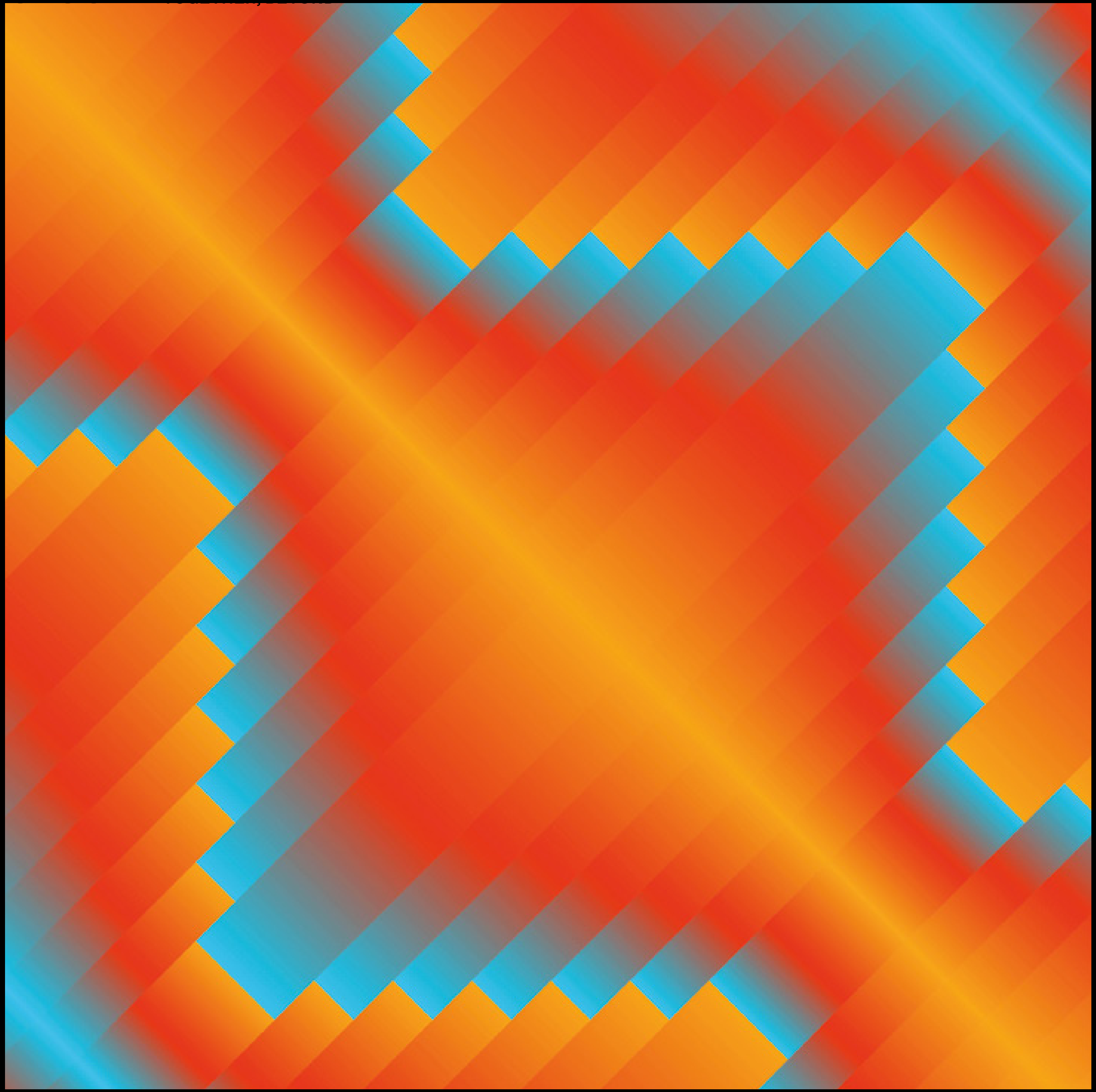
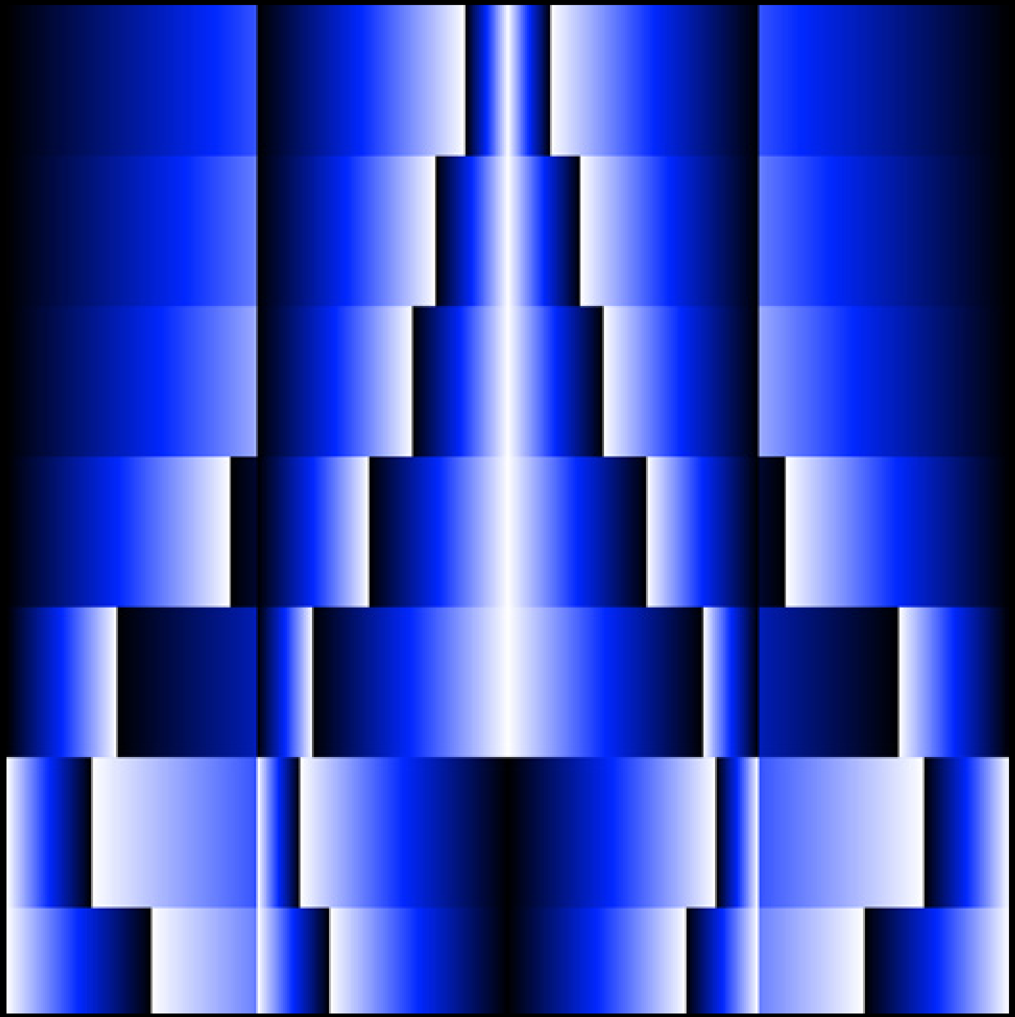


TOGETHER, BEYOND.

2024 INTEGRATED ANNUAL REPORT

elica

Index. 2024 Integrated Annual Report.



Intro.

Index.
Intro.

Together, Beyond.

Looking to the future, together. Side-by-side, overcoming challenges. United, going ever further, imagining evolved solutions.

More than ever before, Elica today is a leading player in a transformation journey that involves everyone - the company, suppliers, partners, customers and local communities - in the quest for something bigger every day as we seek to achieve our goals and create value for all stakeholders. This is a global shift that involves strategies, products, acquisitions, new opportunities, and the continued integration of our sustainability work into our growth path.

Together, for a responsible and innovative future.

1. Message to the Stakeholders.

Dear Stakeholders,

For Elica, 2024 marked the beginning of a strategic journey in evolution: from leaders in aspiration to protagonists in the global Cooking market.

This ambitious goal found form in major product innovations, the launch of a revolutionary product such as the LHOV, a new Brand Identity, and a significant increase in marketing and communications investments to support the transformation.

Despite the challenging market environment of recent years, which has seen negative demand, high inflation, and geopolitical uncertainties, Elica has been able to react quickly, anticipating change and reorganising to best meet the challenges ahead. Today, we are beginning to reap the first fruits of this journey: our new cooking products feature in the catalogues of leading Italian and European kitchen suppliers, while we have continued to consolidate our leadership in extractor systems and electric motors.

Nor does our mid-term project end there. We are developing new distribution opportunities both in Europe - as evidenced by our acquisition of a Dutch distributor - and in North America, where our direct distribution control has been strengthened through the acquisition of AG in Canada and the establishment of SEA International on the United States' east coast.

All of this was made possible by ensuring a robust financial position compared to last year, achieved through effective management of net working capital and the successful agreement to sell 75% of our Indian shareholding. The latter transaction will guarantee us Elica brand-use royalties that will increase over time.

Looking forward, demand is expected to remain weak in 2025, but we will continue to invest in our Transformation project - involving distribution opportunities in both Europe and North America and strategic positioning in Cooking - confident in the belief that this is the right direction. Our customers' interest in the distribution of LHOV is a significant confirmation of this.

Meanwhile, our Motors division will continue to play a strategic role in the Group's growth, seizing the opportunities offered by the energy transition and the development of new solutions that can be applied in other segments.

Finally, our financial and non-financial results have for the first time been consolidated into a single document, testifying to the continued integration of ESG issues into our business strategy. This is another step forwards in the sustainability journey we began in 2016, demonstrating our concrete commitment to a future that is both more responsible and more innovative.

Thank you also to all of you, our Shareholders and Stakeholders, for your trust and continued support.

Francesco Casoli | Chairperson
Giulio Cocci | Chief Executive Officer

2. Highlights.

Elica is a pioneering manufacturer of kitchen extractor systems, cooktops, ovens and wine coolers that feature distinctive design and innovative functionality.
We are the global leader in extractor range hoods and the European benchmark in electric motors for home appliances and boilers.

452.1 mln
Revenue 2024

31.4 mln
EBITDA

8.1 mln
Normalised EBIT

~2,600
Employees

47.3%
Women

2 Business Units

COOKING

MOTORS

7 factories
on 3 continents

ITALY, POLAND, MEXICO, CHINA

836
Patents

416
relating to cutting-edge technologies

420
relating to new design solutions

3. Our history: 50 years and more of Elica.

GLOBAL LEADER
IN KITCHEN EXTRACTOR SYSTEMS

In 1970, Ermanno Casoli founded Elica, spurred on by an outside-the-box vision and a dream: to improve people's quality of life.

Today, Elica is determined to follow its history, innovating, improving and enriching both the future and the consumer experience.

A decade of choices that have shaped Elica's strategy

DEVELOPMENT OF AN OWN BRAND

From OEM manufacturer to a strategy to develop ELICA's own brand.

LEADERSHIP IN EUROPE

Elica brand leads the European Market, thanks to the development of a direct business strategy and establishment of commercial legal entities.

ENTRY INTO THE EXTRACTOR HOB MARKET

Launch of the NikolaTesla, which will go on to win the first "*Compasso d'Oro*" for the Group.

PROFITABILITY TURNAROUND

Profitability turnaround process to rebalance the European production footprint, reduce complexity, improve the Group's financial profile.

COOKING TRANSFORMATION

From a leading extractor company to a major player in the cooking world, thanks to an expansion in the product range: induction cooktops, ovens, and wine coolers.

ACQUISITION OF EMC

Acquisition of motors company EMC, becoming a leader in the ventilation segment.

"BOOTS ON THE GROUND"

Project launched in USA and Canada with the acquisition of direct distribution.

MOTORS DIVISION GROWTH

Product development for new solutions, leveraging channel leadership and technical expertise.

4. International expansion.

ITALIAN HEART, INTERNATIONAL PRESENCE

Our role on the international market has grown over the years, and today we are an international player in cooking appliances, a global leader in kitchen extractor systems and a European benchmark in motors for home appliances and boilers.

■ DIRECT PRESENCE
□ PRODUCTION NETWORK

ITALY

ELICA S.P.A.
■ FABRIANO
■ MERGO

EMC FIME S.R.L.
CASTELFIDARDO

AIR FORCE S.P.A.
CERRETO D'ESI

GERMANY

ELICA GMBH
MUNICH

FRANCE

ELICA FRANCE S.A.S.U.
PARIS

SPAIN

ELICA S.P.A.
BARCELONA

NETHERLANDS

ELICA NEDERLAND
HAREN

POLAND

ELICA GROUP POLSKA SP.Z.O.O
JELCZ-LASKOWICE

MEXICO

ELICAMEX S.A. DE C.V.
QUERÉTARO

RUSSIA

ELICA TRADING LLC
ST. PETERSBURG

CANADA

A.G. INTERNATIONAL INC.
MONTREAL, QUÉBEC

JAPAN

ARIAFINA CO. LTD.
SAGAMIHARA-SHI

CHINA

ELICA HOME APPLIANCES (ZHEJIANG) CO., LTD
SHENGZHOU

USA

ELICA INC.
ISSAQUAH, WASHINGTON

SOUTHEAST APPLIANCE, INC.
NEW CASTLE, DELAWARE

FOCUS ON

GROWTH STRATEGY IN NORTH AMERICA, CANADA AND EUROPE THROUGH DIRECT CONTROL

“Our plans are geared towards the long term: we are laying the groundwork for future growth both in terms of extending our product range and expanding into high-potential markets such as North America and Canada.”

Giulio Cocci, Elica CEO

Direct control of distribution channels also drives growth and expansion. As such, since 2023 Elica has directly managed distribution in Canada (thanks to the acquisition of AG International) and in the United States, following the establishment of Southeast Appliances Inc. The latter is designed to serve as the sole distributor of Elica brands and expand the product offering to include other brands and complementary products in the cooking segment.

The new distribution strategy, expanded product range, and existing partnerships drove sales in North America from Euro 5.7 million in 2019 to Euro 20 million in 2024 (+36% vs. FY 2023).

On the European market, December 2024 saw the acquisition of aXiair, a Dutch extractor system distributor with more than 20 years of industry experience. The new location in Haren (Groningen) is a key step in continuing to strengthen our European presence, consolidating our role as a preferred partner for kitchen specialists and a point of reference for the entire Dutch market.

“The Netherlands represents the second largest European sales market in the extractor hob segment, and having our own organisation puts us ever closer to our customers and enables us to support them in their growth paths.”

Luca Barboni, Managing Director Cooking Division

5.Cooking and Motors: two synergistic divisions.

We are a leader in innovation and design, with strategic positioning developed through two synergistic business units: Cooking and Motors.

This dual soul allows Elica to harness cross-sectoral expertise, create innovation, and ensure competitive advantage by offering increasingly efficient, integrated, and future-oriented products.

Cooking Division

Revolutionising the traditional image of kitchen hoods: no longer seen as simple accessory but as design objects which improve quality of life.

Elica designs, produces and sells range hoods, extractor hobs, cooktops, ovens and wine coolers, under both its own brand and for leading international brands.

COOKING DIVISION

78% of total 2024 revenues

of which

61% own brands

39% third-party brands

FOCUS ON

ELICA'S TRANSFORMATION INTO A COOKING COMPANY TO SUPPORT MARKET SHARE GROWTH

In 2024 Elica launched an ambitious strategy and a clear mission: **to preside over the global cooking market as a leading player.** The launch and consolidation of this evolution was supported by major product innovations, a new brand identity, and an **investment of over Euro 40 million in 3 years.**

"For 50 years we have been dedicated to extractor systems, earning the trust of customers and stakeholders. Since 2016, we have expanded our business to the world of cooking, paving the way for continuous innovation that today takes the form of new strategies and increasingly advanced products."

Francesco Casoli, Chairperson of Elica

Elica marked its entry into this new market category with the presentation of: **LHOV**, the ultimate expression of the '3-in-1' revolution in modern kitchens. LHOV is a single appliance that, for the first time, brings together the cooktop, range hood and oven. By doing so, it creates an entirely new product category that is compact, powerful and automated and which fully expresses the Group's long-standing drive for innovation.

"This product represents another step forwards in our growth in the Cooking segment. Building on the success of NikolaTesla, it forms part of a targeted strategy which, thanks to our strong relationships with distributors and kitchen professionals, allows us to consolidate Elica's global positioning."

Giulio Cocci, Elica CEO

The Cooking segment will be driven by the expansion of the premium range through an extended large kitchen appliances sector range.

LHOV fits perfectly into the Group's strategic path, which focuses on **growing its own-brand and top-of-the-range products.** The launch of LHOV has, in fact, enabled an expansion of the products offered through an already successful sales and distribution network throughout Europe and in America and Canada, thanks to the recent acquisition of direct distribution companies ("boots on the ground" project).

Motors Division

EMC FIME

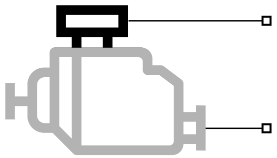
Offering innovative, efficient and sustainable solutions to lead the energy transition in the world of heating and ventilation.

Elica designs, manufactures and sells electric motors for the heating, ventilation and home appliance markets through its subsidiary EMC FIME, a leading European company with more than 40 years of experience.

MOTORS DIVISION

22%
of total 2024 revenues

PRODUCTION



17% **for the Group's captive products**

83% **for external customers**

FOCUS ON

INNOVATION FOR SUSTAINABLE GROWTH IN HEATING, VENTILATION, AND AIR CONDITIONING (HVAC)

“The increased critical mass acquired through the integration of EMC is a further step on our journey to having a more profitable and efficient supply chain, but also for the development of a business that grows responsibly.

Electric motors today play a key role in many industrial sectors: with this in mind, we are not only hoping for a more sustainable future, we are actually building it.”

Giulio Cocci, Elica CEO

For Elica, constant investment in the development of the electric motors division and the adoption of hydrogen systems to reduce environmental impact constitute a sustainable growth lever. This strategy allows business to be diversified, strengthens the company’s resilience, and responds to the growing demand for energy efficiency and emission reduction.

This expansion means that Elica is no longer simply a leader in range hoods, but also a key, active player in the energy transition of the HVAC (Heating, Ventilation, and Air Conditioning) sector. The company is seeking to expand its heat pumps customer base by engaging major players in the heating industry and expanding its product range, with the goal of further increasing its market share.

6. Expansion through targeted and synergistic M&A

Elica continues on its path to growth with a clear and focused strategy in the Cooking and Motors sector, which includes potential strategic M&A transactions to accelerate growth.

Specifically:

COOKING DIVISION

- Expansion of product range to support cooking transformation or - for motors - to enter new segments.
- Continuation of the strategy to acquire direct distribution in EMEA and the Americas.

Elica continues to build its future through potential strategic **M&A** transactions, investment in **innovation**, and expansion of its presence in **high-potential markets.**

TRANSFORMATION AND SUSTAINABLE GROWTH

Having successfully completed a profitability turnaround process (2021-2023) that enabled it to cope with a particularly challenging market environment, Elica is now leading a phase of business transformation, laying the foundations for long-term sustainable growth.

PROFITABILITY TURNAROUND

2021-2023

FOCUS

COST REDUCTION
Change the Profitability profile of Elica Group

ACTIONS

- EU Footprint rebalance
- HC & Opex SG&A resizing
- SG&A optimization
- Operations Decomplexity
- Unprofitability business line cut
- Business Model 2 Divisions
- M&A (EMC)
- Cash management optimization

DRIVING TRANSFORMATION

2024-2026

FOCUS

BUSINESS TRANSFORMATION
Building Long-Term Growth Fundamentals

ACTIONS

- Extraordinary Cooking
- Enlarged Built-in Range
- LHOV Distribution
- Boots on the Ground (EU & NA)
- Motor Division development in new Channels/Product Lines
- Cash generation to sustain the journey

ACCELERATING GROWTH

2027-2030

FOCUS

GROWTH
Exploit Opportunities & Value Creation

ACTIONS

- Brand Positioning
- Enlarged Product Range
- Wider Distribution Network
- Customer Base Growth
- Scalable Innovation
- Available Production Capacity
- Debt Free

OUR TRANSFORMATION IS SHAPED THROUGH OUR PEOPLE: FROM THEIR TALENTS COME PROCESSES THAT BECOME INNOVATION, AND INNOVATION BECOMES TRANSFORMATION

7. People-centred in all we do.

Our employees.
Our designers, researchers, engineers.
Our executives, our skilled workers.
Our collaborators and suppliers.
And our customers.

Everything we do is centred on the human being, with home appliances capable of bringing the best performance to every kitchen, and through commitments that involve action, choices and goals that make our journey a human one before a professional one.

F
E C

FEC
Established in 2007, the Fondazione Ermanno Casoli (FEC) promotes activities to use contemporary art as an educational and methodological tool to inspire innovative processes in work environments. A pioneer in investigating the potential of interplay between art and business, FEC has become an Italian model for corporate training, with art activities targeting employees and their families.

Every year, art enters the company with scheduled, award-winning and internationally recognised events. There are two main activities: E-straordinario, a series of workshops that place the artist at the centre of the educational process, and the Ermanno Casoli Award, given to artists who demonstrate particular sensitivity to social issues and shared work. Since 2013, these two projects have been joined by "E-straordinario for Kids", which is aimed at employees' children.

All these activities include workshops that see internationally renowned artists working together with employees to create works of art that remain with the company. This special collection was included in the volume "Global Corporate Collection" (2015), dedicated to the 100 finest corporate art collections in the world, and in the Confindustria-sponsored publication *"Il segno dell'arte nelle imprese. Le collezioni corporate italiane per l'arte moderna e contemporanea"* ("The mark of art in business. Italian corporate collections of modern and contemporary art") (2024).

Elica Group

A. 2024 DIRECTORS' REPORT

Index.
A. 2024 Directors' Report

A.1. The Elica Group today

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 seven plants, including in Italy, Poland, Mexico and China and employs approx. 2,600 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.

A.2. 2024 Economic overview and Outlook for 2025[1]

A.2.1. International developments

With regard to 2024, the latest World Bank reports[2] indicate that global economic growth remains moderate against a backdrop in which the world's economy is faced with an uneven recovery and a series of structural challenges.
After the post-pandemic rebound of 2021, global growth slowed in 2022 and 2023, and the outlook is more reserved than for previous years, although it remains positive. The is a combination of factors underlying this slowdown, including high inflation, interest-rate hikes by central banks to combat the inflation, persistent geopolitical instability (especially the war in Ukraine and in the Middle East), and the difficulty for emerging markets to support strong growth due to the slowing of demand and to domestic vulnerabilities.
The economic slowdown is not uniform. More advanced economies, such as in the United States, Europe, and Japan, have seen slower growth than in emerging nations, given that ongoing inflation and rising finance costs have held back the recovery by significantly slowing both consumption and investment. Although economic activity remains robust in the United States, it is losing strength in other advanced economies. Growth has remained limited in the euro area (with Germany posting performance levels below those of other countries in the area), largely reflecting the persistent weakness of manufacturing and exports, although consumption has increased in line with the rise of real earnings. In China, the crisis of the real estate market is continuing to weigh on domestic demand.
Emerging nations have reported stronger growth, particularly where natural resources are key or where they have been able to diversity their economies, but the challenges surrounding debt, the scarcity of capital, the weakness of the labour market, and a dependence on raw material exports have limited their growth potential.

One of the central themes of 2024 was that of controlling inflation, which remains high in many advanced and emerging economies. It has settled at around 2% in the euro area on essential stability of the base component, thanks in part to declining energy prices in the latter months of 2024, which again helped to keep the consumer price index below 2%.[3]

[1]Data sources: International Monetary Fund, *World Economic Outlook*, January 2025. World Bank, *Global Economic Prospects*, January 2025. Bank of Italy *Economic Bulletin no. 1, 2025*.
[2] World Bank*, Global Economic Prospects,* June 2024.
3 Bank of Italy *Economic Bulletin no. 1, 2025*.

Central banks, particularly in the United States and Europe, have maintained their tight monetary policies and have been slow to lower interest rates from the high levels reached in an effort to limit the inflationary pressures of recent years. Despite the slowing inflation and the fact that global lending conditions loosened slightly from mid-2024, high long-term rates could continue to weigh on economic growth, especially in some of the most vulnerable sectors.

Fiscal policy appears to have remained essentially neutral for global growth in 2024, with the fiscal consolidation schemes previously planned in a number of leading economies being postponed.

Interruptions in the supply chain, which had worsened during the COVID-19 pandemic and, more recently, in response to geopolitical tensions in Ukraine and along the Red Sea region, have continued to have an impact on economic growth in 2024. Nonetheless, with the loosening of certain restrictions and the gradual ability of businesses to adapt, supply chains are slowly returning to normal but remain highly vulnerable to geopolitical fluctuations and economic shocks.

The prices of oil and of natural gas have slowly increased since last autumn after the sharp oscillations due to factors related to both supply and demand. Aggregate prices of raw materials, on the other hand, decreased by approximately 3% in 2024. Prices of base metals (excluding iron) increased by 6% in 2024, driven by aluminium and copper and due mainly to the continuing tightness of supply. The price of iron ore fell by 10%, reflecting abundant supplies and weaker demand for steel, particularly in China's real estate market.

Climate change, too, with its economic implications, emerged as one of the most urgent challenges of 2024. The devastating effects of extreme weather events, including drought, flooding, and hurricanes, continue to be a threat to global economic stability. The transition to a low-emission green economy is a crucial objective for the coming years and will require the promotion of policies of both adaptation and mitigation to reduce the impact of climate change and, consequently, major investments in renewable technologies and resilient infrastructures.

With regard to the short-term outlook[4], international tensions and uncertainty surrounding the economic policies that will be put in place by the new administration in the United States will continue to weigh on the global economy, but, on the whole, the moderate growth that characterised 2024 is expected to remain stable. In fact, as inflation nears targets and monetary policies are loosened

[4] World Bank*, Global Economic Prospects,* January 2025.

to support economic activity in both advanced and emerging economies, the economic landscape has become slightly more favourable since last June. Short-term forecasts point to annual growth of 2.7% over the period 2025-2026 (3.3% in both 2025 and 2026 according to the WEO[5] and OECD[6], although this is below the 2000–2019 average of 3.7%), a lowering of inflation to 4.2% in 2025 and to 3.5% in 2026 (potentially reaching its lowest level since its peak in 2022), and a strengthening of investment and of trade in goods and services (3.2% in 2025, up from 2.8% in 2024), in line with the expected trend in global GDP.
Prices of raw materials are expected to continue declining through 2025, especially energy, which should decrease by 2.6%. Conversely, non-energy raw materials are expected to see price increases of 2.5%. Base metals are expected to remain largely stable for 2025-2026, in line with the constant global growth, while the prices of precious metals will remain high, held up by growing geopolitical tensions. Generally speaking, most of these prices should remain above pre-pandemic levels, thereby supporting economic activity in many nations that export these raw materials.

Despite the above, the outlook for growth would appear to be insufficient to offset the damage caused to the global economy by several consecutive years of shocks, which have hit the more vulnerable nations particularly hard.
The outlook on international trade could be adversely impacted by both the heightening geopolitical tensions and the announced tightening of U.S. trade policy, and fiscal policy could prove to be moderately restrictive so as to enable governments to realign spending and revenues, thereby putting additional pressure on growth over the short term. Finally, a stronger U.S. dollar against the other leading currencies, including the euro, brought about by differences in interest rates and by tariffs, among other factors, could alter the flow of capital and global balances, thereby complicating macroeconomic compromise.

With regard to manufacturing, it should be noted that, in the fourth quarter of 2024, particularly in Italy and the rest of the euro area, economic activity was impacted by ongoing lacklustre performance. In Italy, for example, the boost given to construction by the works under the national recovery and resiliency plan was offset by a downturn in the residential segment. Internal demand is being held back by a deceleration of consumer spending and by the continuing unfavourable conditions for investment and saving. The economic recession, the reduction in consumer spending, and the decline of the real estate market have had a negative impact on demand for household appliances. According to Bank of Italy projections within the scope of the coordinated activities of the Eurosystem, growth is expected to accelerate in 2025, reaching around 1% on average over the period 2025-2027. Although there

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[5] International Monetary Fund, *World Economic Outlook*, January 2025.

[6] Bank of Italy *Economic Bulletin no. 1, 2025*.

remains modest demand for credit and a weakness in investment in the business world, growth in private-sector wages and salaries would appear to remain strong, contributing to the gradual recovery in consumer purchasing power. We are also seeing a gradual recovery in long-term lending to consumers.

A.2.2 The market for extractor systems and motors

Global demand in the target market of the Elica Group closed 2024 with a further drop in volumes compared to 2023.
Beginning with Cooking, which accounts for 78% of the Group's total sales, after decreasing by some 8% in 2023, the European market for kitchen hoods saw a further drop of 2%, with markets such as France and Italy experiencing sharper-than-average declines of 8% and 4%, respectively.
The American market, too, showed no signs of recovery, with the United States in particular posting a further decline in volumes of around 2%.
The market for aspirating hobs, on the other hand, posted growth of 8% over the previous year, but this is a category where volumes are much lower than those of the kitchen hoods market.
The market landscape in 2024, with continuing high levels of inflation and a scarce propensity for consumer spending, again saw a strong impulse in marketing and increasingly aggressive competition, which had a negative impact on average market prices.
The Heating market, a core part of our Motors division, did not see a recovery from 2023 in which the market had already contracted 8%. It in fact lost an additional 12.5% in 2024, still affected by the slowdown in residential demand and the legislative uncertainty surrounding the energy transition.
In just two years, we have seen a drop of some 1 million units of gas boilers, while the market for heat pumps shed 30% in 2024.
In this environment, the Group remained focused on growing market share thanks to new projects and customers and the success of the distribution strategy introduced in North America and Canada for own brands.
For 2025, the market outlook is for yet another complicated year, with the first half remaining slightly negative and the second half seeing a recovery with the start of new construction, driven by a reduction in interest rates and improving consumer confidence. Therefore, on the whole, the market is expected to remain stable compared to the prior year.

A.3. Currency markets

In 2024, the Euro at average exchange rates depreciated against the Polish zloty, while appreciating against all other currencies.

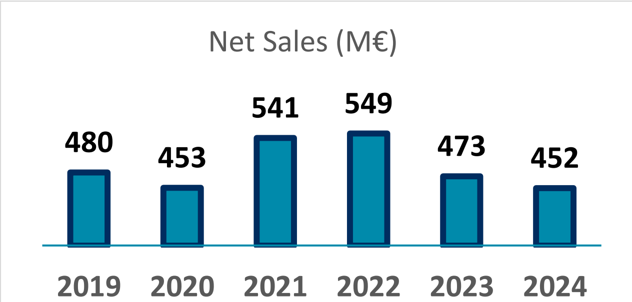
	Average 2024	Average 2023		12/31/2024	12/31/2023	
EUR	1.00	1.00	0.00%	1.00	1.00	0.00%
USD	1.08	1.08	0.00%	1.04	1.11	(6.31%)
PLN	4.31	4.54	(5.07%)	4.28	4.34	(1.38%)
RUB	100.79	92.52	8.94%	114.80	97.81	17.37%
CNY	7.79	7.66	1.70%	7.58	7.85	(3.44%)
MXN	19.83	19.18	3.39%	21.55	18.72	15.12%
CAD	1.48	1.46	1.37%	1.49	1.46	2.05%
JPY	163.85	151.99	7.80%	163.06	156.33	4.30%

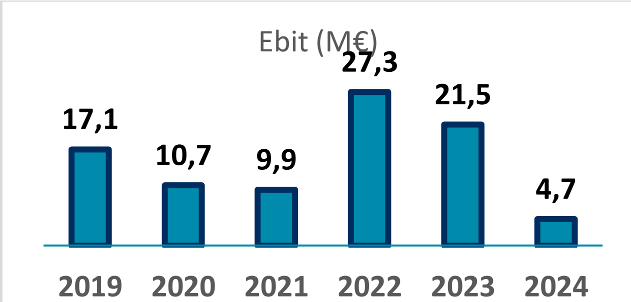
Source: ECB data

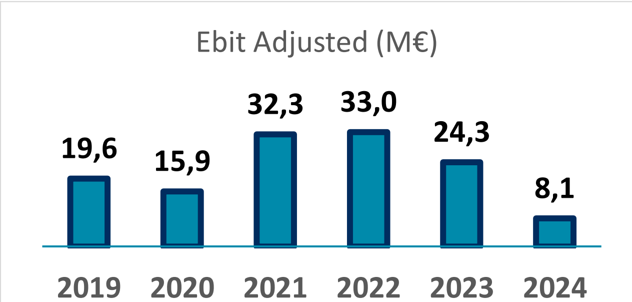
** In the absence of an official ECB rate, the EUR-RUB exchange rate is calculated by converting from EUR to CNY (Source: ECB) and then from CNY to RUB (Source: PBOC).*

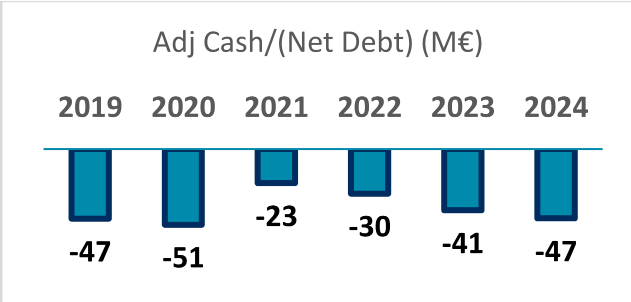
A.4. The Elica Group: Operating results and performance

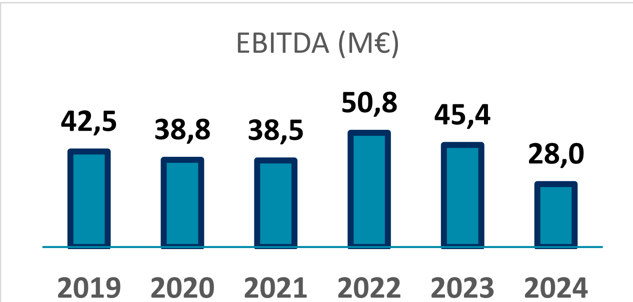
A.4.1. Financial highlights

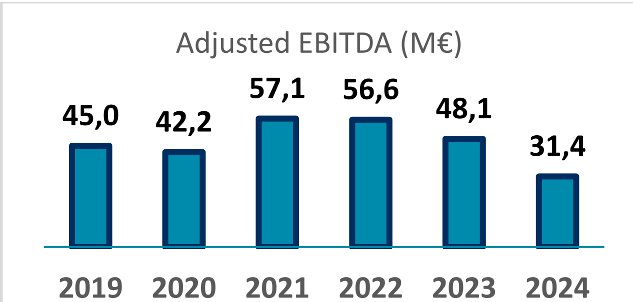












A.4.2. The Elica Group: Financial results and performance

A.4.2.1. Elica Group Operating Performance[7]

In Euro thousands	**2024**	**% revenue**	**2023**	**% revenue**	**Changes %**
Revenue	452,092		473,204		-4.5%
Adjusted EBITDA	**31,418**	**6.9%**	**48,058**	**10.2%**	**-34.6%**
EBITDA	27,979	6.2%	45,388	9.6%	-38.4%
Adjusted EBIT	**8,111**	**1.8%**	**24,264**	**5.1%**	**-66.6%**
EBIT	4,672	1.0%	21,523	4.5%	-78.3%
Net financial expense	2,864	0.6%	(6,380)	-1.3%	144.9%
Income taxes	1,790	0.4%	(3,872)	-0.8%	146.2%
Profit from continuing operations	9,326	2.1%	11,271	2.4%	-17.3%
Adjusted profit for the year	**2,594**	**0.6%**	**13,371**	**2.8%**	**-80.6%**
Profit for the year	9,326	2.1%	11,271	2.4%	-17.3%
Adjusted profit attributable to the owners of the parent	**1,135**	**0.3%**	**11,875**	**2.5%**	**-90.4%**
Profit attributable to the owners of the parent	7,868	1.7%	9,775	2.1%	-19.5%
Basic earnings per Share (Euro/cents) at closing date	13.23		15.71		-15.8%
Diluted earnings per Share (Euro/cents) at reporting date	13.23		15.71		-15.8%

Elica reports consolidated revenue of Euro 452.1 million for 2024, down 4.5% from 2023 (-4.1% at constant exchange rates and scope), but improving compared to the previous quarter. This slight improvement is due mainly to growth in North America, lead by the success of the new distribution strategy, and to the progress made in the OEM channel in the EMEA region. Q4 revenue was Euro 110.5 million, in line with the same period of 2023 (-2.2%, -1.8% at constant exchange rates and scope).

