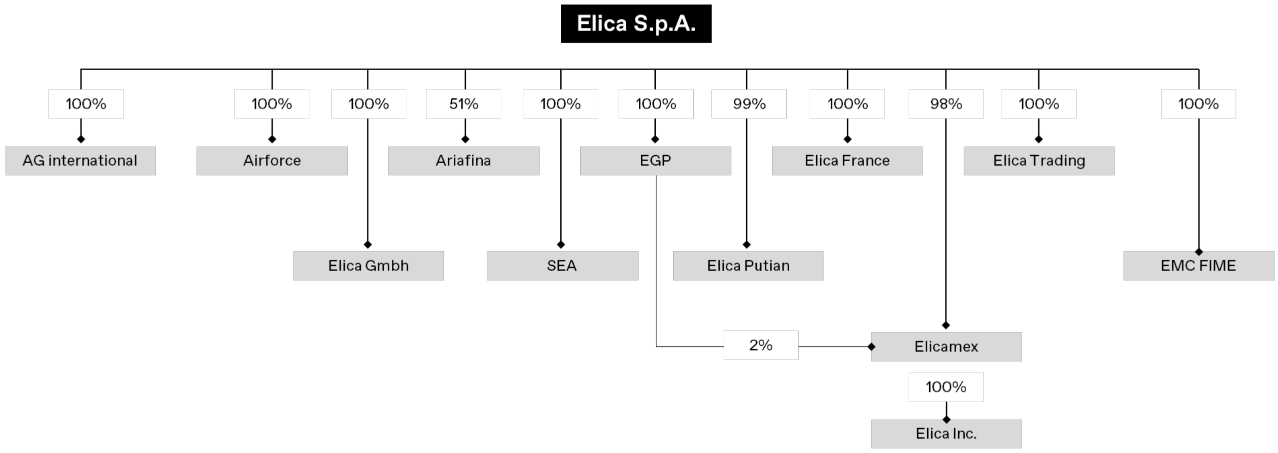
Local Unit An/5 Mergo (An) Localita' Montirone Zip Code 60030;

Local Unit An/38 Sant Just Desvern Avda.Generalitat De Catalunya 21 (Spagna) Esc.9, Bajos 1;

Local Unit An/39 55-221 Jelcz Laskowice Ul. Inzynierska 3 (Poland);

Local Unit An/41 Fabriano (An) Via Ermanno Casoli 2a Zip Code 60044.

Group Structure



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

DIRECTORS' REPORT H1 2024

Elica Group

A.1. Methodology introduction

The half-year report at June 30, 2024 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 half-year 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 in Euro the Income Statement and Statement of Cash Flow figures for the period between January 1 and June 30 of the year indicated.

A.2. Financial and operating review

H1 2024 Performance

Elica Group Operating Performance

In Euro thousands	H1 2024	% revenue	H1 2023	% revenue	Changes %
Revenue	237,350		254,545		-6.8%
Adjusted EBITDA	**16,707**	**7.0%**	**26,060**	**10.2%**	**-35.9%**
EBITDA	15,808	6.7%	25,058	9.8%	-36.9%
Adjusted EBIT	**5,110**	**2.2%**	**14,158**	**5.6%**	**-63.9%**
EBIT	4,211	1.8%	13,156	5.2%	-68.0%
Net financial expense	(3,569)	-1.5%	(2,276)	-0.9%	-56.8%
Income taxes	506	0.2%	(2,373)	-0.9%	121.3%
Profit from continuing operations	1,148	0.5%	8,507	3.3%	-86.5%
Adjusted profit for the year	**1,831**	**0.8%**	**9,268**	**3.6%**	**-80.2%**
Profit for the year	1,148	0.5%	8,507	3.3%	-86.5%
Adjusted profit attributable to the owners of the parent	**1,161**	**0.5%**	**8,533**	**3.4%**	**-86.4%**
Profit attributable to the owners of the parent	478	0.2%	7,772	3.1%	-93.9%
Basic earnings per Share (Euro/cents) at closing date	0.77		12.43		-93.8%
Diluted earnings per Share (Euro/cents) at reporting date	0.77		12.43		-93.8%

In H1 2024, Elica returned revenue of Euro 237.4 million, decreasing 6.8% on H1 2023 (-6.3% at constant exchange rates), although improving in Q2 over Q1 (+2.5%). This trend emerged although within a market featuring persistently weak demand both within the Cooking and the Motor segments, which continues to affect the recovery of revenues and margins and particularly on the Group's main European market. EMEA revenue, accounting for approx. 80% of total revenue, contracted 7.6%, with Elica's performance therefore mirroring the market.
Deteriorating consumer purchasing power, in fact, has put pressure on the sales mix, as evidenced by extractor hob market demand, whose average retail price continues to decline on the main EMEA markets.

The Cooking division, accounting for 78% of total revenue, declined 4.1% (-3.5% at constant exchange rates), with the contraction across all product categories, although particularly due to own brand sales. These latter decreased by 10.3% (-8.7% at constant exchange rates) on the first half of 2023, in line with the general market. OEM (third party brand channel) sales however grew, enabling 5.8% growth (5.0% at constant exchange rates) on the first half of 2023, and particularly in Europe and in America. The North American business in fact generally reported growth (+5.4% on H1 2023), thanks to the winning of new OEM customers, the launch of new products and the new distribution strategy.

The Motors division, accounting for 22% of total revenues, saw sales contract 14.9% on the first half of 2023, in line with the Heating market which contracted significantly across Europe following the exceptional peak of 2023. Results were impacted also by the uncertainty and delays regarding the energy transition regulations, together with a change in the incentive rules and the measures to reduce OEM customer stock. The Ventilation area in 2024 has shown however signs of recovery in 2024. For both divisions, the gaining of new market share is partially offsetting the weak market environment.

Adjusted EBITDA amounted to Euro 16.7 million, compared with Euro 26.1 million in the same period of the previous year, with a margin on revenues of 7.0% (10.2% in H1 2023). In the first quarter of 2024, in addition to the negative price-mix effect and a market featuring weak demand and heightened promotional activity, the costs incurred by Elica to support growth for products, rebranding, positioning and "***Eurocucina***" impacted significantly, resulting in reduced EBIRDA. These factors were partially offset by SG&A cost control, efficient procurement management, and the initial reduction in raw material costs. Quarter-over-quarter, this margin on revenue has improved significantly to 7.6% from 6.5% in the first quarter of this year.

Adjusted EBIT amounted to Euro 5.1 million (decreasing Euro 9 million on the same period of the previous year), with a margin on revenues of 2.2% (5.6% in H1 2023), improving in Q2 to a 2.8% margin from 1.5% in Q1 2024. The movement on the previous year substantially relates to the effects outlined for EBITDA.

Net financial expense totalled Euro 3.6 million, compared to 2.3 million in 2023. In the comparison, the negative impact of exchange rates, particularly on the Japanese Yen and the Mexican Peso against the comparative period, should be considered, in addition to the increased cost of funding from the second half of 2022 following the raising of the ECB's benchmark rates.

The Adjusted Profit was Euro 1.8 million, compared to Euro 9.3 million in H1 2023.

The Adjusted Group Net Profit was Euro 1.2 million, compared to Euro 8.5 million in H1 2023.
The Minorities profit is Euro 0.7 million, in line with the same period of 2023.

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

In Euro thousands	Cooking	Motors	Eliminations and other adjustments	Elica Group H1 2024	Cooking	Motors	Eliminations and other adjustments	Elica Group H1 2023
Revenue - third parties	184,586	52,764	(0)	237,350	192,564	61,982	(0)	254,545
Inter-segment revenues	764	13,718	(14,482)	0	472	13,290	(13,762)	0
Revenue	**185,350**	**66,482**	**(14,482)**	**237,350**	**193,036**	**75,271**	**(13,762)**	**254,545**
Operating result	**(419)**	**4,630**	**0**	**4,211**	**6,760**	**6,396**	**0**	**13,156**

Currency movements

	2024 average	2023 average	%	30/06/2024	30/06/2023	%
USD	1.08	1.08	0.00%	1.07	1.09	-1.83%
JPY	164.46	145.76	12.83%	171.94	157.16	9.40%
PLN	4.32	4.62	-6.49%	4.31	4.44	-2.93%
MXN	18.51	19.65	-5.80%	19.57	18.56	5.44%
CNY	7.80	7.49	4.14%	7.77	7.90	-1.65%
RUB (*)	98.97	83.38	18.70%	92.44	94.74	-2.43%
CAD	1.47	1.46	0.68%	1.47	1.44	2.08%

Source: ECB data
**** In the absence of an official ECB rate, the EUR-RUB exchange rate is calculated by converting from EUR to CNY (Source: ECB) and then from CNY to RUB (Source: PBOC).***

Elica Group Equity and Financial Performance Analysis

In Euro thousands	**6/30/2024**	**12/31/2023**	**6/30/2023**
Trade receivables	49,976	26,731	46,907
Inventories	91,129	90,874	109,170
Trade payables	(126,455)	(107,025)	(139,168)
Managerial Working Capital	**14,650**	**10,580**	**16,909**
% annualised revenue	*3.1%*	*2.2%*	*3.3%*
Other net assets/liabilities	(8,894)	446	(7,395)
Net Working Capital	**5,756**	**11,026**	**9,514**

Working Capital on annualised revenue was 3.1% in H1 2024, in line with 3.3% in H1 2023. In absolute terms working capital slightly decreased on June 30, 2023, confirming the balance achieved thanks to the actions undertaken, including a prudent and ongoing management of inventory levels, of the DSO (Days Sales Outstanding) and of the DPO (Days Payable Outstanding).
The movement in trade receivables exclusively reflects the increased sales over the final months of the second quarter of 2024 compared to the final quarter of 2023, and does not relate to changes in the payment conditions granted to customers. The movement in trade payables relates to the increased purchases necessary to support production and sales growth, in addition to the payment dynamics related to the new supplies and

strategic projects, including the "Supply Chain Finance Solution" programme. Inventory levels remain substantially in line with December 2023, due to the adjustment of procurement to production demands in view of the current market environment, in addition to the inventory management efficiency actions pursued by Management and the gradual decrease in the cost of raw materials.
Capex in the period for the Cooking segment reflects mainly the actions taken as part of the shift towards the "Cooking" company concept. This concerns therefore the development of production assets for the launch of new products, such as for example the entry into production of LHOV, and the hardware development for the execution of the new projects to extend the cooking product line. In the Motors area, investments were mainly made in the efficiency of production assets, as well as on strategic projects such as, for example, heat pumps for the heating area.

The Net Financial Position is presented below.

In Euro thousands	6/30/2024	12/31/2023	6/30/2023
Cash and cash equivalents	60,253	39,403	61,143
Bank loans and borrowings (current)	(60,933)	(43,467)	(44,937)
Bank loans and borrowings (non current)	(44,208)	(37,236)	(53,042)
Adjusted Net Financial Position	**(44,888)**	**(41,300)**	**(36,836)**
Lease liabilities (current)	(4,142)	(4,240)	(3,937)
Lease liabilities (non-current)	(7,109)	(7,944)	(9,084)
Adjusted Net Financial Position - Including the effects of IFRS 16	**(56,139)**	**(53,484)**	**(49,857)**
Other payables for purchase of investments	(1,000)	(1,000)	(1,475)
Net financial position	**(57,139)**	**(54,484)**	**(51,332)**

The Net Financial Position at June 30, 2024 amounted to Euro -44.9 million (net of the IFRS 16 effect of Euro -11.3 million and the payable for the purchase of the Airforce S.p.A. investment for Euro 1.0 million). Financial leverage at 1.2x was slightly higher than the first half of 2023 (0.8x), despite the pressure on the EBITDA margin resulting from the above outlined market dynamics. We highlight the drawdown of a new loan (credit line of Euro 70 million), with final maturity at 5 years from the subscription date and a margin of 165 bps, in support of Group management's medium-term strategy.

The main factors affecting the movement in the net financial position at June 30, 2024 were as follows:

- adequate working capital management through the strategic initiatives rolled out in previous years, including the "Supply Chain Finance Solution" programme and the Group's stock optimisation;
- capex for Euro -7.1 million (excluding IFRS 16 effect), substantially in line with H1 2023, confirming the appropriate balancing between financial management and investments in innovation and product development. The investments concern, in particular, the brand repositioning project, involving a shift towards a "Cooking"

concept company, through extending the cooking product line and including the innovative LHOV product;
- execution of the share buy-back plan for approx. Euro -0.8 million;
- cash out relating to the distribution of dividends to minorities for Euro -0.7 million.

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

In Euro thousands	**Cooking**	**Motors**	**Eliminations and other adjustments**	**Elica Group 06/30/2024**	**Cooking**	**Motors**	**Eliminations and other adjustments**	**Elica Group 12/31/2023**
Fixed assets	136,909	52,086	0	188,995	139,562	52,791	0	192,353
Managerial Working Capital	10,344	4,305	0	14,650	2,521	8,059	0	10,580
Other net allocated assets	(658)	(5,063)	0	(5,720)	1,064	(3,064)	0	(2,000)
Capital Employed	**146,596**	**51,328**	**0**	**197,924**	**143,147**	**57,786**	**0**	**200,933**
Net financial position				(57,139)				(54,484)
Equity				(140,785)				(146,449)
Source of funds				**(197,924)**				**(200,933)**

A.3 Alternative performance measures - Definitions and reconciliations

The Elica Group utilises some alternative performance measures, 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 for impairments, disputes considered atypical in terms of frequency and amount and restructuring charges, of the costs for M&A's, whether executed or not, and any rightsizing costs.
The earnings per share for H1 2024 and H1 2023 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, 2023 and June 30, 2023 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 2024	H1 2023
Operating profit – EBIT	**4,211**	**13,156**
(Impairment losses on Tangible and Intangible assets)	-	-
(Amortisation & Depreciation)	11,597	11,902
EBITDA	**15,808**	**25,058**
Realised and unrealised M&A's	**79**	**88**
Services	79	88
Other operating expenses and accruals		
Other reorganisations and Rightsizing	**19**	**847**
Changes in inventories finished/semi-finished goods	0	45
Raw materials and consumables	0	61
Services	18	132
Personnel expenses	114	165
Restructuring charges	(150)	444
New Cooking Vision	**802**	**-**
Services	768	-
Raw materials and consumables	29	-
Other operating expenses and accruals	5	-
Others	**36**	**68**
Services	22	68
Other operating expenses and accruals	15	-
EBITDA adjustment items	**899**	**1,002**
Adjusted EBITDA	**16,707**	**26,060**

in Euro thousands	H1 2024	H1 2023
Operating profit – EBIT	**4,211**	**13,156**
EBITDA adjustment items	**899**	**1,002**
EBIT adjustment items	**899**	**1,002**
Adjusted EBIT	**5,110**	**14,158**

in Euro thousands	H1 2024	H1 2023
Profit for the period	**1,148**	**8,507**
EBIT adjustment items	**899**	**1,002**
Income taxes on adjusted items	(216)	(240)
Adjusted Net Profit for the period	**1,831**	**9,268**

(Profit attributable to non-controlling interests)	**(670)**	**(735)**
(Adjustments to non-controlling interests)	-	-
Adjusted profit attributable to the owners of the parent	**1,161**	**8,533**

in Euro thousands	H1 2024	H1 2023
Profit attributable to owners of the Parent *(in Euro thousands)*	478	7,772
Outstanding shares at year-end	61,814,732	62,544,450
Earnings per share (Euro/cents)	**0.77**	**12.43**

In Euro thousands	6/30/2024	12/31/2023	6/30/2023
Other current assets	24,763	26,096	20,449
Tax assets	3,220	2,832	10,565
Provisions for risks and charges	(5,230)	(5,815)	(9,101)
Other current liabilities	(30,641)	(21,870)	(20,011)
Tax liabilities	(1,006)	(797)	(9,297)
Other net assets/liabilities	**(8,894)**	**446**	**(7,395)**

A.4 Significant events in H1 2024

On January 30, 2024, a sponsorship was signed with Ducati's Corse team, ahead of the start of the 2024 Moto GP world championship. Elica officially debuted with Ducati Corse at the Qatar Grand Prix, held on March 8-10, 2024. The initiative is part of an action plan that also includes strategies in the areas of communication and "branding" prepared by the Group to defend its profitability in a highly uncertain and increasingly competitive marketplace.