[7] 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 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). Please refer to section A.5.2.3. for both the definition of alternative performance indicators used in this Financial Report and their reconciliations with the consolidated financial statements items.

The year-on-year decrease in sales is due to the persistent decline in demand, mainly stemming from the uncertainty generated by the economic slowdown, worsened by the high cost of money and the ongoing geopolitical tensions. This situation has significantly impacted both the Cooking and Motor segments.

The Cooking division, which accounts for approx. 78% of total revenue, reports a contraction of 3.4% (2.9% at constant exchange rates and scope), in line with market trends. In fact, continued weak market demand, particularly in the EMEA region, together with significant promotional activity and reduced consumer purchasing power, has led to a declining price mix, and a consequent reduction of the average sales price. This trend has been partially offset by an increase in sales via the OEM channel, which posted an increase of 1.4% over 2023, and by 3.3% growth in North America (3.9% at constant exchange rates and scope) compared to 2023 as a result of the new distribution strategy implemented in the region. Own brands revenue in the year accounted for 59%, compared to 61% for Cooking revenue.

The Motors division, which accounts for 22% of total revenue, contracted by 7.9% (8.0% at constant exchange rates and scope). Although the trend in sales is due to the significant slowdown in the heating sector that began last year, the reduction in revenue was less than the market average, which remains negative in the heating segment due to changing legislation for incentives and to the lack of clarity on European legislation regarding the energy transition. This has resulted in a recovery in market share in Europe.

Adjusted EBITDA amounts to Euro 31.4 million (Euro 48.1 million in 2023) for a margin of 7.0%. This is slightly lower than the 10.2% margin of the previous year despite a market landscape that continues to be characterised by intensive promotional efforts. Margins are also affected by costs incurred to support growth, in product development and the Cooking transformation project.
Adjusted EBIT amounts to Euro 8.1 million, down from the Euro 24.3 million of 2023, with a margin on revenues of 1.8% (5.1% at December 31, 2023).
This figure confirms the solidity of operating profits in a still challenging market and geopolitical landscape, and with trends again negative for the third consecutive year, a context in which the group has undertaken a process of transitioning to the cooking segment through major investments both in expansion and completing the new product range and in distribution in America and Europe (the Netherlands). The flexibility of our production footprint has had a positive impact on margins on higher production volumes, thanks to more agile production processes that are able to mitigate and adapt to changes in demand. At the same time, it is important to maintain focus on controlling costs and investment without sacrificing the Group's plans for growth.

Net financial income of Euro 2.9 million is reported compared to net expense of Euro 6.4 million in the previous year. Financial income included approx. Euro 7.7 million from the sale of 4.78% of the share capital of the Indian investee ELICA PB Whirlpool Kitchen Appliances Private Limited to Whirlpool of India Limited, and Euro 3.1 million from the valuation of the remaining 1.59% stake, for Euro 1.5 million and the valuation of a related *Put&Call* option for Euro 1.7 million. Net of the income from the above transactions concerning the Indian investment, net financial expense of approx. Euro 8.0 million is reported in 2024. The increase from 2023, with regard to the currency loss, is mainly attributable to certain currencies against the euro, especially the Ruble, the yen, and the Mexican peso. The increase in net financial expense is due to the trend in interest rates, both on the variable portion of net debt and on the new line of credit received via a club deal on May 9, 2024.
The Adjusted Profit amounts to Euro 2.6 million, compared to Euro 13.4 million in 2023, due in part to the contribution of the Patent Box in 2024.
The Adjusted profit attributed to the owners of the parent is Euro 1.1 million, compared to Euro 11.9 million in 2023.
The profit attributable to non-controlling interests, in the amount of approx. Euro 1.5 million is in line with 2023, and reflects the positive performance of Ariafina (Japan) for Euro 1.5 million.

The figures for the two business segments of Cooking and Motors are shown below.

In Euro thousands	Cooking	Motors	Eliminations and other adjustments	Elica Group 2024	Cooking	Motors	Eliminations and other adjustments	Elica Group 2023
Revenue - third parties	353,086	99,006	0	452,092	365,702	107,502	0	473,204
Inter-segment revenues	(913)	25,195	(24,283)	0	1,363	25,393	(26,756)	0
Revenue	**352,173**	**124,202**	**(24,283)**	**452,092**	**367,065**	**132,895**	**(26,756)**	**473,204**
Operating profit	**(3,227)**	**7,898**	**0**	**4,671**	**11,237**	**10,285**	**0**	**21,523**

A.4.2.2 Elica Group Equity and Financial Performance

In Euro thousands	12/31/2024	12/31/2023
Trade receivables	34,831	26,731
Inventories	86,059	90,874
Trade payables	(112,793)	(107,025)
Managerial Working Capital	**8,097**	**10,580**
% annualised revenue	*1.8%*	*2.2%*
Other net assets/liabilities	(5,796)	446
Net Working Capital	**2,301**	**11,026**

Managerial Working Capital on annualised revenue was Euro 8.1 million or 1.8% at December 31, 2024, decreasing on 2.2% at December 31, 2023. The decrease of Euro 2.5 million in MWC reflects the care with which the Group has managed working capital in 2024, including effective efforts to collect trade receivables and reduce inventories, while also managing relations with suppliers and continuing to implement the Supply Chain Finance (SCF) programme, as described in greater detail at paragraph B.6.5.29 of the explanatory notes.

In Euro thousands	12/31/2024	12/31/2023	Changes
Cash and cash equivalents	40,761	39,403	1,358
Bank loans and borrowings (current)	(46,202)	(43,467)	(2,735)
Bank loans and borrowings (non current)	(41,326)	(37,236)	(4,090)
Adjusted Net Financial Position	**(46,767)**	**(41,300)**	**(5,467)**
Lease liabilities (current)	(3,817)	(4,240)	423
Lease liabilities (non-current)	(6,386)	(7,944)	1,558
Adjusted Net Financial Position - Including the effects of IFRS 16	**(56,970)**	**(53,484)**	**(3,486)**
Other payables for purchase of investments	(551)	(1,000)	449
Impact of amortized cost on financing	453	0	453
Net financial position	**(57,068)**	**(54,484)**	**(2,584)**

Adjusted Net Financial Debt at December 31, 2024 was Euro 46.8 million (excluding the IFRS 16 effect of Euro 10.2 million, the impact of the amortised cost measurement of bank lending of Euro 0.5 million, and the other liabilities arising in relation to the newly consolidated companies or acquisitions of additional stakes in existing subsidiaries for another Euro 0.5 million), a decrease of 13.2% compared to 2023. Leverage on adjusted EBITDA was 1.5x (0.9x in 2023). The financial position highlights the solidity of the Group's operating-financial projections.

We highlight the following key events affecting the movement in the net financial position compared to the end of 2023:

- positive impact from the sale of the 4.78% stake in Elica PB to Whirlpool of India Limited;
- working Capital optimisation through effective working capital and stock reduction activities;
- Euro 5.3 million buyback including the purchase of shares worth approx. Euro 4.0 million on the basis of withdrawal rights following the introduction of multi-vote shares.

We highlight that the Group generated approximately Euro 14 million of operating cash, as compared to Euro 18.8 million at December 31, 2023, despite the decrease in demand during the year and the maintenance of substantial solidity in net financial position. The percentage on revenues decreased from 4.0% at December 31, 2023 to 3.1% at December 31, 2024.

In Euro thousands	Cooking	Motors	Eliminations and other adjustments	Elica Group
Non-current assets	135,896	51,236	0	187,133
Operating Working Capital	9,571	(1,474)	(0)	8,097
Other net allocated assets	6,808	(5,390)	0	1,418
Capital Employed	**152,275**	**44,372**	**(0)**	**196,647**
Net financial debt				(57,068)
Equity				(139,580)
Source of funds				**(196,648)**

A.4.2.3 Alternative performance measures

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 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 Financial Report are as follows:

A.4.2.3.1. Alternative performance measures - 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 2024 and 2023 was calculated by dividing the Profit attributable to the Group, 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 due to the execution 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 assets/liabilities comprise the current portion of Other assets and Tax Assets, 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 at their nominal value, excluding the impact of the amortised cost as per IFRS 9 on 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, the impact of the amortised cost as per IFRS 9 on Bank loans and borrowings, as reported in the Statement of Financial Position, 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.

A.4.2.3.2. Alternative performance measures - Reconciliations

in Euro thousands	**2024**	**2023**	**Change**
Operating profit – EBIT	**4,672**	**21,523**	**(16,851)**
(Impairment losses on property, plant and equipment and Intangible assets)	303	139	164
(Amortisation & Depreciation)	23,004	23,727	(723)
EBITDA	**27,979**	**45,389**	**(17,410)**
Cooking production reorganisation	**4**	**385**	**(381)**
Changes in finished/semi-finished products		45	(45)
Raw materials and consumables		126	(126)
Services	4	214	(210)
Personnel expenses			
Other operating expenses and accruals			
Restructuring charges			
Realised and unrealised M&A's			
Services	**238**	**274**	**(36)**
Other operating expenses and accruals	238	274	(36)
Other reorganisations and Rightsizing	**1,238**	**1,511**	**(273)**
Services	155		155
Personnel expenses	564	1,030	(466)
Restructuring charges	519	481	38
New Cooking Vision	**1,159**	**278**	**881**
Raw materials and consumables	111		111
Services	1,042	278	764
Disposal of equity interest in Elica PB WKA pvt Ltd	**301**		**301**
Services	208		208
Other operating expenses and accruals	93		93
Others	**499**	**221**	**278**
Services	484	195	289
Other operating expenses and accruals	15	26	(11)
EBITDA adjustment items	**3,439**	**2,669**	**770**
Adjusted EBITDA	**31,418**	**48,059**	**(16,641)**

in Euro thousands	2024	2023	Change
Operating profit – EBIT	**4,672**	**21,523**	**(16,851)**
EBITDA adjustment items	**3,439**	**2,670**	**770**
Impairment losses on Intangible Assets with finite useful life		71	(71)
EBIT adjustment items	**3,439**	**2,741**	**699**
Adjusted EBIT	**8,111**	**24,264**	**(16,153)**

in Euro thousands	2024	2023	Change
Profit for the year	**9,325**	**11,271**	**(1,876)**
EBIT adjustment items	**3,439**	**2,741**	**699**
Gain/(loss) on sale of subsidiaries	(10,846)		(10,846)
Income taxes on adjusted items	675	(641)	1,316
Adjusted Profit for the year	**2,593**	**13,371**	**(10,708)**
(Profit attributable to non-controlling interests)	**(1,458)**	**(1,496)**	**38**
(Adjustments to non-controlling interests)	(0)	0	(0)
Adjusted profit attributable to the owners of the parent	**1,135**	**11,875**	**(10,671)**

in Euro thousands	2024	2023	Change
Profit attributable to owners of the Parent *(in Euro thousands)*	7,868	9,775	(1,838)
Outstanding shares at year-end	59,476,676	62,239,361	2,762,685
Earnings per share (Euro/cents)	**13.23**	**15.71**	**(2.37)**

"Other net assets/liabilities" are detailed in the table below.

In Euro thousands	**12/31/2024**	**12/31/2023**
Other current assets	17,988	26,096
Tax assets	3,918	2,832
Provisions for risks and charges	(4,919)	(5,815)
Other current liabilities	(21,974)	(21,870)
Tax liabilities	(809)	(797)
Other net assets/liabilities	**(5,796)**	**446**

"Other net allocated assets" are detailed in the table below.

In Euro thousands	**Cooking**	**Motors**	**Eliminations and other adjustments**	**Elica Group**
Deferred tax assets	23,892	1,880	-	25,772
Other non-current assets and other assets	1,962	52	-	2,014
Other current assets	14,925	3,065	-	17,989
Tax assets (current)	3,716	202	-	3,918
Derivative assets (current)	674	74	-	749
Derivative assets (non-current)	1,688	-	-	1,688
Other allocated assets	**46,857**	**5,272**	-	**52,129**
Deferred tax liabilities	(3,711)	(2,928)	-	(6,639)
Other current liabilities – excluding purchase of investments	(16,620)	(4,804)	-	(21,425)
Current tax liabilities	(820)	11	-	(809)
Derivative liabilities (current)	(408)	(892)	-	(1,300)
Derivative liabilities (non-current)	(264)	-	-	(264)
Employee benefits	(6,121)	(1,564)	-	(7,686)
Provisions for risks and charges (non-current)	(7,500)	(171)	-	(7,671)
Provision for risks and charges (current)	(4,605)	(314)	-	(4,919)
Other allocated liabilities	**(40,049)**	**(10,663)**	-	**(50,712)**
Other net allocated assets	**6,808**	**(5,390)**	-	**1,418**

A.5. The Parent Company, Elica S.p.A: Financial results and performance

A.5.1. Elica S.p.A. Operating Performance

In Euro thousands	**2024**	**2023**	**24vs23**
Revenue	245,273	258,105	-4.97%
EBITDA	**2,111**	**22,319**	**-90.54%**
% revenue	0.86%	8.65%	
EBIT	**(5,528)**	**14,102**	**-139.20%**
% revenue	-2.25%	5.46%	
Net financial expense	7,924	(1,903)	-516.40%
% revenue	3.23%	-0.74%	
Dividends from investments in subsidiaries	6,420	3,926	63.53%
% revenue	2.62%	1.52%	
Net exchange rate gains/(losses)	(681)	(3,991)	-82.94%
% revenue	-0.28%	-1.55%	
Profit/(loss) for the year	**11,486**	**8,895**	**29.13%**
% revenue	4.68%	3.45%	

In 2024, Elica's revenues amounted to Euro 245 million.
Revenues in 2024 decreased 4.97% on the previous year.
The reduction in sales is mainly attributable to contracting demand in the kitchen hood market, which for the third year in a row shows a major decline, decreasing by 7% in Europe (excluding the Russia market) in 2024.
The decline in demand, mainly stemming from the uncertainty generated by the economic slowdown, amplified by the high cost of money and the ongoing geopolitical tensions, brought about major promotional pressures in the marketplace, which had a negative impact on price mix and, consequently, on sales performance.
Nonetheless, in the final quarter, the decrease from the previous year slowed due to a recovery in both channels: third-party brands by activating new projects/customers and own brands thanks to a quick response to the aggressive promotions with product offers and competitive positioning.
EBITDA for 2024, amounting to Euro 2.1 million, decreased from 2023 (Euro 22.3 million) due to weak demand and ongoing price pressures, as mentioned previously. Margins were impacted in the same way, settling at 0.86% as compared to 8.65% for the

previous year. Although this decline in margins was significant, equally significant were the flexibility provided by our new production footprint in Europe and management's ongoing focus on controlling SG&A in mitigating the impact of the significant decrease in revenues compared to 2023.
Net financial income came to Euro 7.9 million, up from the net financial expense balance of Euro 1.9 million in 2023, driven mainly by the impact of approx. Euro 7.7 million from the sale of 4.78% of the share capital of the Indian investee ELICA PB Whirlpool Kitchen Appliances Private Limited to Whirlpool of India Limited recognised as financial income and the impact of approx. Euro 3.1 million from the valuation of the remaining 1.59% stake at the reporting date. Net of the gains related to these transactions involving the Indian shareholding, there would be a net financial expense balance in 2024 of approx. Euro 3.0 million, which reflects the trend in interest rates on both the variable portion of net debt and on the new line of credit received by way of a club deal on May 9, 2024.

A.5.2 Elica S.p.A. Financial Position and Performance[8]

In Euro thousands	**12/31/2024**	**12/31/2023**
Trade receivables	7,685	2,352
Trade receivables - subsidiaries	22,951	19,868
Inventories	30,082	30,382
Trade payables	(46,435)	(43,556)
Trade payables to group companies	(12,467)	(33,576)
Managerial Working Capital	**1,816**	**(24,530)**
% revenue	0.74%	(9.50%)
Other net assets/liabilities	746	669
Net Working Capital	**2,562**	**(23,861)**
% revenue	1.04%	(9.24%)

[88]Elica utilises some alternative performance measures, which are not identified as accounting measures within IFRS, for management`s view on the performance of the Company. Therefore, the criteria applied by the Company may not be uniform with the criteria adopted by other companies and these values may not be comparable with that determined by such groups. These alternative performance measures exclusively concern historical data of the Company 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 Financial Report and of the comparative periods and not to the expected performance of the Company and must not be considered as replacement of the indicators required by the accounting standards (IFRS). Please refer to Section A.6.3. for both the definition of the alternative performance measures used in this Financial Report and their reconciliations with the items in the company's financial statements.

In Euro thousands	12/31/2024	12/31/2023	Changes
Cash and cash equivalents	**21,702**	**21,296**	**406**
Financial assets with group companies (current)	32,473	53,860	(21,387)
Loans and borrowings from group companies (current)	(22,585)	(16,370)	(6,215)
Bank loans and borrowings (current)	(46,082)	(43,345)	(2,737)
Current loans and borrowings	**(36,194)**	**(5,855)**	**(30,339)**
Bank loans and borrowings (non current)	(41,086)	(36,876)	(4,210)
Non-current loans and borrowings	**(41,086)**	**(36,876)**	**(4,210)**
Adjusted Net Financial Position	**(55,578)**	**(21,435)**	**(34,143)**
Lease liabilities (current)	(906)	(782)	(124)
Lease liabilities (non-current)	(1,179)	(1,433)	254
Adjusted Net Financial Position - Including the effects of IFRS 16	**(57,663)**	**(23,650)**	**(34,013)**
Other payables for purchase of investments	(551)	(1,000)	449
Impact of amortized cost on financing	453	0	453
Net financial position	**(57,761)**	**(24,650)**	**(34,966)**

Managerial Working Capital as a percentage of revenue came to 0.74% at December 31, 2024, as compared to -9.50% at December 31, 2023, having been heavily impacted by the reduction in trade receivables to companies of the group, which decreased from 2023 in response, in part, to careful management of intercompany payments by the parent company to the subsidiaries.

The Net Financial Debt at December 31, 2024 was Euro 57.8 million, compared to Euro 24.7 million at December 31, 2023.
The main impacts on the change in net financial position compared to the end of 2023 were from:
- positive impact from the sale of the 4.78% stake in Elica PB to Whirlpool of India Limited;
- working capital optimisation through effective working capital and stock reduction activities;
- dividends received from EMC FIME and from the Japanese and Polish subsidiaries for a total of Euro 6.4 million;
- Euro 5.3 million buyback including the purchase of shares worth approx. Euro 4.0 million on the basis of withdrawal rights following the introduction of multi-vote shares.

- payment of approx. Euro 0.5 million for the second-to-last tranche related to the acquisition of Airforce and approx. Euro 0.1 million for the investment in the new company Elica Nederlands;
- Capital expenditure of Euro 7.7 million, aimed at continuing investments focused on innovation and product development, although to a lower extent than in 2023 in order to maintain proper equilibrium in financial management;

A.5.3. Alternative performance measures - Definitions

The Company 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 Company may not be uniform with the criteria adopted by other companies and these values may not be comparable with that determined by such groups. These alternative performance measures exclusively concern historical data of the Company 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 Financial Report and of the comparative periods and not to the expected performance of the Company and must not be considered as replacement of the indicators required by the accounting standards (IFRS). The alternative performance measures utilised in this Financial Report are as follows:

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 profit as reported in the Income Statement.

Net financial income/(expense) is the sum of Financial income and Financial Charges.

Managerial Working Capital is the sum of Trade receivables from third parties and from Group companies, Inventories, Net of Trade payables, to third parties and to Group companies, as per the Consolidated Statement of Financial Position.

Net Working Capital is the amount of Managerial Working Capital and Other net receivables/payables. Other net assets/liabilities comprise the current portion of Other assets and Tax Assets, 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 - 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 Debt is the sum of the Adjusted Net Financial Position - Including IFRS 16 Impact, the impact of the amortised cost as per IFRS 9 on Bank loans and borrowings, as reported in the Statement of Financial Position, 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.

A.5.4. Alternative performance measures - Reconciliations

In Euro thousands	12/31/2024	12/312023
EBIT	**(5,528)**	**14,102**
(Amortisation & Depreciation)	7,336	8,217
(Impairment losses on property, plant and equipment and intangible assets)	303	0
EBITDA	**2,111**	**22,319**

Financial income and expense are detailed in the table below.

In Euro thousands	12/31/2024	12/31/023
Financial income	14,624	3,322
Financial expense	(6,700)	(5,225)
Net interest expense	**(7,924)**	**(1,903)**

“Other net assets/liabilities" are detailed in the table below.

In Euro thousands	12/31/2024	12/31/023
Other current assets	17,988	26,096
Tax assets (current)	3,918	2,832
Provision for risks and charges (current)	(4,919)	(5,815)
Other current liabilities	(21,974)	(21,870)
Tax liabilities (current)	(809)	(797)
Other net assets/liabilities	**(5,796)**	**446**

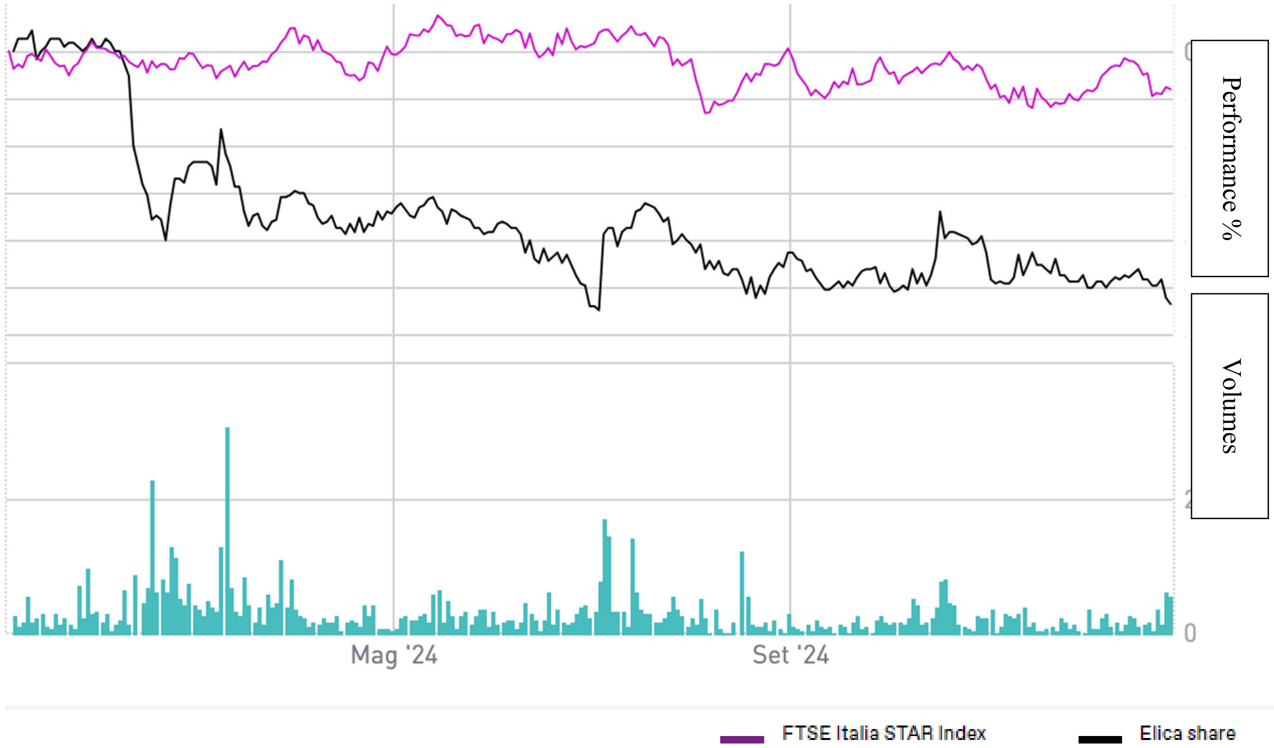
A.5.5 Reconciliation between Elica S.p.A.'s equity and profit/(loss) for the year and consolidated equity and profit/(loss) for the year.

Situation at December 31, 2023 and December 31, 2024

	12/31/2024		12/31/2023	
In Euro thousands	Profit/(loss) for the year	Equity	Profit/(loss) for the year	Equity
Parent's separate financial statements	**11,486**	**112,215**	**8,895**	**110,439**
Elimination of the effect of intercompany transactions net of tax effect:				
Unrealised gains on non-current assets	634	(2,468)	582	(3,102)
Unrealised gains on sale of goods	(411)	(1,178)	(468)	(779)
Tax effect	(53)	875	(28)	932
Dividends received from consolidated companies	(6,420)	(6,420)	(3,926)	(3,926)
Other	731	(894)	(455)	(335)
Share of profit/(loss) from investments	**0**	**0**	**0**	**0**
Carrying amount of consolidated companies	**(104)**	**(103,706)**	**(15)**	**(103,537)**
Equity and profit of the subsidiaries consolidated on a line-by-line basis	**3,967**	**109,167**	**7,193**	**114,723**
Allocation of differences to assets of consolidated companies and related amortisation/depreciation:				
Goodwill arising on consolidation	0	24,081	0	23,682
Intangible assets and property, plant and equipment	(504)	7,909	(507)	8,352
Consolidated financial statements	**9,326**	**139,581**	**11,271**	**146,449**
Attributable to the owners of the parent	**7,868**	**133,479**	**9,775**	**140,892**
Attributable to non-controlling interests	**1,458**	**6,102**	**1,496**	**5,557**

Equity includes the portion attributable to the owners of the parent and that of non-controlling interests.

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



Source: Italian Stock Exchange

The graph shows (in black) the performance of the Elica S.p.A. share price in 2024 in comparison to the average of other companies listed on the EURONEXT STAR MILAN segment (performance of the FTSE Italia STAR index indicated), in purple. The year 2024 was a complicated one for the financial markets, especially for Italian small and mid-cap stocks, given the persistent pressure on interest rates, major geopolitical tensions, and low trading volumes. The tax-advantaged "PIR" funds (similar in concept to Individual Savings Accounts in the UK) also saw significant divestment in 2024 due mainly to the tax exemption on gains expiring after 5 years. This has had a direct impact on Italian small and mid-cap stocks given that many investors liquidated their investments in order to

take advantage of this tax benefit. As a result, we have seen downward pressure on the prices of these shares, along with increased volatility and lower levels of performance compared to other segments of the market. Finally, the significant contraction in market demand in both business segments, particularly in the second half of the year, with the consequent drop in volumes, alongside the increasingly aggressive market competition related to the stepping up of promotional activities, have imposed significant challenges for the Group.
On January 2, 2024, the Elica's official share price was Euro 2.32, closing the year at Euro 1.675 for a contraction of 26.86%. The FTSE Italia STAR index fell by 4.07%.
The first few months of 2024 was characterised by greater trading volumes than in the second half of the year. The final two months of 2024 saw the share largely stabilise in the range of Euro 1.7 and 1.9 on average trading volumes for the last 3 months of 20 thousand per day.
Financial communications and interaction with investors and analysts continued normally in 2024. More specifically, interactions with the financial community involved the organisation of quarterly conference calls for the presentation of financial results, in addition to participation in numerous virtual and in-person meetings. The Group participated in the Mid Cap Conference of Mediobanca in January and the Star Conference in Milan in March, organised investor visits to Eurocucina in April, and participated in the conference Eccellenze del Made in Italy organised by Intermonte SIM in September and the Intesa San Paolo conference in Paris in October. In addition to the physical meetings, the company also participated in a number of Virtual Roadshows. Elica participated in 5 virtual conferences in 2024, in addition to on-demand one-on-ones and four results conferences, meeting with 50 funds and 60 managers (meeting a number of managers multiple times, in addition to financial analysts).
The Elica Group closed 2024 with a market capitalisation of approximately Euro 109.0 million (average market capitalisation in December).

The Share Capital consists of 63,322,800 ordinary voting shares. The ownership structure of Elica S.p.A. at December 31, 2024 is shown in the Corporate Governance and Shareholder Ownership Report, available on the company website[9].

[9] **https://corporate.elica.com/it/governance/assemblea-degli-azionisti.**

A.7. Significant events in 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.
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 and 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 new positioning in the Cooking segment, led by creative innovation and design. Elica marked an important milestone in its evolution with a new positioning, revolutionary products and a completely revamped brand identity, presented 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., meeting in ordinary session, approved 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. On the same date, the members of the Board of Directors and Board of Statutory Auditors were appointed to serve until the approval of the 2026 Annual Accounts, and the purchase and use of treasury shares was authorised.
On April 24, 2024, Elica S.p.A. announced that the third tranche of the Elica ordinary share Buyback plan concluded, 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. As a result of the purchases made, Elica held a total of 1,371,719 treasury shares, equal to 2.17% of the share capital. The Company also announced the launch from April 26, 2024 of a new treasury share buyback programme authorised by the Shareholders' Meeting of April 24, 2024 (the "Buyback Plan") according to the terms previously disclosed to the market. In execution of this Shareholders' Meeting resolution, from April 26, 2024 and until the Shareholders' Meeting called to approve the 2024 financial statements, a Buyback Plan was launched, for a maximum 1,000,000 treasury shares (representing approx. 1.6% of the subscribed and paid-in share capital).
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. 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.
On June 20, 2024, Lhov, Elica's kitchen solution, was awarded the "Compasso D'Oro", an international design award in its 28th edition.
On July 30, 2024, the Board of Directors of Elica S.p.A. approves the H1 2024 results, prepared in accordance with IFRS accounting standards.
On September 19, 2024, the Shareholders' Meeting of Elica S.p.A., meeting in extraordinary session, approved an amendment to the By-Laws and, in particular, the amendment of Article 8 to introduce ordinary and strengthened multi-share votes. The extraordinary shareholders' meeting approved the amendments to the By-Laws regarding mainly the following matters: 1) the allocation of two votes to each share held by the vote-holder for a continuous period of twenty-four months from the date of their inclusion on the special list; 2) the allocation of one additional vote at the end of the twelve month period following the expiry of the twenty-four month period referred to in the point above, to each share held by the same person on the special list, up to a maximum total of three votes per share (including the increase referred to in the point above).
On September 20, 2024, Elica completed the closing for the sale to Whirlpool of India Limited of 4.78% of the share capital of the Indian investee ELICA PB Whirlpool Kitchen Appliances Private Limited ("Elica PB India") for approx. Euro 8.2 million. Concurrently with Whirlpool of India Ltd.'s purchase of the shareholding, Elica PB India renewed a Trademark & Technical License Agreement with Elica S.p.A., which provides for the exclusive use of the Elica trademark in India and non-exclusively in Nepal and Bangladesh

for the marketing of kitchen & cooking sector products, with an initial duration of fourteen years and which includes guaranteed minimum royalties which increase over time.

On October 30, 2024, Elica announced the final results of the exercise of the right of withdrawal by shareholders resulting from the By-Law amendment introduced on September 19. The company announced that the right of withdrawal was exercised for 2,082,176 shares, representing 3.2882% of the share capital, for a total value of Euro 3,975,706.85. It also informed that the termination conditions that would have caused the offer to lapse have not occurred, or the Company has waived such and that, therefore, the amendment to the By-Laws regarding multi-share voting is effective. Finally, it announced that where any shares remain at the end of the option and pre-emption offer period, the Company will directly purchase them without any prior placement on the market.

On December 4, 2024, Elica announced the results of the option and pre-emption offer announced on October 30, as a result of which 3,159 shares were purchased, of which 2,722 as part of the exercise of the option right and 437 as part of the exercise of the pre-emption right. It also announced that the payment of the equivalent value of the shares subject to withdrawal and the transfer of the shares purchased under the option and pre-emption offer would take place on December 9, using available reserves.

On December 16, 2024, Elica announced the full acquisition of its Dutch distributor aXiair, which becomes Elica Nederland and expands the Group's presence in Europe through a directly controlled subsidiary in the Netherlands, Europe's second-largest market for the aspirating hob category.

Following the purchases made and the result of the rights offer on the shares subject to withdrawal, as of December 31, 2024 Elica held a total of 3,845,374 treasury shares, or 6.07% of the share capital.

As of December 31, 2024, the Company has no programmes or agreements regarding the allocation of treasury shares held in portfolio to third parties.

A.8. Outlook[10]

The general Cooking segment continued to contract in 2024, amid a negative price mix and significant promotional activity. In addition to this already complex situation the decline in the Motors segment continued, mainly as a result of slowing residential demand and the regulatory uncertainty stemming from the energy transition. In this environment, the Group remained focused on growing market share thanks to new projects and customers and the success of the distribution strategy introduced in North America and Canada for own brands. 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 abroad, and the energy transition-related opportunities for the Motors division, such as the sale of heat pumps, the Group is laying the foundations for a recovery of revenue and margin growth over the medium-term.

The market outlook for 2025 remains flat, but there could be some signs of recovery in the latter part of the year. We expect revenue and margins for 2025 to remain in line with the previous year, but with an improvement in financial position as a result of continued efforts to improve the efficiency of working capital.

The Group expects medium-term opportunities in the "new homes" real estate segment in both North America and Europe, thanks to lower interest rates and a moderately improving economic environment. In an event, the Group's focus for the next year will continue to be on production and on brand development, as well as on distribution strategy, so as to take advantage of new market opportunities despite the ongoing weakness of demand. Group strategy will particularly pursue medium and long-term priorities, starting with the extraordinary Cooking transformation and consolidation of the direct channel of distribution in North America and Europe, as well increasing market share in the Motors and OEM segments, while maintaining the financial sustainability of this path over the medium to long term.

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

A.9. The environment and personnel

This information is detailed in the “Environmental information” and “Social information” section of the Consolidated Sustainability Statement, as referred to in paragraph A.20 of this Directors’ Report.

A.10. Research and development

Reference should be made to Notes B.6.5.14 and B.6.5.18 for further details on Group research and development.
Elica S.p.A. development activities are a central part of the company’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 year, the company 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.
Total research and development costs incurred amounted to Euro 5,491 thousand.
For further details on the Parent's activities, reference should be made to Note D.6.4.16 and D.6.4.18.2.

A.11. Essential intangible resources

Essential intangible resources are those resources without physical substance on which the enterprise's business model fundamentally depends and which are a source of value creation.
The Elica Group, in defining these resources, relies on the main conceptual frameworks such as the International Integrated Reporting Framework, the World Intangible Capital Initiative (WICI) Intangible Reporting Framework, as well as CSRD Recital 32 according to which intangible resources are the "information regarding the skills, skills and experience of employees, their loyalty to the enterprise and their motivation to improve its processes”, and to "information about the quality of relationships between the enterprise and its stakeholders, including customers, suppliers and communities affected by the enterprise's activities”.

In the value creation process, the Group considers capital that represents essential intangible resources, such as intellectual capital, human capital and social-relational capital.
In particular, intellectual capital, understood as organisational capital and knowledge value, helps develop the Group's distinctive features and thus create value, cross-cutting with human capital and social and relational capital. Indeed, the strategic pillar of product innovation, unique design, together with commercial strength have driven growth and enabled the Group's leadership position to strengthen.
For more information on the assets recorded in the Consolidated Statement of Financial Position, see paragraphs B.6.5.15 to B.6.5.18 of the Notes to the Consolidated Financial Statements. Regarding research and development activities, see notes B.6.5.14 and B.6.5.18 for details related to the Group and notes D.6.4.16 and D.6.4.18.2. for details related to the Parent Company's activities.

With reference to human capital, understood as organisational capital and knowledge value, its quality is crucial to the Group's growth and, consequently, to nurturing value creation over time. People, with their wealth of knowledge, skills developed and established over time, managerial skills, commitment, loyalty, and sense of belonging, are a central element of all business activities, to be protected and given rights.
The well-being and growth, both personal and professional, of people are among the Group's primary goals. Training is considered a fundamental lever in the development of resources and the entire organisation, and is encouraged through training programmes in partnership with the academic world.
For more information on employees, see the "Social Information" section of the Consolidated Sustainability Statement.

Finally, in relation to social-relational capital, such as institutions and relationships between or within communities, stakeholder groups, and other networks, as well as the ability to share information in order to increase individual and collective well-being, it has over the years enabled the Group to gain increasing market share and become a true global player in its target market. The Group's proximity and market presence have enabled it with its brands to become a global market leader.
For more information regarding the relationship between the Group and its stakeholders, including customers and suppliers, see the "General Information", "Social Information" and "Governance Information" sections of the Consolidated Sustainability Statement.

A.12. Exposure to risks and uncertainties and financial risk factors

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

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

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

- prudent management of the risk with a view to protecting the expected value of the business;
- use of "natural hedges" in order to minimise the net exposure on the financial risks described above;
- undertake hedging transactions within the limits approved by management and only for actual, clearly identified exposures.

The process for the management of the financial risks is structured on the basis of appropriate procedures and controls, based on the correct segregation of conclusion, settlement, registration and reporting of results.
We examine in detail the risks to which the Group and the parent are exposed. In the notes, we report all the relative figures.
Market risk includes all the risks directly or indirectly related to the fluctuations of the general market prices and the financial markets in which the company is exposed:

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

The amount of the currency risk, defined in advance by management of the Group on the basis of the budget for the reporting period, is gradually hedged over the acquisition process of the orders, up to the amount of the orders corresponding to budget projections or emerging during the year.
The hedge is entered into through agreements with third party lenders for forward contracts for the purchase and sale of foreign currency. Although these transactions are carried out without any speculative or trading purpose, consistent with strategic policies focused on prudent cash flow management, foreign exchange derivatives are not designated in hedge accounting and are recognised at fair value through the income statement.
In addition to the aforementioned transaction risks, the Group is exposed to translation risk. The assets and liabilities of consolidated companies whose currency differs from the Euro may be translated into Euro with carrying amounts that vary according to different exchange rates, with recognition in the translation reserve under equity.
The Group monitors this exposure, against which there were no hedging operations at the reporting date; in addition, given the Parent's control over its subsidiaries, governance over the respective foreign currency transactions is greatly simplified.
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 prices through hedging contracts with financial counterparties and through contracts with its suppliers.
In particular, between the end and the beginning of the year, on the basis of the production budget for the year, the prices and quantities were fixed through both channels described above. Operating in this manner, the Group covers the standard cost of the raw materials contained in the budget from possible increases in commodity prices, achieving the operating profit target.
Among the market risks in addition, the Group is exposed to interest rate risk. The management of interest rate risk by the Elica Group is in line with longstanding, consolidated practices to reduce the volatility risk on the interest rates, while at the same time minimising the borrowing costs within the established budget limits. The Group's debt mainly bears a floating rate of interest.
Further to market risks, the Group is exposed to **credit risk.** This concerns the exposure to potential losses deriving from the non-compliance with obligations by trading partners. This risk derives in particular from economic-financial factors related to a potential solvency crisis of one or more counterparties.
The Group follows the Credit Policy (related to the Financial Risk Policy) which governs credit management and the reduction of the related risk, partly through insurance policies with leading international insurance companies.

Liquidity risk is also managed and represents the risk related to the unavailability of financial resources necessary to meet short-term commitments assumed by the Group and its own financial needs.
The principal factors which determine the liquidity of the Group are, on the one hand, the resources generated and absorbed by the operating and investment activities and on the other the due dates and the renewal of the payable or liquidity of the financial commitments and also market conditions. These factors are monitored constantly in order to guarantee a correct equilibrium of the financial resources.

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, including in the broad spectrum of analysis also the physical risks, both of an acute nature and related to long-term climate 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.
Although the risks related to climate change may not, at the moment, have a significant impact on recognition and measurement, the Group is carefully monitoring developments in this regard, particularly in terms of new climate-related laws and regulations. The analysis of climate-related impacts, where relevant and reliably measurable, has focused on the useful life of assets, measurement of the recoverable value of non-financial assets such as goodwill and expected losses on receivables, fair-value measurements, and actual and contingent liabilities.

Regarding the assessment of the residual value and expected useful life of the Group's assets, climate-related issues that may have an impact on the future use of these or their potential obsolescence, such as extreme weather events occurring with greater frequency or intensity, the changing consumer demand, or changes in relevant regulations were examined.
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 prepared business continuity procedures and solutions for adapting to and mitigating these risks with the goal of having strategies for restoring the operability of facilities, processes, and people.
In addition to obtaining an insurance policy against any damage caused by climate change, including natural disasters and adverse weather conditions, Elica conducts regular maintenance of facilities and assets so as to prevent critical issues for operations and harm to employees.

In addition to this, there is the analysis of the sustainability reporting of major customers and suppliers, as well as the distribution of questionnaires and periodic audits, so as to identify physical climate-related risks throughout the value chain and prepare solutions to mitigate and/or adapt to such risks.
Although the estimated value-in-use of assets could be affected in different ways by transition risk and, in particular, by the legislative framework or by a change in the demand for Group products, no climate-related regulations have been encountered that could limit the use of assets or require major investment.
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 products 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 considered reasonable.
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 when measuring the inventory obsolescence provision. 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. The technical department of the Elica Group also assesses the product energy labelling process, in terms of both the requirements for sale and compliance with laws and regulations that are currently or soon to be in effect. In light of the above, we have noted no critical issues in the measurement of inventories.
The recoverability of intangible assets recognised in the statement of financial position has also been monitored by the Group, noting no particular indicators of impairment. In fact, climate change risk is resulting in changes in the energy classifications of household appliances and of their energy sources; therefore, the Group has taken steps to intensify the efforts of our Research & Development unit, with an increase in intangible assets in the form of development costs and new patents. Of note, for example, is the completion in 2024 of the project that led to the use in production of polymers containing up to 30% recycled materials (from post-industrial and post-consumer circuits) in order to meet the increasingly demanding needs of our customers and of the marketplace generally.
For these reasons, the Group has taken account, in estimating future cash flows for the analysis of the recoverable value of goodwill, not only the costs required to monitor emissions, but also the costs for adopting more efficient, more sustainable solutions for reacting to changes in consumer preferences, to greater restrictions in waste recycling, and to general strategies for the energy transition.

Despite their being little clarity or stability in market signals with regard to the transition to a low-emissions economy, Elica is aware that the market trend is on a clear path towards the production of low-emission products. In both the cooking segment and in heating and ventilation, the trend will be towards solutions that favour a more efficient use of energy and other raw materials, such as the use of recycled plastics as mentioned above in relation to the cooking segment and the increasing use of renewable energies such as hydrogen in the heating segment. In this regard, the Group obtained in January 2022 the international conformity certification for the use of hydrogen for the production of motors.

For the type of business conducted by the Group, i.e. the production and sale of hood fans and vented hobs and the production and sale of motors for home ventilation, no factors have been noted that would call for classifying this business as one of high impact on climate change. Nonetheless, the Group is aware that our activities have an impact on the environment related to the emission of climate-altering gases.
In general, regarding the carbon footprint, in 2023 the Group prepared its first Organisational GHG Inventory, following the ISO 14064-1 methodology, and continued to refine it in 2024, with the aim of establishing a baseline for greenhouse gas emissions and beginning their reduction in line with European climate neutrality objectives by 2050.
From an energy viewpoint, in 2024, 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 (of which 9% is self-generated) already by 2023.
Elica recognises the importance of the circular economy in particular in the context of the transition to more responsible models of production and consumption, so we have conducted analyses of assets (e.g. facilities, plant, raw materials) and activities (incl. production processes, resource use and consumption, waste production and management) aimed at identifying potential impacts related to the use of resources and the circular economy. However, having analysed the product life cycles, product design, the quantity of resources used, and any waste, with the direct support of the production managers of the two business units (i.e. cooking and motors), no significant risks or impacts have been encountered.
With a view to constant improvement in the environmental performance of the Group's production facilities, we have established the role of energy manager, who is responsible for determining the most efficient solutions to ensure compliance with the increasingly strict requirements for the energy efficiency of our buildings and plant, and we conduct systematic analyses of waste, which is directed first to reuse or recycling before landfills.

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. We have therefore decided not to set aside provisions or recognise contingent liabilities.
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. Similarly, in accordance with IAS 13 Fair Value and IAS 37 Provisions, Contingent Liabilities and Contingent Assets, 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 or that there are contingent liabilities not described herein. Given the ongoing evolution and significance of the issue, the Group will continue to monitor these possible risks.

In terms of business conduct, with particular attention to supply chain sustainability, anti-corruption and transparency, the Group adopts a Code of Ethics, which establishes behavioural guidelines for all employees and collaborators to ensure compliance with the principles of integrity, correctness and transparency in all company activities and to prevent sanctions, fines, increases in operating expenses and reputational damage.
Furthermore, through the definition and periodic updating of policies such as Anti-Corruption, Whistleblowing or the Supplier Code of Conduct, the Group aims to raise employee awareness as to what constitutes illegal behaviour, to ensure transparency in business operations and relationships with suppliers and partners, and to promote proper payment practices. Non-compliance with anti-corruption or data protection laws (e.g. GDPR) could result in fines and sanctions, and violations of human rights and ethical standards have the potential to negatively impact the Group's reputation. In response to these risks, Elica has established specific governance policies and procedures and is committed to promoting corporate culture through training activities.

It should be noted that, following publication on December 16, 2022, in the EU Official Journal of EU Directive 2022/2464 (the Corporate Sustainability Reporting Directive) within the scope of the European Green Deal and implemented in Italy by way of Legislative Decree No. 125 of September 6, 2024, the Group, beginning with the 2023 financial year, appointed a Sustainability Working Group (consisting of members from the functions of CFO, Statutory Reporting & Compliance, BU Sustainability Manager, and Internal Audit & Risk Compliance), supported by a leading consulting firm, which implemented a process of adapting to the

requirements of the Directive, thereby underscoring Elica's commitment to stakeholders in ensuring transparency and accountability in business management.
Elica has successfully completed a process of continuous improvement of ESG practices, sustainability reporting and compliance with relevant regulations, preparing from the 2024 financial year the first consolidated sustainability statement pursuant to Decree No. 125/2024 and the new European Sustainability Reporting Standard (ESRS) principles.

Geopolitical Risk Analysis

In recent years, the current economic environment in which the Group has been operating 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.
This economic landscape is further exacerbated by the additional uncertainty brought about by the rivalry between the United States and China, which is reshaping global trade and investment and by the growing tensions in the South China Sea and Taiwan Strait.

The Elica Group has been monitoring for some time the geopolitical developments caused by the war in Ukraine, which is still complex in view of the continuing military and diplomatic developments, and we continue to assess the potential risks it could have on our operations.
Although the Elica Group's business in the affected area is however limited (Russian market revenue accounts for approx. 2.3% of aggregate 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, 2024 volumes and margins remained in line with forecasts on operations that were in line with past years.
The Elica Group continues to operate in Russia through the wholly-owned subsidiary Elica Trading LLC, which is responsible for distributing the Group's products in Russia. The Russian trading company does not have significant fixed assets.
In order to monitor the impact of the conflict on business continuity, management has formed a task force comprising figures from the main areas of the company involved.
The Internal Audit & Risk Compliance unit provides the internal Board committee with Control, Risks & Sustainability functions 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, despite the truce between the parties in early 2025, the Group continues to assess developments in the region, including the involvement of other actors such as Iran and Lebanon and potential risks impacting the supply chain, international trade relations, and financial market dynamics. In particular, should the conflict worsen, it could cause renewed shocks for the supply chain and potential new increases in the cost of energy and transport, as well as in the cost of raw materials, not to mention interruptions in key trade routes. 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.
Further weighing on raw material price fluctuations and, therefore, on the Group’s procurement costs and profitability, alongside logistical risks, is the changing political landscape in the United States, characterised by possible changes to fiscal, trade and international security policies.

Although the direct effects on the Group’s business have been limited thus far, the evolving geopolitical landscape requires assiduous monitoring to promptly identify risks and ensure adequate management of resources and strategic levers. In the face of geopolitical factors that could have repercussions on market demand, the supply chain, operations, employees and customers, the

Group has established internal procedures and conducts training activities designed to ensure prompt crisis management and business continuity.
In this regard, the Group has prepared financial forecasts that incorporate the Group management's best forecast of the above macro-economic and environmental factors and all currently available information of relevance.
Specifically, regarding environmental factors, considering the Group's industry, we refer to the contribution it pursues in product solutions that ensure efficiency and control of environmental impact. For example, through the use of Brushless motors, which are quiet and efficient, and can reduce CO2 emissions and energy consumption by up to 70%, the Group can offer aspiration hobs with integrated suction that reach energy class A++, as well as products with IOT systems and sensor technology that allow automatic adjustment of suction to curb the impact on the environment and energy expenditure, and finally - assuming a recovery in the market due to the drive to pass the "Green Home" Directive - heat pump motors.
Product solutions are also complemented by projects pertaining to the circular economy, such as the increased use of recycled components, particularly in terms of reducing the use of virgin plastic in the production process, the use of EVO filters with the ability to regenerate and last beyond their normal service life, and the use of packaging with an increasingly smaller Styrofoam component; costs and investments related to these projects have been reflected within the financial-operating projections.
These forecasts are 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 assess these scenarios, traditional and alternative financial indicators deemed to be relevant, such as Group EBITDA and the cost of raw materials, have been taken into account.
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 macro-economic 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. For further details, see paragraph B.6.5.17. Impairment test in the Notes.

Cyber Security Risk Analysis

The digital transformation of the global economy offers ever-increasing opportunities, but as the Group evolves technologically to take advantage of these opportunities, there are also new risks and a greater exposure to threats. The growing use of information systems, in part in response to the increased use of remote work, connected factories, or intelligent products, increases the Group's exposure to various types of risk that can have a significant impact on deliveries, production, sales and other critical systems and functions.

The most significant is the risk of cyber attacks and security control failures, which constitute a constant threat to the Group and are therefore carefully monitored. Specifically, the Group constantly assesses its cyber risk profile, taking action when necessary to proactively manage cyber defences. The impacts analysed include:
• data loss;
• unauthorised access;
• the installation of malware;
• privacy violations;
• interruption of business;
• reputational harm.

Mitigation efforts made by the Group concern:
• the strengthening of network infrastructure;
• the strengthening of protection systems;
• the constant updating of company procedures;
• taking out a specific insurance policy to cover the risk arising from a cyber event;
• provision of employee training to increase awareness, knowledge and skills so as to strengthen corporate culture surrounding the issue of cyber security.

A.13. Company bodies

Members of the Board of Directors

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

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

Internal Committees

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

Independent Audit Firm

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

Corporate Consolidated Sustainability Reporting Manager

Stefania Santarelli

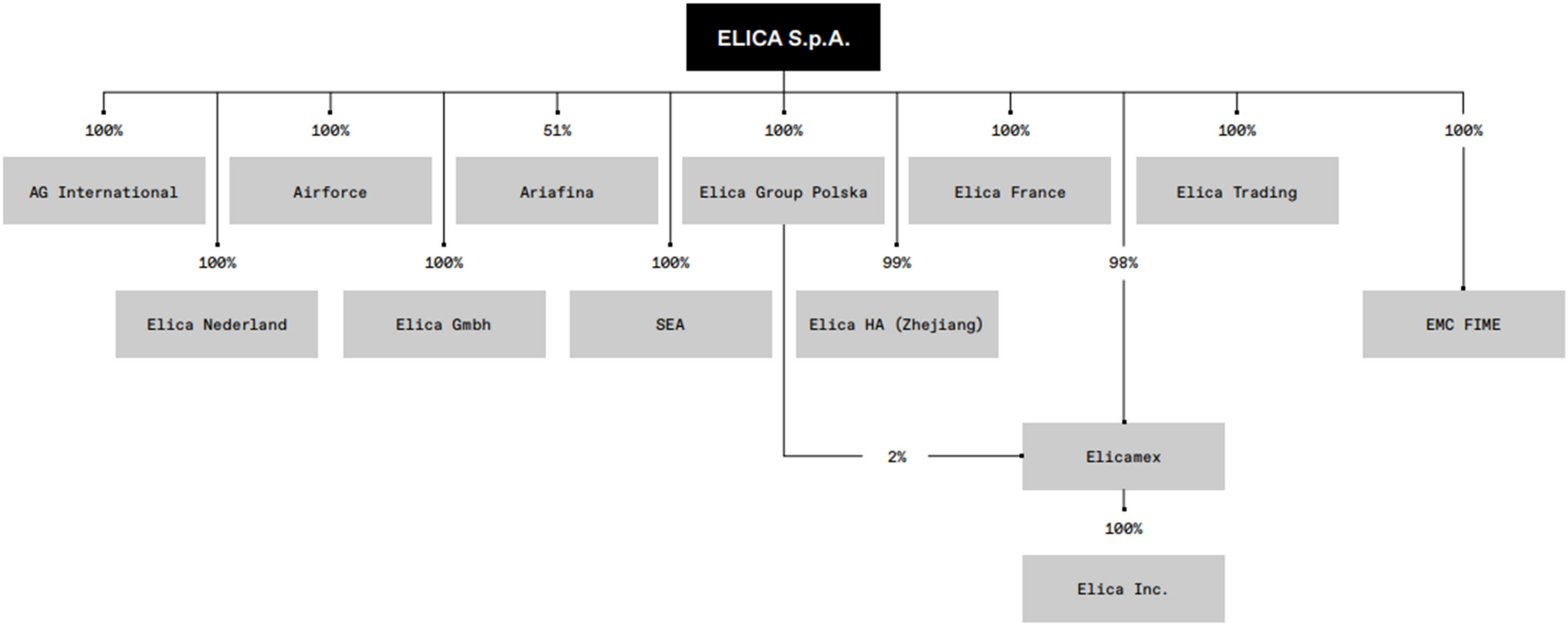
Registered office and Company data

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.

Unita' Locale An/5 Mergo (An) Via Montirone 10 Cap 60030;
Unita' Locale An/38 Sant Just Desvern Avda.Generalitat De Catalunya 21 (Spagna) Esc.9, Bajos 1;
Unita' Locale An/39 55-221 Jelcz Laskowice Ul. Inzynierska 3 (Polonia);

A.14. Elica Group structure and consolidation scope



Parent Company

Elica[11] 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.

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

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 the Elica Group’s development and growth strategy. At December 31, 2022, following the acquisition of a 40% stake from minority interests in 2022, Elica S.p.A. now owns 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.
Elica Home Appliances (Zhejiang) Co., LTD – Shengzhou (Cina) (Putian, for short), a Chinese firm in which a 99% stake is held. 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. Effective December 17, 2024, the name of the subsidiary company Zhejiang Elica Putian Electric Co., LTD is changed to Elica Home Appliances (Zhejiang) Co., LTD.
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 this subsidiary 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.
Elica Nederland – Haren, Groningen (Netherlands), Dutch distributor of ventilation systems with over 20 years of experience in the industry, a wholly-owned subsidiary acquired by Elica S.p.A. on December 4, 2024. The Netherlands is a major European market for vented hobs, so the opening of direct distribution in the region has enabled Elica to strengthen its presence in Europe.

Changes in the consolidation scope

The only change in the consolidation scope compared to December 31, 2023, concerns the acquisition of the entire share capital of the Dutch distributor of ventilation systems aXiair B.V., now Elica Nederland. This new branch in Haren (Groningen), the Netherlands, became a wholly owned subsidiary on December 4, 2024.

A.14.1. Related party transactions

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

In 2024, transactions with subsidiaries were undertaken by the parent company and other related parties by the parent company and other Group companies.
All transactions were conducted on an arm's length basis in the ordinary course of business.
There are no particular issues to highlight in accordance with Article 5, paragraph 8 of Consob Regulation 17221 of 12.03.2010[12].
For information regarding related parties, in addition to the transactions discussed above, refer to note B.6.8. of the consolidated financial statements and note D.6.7 of the financial statements of the parent company below.
In the subsequent note B.6.12, disclosure on management and coordination is also provided as per Article 2497-bis of the Civil Code.

A.15. International Accounting Standards

The Consolidated Financial Statements of the Elica Group and the Financial Statements of Elica S.p.A. as at and for the year ended December 31, 2024 have been prepared in accordance with the IFRS issued by the International Accounting Standards Board (IASB) and endorsed by the European Commission and in accordance with Article 9 of Legislative Decree No. 38/2005.
The accounting policies utilised for the preparation of these financial statements are consistent with those utilised for the preparation of the separate financial statements as at and for the year ended December 31, 2023.
The Consolidated Financial Statements are presented in thousands of Euro and all the amounts are rounded to the nearest thousand, unless otherwise specified. The tables in the Individual Financial Statements are presented in Euro, while the notes are presented in Euro thousands with all amounts rounded to the nearest thousand, unless otherwise specified.

A.16. Corporate Governance and Ownership Structure Report

In accordance with Article 123-*bis* of Legislative Decree 58/1998, with Article 89-*bis* of Consob Resolution No.11971/1999 and successive amendments and integrations, Elica S.p.A. provides complete disclosure on the Corporate Governance system adopted,

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

in line with the recommendations of the Corporate Governance Code (January 2020 edition), in the Annual Corporate Governance Report, available on the Company website[13].

Elica S.p.A. has adopted a traditional administration and control model (as defined by Italian law), comprising the body of shareholders, a board of directors, a board of statutory auditors and an independent auditor. The members of the boards are appointed by the shareholders. The independent directors, as defined by Italian law, and the role they play within the board of directors and on the board's Control, Risks & Sustainability and Remuneration Committees are sufficient to ensure adequate balancing of the interests of all shareholders and a sufficient degree of dialogue within the Board of Directors.

A.17. Remuneration Report

In accordance with Article 123-*ter* of Legislative Decree no. 58/1998 and Article 84-*quater* of Consob Resolution no. 11971/1999 and subsequent amendments, Elica S.p.A. prepares a remuneration report in accordance with Attachment 3A, Table 7-*bis* of the same Consob Resolution no. 11971/1999 and subsequent amendments. This report is available on the Company's website.[14]

A.18. Compliance with Section II of the regulation implementing Legislative Decree No. 58 of February 24, 1998 concerning market regulations ("Market Regulations")

In accordance with article 15 of the Regulation implementing Legislative Decree no. 58 of February 24, 1998, as Elica S.p.A. has direct or indirect control over certain companies registered in countries outside of the European Union, the financial statements of such companies, prepared for the purposes of these consolidated financial statements, were made available within the terms required by current legislation.

For the basis upon which it is considered that the company is not under the direction and control of the parent, in accordance with Article 16, fourth section, reference should be made to paragraph B.6.12.1 Management and coordination.

[13] https://corporate.elica.com/it/governance/assemblea-degli-azionisti.
[14] https://corporate.elica.com/it/governance/assemblea-degli-azionisti.

A.19. Obligations in accordance 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.

A.20 Consolidated Sustainability Statement. as at and for the year ended December 31, 2024

General Disclosures (ESRS 2)

Methodological note

The Sustainability Statement (or "Statement") provides the reader with clear, accurate, transparent and understandable information on the impacts generated by the Elica Group in the environmental and social spheres, in addition to impacts pertaining to personnel, respect for human rights and the fight against corruption caused directly or indirectly by the Company, or to which the Company has contributed. The document offers an accurate understanding of the main risks associated with the Group's business activities, in addition to the results achieved and the performances in the area of sustainability.
As an organisation already subject to the non-financial reporting obligation under Legislative Decree No. 125/2024, the Elica Group complies with the new requirements set out in Directive (EU) 2022/2464 ("CSRD Directive") starting from the 2024 financial year. Elica has successfully completed a process of continuous improvement of ESG practices, sustainability reporting and compliance with relevant regulations. To this end, a Sustainability Working Group (hereinafter referred to as the "Working Group", "Elica Working Group", or "Internal Team") was appointed, comprising members from the CFO, Statutory Reporting & Compliance, BU Sustainability Manager and Internal Audit & Risk Compliance functions. Supported by an external consultancy firm, the group has overseen the alignment process with the Directive's requirements, reaffirming the Company's commitment to its stakeholders by ensuring transparency and accountability in business management.

[BP-1] General basis for preparation of the sustainability statements

(5.a,b) This Consolidated Sustainability Statement (hereinafter also the "Statement") has been prepared in accordance with the European Sustainability Reporting Standards (ESRS), as defined by EFRAG to meet the regulatory requirements of the EU under the CSRD. The qualitative and quantitative data and information contained within this document refer to the fiscal year ending December 31, 2024. The reporting scope coincides with that of the 2024 Consolidated Financial Statements of the Elica Group, i.e. it includes the data for the Parent Company (Elica S.p.A.) and the fully consolidated companies for non-financial reporting.
(5.c) The information provided in this Statement has been prepared to include relevant disclosures on the impacts, risks and opportunities connected to the Group through its direct and indirect business relationships across the upstream and/or downstream value chain.

(5.d) In this document, Elica has not omitted sensitive information, and therefore we believe that the global relevance of this report is not compromised.
(5.e) In addition, there were no situations in the year that necessitated exemption from disclosure of "impending developments or matters in the course of negotiation" in accordance with Article 19-*bis*, paragraph 3, and Article 29-*bis*, paragraph 3, of Directive 2013/34/EU.

[BP-2] Disclosures in relation to specific circumstances

Definition of short-, medium-, and long-term time horizons

(9.a,b) When preparing the Consolidated Sustainability Statement, the Group adopts the short-, medium-, and long-term time horizons as defined in ESRS 1, Section 6.4, ensuring alignment with sector-specific characteristics, such as financial flows and economic cycles, which users of sustainability statements consider in their assessments, in addition to the typical planning timelines used in decision-making processes.
The time horizons, as defined by the standard, are as follows:
Short term: the reporting period in the financial statements (i.e. one year);

- Medium term: from the end of the short-term reporting period up to five years;
- Long term: more than five years.

Value chain estimation

(10) In this document, specific metrics, particularly Scope 3 emissions, include estimated upstream and/or downstream value chain data obtained from indirect sources such as industry averages or other proxy metrics. Specifically, some Scope 3 data were estimated based on information derived from industry databases, proxy-based calculation models, and data provided by third parties. The accuracy of these estimates depends on the availability and quality of the sources used, the reliability of the parameters applied and the methodological assumptions adopted. The estimates are detailed in relation to the relevant metrics in paragraph *E1-6* in the *Environmental Information* section and in the *Key Calculation Criteria* section.

To improve the accuracy of these metrics, the company plans to take action to collect primary data directly from suppliers, update calculation methodologies with more advanced models, and develop monitoring and tracking systems to reduce its reliance on indirect estimates. This approach is designed to ensure greater transparency and reliability in the information reported, in accordance with regulatory requirements. For more information on environmental issues, see the following sections in which topical ESRSs are discussed

Sources of estimation and outcome uncertainty

(11,12) For the calculation of the organisation's GHG emissions, data was collected, processed and quantified as per the fundamental principles of ISO 14064-1:2018, the reference standard used since the first year of calculation and reporting of the GHG inventory, 2022.

To calculate the inventory, data was collected on material direct and indirect emission sources. The inventory was then validated.

Regarding indirect emissions, Elica defined a series of criteria to identify significant emissions, to be quantified and reported. The criteria are as follows:

Materiality: The quantitative measure of each source's emissions, in comparison with other indirect emissions sources. The value was determined by referring to studies performed by the organisation, estimates or data available taken from scientific literature, and precautionary qualitative assessments;

Influence: the ability of the organisation to monitor and define plans for reducing the indirect emissions considered.

Availability: the availability of data regarding the indirect emissions source.

For this reporting, the categories identified as significant, following the application of the above criteria, as per ISO 14064-1:2018, were transposed to the nomenclature and clustering envisaged by the GHG Protocol. Further information on the categories and related GHG emissions are given in section *E1-6* of the *Environmental information* chapter.

To correctly calculate emissions, the reference standard requires the organisation to assess the uncertainty of the data used and reported.

Due to the fact that the GHG emissions are reported according to an indirect calculation method, and therefore not by direct measures, the uncertainty of the data is linked to:

- The collected data regarding activities (e.g. km travelled, or kg of raw materials), in relation to each emission source;
- The emission factor for each emission source.