On February 13, 2024, the Board of Directors of Elica S.p.A. approved the additional periodic disclosure for the fourth quarter of 2023, prepared according to IFRS, in addition to the 2023 preliminary consolidated results.

On March 4, 2024, within the scope of the investment plan for 2024-2026, Elica S.p.A. redeemed the photovoltaic plant located at EMC FIME S.r.l.'s properties and subject to a lease agreement signed with Unicredit Leasing. The value of the plant subject to redemption is Euro 400 thousand. At the same time as this redemption, Elica S.p.A. sold the plant to the subsidiary EMC Fime S.r.l.

On March 14, 2024, the Board of Directors of Elica S.p.A. approved the consolidated results at December 31, 2023 and the statutory financial statements at December 31, 2023, prepared in accordance with IFRS, in addition to the Directors' Report.

On March 21, 2024, Elica announced the extension of its cooking segment product range, establishing a new positioning on the global cooking market and a fully refreshed brand identity at "Eurocucina 2024".

On April 3, 2024 - the second part of the Elica ordinary share Buyback plan concluded, announced to the market on October 26, 2023 and beginning on November 6, 2023, in execution of the Shareholders' Meeting resolution of April 27, 2023 (the "Buyback Plan"), according to the conditions previously announced to the market. In the period between November 6, 2023 and April 3, 2024, Elica acquired 350,000 ordinary shares (equal to 0.55% of the share capital), with a total value of Euro 720,504 and a volume-weighted average price of Euro 2.06. As a result of the purchases made, Elica holds a total of 1,326,173 treasury shares, equal to 2.09% of the share capital.

On April 24, 2024, the Shareholders' Meeting of Elica S.p.A. met in ordinary session and approved the following matters on the agenda:

- The 2023 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 2023.
- The distribution of a dividend of a unitary amount of Euro 0.05 for each of the 63,322,800 ordinary shares outstanding, net of the treasury shares held at the coupon date and gross of statutory withholdings. The dividend will be paid on July 3, 2024, with July 1, 2024 as the date of coupon No. (11) and July 2, 2024 as the record date.
- The remuneration policy for the year 2024 presented in Section I, in accordance with Article 123-ter, paragraph 3-bis of Legislative Decree No. 58/1998 and (ii) expressed a favourable opinion on the remuneration paid in 2023 as indicated in Section II, in accordance with Article 123-ter, paragraph 6 of Legislative Decree No. 58/1998. The report was filed on March 28, 2024 and is available to the public on the company website (Shareholders' Meeting section), and on the 1Info authorised storage mechanism at www.1info.it
- Appointment of the members of the Board of Directors: Elica's Shareholders' Meeting appointed the Board of Directors, who will remain in office for the years 2024, 2025 and 2026, until the Shareholders' Meeting called for the approval of the 2026 Annual Accounts, which shall consist of seven members. The Directors, drawn from slate No. 1 filed by the majority shareholder FAN Srl, holding 52.81% of the share capital and approved by the majority with 99% of the capital represented are as follows: Francesco Casoli, who assumed the position of Chairperson; Angelo Catapano; Giulio Cocci; Susanna Zucchelli, Elio Cosimo Catania; Cristina Casoli; and Alice Acciarri. Angelo Catapano, Susanna Zucchelli and Alice Acciarri declared that they meet the independence requirements under the Consolidated Finance Act and the Corporate Governance Code. Elio Cosimo Catania declared to meet the independence requirements under the Consolidated Finance Act and the Corporate Governance Code, noting that he exceeded the

time limits under paragraph (e) of Recommendation No. 7 of the Code. At the nomination date, as far as the Company is aware, none of the Directors hold shares in the Company, with the exception of the Chairperson Francesco Casoli, who holds directly 160,000 shares and indirectly 33,440,445 shares, and Director Cristina Casoli, who directly holds 40,000 Elica S.p.A. shares.

- Appointment of the members of the Board of Statutory Auditors: The Shareholders' Meeting of Elica also proceeded to unanimously appoint three members of the Board of Statutory Auditors and two alternate auditors, who will remain in office for the years 2024, 2025 and 2026, until the Shareholders' Meeting called for the approval of the 2026 Annual Accounts. The Board of Statutory Auditors - drawn from slate No. 1, proposed by the majority shareholder FAN S.r.l. owner 52.81% of the share capital, are as follows: Giovanni Frezzotti, who assumes the role of Chairperson; Simona Romagnoli, Statutory Auditor; Paolo Massinissa Magini, Statutory Auditor; Leandro Tiranti, Alternate Auditor; Monica Nicolini, Alternate Auditor. At the nomination date, as far as the company is aware, none of the statutory auditors holds shares in the company.
  The curriculum vitae of the members of the Board of Directors and of the Board of Statutory Auditors are available on the Company's website, in the Shareholders' Meeting / Elica Corporate section.

Also on April 24, 2024, the Board of Directors of Elica S.p.A., meeting following its appointment on the same date:

- confirmed Francesco Casoli and Giulio Cocci as Executive Directors of Elica S.p.A., appointing the latter as Chief Executive Officer;
- set the criteria to assess the significance of relationships subject to independence assessment, assuming relations and additional remuneration to be significant where they exceed the total amount of fixed annual remuneration for the office and for any participation in committees and where this total annual remuneration exceeds Euro 70,000 (significance threshold).
- assessed the independence pursuant to the Consolidated Finance Act and Corporate Governance Code of the Directors Elio Cosimo Catania, Angelo Catapano, Susanna Zucchelli and Alice Acciarri. With reference to Director Catania, the Board considered his continued independence of judgement and conduct, considering in addition to favour his acquired expertise, in addition to his professional and ethical qualities and the stimulating approach he brings to the Board's discussions, despite his confirmation as a Director of the company beyond the nine-year period over the last twelve years.
- building on the positive experience from dealing with the issues of appointments, remuneration, control and risk management, in addition to sustainability, prior to board meetings by the non-executive directors - ensuring transparency and

completeness of information and facilitating the advisory and propositional function of the latter - set up an internal board committee to which the above functions were assigned. The Board established that these functions, even though they are merged into a single committee, will remain distinct and that adequate information will be provided on the tasks and activities performed for each of the functions assigned;

- appointed as members of the Committee, in compliance with the provisions of the Corporate Governance Code, the Non-Executive Directors: Angelo Catapano, Alice Acciarri, Elio Cosimo Catania, Cristina Casoli and Susanna Zucchelli, the latter serving as Chairperson;
- assigned the functions of the Related Party Transactions Committee to the Independent Directors as a whole, without prejudice to the right to set up an ad hoc committee for specific transactions;
- appointed the Independent Director Alice Acciarri as Lead Independent Director;
- identified the Chief Executive Officer Giulio Cocci as in charge of setting up and maintaining the Internal Control and Risk Management System;
- Emilio Silvi, holding the necessary requirements pursuant to the Company By-Laws, was appointed as Corporate Financial Reporting Officer, with the favourable opinion of the Board of Statutory Auditors. The role of Chief Financial Officer continues to be held by Stefania Santarelli. Emilio Silvi and Stefania Santarelli also declared to not hold Elica S.p.A. shares and their curriculum vitae are available on the company website https://corporate.elica.com/it/governance/contatti-governance.
- noted the assessment carried out by the Board of Statutory Auditors regarding the independence of the Chairperson of the Board of Statutory Auditors Giovanni Frezzotti and the Statutory Auditors Simona Romagnoli and Paolo Massinissa Magini, considering them independent as per the CFA and the Corporate Governance Code; The curricula vitae of the members of the Board of Directors and of the Board of Statutory Auditors are available on the Company's website https://corporate.elica.com/it/governance/assemblea-degli-azionisti

Also on April 24, 2024, Elica S.p.A. announced the conclusion of the third tranche of the ordinary share Buyback plan, announced to the market on March 14, 2024 and launched on April 2, 2024, in execution of the Shareholders' Meeting resolution of April 27, 2023. In the period between April 4, 2024 and April 19, 2024, Elica acquired 45,546 ordinary shares (equal to 0.07% of the share capital), with a total value of Euro 85,934 and a volume-weighted average price of Euro 1.89.
From April 26, 2024 and until the Shareholders' Meeting called to approve the 2024 financial statements, Elica launched a new treasury share buyback plan (the "Buyback Plan"), for a maximum 1,000,000 treasury shares (representing approx. 1.6% of the

subscribed and paid-in share capital), authorised by the Shareholders' Meeting of April 24, 2024.

On May 9, 2024, the parent company Elica Spa, with a syndicate of four banks - BNL BNP Paribas as coordinating bank and agent bank, Intesa Sanpaolo S.p.A. (IMI-CIB Division), BNL BNP Paribas, Crédit Agricole Italia S.p.A. and UniCredit S.p.A., as mandated lead arrangers, agreed a medium-term cash line for up to Euro 70 million, with final maturity of five years from the signing date, and a margin of 165 bps.
The cash line made available by the lending banks is mainly to support medium/long-term needs, in addition to the investment plan for 2024 and 2025 of Elica S.p.A. and its subsidiaries, with several drawdowns by December 31, 2025 and deferred half-yearly instalments, with the first due on 09/05/2026, and a final balloon payment equal to 20% of the capital.
The Financial Covenants stipulated in the loan contract regard the ratio between NFP/EBITDA, EBITDA/Net Financial Charges and NFP/Shareholders' Equity, tested half-yearly on an LTM basis on the Group's consolidated figures.

A.5. Subsequent events and outlook

Subsequent events

No subsequent events are reported.

Outlook

The general Cooking segment continued to contract in the first six months of 2024, amid a negative price-mix and significant promotional activity. We add to this already complex situation the decline in the Motors' segment, mainly as a result of slowing residential demand and the regulatory uncertainty stemming from the energy transition.
Despite the weakened sector for both the Cooking and Motors divisions, revenue gradually recovered from Q3 2023.
The second quarter confirmed the improving results (+2.5% on Q1 2024), although major markets such as Germany, France and Italy remain very weak.
In this environment, the Group remains committed to maintaining market share, and seeks to improve revenue and margins quarter-over-quarter, driven by OEM segment growth thanks to new projects and customers, the success of the distribution strategy introduced in North America and Canada for own brands, and a Motors division recovery.
Finally, thanks to the brand investment strategy and the transformation of the Cooking segment and the extension of the product range, the direct distribution policy in North America and Canada and the energy transition-related opportunities for the Motors

division, such as the sale of heat pumps, in addition to the launch of new products, the Group is laying the foundations for a recovery of revenue and margin growth over the medium-term, within a still weak market environment again in the second half of the year. Despite the continued weak market and price-mix environment and the pressure on margins due to the impact of investments to support growth and protect market share, the Net Financial Position is expected to be in line with FY 2023.

In geopolitical terms, the Elica Group continues to monitor the impacts and developments of the conflict between Russia and Ukraine, which broke out in 2022, and its development, given the repercussions on the international markets, and particularly on the financial markets, so as to assess 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 the above risks. For further details, reference should be made to the geopolitical risk section at paragraph A.13.

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

[Fonte: Borsa Italiana]

The graph outlines the Elica S.p.A. share performance for H1 2024, compared with the FTSE Italia STAR benchmark index. The share performance closely reflects the deterioration of the macroeconomic environment, and in particular of the segment, which has not yet shown signs of recovery and which are expected to emerge in the second half of the year. In addition, the effect of interest rates and of rising bond yields, in addition to the geopolitical uncertainty, have significantly impacted small cap and cyclical shares such as Elica, resulting 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 approx. 0.55 at one year, significantly lower than its peers which present an average of 0.85. As at 30 June 2024, Management has taken into consideration the most recent available information to identify the existence of any indicators of impairment, and did not find any.

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 (the parent owns 98% directly and 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

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

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.
- Southeast Appliance (SEA) Inc., wholly-owned by Elica S.p.A. and based on Orlando, Florida (USA), was incorporated in 2023 in partnership with ILVE. This is the Elica Group's first direct product distributor within the scope of the "Boots on the Ground" project by which the Group intends to strengthen its presence in the United States and to redefine its standards of excellence.
- AG International Inc., the distribution company for the Elica and Kobe brands in Canada based in Montreal, Quebec, a wholly-owned subsidiary of Elica S.p.A. following the closing, on November 2, 2023, of the agreement to acquire the entirety of the company's share capital from third parties.

Changes in the consolidation scope

There were no changes in the consolidation scope compared to December 31, 2023.

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.
It should be noted that during the period the Group incurred industrial research and basic research costs with the aim of both an expansion of the product range, particularly in the Cooking sector and concerning product, organisational, process and structural improvements. The new "Extraordinary Cooking" pay-off launched with the new rebranding strategy to enter new market categories highlights the company's drive to anticipate market trends, focusing on research and testing.

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, 2024, Elica S.p.A. held 1,508,068 treasury shares in portfolio (2.38% of the Share Capital), acquired in 2024 and in previous years for a total outlay, including bank commissions and related tax charges, of approx. Euro 3,796 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 2024, no significant non-recurring operations were undertaken by the Elica Group.

A.13 Exposure to risks and uncertainties and financial risk factors

The Elica Group is exposed to various types of financial risks related to its operations, including market risks, mainly consisting of risks related to exchange rate and interest rate fluctuations, as well as the commodities risk in relation to the costs of the main raw materials, in addition to credit risk, relating in particular to changes in trade cash flows, and finally liquidity risk, with reference to the availability of financial resources to meet obligations related to financial liabilities.

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 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 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.

Classification of the financial instruments
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 listed prices (non adjusted) 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 on the market. 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.
To complete the analyses required by IFRS 7 and IFRS 13, all types of financial instruments present in the financial statement items are reported, with an indication of the measurement criteria applied and, in the case of financial instruments measured at fair value, the exposure. All the derivative instruments in place at June 30, 2024 and December 31, 2023 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.