Due to the above, and there not being errors in direct measures of activities, nor numerical errors in emission factors, the organisation uses a qualitative method to assess the uncertainty associated with the factors used. For the reporting year 2024, the degree of uncertainty was assessed to be low, and therefore acceptable.
The data used with the emission factors were quantified on the basis of physical data that had been sampled, estimated, or converted from economic data, and, when no physical data was available, from economic data. The emission factors used considered all of the main GHGs (i.e. CO_2, CH_4, N_2O, HFCs, PFC, SF_6, and other fluorinated gases), and were converted into CO_2 equivalent (CO_2e) units using the conversion factors set out in Assessment Report 6 (AR5) by the Intergovernmental Panel on Climate Change (IPCC), the most authoritative institution on climate change.
For the calculation of emissions related to Cat. 7 “Employee commuting”, distances travelled in own or company cars between each employee’s residence and workplace were estimated. If the means of transport had been made available by the company (e.g. company buses), the distances were extracted from data made available by the suppliers carrying out the relevant services. This is the only externally sourced data used in the reporting of the entire inventory.
For data on hours worked at sales offices, a calculation criterion was adopted based on the assumption that each working day corresponds to eight hours of activity, allowing the total number of hours to be determined in a structured manner with defined parameters.

Changes in preparation or presentation of sustainability information

Reporting errors in prior periods

(13/14) The introduction of new standards has led to the adoption of new metrics and reporting methodologies, making it impossible to compare with data from previous years. As a result, the assessment of any relevant material errors and the introduction of substitute metrics or other adjustments is not feasible.

Disclosures stemming from other legislation or generally accepted sustainability reporting standards and frameworks

(15) Elica has not included, in addition to the ESRS disclosure requirements, disclosures stemming from other legislation or generally accepted sustainability reporting standards and frameworks. As such, no references to additional standards or reporting frameworks are applied, other than the reference to the various regulations mentioned in the Annex, in the paragraph of Appendix B, which are not applicable to the Group.

Disclosures stemming from other legislation or generally accepted sustainability reporting standards and frameworks

Incorporation by reference

(16) Any reference in this Statement to other documents is given for the purpose of insights to be interpreted with discretion by the reader. All the disclosures required by the ESRS standards have been treated exhaustively within this document.

[GOV-1] The role of the administrative, management and supervisory bodies

Elica S.p.A. is a joint-stock company listed on the Italian Stock Exchange since 2006 on the EURONEXT STAR MILAN segment. The Casoli family exerts control over Elica S.p.A. indirectly through Fintrack S.p.A., the majority shareholder of FAN S.r.l., in turn majority shareholder of Elica S.p.A.

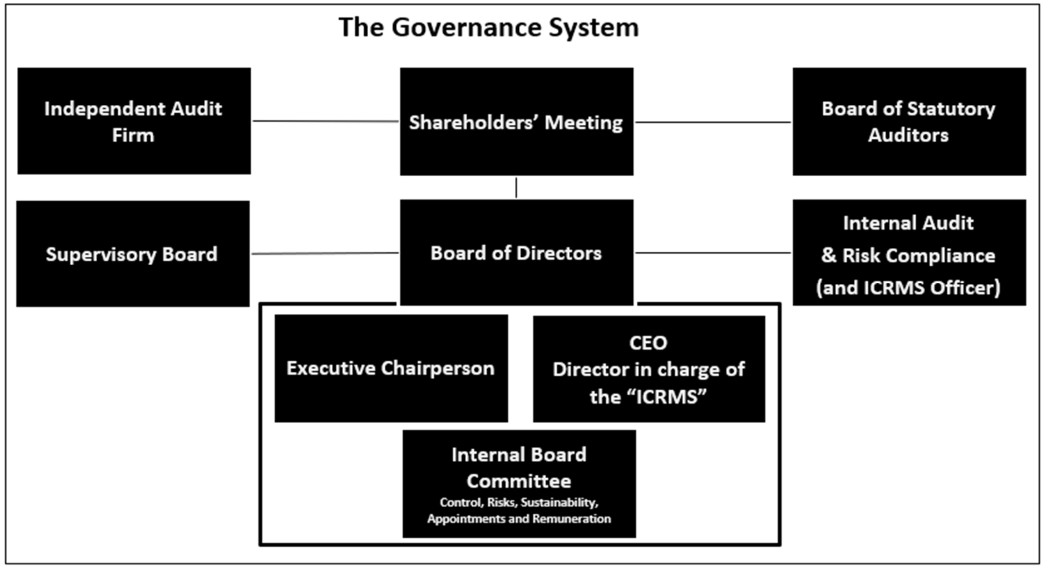
Elica S.p.A. adheres to the Corporate Governance Code of Borsa Italiana (hereinafter the "Code"), adopting a governance system aligned with both national and international best practices for its Corporate Governance.

The Company has adopted a traditional administration and control model: corporate management is exercised by a Board of Directors, assisted by an internal Board Committee responsible for "Control, Risks, Sustainability, Appointments and Remuneration" functions, the result of a merger of the Appointments and Remuneration Committee and the Control, Risks and Sustainability Committee. This merger seeks to refine the advisory and propositional functions of the Group's governance bodies, while maintaining distinct duties and responsibilities in appointments, remuneration, risk control and management, and sustainability and ensuring adequate disclosure on the activities carried out for each function. Supervisory functions are carried out by a Board of Statutory Auditors.

(21.b) There is no employee representation within the undertaking's administrative, management and supervisory bodies.

(21.a) The Company's Board of Directors is composed of Executive and Non-Executive Directors with adequate skills and professionalism. As per Article 16 of the updated By-Laws, the Company is administered by a Board of Directors made up of a minimum of five members to a maximum of 11 members including non-shareholders. The current composition of the Board of Directors was approved by the Shareholders' Meeting on April 24, 2024.

The Company's Board of Directors is composed of seven Directors, including five Non-Executive Directors (Angelo Catapano, Alice Acciarri, Elio Cosimo Catania, Cristina Casoli and Susanna Zucchelli) and two Executive Directors (the Executive Chairperson, Francesco Casoli and the Chief Executive Officer, Giulio Cocci). All Directors possess the necessary expertise and competencies to fulfil their responsibilities, including those related to sustainability.



(21.c) The Chairperson of the Board of Directors has systematically focused on initiatives to provide the management and control bodies, after their appointment and during their term of office, with adequate knowledge of the business sectors in which the Company operates, of corporate dynamics and changes to them. This has been partially in terms of pursuing sustainable success, as well as the principles of proper risk management and the applicable regulatory and self-regulatory framework (Recommendation No. 12(d) of the Code). Directors and Statutory Auditors keep a channel of communication with the Company constantly open to allow them both to share important decision-making issues in advance and to discuss matters of interest in depth outside Board meetings. Directors also have the opportunity at Board sessions and at specifically scheduled information sessions to learn more about the Company and its managers. Throughout 2024, the Chairperson also arranged ad hoc informal meetings and social gatherings, such as the Fuori Salone event during the Salone del Mobile in December in Fabriano.

(21.e) Specifically, the following four Board members (representing approximately 57% of BoD members) Angelo Catapano, Susanna Zucchelli, Alice Acciarri and Elio Cosimo Catania[15] declared that they meet the independence requirements under the Consolidated Finance Act and the Corporate Governance Code.
The Company's By-Laws provide that the Board of Statutory Auditors consists of three Statutory Auditors and two Alternate Auditors. It was most recently appointed at the Shareholders' Meeting of April 24, 2024.

Percentage of administrative, management and supervisory body members by gender (21.d)

	Male		Female		Total	
	N	%	N	%	N	%
BOD[16]	4	**57%**	3	**43%**	7	**100%**
Board of Statutory Auditors	3	**60%**	2	**40%**	5	**100%**
Total	**7**	**58%**	**5**	**42%**	**12**	**100%**

(22.a-d) With the entry into force of the CSRD Directive, the Group further developed its approach to sustainability and non-financial reporting, particularly in relation to the engagement of the internal Board committee (Control, Risks, Sustainability, Appointments and Remuneration functions), which assists the Board of Directors in assessing and deciding on sustainability matters, with particular reference to the approval of the Sustainability Statement, stakeholder management activities, and the supervisory role of the Board of Statutory Auditors. The Internal Audit & Risk Compliance team provides the internal Board committee with updates on

[15] Elio Cosimo Catania specifically declared that he meets the independence requirements set out in Recommendation No. 7 of the Code, noting that he exceeded the time limits under paragraph (e) of the Recommendation, having served as an Independent Director of Elica since 2015. Following a thorough review, the Board of Directors confirmed his independent status.

[16] The BoD also comprises members of the internal Board committee for Appointments and Remuneration and the Control, Risks and Sustainability Committee. The average ratio between male and female members of the Board of Directors is equal to approximately 0.7.

its activities on a quarterly basis, including relevant updates on corporate risk management (including CSRD-related risks), in addition to opportunities. The team also conducts a structured and comprehensive risk and opportunity management review once a year. The QHSE (Quality Health Safety & Environment) area is responsible for specific impacts, which are reported once a year. Impacts, risks and opportunities are continuously monitored through meetings with Management, support from consultants and internal analyses, considering developments in the most business-critical areas.
Each function is responsible for managing the material impacts, risks and opportunities within its remit, based on its area of expertise. This is made possible by a process-based organisational structure with dedicated procedures that define roles, responsibilities, functions and actions to be undertaken, including with regard to sustainability-related IROs.
In its Control, Risks and Sustainability role, the internal Board committee is responsible for overseeing sustainability matters related to the management of corporate impacts on the environment and people, linked to the Group's business activities and dynamics.
With the aim of maintaining a high level of Sustainability Governance and appropriately managing any possible impacts, risks and opportunities arising from its activities and strategies, the Group has established its own managerial Sustainability Board reporting directly to the Chief Executive Officer. The Board is assigned with identifying possible sustainability strategies and their integration to the business plan. The Board meets at least once a quarter to analyse the progress of actions in the Plan, monitor indicators associated with detailed actions and determine the need for new actions. Minutes are taken at the end of each meeting with decisions made and an indicative agenda for the following meeting. Regarding IRO monitoring, oversight and management activities, reference should also be made to any additional dedicated controls and procedures, which are covered in greater detail in the "Disclosure Requirement GOV-5 - Risk management and internal controls over sustainability reporting" section.
(23.a,b) The effectiveness of the Group's Governance mechanisms is supported by continuous training and a focus on developing the sustainability expertise of members of the administrative, management and supervisory bodies. The company encourages the participation of members of the Board of Directors and the Board of Statutory Auditors in events dedicated to sustainability matters, such as for the sharing of materiality assessments and Sustainability Board activities. Additionally, both formal and informal meetings on sustainability topics are held with the Board of Directors and the Board of Statutory Auditors, involving specialised organisational figures such as the Sustainability Manager, Chief Financial Officer and Internal Audit & Risk Compliance Director. Furthermore, an annual workshop on ESG topics is conducted with Top Management, and the training materials are subsequently shared with the BoD.

[GOV-2] Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies

(26.a,b) For Elica, sustainability is a topic that must be continuously discussed, particularly at the Top Management level, as it represents a fundamental component of the Group's mission. It fosters dialogue on integrating topics relevant for business and society into strategic considerations.
In this regard, during the 2024 reporting period, Elica addressed ESG topics through the coordinated efforts of its Administration, Management and Control bodies. Specifically, the Board of Directors plays a crucial role in identifying and pursuing the Company's strategic objectives, evaluating general operating performance, taking into account, in particular, the information received from executive bodies; In addition to overseeing impacts, risks and opportunities, the establishment of the Sustainability Board has enabled greater coordination among the functions involved in corporate activities related to sustainability, in addition to the structuring of the process of assessing and defining initiatives to be presented to the internal Board committee and the Board of Directors.

On a quarterly basis, the Board (or Management) reports to the internal Board committee in its Control, Risks and Sustainability capacity on matters such as ESG compliance and governance within business processes, risks and opportunities, and related actions undertaken based on requests from key stakeholders.

Accordingly, material IRO topics are presented annually to the internal Board committee in its Control, Risks and Sustainability capacity, with the support of key figures with significant ESG expertise, including the CFO, Internal Audit & Risk Compliance Director and Sustainability Managers, before the final evaluation by the Board.
The Group recognises the importance of strengthening the implementation of a due diligence system and is actively working to develop and consolidate policies, actions and targets to be adopted for all aspects related to material IROs.
(26.c) Refer to paragraph SBM-3 for a list of relevant impacts, risks and opportunities addressed by the administrative, management and supervisory bodies during the reporting period.

[GOV-3] Integration of sustainability-related performance in incentive schemes

(29.a) The remuneration of Directors (particularly those holding executive office) and Top Management is a key incentive and control mechanism to ensure the integrity and efficacy of the corporate governance mechanisms.
The remuneration policy that has been developed targets the achievement of the Group strategy and is an essential tool in aligning the interests of shareholders with those of management. The remuneration system is part of a wider framework to retain and motivate the most suitable personnel to ensure the Company's success. With regards to the instruments utilised, the company Remuneration Policy comprehensively outlines the remuneration policy and its implementation at the company with regards to the members of the management bodies and the Senior Executives.
The annual incentive system for short-term variable incentives (MBO), designed in line with the general principles on which the entire Policy is based, mainly enables the pursuit of the following objectives:

- aligning management objectives with business strategies, directing management actions toward strategic objectives in harmony with business priorities;
- stimulating the achievement of excellent performance, through the recognition of a higher premium in the event of overperformance;
- management and monitoring of performance in the short term through annual evaluation of beneficiary performance on an annual basis.

(29.e) The Policy is defined following a formalised process, which involves the Shareholders' Meeting, the Company's Board of Directors, the internal Board committee in its Appointments and Remuneration capacity, and the Human Resources Department.
As regards senior Executives, this goal is achieved also through linking a significant part of remuneration to the reaching of the pre-set performance targets, established through "management by objectives" (MBO) and Long-Term Incentive (LTI) plans.

(29.b,c,d) The MBO system for the Chairperson of the Board of Directors and the Chief Executive Officer, in substantial continuity with the policy approved last year and in line with the nature of the positions, provides exclusively for Group targets of an economic-financial nature and a multiplier based on sustainability goals. Specifically, the MBO system includes:

- **Gates**: thresholds for access to the annual incentive system, calculated on the weighted average of the two performance targets. Failure to achieve the gate performance level means that no bonus is awarded;
- **Target sheets**: a calculation mechanism for the target bonus based on the achievement level of performance targets;

- **Multipliers**: a corrective mechanism that modifies final payout by a factor of +/-10% depending on the achievement of the sustainability performance target (on/off trigger mechanism).

In accordance with the provisions for the Chairperson of Board of Directors and Chief Executive Officer, Senior Executives[17] are beneficiaries of a short-term incentive system that aligns with the Business Strategy. Specifically, the operation mechanism of the Short-Term Incentive System provided for Senior Executives involves Group targets, measured through a target bonus multiplier mechanism based on the extent to which the targets set for the Chairperson and Chief Executive Officer (Adjusted EBIT and Free Cash Flow), Division targets (Division Adjusted EBIT) and individual targets (based on the main economic KPIs managed by the role and identical for all beneficiaries in the same function) are achieved. In addition, a multiplier of +/- 10% will be applied to the final payout of the Chairperson of the Board of Directors, the Chief Executive Officer and Senior Executives, based on whether or not (on/off trigger mechanism) the sustainability target set by the Company is achieved, defined as the execution of a project to use recycled plastics (polymers) in annual production, with a 30% threshold, in line with market demands.
For further details on the content of the Remuneration Policy, please refer to the "Remuneration Policy and Report", approved by the Board of Directors on March 25, 2025, which is available for public consultation at www.elica.com.

Disclosure requirements and application requirements from ESRS topics, applicable in conjunction with ESRS 2 General disclosures

ESRS 2 GOV-3 Integration of sustainability-related performance in incentive schemes

(ESRS 1 13) Within the context of this discussion, we refer to the previous paragraph (Disclosure requirements GOV-3 Integration of sustainability-related performance in incentive schemes) for an in-depth analysis of the regulatory requirement in question, as it already provides a comprehensive analysis of the relevant provisions and requirements.

[17] On February 10, 2022, the Board of Directors defined "Senior" Executives as: "those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any Director (whether executive or otherwise) of that Company", in line with the definition under Annex 1 to the Consob Related Party Transactions Regulation, identifying them as the "Senior Executives" for the purposes of this report.

[GOV-4] Statement on due diligence

(30;32, S1-1 DP 32) In this document, Elica describes its due diligence process in relation to the ESRS disclosure requirements, as per ESRS 1, Chapter 4.
Although the ESRS do not impose specific obligations for conducting due diligence, in 2024, the Group decided to map and document the main stages of the due diligence process, particularly regarding human rights, through its Human Rights Due Diligence Procedure, and the related Human Rights Policy. The procedure and policy were approved by the Board of Directors on February 13, 2025.
Both documents take the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights (UNGP) as points of reference. Elica's Human Rights Due Diligence Procedure defines the scope, responsibilities and process of identifying, preventing and mitigating negative impacts. It integrates due diligence in decision-making processes, the monitoring and tracking of actions, and the provision of reporting mechanisms to ensure the effective management of reports, and the continuous improvement of corporate human rights practices. The supporting Human Rights Policy establishes the Group's commitment to human rights and their fundamental principles. For more information on the Human Rights Policy, please refer to the Social Information section MDR-P.

Elica's human rights commitment is in line with its long-standing attention to Health, Safety and Environment (HSE) issues In this regard, the processes for achieving and updating ISO certifications are instrumental in analysing, identifying and monitoring material impacts, risks and opportunities (IROs). Through these processes, Elica is able to assign priorities to actions according to the assessed severity and likelihood of identified negative impacts.

In order to ensure health and safety in the workplace, the Group adopts an ISO 45001-2018 certified management system. Maintaining ISO 45001-2018 certification and extending it to new sites represents a key step in providing an increasingly systematic risk management methodology by providing priority elements in identifying risks and determining business decisions. The Group's commitment to overseeing Occupational Health and Safety issues is also formalised in a systematic approach to monitoring injury trends, first aid, near misses, unsafe acts and objective conditions. Inspired by the principles of problem solving, where indicators exist that are not in line with the goals set or where there are critical issues at Elica sites, each individual plant creates improvement plans and takes action, establishing ad hoc working groups if necessary. Once the action taken has proved to be effective, this is shared within the Group to enable every plant to promptly introduce the same solutions in a preventive manner where necessary.

The added value of this process lies in the continuous search for improvement by involving all workers in gathering ideas and suggestions regarding occupational health and safety.
In terms of environmental considerations, to date, all of Elica Group's production sites associated with significant environmental risks relating to transformation and production activities – with the exception of the Air Force facility – have adopted 14001:2015 compliant Environmental Management Systems. Every year, the Group sets goals for the achievement of ever greater sustainability in relevant business processes, so as to protect the natural environment of its production sites and promote optimal relations with local communities. In view of these goals, in addition to ensuring that its certified Environmental Management System is constantly implemented, it circulates and facilitates the understanding by its management of the procedures and contents of the Ethics Code drafted in accordance with Legislative Decree No. 231/2001 and the Group's Policies and Procedures. The environmental management systems at the certified sites provide for the rolling out of improvement plans which, on the basis of assessments of the environmental aspects and impacts associated with the processes and activities carried out, focus on the objectives of reducing waste or inefficiencies which, for the environmental topics, translate into a more responsible use of resources employed in a more significant manner in the transformation processes. The systems also employ internal auditors qualified in accordance with ISO 14001:2015 standard, who conduct planned internal audits. In addition to compliance with legislative requirements, these audits verify the appropriate level of operating conditions, the implementation of control requirements, the monitoring of indicators and objectives and the effectiveness of procedures to reduce the risk of incurring harmful events for the environment or for the containment of possible emergencies.
Finally, all Group companies with production sites (except Air Force) implement management systems certified to standard ISO 9001:2015. Each year the Group certifies all new products brought to market and re-certifies all products that have seen changes in materials and/or components to ensure that they respect health and safety standards and all Regulations, Directives and Rules applicable in the countries of sale.
The Group's commitment extends beyond the Company, actively involving the entire value chain. With reference to the control of respect for human rights within the supply chain, the Group has developed an audit process on its suppliers, with the aim of assessing and minimising risks related to ethical, social and environmental issues, alongside the adoption of its own Code of Conduct ("Elica Group Supplier Code of Conduct").

Number and % of partners operating at sites with a Quality, Environment and Safety-certified Management System

	EMPLOYEES	
	no.	%
Management system certified to ISO 9001:2015	2,302	94%
Management system certified to ISO 14001:2015	2,302	94%
Management system certified to ISO 45001:2018	2,302	94%

	NON-EMPLOYEES	
	no.	%
Management system certified to ISO 9001:2015	140	99%
Management system certified to ISO 14001:2015	140	99%
Management system certified to ISO 45001:2018	140	99%

Note: Number and % of collaborators (employees and non-employee workers) working, at December 31, 2024, at sites with a Quality, Environment and Safety-certified Management System. Sope includes all Group companies.

[GOV-5] Risk management and internal controls over sustainability reporting

(36.a, b, c, d, e) The Group has consolidated its non-financial reporting process, originally developed to comply with the obligations of Legislative Decree No. 254/2016. This process is based on well-defined operating practices for data collection and processing, supported by a dedicated management system, called Talentia, which guarantees a computerised management of data flows between the Working Group and the Data Owners identified in the various corporate departments and Group companies.
Currently, the Group does not have a specific internal control system for sustainability reporting that mirrors that adopted for its financial disclosures as per Law No. 262/2005. However, development is underway, a gap analysis has been carried out, and adjustment activities have begun.
The Group has therefore introduced a series of safeguards to guarantee the reliability of non-financial disclosures. The reporting activities are coordinated by the Working Group, which is composed of representatives of the CFO, Statutory Reporting and Compliance, BU Sustainability Manager, and Internal Audit and Risk Compliance corporate functions, and supervises the collection,

analysis and validation of data, supported by the active involvement of the Data Owners identified in the various company departments and Group companies. Supporting this system is a specific procedure for the management of non-financial reporting, which sets roles and responsibilities for data collection and validation, and is currently being updated to integrate the new reporting standard requirements and the Double Materiality Analysis process. The Risk Management Model has already been integrated into the current analysis and assessment methodology.
From 2025, the Group will progressively develop its sustainability reporting internal control system with a clearer integration of checks and controls regarding governance risks. The system will be developed through a risk-based approach, leading to a pilot stage that will identify a preliminary set of risks and controls for key sustainability indicators, verify the design and operational effectiveness of these controls, and progressively adapt the system to Group needs. Furthermore, the Organisational Model for the management of sustainability topics will be further developed and articulated at the operational level in the various Group companies. The results of risk assessment activities and internal controls will be periodically reported to the administrative, management and control bodies, to guarantee continuous monitoring and progressive improvement of the sustainability management system.

The Internal Control and Risk Management System

Elica is equipped with an Internal Control and Risk Management System (ICRMS), comprising a set of rules, procedures and functional organisational structures to ensure that the Group is run in a sound and proper manner, in line with the objectives set and in compliance with the provisions of the Ethics Code and the Company's Principles of the Self-Governance Code as approved by the Board of Directors. This system is designed to identify, measure, management and monitor key business risks, including those related to sustainability and non-financial reporting.

The structure of Elica’s Internal Control and Risk Management System is also designed in relation to sustainability matters based on the following division of responsibilities:

- **FIRST LEVEL**: the first level of control contributes to the risk assessment process in the field of sustainability and is actively involved in data collection and – after verifying the accuracy of data – transmitting information related to indicators and/or relevant elements. In this regard, Elica’s organisational model includes the following roles:
    - **Data Owner**: responsible for collecting sustainability data within their respective areas of expertise;

    - **Sustainability Focal Point**: responsible for verifying data received from designated Data Owners and aggregating it by relevant topic;
    - **Sustainability Manager**: responsible for transmitting data to central structures.
- **SECOND LEVEL**: the second level of control acts as a coordination point for activities related to sustainability reporting and is responsible for, among other things, defining and updating ESG policies, coordinating risk identification, analysis and assessment processes, and aggregating data for sustainability reporting. Within the context of monitoring and managing reporting risks. To this end, the Internal Audit & Risk Compliance Director (also serving as the Internal Control Officer), Financial Reporting Officer (as per Law No. 262/05), individual company managers, and other control and monitoring figures with specific expertise in various areas (e.g., Health and Safety, Quality, and Legal Affairs) all operate in close coordination with each other, according to their respective scopes of responsibility. With specific reference to risk identification, analysis and assessment processes, we note that Elica has adopted an Enterprise Risk Management Model, which integrates sustainability topics. Further details are provided in the following sections.
- **THIRD LEVEL**: independent and objective assurance (through internal audits, continuous monitoring and advisory services) is provided by the Internal Audit & Risk Compliance function regarding risk management and the reliability of reporting processes. Additionally, independent and objective assurance activities are conducted by an independent audit firm to ensure data reliability.

In line with its ongoing development, following the definition of organisational aspects related to sustainability reporting activities, Elica is proceeding with the consolidation and formalisation of the key components of its internal control system for sustainability reporting (control matrices).

We note that the Internal Audit & Risk Compliance function integrates, monitors and provides assurance on ICRMS activities. This function is covered by an internal manager reporting directly to the Board of Directors; it is a key role for defining and assessing the internal control system and the risk prevention and management policy.

Elica's ERM Model and its integration with sustainability

Elica has developed and adopted a structured Enterprise Risk Management (ERM) model with the purpose of identifying and assessing potential events which could affect the achievement of the main corporate objectives defined in the Strategic/Annual

Plan (including potential misstatement risks and fraudulent activities related to both financial and sustainability reporting). The objective is to ensure the identification and analysis of risks that could impact the Company, in addition to strengthening control measures for risks deemed particularly significant. It is important to highlight that: (i) the outcomes of this activity provide the Internal Audit & Risk Compliance function with essential elements to guide its activities, enabling the definition of a Risk-Based Audit Plan; (ii) the Model's components are periodically analysed and updated to ensure their alignment with best practices and consistency with evolving business contexts.

In this context, the aspects comprising Elica's Risk Management Model were supplemented in 2024 with specific elements aimed at maximising synergies between the identification, analysis and assessment of risks outlined in the Risk Management Model and double materiality analysis process, developed in compliance with the Corporate Sustainability Reporting Directive (CSRD).

At an operational level, the Risk Management Model developed by Elica includes an initial Risk Identification phase, which consists of identifying a list of risks that could impact the Company. The output of this process is represented by a Risk Universe comprising the list of risks that could be relevant to the corporate context.

The risk mapping is updated annually to account for any changes in both the Company's internal and external context and is also integrated with the contents of the "Context Identification" section, which forms an integral part of Elica S.p.A.'s Quality, Environment and Safety Management System. In this context, to ensure full integration between Risk Management analyses and the double materiality analysis required for compliance with CSRD requirements, Elica's Risk Universe has been updated to map and/or integrate specific CSRD-relevant risks – i.e., those arising from or linked to material sustainability topics (sustainability topics and sub-topics).

Downstream of Risk Identification activities, the Model provides for the assessment of risks through the application of a specific reference methodology. Specifically, the methodology applied by Elica includes the following steps:

- Risk assessment at an inherent level on the basis of magnitude and likelihood of occurrence without Management control measures (i.e. intrinsic to Elica's business);
- Assessment of the trend linked to each risk to highlight any increases and/or decreases in the risk level over a medium- to long-term time horizon.

- Risk positioning within a matrix (or heat map) representing the level of Inherent Risk;
- Assessment of the overall level of Management oversight;
- Assessment of residual level risks by combining impact and likelihood of occurrence values following implementation of safeguards;
- Risk positioning within a heat map of Residual Risk and identification of Top Risks.

In parallel with the above, Risk Quantification activities are carried out to assign values or indicators to material risks, enriching the analysis of the Company's risk exposure and providing additional support in defining action priorities. These activities are conducted through the construction and quantification of specific scenarios and/or the definition and provision of specific indicators, whose periodic monitoring enables the Company to track the evolution of risks over time.

The primary risks identified are those related to climate change, such as physical risks on production plants and potential disruptions in supplier operations. Additionally, there is the risk of credit rating deterioration due to difficulties in meeting ESG performance commitments. The Company has also considered the imposition of new, stricter ESG requirements by customers, risks linked to occupational health and safety, non-compliance with GDPR regulations, and risks related to business ethics, fraud and corruption[18]. For each of these risks, Elica has implemented a mitigation strategy that also includes, as for the aforementioned risks, the adoption of formal policies and specific procedures, establishing clear and consistent guidelines for risk management, the definition of roles and responsibilities to ensure that each risk is monitored and managed by designated, qualified company figures, and the implementation of technological and operational support systems that facilitate real-time risk control and management. Control procedures are structured to ensure that business processes comply with internal and external regulations through the effective Segregation of Duties (SOD), thereby preventing conflicts of interest and enhancing the reliability of controls. In addition, periodic risk assessments through audits and continuous monitoring allow for the timely identification of vulnerabilities and the adoption of corrective actions.

The Enterprise Risk Management Model applied by Elica includes integration with sustainability topics from the outset. Elica developed a methodology that generates inputs for the analysis of risks for ERM purposes and the identification of risks and opportunities that are financially material as part of the same evaluation exercise, given the potential synergies between the financial materiality assessment – required by the CSRD's double materiality analysis process – and the risk identification, analysis and evaluation activities carried out as part of the Risk Assessment process. These operational practices, which are also linked to the sustainability data collection and validation process, are currently being formalised within Procedure GP-22 "Preparation of the Non-Financial Report", which is in the process of being updated.

Elica regularly reports on risk assessments and internal controls to its administration, management and control bodies The Internal Audit & Risk Compliance Director prepares clear and timely reports at least once a quarter, offering a detailed overview of audits conducted in areas covered by the Annual Audit Plan, following a risk-based approach. This process enables the verification of the effectiveness of the mitigation strategies adopted and controls implemented. It also ensures that the relevant governing bodies can continuously monitor risk management, making informed decisions and ensuring compliance with regulations, including sustainability and compliance objectives.

[SBM-1] Strategy, business model and value chain

(40. a i, ii, iii, iv) The Elica Group is a large production platform with approximately 2,400 employees[19]. Its operations are structured into two Business Units, "Cooking" and "Motors", which respectively design, manufacture and market[20]:

- range hoods, extractor hobs, cooktops, ovens and wine coolers, under both its own brand and for leading international brands, in addition to ovens and dish sterilisers;
- electric motors and fans for the heating, ventilation and home appliance markets.

Over 50 years old, Elica has established itself as a global leader in aspiration systems for kitchens and a European leader in the production of electric motors for home appliances and boilers, serving markets in the United States, China, Japan, Germany, France, Italy, Canada, Russia, Spain, Mexico, Poland and the Netherlands.

(40 e, f, g) Specific sustainability targets are not currently defined for significant groups of products or services, categories of customers, or geographical areas. In 2024, the global economic context saw moderate growth, but also persistent inflation, high

[19] For more details on the number of employees by geographic area, please refer to paragraph S1-6, *Social Information* section.
[20] No products marketed by Elica are banned in its target markets.

interest rates, geopolitical tensions, and various challenges in emerging markets. In this context, the Group was affected by a decrease in market volumes, with a 2% drop in the European Range Hoods sector, and a 12.5% drop in the Heating market, which was still penalised by regulatory uncertainty regarding the energy transition. Despite these challenges, the Group consolidated its position through targeted strategies, such as the expansion of its distribution network in North America and Canada. Sustainability targets have not yet been formalised, though the Group continues to be committed to the integration of ESG criteria within its strategy. Particular attention is focused on the energy transition in the Heating sector, in which the decline of the gas boiler market and the growth of the heat pump market highlight the growing demand for low environmental impact solutions. Sustainability in considered in the definition of corporate strategies, orienting investments at more efficient products and resources (such as hydrogen), and more careful management of competitiveness in a market increasingly oriented to green solutions.

Description of the business model and value chain

(42 a, b, c) Below is an overview of the value chain in which the Elica Group operates, encompassing all activities, resources and relationships that the Group relies on, spanning from conception, production and delivery to consumption and end-of-life disposal of products placed on the market. Elica's products, known for their innovation, quality and sustainability, are designed to meet the increasingly sophisticated needs of both end customers and business partners, offering cutting-edge solutions in the cooking and motors sectors. The results achieved by the Elica Group translate into tangible benefits for various stakeholders: for customers, this means high-performance, durable products, designed with a focus on energy efficiency and reduced environmental impacts; for investors, it ensures a sustainable economic return, thanks to the adoption of growth-oriented strategies and long-term financial stability; for other stakeholders, the Group contributes to value creation, promoting innovation, social well-being and environmental responsibility.