(Consolidated figures in Euro thousands)	at June 30 2024	at December 31 2023
FINANCIAL ASSETS		
Measured at fair value through profit or loss:		
Derivative instrument financial assets	867	868
Measured at fair value through OCI:		
Derivative instrument financial assets	1,315	1,315
Measured at amortised cost:		
Trade receivables	49,976	26,731
Cash and cash equivalents	60,253	39,403
FINANCIAL LIABILITIES		
Measured at fair value through profit or loss:		
Financial liabilities for derivative instruments	307	316
Measured at amortised cost:		
Trade payables	126,455	107,025
Bank loans and borrowings (current)	105,141	80,703
Finance leases and other lenders as per IFRS 16	11,251	12,184

The carrying value of the financial assets and liabilities outlined above is equal to or approximates their fair value. There are no changes in the Group's measurement

processes or techniques, or in the criteria used to calculate the fair value during the reporting period.
For details on the net financial position, reference should be made to note B.3.15 of the notes.

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 process;
- 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.

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), Canadian Dollar (CAD) and the Indian Rupee (INR).
The amount of currency risk, represented by the possible fluctuation of the value in Euro of the foreign currency position (or net foreign currency exposure), consisting of the result of invoices receivable issued, orders outstanding, invoices payable received, the balance of financing in foreign currencies and cash in foreign currency accounts, is set in advance by the Group's Management on the basis of the budget for the period and is hedged gradually during order acquisition process, to the extent that the orders correspond to the forecasts contained in the budget, or to the balances progressively emerging during the financial 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 Financial Risks Policy, approved by the Parent Company's Board of Directors, allows for the use of a range of advanced financial instruments to manage and hedge currency risk. In particular, the adoption of forward contracts (outright and currency swaps) and derivative instruments such as currency options are considered. These instruments make it possible to mitigate the impact of currency fluctuations on company results, ensuring greater financial stability and predictability of cash flows. The policy seeks to optimise currency risk management in line with best market practices, ensuring that all transactions are conducted in compliance with applicable regulations and in a transparent manner to protect the interests of the company's stakeholders. Moreover, the Group also centralises the management and monitoring of this exposure on its subsidiaries, for which the governance of the respective foreign currency transactions is greatly simplified.

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, on the basis of the production budget for the period, prices and quantities are fixed on both channels described above, and from April 2024 this practice is also extended to electricity and gas for the group's Italian companies. 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.

Interest rate risk

The Group is exposed to fluctuations in interest rates with reference to the calculation of financial expenses in terms of the indebtedness to banks, but also to leasing companies for the acquisition of assets through finance leases. 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.
Despite the current general global instability and the restrictive monetary policy of the main central banks, the Group's debt is mainly fixed-rate and it is considered that current liquidity is adequate to cover all possible needs.

Credit risk

The credit risk (or insolvency risk) represents the exposure of the Elica Group to potential financial 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.
In order to limit this risk, the Group has put in place procedures for assessing the financial solidity of customers, for monitoring expected collection flows, for any recovery actions, and credit limits granted to customers are set and constantly monitored. The Group has also implemented first and second-tier credit risk hedging strategies, working with leading insurance agencies to ensure adequate protection. In addition, it utilises factoring through non-recourse agreements, so as to transfer credit risk and improve liquidity.
These measures significantly reduce the Group's exposure to the risk of customer insolvency, thereby protecting cash flows and ensuring more stable and secure financial management. The diversification of insurance coverage and the adoption of factoring are an integral part of the Group's risk management policy, helping to maintain a solid financial position and ensure effective business continuity.
The carrying value of trade receivables, expressed net of write-downs for expected losses and insurance coverage, represents the maximum exposure to credit risk. Management constantly monitors the status and quality of receivables and, in accordance with IFRS 9, has adopted a forward-looking approach to account for the economic and market conditions and current and prospective uncertainties. For further information on how the doubtful provision is determined and the characteristics of overdue receivables, please refer to the comments in paragraph B.3.8 “Trade receivables and payables” of these notes.

Liquidity risk

Liquidity risk is the risk of the unavailability of the financial resources needed to meet financial and commercial obligations according to the due dates and conditions.
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.
The Group has adopted a centralised financial management strategy so as to optimise cash flows through the signing of Cash Pooling agreements with group companies.
The negotiation and management of banking relationships takes place centrally at Group level, also with a view to ensuring that short and medium-term financial needs are covered at the lowest possible cost. The raising of medium to long-term resources on the capital market is also optimised through centralised management. Prudent management

of the risk described above implies maintaining an adequate level of cash and/or short-term securities that can be easily settled. In addition, the amount of trade receivables and the terms on which they are settled contribute to the balance of working capital and, in particular, to covering trade payables.
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. This financial management strategy ensures that the Group can handle any liquidity challenges in an effective and timely manner, thus maintaining a solid financial position.

Climate Change risk

In accordance with the suggestions published by ESMA, the Group has examined the impacts that Climate Change could generate on the business, taking into account, among others, physical risks, both of an "acute" nature and related to long-term changes, as well as risks related to the economic transition to a more sustainable economy. It has also considered the impacts that the Group may have on climate change.
The geographical location of the Group's assets is not particularly affected by the increasing risks of extreme physical events, as is that of the major players in its value chain. Nonetheless, the Group has drafted, and is continuing to develop, procedures for business continuity and adaptation solutions to mitigate these risks with the goal of having recovery strategies in place in the event of significant impacts on facilities, processes, or people, but also to respond to long-term climate risks.
We have also looked at the nature of the Group's businesses, i.e. the production and sale of range hoods and extractor hobs and of motors for home ventilation, finding no evidence that this economic activity would be considered to have a high impact on climate change. With regard to the production of motors, the Group obtained in January 2023 the international conformity certification for the use of hydrogen.

Already since 2023 Elica used energy from renewable sources certified with Guarantee of Origin at all its Italian sites and the Polish facility. There are also three photovoltaic plants operating at the Italian sites, enabling the Group to achieve an electricity mix consisting of 100% renewable energy. Also in terms of the carbon footprint, the Group prepared the first Organisation GHG Inventory in 2023, following the methodology of the ISO 14064-1 Standard and undertakes this activity annually

Regarding the assessment of the residual value and expected useful life of the Group's assets, climate-related issues that may impact the future use of these or their potential

obsolescence as a result of changing consumer demand or changes in relevant regulations were examined at June 30, 2024.
The Group's production lines are used for wide ranges of article codes, given that we have no dedicated production lines. As a result, a need to change the energy ratings or type of materials of certain article codes does not result in an inability to use a given line in the future. This showed that the expected useful life of non-current assets and the residual values estimated in accordance with IAS 16 Property, Plant and Equipment is reasonable.
The recoverability of intangible assets recognised in the statement of financial position was analysed, noting no particular indicators of impairment and therefore confirming the expected useful life of these assets. In fact, the management of climate change risk, which is resulting in changes in the energy classifications of household appliances and of their energy sources, will bring about the need to increase the efforts of our Research & Development unit, with an increase in intangible assets in the form of development costs and new patents. We cite, for example, the launch of a project that will guarantee the use of polymers containing up to 30% recycled materials (recovered from post-consumer and post-industrial circuits).

We consider also the process of removing obsolete products from inventory, a critical process (included among the company's top risks) that is subject to constant monitoring and on which the inventory obsolescence provision is based. Regulatory requirements related to energy conservation are considered in the process of assessing the recoverable value of inventories, with appropriate advance notice of the regulations coming into effect, as well as market expectations in terms of energy efficiency and the recyclability of products sold. In this regard, we have found our assessment of inventories to be reasonable.
The technical department of the Elica Group, in constantly monitoring changes in laws and regulations, reviews the energy labelling of the products. The characteristics that the Group's products must have in order to be placed on the market are, therefore, examined, based on the legislation in force and already issued and thus in force in the near future, but also of those currently still under discussion and possible future introduction.
An environmental assessment and monitoring process, aimed at continuous improvement, including on sensitive climate-related aspects, has been introduced to Group's production sites, and is based on reporting mechanisms and the roll out of efficiency programmes. For example, we analyse waste, which is first reused and recycled, rather than being sent to landfills.
Our organisational structure includes an energy manager, who is responsible for research into increasingly efficient energy solutions.

Finally, all information currently held at the legal department was considered to exclude the existence of contingent liabilities related to possible litigation, environmental damages, additional taxes or penalties related to environmental requirements, contracts that may become onerous, restructuring to achieve climate-related goals, or possible legal and regulatory restrictions on the future use of assets and sale of products. Therefore, it is considered that the risk of climate change does not give rise to the need to recognise additional contingent liabilities, although the Group reviews and monitors the related risks periodically considering the importance of the topic.

Based on these considerations, in accordance with IAS 36 Impairment of Assets, the Group has assessed that there are no indications that non-financial assets have lost value due to climate risk or measures to implement the Paris Agreement. Also at CGU level, consistent with IAS 36, the Group periodically monitors the presence of impairment indicators, including those related to climate change risks (regulatory or consumption changes, changes in temperatures and rainfall, etc.), updating the scenario changes within the plan on which the impairment test is based.
Similarly, in accordance with IAS 13 Fair Value, the Group has assessed that there is no evidence that the assets or liabilities recognised in the financial statements will see changes in the determination of fair value.

It should be noted that following the publication on December 16, 2022 in the EU Official Journal of EU Directive 2022/2464 ("CSRD Directive") on corporate sustainability reporting ("Corporate Sustainability Reporting Directive") as part of the European Green Deal, the Group is required to apply this legislation as of January 1, 2024, and to include sustainability disclosures within the Annual Financial Report and no longer in a stand-alone document, represented until now by the Consolidated Non-Financial Statement. For this reason, the Group since 2023 has appointed an internal team that, with the support of a leading consultancy firm, is developing a path to comply with the requirements of EU Directive 2022/2464 (“CSRD Directive”), structured in three macro-phases (Overview - Gap Analysis - Compliance Actions) that will be completed by March 2025. It focuses, in particular, on the definition of systematic policies and processes for analysing, reporting and monitoring the data disclosed under the new directive and the ESRS developed by EFRAG. These work strands include, among others, the reporting and monitoring of the Group's carbon footprint, so as to support the strategy of a progressive reduction of emissions in line with the 2050 target set by the European Green Deal, the implementation of Human Rights Due Diligence processes and the analysis and assessment of physical and transitional climate risks.

Geopolitical risk[5]

In 2023 and 2024, the current economic environment has been affected by significant volatility in commodity prices, high inflation, rising interest rates, and increases in the cost of energy, caused mainly by geopolitical instability factors such as the Russia-Ukraine War since February 2022 or the more recent conflict in Gaza and Israel. Finally, uncertainty upon the macroeconomic environment is increasing due to the significant shifts in economic policy triggered by this year's European elections, with negative repercussions not only in Europe but also in the rest of the world.
These changes entail risks of insufficient fiscal regulation and thus of worsening debt dynamics, negatively affecting long-term yields and increasing protectionism.
In light of this, some short-term risks have emerged, among them the risk of rising inflation stemming from a lack of progress in services disinflation and price pressures from new trade or geopolitical tensions. The escalation of trade tensions, in fact, by increasing the risk of rising inflation, could lead to an increase in the cost of imported goods throughout the supply chain and to high interest rates for an even longer period, which in turn increases external, fiscal and financial risks.
Given that the Elica Group currently operates in Russia through its wholly-owned subsidiary Elica Trading LLC, which distributes the Group's products in Russia, it has been monitoring for some time the development of the geopolitical situation caused by the war in Ukraine, continuing to assess the potential risks that could affect its operations.
Although the Elica Group's business in the affected area is however limited, given that Russian market revenue accounts for approx. 1.8% 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 H1 2024 volumes and margins remained in line with forecasts on operations that were in line with past years. The Russian trading company does not hold significant fixed assets, thus minimising the risk to the Group of the misappropriation or devaluation of its assets.
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 & Remuneration 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.

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[5] Data sources: International Monetary Fund, World Economic Outlook.

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.
Regarding the conflict in Gaza and Israel, the Group is monitoring and assessing the potential risks on the business as the situation in the region could deteriorate further. Continued attacks in the Red Sea - like the ongoing war in Ukraine or the other macroeconomic and geopolitical discussed above - risk generating new supply shocks, with possible fresh cost hikes in energy and transportation, but also thereafter in raw materials. Container shipping costs have already risen sharply, and as long as the situation in the Middle East remains volatile and geoeconomic fragmentation grows, the cross-border flow of raw materials and transportation may see further price volatility.

In this regard, the Group has prepared a three-year business plan that incorporates the Group Management's best forecast of the above macroeconomic factors and all currently available information. In addition, the plan is accompanied by an industrial stress test that shows how the elements of uncertainty set out above may impact the Group's projected operating performance. To represent these scenarios, the financial indicators, including the alternative indicators considered most relevant, i.e. Group EBITDA and the cost of raw materials, were considered.

From the analyses carried out, in accordance with IAS 1.25 and 1.26, the Group in preparing these financial statements has taken into account the existing and expected effects of the current macroeconomic and geopolitical uncertainties on its business by finding no events or circumstances which, taken individually or as a whole, may cast significant doubt on the company's ability to continue as a going concern.

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.
IT risks mainly concern the improper:

- use by Elica employees and contractors of the IT infrastructure and devices (computers, communications networks, smartphones etc.) that the Company makes available for the performance of their work duties;
- the Company's exposure to cyber-attacks, which could compromise the normal course of business processes/activities and/or the theft or loss of sensitive data, even going so far as to compromise business continuity.

Group's IT Department has appointed specific internal and external professionals with experience in cyber security and annually defines a risk assessment and management programme that includes:

- a system of internal policies and procedures that outline the main rules for the use of corporate IT resources by employees, including the regulation of physical and digital access to data and information;
- continuous updates to IT infrastructure at both the HW and SW level to ensure the best active and passive protection solutions against external attacks (viruses, ransomware, phishing, etc.);
- a programme of penetration testing and vulnerability assessment, designed to identify potential vulnerabilities that could jeopardise the security of corporate data and/or possible gaps in the services provided by the company, suggesting remediation plans related to detected non-conformances.

Ongoing and extensive training for all employees with digital identities on cyber risks, through the provision of targeted training usable on an online platform that verifies the effectiveness of that training. Geopolitical events, especially in recent years, have seen Cyber Risk increase significantly. Elica has therefore acted swiftly to strengthen its infrastructure, equipping itself with specialised application suites, intensifying control activities and bolstering the related safeguards, while maintaining a risk profile in line with the best benchmarks.
During 2023 and 2024, other group companies also formalised and adopted an Organisational Model for Data Protection and undertook training campaigns against phishing in all its forms and in the area of cyber security to strengthen the corporate culture on these issues. Finally, the Group has taken out a specific insurance policy to cover the risk arising from a cyber event.

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.
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. It should be noted that business transactions with these entities were concluded at arm's length and that all transactions were concluded in the interest of the Group.
There are no balances with the parents Fan and Fintrack.
The remuneration paid to Directors, Statutory Auditors and Key Management Personnel are included in related party transaction, and their amounts are in line with previous periods; reference should be made to the Annual Report in this regard.

Elica Group vs Related parties

In Euro thousands	Receivables	Payables/ IFRS16 Payables	Revenue	Costs
La Ceramica	-	(0)	-	(5)
Ermanno Casoli Foundation	-	(50)	-	(50)
Other related parties and natural persons	8	(25)	-	(9)
	8	**(75)**	**-**	**(64)**

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 H1 2024, the Parent and other Group companies undertook transactions with subsidiaries and other related parties. All transactions were conducted on an arm’s length basis in the ordinary course of business. At June 30, 2024, there were no associated companies, in line with the situation at December 31, 2023.
There are no particular issues to highlight in accordance with Article 5, paragraph 8 of Consob Regulation 17221 of 12.03.2010.
Reference should be made to the documentation published on the institutional website https://corporate.elica.com/it/governance/sistema-di-controllo. 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 implementing Legislative Decree No. 58 of 24 February 24, 1998 concerning market regulations. In particular, having direct or indirect control 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 been made available in accordance with the provisions required by the applicable regulations.

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, 2024

Elica Group

B.1. Consolidated financial statements at June 30, 2024

B.1.1 Consolidated Income Statement

In Euro thousands	***Note***	**H1 2024**	**H1 2023**
Revenue	B.3.1	237,350	254,545
Other operating income	B.3.1.1	2,422	2,655
Change in finished and semi-finished products	B.3.2	338	6,266
Increase in internal work capitalised	B.3.2	2,004	1,304
Raw materials and consumables	B.3.2	(126,740)	(145,915)
Services	B.3.2	(46,611)	(46,162)
Personnel expense	B.3.2	(49,120)	(44,484)
Amortisation and depreciation	B.3.2	(11,597)	(11,902)
Other operating expenses and accruals	B.3.2	(3,985)	(2,708)
Restructuring charges	B.3.2	150	(444)
Operating profit		**4,211**	**13,155**
Financial Income	B.3.3	292	85
Financial expense	B.3.3	(3,661)	(2,692)
Net exchange rate gains/(losses)	B.3.3	(200)	331
Profit before taxes		**642**	**10,879**
Income taxes	B.3.13	506	(2,373)
Profit from discontinued operations		0	0
Profit/(loss) for the year		**1,148**	**8,506**
of which:			
Profit (loss) attributable to non-controlling interests		670	735
Profit (loss) attributable to the owners of the Parent		478	7,772
Basic earnings (loss) per share (Euro/cents)		0.77	12.42
Diluted earnings (loss) per share (Euro/cents)		0.77	12.42

B.1.2 Consolidated Statement of Comprehensive Income

In Euro thousands	*Note*	H1 2024	H1 2023
Profit for the year		**1,148**	**8,507**
Other comprehensive income/(expense) which will not be subsequently reclassified to profit or loss:			
Actuarial gains/(losses) on defined benefit plans	B.3.11	172	(11)
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		**172**	**(11)**
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	(2,851)	5,513
Net change in cash flow hedges	B.3.14	55	55
Tax effect of Other gains/(losses) which will be subsequently reclassified to the profit/(loss)	B.3.14	(55)	(13)
Total items which will be subsequently reclassified to profit or loss, net of the tax effect		**(2,851)**	**5,555**
Total other comprehensive income, net of the tax effect:		**(2,679)**	**5,544**
Comprehensive income		**(1,531)**	**14,051**
of which:			
Attributable to non-controlling interests		172	177
Attributable to the owners of the parent		(1,703)	13,874

B.1.3 Consolidated Statement of Financial Position

In Euro thousands	*Note*	6/30/2024	12/31/2023
Property, plant & equipment	B.3.4	102,189	104,740
Goodwill	B.3.5	49,845	49,772
Intangible assets with a finite useful life	B.3.6	26,065	26,690
Right-of-use assets	B.3.4	10,896	11,150
Deferred tax assets	B.3.7	21,922	20,691
Derivative assets (non-current)	B.3.18.1	14	288
Other receivables and other assets	B.3.12	1,147	1,083
Non-current Assets		**212,078**	**214,414**
Trade receivables	B.3.8	49,976	26,731
Inventories	B.3.9	91,129	90,874
Other current assets	B.3.12	24,763	26,096
Tax assets	B.3.13	3,220	2,832
Derivative assets (current)	B.3.18.1	2,168	1,895
Cash and cash equivalents	B.3.15	60,253	39,403
Currents Assets		**231,509**	**187,831**
Total assets		**443,587**	**402,245**
Employee benefit liabilities	B.3.11	7,605	7,971
Provisions for risks and charges	B.3.10	8,325	11,463
Deferred tax liabilities	B.3.7	6,840	7,152
Lease liabilities (non-current)	B.3.15	7,109	7,944
Bank loans and borrowings (non current)	B.3.15	44,208	37,236
Other non-current liabilities	B.3.12	0	500
Non-Current Liabilities		**74,087**	**72,266**
Provisions for risks and charges	B.3.10	5,230	5,815
Lease liabilities (current)	B.3.15	4,142	4,240
Bank loans and borrowings (current)	B.3.15	60,933	43,467
Trade payables	B.3.8	126,455	107,025
Other current liabilities	B.3.12	30,641	21,870
Tax liabilities	B.3.13	1,006	797
Derivative liabilities (current)	B.3.18.1	307	316
Current liabilities		**228,714**	**183,530**
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	(7,983)	(5,617)
Treasury shares	B.3.14	(3,796)	(2,952)
Actuarial reserve	B.3.14	(2,111)	(2,296)
Retained earnings	B.3.14	65,371	58,194
Profit/(loss) attributable to the owners of the Parent		478	9,775
Equity attributable to the owners of the Parent	**B.3.14**	**135,747**	**140,892**
Capital and reserves attributable to non-controlling interests		4,369	4,061
Profit attributable to non-controlling interests	B.3.14	670	1,496
Equity attributable to non-controlling interests	**B.3.14**	**5,039**	**5,557**
Equity	**B.3.14**	**140,786**	**146,449**
Total liabilities and equity		**443,587**	**402,245**

B.1.4 Consolidated Statement of Cash Flows

In Euro thousands	Note	1H 2024	1H 2023
Cash flow from operations			
Net profit for the period		**1,148**	**8,507**
Adjustments for:			
-Depreciation of property, plant and equipment	B.3.2	6,694	6,656
-Amortisation of intangible assets	B.3.2	4,903	5,246
-Impairment losses on tangible and intangible assets and goodwill		0	0
-Exchange rate (income) and charges	B.3.3	1,530	(2,944)
-Interest on post-employment benefits and other discounting	B.3.11	109	138
-Net financial expense	B.3.3	1,101	3,295
-Provisions for risks, restructuring and LTI	B.3.2/11	1,642	(466)
-Inventory obsolescence provision	B.3.2/9	(215)	(1,438)
-Doubtful debt provision	B.3.2/8	285	(897)
-Other changes		(374)	(4,867)
-Income taxes	B.3.13	(594)	5,623
Sub-Total		**16,229**	**18,852**
Changes in:			
-Inventories	B.3.9	(431)	(4,211)
-Trade receivables	B.3.8	(23,707)	4,700
-Other receivables and other tax assets	B.3.12/13	3,306	3,036
-Trade payables	B.3.8	19,842	(4,259)
-Other payables and other tax liabilities	B.3.12/13	3,110	4,502
-Employee provisions and benefits	B.2.11	(5,591)	(8,368)
Cash flow generated by operating activities		12,757	14,252
Income taxes paid		(972)	(1,151)
Cash flow generated/(absorbed) from operating activities		**11,785**	**13,101**
Cash flows from investing activities			
Acquisition of subsidiaries, net of liquidity acquired		0	(6,546)
Purchase of property, plant and equipment	B.3.4	(4,890)	(3,766)
Purchases of intangible assets	B.3.6	(2,192)	(2,990)
Cash flow generated/(absorbed) by investment activities		**(7,081)**	**(13,302)**
Cash flow from financing activities			
Cash out from derivative financial instruments and other financial assets		(9)	137
Settlement for purchase of treasury shares	B.3.14	(844)	(586)
Repayment/disbursements of bank financial liabilities	B.3.15	24,438	444
Repayment of financial liabilities related to the purchase of equity investments		0	0
Settlement of leasing payables	B.3.15	(2,849)	(2,534)
Dividends	B.3.14	(690)	(844)
Interest paid		(3,259)	(2,468)
Cash flow from generated/(absorbed) by financing activities		**16,787**	**(5,852)**
Net increase/(decrease) in cash and cash equivalents		**21,490**	**(6,052)**
Cash and cash equivalents at January 1		39,403	67,727
Effect of exchange rate fluctuations on cash and cash equivalents		(640)	(530)
Closing cash and cash equivalents		**60,253**	**61,144**

B.1.5 Statement of changes in Consolidated Equity

In Euro thousands	Note	Share capital	Capital 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	Total equity
01/01/2023		**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	B.3.11	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 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	B.2.14	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**
01/01/2024		**12,665**	**71,123**	**(2,952)**	**(7,913)**	**58,194**	**9,775**	**140,892**	**5,557**	**146,449**
Fair value changes on cash flow hedges net of the tax effect		0	0	0	(1)	1	0	0	0	0
Actuarial gains/(losses) on post-employment benefits	B.3.11	0	0	0	172	0	0	172	0	172
Exchange rate differences on translation of foreign subsidiaries' financial statements		0	0	0	(2,353)	0	0	(2,353)	(498)	(2,851)
Total gains/(losses) recognised directly in equity		***0***	***0***	***0***	***(2,182)***	***1***	***0***	***(2,181)***	***(498)***	***(2,679)***
Profit for the period		0	0	0	0	0	478	478	670	1,148
Total gains/(losses) recognised in the income statement		***0***	***0***	***0***	***(2,182)***	***0***	***478***	***(1,703)***	***172***	***(1,531)***
Allocation of profit for the period		0	0	0	0	9,775	(9,775)	0	0	0
Change from dividends distributed	B.3.14	0	0	0	0	(3,166)	0	(3,166)	(690)	(3,856)
Change in % of ownership		0	0	0	0	0	0	0	0	0
Other movements		0	0	(844)	1	567	0	(276)	0	(276)
30/06/2024		**12,665**	**71,123**	**(3,796)**	**(10,094)**	**65,371**	**478**	**135,747**	**5,039**	**140,786**

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. 2,700 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.

B.2.2 Accounting policies and consolidation scope

Parent

Elica[6] 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. The Parent Company is not subject to management and co-ordination pursuant to Art. 2497 and subsequent of the Civil Code.

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 (the parent owns 98% directly and 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;

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

- 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.
- Southeast Appliance (SEA) Inc., wholly-owned by Elica S.p.A. and based on Orlando, Florida (USA), was incorporated in 2023 in partnership with ILVE. This is the Elica Group's first direct product distributor within the scope of

the "Boots on the Ground" project by which the Group intends to strengthen its presence in the United States and to redefine its standards of excellence.

- AG International Inc., the distribution company for the Elica and Kobe brands in Canada based in Montreal, Quebec, a wholly-owned subsidiary of Elica S.p.A. following the closing, on November 2, 2023, of the agreement to acquire the entirety of the company's share capital from third parties.

Compared to the consolidated financial statements at December 31, 2023, there were no changes in the consolidation scope.

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, Zhejiang Elica Putian Electric Co. Ltd, Elica Trading LLC, Elica Inc., Southeast Appliance Inc. and AG International Inc., which prepare their financial statements in the Polish Zloty, Mexican Peso, Japanese Yen, Chinese Renminbi, Russian Ruble, US Dollar and Canadian Dollar 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:

	2024 average	2023 average	%	30/06/2024	30/06/2023	%
USD	1.08	1.08	0.00%	1.07	1.09	-1.83%
JPY	164.46	145.76	12.83%	171.94	157.16	9.40%
PLN	4.32	4.62	-6.49%	4.31	4.44	-2.93%
MXN	18.51	19.65	-5.80%	19.57	18.56	5.44%
CNY	7.80	7.49	4.14%	7.77	7.90	-1.65%
RUB (*)	98.97	83.38	18.70%	92.44	94.74	-2.43%
CAD	1.47	1.46	0.68%	1.47	1.44	2.08%

Source: ECB data

**** In the absence of an official ECB rate, the EUR-RUB exchange rate is calculated by converting from EUR to CNY (Source: ECB) and then from CNY to RUB (Source: PBOC).***

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.2.3 Approval of the Half-Year Report at June 30, 2024

The half-year report at June 30, 2024 was approved by the Board of Directors on July 30, 2024, who authorised its publication, while EY S.p.A. carried out a limited audit on the report.

B.2.4 Statement of compliance with international financial reporting standards, general principles and consolidation criteria

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 2024 half-year financial statements were prepared, in summary form, in compliance with IAS 34 "Interim Financial Reporting", and as per Legislative Decree No. 58/1998 (Article 154-***ter***) and subsequent amendments, in addition to the Regulation issued by CONSOB.
Their purpose is to provide an update to the last annual consolidated financial statements, focusing on new activities, events and circumstances occurring during the period between December 31, 2023 and June 30, 2024, and outlining the transactions and events required to understand the changes in the statement of financial position and the result for the period.
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, 2023, to which reference should be made.
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, 2023. Various amendments are applied for the first time in 2024, but did not impact the condensed consolidated half-year financial statements of the Group.
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.

This statement has been prepared in accordance with the instructions of the Italian commission for companies and the stock exchange, and in particular with resolution nos. 15519 and 15520 of July 27, 2006, and with communication no. DEM6064293 of July 28, 2006.

The Condensed Consolidated Half-Year Financial Statements at June 30, 2024 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.

In preparing the half-year financial report at June 30, 2024, account was taken of the comparability over time of the financial statement items. Therefore, the figures are compared respectively with the condensed half-year financial report for 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, except for exceptional cases of incomparability or the non-adaptability of one or more items. In this regard, we highlight that in the Consolidated Statement of Financial Position for the comparative periods at December 31, 2023 the following were reclassified:

- to “Other current assets” the amount of Euro 20,321 thousand, relating to indirect tax assets, including VAT and non-income taxes, which in the previous year was included under “Current tax assets”; and
- to “Other current liabilities” the amount of Euro 5,160 thousand, relating to indirect tax liabilities, including VAT and non-income taxes, which in the previous year was included under “Tax liabilities” (current).

This reclassification did not have any impact on the Consolidated Income Statement for the comparative period to June 30, 2023.

Account Items	12/31/2023	Reclassification	12/31/23 Restated
Other current assets	5,772,524	20,321,058	26,093,581
Tax assets (current)	23,153,155	-20,321,058	2,832,097
Other current liabilities	16,708,426	5,159,626	21,868,052
Tax liabilities	5,957,199	-5,159,626	797,573

The present consolidated financial statements are presented in thousands of Euro and all the amounts are rounded to the nearest thousandth, unless otherwise specified.
It should also be noted that any differences in certain tables are due to the rounding of values expressed in thousands of Euro.

B.2.5 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.2.6 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 Group has not adopted in advance any accounting standard, interpretation or amendment issued but not yet in effect.

Supplier Finance Arrangements - Amendments to IAS 7 and IFRS 7

In May 2023, the IASB issued amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Supplementary Information, to clarify the characteristics of reverse factoring agreements and requests to give further disclosure of such agreements. The disclosure requirements included in the amendments are intended to assist financial statement users in understanding the effects on an entity's liabilities, cash flows, and exposure to liquidity risk of reverse factoring arrangements.
The transition requirements clarify that an entity does not have to provide disclosures in interim financial statements for the first year of application of the amendments. Consequently, the amendments had no impact on the Group's condensed consolidated half-year financial statements.