	RESOURCE EXTRACTION AND PROCESSING FOR REFINING	PROCESSING AND PRODUCTION OF INDUSTRIAL MATERIALS	TRANSPORTATION FROM SUBCONTRACTORS TO SUPPLIERS	MANUFACTURE OF SEMI-FINISHED PRODUCTS	INBOUND LOGISTICS	PRODUCT DEVELOPMENT AND DESIGN (DESIGN CENTER, NTS AND R&D)	SUPPORT PROCESSES	PRODUCTION AND TESTING (HSE, QUALITY)	PACKING AND PACKAGING	PRODUCTION WASTE MANAGEMENT	WAREHOUSE MANAGEMENT	MARKETING AND SELL-IN (B2B AND B2C)	AFTER-SALES COORDINATION	OUTBOUND LOGISTICS	AFTER-SALES	SELL-OUT	END-CUSTOMER PRODUCT USE	END-OF-LIFE PRODUCT DISPOSAL AND WASTE MANAGEMENT
	UPSTREAM - Manufacturing & Procurement					ELICA OWN OPERATIONS - Product Development, Production & Sales								DOWNSTREAM - Sales, Use & Waste Management				
ACTORS IN THE VALUE CHAIN INVOLVED IN GENERATING INSIDE-OUT IMPACTS	TIER 3	TIER 2	TIER 2	TIER 1	TIER 1	-	-	-	-	-	TIER 1	-	-	TIER 1	TIER 1	-	-	-
AFFECTED STAKEHOLDERS																		
SCOPE 3 CATEGORIES INVOLVED (GHG PROTOCOL)	1	1	-	1, 3	4, 9	1, 5, 6, 7	1, 6, 7	6, 7	6, 7	5, 6, 7	4, 5, 6, 7	6, 7	1	9	1	-	11	12

Legend:

- Planet And Global Community
- Suppliers & Partners
- Workers
- Local Communities

- Scientific Clusters, Universities And Research And Development Centers
- Customers and Consumers

Upstream, activities include the production and procurement of raw materials, grouped into the following process phases:

  - **extraction of resources and processing for refinement**: extraction and processing of (ferrous and nonferrous) minerals and metals, followed by their refinement into raw materials; extraction and refinement of oil and natural gas for the production of plastic materials; preparation and mixing of raw materials for glass manufacturing; cutting and cleaning of plants to obtain logs for wood and paper production; packaging and labelling for distribution and sale.
  - **transformation and production of industrial materials**: preparation of metals for blast furnace activities and finishing to obtain steel and aluminium sheets; polymerisation and granulation of plastic materials; melting and finishing of glass sheets in the desired sizes; mechanical and chemical processing for the production of packaging materials; processing of recycled fibres for packaging production; chemical synthesis of substances for powder coatings; packaging and labelling for distribution and sale.
  - **transport from sub-suppliers to suppliers**: transport of raw materials from primary suppliers to suppliers responsible for producing semi-finished goods.
  - **production of semi-finished goods**: processing of raw materials to manufacture Elica product components (electrical/electronic components, metal semi-finished products, small parts, plastic/glass components, filtering materials, etc.); quality and safety analysis; packaging and labelling for distribution and sale.
  - **inbound logistics:** transport of products and semi-finished products, in addition to packaging materials, from suppliers to Elica warehouses.

These phases are crucial for product innovation, quality and efficiency, in addition to value creation, as they enable the Elica Group to stand out in the market and satisfy the needs of customers and end consumers with cutting-edge solutions.

Following this, the Elica Group's core operations, including the development, production and direct sale of finished projects (in addition to support activities), are grouped into the following process phases:

- **product development and design (Design Centre, NTS and R&D)**: technological and layout innovation activities aimed at developing new technical solutions to keep Elica's products at the bleeding edge; design and reengineering of eco-sustainable packaging; creation of a functional prototype and related testing under real conditions (including laboratory testing); sharing of all project documentation (designs, electrical diagrams, golden samples, etc.) with suppliers for subsequent production and engineering; co-design with various technology partners (e.g. universities, research centres and start-ups).
- **support processes**: this phase includes activities from all functions that, while not directly involved in production, are essential for the organisation's effective and efficient operation. These include: administration, finance and control activities; HR management (training, remuneration, etc.); (IT) system management; internal audit & risk compliance; planning and controlling.
- **production and testing (HSE, Quality)**: transformation and assembly activities for the production of finished products, including: (i) mechanical processing (sheet metal stamping, laser cutting and punching, bending, welding and surface finishing); (ii) powder coating (degreasing, drying, powder spraying and polymerisation); (iii) pre-assembly and assembly (component assembly and 100% electrical safety testing). Testing activities: internal validation of safety, performance, electromagnetic compatibility and acoustics of finished products and components, along with third-party certification; ordinary/extraordinary maintenance and rectification; sample testing on finished products to ensure compliance with safety and functionality parameters, through functionality testing stations; re-certification of products with modified materials and/or components to ensure compliance with applicable regulatory requirements in various countries in which they are sold.
- **packaging and labelling**: packaging and labelling of finished products for distribution and sale; inclusion of documentation accompanying the product, enabling safe use of the products and providing information about the contents and the substances that could generate a social impact, how to dispose of the product and the related environmental and social impacts and the product's energy consumption.
- **management of production waste**: collection and storage of waste generated during internal transformation processes and completion of market-ready products (primarily ferrous and other metal scrap, packaging, electrical/electronic components, in addition to liquid waste and WEEE, though in smaller quantities); delivery of waste to authorised transporters and disposal operators; monthly monitoring of waste production data.
- **warehouse management**: planning and control of inventory and movement of inbound and outbound raw materials/semi-finished goods (for production); scheduling and control of inventory and handling of finished products; inventory and order management; intercompany transport through outsourced logistics.

- **marketing and sell-in (B2B and B2C)**: development of sales strategies for customers and resellers; management of the showtrailer used as a mobile B2C advertising billboard; sale od end products to customers/resellers; management of the corporate showroom; management of the online shop.
- **after-sales coordination**: coordination and control of contact centres and technical support services to handle customer service requests; periodic training for Service Provider and Support Centre specialist operators, delivered through traditional courses, on-line training and qualification tests.

Finally, there are indirect sales activities (i.e. sales to the end consumer), product usage, and end-of-life management of finished products, grouped into the following process phases:

- **outbound logistics**: transport of finished products from Elica to (B2B) customers; transport of Elica finished products from the plant to the end consumer in the case of purchases made via the Company's online shop; transport of spare parts (post after-sales).
- **After sales**: post-sales support for customers and end consumers of Elica-branded products, provided through contact centres and outsourced technical support services.
- **sell-out**: sale of finished products to end consumers through intermediaries (direct customers of Elica).
- **product usage by end consumer**: use and consumption of products by the end consumer.
- **product end-of-life and waste disposal**: disposal of used products at the end of their life cycle, carried out by the end consumer in accordance with local regulations; disposal of used product components performed by the end consumer in compliance with local regulations; separate waste collection services, urban sanitation and transportation of waste generated by end consumers; waste treatment aimed at material or energy recovery.

The downstream phases of the value chain are equally essential in ensuring that the value created in the initial stages is effectively delivered to the consumer or end-user. These phases directly influence profitability and customer satisfaction, while also strengthening market position and reputation. Through this approach, the entire Elica Group value chain generates integrated value, optimising every stage of the process to maximise both economic performance and the organisation's sustainability.

(AR 14 a, b, c, d) For the description of the business model and the mapping of the value chain, the Group has used qualitative and quantitative data from both internal and external sources. The analysis considered the main activities, resources, distribution channels, customer segments, and commercial relationships, including with suppliers. The information required by IFRS 8 was also integrated, reflecting the subdivision in the Cooking and Motors segments, in line with economic performance monitoring and management's resource allocation. Furthermore, the reconstruction of the value chain was part of the Double Materiality Analysis process aimed at "understanding the organisational context". The collected data made it possible to analyse impacts, risks and opportunities in the reference segments, and evidence relations in the business model.

In addition, with regard to upstream value chain activities, in order to provide the most accurate possible mapping, and considering that a significant portion of impacts in the supply chain are either directly linked[21] to or influenced by Elica, assessments were conducted based on Tier 3[22], Tier 2[23] and Tier 1[24] suppliers. Among Tier 1 suppliers, with support from the Procurement Office, the most relevant suppliers (those accounting for at least 90% of procurement expenses) were identified and their supply categories organised into clusters (semi-finished products, components, packaging, software and technology, finished products and services).

The data sources used to reconstruct the value chain and in relation to the data of individual suppliers, as mentioned above, are protected by technological and organisational safeguards, ensuring compliance with EU privacy regulations, protection of the Group's intellectual capital, and the accuracy and reliability of the data used.

[21] For further details on the list of impacts generated by players within the Group's value chain, to which Elica is either directly linked or contributes, see paragraph SBM-3 of the *General disclosures* section.
[22] Tier 3 suppliers are sub-sub-suppliers of raw materials, such as companies involved in resource extraction and refinement.
[23] Tier 2 suppliers are sub-suppliers of raw materials, such as companies that transform and manufacture industrial materials, in addition to the transporting of materials by sub-sub suppliers and sub-suppliers.
[24] Tier 1 suppliers are companies that supply the Elica Group with essential materials for its business operations.

[SBM-2] Interests and views of stakeholders

(45. a i, ii, iii, iv, v) For 2024, the Elica Group has updated the mapping and categorisation of its stakeholders, in addition to the engagement channels dedicated to them to enhance communication and dialogue activities, in line with the sustainability and transparency objectives set by the CSRD Directive (ref. IRO 1, Para. 53 b, ii). Specifically, in line with the definitions set out in ESRS 1 (AR 6, paragraphs 22 and 23), the Group's stakeholders are classified into "Users" (those who use sustainability statements) and "Affected" (those whose interests are or could be positively or negatively impacted by the Group's activities and business relationships). The Elica Group also includes "silent stakeholders" in the latter category, referring to parties unable to express their concerns or needs (see ESRS 1, paragraph AR 7).

The following table highlights the stakeholder categories, along with the communication, listening and engagement methods used by Elica to interact with key stakeholders. These activities seek not only to appropriately address their requests and expectations but also to understand their needs, ensuring that all collected inputs guide the evolution of the Group's strategy.

Category	Sub-categories	Type of stakeholder	Communication, listening & engagement channels
Shareholders and Governance	Shareholders	User	- Shareholders' Meeting - Roadshows - Consolidated Financial Statements - Sustainability Reporting
Management	Board of Directors, CEO, General Management, Control, Risks and Sustainability Committee (CRSC), Supervisory Board	User	- Business Review - Board meetings - Board Committee meetings - Communications with the Supervisory Board - Internal Audit Report

Workers	Group employees, workers along the upstream and downstream value chain (e.g. self-employed workers, workers supplied by third parties, workers employed by suppliers, logistics workers, etc.) and future potential employees.	Affected	- Group Policies and Company Procedures - Corporate organisational communications - Target allocation process and performance evaluation (PM) - Development of training plans - Corporate rewards process (MBO) - Corporate Intranet and Information Systems - Vittoria RMS Portal - "Suggestions" and "EHS Cards" system - Internal audits - Company welfare - Elica Group Supplier Code of Conduct - Second-party audits - Whistleblowing mechanism - Student involvement in workshops and project work and curricular internships - Career days - Curricular internships
Trade unions	General Workers' Representative Bodies (RSU), employee health and safety representatives (RLS), and local representatives of the relevant labour organisations	User	- Periodic meetings and discussion boards - Regular safety meetings
Customers and consumers	B2B/B2C customers, end consumers (B2C)	Affected	- Direct contact (events, dedicated company meetings) - Trade fairs and sector events - Showtrailers - Institutional press releases - Advertising campaigns - Technical assistance service survey - Elica website - Catalogues - Quality contact persons and product quality performance reporting - Complaint management - SAT call centre - SAT survey

Suppliers and partners	Suppliers of sub-suppliers of products and services	Affected	- Direct contact with purchasing staff, technical and economic bids - Sector events - Technical discussions
Investors and financial operators	Investment funds, stock market operators, banks and credit institutions, financial analysts	User	- Consolidated Financial Statements - Roadshows - Shareholders' Meeting - Press releases - Negotiations - Survey on ESG topics - Sustainability Reporting - Stock ratings
Certification bodies	Verification bodies, UNI EN ISO 9001-14001-45001 certifications	User	- Direct contact and webinars - Management review - On-site inspections/audits - Reporting and implementation of requirements and improvement action - Sustainability Reporting
National and international standardisation bodies	National and international legislative bodies, standards bodies and verification of mandatory product standards (e.g. VDE, CCC, UL etc.)	User	- Observatories and publication of legislative measures - Respect for compliance deadlines - On-site checks
Planet and global community	Future generations and nature	Affected	- Sustainability Reporting - Pre-/during-/post-event communication system - Recovery/restoration operating procedures - Press releases on sustainability initiatives - Global and local research (e.g., EIA, ICA, use of proxies) - Listening to issues raised by Non-Governmental Organisations
Legislative bodies, local institutions and regional governments	EU Community, country, Regions/Provinces, health and environmental authorities, labour law enforcement bodies, police forces etc.	User	- Communications and circulars, control reports

Local communities	Municipalities where production sites and HQs are located	Affected	- Press releases - Pre-/during-/post-event communication system - Recovery/restoration operating procedures - Events for social engagement and land recovery/enhancement (FEC Events)
Media	Press, magazines and trade media	User	- Direct contact and interviews - Press releases - Publications - Pre-/during-/post-event communications
Trade associations	Confindustria, AIDAF, associations with which Group companies carry out joint activities	User	- Direct contact, press releases
- Insurance companies	- Insurance companies for specific risks	User	- Direct contacts (e.g. audits) to share information on risk management
- Science hubs, universities and research and development centres	Universities and Technical Institutes, Development and Innovation Agencies (e.g. SMAU)	Affected	- Joint development of protocols/projects - Meetings on specific topics and business presentations
- ESG Rating Agencies	National and international industry agencies that issue ESG ratings (e.g. Sustainalytics, Moody's, MSCI, Ecovadis, CDP etc.)	User	- Public documents (e.g. Sustainability Reporting) - Joint activities for the issue of “solicited” ratings - Sharing of policies and sustainability practices

(45. b) Elica is committed to acquiring a thorough understanding of the interests and opinions of its main stakeholders. Though there is currently no structured process of direct stakeholder engagement as an input for the redefinition of corporate strategy, all the engagement methods used for consultative purposes in the reporting year are presented in the above table.

Specifically, for the impact materiality assessment, an internal Working Group was established at the corporate level (comprising members from the CFO, Statutory Reporting & Compliance, BU Sustainability Management and Internal Audit & Risk Compliance function), which participated in workshops. Additionally, specific stakeholder categories (Shareholders and Governance, Management, Suppliers and Partners, Customers and Consumers, Workers, Local Communities, Investors and Financial Operators, Certification Bodies, Media, Insurance Companies, Scientific Clusters, Universities, and Research & Development Centres) were engaged through an online questionnaire. For the financial materiality assessment, the aforementioned Working Group participated in a workshop focused on opportunities, while Department Managers of the Cooking and Motors and BUs participated in individual interviews focused on risks. This process enabled the integration of stakeholder needs and expectations into the Group's double materiality definition.

(45. c i, ii, iii)In the identification of actions and targets for 2024, the feedback of stakeholders was taken into consideration, although decisions were mainly based on the internal analysis aimed at preventing or mitigating negative, actual and potential impacts related to business activities and relationships. These actions and operational plans were developed with the involvement of the relevant corporate functions.

It is reasonable to assume that these measures could significantly alter Elica's relationship with stakeholders, influencing their views and expectations while fostering a more transparent and sustainability-driven relationship.

(45. d) The internal Board committee and the Board of Statutory Auditors are informed at least once a year about the double materiality analysis process and stakeholder engagement activities, which are subject to final validation by the BoD.

[SBM-3] Material impacts, risks and opportunities and their interaction with strategy and business model

(48. g) The new sustainability reporting regulations required Elica to adopt a more in-depth approach to identifying material topics. For the first time, the Company adopted a double materiality analysis process, allowing for an examination of materiality from both an impact perspective (inside-out) and a financial perspective (outside-in). This methodology, in compliance with the ESRS standards and the EFRAG operational guidelines, represents a significant evolution compared to previous reporting cycles, where the assessment was based solely on impact materiality under the GRI Standards. This new approach enables a more comprehensive and detailed analysis of the effects and implications on the business model and corporate strategy.

(48. a, b, c i, ii, iii, iv) The following table provides a brief description of the material impacts and risks identified in the updated materiality assessment, specifying in the "value chain" column whether they relate to the Company's own operations or to the value chain, either upstream or downstream. The description details both current and anticipated effects of these impacts, risks and opportunities on the business model, value chain, strategy, and decision-making process, how negative and positive impacts affect or may affect people and the environment, and reasonably expected time horizons.

The Group has developed specific actions to manage IROs identified as material. Specifically, as regards *Injury risk at Elica's offices and production sites* and *work-related injuries*, the Group intends to reduce the current injury rate. It is therefore taking measures such as providing ongoing training, investment in safe personal protective equipment (PPE) and updating safety management systems.

For the material topic S2 regarding the value chain, in relation to the sub-topics *working conditions*, *equal opportunities*, *human rights and other work-related rights, including freedom from forced and child labour*, Elica has taken actions to promote the signing of its Code of Conduct and to intensify audits and checks to identify violations.

Finally, the "impacted stakeholder" column details how these impacts affect (or, in the case of potential impacts, could affect) people or the environment.

IMPACT	DESCRIPTION	Type of contribution	Actual/Potential	Positive/ Negative	Value chain	Time horizon	Impacted stakeholder
Climate change impacts related to production in the value chain	Emission of climate-altering gases linked to the use of non-renewable energy sources by the Group's suppliers in material production activities. Climate-altering emissions contribute to climate change, generating a global impact	Elica contributes to causing the impact	Actual	Negative	Upstream	Short-term	**- Planet and global communities**
Climate change impacts related to production in own operations	Emission of climate-altering gases linked to the use of non-renewable energy sources by the Elica Group in production activities and the operation of its various facilities. Climate-altering emissions contribute to climate change, generating global impacts.	Elica causes the impact	Actual	Negative	Own operations	Short-term	**- Planet and global communities - Local communities**
Climate change impacts related to upstream and downstream transport	Emission of climate-altering gases linked to the use of fossil fuels for transportation (by land, sea and air) of semi-finished products to the Group's facilities and final products to (B2B and B2C) customers.	Elica contributes to causing the impact	Actual	Negative	Upstream / Own operations / Downstream	Short-term	**- Planet and global communities**
Environmental impacts related to raw materials supply and waste production	The use of raw materials (such as metals) purchased by the Group involves extraction and production processes that can generate significant amounts of waste. If not managed responsibly, this process could have substantial negative impacts on the environment and affected regions.	Elica is directly related to causing the impact	Actual	Negative	Upstream	Short-term	**- Local communities**
Work-related injuries	Operational and manual activities (e.g. use of machinery and heavy vehicles, manual handling, repetitive tasks, etc.) could lead to multiple workplace injuries, negatively impacting Elica's workforce in terms of health and safety.	Elica causes the impact	Actual	Negative	Own operations	Short-term	**- Workers - Local communities**

Lack of employee skill development	An inadequate level of employee skill development for both managerial (e.g. soft skills, leadership) and operational tasks (e.g. design, compliance with industry regulations) due to inadequate technical training could negatively impact employees' professional growth.	Elica causes the impact	Potential	Negative	Own operations	Short-term	**- Workers - Local communities**
Violations of own workers' human rights	Potential violations of workers' rights due to inadequate working conditions (e.g. working hours, wages, freedom of association, collective bargaining, work-life balance, etc.).	Elica causes the impact	Potential	Negative	Own operations	Short-term	**- Workers - Local communities**
Protection of the values of diversity, inclusion and equal opportunities	Ensuring gender equality, fair working conditions and equal pay for work of equal value fosters a more equitable and motivating work environment, enhancing employee satisfaction.	Elica causes the impact	Actual	Positive	Own operations	Short-term	**- Workers - Local communities**
Failure to create a safe working environment	The failure to adopt adequate measures to ensure a safe and respectful work environment, leading to inappropriate behaviour and violations of employee rights. This could negatively impact organisational well-being, reducing employees' sense of belonging and motivation.	Elica causes the impact	Potential	Negative	Own operations	Short-term	**- Workers - Local communities**
Compliance with other labour rights of own workers	Adhering to the principles of the International Labour Organization (ILO), which prohibit child labour and forced or compulsory labour, along with safeguarding privacy and adopting the HR Due Diligence process, strengthens the Group's commitment to human rights and the promotion of ethical practices within its operations.	Elica causes the impact	Actual	Positive	Own operations	Short-term	**- Workers - Local communities**
Violation of human rights in the value chain	The adoption of inadequate working conditions within the value chain (e.g. lack of secure employment, insufficient wages, non-compliance with health and safety standards set by national and international regulations, etc.) and violations of the principles of equal	Elica is directly related to causing the impact	Potential	Negative	Upstream / Downstream	Short-term	**- Workers - Local communities**

	treatment and opportunity could lead to breaches of employee rights, negatively impacting their well-being and the quality of the working environment.						
Impacts on rights to freedom from forced and child labour in the value chain	The occurrence of forced labour and/or child labour exploitation within the value chain could have negative impacts, perpetuating and hindering economic and human development.	Elica is directly related to causing the impact	Potential	Negative	Upstream / Downstream	Short-term	**- Workers** **- Local communities**
Prevention of consumer health and safety issues	The adoption of continuous quality and product safety controls, along with ensuring transparent labelling, helps prevent safety hazards and/or harm to consumer health.	Elica causes the impact	Actual	Positive	Upstream / Own operations / Downstream	Short-term	**- Customers and consumers**
Violation of customer privacy	Potential breaches of customers' and consumers' personal data, linked to possible cyberattacks on corporate systems, could negatively impact customers and affected individuals.	Elica causes the impact	Potential	Negative	Own operations / Downstream	Short-term	**- Customers and consumers**
Sustainable supply chain management	The adoption of sustainable supply chain management practices (e.g. an approval process based on dedicated ESG Surveys, adherence to the Supplier Code of Conduct, and period audits) generates positive impacts on people.	Elica causes the impact	Actual	Positive	Own operations	Short-term	**- Workers** **- Suppliers and partners**
Failure to comply with payment practices	**Potential non-compliance with internal payment practices with regard to suppliers, which could negatively impact their ability to continue operations**	**Elica causes the impact**	**Potential**	**Negative**	**Own operations**	**Short-term**	**- Workers** **- Suppliers and partners**

(48. c ii) Impacts were also identified by taking into account the Business Plan, which incorporates ESG aspects and provides the strategic framework for understanding how these impacts are connected to the Group's strategy and business model.

RISK	DESCRIPTION	Dependencies compared to impacts	Dependencies on natural or social resources	Value chain	Time horizon
Physical climate risks for Group activities	Risk of acute climate events (e.g. floods, extreme precipitation, landslides, earthquakes, etc.) could impact, hinder or disrupt the Group's activities due to structural damage and/or limited access to company sites, leading to economic repercussions on operations (higher costs and/or lower sales).	Climate change impacts related to production in the value chain; Climate change impacts related to production in own operations; Climate change impacts related to upstream and downstream transport	**Natural resources:** - Atmosphere - Energy **Business relations** **Social resources:** - Planet and global communities - Local communities - Customers and end-users	Downstream	**Short-term / Medium-term / Long-term**
Interruption of operations or damage to infrastructures or supplier production sites deriving from climate events	Risk that acute and chronic climate events (e.g. droughts, floods, variability in weather patterns, rising temperatures) could lead to the unavailability of raw materials and/or semi-finished products, resulting in negative effects such as lower sales revenues and/or higher operating costs.	Climate change impacts related to production in the value chain; Climate change impacts related to production in own operations; Climate change impacts related to upstream and downstream transport	**Natural resources:** - Atmosphere - Energy **Business relations** **Social resources:** - Planet and global communities - Local communities - Customers and end-users	Upstream	**Long-term**
Credit rating erosion due to difficulties in satisfying ESG performance expectations	Risk related to the deterioration of Elica's credit rating due to challenges in meeting and/or failing to achieve expected climate-related performance targets. This risk arises particularly from the increasing importance of ESG factors, which may lead banks to incorporate new ESG-	Climate change impacts related to production in the value chain; Climate change impacts related to production in own operations; Climate change impacts related to upstream and downstream transport	Natural resources: - Atmosphere - Energy **Social resources:** - Investors and financial operators	Own operations	**Medium-term / Long-term**

	related KPIs into their credit rating models and lending assessments. Failure to meet the expected performance targets could result in: (i) an increase in financing costs; (ii) suspension, revocation and/or reduction of existing credit lines.				
New and more stringent Elica product ESG requirements from customers	Risk that Elica's customers could demand stricter product sustainability requirements (e.g. lower energy consumption during product use), leading to extra costs for compliance and/or potential loss of market share in the event of delayed adaptation.	-	**Social resources:** - Customers and end-users	Downstream	**Short-term / Medium-term / Long-term**
Injuries at Elica sites and production sites	Injury risk for employees or third parties at Elica's sites and facilities. This risk specifically concerns injuries occurring at production plants and offices.	Work-related injuries	**Social resources:** - Workers	Own operations	**Short-term / Medium-term / Long-term**
Non-compliance with GDPR legislation	Risk of non-compliance with applicable personal data protection regulations (e.g. EU Regulation No. 2016/679), particularly concerning employees, potentially leading to legal and reputational consequences.	Compliance with other labour rights of own workers	-	Own operations	**Short-term / Medium-term / Long-term**
Non-compliance with GDPR legislation	Risk of non-compliance with applicable personal data protection regulations (e.g. EU Regulation No. 2016/679), particularly concerning customers and end consumers, potentially leading to legal and reputational consequences.	Violation of customer privacy	-	Downstream	**Short-term / Medium-term / Long-term**
Business ethics and compliance	Risk that violations of policies, procedures, the Ethics Code or the 231 Model could expose the Company to regulatory sanctions, damage its corporate reputation and negatively impact operational performance and business results.	-	-	Upstream / Downstream	**Short-term / Medium-term / Long-term**

Risk of fraud and corruption	**Risk that management, employees or third-parties (e.g. public officials) could commit fraud for personal gain at the Company's expense, leading to inefficiencies in management. The areas/processes most vulnerable to fraud risk include: (i) cash handling; (ii) supplier management; (iii) expense reports; (iv) discount policies; (v) employee payments; (vi) inventory movements.**	-	-	**Upstream / Downstream**	**Short-term / Medium-term / Long-term**

(48. d) We note that no significant financial effects occurred concerning the identified material risks in the current reporting year. However, the Group already has some preventive measures in place, including insurance coverage related to physical weather risks and work-related injuries and ill health. In particular, considering the Group's industry, the assumptions made relate to the contribution to be pursued through product solutions that ensure efficiency and control of environmental impact. Product solutions are also complemented by projects relating to the circular economy, including the increased use of recycled components. For more details on the financial impacts of climate risks, see "A.12. Exposure to Risks and Uncertainties and Financial Risk Factors" in the dedicated section "Climate Change Risk Analysis" of the 2024 Annual Financial Report.

(48. f) Elica has embarked on a journey to strengthen its ability to address material impacts and risks. To this end, a double materiality analysis was conducted to identify and evaluate the most significant factors for both the business and its stakeholders. In addition, the existing Enterprise Risk Management (ERM) process enables the systematic integration of risk management into corporate decision-making processes. At the same time, a scenario analysis on physical and transition risks was carried out to assess potential future developments in the operating environment and support informed strategic planning. These tools and methodologies represent a concrete step in the Group's continuous improvement journey, strengthening its ability to adapt to and effectively respond to future challenges.

The Group's double materiality

[IRO-1] - Description of the processes to identify and assess material impacts, risks and opportunities

The process adopted to identify and assess impacts, risks and opportunities (IROs) is based on the double materiality approach, as required by the CSRD regulation and supported by EFRAG IG 1: "Materiality Assessment Implementation Guidance".
This approach combines an assessment of the impacts generated by the company on people and the environment with an evaluation of risks and opportunities, incorporating analysis and evaluations of the Group's ERM framework that could influence financial performance.

(53. a-b-c) The Double Materiality methodology followed a process comprising several phases:
1. **Understanding the organisational context:** to identify relevant ESG-related impacts, risks and opportunities for the Elica Group, an in-depth analysis of the operational context was conducted, extending beyond the core business to include the entire value chain (both upstream and downstream) and major sustainability macro-trends. This analysis involved a benchmarking study of peer practices, based on publicly available documentation. In addition, internationally recognised sources, such Sustainalytics, S&P Global, MSCI, Euronext, the World Economic Forum, UNEP and OECD were consulted to identify key sustainability topics related to the sector. A review of the Group's internal and external documents was carried out to assess their relevance to the ESG topics analysed. The analysis involved categorising and prioritising stakeholders, in accordance with the ESRS standard, distinguishing between User and Affected stakeholders. Finally, the value chain was mapped to analyse business relationships with suppliers – categorised into Tier 1, 2 and 3 – and the stakeholders involved.
2. **Identification of IROs**: based on the results of the contextual and ERM analysis findings, an identification process was launched for both current and potential positive and negative impacts, risks and opportunities (IROs) related to environmental, social and governance (ESG) matters. This analysis considered both the Elica Group's direct operations and its entire value chain, upstream and downstream. This process led to the definition of a comprehensive long list of IROs, supported by the list of topics, sub-topics, and sub-sub-topics outlined in ESRS 1 - AR 16 as a methodological reference, while also identifying dependencies on natural and social resources. For more information on the time horizons, see paragraph BP-2 of the General disclosures section.
3. **IRO assessment**: the first step involved identifying the stakeholders/owners/key contacts to be engaged in the assessment process. Once the assessment parameters were defined – including the **assessment** dimensions: impact severity/magnitude of the financial effect associated with risks and opportunities, and the likelihood of occurrence in the short, medium and long term

– the long list of impacts, risks and opportunities, along with their related sustainability topics, was submitted for assessment by a dedicated corporate-level working group, Top Management and Elica Group stakeholders.
The assessment of financial materiality involved the participation of Department Managers from the Cooking BU and Motors BU in individual interviews (for risks), while the corporate working group conducted workshops to assess opportunities.
Finally, the double materiality findings were validated by the Control, Risks and Sustainability Committee (CRSC) and the Board of Directors.

In 2024, the Group decided to map and document the main stages of the due diligence process, particularly regarding human rights, through its Human Rights Due Diligence Procedure, and the related Human Rights Policy. The procedure and policy were approved by the Board of Directors on February 13, 2025

The sustainability due diligence process is based on an internal approach aimed at identifying, preventing, mitigating and monitoring actual and potential negative impacts on people and the environment, in line with business operations and the upstream and downstream value chain. The process integrates internationally recognised principles, such as those outlined in the United Nations Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises. This approach ensures progressive alignment with global sustainability standards, with the short-term objective of strengthening and formalising policies and procedures in this area.
The assumptions adopted in the assessment of each IRO were based on available data, enabling a materiality analysis that takes the sector and the business as a whole into consideration.

(53 b.i) Given the Group's operational scope, impact identification considered the specific (business and geographical) context in which the Group's individual entities operate. The aggregated assessment accurately reflects impact severity, taking into account country, site, asset and business model diversity.

(53 b.ii) Through upstream and downstream value chain mapping, including an assessment of supplier types and procurement categories, the Group identified impacts arising from its business relationships. To this end, each impact was classified according to the three levels of contribution generated by Elica – caused, contributed to and directly linked[25] – in line with international due

[25] For more information, please refer to FAQ 2 of the EFRAG "IG 1: "Materiality Assessment Implementation Guidance".

diligence principles. This approach ensured a comprehensive and in-depth assessment of the materiality and priority of identified impacts.

(53 b.iii) A stakeholder engagement activity was carried out to assess impacts, involving the corporate Working Group through workshops and inviting specific stakeholder categories (Shareholders and Governance, Management, Suppliers and Partners, Customers and Consumers, Workers, Local Communities, Investors and Financial Operators, Certification Bodies, Media, Insurance Companies, Scientific Clusters, Universities and Research & Development Centres) to complete an evaluation questionnaire.

(53 b iv) During the assessment process, and in line with the requirements (see ESRS 1, section 3.4, Impact Materiality), specific thresholds/parameters were established for impact evaluation dimensions, including impact severity and the likelihood of occurrence in the short, medium and long term. In particular, the severity of each negative impact was assessed using a three-level scale for “scale” (negligible, moderate, material) and “scope” (limited, medium, extensive) and a three-level sale for “irremediable character” (remediable, partially remediable, irremediable). For positive impacts, the potential benefit was evaluated on a three-level scale for “scale” and “scope”. The likelihood scale was defined across four levels (low, medium, high and extremely likely), where the highest likelihood corresponds to an already occurring impact. The overall materiality of an impact is determined by adding together the three severity components and multiplying them by the likelihood factor.

(53 c.i) The Group has adopted an integrated approach that systematically considers Enterprise Risk Management analysis and the connections between impacts, dependencies, risks and ESG-related opportunities across the entire value chain. The process is based on an in-depth analysis of interactions between business activities, commercial relations and the socio-economic and environmental context in which the Group operates. Specifically, in line with the definition of dependencies under ESRS 1, AR 14, Elica has assessed how its impacts – both positive and negative – can generate risks, such as potential reputational, financial or legal damages, and opportunities, such as innovation, improved operational performance and strengthened stakeholder relationships. For each risk and opportunity reported in the long list, dependencies were identified in relation to both natural and social resources, separating from the latter supplier and commercial partner relations. Natural resource dependencies were identified and classified on the basis of the United Nations Environment Programme World Conservation Monitoring Centre (UNEP-WCMC) classification system.

Social resource dependencies were identified and classified on the basis of the key stakeholder mapping, excluding supplier and partner relations, as mentioned above.

(53 c.ii) The Group assessed the likelihood, magnitude and nature of risk and opportunity impacts using an approach with three main dimensions: economic-financial, operational, and reputational. Magnitude was divided into four levels, Low, Medium, High, and Critical, on the basis of quantitative criteria considering the impact on revenues, costs, and EBIT. Likelihood was based on the frequency with which each event had occurred in the past (the historical component) and on forecasts over short, medium and long-term horizons (the predictive component), following the definition of the time horizons as per ESRS 1, Section 6.4. Risk and opportunities over medium and long-term time horizons were classified using specific trend metrics as Stable, Growing, or Decreasing.
Depending on the result, multiplicators were applied to the likelihood and impact values to predict the future evolution of the risk or opportunity and its financial materiality. In the aggregated results, for the purposes of the Double Materiality Assessment, risk and opportunity assessments were made on the basis of the long-term horizon.