Amendments to IFRS 16: Lease Liability in a Sale and Leaseback

In September 2022, the IASB issued an amendment to IFRS 16 to specify the requirements that a selling lessor uses in measuring the lease liability arising from a sale & lease back transaction, to ensure that the selling lessor does not recognize a gain or loss by reference to the right-of-use retained by the lessor.
These amendments had no impact on the Group's condensed consolidated half-year financial statements.

Amendments to IAS 1: Classification of Liabilities as Current or Non-current

In January 2020 and October 2022, the IASB published amendments to paragraphs 69 to 76 of IAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

- What is meant by the right to defer maturity;
- That the right of subordination must exist at financial year-end;
- The classification is not impacted by the probability of whether the entity will exercise its subordination right;
- Only where a derivative embedded in a convertible liability is itself an equity instrument the maturity of the liability shall have no impact on its classification.

In addition, a requirement has been introduced to provide disclosure when a liability arising from a loan agreement is classified as non-current and the entity's right to deferral is subject to compliance with covenants within 12 months.
These amendments had no impact on the Group's condensed consolidated half-year financial statements.

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.2.7 Going concern

The Group has prepared the condensed half-year financial statements on a going concern basis. Management has assessed that, due to the Group's financial solidity and outlook, there are no uncertainties, as defined in paragraph 25 of IAS 1, that would give rise to doubt on this assumption, and that there is a reasonable expectation that the Group has adequate resources to continue operations for the foreseeable future, and for a period of not less than 12 months from the reporting date.

B.2.8 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 at the reporting date. Actual results may differ from these estimates. Given the variability and the level of intrinsic risk of opinions and estimates, the key assumptions used and the assessments made in making estimates, based on experience and other factors

considered relevant by Management, are reviewed periodically and the effects of any changes are promptly accounted for.
In particular, in this context, the historic volatility and deterioration of capital and financial markets, the ongoing macroeconomic and geopolitical uncertainty, including changes in commodity prices, and other changes to business conditions (often outside of the Group's control), resulted in the need to make assumptions and projections upon a future performance characterised by significant uncertainty and risk. On the basis of this, results in the coming years could differ from such estimates and that these circumstances may require adjustments, which currently may not be estimated nor forecast, even of a significant amount, on the values recognised to the Group's financial statements.
The items principally affected by such uncertainty are: goodwill, non-current assets (intangible and tangible fixed assets), the allowance for impairment and the provision for inventory impairment, pension funds and Long Term Incentives, other post-employment benefits, provisions for risks and charges and deferred tax assets.
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.2.9 Seasonality

Considering the natural seasonality of the market in which the Group operates, sales and operating costs are usually uneven over the course of the months, which however is not considered to be significant. This originates from the fact that almost 100% of the Group's business in the Motors segment, and at least 40% in the Cooking segment, is with OEM's (sales to third party brands). Therefore, any seasonality effect is to a large extent mitigated by the stock policies of B2B customers. The products sold by the Group in the Cooking segment are very marginally affected by seasonality compared to other products in the sector, such as refrigerators (peak in the summer season) and tumble dryers (peak in the autumn/winter period). The only peaks in sales, which are in any case not considered significant, are those usually encountered in August and December due to seasonal closures.
In terms of the Motors segment, revenue and operating results are usually higher in the autumn/winter period (October/December), given the increase in demand for heating equipment components. Also from an equity and financial viewpoint, the half-year figures are not impacted by significant seasonality. While it is highlighted that the results for the first half of the year may not proportionally reflect the full-year result, Management states that Group operations should not be considered a "highly seasonal activity" as per IAS 34.

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 2024	H1 2023	Changes
Revenue	237,350	254,545	(17,195)
Revenue	**237,350**	**254,545**	**(17,195)**

In Euro thousands	H1 2024	H1 2023	Changes
EMEA	188,331	203,927	(15,596)
AMERICA	35,706	34,848	858
ASIA and the Rest of World	13,313	15,770	(2,457)
Revenue	**237,350**	**254,545**	**(17,195)**

In Euro thousands	H1 2024	H1 2023	Changes
Cooking	184,586	192,565	(7,979)
Motors	52,764	61,981	(9,217)
Revenue	**237,350**	**254,545**	**(17,195)**

Reference should be made to paragraph A.2. outlining the Elica Group's Financial and Operating Review. Reference should be made however to paragraph B.3.1.2 "Segment reporting" with regards to the analysis of revenue for the "Cooking" and "Motors" CGU's.

In the first half of 2024, revenue decreased 7.6% on the same period of the previous year in the "EMEA" region, which represents approx. 80% of total revenue, aligning therefore Elica's performance with the market. Similarly, "Asia and Rest of World" region revenue decreased 15.6%, due to - in addition to the negative impact of the Euro-Yen exchange rate - the deterioration of consumer spending power, which resulted in continued weak demand and significant pressure on the sales mix. In this area, therefore, as is the case for the European markets, the average market price continues to decline. Strong performances were however reported in the "Americas", with revenue up 2.5% on the first half of 2023, thanks to the new Group strategy to strengthen its presence in the Americas through new direct distribution channels and the acquisition of new OEM segment customers.

In line with IFRS 15, the Group carried out an analysis to identify the separate performance obligations which indicated that it was not necessary to further breakdown revenue. The Group therefore breaks down revenues based on market geographies and operating segment.

It should be noted that for both the Cooking and Motors segments, revenue is recognised when the relevant performance obligation is met, i.e. when the promised good or service is transferred to the customer. The transfer is considered complete when the customer obtains control of the goods or services, which for both operating segments occurs at "a point in time". The amount that the Group recognises as revenue reflects the consideration that it has the right to receive

following the exchange of the assets transferred to the customer and/or services provided, which are recognised upon fulfilment of the contractual obligations.
No circumstances were identified whereby a Group company had the role of "agent".

B.3.1.1 Other Revenue

In Euro thousands	H1 2024	H1 2023	Changes
Grants related to income	943	1,362	(419)
Ordinary gains	47	39	8
Other revenues from associated companies	13	0	13
Claims and insurance settlement	433	88	345
Other operating income	986	1,168	(182)
Other operating income	**2,422**	**2,656**	**(234)**

The reduction in other operating income mainly concerned grants related to income, which included in the previous year - mainly at the parent and the subsidiary EMC Fime - income from public grants provided to support businesses in relation to energy and gas expenses, in addition to photovoltaic income. These disbursements were received until July 2023.
Claims and insurance settlements entirely include insurance claims for damage incurred by the subsidiary EMC FIME. 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 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. 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.
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.

As a result, the Group has identified two operating segments, represented by the two specific areas of managerial responsibility: the Motors segment (which includes EMC FIME and the Motors division of the Polish subsidiary, Elica Group Polska) and the Cooking segment, which encompasses the rest of the Group.
With this reorganisation, and the consequent upgrade of information systems, the Group changed the manner in which operating performance is periodically reviewed by Group senior management for the purpose of allocating resources and preparing internal reporting.

In accordance with IFRS 8, the table below is presented with the comparative figures grouped by operating segment:

in Euro thousands	Cooking	Motors	Eliminations and other adjustments	Elica Group H1 2024	Cooking	Motors	Eliminations and other adjustments	Elica Group H1 2023
Revenue - third parties	184,586	52,764	(0)	237,350	192,564	61,982	(0)	254,545
Inter-segment revenues	764	13,718	(14,482)	0	472	13,290	(13,762)	0
Revenue	**185,350**	**66,482**	**(14,482)**	**237,350**	**193,036**	**75,271**	**(13,762)**	**254,545**
Other operating revenues/(expenses)	(177,000)	(59,174)	14,482	(221,692)	(176,553)	(66,253)	13,762	(229,044)
Restructuring charges	150	0	0	150	(481)	37	0	(444)
Amortisation and depreciation	(8,919)	(2,678)	(0)	(11,597)	(9,242)	(2,659)	(0)	(11,902)
EBIT	**(419)**	**4,630**	**0**	**4,211**	**6,760**	**6,396**	**0**	**13,156**
Financial income				292				85
Financial expenses				(3,661)				(2,692)
Exchange rate gains/(losses)				(200)				331
Profit/(loss) before taxes				**642**				**10,880**
Income taxes				506				(2,373)
Profit/(loss) from continuing operations				**1,148**				**8,507**
Profit from discontinued operations				0				0
Profit for the period				**1,148**				**8,507**

Reference for the economic performance of the operating segments should be made to paragraph A.2 outlining the Elica Group's H1 2024 Financial and Operating Review.
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.
Customers who comprise more than 10% of total revenue constituted 10.2% of revenue in the first six months of 2024 (no customers with revenues in excess of 10% existed in H1 2023).

In Euro thousands	Cooking	Motors	Eliminations and other adjustments	2024 06	Cooking	Motors	Eliminations and other adjustments	2023 12
Property, plant and equipment	73,727	28,462	0	102,189	76,003	28,737	-	104,740
Goodwill	37,770	12,075	0	49,845	37,697	12,075	-	49,772
Intangible assets with finite useful lives	15,681	10,384	(0)	26,065	16,142	10,549	-	26,690
Right-of-use assets	9,731	1,165	(0)	10,896	9,721	1,430	-	11,150
Fixed Assets	**136,909**	**52,086**	**0**	**188,995**	**139,562**	**52,791**	**-**	**192,353**
Trade receivables	39,758	17,105	(6,888)	49,976	20,128	13,017	(6,414)	26,731
Inventories	65,487	25,642	(0)	91,129	63,966	26,908	-	90,874
Trade payables	(94,901)	(38,442)	6,888	(126,455)	(81,574)	(31,866)	6,414	(107,025)
Managerial Working Capital	**10,344**	**4,305**	**(0)**	**14,650**	**2,521**	**8,059**	**-**	**10,580**
Deferred tax assets	20,147	1,775	-	21,922	18,766	1,926	-	20,692
Other non-current receivables and other assets	1,096	51	-	1,147	1,028	56	-	1,084
Other current receivables	21,338	3,425	-	24,763	20,230	5,865	-	26,095
Tax assets (current)	3,437	(217)	-	3,220	2,807	25	-	2,832
Assets for derivative financial instruments (current)	1,503	666	-	2,168	1,893	2	-	1,895
Assets for derivative financial instruments (non-current)	14	-	-	14	288	-	-	288
Other allocated assets	**47,534**	**5,700**	**-**	**53,234**	**45,012**	**7,874**	**-**	**52,886**
Deferred tax liabilities	(3,467)	(3,373)	-	(6,840)	(3,762)	(3,391)	-	(7,153)
Other current payables – excluding purchase of investments	(24,430)	(5,211)	-	(29,641)	(16,471)	(4,899)	-	(21,370)
Current tax payables	(795)	(211)	(0)	(1,007)	(428)	(369)	-	(797)
Liabilities for derivative financial instruments (current)	(307)	-	-	(307)	(93)	(224)	-	(317)
Employee benefits	(6,008)	(1,597)	-	(7,605)	(6,370)	(1,601)	-	(7,971)
Provisions for risks and charges (non-current)	(8,143)	(182)	-	(8,325)	(11,040)	(423)	-	(11,463)
Provision for risks and charges (current)	(5,041)	(189)	-	(5,230)	(5,784)	(31)	-	(5,815)
Other allocated liabilities	**(48,192)**	**(10,763)**	**(0)**	**(58,954)**	**(43,948)**	**(10,937)**	**-**	**(54,886)**
Capital Employed	**146,596**	**51,328**	**0**	**197,924**	**143,147**	**57,786**	**-**	**200,933**
Net Financial Position				**(57,139)**				**(54,484)**
Total consolidated equity				**(140,785)**				**(146,449)**
Source of funds				**(197,924)**				**(200,933)**

The components of equity 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 2024	H1 2023	Changes
Purchase of raw materials	99,760	116,232	(16,472)
Purchase of semi-finished products	11,136	13,014	(1,878)
Purchase of consumables and supplies	984	984	0
Purchase of finished products	13,058	12,044	1,014
Packaging	745	824	(79)
Others	1,351	1,056	295
Transport on purchases	2,086	2,125	(39)
Change in inventory of raw materials, consumables, supplies and	(2,380)	(364)	(2,016)
Raw materials and consumables	**126,740**	**145,915**	**(19,175)**
Change in finished and semi-finished products	**(338)**	**(6,266)**	**5,928**
Total	**126,402**	**139,649**	**(13,247)**

Consumables, including the impact of changes to finished and semi-finished products, accounted for 53.3% of revenues (54.9% in the previous year). The decrease reflects, on the one hand, the adjustment of procurement to production demands in view of the current market environment, and on the other, the inventory management efficiency actions and the gradual decrease in the cost of raw materials still observed during 2024 compared to the sharp increases of 2022. These factors allowed for the maintenance of inventory levels in line with 2023. The absolute figures decreased, reflecting particularly the reduction in revenues.
In particular, the Changes in inventory of finished products and semi-finished products decreased by approx. Euro 5.9 million, highlighting the Group's capacity to optimise stock levels on the basis of market trends and, at the same time, guarantee a high customer service level.
This aggregate includes also the risk assessment by Management upon inventory obsolescence.

Service costs

In Euro thousands	H1 2024	H1 2023	Changes
Outsourcing	12,376	14,353	(1,977)
Maintenance	1,157	1,139	18
Transportation	5,745	5,789	(44)
Trade fairs and promotional events	2,972	911	2,061
Utilities	2,911	3,583	(672)
Promotion and advertising fees	1,266	1,279	(13)
Commissions and bonuses	858	965	(107)
Management of finished products	4,357	4,662	(305)
Consultancy	4,634	3,718	916
Industrial services	535	436	99
Travelling expenses	1,114	769	345
Insurances	892	674	218
Banking commissions and charges	208	173	35
Other professional services	5,646	5,080	566
Heating expenses	449	1,068	(619)
Statutory auditors' fees	42	56	(14)
Directors' fees	772	905	(133)
Car management	421	368	53
Costs to remainlisted on the stock exchange	256	234	22
Services	**46,611**	**46,162**	**449**

Service costs remain substantially in line with the first half of the previous year. In addition to Outsourcing, which decreased by approx. Euro 2 million due to the drop in business but also to the bringing in-house of the stamping unit of the subsidiary EMC FIME, also utilities and gas expenses significantly decreased due to the easing of prices from the peak seen over the preceding periods. Trade fairs and promotional event expenses however increased by Euro 2 million on the first half of 2023, in view of participation in April 2024 at the key "Eurocucina 2024" event, as did travelling expenses, consultancy and other professional services, as part of the action plan announced by the Group to support the launch of new products and the brand repositioning through communication and "branding" strategies.

Personnel expense

In Euro thousands	H1 2024	H1 2023	Changes
Wages and salaries	35,077	33,242	1,835
Social security expenses	9,933	9,153	780
Post-employment benefits	1,048	1,122	(74)
Other personnel expense	3,062	967	2,095
Personnel expense	**49,120**	**44,484**	**4,636**

The increase in personnel expense relates to many factors, including the salary adjustments, mainly at the Polish and Mexican subsidiaries in view of the increased local cost of living, in addition to the expanded workforce at the two new US and Canada distribution companies. Similarly, the review of the national collective bargaining agreement for the Italian companies had an impact. The increase in personnel expense is offset by the actions implemented by the Group in reaction to the contracting revenue. The increase in other personnel expense reflects the net effect of the accruals to the new Long Term Incentive plans and the utilisations and releases relating to those for the preceding three-year period. For further details, see paragraph B.3.10.