From an operational point of view, impacts on business processes were assessed with particular attention to their criticality, the need for interventions by management, and the duration of interruptions to key processes. Regarding the reputational dimension, the Group assessed potential local and global damage to the brand's image, taking into account media attention and stakeholder expectations.

(53 c.iii, d) The Group prioritises sustainability-related risks over other types of risks through the integration of Environmental, Social and Governance (ESG) concerns in its strategic guidelines and risk management systems. Sustainability risks are identified, assessed and monitored using risk assessment tools that combine traditional methodologies of Enterprise Risk Management (ERM) with specific sustainability models and indicators. For further information on the decision-making process and related internal control procedures, please refer to paragraph GOV 5 of the General disclosures section.

(53 e) The identification, assessment and management of impacts and risks are fully integrated into the company's Enterprise Risk Management (ERM) system, ensuring a coherent and systematic approach. This integration allows the Group to align impact and risk management, along with related dependencies, with the Group's overall risk profile, enabling a unified and strategic perspective.

By evaluating scenarios and identifying priorities, the process helps to define corporate strategies, support informed decision-making, and optimise risk mitigation efforts.

(53 f) The identification, assessment and management of opportunities are integrated, where applicable, into the Group's overall management process. This ensures that potential synergies between dependencies, impacts, risks and opportunities are considered within the strategic and operational framework, ensuring that new opportunities are also taken into account. The integrated structure fosters a proactive approach, which seeks not only to mitigate risks but also to capitalise on opportunities, in line with corporate targets and market conditions.

(53 g) The input parameters employed in the process of identifying and assessing impacts, risks and opportunities (IROs) related to sustainability are based on a multi-level approach. In the context analysis phase, the Group uses publicly available documents and industry standards, supported by internal analysis. The second phase, dedicated to identifying IROs, incorporates various parameters to capture the full scope of the Group's business (Cooking BU and Motors BU), along with the geographical and sector-based diversity of its operations. During the IRO assessment phase, the process focused on reducing reliance on estimates, prioritising the use of verified data and shared assumptions, in line with the EFRAG Materiality Assessment Implementation Guidance. Specific methodologies were developed for the assessment of impact materiality and risks and opportunities (financial materiality), with the thresholds outlined in previous sections.
(53 h) The analysis has evolved from the previous year, shifting from a solely impact-based approach, following the GRI (Global Reporting Initiative) Standards to a double materiality assessment, as required by the CSRD. This change led to a significant revision of the IRO identification and assessment process, which was last updated in 2024 to align with new regulatory requirements. The main changes involved the inclusion of a financial perspective, considering dependencies arising from generated impacts, taking into account an expanded scope that involves the entire value chain. The next review of the materiality assessment is scheduled for 2025, in accordance with the established update cycle, unless major events such as acquisitions or divestments necessitate an earlier reassessment.

[IRO-2] Disclosure Requirements in ESRS covered by the undertaking's sustainability statement

Non-material topics

In 2024, the Group deepened its understanding of the interests and perspectives of key stakeholders as part of its double materiality analysis, a process that involved both internal and external stakeholders (stakeholder engagement). The goal of these activities is not only to appropriately address their requests and expectations, but also to understand their needs, ensuring that all collected inputs guide the evolution of the Group's strategy.
Specifically, for the impact materiality assessment, an internal Working Group was established at the corporate level (comprising members from the Statutory Reporting & Compliance, QHSE and Internal Audit & Risk Compliance functions), which participated in workshops. Additionally, specific stakeholder categories (Shareholders and Governance, Management, Suppliers and Partners, Customers and Consumers, Workers, Local Communities, Investors and Financial Operators, Certification Bodies, Media, Insurance Companies, Scientific Clusters, Universities, and Research & Development Centres) were engaged through an online questionnaire. For the financial materiality assessment, the aforementioned Working Group participated in a workshop focused on opportunities, while Department Managers of the Cooking and Motors and BUs participated in one-to-one interviews focused on risks. This process enabled the integration of stakeholder needs and expectations into the Group's double materiality definition.
From the engagement of internal and external stakeholders identified for the 2024 Double Materiality Analysis, no material impacts, risks or opportunities emerged in relation to ESRS topics considered non-material by the Group.
We furthermore note, for the ESRS topics considered non-material by the Group, no events occurred in relation to associated impacts, risks and opportunities. In an analysis of the last 15 years of historical data of the Group companies, no events were found to be reported in relation to these ESRS topics.

Disclosure requirement related to ESRS 2 IRO-1 – Description of the processes to identify and assess material pollution-related impacts, risks and opportunities

(ESRS E2; 11 a-b, AR 9; ESRS 2 IRO-2, 58) The approach for determining impacts, risks and opportunities is described in the General Disclosures IRO-1.The topic of pollution in the Group's activities was assessed considering both its financial materiality and potential impact.

Sector data was used to identify potential dependencies and moderate impacts in Elica's sector and value chain. On the basis of data provided in the Guidance on the Identification and Assessment of Nature-Related Issues: The TNFD LEAP Approach, the assessment highlighted that Elica's sector has a low dependency on natural resources, such as the quality and use of soil and water.

For the assessment of its own operations, impact drivers were identified in order to identify and analyse organisational impact factors of pollution affecting environmental resources and ecosystem service supply, which might, in turn, affect dependencies and society in general.
In particular, pollution drivers regarding air, soil and living organisms and the use of harmful substances highlight how all of the Group's production sites are in line with the provisions of Legislative Decree No. 152/2006.
Regarding the assessment of corporate activities of own operations and along the value chain, it emerged that the issue does not present risks or opportunities that are likely to materially impact Group financial performance or generate significant negative impacts such as to make it a material ESRS reporting topic.

Disclosure requirement related to ESRS 2 IRO-1 – Description of the processes to identify and assess material water and marine resources-related impacts, risks and opportunities

(ESRS E3; 8; ESRS 2 IRO-2, 58) The approach for determining impacts, risks and opportunities is described in the General Disclosures section IRO-1. The topic of ESRS E3, and its Sub-topic and Sub-sub-topic were assessed considering both financial materiality and potential impact on the Group's operations and on the value chain.

Sector data was used to identify potential dependencies and moderate impacts in Elica's sector and value chain. On the basis of data provided in the Guidance on the Identification and Assessment of Nature-Related Issues: The TNFD LEAP Approach, the assessment highlighted that Elica's sector has a low dependency on natural resources, such as the quality and use of soil and water. Regarding the value chain, considering that any impacts on water and marine resources were not attributable to the use of Elica range hoods or motors downstream in the value chain, assessments focused on impacts generated upstream. In particular, impacts relating to the use of water resources derive mainly from companies involved in the extraction of minerals and the production of laminates, which make up the main raw materials for the production of range hoods and motors. The volume of water drawn, discharged and consumed in the production of these materials for Elica Group was estimated and found to be lower than the section average. Water may also be consumed in operational activities for the production and processing of glass, although this raw material is not used significantly in Elica products, in either range hoods or motors, and therefore has only a marginal impact. Except in exceptional cases, more significant water consumption events would be extemporaneous, given that systems are in place to monitor and limit withdrawals, consumption and discharges.

Subsequently, regarding own operations, further insights were elaborated. In particular, impact drivers were identified in order to identify and analyse organisational impact factors affecting environmental resources and ecosystem service suppliers, which might, in turn, affect dependencies and society in general.
These drivers take into account water withdrawals and discharges, as well as water stress at the reference site. Nonetheless, the use of water in operations is limited to use for services, and there are no production discharges.

In light of the above considerations, it was assessed that the issue does not carry risks or opportunities that would significantly affect the Group's financial performance or generate significant negative impacts, and therefore was not identified as a material ESRS topic.

Disclosure Requirement related to ESRS 2 IRO-1 - Description of processes to identify and assess material biodiversity and ecosystem-related impacts, risks and opportunities

(ESRS E4; 17 a-d; ESRS 2 IRO-2, 58) The approach for determining impacts, risks and opportunities is described in the General Disclosures section IRO-1. The topic of biodiversity was assessed considering its potential impact and related dependencies on environmental resources and current and future generations, particularly concerning the availability of natural resources.
Sector data was used to identify potential dependencies and moderate impacts in Elica's sector and value chain. On the basis of data provided in the Guidance on the Identification and Assessment of Nature-Related Issues: The TNFD LEAP Approach, the assessment highlighted that Elica's sector has a low dependency on natural resources, such as the quality and use of soil and water. Regarding own operations, none of the plants considered in the reporting scope are located in protected zones.

(ESRS E4; 18.19) Although no detailed analyses were conducted (e.g., analyses of biodiversity scenarios), the analysis of own operation and value chain activities evidenced that the issue does not carry risks or opportunities that would significantly affect the Group's financial performance or generate significant negative impacts, and therefore was not identified as a material ESRS topic.

Disclosure requirement related to ESRS 2 SBM-2 - Interests and views of stakeholders

(ESRS S3, 7; IRO-2, 58) The Group did not identify any material IROs regarding the affected communities. Nonetheless, the company recognises the affected communities as an important stakeholder group. The opinions, interests and rights of these communities are continuously relevant for corporate operations. These stakeholders were engaged in the assessment stage of the Double Materiality Analysis process. For more information on the matter, see the paragraph SBM-2 in the General Disclosures section.

Disclosure Requirement related to ESRS 2 SBM-3 - Material impacts, risks and opportunities related to pollution and their interaction with strategy and business model

(ESRS E4 16) The Group did not identify material IROs concerning the topic of biodiversity and ecosystems, and therefore did not carry out assessments of related interactions with its own strategy and business model. However, assessments of own operations and along the value chain were carried out, and evidenced that the issue does not present risks or opportunities that are likely to materially impact Group financial performance or generate significant negative impacts such as to make it a material ESRS reporting topic.

Disclosure Requirement related to ESRS 2 SBM-3 - Material impacts, risks and opportunities related to affected communities and their interaction with strategy and business model

(ESRS S3 9, 10, 11, AR 5-6-7-8) The Group did not identify material IROs concerning the topic of affected communities, and therefore did not carry out assessments of related interactions with its own strategy and business model. However, assessments of own operations and along the value chain were carried out, and evidenced that the issue does not present risks or opportunities that are likely to materially impact Group financial performance or generate significant negative impacts such as to make it a material ESRS reporting topic.

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(IRO-2 59) To identify material IROs, the Group considered, for impact materiality, all impacts assessed as material or very material, and, for financial materiality, all risks or opportunities assessed as considerably or critically material over at least one of the time horizons.
We also note that for FY2024, Elica decided to gradually introduce certain disclosure requirements envisaged in Appendix C of ESRS 1. The disclosure requirements that the Group decided to omit, as not material, or subject to the aforementioned transitional provisions, are indicated in the table below, using respectively the expressions "Not material" and "Phase-in".

DR	LIST OF MATERIAL ESRS TOPICS	Page reference
ESRS 2 - GENERAL DISCLOSURES		
BP-1	General basis for preparation of the sustainability statements	
BP-2	Disclosures in relation to specific circumstances	
GOV-1	The role of the administrative, management and supervisory bodies	
GOV-2	Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies	
GOV-3	Integration of sustainability-related performance in incentive schemes	
GOV-4	Statement on due diligence	
GOV-5	Risk management and internal controls over sustainability reporting	
SBM-1	Strategy, business model and value chain	
SBM-2	Interests and views of stakeholders	
SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	
IRO-1	Description of the processes to identify and assess material impacts, risks and opportunities	
IRO-2	Disclosure Requirements in ESRS covered by the undertaking's sustainability statement	
ESRS - E1 CLIMATE CHANGE		
SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	
IRO-1	Description of the processes to identify and assess material climate-related impacts, risks and opportunities	
GOV-3	Integration of sustainability-related performance in incentive schemes	
E1-1	Transition plan for climate change mitigation	
E1-2	Policies related to climate change mitigation and adaptation	

E1-3	Actions and resources in relation to climate change policies	
E1-4	Targets related to climate change mitigation and adaptation	
E1-5	Energy consumption and mix	
E1-6	Gross Scopes 1, 2, 3 and Total GHG emissions	
E1-7	GHG removals and GHG mitigation projects financed through carbon credits	
E1-8	Internal carbon pricing	
E1-9	Anticipated financial effects from material physical and transition risks and potential climate-related opportunities	Phase-in
ESRS E5 - RESOURCE USE AND CIRCULAR ECONOMY		
IRO-1	Description of the processes to identify and assess material resource use and circular economy-related impacts, risks and opportunities	
E5-1	Policies related to resource use and circular economy	
E5-2	Actions and resources related to resource use and circular economy	
E5-3	Targets related to resource use and circular economy	
E5-4	Resource inflows	
E5-5	Resource outflows	
E5-6	Anticipated financial effects from resource use and circular economy-related impacts, risks and opportunities	Phase-in
ESRS S1 - OWN WORKFORCE		
SBM-2	Interests and views of stakeholders	
SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	
S1-1	Policies related to own workforce	
S1-2	Processes for engaging with own workers and workers' representatives about impacts	
S1-3	Processes to remediate negative impacts and channels for own workers to raise concerns	
S1-4	Taking action on material impacts on own workforce, and approaches to mitigating material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions	
S1-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	
S1-6	Characteristics of the undertaking's employees	
S1-7	Characteristics of non-employee workers in the undertaking's own workforce	Phase-in
S1-8	Collective bargaining coverage and social dialogue	Partially in phase-in
S1-9	Diversity metrics	
S1-10	Adequate wages	

S1-11	Social protection	Phase-in
S1-12	Persons with disabilities	Not material
S1-13	Training and skills development metrics	Phase-in
S1-14	Health and safety metrics	Phase-in, non-employee workers
S1-15	Work-life balance metrics	Phase-in
S1-16	Remuneration metrics (pay gap and total remuneration)	
S1-17	Incidents, complaints and severe human rights impacts	
ESRS S2 - WORKERS IN THE VALUE CHAIN		
SBM-2	Interests and views of stakeholders	
SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	
S2-1	Policies related to value chain workers	
S2-2	Processes for engaging with value chain workers about impacts	
S2-3	Processes to remediate negative impacts and channels for value chain workers to raise concerns	
S2-4	Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those actions	
S2-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	
ESRS S4 – CONSUMERS AND END-USERS		
SBM-2	Interests and views of stakeholders	
SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	
S4-1	Policies related to consumers and end-users	
S4-2	Processes for engaging with consumers and end-users about impacts;	
S4-3	Processes to remediate negative impacts and channels for consumers and end-users to raise concerns	
S4-4	Taking action on material impacts on consumers and end-users, and approaches to managing material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of those actions;	
S4-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	
ESRS G1 - BUSINESS CONDUCT		
GOV-1	The role of the administrative, management and supervisory bodies	
IRO-1	Description of the processes to identify and assess material impacts, risks and opportunities	

G1-1	Corporate culture and business conduct policies	
G1-2	Management of relationships with suppliers	
G1-3	Prevention and detection of corruption and bribery	
G1-4	Confirmed incidents of corruption or bribery	
G1-5	Political influence and lobbying activities	Not material
G1-6	Payment practices	

(48 h) We note that all the material sustainability impacts, risks and opportunities identified by the Group are attributable to ESRS standards, and therefore none have been reported by resorting to additional specific information on the company, requiring “entity-specific disclosures”.

Environmental Disclosure (ESRS E1, ESRS E5)

Climate Change (ESRS E1)

(ESRS S2 SBM-3, 18)IRO		Value chain	Time horizon
IMPACT	Climate change impacts related to production in the value chain	Upstream	Short-term
IMPACT	Climate change impacts related to production in own operations	Own operations	Short-term
IMPACT	Climate change impacts related to upstream and downstream transport	Upstream / Own Operations / Downstream	Short-term
IMPACT	Environmental impacts related to raw materials supply and waste production	Upstream	Short-term
PHYSICAL RISK	Physical climate risks for Group activities	Downstream	Short-term / Medium-term / Long-term
PHYSICAL RISK	Interruption of operations or damage to infrastructures or supplier production sites deriving from climate events	Upstream	Long-term
TRANSITION RISK	Credit rating erosion due to difficulties in satisfying ESG performance expectations	Own operations	Medium-term / Long-term
TRANSITION RISK	New and more stringent Elica product ESG requirements from customers	Downstream	Short-term / Medium-term / Long-term

The Group will not report information regarding Disclosure Requirement E1-7 and Disclosure Requirement E1-8 because it does not perform greenhouse gas removals or finance mitigation projects through carbon credits. There is therefore no data on GHG removals or mitigation projects financed through carbon credits in its transactions or value chain, nor does it apply internal carbon pricing schemes in its transactions. As such, there are no data on internal carbon prices or GHG emissions covered by such schemes.

[ESRS 2 IRO-1] – Description of the processes to identify and assess material climate-related impacts, risks and opportunities

(ESRS E1; 20 a, AR 9 a-b) The approach taken, details of impacts, risks and opportunities, and list of material climate change IROs are presented in paragraph SBM-3 of the General Disclosures section.
The Group has analysed its operations and value chain to identify current and potential climate change impacts. Through a mapping of the value chain, the main emissions sources were identified, taking into account upstream and downstream production and processing, and input and output logistics. Actual and potential climate change impacts were assessed taking into account total Scope 1 and 2, and where possible, Scope 3 greenhouse gas (GHG) emissions. For the identification of Scope 3 categories, the GHG Protocol was used. For more information on the relevant categories, see paragraph ESRS E1-6 in this section.

(ESRS E1; 20 B; AR 11 a-d, AR15) The assessment of physical climate risks took into account own operations and the value chain, both upstream and downstream. In particular, the main climate risks were identified in high emissions scenarios, such as IPCC Representative Concentration Pathway (RCP) 8.5. Among the identified risks was global warming, with heat waves and thermal stress representing significant risks for business activities in sensitive geographical areas, including Italy, Spain, Mexico, China, USA, and Germany. The assessment was made over a long-term horizon up until 2050.
The assessment of risks to assets and activities highlighted how the latter are particularly exposed to climate change risks, with potential impacts on operations, infrastructures, and supply chains. For operating facilities, risks come from prolonged climate phenomena, such as temperature rises, and demand mitigation measures, such as air-conditioning system improvements and climate sensor monitoring. For the value chain, on the other hand, risks concern both upstream operations, with potential interruptions of the activities of suppliers in countries with high temperature risks, and downstream operations, with impacts on end markets and consumers. For each type of risk, business activities that could be exposed to climate-related hazards were analysed considering geospatial coordinates and the magnitude of the individual risk on a scale of 1 to 3.

For the identification and assessment of climate risks, high emissions climate scenarios were considered in estimating their likelihood, duration and extent for the specific geographical coordinates of Group entities. These scenarios, integrated with regional climate forecasts, made it possible to refine and make the modelling of physical risks more precise.
Finally, the analysis made it possible to identify and develop priority adaptation solutions. Among these are technical and equipment improvements, such as the optimisation of air conditioning systems, and transversal measures, such as insurance coverage and extraordinary maintenance plans. The approach reflects a conscious, proactive management of climate-related physical risks, aimed at guaranteeing the resilience of corporate activities over the long-term.

(ESRS E1; 20 c; AR 12 a) The assessment of transition risks and climate-related opportunities considered both own operations and the upstream and downstream value chain, involving respectively suppliers, and customers and markets. The assessment identified transition risks among those indicated by the Task Force on Climate Related Financial Disclosures (TCFD) by geographical location and activities, modelled according to the Current Policies and Net-Zero climate scenarios, over a medium to long-term horizon (2030-2050), compatible with the scenario analysis with the limitation of global warming to 1.5°C, in line with the Paris Agreement. The identified transition events include regulatory changes, the evolution of stakeholders preferences, market demands for low-carbon emissions products, and the adoption of more sustainable technologies. A significant exposure of assets and activities emerged in relation to these events, particularly regarding high-emissions products and the growing expectations of stakeholders for low-carbon solutions. No material opportunities were found for the reporting year; instead, physical and transition risks were assessed as material, as detailed in the General Disclosures section, paragraph SBM-3

(ESRS E1; 21, AR12b-d, AR15) The Group used the analysis of climatic scenarios as a tool to identify and assess physical risks and transition opportunities and risks, over short, medium and long-term horizons. In particular, a range of possible climatic scenarios were taken into account, including both high emissions scenarios (e.g., IPCC RCP 8.5) and global warming limited to 1.5°C, in line with the Paris Agreement (e.g., the Network for Greening the Financial System and AIA Climate Action Plan net-zero emission scenarios by 2050).

(AR15) Furthermore, in line with the suggestions issued by ESMA, these scenarios were integrated into an assessment of the likelihood, scale and duration of risks and climate opportunities, and of the exposure of assets and activities to the different climate conditions. Although the risks related to climate change may not, at the moment, have a significant impact on recognition and measurement, the Group is carefully monitoring developments in this regard, particularly in terms of new climate-related laws and regulations. The analysis of climate-related impacts, where relevant and reliably measurable, has focused on the useful life of assets, measurement of the recoverable value of non-financial assets such as goodwill and expected losses on receivables, fair-value measurements, and actual and contingent liabilities.[26]

For the short-term, the assessment identified immediate vulnerabilities and corrective actions to reduce the impacts of extreme climate events and related regulatory changes. For the medium-term, it informed strategic planning for mitigation and adaptation measures, such as the introduction of sustainable technologies and energy efficiency improvements. For the long-term, it oriented decision-making on long-term investments, with the aim of improving the resilience of corporate operations and compatibility with the transition to a net-zero emissions economy.

[ESRS 2 SBM-3] – Material impacts, risks and opportunities and their interaction with strategy and business model

(ESRS E1 18) The material impacts and risks identified in relation to climate change and related interactions with the Elica Group strategy and business model are detailed in the General Disclosures section, paragraph SBM-3. Regarding the identified risks, at the beginning of each section, additional details are provided on the classification of physical climatic risks, deriving from direct and tangible climate change effects, and of transition climate risks, deriving from changes in policies, regulations, technologies and market behaviours in response to climate change.

(ESRS E1 19 a, b, c, AR 6-7-13) Regarding climate risks, in 2023 and 2024, Elica conducted an analysis of the reaction capacity of its strategy and business model to climate change, which led to the identification of priority adaptation solutions. The analysis involved all corporate production and commercial sites (except the Dutch commercial company acquired in December 2024), as well as major suppliers and customers along the value chain (i.e., suppliers accounting for 80% of Elica expenditure, and customers account for 80% of total revenues, in 2022, considering the highest revenue customer among customers with more than one site

[26] For more details on the financial impacts of climate risks, see "A.12. Exposure to Risks and Uncertainties and Financial Risk Factors" in the dedicated section "Climate Change Risk Analysis" of the 2024 Annual Financial Report.

per country). This analysis was conducted using scenarios to assess the potential impacts of climate risks and define the most appropriate actions to address them[27].

For the identified significant physical risks, technical, equipment and management adaptation solutions were identified, in addition to transversal actions for other risks, such as insurance coverage and ordinary and extraordinary maintenance plans.

For transition risks, adaptation solutions identified for ensuring Group operational continuity included: further investments in R&D and eco-design, greater engagement of stakeholders (e.g., through collaborations and partnerships), and the adoption of new product certifications and management systems, on a voluntary as well as mandatory basis.

(ESRS E1, RA 8b) The analysis confirmed that Elica has the ability to adapt itself and its strategy and business model to climate change, both over the short and medium to long-term. In the short-term, the Group aims to ensure continuous funding at competitive costs to support sustainability and innovation investments. On an operational level, Elica is ready to reorient its workforce and product portfolio to address technological and regulatory changes and emerging market needs. In the medium to long-term, it focuses on its ability to adapt or dispose of assets in the transition to a more sustainable economy.

[E1-1] - Transition plan for climate change mitigation

(E1-1, 17)
Elica recognises the importance of integrating climate change sustainability and management into its corporate strategy. Though not in place for the reporting year, a Transition Plan is being developed and enacted with a view to providing a complete disclosure for the Group from FY29 onwards. This plan will be a point of reference to guide future actions and proactively deal with climate change impacts, risks and opportunities, and set targets for related mitigation and adaptation actions.

[E1-2] - Policies related to climate change mitigation and adaptation

(ESRS 2 62) Regarding climate change, the Group does not currently have policies that reflect the requirements of the standards.

[27] For more details on the analysis and climate scenarios used, please refer to the section entitled ESRS 2 IRO-1 – Description of the processes to identify and assess material climate-related impacts, risks and opportunities of this section.

In this regard, Elica is working on the development of a specific Climate Change Policy, to be formalised together with the Transition Plan. As it focuses its resources on establishing a comprehensive and structured Transition Plan, the Company has chosen to adopt a step-by-step approach that enables the collection and thorough analysis of all aspects related to climate change, thereby implementing a policy that is truly effective and responsive to future needs. This policy will provide a clear reference framework to guide future mitigation and adaptation actions, and reflect the Group's commitment to integrating sustainability into its decision-making and operational processes.

[E1-3] - Actions and resources in relation to climate change policies

(ESRS 2 62) In the reporting year, Elica did not take specific actions to manage material climate change impacts or risks, as the Group is currently engaged in structuring a process to systematically collect and monitor sustainability data. The absence of an established framework has necessitated a phased approach to ensure that future actions are based on reliable data and careful analysis of priority focus areas.
Against this backdrop, Elica is developing a process to systematically collect and monitor sustainability data, which will allow targeted actions to be defined and planned more accurately. This commitment is orientated to guarantee, in future reporting, a complete disclosure, compliant with the requirements of the CSRD.

[E1-4] - Targets related to climate change mitigation and adaptation

(ESRS 2, 81. a) The Group has not yet defined specific, clear and measurable targets for climate change mitigation and adaptation, although the topic of climate change was identified as material in the Double Materiality Analysis. Aware of the importance of this topic, and in line with the commitment to formalise a Transition Plan, the Group has begun to orient its strategy and actions along the path of reducing its emissions and energy impacts.

[E1-5] - Energy consumption and mix

To assess trends and projects to improve efficiency, the consumption of energy carriers used in the processing steps is constantly monitored. Electricity used in production processes, auxiliary equipment and lighting of offices and outdoor areas, accounts for almost all primary consumption, totalling 41,809 MWh. In 2024, Elica used energy from renewable sources certified with Guarantee of Origin at all its Italian sites and the Polish facility. In addition, three photovoltaic systems are now in active use on the Group's

Italian sites, which, in 2024, generated a total of 1,116.69 MWh. Thanks to these choices, in 2024 the Group's electricity mix included approx. 37.47% renewable energy. All of the sectors included in the Group's scope are classified as high climate impact sectors, as they are classifiable under C in Annex I of Regulation (EC) No. 1893/2006 of the European Parliament and of the Council[14] (as defined in Commission Delegated Regulation (EU) 2022/1288[15]).

(MDR-M 77 (a) Energy consumed means the value expressed in MWh of energy consumed within the organisation, including both energy purchased from external sources and self-generated energy. For electricity and fuels, Energy consumption and mix (E1-5): Climate Change: fuel consumption was calculated based on data provided by the supplier, invoices and consumption monitoring software.

Energy consumption and energy mix		Total company consumption 2024 MWH
Fuels from crude oil and petroleum products		**22.29**
	Automotive diesel	22.29
	Diesel for production	
	Automotive petrol	
	Gasoline for production	
	LPG for self-propulsion	
	LPG for production	
Natural gas fuels		**20,614.22**
	Natural gas for heating	6,398.54
	Natural gas for production	14,213.79
	GPL for heating	
	GPL for production	1.89
Electricity purchased or acquired from fossil sources		4,273.66
Heat purchased or acquired from fossil sources		
District heating		1,232.83
Total energy consumption from fossil sources		**26,143.00**
Quota di fonti fossili sul consumo totale di energia (%)	-	**62.53%**
Total energy consumption from nuclear sources		
Share of nuclear sources in total energy consumption (%)	-	**0.00%**
Fuels from renewable sources		**2.78**
	Biofuels	2.78
Electricity purchased or acquired from renewable sources (Guarantee of Origin contracts)		14,818.13
Renewable energy self-produced and consumed (without using fuels)		**845.10**
	from a photovoltaic system	1,116.69
	Less energy fed into the grid produced by a photovoltaic system	271.59
Total energy consumption from renewable sources		**15,666.01**
Share of renewable sources in total energy consumption (%)	-	**37.47%**
Total energy consumption		**41,809.00**

Energy consumption and energy mix			Company consumption for activities in sectors with high climate impact 2024 MWH
Fuels from crude oil and petroleum products			**22.29**
	Automotive diesel		22.29
	Diesel for production		
	Automotive petrol		
	Gasoline for production		
	LPG for self-propulsion		
	LPG for production		
Natural gas fuels			**20,614.22**
	Natural gas for heating		6,398.54
	Natural gas for production		14,213.79
	GPL for heating		
	GPL for production		1.89
Electricity purchased or acquired from fossil sources			4,273.66
Heat purchased or acquired from fossil sources			
District heating			1,232.83
Total energy consumption from fossil sources			**26,143.00**
Quota di fonti fossili sul consumo totale di energia (%)	-		**62.53%**
Total energy consumption from nuclear sources			
Share of nuclear sources in total energy consumption (%)	-		**0.00%**
Fuels from renewable sources			**2.78**
	Biofuels		2.78
Electricity purchased or acquired from renewable sources (Guarantee of Origin contracts)			14,818.13
Renewable energy self-produced and consumed (without using fuels)			**845.10**
	from a photovoltaic system		1,116.69
	Less energy fed into the grid produced by a photovoltaic system		271.59
Total energy consumption from renewable sources			**15,666.01**
Share of renewable sources in total energy consumption (%)	-		**37.47%**
Total energy consumption			**41,809.00**

Energy intensity (sectors with high climate impact)	2024
Total energy consumption of activities in sectors with high climate impact (MWh)	41,809
Net revenues from activities in high-impact climate sectors (k€)	452,092
Energy intensity (MWh/€)	0.092
Δ%	

Reconciliation of net revenue amounts arising from activities in high climate impact sectors with the relevant item or notes in the financial statements	2024
Net revenues from activities in high-impact climate sectors (k€)	452,092
Net revenues (other)	
Total net revenue (balance sheet k€)	452,092

[E1-6] - Scope 1, 2 and 3 GHG emissions

(ESRS E1, AR 46 hi)

The GHG emissions inventory for the reporting year 2024 is consistent with previous years thanks to the use of the same calculation methodologies, data sources, and reference reporting standards (GHG Protocol). In terms of the scope of reporting, Elica has taken into account all subsidiaries, including sales companies, within the reporting of emissions. Scope 1, 2 and 3 CO_2e emissions reporting follows the guidelines of the GHG Protocol. The tables below set out the values for this reporting year. For more information on methodologies, assumptions, and emission factors used, refer to the Emissions paragraph of the section Key Calculation Criteria.

Direct emissions - Scope 1		Unit	2024
Fuels from crude oil and petroleum products		t CO2 eq	**5.99**
	Automotive diesel	t CO2 eq	5.99
	Diesel for production	t CO2 eq	
	Automotive petrol	t CO2 eq	
	Gasoline for production	t CO2 eq	
	LPG for self-propulsion	t CO2 eq	
	LPG for production	t CO2 eq	
Natural gas fuels		t CO2 eq	**4,178.92**
	Natural gas for heating	t CO2 eq	1,297.10
	Natural gas for production	t CO2 eq	2,881.38
	GPL for heating	t CO2 eq	
	GPL for production	t CO2 eq	0.44
Fuels from renewable sources			**0.0042**
	Biofuels	t CO2 eq	0.0042
F-Gas			**122.42**
	R22	t CO2 eq	
	R407C	t CO2 eq	61.60
	R410A	t CO2 eq	22.99
	R134A	t CO2 eq	37.83
	R404A	t CO2 eq	
	R422	t CO2 eq	
Direct emissions - Scope 1		t CO2 eq	**4,307.33**

Total emissions		Unit	2024
Direct emissions - Scope 1		t CO2 eq	4,307
Scope 1 emissions covered by regulated emissions trading systems		%	0.0%
	Scope 1 emissions from installations subject to the EU ETS	t CO2 eq	
	Scope 1 emissions from installations subject to national ETS	t CO2 eq	
	Scope 1 emissions from installations subject to non-EU ETS	t CO2 eq	
Indirect emissions - Scope 2			
	Scope 2 -location-based	t CO2 eq	9,294
	Scope 2 -market-based	t CO2 eq	1,890
	~District heating	t CO2 eq	221
Indirect emissions - Scope 3		t CO2 eq	942,437
	1. Purchased goods and services	t CO2 eq	115,593
	Optional subcategory: Cloud computing and data center services	t CO2 eq	
	2. Capital goods	t CO2 eq	
	3. Fuel and energy related activities (not included in scope 1 or 2)	t CO2 eq	
	4. Upstream transportation and distribution	t CO2 eq	162,680
	5. Waste generated during operations	t CO2 eq	14
	6. Business trips	t CO2 eq	447
	7. Employee commuting	t CO2 eq	1,845
	8. Upstream leased assets	t CO2 eq	
	9. Downstream transportation	t CO2 eq	12,562
	10. Transformation of the sold products	t CO2 eq	
	11. Use of the sold products	t CO2 eq	649,100
	12. End-of-life treatment of the products sold	t CO2 eq	195
	13. Downstream leased assets	t CO2 eq	
	14. Franchise	t CO2 eq	
	15. Investments	t CO2 eq	
Total emissions - location based		**t CO2 eq**	**9,516**
Total emissions - market based		**t CO2 eq**	**2,111**
Direct emissions - Scope 1		t CO2 eq	4,307
Indirect emissions - Scope 2 Location Based		t CO2 eq	9,516
Indirect emissions - Scope 2 Market Based		t CO2 eq	2,111
Indirect emissions - Scope 3		t CO2 eq	942,437
Total emissions - location based		**t CO2 eq**	**956,260**
Total emissions - market based		**t CO2 eq**	**948,855**

Intensity of emissions compared to revenues -locationb-ased	2024
Total emissions -locationb-ased (t CO2 eq)	9,516
Net revenue (k€)	452,092
Emission intensity (t CO2 eq/k€)	0.021
Δ%	

Intensity of emissions compared to market-based rev-enues	2024
Total market-based emissions (t CO2 eq)	2,111
Net revenue (k€)	452,092
Emission intensity (t CO2 eq/k€)	0.005
Δ%	

	2024
Net revenues used to calculate emissions intensity	452,092
Net revenues (other)	
Total net revenue (balance sheet k€)	452,092

Intensità totale delle emissioni rispetto ai ricavi	2024
Total emissions - (t CO2 eq)	**956,260**
Net revenue (k€)	452,092
Emission Intensity - Location Based (t CO2 eq/k€)	2.115
Δ%	
Total emissions - (t CO2 eq)	**948,855**
Net revenue (k€)	452,092
Emission Intensity - Market Based (t CO2 eq/ k€)	2.099
Δ%	

European Taxonomy

The EU Taxonomy Regulation (EU Regulation 2020/852 dated June 18, 2020, hereafter also the "Regulation") provides a unified system for classifying economic activities that can be considered environmentally sustainable. The Regulation is part of the European Commission's overall efforts to achieve the goals of the European Green Deal and make Europe climate neutral by 2050. Specifically, the Taxonomy provides a classification system for defining which economic activities can be considered environmentally sustainable and therefore contribute substantially to the achievement of one of the following six goals:

1. climate change mitigation;
2. climate change adaptation;
3. sustainable use and protection of water and marine resources;
4. transition to a circular economy;
5. pollution prevention and control;
6. protection and restoration of biodiversity and ecosystems.

An activity can then be considered eligible[28] according to the Taxonomy ("Taxonomy-eligible"), i.e. potentially contributing substantially to one of the six environmental objectives, if it is described in the list of activities identified by the Regulation itself. In order to be able to define whether an eligible activity is aligned[29] to the Taxonomy ("Taxonomy-aligned"), the following criteria must be jointly met:

- contribute substantially to the achievement of at least one of the six environmental objectives;
- Do No Significant Harm (DNSH) to other environmental objectives;
- Respect the Minimum Safeguards regarding human and labour rights, corruption, taxation, and fair competition.

Pursuant to the regulatory requirements set out in the Delegated Regulation relating to Article 8 of Regulation (EU) 2020/852, and as in previous years, the Elica Group is required to include in its Sustainability Statement information on how and to what extent its business is associated with environmentally sustainable economic activities within the meaning of the EU Taxonomy. The

[28] Economic activity eligible for the taxonomy: an economic activity as described in the Delegated Regulations, as per Articles 10 paragraph 3, 11 paragraph 3, 12 paragraph 2, 13 paragraph 2, 14 paragraph 2 and 15 paragraph 2 of Regulation (EU) 2020/852, regardless of whether that economic activity meets one or all of the technical screening criteria set out in those Delegated Regulations.

[29] Taxonomy-aligned economic activity: an economic activity that meets the requirements of Article 3 of Regulation (EU) 2020/852.

Regulations require that items of turnover, capital expenditure (CapEx), and operating expenditure (OpEx) associated with activities considered eligible and aligned with the Taxonomy be reported.
For the 2024 reporting year, assessments of eligibility and alignment with the Taxonomy were conducted with reference to the objectives governed by the Climate Delegated Act, which includes the climate change adaptation and mitigation objectives. In addition, assessments were performed with reference to the objectives outlined in the annexes (Annex I, II, III, IV) to the Delegated Regulation on the Environment, published by the Commission in June 2023.

ELICA'S CONTRIBUTION TO THE EUROPEAN COMMISSION'S ENVIRONMENTAL GOALS

The following sections describe how the Group assessed compliance with Regulation (EU) 2020/852 and the table with the required quantitative KPIs. As it is a recently applied international standard and is constantly being updated, all criteria and assumptions made and included in this section are based on currently available information and requirements, which may be subject to future reassessment.

ELIGIBILITY ANALYSIS

In continuity with the activities carried out for the 2023 Taxonomy disclosure, the Elica Group conducted a 2024 eligibility assessment by associating the economic activities of the Group:

- firstly, with the descriptions of eligible activities envisaged by the Climate Delegated Act (Annexes I and II), and by the Environmental Delegated Act, adopted on June 27, 2023;
- and with the codes of the Statistical Classification of Economic Activities in the European Community (NACE), reconciled with the relevant ATECO codes registered by the competent Chambers of Commerce.

The Elica Group is the leading global manufacturer of range hoods and extractor hobs and the leading European producer of motors for domestic ventilation. Again in 2024, activities related to the production of range hoods and extractor hobs (“Cooking Business Area") were considered as eligible in terms of the EU Taxonomy (“Taxonomy-eligible”), as they can be traced back to the economic activity description “3.5 Manufacture of energy efficiency equipment for buildings” with reference to the climate change mitigation objective. In addition, part of the activities of the Motors Business Area were also considered eligible, in terms of the production of motors for the products distributed by the Cooking area, which also relate to the economic activity “3.5 Manufacture of energy efficiency equipment for buildings.” In fact, the description of activity 3.5 given in the technical screening criteria refers to the

economic activity of manufacturing products and related key components, among which the motors produced by the Motors business area were deemed to be included.
The remaining activities of the Motors business area, consisting in the production of motors distributed to third parties, were deemed eligible for the Taxonomy in relation to the transition to a circular economy objective (as per the Environmental Delegated Act, Annex II). Activities related to the manufacture of motors ("Motors Business Area") distributed to third parties were considered eligible ("Taxonomy-eligible"), since they can be attributed to the description of economic activity "1.2 – Manufacture of electrical and electronic equipment"

ALIGNMENT ANALYSIS

The methodological steps that were taken to assess the alignment of activities previously identified as eligible against the EU Taxonomy are described below, retracing the approach taken to assess the criteria of Substantial contribution to climate change mitigation for activity 3.5 and the transition to a circular economy for activity 1.2, Do No Significant Harm, and minimum safeguards.

ACTIVITY 3.5 MANUFACTURE OF ENERGY EFFICIENCY EQUIPMENT FOR BUILDINGS TECHNICAL SCREENING CRITERIA

Criteria of substantial contribution to climate change mitigation: the assessment sought to determine whether the identified economic activity contributes substantially to the achievement of the climate change mitigation objective based on specific quantitative and/or qualitative parameters defined in the Regulation. The analysis conducted showed that a portion of the Group's activities is aligned with the substantial contribution criterion in (f) of this activity ("home appliances that fall into the two highest energy efficiency classes in accordance with Regulation (EU) 2017/1369 of the European Parliament and of the Council and Delegated Regulations adopted pursuant to that Regulation"), as a portion of the appliances made by the Cooking unit fall into the two highest energy efficiency classes, identified by Regulation (EU) 2017/1369 above. As regards the production of motors, these were considered key components, and for the purpose of assessing alignment with the substantial contribution criteria, only the portion of motors installed on Cooking business unit produced home appliances distributed by Elica belonging to the two highest energy classes was considered.
Do No Significant Harm: The analysis of compliance against the DNSH criteria made explicit within the Delegated Regulations is intended to determine that the identified activity does not cause harm to the remaining environmental objectives. The Group analysed compliance with the DNSH criteria made explicit within Annex I of the Climate Delegated Act through the analysis of specific internal documentation. Specifically, regarding Activity 3.5, the following analyses were carried out:

climate change adaptation: the criteria set out in Appendix A require the organisation to conduct an analysis to identify the physical climate risks weighing on the business by conducting a robust climate risk and vulnerability assessment based on a specific procedure defined in the Delegated Regulation itself. In line with the above, the activity was reviewed to identify which physical climate risks, among those listed in Section II of Appendix A, could influence the performance of economic activity during the expected lifecycle, taking into account the entire value chain. Specifically, the risk analysis concerned (i) all Group sites (productive and non-productive), including logistics provider warehouses; (ii) the most relevant suppliers (selected based on their impact on the Group's total expenditure); (iii) the most relevant customers (selected based on their impact on the Group's total revenue). The assessment of climate risk and vulnerability is proportionate to the expected duration of activities. For activities with a duration of more than 10 years, the assessment must be applied using advanced climate projections with the highest available resolution within the existing series of future scenarios, including climate projection scenarios spanning 10 to 30 years as a minimum. The most advanced climate projections made available by the Intergovernmental Panel on Climate Change (IPCC) were applied. These projections take into account the latest scientific knowledge to analyse vulnerability and risk, along with their respective methodologies, peer-reviewed scientific publications, and the most recent open-source models. In the case of Elica, the assessment was conducted using 2050 climate projections and the pessimistic RCP8.5 scenario for activities with a duration of more than 10 years. In the final stage, adaptation solutions were assessed to mitigate the relevant physical risks. The adaptation solutions assessed do not negatively impact adaptation efforts or the level of resilience to physical climate risks of other individuals, nature, cultural heritage, assets, or other economic activities. They align with local, sector-based, regional, or national adaptation strategies and plans, and consider the use of nature-based solutions. Alternatively, they rely on green infrastructure, where possible. In the coming years, Elica is committed to updating the measures defined in the analysis if additional risks are identified, in order to define strategies that can be adopted in response to future climate risks. With this in mind, considering the recent adoption of the standard and as part of continuous improvement on the issue of climate change, the Group has adopted an interpretation that takes into account the activities carried out and planned activities on the issue of climate change mitigation and adaptation.

Sustainable use and protection of water and marine resources: the criteria set out in Appendix B require that the organisation has identified and addressed risks of environmental degradation related to the conservation of water quality and the prevention of water stress in accordance with Directive 2000/60/EC of the European Parliament and of the Council and a water use and protection management plan developed thereunder. Appendix B was incorporated through an amendment to the Appendix concerning Climate Change Mitigation (dated June 27, 2023). This amendment additionally requires the execution of an environmental risk assessment focused on protecting seawater, in order to maintain its ecological status. The assessment should follow the methods and criteria outlined in Directive 2008/56/CE.

Although the activities carried out by the Group are not among those listed in Annex II of Directive 2011/92/EU of the European Parliament and of the Council (as per Article 4(2)), which requires companies in certain sectors to conduct an environmental impact assessment, Elica has conducted an in-depth analysis of potential environmental risks related to water quality conservation and water stress prevention, based on several criteria. The screenings revealed the absence of major environmental risks related to the Group's production activities, as they do not rely heavily on water resources.

When assessing the significance of potential environmental degradation risks, various key factors were taken into account. First of all, the total quantity of water withdrawn was analysed, both from the water network and through its extraction from groundwater wells. The expected use of withdrawn water was also taken into account, distinguishing between its use for production processes and use for toilets and the canteen, for example.

Another relevant aspect involved analysing the management of discharges, evaluating whether they flow into the public sewage system or are directly discharged into surface waters, primarily rivers. The concentration of pollutants in discharged waters was monitored through analysis conducted by accredited laboratories on a yearly basis.

Additional elements considered in the analysis include the quantity of liquid waste generated, such as water/oil emulsions or water/detergent emulsions, and the nature of the waste, classified as hazardous or non-hazardous, along with the respective treatment methods. The presence or absence of on-site treatment plants was also included in the overall analysis.

Based on this detailed assessment, the Elica Group confirms that once again in this reporting year there are no significant environmental risks associated with preserving water quality and preventing water stress or risks that could compromise the ecological status of seawater with regard to its production activities.

transition to a circular economy: the stated criteria require that when products are manufactured, an evaluation is conducted on the feasibility of techniques that support:

a. the reuse and use of secondary raw materials and reusable components;

b. design that guarantees high durability, recyclability, ease of disassembly, and adaptability;
c. waste management that prioritises recycling over disposal;
d. information on potentially hazardous substances and their related traceability, throughout the lifecycle.

With reference to these criteria, the Group adopts such practices where possible in R&D and product manufacturing activities.
To consistently ensure a high level of quality and performance in its products, Elica does not resort to the extensive use of secondary raw materials. However, some raw materials used (e.g. stainless steel) contain a significant percentage of waste recovered from the waste recycling circuit, and most suppliers from whom Elica purchases them are able to certify the quantities present in the relevant materials.
Nevertheless, with a view to creating increasingly sustainable products and responding to the advice of its stakeholders, the Group launched and is currently overseeing the adoption of a project that will guarantee the use of polymers containing up to 30% recycled materials (recovered from post-consumer and post-industrial circuits). This strategic decision reflects the Group's balanced approach to innovation and environmental sustainability, allowing it to effectively combine high-level performance with the responsible adoption of recyclable materials.
In addition, the Company provides specific user manuals (also available online) to accompany its products. These manuals identify the individual components and provide information concerning their assembly and the safe and durable use of the appliance (criterion B). With regard to waste management (criterion C), the Group prioritises recycling over disposal, as evidenced by the percentages declared in paragraphs E5-4 and E5-5. of the section Environmental Information. Finally, per the obligatory regulations under Regulation 1907/2006/EU and Directive 2011/65/EU, Elica provides information on potentially hazardous substances that may be present within its products, ensuring their traceability throughout the entire lifecycle (from cradle to grave).

pollution prevention and control: the criteria set out in Appendix C require that the activity does not involve the manufacture, placing on the market or use of certain types of chemical pollutants. Elica conducts its business in full respect of the applicable regulations and does not use any of the substances listed in points A to F or the new paragraph (incorporated with the 2023 amendments to replace the former paragraph G) included in Appendix C.[30]

Specifically, regarding the requirements outlined in point F and the newly added paragraph, Elica conducted a significance assessment concerning potentially hazardous substances, taking into account:

- Regulation 1907/2006/EU (REACH). Specifically, Elica presents products that belong to the "Complex Objects" category mentioned in the Regulation, and based on this definition, fulfils all declaratory obligations by uploading them to the ECHA portal and sharing the SCIP codes when requested by customers;
- Regulation 2011/65/EU (RoHS) and subsequent amendments. Specifically, Elica monitors suppliers through annual analysis to ensure they do not supply homogeneous materials with concentrations by weight of prohibited substances exceeding the regulatory limit, except through the currently applicable exemptions outlined in the decree.

There is no current alternative to use of the listed substance types, which are nevertheless present in products within the limits prescribed by Regulations 1907/2006/EU and 2011/65/EU in any case. In addition, we note that Elica products brought to market do not emit potentially hazardous substances that may be present at the material level in the chemical composition of the raw materials used for certain components. Given the Group's focus on compliance with applicable regulations, and on the basis of the aforementioned assessments, Elica believes that it can reasonably consider itself aligned with the concept of pollution prevention and control regarding the use and presence of chemicals.

[30] Appendix C requires that the activity does not involve the manufacture, placing on the market or use of (a) substances, either in their pure state or within mixtures or items, listed in Annex I or II of Regulation (EU) 2019/1021; (b) mercury and its compounds or mixtures; (c) substances listed in Annex I or II of Regulation (EC) No. 1005/2009 of the European Parliament and of the Council3; (d) substances listed in Annex II of Directive 2011/65/EU of the European Parliament and of the Council, except when full compliance with Article 4(1) of that Directive is ensured; (e) substances, either in their pure state or within mixtures or items, listed in Annex XVII of Regulation (EC) No. 907/2006 of the European Parliament and of the Council, except where full compliance with the conditions set out in that Annex is ensured; f) substances, be they pure or used in mixtures or goods, in concentrations exceeding 0.1% weight/weight, which meet the criteria set out in Article 57 of Regulation (EC) No. 1907/2006, identified in accordance with Article 59, paragraph 1 of this regulation for a period of at least 18 months, unless operators assess and document that no other substance or alternative technology suitable for use is available on the market, and they are used under controlled conditions; new paragraph) additionally, the activity does not involve the manufacturing, presence in the final product or result, or selling of other substances, be they pure or used in mixtures or goods, in concentrations exceeding 0.1% weight/weight, meeting the criteria of Regulation (EC) No. 1272/2008 for any hazard class or hazard category specified in Article 57 of Regulation (EC) No. 1907/2006, unless operators have assessed and documented that no other substance or alternative technology suitable for use is available on the market, and they are used under controlled conditions

protection and restoration of biodiversity and ecosystems: The criteria set out in Annex D require that the organisation has proceeded with an environmental impact assessment (EIA) or review in accordance with Directive 2011/92/EU. As a result of a screening carried out, Elica has not identified any elements that would require a specific assessment on these issues, and furthermore, it is not subject to the application of the Directive, which requires companies belonging to certain sectors to carry out an environmental impact assessment: in fact, the activities carried out by the Elica Group are not among those listed in Annex II of the Directive itself (as per Article 4, point 2). In addition, Elica has no factories in protected areas, so it was not necessary for the Group to conduct an environmental impact assessment (EIA) on this issue.

MINIMUM SAFEGUARDS

The Minimum Safeguards criteria made explicit within the Regulations refer to an organisation's practices designed to ensure that it is in line with the OECD Guidelines for Multinational Enterprises and the United Nations Guiding Principles on Business and Human Rights, including the principles and rights set out in the eight core conventions identified in the ILO Declaration on Fundamental Principles and Rights at Work and the International Bill of Human Rights. The Group then carried out an analysis of the elements made explicit in the above documents by considering nine categories of requirements[31] in the areas of: human rights, consumer interests, corruption, competition and taxation. In particular, with regard to the issues of consumer interest protection, taxation, competition, and anti-corruption, in 2024 the Group worked to formalise policies and procedures to prevent and mitigate any potential negative impacts. With regard to areas closely related to the issue of human rights, Elica is committed to ensuring the implementation of ethical business in accordance with the various applicable regulations, conducting its business in accordance with the moral and ethical principles set out in the Ethics Code and always taking into consideration the Group's moral and social responsibility towards its stakeholders.

In addition, the Elica Group has defined a due diligence process for human rights, approved by the BoD on February 13, 2025. This takes as a reference the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights (UNGP) to identify, prevent, mitigate, and remedy potential impacts on human rights.

With reference to the control of respect for human rights within the supply chain, the Group has developed an audit process on its suppliers, with the aim of assessing and minimising risks related to ethical, social and environmental issues, alongside the adoption

[31] The assessment in accordance with the requirements in Article 18 of the Regulations was carried out by evaluating: the OECD Guidelines for Multinational Enterprises, the United Nations Guiding Principles on Business and Human Rights, including the International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work, The Eight Core Conventions of the ILO, and the International Bill of Human Rights. The nine categories evaluated were as follows: human rights policies, human rights due diligence and risk assessment, management of human rights impacts, grievance mechanisms, consumer interests, anti-corruption, competition, and taxation.

of its own Code of Conduct (Elica Group Supplier Code of Conduct). For more information, see the chapter *Value Chain* in the *Social Information* section.
The Group provides stakeholders with the opportunity to file a complaint if they have a legitimate concern about actual or potential human rights violations arising from the Group's business activities or along its value chain. A whistleblowing mechanism is in place (governed by the Group Policy GP-11 "Whistleblowing"), accessible from the Group's corporate website: Internal Control System | Elica Corporate.
Finally, for the reporting year 2024,

- there were no incidents of non-compliance related to the issues of human rights, consumer interests, corruption, competition and taxation. See the *Governance Information* and *Corporate Information* sections for more information.
- As a result of the work to assess the significant negative impacts on human rights, confirming the importance the Group attaches to respect for human rights, Elica has defined improvement targets for these issues.

Based on current practices and defined improvement goals, the Group believes it can reasonably be considered to be aligned with the minimum safeguards.

ACTIVITY 1.2 - MANUFACTURE OF ELECTRICAL AND ELECTRONIC EQUIPMENT TEHCNICAL SCREENING CRITERIA
Criteria for Substantial Contribution to the transition to a circular economy: the analysis conducted showed that activities related to the production of motors ("Business Area Motors") distributed to third parties do not meet the substantial contribution criteria required for Activity 1.2, and therefore this activity is not aligned with the Taxonomy.

DISCLOSURE OF KPIS FROM THE TAXONOMY

Pursuant to the regulatory requirements found in the Delegated Regulation relating to Article 8 of Regulation 2020/852, the following table (prepared according to the provisions of Annex II to the Delegated Regulation (EU) 2021/2178) illustrates the proportion of aligned economic activities (A.1), eligible, not aligned (A.2) and ineligible (B) for the Taxonomy within the framework of revenues, capital expenditure and total operating expenditure.
With reference to the disclosure pursuant to Article 8, paragraphs 6 and 7 of Delegated Regulation (EU) 2021/2178, which requires the use of the templates provided in Annex XII for the disclosure of nuclear and fossil gas-related activities, it is noted that the Group has not reported such as no eligible and/or aligned activities have been identified with reference to these areas.
For further details regarding the analysis of economic activity and the composition of quantitative performance indicators, see the section Additional contextual information and applied accounting standards.

The following legend applies to the tables below:
Climate change mitigation: CCM; Climate change adaptation: CCA; Sustainable use and protection of water and marine resources: WTR; Transition to a circular economy CE; Pollution prevention and control: PPC; Protection and restoration of biodiversity and ecosystems: BIO; Minimum safeguards: MS.
Yes - Taxonomy-eligible and Taxonomy-aligned activity with the relevant environmental objective No - Taxonomy-eligible but not Taxonomy-aligned activity with the relevant environmental objective N/A - Not applicable; technical screening criteria not listed by the Regulation. The following legend applies to the eligibility section: EL - Taxonomy eligible activity for the relevant objective N/EL - Taxonomy non-eligible activity for the relevant environmental objective. N/A - Not applicable.

TABLE - PROPORTION OF TURNOVER FROM PRODUCTS OR SERVICES ASSOCIATED WITH TAXONOMY-ALIGNED ECONOMIC ACTIVITIES - DISCLOSURE COVERING YEAR 2024
Amounts shown are in €/000

Financial year 2024	2024			Substantial contribution criteria						DNSH criteria (Does Not Significantly Harm)							2023		
Economic activities	Code	Turnover	Proportion of turnover	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity	Minimum safeguards	Taxonomy-aligned (A.1.) or eligible (A.2.) proportion of turnover	Category: enabling activity	Category: transitional activity
Text		k EUR	%	Yes; No; N/EL	Yes; No; N/EL	Yes; No; N/EL	Yes; No; N/EL	Yes; No; N/EL	Yes; No; N/EL	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
Manufacture of energy efficiency equipment for buildings	3.5	19,256	4.3%	Yes	No	No	No	No	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	4.8%	E	
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)		19,256	**4.3%**	**100%**	**0%**	**0%**	**0%**	**0%**	**0%**								**4.8%**		
Of which enabling		19,256	**4.3%**	**100%**	**0%**	**0%**	**0%**	**0%**	**0%**								**4.8%**	**E**	
Of which transitional		0	**0.0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**								**0.0%**		**T**
A.2. Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL										
Manufacture of energy efficiency equipment for buildings	3.5	333,830	**73.8%**	EL	N/EL	N/EL	N/EL	N/EL	N/EL								72.5%		
Manufacture of electrical and electronic equipment	1.2	99,006	**21.9%**	N/EL	N/EL	N/EL	N/EL	EL	N/EL								%		
Turnover of Taxonomy-eligible but not environmentally sustainable activities (non-Taxonomy-aligned activities) (A.2)		432,836	**95.7%**	**100%**	**0%**	**0%**	**0%**	**0%**	**0%**								72.5%		
A. Turnover of Taxonomy-eligible Activities (A.1+A.2)		452,092	**100.0%**	**100%**	**0%**	**0%**	**0%**	**0%**	**0%**								**77.3%**		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
Turnover of Taxonomy-non-eligible activities		-	**0.00%**																
TOTAL		452,092	**100%**																

	Proportion of turnover/Total turnover	
	Taxonomy-aligned by objective	Taxonomy-eligible by objective
CCM	4.3%	78.1%
CCA		
WTR		
CE	0.0%	21.9%
PPC		
BIO		

TABLE - PROPORTION OF CAPEX FROM PRODUCTS OR SERVICES ASSOCIATED WITH TAXONOMY-ALIGNED ECONOMIC ACTIVITIES – DISCLOSURE COVERING YEAR 2024
Amounts shown are in €/000

Financial year 2024	2024			Substantial contribution criteria						DNSH criteria (Does Not Significantly Harm)							2023		
Economic activities	**Code**	**CapEx**	**Proportion of CapEx**	**Climate change mitigation**	**Climate change adaptation**	**Water**	**Pollution**	**Circular economy**	**Biodiversity**	**Climate change mitigation**	**Climate change adaptation**	**Water**	**Circular economy**	**Pollution**	**Biodiversity**	**Minimum safeguards**	**Proportion of Taxonomy-aligned (A.1.) or Taxonomy-eligible (A.2.) CapEx**	**Category: enabling activity**	**Category: transitional activity**
Text		k EUR	%	Yes; No; N/EL	Yes; No; N/EL	Yes; No; N/EL	Yes; No; N/EL	Yes; No; N/EL	Yes; No; N/EL	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
Manufacture of energy efficiency equipment for buildings	3.5	2,227	10.6%	Yes	No	No	No	No	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	6.7%	E	
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		2,227	**10.6%**	**100%**	**0%**	**0%**	**0%**	**0%**	**0%**								6.7%		
Of which enabling		2,227	**10.6%**	**100%**	**0%**	**0%**	**0%**	**0%**	**0%**								6.7%	**E**	
Of which transitional		0	**0.0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**								**0%**		**T**
A.2. Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL										
Manufacture of energy efficiency equipment for buildings	3.5	10,468	**50.0%**	EL	N/EL	N/EL	N/EL	N/EL	N/EL								55.0%		
Manufacture of electrical and electronic equipment	1.2	3,208	**15.3%**	N/EL	N/EL	N/EL	N/EL	EL	N/EL								0.0%		
CapEx of Taxonomy-eligible but not environmentally sustainable activities (non-Taxonomy-aligned activities) (A.2)		13,676	**65.3%**	**100%**	**0%**	**0%**	**0%**	**0%**	**0%**								55.0%		
A. CapEx of Taxonomy-eligible activities (A.1+A.2)		15,903	**75.9%**	**100%**	**0%**	**0%**	**0%**	**0%**	**0%**								61.7%		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
CapEx of Taxonomy-non-eligible activities		5,053	**24.1%**																
TOTAL		20.956	**100%**																

	Proportion of CapEx/Total CapEx	
	Taxonomy-aligned by objective	Taxonomy-eligible by objective
CCM	10.6%	60.6%
CCA		
WTR		
CE		15.3%
PPC		
BIO		

TABLE - PROPORTION OF OPEX FROM PRODUCTS OR SERVICES ASSOCIATED WITH TAXONOMY-ALIGNED ECONOMIC ACTIVITIES – DISCLOSURE COVERING YEAR 2024

Amounts shown are in €/000

Financial year 2024	2024			Substantial contribution criteria						DNSH criteria (Does Not Significantly Harm)									
Economic activities	**Code**	**OpEx**	**Proportion of OpEx**	**Climate change mitigation**	**Climate change adaptation**	**Water**	**Pollution**	**Circular economy**	**Biodiversity**	**Climate change mitigation**	**Climate change adaptation**	**Water**	**Pollution**	**Circular economy**	**Biodiversity**	**Minimum safeguards**	**Proportion of Taxonomy-aligned (A.1.) or Taxonomy-eligible (A.2.) OpEx**	**Category: enabling activity**	**Category: transitional activity**
Text		k EUR	%	Yes; No; N/EL	Yes; No; N/EL	Yes; No; N/EL	Yes; No; N/EL	Yes; No; N/EL	Yes; No; N/EL	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
Manufacture of energy efficiency equipment for buildings	3.5	682	5.9%	Yes	No	No	No	No	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	7.6%	E	
Operating expenditure of environmentally sustainable activities (Taxonomy-aligned) (A.1)		682	5.9%	**100%**	**0%**	**0%**	**0%**	**0%**	**0%**								7.6%		
Of which enabling		682	5.9%	**100%**	**0%**	**0%**	**0%**	**0%**	**0%**								7.6%	**E**	
Of which transitional		0	**0.0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**								**0.0%**		**T**
A.2. Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL										
Manufacture of energy efficiency equipment for buildings	3.5	7,597	66.1%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								68.1%		
Manufacture of electrical and electronic equipment	1.2	2,631	22.9%	N/EL	N/EL	N/EL	N/EL	EL	N/EL								0.0%		
Operating expenditure of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		10,228	**89.1%**	**100%**	**0%**	**0%**	**0%**	**0%**	**0%**								68.1%		
A. OpEx of Taxonomy-eligible activities (A.1+A.2)		10,910	**95.0%**	**100%**	**0%**	**0%**	**0%**	**0%**	**0%**								75.7%		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
Operating expenditure of Taxonomy-non-eligible activities		575	**5.0%**																
TOTAL		11,485	**100%**																

	Proportion of OpEx/Total OpEx	
	Taxonomy-aligned by objective	Taxonomy-eligible by objective
CCM	5.9%	72.1%
CCA		
WTR		
CE	0.0%	22.9%
PPC		
BIO		

Additional contextual information and applied accounting standards

INFORMATION ON THE KPIS GIVEN IN THE TABLES AS PROVIDED FOR UNDER ANNEX II OF DELEGATED REGULATION (EU) 2021/2178

ELIGIBLE AND ALIGNED ACTIVITIES

For the calculation of the proportion of eligible and aligned turnover (numerator) regarding activity 3.5 (objective "climate change mitigation"), in accordance with the provisions of point 1.1.1 "KPI related to turnover" of Annex I to Delegated Regulation (EU) 2021/2178 (hereinafter also "Annex I"), Elica considered the portion of consolidated net revenues obtained from products associated with the Cooking Business Unit and the two highest energy classes. Net revenues were allocated precisely to the numerator using the Group's accounting and management system and without using estimates. Consolidated net revenues (denominator) were determined in accordance with Article 2(5) of Directive 2013/34/EU thus considering the revenues generated by products or services, including intangible ones, recognised in accordance with IAS No. 1, item 82(a) as per the notes to the consolidated financial statements at 31.12.2024 B.6.5.1. To determine the proportion of eligible and aligned CapEx (numerator) regarding activity 3.5 (objective "climate change mitigation"), Elica considered the portion of capital expenditures included in the denominator related to assets associated with the manufacture of products in the two highest energy classes of the Cooking Business Unit and the motors used in them and made by the Motors BU (as a key component). This calculation was done in line with the provisions of §1.1.2.2. "Numerator" of Annex I. The allocation was made based on a precise analysis of capital expenditure items according to the classification adopted for the consolidation of Group investments and their management allocation. This analysis identified the eligible assets for each production site, while the proportion of aligned CapEx was determined based on the percentage of the production value of the products in the highest energy classes at each site.
Elica determined CapEx (denominator) in accordance with the provisions of 1.1.2.1 "Denominator" of Annex I by considering the increases in tangible and intangible assets during the year in question, prior to any amortisation, depreciation, revaluation, restatements, or impairments. To construct the indicator, Elica identified capitalised expenses using data from its consolidated financial statements, with reference to the provisions of a) IAS 16 "Property, Plant and Equipment", b) IAS 38 "Intangible Assets" and c) IFRS 16 "Leases". The reported values do not contain sums related to economic activities that are included in the Taxonomy and pertain to capitalised expenses under the provisions of d) IAS 40 "Investment Property" and IAS 41 "Agriculture" as these standards do not apply to the Group.

To determine the proportion of eligible and aligned OpEx (numerator) regarding Activity 3.5 (objective "climate change mitigation"), in accordance with the provisions of §1.1.3.2. "Numerator" of Annex I, Elica considered the portion of non-capitalised direct costs included in the denominator attributable to the manufacture of products in the two highest energy classes of the Cooking BU and the motors used in them (Motors BU products defined as key components). To ensure linearity in the process, operating expenses were considered aligned based on the percentage of the production value of products in the highest energy classes at each site.
To determine the proportion of OpEx (denominator), direct non-capitalised costs have been included in the denominator in compliance with the provisions of 1.1.3.1. “Denominator” of Annex I, and as further clarified in the FAQs to Article 8 of February 2022. These costs include R&D expenses, building renovation measures, short-term leases, maintenance and repairs, and any other direct expenditure associated with the daily upkeep of property, plant, and equipment, regardless of whether these were conducted by the Company or third parties, to ensure the assets' continuous and effective operation. The reported values do not contain sums connected to economic activities that are included in the Taxonomy and relate to the following non-capitalised direct costs: building renovation measures and short-term leases, as these standards do not apply to the Group.

NOT-ALIGNED ELIGIBLE ACTIVITIES

To calculate the proportion of eligible and non-aligned turnover (numerator) regarding Activity 3.5 (objective “climate change mitigation”), Elica considered the proportion of consolidated net turnover from products and services, including intangible ones, associated with the Cooking Business Unit that do not fall into the two highest energy classes. The amounts were allocated precisely without using estimates.

To determine the proportion of eligible and non-aligned CapEx (numerator) regarding activity 3.5 (climate change mitigation objective), Elica considered the proportion of capital expenditures related to activities associated with making products with the energy classes other than the two highest distributed to third parties by the Cooking Business Unit and the production of the motors installed in them (as a key component). The allocation was made based on a precise analysis of capital expenditure items according to the classification adopted for the consolidation of Group investments and their management allocation.