Workforce	30/06/2024	31/12/2023	30/06/2023
Executives	34	32	31
White-collar	767	746	754
Blue-collar	1,734	1,770	1,835
Other	191	110	228
Total	**2,726**	**2,658**	**2,848**

At June 30, 2024, the Group workforce numbered 2,726 (of which 191 temporary), increasing by 68 on December 31, 2023, although decreasing 122 on June 30, 2023, mainly due to the implementation of the reorganisation plan for the European industrial footprint.

Other operating expenses and provisions

In Euro thousands	H1 2024	H1 2023	Changes
Rental of vehicles and industrial equipment	287	285	2
Leases and rentals	556	508	48
HW, SW, patent use fees	137	266	(129)
Other taxes (no income tax)	509	461	48
Magazines, Subscriptions' expenses	2	3	(1)
Sundry equipment	211	225	(14)
Catalogues and brochures	38	84	(46)
Credit losses and loss allowance	286	(896)	1,182
Provisions for risks and charges	1,426	1,354	72
Other prior year expenses and losses	533	418	115
Other operating expenses and accruals	**3,985**	**2,708**	**1,277**

Other operating expenses and provisions in H1 2024 increased on the same period of the previous year. The credit losses and loss allowance increased Euro 1.2 million, as benefitting in 2023 from the release of provisions as a result of the absence of the risks related to the operations which resulted in the accrual in previous years. Provisions for risks and charges at June 30, 2024 increased on the previous year and reflect the assessment by the Group of the probability of the occurrence of certain risks, which in 2024 resulted in higher provisions, particularly for product warranties. Reference should be to paragraph B.3.10. Provisions for risks and charges for further details.

Restructuring charges

In Euro thousands	H1 2024	H1 2023	Changes
Restructuring charges	(150)	444	(594)
Restructuring charges	**(150)**	**444**	**(594)**

Restructuring charges include in the first half of 2024 the costs for the Group's rightsizing for Euro 406 thousand, in line with the same period of 2023, and the release of the residual portion of the restructuring provision, amounting to Euro 0.6 thousand, accrued to cover the costs which the Group estimated to reorganise the production plant of the Cooking Business Unit. This provision, principally comprising personnel expense, was released as a result of the absence of the risk of potential liabilities which may have emerged following the conclusion of the "Merging" project as a result of employee departures and for the reorganisation of the production assets at the facilities addressed by the plan.

Increase in internal work capitalised

The account amounted to Euro 2,004 thousand (Euro 1,304 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. Increase in internal work capitalised principally comprise personnel expense.
The account includes, for Euro 1,466 thousand, costs relating to Elica S.p.A. (Euro 755 thousand in 2023), for Euro 392 thousand relating to the Mexican subsidiary (Euro 373 thousand in 2023) and for Euro 146 thousand relating to the subsidiary E.M.C. Fime S.r.l. (Euro 176 thousand in 2023).

Amortization and depreciation

Amortisation and depreciation is in line with H1 2023, decreasing from Euro 11,902 thousand in H1 2023 to Euro 11,597 thousand in H1 2024. In particular, the item includes depreciation of Euro 6,694 thousand, amortisation of Euro 2,728 thousand and the depreciation of right-of-use of Euro 2,175 thousand.

B.3.3 Net financial expense

Details of financial income are shown below:

In Euro thousands	**H1 2024**	**H1 2023**	**Changes**
Financial Income	292	85	207
Financial expense	(3,661)	(2,692)	(969)
Net exchange rate gains/(losses)	(200)	331	(531)
Net financial expenses	**(3,569)**	**(2,276)**	**(1,293)**

Net financial expense significantly increased on the previous year (by Euro 1.3 million). The main impact concerned Financial expense, which increased approx. Euro 969 thousand due to the increased costs on the credit lines, both short and long-term, 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 (i.e. of the Euribor, the benchmark for short-term lending). Net exchange rate gains/(losses) saw a net decrease of over Euro 0.5 million, mainly due to the movement of the Euro against the Russian Ruble, and between the Euro and the Polish Zloty.
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, 2024 and December 31, 2023 is detailed below.

In Euro thousands	6/30/2024	12/31/2023	Changes
Land & buildings	35,652	36,991	(1,339)
Plant and machinery	38,395	39,901	(1,506)
Industrial and commercial equipment	20,634	22,015	(1,381)
Other assets	3,718	3,390	328
Assets under construction and payments on account	3,790	2,445	1,345
Property, plant & equipment	**102,189**	**104,740**	**(2,553)**

Property, plant and equipment decreased from Euro 104,740 thousand at December 31, 2023 to Euro 102,189 thousand at June 30, 2024, a net decrease of Euro 2,553 thousand as a result of the sales, purchases and of depreciation recorded in the income statement of Euro 6,694 thousand (Euro 6,656 thousand at June 30, 2023). Investments in the year mainly concerned “industrial and commercial equipment”, “plant and machinery” and “assets under construction”, respectively for Euro 1,318 thousand, Euro 1,121 thousand and Euro 1,337 thousand, following the actions taken to improve the manufacturing plant and machinery, the purchase of new mouldings and equipment for the launch of new products and the development of hardware for the implementation of new projects. The Group redeemed in the period the photovoltaic plant located at the buildings of EMC FIME S.r.l. and previously subject to a lease agreement signed with Unicredit Leasing. The value of the plant subject to redemption is Euro 400 thousand. There were no significant disposals in the period. The change for the period includes exchange losses of approx. Euro 0.7 million.

In Euro thousands	6/30/2024	12/31/2023	Changes
Buildings	5,498	6,097	(599)
Machines and installation	71	58	13
Industrial and commercial equipment	0	0	0
Other	5,327	4,995	332
Right-of-use assets	**10,896**	**11,150**	**(254)**

This item includes assets representing the Group's rights-of-use under existing lease, rental and hire agreements. The Company has many assets under lease, such as buildings, production machinery, motor vehicles and IT equipment. The relative right-of-use decreased from Euro 11,150 thousand at December 31, 2023 to Euro 10,896 thousand at June 30, 2024, a net decrease of Euro 0.3 million as a result of purchases, the most significant being the new showrooms respectively in Germany and China for a total of Euro 338 thousand, terminations and of depreciation recognised to the income statement of Euro 2,175 thousand (Euro 2,099 thousand in H1 2023). The movement for the period includes exchange rate gains of approx. Euro 0.1 million.

B.3.5 Goodwill

In Euro thousands	31/12/2023	Increases	Decreases	other changes	30/06/2024
Goodwill allocated to subsidiaries	49,772	-	-	73	49,845
Goodwill	**49,772**	**-**	**-**	**73**	**49,845**

Goodwill, totalling Euro 49.8 million, reported a slight movement on December 2023, due exclusively to the impact from the conversion into Euro of the balances of the overseas subsidiaries and the positive impact of the change on the opening balance for approx. Euro 0.1 million.
At June 30, 2024, goodwill was allocated to the Cooking CGU for Euro 37.8 million and to the Motors CGU for Euro 12.1 million.

It is recalled that, at the end of 2022, following the industrial reorganisation, 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. In light of this, as per IAS 36 and IFRS 8 ("Operating Segments"), the impairment testing of the Group's goodwill and its recoverable value at the reporting date was undertaken on the basis of those CGUs into which it is possible to break down the Group's business and analysing the cash 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.

At June 30, 2024, Management examined the most recent information available to them in order to identify possible triggers events and do not report the existence of any such events. In fact, the half-year results and the updates of the forward-looking estimates were analysed, noting that they are substantially in line with the first year target of the estimates used by Management for the impairment test performed at December 31, 2023. It was established that updating the WACC to June 2024 would not result in substantial changes from the figure at December 2023, and that ample coverage emerged from the results of the impairment test performed at December 31, 2023, in addition to the sensitivity analyses performed. With regard to these latter, Management at December 31, 2023 assumed reasonable changes that may occur regarding certain assumptions underlying the estimates made, and in particular of the growth rate (g) (increasing and decreasing by one percentage point, thus considering 0% and 2%) and of the WACC (increasing and decreasing by one percentage point, thus considering for Cooking 6.9% and 8.9% and for Motors 7.8% and 9.8%). At the same date, sensitivity

analyses were also developed to indicate, at the coverage level, the impacts from the rise in costs, for which a percentage increase in raw material costs from 0.5% to 1.7% was factored in, and the impacts from the change in EBITDA, for which a percentage decrease in the EBITDA margin from -0.5% to -0.9% was factored in.
None of the changes considered above resulted in a CGU recoverable amount equal to or below the respective book values.

Taking into account the extensive coverage resulting from the impairment tests and sensitivity analyses performed at December 31, 2023, the results achieved by the Group in the first half of 2024 and future result estimates, in addition to the internal and external factors that may affect the business in the period, Management at June 30, 2024 has further developed the sensitivity analysis to highlight, at the coverage level, the impacts resulting from a more substantial change in EBITDA than that assumed as at December 31, 2023. In order to do so, a percentage decrease of the EBITDA margin from -0.5% to -2% was factored in compared to the three-year plan figure, confirming that a new impairment test was not necessary as at June 30, 2024.

This conclusion is supported also by the results emerging from the impairment test relating to the verification of the WACC and the g growth rate which renders the coverage equal to 1. Regarding the WACC, the breakeven value for Cooking is 13.8% and for Motors is 18.3%. The breakeven g growth rate for Cooking is -8.8% and for Motors is -24.6%.

The Group continues extensive monitoring of demand dynamics across all markets in execution of the three-year Strategic Plan launched in 2024 and in particular the guidance for 2025 and 2026, 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, 2024 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, 2024 and December 31, 2023 is shown below.

In Euro thousands	6/30/2024	12/31/2023	Changes
Development costs	5,114	6,919	(1,805)
Industrial patents and intellectual property rights	7,358	7,063	295
Concessions, licences, trademarks and software	183	238	(55)
Other intangible assets	9,292	9,661	(369)
Assets under development and payments on account	4,118	2,809	1,309
Intangible assets with a finite useful life	**26,065**	**26,690**	**(625)**

The intangible assets decreased from Euro 26,690 thousand at December 31, 2023 to Euro 26,065 thousand at June 30, 2024, a reduction of Euro 625 thousand as a result of the purchases, sales and amortisation recorded to the income statement of Euro 2,728 thousand (Euro 3,147 thousand at June 30, 2023). The increase includes the negative impact of the change on the opening balances for approx. Euro 0.1 million. Investments in the period of Euro 1.8 million mainly concern costs for the development of new core products.
Industrial patents and intellectual property rights include the recognition of patents, associated development costs and intellectual property rights. The increase in the year of Euro 0.2 million principally relates to the Parent and costs for the new patents developed. Assets under construction and payments on account concern both the advances paid to outside suppliers and the development, both with in-house and outsourced labour, of projects for the implementation of new IT platforms and the design, development and conclusion of new software applications. There were no significant eliminations in the period.

B.3.7 Deferred tax assets – Deferred tax liabilities

In Euro thousands	6/30/2024	12/31/2023	Changes
Deferred tax assets	21,922	20,691	1,231
Deferred tax liabilities	(6,840)	(7,152)	312
Total	**15,082**	**13,539**	**1,543**

Deferred tax assets principally concern the following accounts: amortisation and depreciation, accruals to non-deductible provisions, employee bonuses and tax losses.
The amount of 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 9.1 million, of which Euro 4.2 million relating to prior year losses.

B.3.8 Trade receivables and payables

In Euro thousands	6/30/2024	12/31/2023	Changes
Trade receivables	49,976	26,731	23,245
Trade payables	(126,455)	(107,025)	(19,430)
Total	**(76,479)**	**(80,294)**	**3,815**

Trade receivables significantly increased on the end of 2023, mainly due to the increased revenues over the latter months of Q2 2024. This revenue increase, compared to the final quarter of 2023, resulted in a corresponding increase in customer exposure. We highlight that this increase in receivables exclusively reflects the increase in sales and not changes in customer payment conditions.
The amount of trade receivables recognised in the statement of financial position is net of the allowance for impairment. The Doubtful Debt Provision of Euro 3,013 thousand (Euro 2,783 thousand at December 31, 2023), is equal to 5.7% of the receivables (9.4% at December 31, 2023). This is calculated following an analysis of the specific risk of the default positions and on the basis of historic and prospective figures for receivable losses, according to the means governed by the Group Credit Policy. It is also considered that a substantial portion of the receivables are insured by leading international insurance companies.
At June 30, 2024, trade receivables of Euro 50 million (Euro 26.7 million at December 31, 2023) included approx. Euro 5.1 million of overdue receivables (Euro 2.5 million at December 31, 2023), which are broken down as follows. The balance presented in the table does not include the exposure to credit notes for Euro 1.37 million.

In millions of Euro

Overdue (days)	30/06/2024
0 - 30	5.29
31 - 60	0.91
61 – 90	0.20
Over 91	0.12
Overdue	**6.52**

The provision at June 30, 2024 is considered adequate to adjust the receivables to their realisable value. Management considers that the value approximates the fair value of the receivables.
Paragraph B.3.18. Risk management of these Notes reports upon the management of credit risk.
The increase in trade payables was mainly due to the increase in purchases required to support the growth of production and of sales, but also to the payment dynamics related to the new supplies.
In addition, the management of payables was affected by strategic projects such as the “Supply Chain Finance Solution” programme. This programme had a significant impact, not only optimising cash flows but also improving supplier relations. Its implementation has helped manage debt maturities more effectively, enabling smoother financial planning and greater flexibility in negotiations with suppliers.

B.3.9 Inventories

In Euro thousands	**6/30/2024**	**12/31/2023**	**Changes**
Raw materials, consumables and supplies	39,001	37,530	1,471
Provision for the write-down of raw materials	(1,650)	(2,005)	355
Raw materials, consumables and supplies	**37,351**	**35,525**	**1,826**
Semi-finished goods	15,596	19,950	(4,354)
Provision for the write-down of semi-finished products	(729)	(834)	105
Semi-finished goods	**14,867**	**19,116**	**(4,249)**
Work in progress	**0**	**0**	**0**
Finished products	40,920	37,951	2,969
Provision for the write-down of finished products	(2,009)	(1,720)	(289)
Finished products	**38,911**	**36,231**	**2,680**
Prepayments	**0**	**2**	**(2)**
Inventories	**91,129**	**90,874**	**255**

The value of final inventories was substantially in line with December 31, 2023, with a net increase with just Euro 0.3 million. The effect is generated, on the one hand, by the adjustment of purchases to production requirements resulting from the current market trend, and, on the other hand, by the measures to make inventory management more efficient pursued by Management during the period. In fact, although raw material and finished product stock levels increased at many Group companies (increasing by approx. Euro 4.5 million) to satisfy production needs over the subsequent months, the level of semi-finished product stock decreased significantly (approx. Euro 4.4 million), thanks to the stock management optimisation and in-housing of certain production phase actions. The combination of these factors outlined above enabled the Group to maintain stable inventory levels compared to December 31, 2023.

In the cooking segment, volumes rose although amid a negative price-mix impact, due to the seasonality of the business and market dynamics. For motors, a significant decrease in stock volumes is reported, in line with the reduced demand over recent quarters.

Inventories are stated net of the provision for inventory write-down of approximately Euro 4,388 thousand (Euro 5,559 thousand in December 2023), 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 5% of inventories (in line with December 2023).

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	6/30/2024	12/31/2023	Changes
Agents' termination benefits	726	755	(29)
Product warranties	3,480	3,557	(77)
Legal risks	3,878	4,165	(287)
Long Term Incentive Provision	869	3,618	(2,749)
Personnel provision	1,750	974	776
Restructuring provision	0	1,284	(1,284)
Other provision	2,852	2,925	(73)
Provisions for risks and charges	**13,555**	**17,278**	**(3,723)**
of which:			
Non-current	8,325	11,463	(3,138)
Current	5,230	5,815	(585)
Provisions for risks and charges	**13,555**	**17,278**	**(3,723)**

- Accruals for agents' termination benefits cover possible charges upon the termination of contracts with agents and sales representatives Changes in the provision reflect adjustments in the indemnities and the utilisations.
- The Product Warranty Provision, given the Group's commitment to provide a service warranty free of charge to customers for a defined period after sale of the good, represents an estimate of the costs likely to be incurred to repair or replace items sold to customers and is allocated when the revenues on the sale of the product are recognised. This provision is determined on the basis of the probable costs to be incurred to fulfil the warranty commitment, and the calculation is based on the application of the percentage of the average warranty costs historically incurred by the Group to the sales made for which the warranty is still possible. The allocated cost is periodically verified and adjusted as necessary. More specifically, the assumptions and parameters used are reviewed based on past experience and other facts and information that come to light.
- 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 evaluations of the most updated information available. As was the case at December, the provision reflects the estimate made by the Board of Directors with regards to the risk upon outstanding cases.
- The Long Term Incentive Plan includes the amount matured to June 30, 2024 of the new Long Term Incentive Plan covering the 2024-2026 three-year period, approved by the Board of Directors in March 2024. The plan, entirely cash-based, was assessed in view of the best estimate of Management on the probability of the achievement of the incentive's underlying conditions. The provision, reserved for key people, includes also 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 3 million for the payment of the amounts due to the beneficiaries of the 2021-2023 plan, while the residual portion was released (Euro 0.7 million).

- 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 2024 of the amounts matured in 2023.
- The other risks provisions include the provisions quantified by the Group to cover risks affecting business operations, in addition to the product disposal provision and the other risks provision.

B.3.11 Post-employment benefit provision

The Elica Group reports obligations of Euro 7,605 thousand, reflecting the present value of liabilities for post-employment benefits accrued by employees.

The most recent calculation of the present value of this item was performed at December 31, 2023 and June 30, 2024 by an independent specialist actuary. The changes in the present value of post-employment benefit obligations in the reporting period were as follows:

In Euro thousands	**6/30/2024**	**12/31/2023**	**Changes**
Opening balance	7,971	7,988	(17)
Current service cost	937	2,721	(1,784)
Actuarial gains/losses	(143)	44	(187)
	794	**2,765**	**(1,971)**
Financial expense	109	262	(153)
Pension fund	(1,269)	(1,986)	717
Benefits provided	0	(1,058)	1,058
	(1,160)	**(2,782)**	**1,622**
Employee benefit liabilities	**7,605**	**7,971**	**(366)**

The interest component of the defined employee benefit plan cost is shown under financial expenses, with a resulting increase of Euro 109 thousand in this item for the year. The current service cost and the effect of the curtailment were recorded under personnel expense. Actuarial gains, amounting to Euro 143 thousand at June 30, 2024, comprise the actuarial gains (losses) of the defined benefit plans reported in the Consolidated Statement of Comprehensive Income. The provision amounts to, net of the tax effect, a negative Euro 2 million and entirely concerns the Group.

B.3.12 Other receivables and Other payables

In Euro thousands	6/30/2024	12/31/2023	Changes
Other receivables and other assets (non-current)	1,147	1,083	64
Other current assets	24,763	26,096	(1,333)
Total	**25,910**	**27,179**	**(1,269)**

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, such as insurance premiums for internet contracts and consultancy advances. The item also includes other receivables, such as those related to the obtaining of government grants for investments, such as the SM project, the Shell project and the photovoltaic plant grants.
Lastly, the account includes Euro 12,882 thousand regarding receivables for indirect taxes, including VAT and non-income taxes. The corresponding amount at

December 31, 2023 of Euro 20,321 thousand, which in the previous financial statements was recognised to "Current financial receivables" was reclassified to this account for the purposes of this half-year financial report to ensure the comparability over time of the financial statement items. During the period, the VAT receivable reduced by Euro 1.1 million, particularly in terms of the parent company and the Mexican subsidiary, as well as other tax receivables recognised by the Group in the preceding periods reduced as utilised to offset other tax payables. Management considers that the carrying amount approximates the fair value.

In Euro thousands	**6/30/2024**	**12/31/2023**	**Changes**
Other non-current liabilities	0	500	(500)
Other current liabilities	30,641	21,870	8,771
Total	**30,641**	**22,370**	**8,271**

The change in Other non-current payables of Euro 500 thousand is due to the reclassification of the portion due within the next 12 months of the payable related to Elica S.p.A. for the acquisition of 40% of Airforce.

Other current payables increased by over Euro 8.7 million, both as reflecting the interim dynamic of payables to employees for salaries and payables to social security institutions, which increased on December 2023, and as also including Euro 3.2 million, corresponding to dividends to be paid in July to shareholders, against the allocation of the 2023 net profit.

The account also includes, under deferred income, the benefit deriving from the "Industry 4.0" investment tax credit received for investments in production machinery by the subsidiary EMC Fime S.r.l..

The account, finally, includes Euro 3,475 thousand regarding payables for indirect taxes, including VAT and non-income taxes. The corresponding amount at December 31, 2023 of Euro 5,160 thousand, which in the previous financial statements was recognised to "Current financial payables", was reclassified to this account for the purposes of this half-year financial report to ensure the comparability over time of the financial statement items.

B.3.13 Tax Assets and Payables

In Euro thousands	**6/30/2024**	**12/31/2023**	**Changes**
Tax assets	3,220	2,832	388
Tax liabilities	1,006	797	209
Total	**4,226**	**3,629**	**597**

Current tax receivables and payables respectively include income tax receivables and payables.

Domestic income taxes are calculated by applying the current tax rates for IRES (28%, in line with the previous year) and IRAP (4.73%, in line with the previous year) to the taxable income of the Parent Company and the Italian subsidiaries, while

taxes for other jurisdictions are calculated according to the current rates in the respective countries.
Overall, income taxes recognised to the income statement were a positive (net income) Euro 506 thousand, compared to a cost in the first half of 2023 of Euro 2,373 thousand. The balance as of June 30, 2024 includes net income for current taxes of Euro 813 thousand (compared to a cost of Euro 648 thousand in H1 2023), and deferred tax charges of Euro 307 thousand (charges of Euro 1,725 thousand in H1 2023). Elica S.p.A. for the first half reported positive (net income) income taxes of Euro 0.2 million, as did the subsidiary Elicamex for Euro 1.9 million. Income taxes of Euro 0.9 million were reported by the subsidiary EMC FIME and by Ariafina of Euro 0.7 million.
As outlined in the introduction, it is highlighted that in preparing the half-year financial report at June 30, 2024, account was taken of the comparability over time of the financial statements items. Therefore, for the Consolidated Statement of Financial Position for the comparative period at December 31, 2023, a reclassification was made

- to “Other current assets” the amount of Euro 20,321 thousand, relating to indirect tax assets, including VAT and non-income taxes, which in the previous year was included under “Current tax assets”; and
- to “Other current liabilities” the amount of Euro 5,160 thousand, relating to indirect tax liabilities, including VAT and non-income taxes, which in the previous year was included under “Tax liabilities” (current).

This reclassification did not have any impact on the Consolidated Income Statement for the comparative period to June 30, 2023.

B.3.14. Equity

Consolidated equity at June 30, 2024 amounted to Euro 140,786 thousand (Euro 146,449 thousand at December 31, 2023). The movement in this item in the period mainly concerned the extraordinary reserve for the allocation of the 2023 result, the translation reserve, the post-employment benefit revaluation reserve, the purchase of treasury shares and the distribution of dividends. Dividends of Euro 0.7 million were distributed to the minorities by the subsidiary Ariafina, while dividends to shareholders of the parent company Elica Spa for Euro 3,166 thousand were approved, although not yet distributed, at June 30, 2024. For further details reference should be made to the Statement of changes in Consolidated Equity.
The movement in the translation reserve, with a positive balance of Euro 9.3 million, relates to the Mexican subsidiary Elicamex and the Polish subsidiary Elica Group Polska and, therefore, mainly to the performance of the Mexican Peso, US Dollar and of the Zloty against the Euro.

The Cash Flow Hedge reserve reduced as a combined effect of the of the valuation of derivative financial instruments, positive for the amount of Euro 55.4 thousand, and of the related tax effect, negative for the amount of Euro 55.5 thousand. This movement reflects the valuation of derivatives on commodities and the valuation of interest rate derivatives.
Elica launched on April 26, 2024 a new treasury share buy-back programm authorised by the Shareholders' Meeting of April 24, 2024, after having concluded in the previous three-year period the plans authorised respectively by the Shareholders' Meetings of April 2021, 2022 and 2023. In the first half of 2024 this phenomenon determined a reduction in Equity amounting Euro 0.8 million.
Non-controlling interest Equity at June 30, 2024 amounted to Euro 5 million (Euro 5.6 million at December 31, 2023). The movements in the account in the semester principally related to: an increase of Euro 670 thousand following the recording of the profit for the period, and a decrease of Euro 690 thousand 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	**6/30/2024**	**12/31/2023**	**Changes**
A.	**Cash and cash equivalents**	**60,253**	**39,403**	**20,850**
	Cash and cash equivalents	60,253	39,403	20,850
B.	**Other liquidity**			
C.	**Other current financial assets**	**0**	**0**	**0**
D.	**Liquidity (A+B+C)**	**60,253**	**39,403**	**20,850**
E.	**Current financial debt (including debt instruments but excluding the current portion of non-current financial debt)**	**14,142**	**4,240**	**9,902**
	Bank borrowings	10,000	0	10,000
	Lease liabilities (current)	4,142	4,240	(98)
F.	**Current portion of non-current financial debt**	**50,932**	**43,467**	**7,465**
	Mortgages	50,932	43,467	7,465
G.	**Current financial debt (E+F)**	**65,074**	**47,707**	**17,367**
H.	**NET CURRENT FINANCIAL DEBT (G-D)**	**4,821**	**8,304**	**(3,483)**
I.	**Non-current financial debt (excluding current portion and debt instruments)**	**51,317**	**45,180**	**6,137**
	Bank loans and borrowings (non current)	44,208	37,236	6,972
	Lease liabilities (non-current)	7,109	7,944	(835)
J.	**Debt instruments**			**0**
K.	**Trade payables and other non-current payables**	**1,000**	**1,000**	**0**
	Other payables for purchase of investments	1,000	1,000	0
L.	**Non-current financial debt (I+J+K)**	**52,317**	**46,180**	**6,137**
M.	**NET FINANCIAL DEBT (H+L)**	**57,138**	**54,484**	**2,654**

The Net Financial Position at June 30, 2024 (including IFRS 16 and the payables for the acquisition of derivatives) was a debt position of Euro 57.1 million and therefore, according to the Consob Communication, is defined as “net financial debt”. This parameter increased by Euro 2.6 million compared to December 2023.
The bank loans of the Parent Elica Spa 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.
The main loan was that signed on May 9, 2024 by Elica Spa with a syndicate of four banks - BNL BNP Paribas as coordinating bank and agent bank, Intesa Sanpaolo S.p.A. (IMI-CIB Division), BNL BNP Paribas, Crédit Agricole Italia S.p.A. and UniCredit S.p.A. as mandated lead arrangers. The medium-term cash line involves the issue of a maximum Euro 70 million, with final maturity of 5 years from the signing date. The loan was made available by the lending banks mainly to support medium/long-term needs, in addition to the investment plan for 2024 and 2025 of Elica S.p.A. and its subsidiaries, with several drawdowns by December 31, 2025 and deferred half-yearly instalments, with the first due on 09/05/2026, and a final balloon payment equal to 20% of the capital. The margin of the new credit line is 165 bps. Also for this loan the financial covenants stipulated in the loan contract regard 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.
At June 30, 2024, the covenants of the loans in place have been complied with and, on the basis of the information available and Management’s outlook, no elements are apparent to indicate that they shall not be complied with in the future.

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. For further information on how liquidity risk is monitored and interest rate hedges, reference should be made to paragraph B.3.18., “Risk management” of these notes.

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	Receivables	Payables/ IFRS16 Payables	Revenue	Costs
La Ceramica	-	(0)	-	(5)
Ermanno Casoli Foundation	-	(50)	-	(50)
Other related parties and natural persons	8	(25)	-	(9)
	8	**(75)**	-	**(64)**

B.3.17 Contingent liabilities

The Parent and its subsidiaries are not involved in administrative, judicial or arbitration proceedings that are underway or have been settled by means of a ruling or arbitration award issued in the last 12 months and which might have or might have had an effect on the financial situation or profitability of the Group, except for that indicated below.
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 provision recognised at June 30, 2024 to cover litigation risks and charges totalled Euro 3,878 thousand. For further details, reference should be made to paragraph B.3.10 of these Explanatory Notes.

In 2019, Elica S.p.A. 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. The assessment process has yet to proceed further for the other two subsequent relevant findings. The other findings have either been closed by the Company or are immaterial in amount.
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.
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 - through 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.
Following the appeal against the first-degree judgment, the Office filed an appeal – notified on February 27, 2023 – and the Company formally entered the case by submitting its counterarguments. We currently await a date for the hearing.
On May 8, 2023, the Office notified, via certified email, two tax assessments for IRES and IRAP, challenging a finding on the topic of transfer pricing for tax year 2017.
On May 31, 2023, the Company filed an IPEC petition for the use of losses to reduce the higher taxable income assessed.
The Company has contested the IRES and IRAP notices before the competent tax court of first instance in Ancona, and the respective hearings have been set for February 19 and 23, 2024.

On May 7, 2024, Sect. 1 of the Ancona Court of First Instance of Fiscal Justice filed ruling No. 244/2024, by which it upheld our Appeal on IRAP 2017 (hearing of 23/2/2024).

On May 13, 2024, Sect. 1 of the Ancona Court of First Instance of Fiscal Justice filed judgment No. 245/2024, whereby it upheld our Appeal on IRES 2017 (hearing of 19/2/2024). The Court ordered the Office to pay the costs of the proceedings, as well as tax and social security costs as required by law.

B.3.18 Risk management

B.3.18.1 Introduction

The Elica Group is exposed to various types of financial risks related to its operations, including market risks, mainly consisting of risks related to exchange rate and interest rate fluctuations, as well as the commodities risk in relation to the costs of the main raw materials, in addition to credit risk, relating in particular to changes in trade cash flows, and finally liquidity risk, with reference to the availability of financial resources to meet obligations related to financial liabilities.

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 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 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.

The following table breaks down the derivative instruments in place:

	6/30/2024		12/31/2023	
In Euro thousands	**Assets**	**Liabilities**	**Assets**	**Liabilities**
FX derivatives	351	306	243	92
Interest rate derivatives	1,154	0	1,940	0
Commodities derivatives	677	1	0	224
Derivative financial instruments	**2,182**	**307**	**2,183**	**316**
of which:				
Non-current	14	0	288	0
Current	2,168	307	1,895	316
Derivative financial instruments	**2,182**	**307**	**2,183**	**316**

Classification of the financial instruments

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 listed prices (non adjusted) 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 on the market. 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, 2024 and December 31, 2023 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.

The carrying value of the financial assets and liabilities outlined above is equal to or approximates their fair value.

For details on the net financial position, reference should be made to note B.3.15 of the notes.

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 process;
- 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), Canadian Dollar (CAD) and the Indian Rupee (INR).
The amount of currency risk, represented by the possible fluctuation of the value in Euro of the foreign currency position (or net foreign currency exposure), consisting of the result of invoices receivable issued, orders outstanding, invoices payable received, the balance of financing in foreign currencies and cash in foreign currency accounts, is set in advance by the Group's Management on the basis of the budget for the period and is hedged gradually during order acquisition process, to the extent that the orders correspond to the forecasts contained in the budget, or to the balances progressively emerging during the financial 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 Financial Risks Policy, approved by the Parent Company's Board of Directors, allows for the use of a range of advanced financial instruments to manage and hedge currency risk. In particular, the adoption of forward contracts (outright and currency swaps) and derivative instruments such as currency options are considered. These instruments make it possible to mitigate the impact of currency fluctuations on company results, ensuring greater financial stability and predictability of cash flows. The policy seeks to optimise currency risk management in line with best market practices, ensuring that all transactions are conducted in compliance with applicable regulations and in a transparent manner to protect the interests of the company's stakeholders. Moreover, the Group also centralises the management and monitoring of this exposure on its subsidiaries, for which the governance of 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, on the basis of the production budget for the period, prices and quantities are fixed on both channels described above, and from April 2024 this practice is also extended to electricity and gas for the group's Italian companies. 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 Group is exposed to fluctuations in interest rates with reference to the calculation of financial expenses in terms of the indebtedness to banks, but also to leasing companies for the acquisition of assets through finance leases. 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.
Despite the current general global instability and the restrictive monetary policy of the main central banks, the Group's debt is mainly fixed-rate and it is considered that current liquidity is adequate to cover all possible needs.

B.3.18.3 Credit risk

The credit risk (or insolvency risk) represents the exposure of the Elica Group to potential financial 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.
In order to limit this risk, the Group has put in place procedures for assessing the financial solidity of customers, for monitoring expected collection flows, for any recovery actions, and credit limits granted to customers are set and constantly monitored. The Group has also implemented first and second-tier credit risk hedging strategies, working with leading insurance agencies to ensure adequate protection. In addition, it utilises factoring through non-recourse agreements, so as to transfer credit risk and improve liquidity.
These measures significantly reduce the Group's exposure to the risk of customer insolvency, thereby protecting cash flows and ensuring more stable and secure financial management. The diversification of insurance coverage and the adoption

of factoring are an integral part of the Group's risk management policy, helping to maintain a solid financial position and ensure effective business continuity.
The carrying value of trade receivables, expressed net of write-downs for expected losses and insurance coverage, represents the maximum exposure to credit risk. Management constantly monitors the status of receivables and, in accordance with IFRS 9, and has adopted a forward-looking approach to account for the economic and market conditions and current and prospective uncertainties. For further information on how the doubtful provision is determined and the characteristics of overdue receivables, please refer to the comments in paragraph B.3.8 "Trade receivables and payables" of these notes.

B.3.18.4 Liquidity risk

Liquidity risk is the risk of the unavailability of the financial resources needed to meet financial and commercial obligations according to the due dates and conditions.
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.
The Group has adopted a centralised financial management strategy so as to optimise cash flows through the signing of Cash Pooling agreements with group companies.
The negotiation and management of banking relationships takes place centrally at Group level, also with a view to ensuring that short and medium-term financial needs are covered at the lowest possible cost. The raising of medium to long-term resources on the capital market is also optimised through centralised management.
Prudent management of the risk described above implies maintaining an adequate level of cash and/or short-term securities that can be easily settled. In addition, the amount of trade receivables and the terms on which they are settled contribute to the balance of working capital and, in particular, to covering trade payables.
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. This financial management strategy ensures that the Group can handle any liquidity challenges in an effective and timely manner, thus maintaining a solid financial position.

B.3.18.5 Climate Change Risk Analysis

In accordance with the suggestions published by ESMA, the Group has examined the impacts that Climate Change could generate on the business, taking into account, among others, physical risks, both of an "acute" nature and related to long-term changes, as well as risks related to the economic transition to a more sustainable economy. It has also considered the impacts that the Group may have on climate change.
The geographical location of the Group's assets is not particularly affected by the increasing risks of extreme physical events, as is that of the major players in its value chain. Nonetheless, the Group has drafted, and is continuing to develop, procedures for business continuity and adaptation solutions to mitigate these risks with the goal of having recovery strategies in place in the event of significant impacts on facilities, processes, or people, but also to respond to long-term climate risks.
We have also looked at the nature of the Group's businesses, i.e. the production and sale of range hoods and extractor hobs and of motors for home ventilation, finding no evidence that this economic activity would be considered to have a high impact on climate change. With regard to the production of motors, the Group obtained in January 2023 the international conformity certification for the use of hydrogen.

Already since 2023 Elica used energy from renewable sources certified with Guarantee of Origin at all its Italian sites and the Polish facility. There are also three photovoltaic plants operating at the Italian sites, enabling the Group to achieve an electricity mix consisting of 100% renewable energy. Also in terms of the carbon footprint, the Group prepared the first Organisation GHG Inventory in 2023, following the methodology of the ISO 14064-1 Standard and undertakes this activity annually

Regarding the assessment of the residual value and expected useful life of the Group's assets, climate-related issues that may impact the future use of these or their potential obsolescence as a result of changing consumer demand or changes in relevant regulations were examined at June 30, 2024.
The Group's production lines are used for wide ranges of article codes, given that we have no dedicated production lines. As a result, a need to change the energy ratings or type of materials of certain article codes does not result in an inability to use a given line in the future. This showed that the expected useful life of non-current assets and the residual values estimated in accordance with IAS 16 Property, Plant and Equipment is reasonable.
The recoverability of intangible assets recognised in the statement of financial position was analysed, noting no particular indicators of impairment and therefore confirming the expected useful life of these assets. In fact, the management of

climate change risk, which is resulting in changes in the energy classifications of household appliances and of their energy sources, will bring about the need to increase the efforts of our Research & Development unit, with an increase in intangible assets in the form of development costs and new patents. We cite, for example, the launch of a project that will guarantee the use of polymers containing up to 30% recycled materials (recovered from post-consumer and post-industrial circuits).

We consider also the process of removing obsolete products from inventory, a critical process (included among the company's top risks) that is subject to constant monitoring and on which the inventory obsolescence provision is based. Regulatory requirements related to energy conservation are considered in the process of assessing the recoverable value of inventories, with appropriate advance notice of the regulations coming into effect, as well as market expectations in terms of energy efficiency and the recyclability of products sold. In this regard, we have found our assessment of inventories to be reasonable.
The technical department of the Elica Group, in constantly monitoring changes in laws and regulations, reviews the energy labelling of the products. The characteristics that the Group's products must have in order to be placed on the market are, therefore, examined, based on the legislation in force and already issued and thus in force in the near future, but also of those currently still under discussion and possible future introduction.
An environmental assessment and monitoring process, aimed at continuous improvement, including on sensitive climate-related aspects, has been introduced to Group's production sites, and is based on reporting mechanisms and the roll out of efficiency programmes. For example, we analyse waste, which is first reused and recycled, rather than being sent to landfills.
Our organisational structure includes an energy manager, who is responsible for research into increasingly efficient energy solutions.

Finally, all information currently held at the legal department was considered to exclude the existence of contingent liabilities related to possible litigation, environmental damages, additional taxes or penalties related to environmental requirements, contracts that may become onerous, restructuring to achieve climate-related goals, or possible legal and regulatory restrictions on the future use of assets and sale of products. Therefore, it is considered that the risk of climate change does not give rise to the need to recognise additional contingent liabilities, although the Group reviews and monitors the related risks annually considering the importance of the topic.

Based on these considerations, in accordance with IAS 36 Impairment of Assets, the Group has assessed that there are no indications that non-financial assets have lost value due to climate risk or measures to implement the Paris Agreement. Also at CGU level, consistent with IAS 36, the Group periodically monitors the presence of impairment indicators, including those related to climate change risks (regulatory or consumption changes, changes in temperatures and rainfall, etc.), updating the scenario changes within the plan on which the impairment test is based.
Similarly, in accordance with IAS 13 Fair Value, the Group has assessed that there is no evidence that the assets or liabilities recognised in the financial statements will see changes in the determination of fair value.

It should be noted that following the publication on December 16, 2022 in the EU Official Journal of EU Directive 2022/2464 ("CSRD Directive") on corporate sustainability reporting ("Corporate Sustainability Reporting Directive") as part of the European Green Deal, the Group is required to apply this legislation as of January 1, 2024, and to include sustainability disclosures within the Annual Financial Report and no longer in a stand-alone document, represented until now by the Consolidated Non-Financial Statement. For this reason, the Group since 2023 has appointed an internal team that, with the support of a leading consultancy firm, is developing a path to comply with the requirements of EU Directive 2022/2464 ("CSRD Directive"), structured in three macro-phases (Overview - Gap Analysis - Compliance Actions) that will be completed by March 2025. It focuses, in particular, on the definition of systematic policies and processes for analysing, reporting and monitoring the data disclosed under the new directive and the ESRS developed by EFRAG. These work strands include, among others, the reporting and monitoring of the Group's carbon footprint, so as to support the strategy of a progressive reduction of emissions in line with the 2050 target set by the European Green Deal, the implementation of Human Rights Due Diligence processes and the analysis and assessment of physical and transitional climate risks.

B.3.18.6 Geopolitical risk[7]

In 2023 and 2024, the current economic environment has been affected by significant volatility in commodity prices, high inflation, rising interest rates, and increases in the cost of energy, caused mainly by geopolitical instability factors such as the Russia-Ukraine War since February 2022 or the more recent conflict in Gaza and Israel. Finally, uncertainty upon the macroeconomic environment is increasing

[7] Data sources: International Monetary Fund, World Economic Outlook.

due to the significant shifts in economic policy triggered by this year's European elections, with negative repercussions not only in Europe but also in the rest of the world.

These changes entail risks of insufficient fiscal regulation and thus of worsening debt dynamics, negatively affecting long-term yields and increasing protectionism. In light of this, some short-term risks have emerged, among them the risk of rising inflation stemming from a lack of progress in services disinflation and price pressures from new trade or geopolitical tensions. The escalation of trade tensions, in fact, by increasing the risk of rising inflation, could lead to an increase in the cost of imported goods throughout the supply chain and to high interest rates for an even longer period, which in turn increases external, fiscal and financial risks.

Given that the Elica Group currently operates in Russia through its wholly-owned subsidiary Elica Trading LLC, which distributes the Group's products in Russia, it has been monitoring for some time the development of the geopolitical situation caused by the war in Ukraine, continuing to assess the potential risks that could affect its operations.

Although the Elica Group's business in the affected area is however limited, given that Russian market revenue accounts for approx. 1.8% 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 H1 2024 volumes and margins remained in line with forecasts on operations that were in line with past years. The Russian trading company does not hold significant fixed assets, thus minimising the risk to the Group of the misappropriation or devaluation of its 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 & Remuneration 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.
Regarding the conflict in Gaza and Israel, the Group is monitoring and assessing the potential risks on the business as the situation in the region could deteriorate further. Continued attacks in the Red Sea - like the ongoing war in Ukraine or the other macroeconomic and geopolitical discussed above - risk generating new supply shocks, with possible fresh cost hikes in energy and transportation, but also thereafter in raw materials. Container shipping costs have already risen sharply, and as long as the situation in the Middle East remains volatile and geoeconomic fragmentation grows, the cross-border flow of raw materials and transportation may see further price volatility.

In this regard, the Group has prepared a three-year business plan that incorporates the Group Management's best forecast of the above macroeconomic factors and all currently available information. In addition, the plan is accompanied by an industrial stress test that shows how the elements of uncertainty set out above may impact the Group's projected operating performance. To represent these scenarios, the financial indicators, including the alternative indicators considered most relevant, i.e. Group EBITDA and the cost of raw materials, were considered.

From the analyses carried out, in accordance with IAS 1.25 and 1.26, the Group in preparing these financial statements has taken into account the existing and expected effects of the current macroeconomic and geopolitical uncertainties on its business by finding no events or circumstances which, taken individually or as a whole, may cast significant doubt on the company's ability to continue as a going concern.

B.3.19 Significant events in H1 2024

For further details, reference should be made to the Half-Year Financial Report.

B.3.20 Subsequent events after the period end

No subsequent events are reported.

B.3.21 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.3.22 Significant non-recurring events and operations

In the first half of 2024, no significant non-recurring operations were undertaken by the Elica Group.

Fabriano, July 30, 2024

For the Executive Chairperson
Francesco Casoli

The Chief Executive Officer
Giulio Cocci

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:

- correspond 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 30, 2024

The Chief Executive Officer
Giulio Cocci

Corporate Financial
Reporting Manager
Emilio Silvi

Elica S.p.A.

Review report on the interim condensed consolidated financial statements as of June 30, 2024

(Translation from the original Italian text)

EY S.p.A.
Via Thomas Edison, 4/6
60027 Osimo (AN)

Tel: +39 071 7108676
Fax: +39 071 7108471
ey.com

Review report on the interim condensed consolidated financial statements

(Translation from the original Italian text)

To the Shareholders of
Elica S.p.A.

Introduction

We have reviewed the interim condensed consolidated financial statements, comprising the consolidated statement of financial position, the consolidated income statement, the consolidated statement of comprehensive income, the statement of changes in consolidated equity and the consolidated statement of cash flows and the related notes of Elica S.p.A. and its subsidiaries (the "Elica Group") as June 30, 2024. The Directors of Elica S.p.A. are responsible for the preparation of the interim condensed consolidated financial statements in conformity with the International Financial Reporting Standard applicable to interim financial reporting (IAS 34) as adopted by the European Union. Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

Scope of Review

We conducted our review in accordance with review standards recommended by Consob (the Italian Stock Exchange Regulatory Agency) in its Resolution no. 10867 of 31 July 1997. A review of interim condensed consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and 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 interim condensed consolidated financial statements.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim condensed consolidated financial statements of Elica Group as of June 30, 2024 are not prepared, in all material respects, in conformity with the International Financial Reporting Standard applicable to interim financial reporting (IAS 34) as adopted by the European Union.

Other matters

The consolidated financial statements for the year ended December 31, 2023 and the interim condensed consolidated financial statements for the half-year period ended June 30, 2023 have been respectively audited and reviewed by another auditor who expressed an unqualified opinion on the consolidated financial statements on March 27, 2024, and expressed an unqualified conclusion on the interim condensed consolidated financial statements on July 28, 2023.

Ancona, July 31, 2024

EY S.p.A.
Roberta Ciocci
(Auditor)

This report has been translated into the English language solely for the convenience of international readers.