To determine the proportion of eligible and non-aligned OpEx (numerator) with regard to activity 3.5 (the "climate change mitigation" objective), Elica considered the proportion of non-capitalised direct costs attributable to making products with the energy classes other than the two highest distributed to third parties by the Cooking Business Unit and the production of the motors installed in them (as key components). The allocation was made based on a precise analysis of selected expenditure items for management allocation.

To calculate the proportion of eligible and non-aligned turnover (numerator) regarding Activity 1.2 (objective “transition to a circular economy”), Elica considered the proportion of consolidated net turnover from products and services, including intangible ones, associated with the Motors Business Unit [32].

To calculate the share of eligible and not aligned (numerator) CapEx regarding activity 1.2 (oriented to the “transition to a circular economy” objective), Elica considered the capital account expenses relating to motors sold to third parties. The allocation was made by analysing the management allocation of assets and subtracting the proportion allocated to making the engines used by the Cooking BU.

Similarly, to calculate the share of eligible and not aligned (numerator) OpEx regarding activity 1.2 (oriented to the transition to a circular economy objective), Elica considered the direct costs not capitalised for motors sold to third parties. As with CapEx, the allocation was made by analysing the management allocation of the selected expense items and subtracting the proportion attributed to making the engines used by the Cooking BU.

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[32] **Share of motors for the Cooking business unit products distributed by Elica.**

In relation to activity 3.5 (objective “climate change mitigation”) and activity 1.2 (objective “transition to a circular economy”), the proportions of consolidated net turnover, CapEx and OpEx in the denominator correspond with those identified in the "Eligible and Aligned activities" section.

NON-ELIGIBLE ACTIVITIES

In 2024, the share of non-eligible turnover (numerator) of the Group was equal to 0. To determine the proportion of non-eligible CapEx (numerator), Elica considered the proportion of capital expenditures related to assets not attributable to the economic activities "3.5 Manufacture of energy efficiency equipment for buildings" or activity "1.2 - Manufacture of electrical and electronic equipment" because they are not directly used in the process of making products distributed by the Group. To determine the proportion of non-eligible OpEx (numerator), Elica considered the proportion of non-capitalised direct costs not attributable to the economic activities "3.5 Manufacture of energy efficiency equipment for buildings" or the activity "1.2 - manufacture of electrical and electronic equipment" because they are not directly used in the process of making products distributed by the Group. The proportions of consolidated net turnover, CapEx and OpEx in the denominator correspond with those identified in the "Eligible and Aligned activities" section.

Standard models for communication to the public of the information referred to in Article 8, paragraphs 6 and 7

Template 1 - Nuclear energy and fossil gas related activities

Row	**Nuclear energy related activities**	
1.	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	NO
2.	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	NO
3.	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	NO
	Fossil gas related activities	
4.	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	NO
5.	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	NO
6.	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	NO

Circular economy (ESRS E5)

[ESRS 2 IRO-1] - Description of the processes to identify and assess material resource use and circular economy-related impacts, risks and opportunities

(ESRS E5; 11 a, b) The approach for determining impacts, risks and opportunities is described in the section "Description of the processes to identify and assess material impacts, risks and opportunities". The Group recognises that its own activities generate environmental impacts in the use and extraction of resources and waste management, particularly regarding waste from metal, paint, plastic and other raw material purchased by suppliers, and the disposal of finished products. The impacts, risks and opportunities on the circular economy assessed as material are shown in paragraph SBM-3 of the General disclosures section. In the identification impacts, risks and opportunities (IROs) related to the circular economy topic, an analysis was conducted of assets (structures, facilities, raw materials) and activities (production processes, use and consumption of resources, waste production and management).
By studying the life cycle and design of products, it was possible to estimate the amount of resources used and waste generated, and therefore identify impacts, risks and opportunities, as well as related dependencies.
The analysis was based on direct, in-depth interviews with the production managers of the different business units (Cooking, and Motors). This approach made it possible to mine their specific know-how and collect factual, precise and contextualised data directly from the management of operations. On the basis of the collected information, impacts, risks and opportunities (IROs) were identified, although no consultations took place with affected communities.

[E5-1] - Policies related to resource use and circular economy

(ESRS 2 62;) Elica recognises the relevance of the circular economy as part of its sustainable and responsible growth path. For this reporting year, the Group has not adopted specific policies on this issue, as it considered it a priority to conduct an in-depth analysis of its operations and value chain within the circular economy. However, the Company is actively working to draw up a policy that meets the needs for a more systematic and integrated approach to circular economy. The formalisation of the policy will follow a specific action plan, including specific measures for the adoption of circular practices.

[E5-2] - Actions and resources related to resource use and circular economy

(ESRS 2 62) In 2024, the Group did not take any specific actions to manage impacts risks and opportunities relating to the circular economy topic, as the priority was to consolidate a knowledge base and operational processes that would allow a more structured and targeted implementation in the medium to long term while also taking into account changes in the market in which the Group operates. Elica has launched a series of initiatives designed to guarantee compliance with national and international standards and regulations, such as the optimisation of production processes in order to reduce waste, the use of more recycled and recyclable materials in products, and improvements to the management of product life cycles.

[E5-3] - Targets related to resource use and circular economy

(ESRS 2 81a) The Group has not yet defined specific, clear and measurable objectives related to the circular economy, although material aspects emerged through the double materiality analysis. Understanding the importance of the topic, the Group is committed to supplementing its strategy to focus on reducing its impact in terms of materials and waste.

Materials and waste (ESRS E5)

IRO		Value chain	Time horizon
IMPACT	Environmental impacts related to raw materials supply and waste production	Upstream	**Short-term**

[E5-4] - Resource inflows

(30) In the area of business operations and as part of the activities conducted along the value chain, Elica procures various raw materials, making limited use of water within the production processes carried out through the use of a range of machinery.
Specifically, Elica sources raw materials from various industries, but as a processing industry, it does not import minerals directly from conflict areas (Conflict Minerals). The main materials it uses for production include ferrous metals, such as carbon steel and stainless steels; non-ferrous metals, including copper wire, aluminium ingots, and tin wire; packaging materials for finished products, such as corrugated cardboard polystyrene and expanded/extruded polyethylene, plastic strapping and wooden pallets, thermoplastic polymers, including polycarbonate granules, polypropylene, ABS, and nylon, miscellaneous small parts, semi-finished metal and/or plastic products, and miscellaneous components, including electrical and electronic components.
In terms of the processes and machinery used in manufacturing activities, a distinction must be made between machinery used to manufacture kitchen aspiration systems (Cooking BU) and those for the manufacture of electric motors for home appliances and boilers (Motors BU).
In the former case, the process consists of the following steps:

- mechanical processing of purchased raw materials/semi-finished goods using laser cutting, bending and welding equipment;
- painting, where Elica's low water consumption is concentrated as part of the degreasing activity, in which sheet metal parts undergo a washing process with hot water (approx. 45°C) mixed with surfactants;
- component assembly.

In terms of water resources, withdrawals are made both from the water supply network and through groundwater wells. Special attention is paid to the management of water discharges, assessing whether to pipe these into the public sewer system or directly into surface water bodies, such as rivers. Water quality is monitored through regular analyses conducted by accredited laboratories to verify the concentration of any pollutants. Management of liquid wastes generated, such as water/oil emulsions or water/wash products, is also considered, taking into account their classification as hazardous or non-hazardous waste and the treatments required for their disposal.

In the latter case, the process is as follows:

- heavy machining, which includes die casting, shearing, stamping and welding;
- light machining, which includes pre-assembly, maintenance, testing and storage.

The Elica Group has always adopted a careful design approach to both products and production processes, seeking to optimise the use of raw materials and minimise waste from processing. This strategy seeks to limit environmental impact and ensure sustainable efficiency in its industrial activities.

Resource inflows

ton	2024		
	Technical materials	**Biological materials**	**Total**
Raw materials / natural resources			
Steels and Metals	32,848.01		**32,848.01**
Plastic	394.84		**394.84**
Powder coatings	345.42		**345.42**
	33,588.27	-	**33,588.27**
Semi-finished products or components			
Carpentry and Other Components	4,046.15		**4,046.15**
Miscellaneous small parts	2,284.96		**2,284.96**
	6,331.11	-	**6,331.11**
Packaging materials			
Cardboard packaging	1,620.11	5,656.35	**7,276.46**
Wood Packaging	571.56	1,008.01	**1,579.57**
Packaging plastic	1,038.04		**1,038.04**
	3,229.71	**6,664.36**	**9,894.07**

	2024		
ton	**Organic materials that come from a sustainable supply chain**	**% organic materials from sustainable supply chain**	**Certification system used**
Semi-finished products or components			
Carpentry and Other Components			
Miscellaneous small parts			
	-		
Packaging materials			
Cardboard packaging	5,656.35	100.0%	FSC (Forest Stewardship Council)
Wood Packaging	1,008.01	100.0%	FSC (Forest Stewardship Council)
Packaging plastic			
	6,664.36	100.0%	

(ESRS E5, 32, MDR-M 77a) Materials were classified into macrocategories, as shown in the table, according to the following criteria:

- Steel Metals: raw materials in carbon steel, stainless steel, metals such as copper, aluminium and tin.
- Plastic: thermoplastic polymers of various kinds (polycarbonate, polypropylene, ABS and nylon)
- Powder coatings: epoxy resin powder coatings
- Carpentry and other components: semi-finished steel and sheet metal (painted and unpainted), and electrical and electronic components.
- Miscellaneous small parts: screws, nuts, fasteners and various mechanisms, miscellaneous components other than electrical and electronic components.
- Office supplies (e.g. stationery materials) and consumables not strictly related to production processes) or intended to be included in finished products were excluded. In order to eliminate the risk of double counting, commodity categories that are excluded from the calculations in the company's computer systems were excluded from the Raw Materials category. The quantities reported for Biological Materials were derived by associating these categories with total materials purchased from suppliers with sustainable supply chain certifications. Specifically, all materials indicated as "organic" come from supply chains certified in accordance with the Forest Stewardship Council (FSC) forest certification system attested by certificates that are valid in the reporting year.

The database and methodology used for the calculation are in line with the GHG report and inventory and the methodology was carried out in accordance with the principles and requirements of ISO 14064-1. A methodological hierarchy was adopted for the quantification of materials, which included: use of weight data reported directly by the Company; weights calculated by sampling certain streams and company databases, with the application of component unit weights contained in the regularly updated databases for those materials that are normally purchased by volume (e.g. piece counts).

[E5-5] - Resource outflows

(35, 40) To increase awareness and availability of data regarding the characteristics of the materials that make up its products (except for marketed products, which account for a marginal proportion), the Group has implemented a system based on accurate data, calculations and estimates[33]. This system makes it possible to assess the material compositions of finished products, broken down by product category, material type and weight. This enables the Group to respond promptly to requests from markets with regulatory requirements related to the circularity of products, their packaging, and end-of-life recyclability.
Although products are not currently subject to specific measurements of their durability or repairability, the Group is nonetheless engaged in establishing calculation methodologies to estimate the degree of replaceability of its products with the highest possible level of reliability, taking into account their characteristics and the information available. The calculation system considers the primary components that can be supplied as spares against the total number of primary components. Primary components are defined as components in the first BOM product level. The KPI is a value between 0 and 100. Scores for "marketed" products, which account for a small proportion of products placed on the market, have not been calculated at this time. This method is not applicable to Motors BU products because the motor is a component that can be supplied in its entirety as a spare part. As regards durability, based on statistics and industry studies[34], the Group can state that its products have an average life span exceeding twelve years.

(36b) To gain greater awareness and data availability of the different characteristics of materials that make up its products (excluding marketed products that only account for a very small share of the portfolio), Elica has introduced a system that uses precise data,

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[33] The analysis was carried out to meet the requirements of Décret Français 748-2022, for products on the French market. Following the principle of application by analogy, it is reasonable to consider the same analyses valid for all products marketed by the Group.
[34] Report published by TEHA Group and APPLiA "The value of the home appliance supply chain for competitiveness and the country's sustainable and circular transition" - September 2024

calculations and estimates for assessing the material compositions of finished products by product category, material type, and weight. This has allowed us to promptly respond to market demands related to new regulations oriented to disclosing information on the circularity of products and their packaging, and their end-of-life recyclability.

In light of the above information, the products have been assessed to have following performance indicators:

Product placed on the market	Expected durability (years)	Average industry durability (years)	Performance compared to industry (%)	Product repairability (score)	Recyclable content in products and their packaging (%)
Cooking	**12**	**12**	**100.00%**	**28**	**67**
Cooker hoods	12	12	100.00%	46	66
Cook tops	12	12	100.00%	19	67
Vacuum cooktops	12	12	100.00%	19	67
Refrigerated Wine Cellars (Commercialized)	12	12	100.00%	nd	nd
Ovens (Commercialized)	12	12	100.00%	nd	nd
Motors	**10**	-			
Electric motors	10				

(37a,d, 39) For FY 2024, Elica reports that approximately 11,717 tonnes of total waste was generated from its operations, of which approximately 83 tonnes was hazardous waste and 11,633 tonnes was non-hazardous waste. Of the total, 11,388 tonnes went to recovery while approximately 328 tonnes was directed to disposal. About 87% of total waste went to recycling, while the remaining 13% was not recycled. The Group does not produce radioactive waste.

(38 a, b) In 2024, the waste produced by Elica was mainly derived from ferrous or other metal scrap related to moulding works, mechanical blanking or laser cutting, die-casting swarf or residues; mixed packaging (paper/cardboard, mixed packaging, wood packaging from secondary packaging), and electrical and electronic components discarded during production processes. This waste is the result of industrial, production and maintenance activities that are separated and managed in accordance with environmental regulations for their proper disposal. The Group gives preference to authorised entities for transport and disposal at destination facilities that implement treatment designed to recover material or energy. Separate waste collection is carried out in offices (both in plant equipped with canteens and in refreshment areas) with bins for paper, plastic, organic waste, glass and cans and undifferentiated waste. All staff have been trained on and informed of the importance of correctly sorting and disposing of waste.

(40) Details on waste type and disposal methodology are presented below.

E5_5 - Resource outflows

DR 37a	Waste generated	
	2024	
Hazardous waste	Recovery	Disposal
	43.29	40.04
	2024	
Non-hazardous waste	Recovery	Disposal
	11,344.93	288.54
Total	**11,388**	**329**

(MDR-M 77 a) Elica adopts a methodology based on direct measurements and precise calculations to determine data on the waste generated, avoiding estimates whenever possible. The weights declared were obtained from the computer systems specifically used for waste management or taken from the forms and registers kept in accordance with the requirements in the individual countries.

For the companies, waste is categorised according to the EWC codes (also standardised for waste generated in countries where other classifications apply) to distinguish between hazardous and non-hazardous waste. The criteria used for classification follow current regulations in the relevant countries. An estimate was made for sakes companies, considering that the kg figure was not available for the type of waste generated. The methodology took into account the total undifferentiated waste produced at the Elicamex company's plant (the only plant required to classify this type of waste) divided by the square metreage of the same plant and related to the square metreage of the individual trading companies.

The data regarding the quantity of materials purchased has been calculated based on the information and specifications shared with the suppliers or based on the best estimates made by the Technical Department of Elica S.p.A.
For eco-design projects related to packaging analysed, the figure was estimated based on projected sales of models for which the new reengineering solutions are applicable. For eco-design projects related to packaging analysed, the figure was estimated based on projected sales of models for which the new reengineering solutions are applicable. The carbon dioxide emissions reduction figure was, on the other hand, estimated based on the report “EPS - environmental impact and life cycle” published by AIPE - Associazione Italiana Polistirene Espanso.

DR 37b,d, AR 31	
ton	2024
Waste (description)	
Hazardous waste	
Incineration	
DIS - Incineration plant (use as fuel)	18.37
Total incineration	**18.37**
Preparing for reuse	
Preparation for reuse	
Total preparation for reuse	-
Recycling	
REC - Organic substance recycling	
REC - Metal recycling	
REC - Inorganic substance recycling	0.14
Total recycling	**0.14**
Other recovery operations	
Other recycling operations	24.78
Total other operations	**24.78**
Total hazardous waste	**43.29**
Waste (description)	
Non-hazardous waste	
Incineration	
DIS - Incineration plant (use as fuel)	171.22
Total incineration	**171.22**
Preparing for reuse	
Preparation for reuse	37.61
Total preparation for reuse	**37.61**
Recycling	
REC - Organic substance recycling	785.30
REC - Metal recycling	9,145.55
REC - Inorganic substance recycling	313.40
Total recycling	**10,244.25**
Other recovery operations	
Other recycling operations	891.85
Total other operations	**891.85**
Total non-hazardous waste	**11,344.93**
Total waste sent for recovery	**11,388.22**

DR 37c, AR 32	
ton	2024
Waste (description)	
Hazardous waste	
Incineration (no energy recovery)	
Incineration (no energy recovery)	
Total incineration	-
Landfill Disposal	
DIS - Landfill	1.64
DIS - Land treatment	
DIS - Deep injection	
DIS - Landfill	
Total disposal in landfill	**1.64**
Other disposal operations	
DIS - Surface impoundment	0.54
DIS - Biological treatment	
DIS - Physico chemical / treatment	24.68
Other disposal operations	13.18
Total other operations	**38.40**
Total hazardous waste	**40.04**
Waste (description)	
Non-hazardous waste	
Incineration (no energy recovery)	
Incineration (no energy recovery)	10.00
Total incineration	**10.00**
Landfill Disposal	
DIS - Landfill	121.57
DIS - Land treatment	
DIS - Deep injection	
DIS - Landfill	7.83
Total disposal in landfill	**129.40**
Other disposal operations	
DIS - Surface impoundment	
DIS - Biological treatment	
DIS - Physico chemical / treatment	135.04
Other disposal operations	14.11
Total other operations	**149.15**
Total non-hazardous waste	**288.54**
Total waste sent for disposal	**328.58**

	2024	
Hazardous waste	Recovery	Disposal
	43.29	40.04
	Recovery	Disposal
	11,344.93	288.54

Social Disclosure

MDR-P - Policies adopted to manage material sustainability matters

(MDR-P 65 a, b, c, d, f) The following presents the main policies adopted by the Group regarding social sustainability topics:

ESRS	IROs	Policies	Description of the main contents	Scope of application	Entity responsible for enacting	References to any international rules, conventions, or initiatives of third parties	Availability
S1 / S2/ S4	IMPACTS: •Work-related injuries •Violations of own workers' human rights; •Protection of the values of diversity, inclusion and equal opportunities •Failure to create a safe working environment •Compliance with other labour rights of own workers •Violation of human rights in the value chain; •Impacts on rights to freedom from forced and child labour in the value chain; •Prevention of consumer health and safety issues •Violation of customer privacy RISKS: •Injuries at Elica sites and production sites •Non-compliance with GDPR legislation	Ethics Code	o Impartiality and conflicts of interest o Personnel management o Workplace harassment o Workplace environment o Payment methods o Laundering, receipt and use of money, assets and other proceeds of illegal provenance, self-laundering o Occupational safety o Environment; o Relations with the Public Administration o Relations with the Judicial Authority o Relations with political parties, trade unions and associations o Organised crime o Sponsorship and donations o Corporate information - confidentiality and privacy o Relationships with suppliers and consultants	Elica Group, Business relations	Department managers	o International Labour Organization Conventions o Legislative Decree No. 196/2003 from Regulation (EU) 2016/679 o Legislative Decree No. 231/01 o Article 2104 Civil Code	Company website and intranet

			0 Relations with customers and commercial partners				
S1	**IMPACTS:** •Compliance with other labour rights of own workers •Impacts on rights to freedom from forced and child labour in the value chain **RISKS:** Non-compliance with GDPR legislation	Privacy General Principles	0 Compliance with law 0 Responsible and legal personal data collection and use 0 Responsible personal data management and storage 0 Respect for data retention time limits 0 Exercise of data subject rights 0 Processing children's personal data 0 Training and awareness 0 Reporting of potential non-compliance No retaliation 0 Responsibility and implementation 0 Lodging of complaints 0 Violation of this policy	Elica Group, Business relations	Group HR	0 Regulation (EU) 2016/679 (GDPR) 0 Italian Legislative Decree No. 101/2018 0 German Federal Data Protection Act (BundesdatenSchutzgesetz, BDSG) 0 French Law No. 78-17 of January 6, 1978, Ordinance No. 2018-1125 of December 12, 2018, and Decree No. 2019-536 of May 29, 2019 0 Polish Personal Data Act of May 10, 2018 (RODO)	Intranet
S4	IMPACTS: •Prevention of consumer health and safety issues •Violation of customer privacy RISKS: Non-compliance with GDPR legislation	Policy regarding "Security Measures for the Protection of Personal Data"	0 Personal data collection 0 Responsible personal data management and storage 0 Disciplinary actions in case of violations 0 Responsibility and implementation 0 Identity of the Data Controller 0 Location of processing 0 Data retention period 0 Right to revoke consent 0 Rights of the Data Subject 0 Management of data relating to minors 0 Complaint management	Elica Group, Business relations	Group Corporate Strategy and Group IT	0 Regulation (EU) 2016/679 (GDPR) 0 Legislative Decree No. 81 04/2018 0 Legislative Decree No. 977 10/1967 0 MIUR Decree 195 11/2017	Intranet
S2	**IMPACTS:** Violation of human rights in the value chain	Supplier Code of Conduct	0 Business ethics and compliance 0 Environmental protection 0 Health, safety and workers' rights 0 Implementation, compliance and monitoring	Elica Group suppliers and commercial partners	Group CEO	0 EU Conflict Minerals Regulation 0 "RoHS" Directive 0 "REACH" Directive 0 ILO principles	Company website and intranet

Employees (ESRS S1)

IRO		Value chain	Time horizon
IMPACT	Work-related injuries	Upstream / Own Operations / Downstream	Short-term
IMPACT	Lack of employee skill development	Own operations	Short-term
IMPACT	Violations of own workers' human rights	Own operations	Short-term
IMPACT	Protection of the values of diversity, inclusion and equal opportunities	Own operations	Short-term
IMPACT	Failure to create a safe working environment	Own operations	Short-term
IMPACT	Compliance with other labour rights of own workers	Own operations	Short-term
RISK	Injuries at Elica sites and production sites	Own operations	Short-term / Medium-term / Long-term
RISK	Non-compliance with GDPR legislation	Own operations	Short-term / Medium-term / Long-term

[ESRS 2 SBM-2] – Interests and views of stakeholders

(ESRS S1 12, AR 4-5) The ways in which the interests, views and rights of the Elica Group's own workers shape the company's strategy and business model, including respect for human rights, are outlined in the paragraph *SBM-2* in the General disclosures section. Regarding methods of engaging own workers is assessing impact materiality, we note that the aforementioned questionnaire was administered to a representative sample identified with the support of the Human Resources Office.
We further note that Elica considers the importance of relations with workers' representatives in the process of sharing decisions and corporate results, and recognises the fundamental value of structured social dialogue with periodic meetings. This approach aligns with national and international standards governing the consultation and participation of worker representatives.

[ESRS 2 SBM-3] – Material impacts, risks and opportunities and their interaction with strategy and business model

(ESRS S1 14 a, b, c; AR 6-7-44) The material impacts and risks identified in relation to the Group's own workforce and related interactions with the Elica Group strategy and business model are detailed in paragraph SBM-3 of the General disclosures section.

Note that with the expression "own workforce", we mean the different types of workers who, in various capacities, contribute to business activities and may be subject to material impacts, including:

- **Employees:** workers hired through regular contracts for roles in various corporate areas, ranging from production to administrative and commercial management.
- **Self-employed workers:** workers who, unlike employees, are hired on consulting contracts, or for specific projects. These workers are not bound by an employment relationship, but offer specialist professional skills that meet specific company needs.
- **Temporary workers:** workers hired by temporary employment agencies, and made available to the company for limited periods. Although they are not direct employees, they carry out tasks within the Group and contribute to addressing temporary needs and work demand peaks.
- **Interns:** temporary workers undergoing training within the company. Although their stay is time-limited and their role focuses on the acquisition of practical skills, they can still contribute to day-to-to operations, and, in some cases, to specific company projects.

Since a detailed analysis and mapping have not been conducted of the individuals making up the Company's "own workforce" for the purposes of identifying material impacts and risks, assumptions have been made based on the knowledge and data available to Human Resources.

Elica has identified various negative impacts, including work-related injuries, failure to develop skills, and violations of human rights. However, these impacts are not generalised or systemic in the contexts in which the Group operates, but related to specific individual cases. To prevent and mitigate these risks, Elica applies rigorous safety measures, skills monitoring, and supplier due diligence, as per international standards. In case of any criticalities, the company promptly intervenes to remedy them and prevent further issues. Significant positive impacts derive, on the other hand, from a series of initiatives and policies specifically oriented to protecting the rights of employees. The Group promotes an inclusive culture, based on respect for human rights, ensuring that all workers are treated equally, without discrimination, and that forced and juvenile work are strictly prohibited in every part of its business. Elica is furthermore strongly committed to guaranteeing a diversified, inclusive work environment, in which each individual, regardless of gender, place of birth, religion, or sexual orientation, has the same opportunities for growth and professional development. The Group has adopted rigorous protocols to guarantee a safe, healthy work environment, with preventive actions and specific training courses on workplace safety, in order to minimize the risk of accidents. Finally, Elica complies with data protection regulations (e.g., the GDPR), protects the privacy of its employees, and guarantees the security of sensitive information.

(ESRS S1 15, 16) In light of the impacts identified in relation to its workforce, particularly regarding occupational health and safety, and the protection of personal data, Elica does not believe that some of its workers are more exposed than others. Indeed, there are no occupational situations in which particular individual characteristics, the performance of activities in specific contexts, or the nature of certain tasks involve a greater exposure to risks. The company applies preventive measures and security protocols to ensure the protection of all employees, regardless of the type of activity carried out, or the specific context. Therefore, all the adopted measures are aimed at reducing risks for the entire workforce, without discrimination of any kind.

[S1-1] - Policies related to own workforce

(19) Elica recognises the importance of responsible and sustainable human resources management, of promoting a corporate culture based on respect, of the protection of workers' rights and of the appreciation of the value of people. To guarantee inclusive, safe and compliant work environments as per current applicable regulations, the Group has adopted a framework of policies, including an Ethics Code and Privacy General Principles, which define fundamental principles of integrity, equity, and confidentiality. The Ethics Code establishes guidelines for the conduct of employees and consultants, ensuring that both internal and external relationships are marked by mutual respect, non-discrimination, and the promotion of organisational well-being. The Privacy General Principles, on the other hand, guarantees the protection of workers' personal data, ensuring transparency in the management of information and compliance with regulatory requirements regarding privacy. These policies are updated periodically and supplemented by training programmes to ensure Group values are applied day-to-day. Elica's commitment to protecting the social sphere is reflected in its adoption of practices to guarantee salary equity, equal opportunities, and a working environment that favours the professional growth and well-being of all employees.
(20,21) Furthermore, aware of the importance of respect for the rights of all the individuals involved in their value chain, including employees, external workers in the value chain, customers and end-consumers, the Group has launched a programme to define and adopt a dedicated policy and operational procedure for due diligence regarding human rights. In particular, in 2024, the Group actively worked on structuring corporate regulatory tools, including a Human Rights Policy and a HR Due Diligence Procedure, which were approved by the Board of Directors on February 13, 2025. Therefore, a more detailed disclosure on these policies and procedures will be provided in the Sustainability Statement for 2025, the year of their formal adoption. Though not falling within

the reporting period, these policies represent key elements of the corporate framework of policy and guidelines, outlining principles and actions to ensure that human rights are respected in all corporate operations.
The Group undertakes to prevent any violation of fundamental rights and to promote their safeguarding through a human rights due diligence procedure aimed at identifying, preventing, and addressing any risks along the entire value chain. To guarantee a robust approach, the Group Policy is aligned with and takes inspiration from the main international human rights standards and regulations, including the United Nations Universal Declaration of Human Rights (UDHR), the United Nations Guiding Principles on Business and Human Rights, the International Labour Organization Declaration on Fundamental Principles and Rights at Work, and the Organisation for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises on Responsible Business Conduct.
The Policy applies to all employees, consultants, suppliers and commercial partners, and invites them to adhere to the principles contained therein and to contribute to the dissemination of a culture of respect and social responsibility. In this regard, the Group is committed to continuing to monitor and update its practices, in order to ensure that respect for human rights remains a fundamental pillar of its activities, and consolidates its role as a responsible and sustainable company.
(22,24. a,b,c) For more details regarding the mentioned policies, please see paragraph MDR-P of the Social Information section.
(24.d) The principles contained in the policies adopted by the Group, including the Ethics Code and the Privacy General Principles, do not merely represent a value reference framework, but are concretely applied through specific procedures aimed at guaranteeing the prevention, mitigation and management of any negative impacts on human rights, particularly in order to prevent and address situations of discrimination, and to actively promote diversity and inclusion. In this regard, the Group has introduced a Due Diligence Human Rights Procedure, to identify, assess and manage risks relating to human rights along the entire value chain. Through this procedure, Elica analyses actual and potential impacts deriving from its business activities and relationships, adopts measures to prevent and mitigate all forms of discrimination, and actively supports a corporate culture based on inclusion and equal opportunities. On the basis of the assessment of risks, the Group develops and enacts operational action plans, defined by competent Department Managers, with the support of Risk Management, in order to guarantee timely and effective interventions. These plans are subsequently shared with the Sustainability Board, to guarantee constant monitoring of the management of human rights. A holistic approach is taken to taking corrective and preventive actions, with attention paid to do no significant harm (DNSH) to other areas of sustainability, such as climate change, the protection of natural resources, and biodiversity.

[S1-2] – Processes for engaging with own workers and workers’ representatives about impacts

(S1-2, 29) To date, the Elica Group has not adopted a structured process for engaging these stakeholders but, as part of future initiatives, it plans to increase opportunities and occasions for employee engagement, both through corporate communication channels and Group initiatives, seeking to build on the existing dialogue channels. These include various activities with the Ermanno Casoli Foundation (FEC), established in 2007 in memory of Elica's founder, which promotes contemporary art as an educational tool to innovate work environments and strengthen the link between art and industry. The Ermanno Casoli Foundation has been collaborating with Elica for many years in order to contribute to the professional growth and well-being of employees, organising cultural events in which the latter are actively involved. [S1-3] – Processes to remediate negative impacts and channels for own workers to raise concerns

(32.a, b, c, d, e, 33) The Elica Group recognises the importance of guaranteeing its workers effective tools for reporting problems, raising concerns and accessing remedial mechanisms in case of negative impacts. To this end, the Group has developed a governance system that includes policies and procedures for the management of reports and the protection of workers’ rights.

In particular, the Group’s Ethics Code, Organisational Model as per Legislative Decree No. 231/01 and Whistleblowing Polity represent key tools through which the Group promotes a corporate culture based on transparency, legality, and responsibility. The Elica reporting system guarantees confidentiality and protection from retaliation for anyone reporting any violations of regulatory or corporate provisions. The Group guarantees continuous monitoring of the effectiveness of the reporting channels, following-up on issues raised, and promoting awareness among workers of their rights and the tools available to them.

Further information on the management of reports and remedial mechanisms are detailed in paragraph G1-1 of the Governance Information section.

[S1-5] - Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

(46.47) The identification of targets relating to impacts on the Group’s own workforce follows a strategic, integrated approach, balancing corporate priorities with stakeholder expectations. During the reference year, Elica defined a series of priority health and safety targets and actions, as the Group this considers a priority.

[MDR-T] - Tracking effectiveness of policies and actions through targets

(MDR-T 80 a, b, c, d, e) The following table summarises the targets set by the Group in this regard:

ESRS	I / R / O	IRO Description	Target	Scope of application	Baseline	Target period	Relation to targets declared in policies
S1	R	Injuries at Elica sites and production sites	50% FI decrease (excluding "on-commute" injuries), with an absolute value ≤ 0.55.	Elica Group	Group FI equal to 1.10, in absolute terms, in FY24	2024 - 2027	Yes - Ethics Code
S1	I	Work-related injuries					

(80 f) The targets set by Elica were defined through an analysis of internal historical data, and according to best sector practices, taking into account international, European and national regulations on safety, quality, and sustainability. The target decrease in the Frequency Index (FI) of injuries was set on the basis of historical data, and on globally adopted safety standards. The Supplier Code of Conduct and ESG Survey and Audit activities are aligned with the company's commitments to promote responsible and sustainable supply practices in line with the United Nations Sustainable Development Goals (SDGs).
(80 h) The aforementioned targets were also shaped by the priorities expressed by stakeholders involved in the Double Materiality Analysis process (during which their opinions and interests were gathered on material topics for the Group).

(80 j) During the year, Elica made significant progress in achieving the targets set. The decrease in the Group Frequency Index (FI) was monitored through an internal injury data collection and analysis system, and showed a positive trend towards the 50% reduction target. The Supplier Code of Conduct and ESG Survey and Audit activities were regularly monitored through periodic reports and checks. Progress is in line with planning, although further work is required in audit stages and in the involvement of suppliers. For a detailed overview of the performance and methodologies used, please refer to the sections on Health and Safety and the Value Chain. The performance against set targets is monitored through periodic assessments that measure the effectiveness of actions and identify opportunities for improvement. The results obtained contribute to perfecting company policies and orientating future initiatives.

[S1-4] - Taking action on material impacts on own workforce, and approaches to mitigating material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions

(37,38. a,c,d) In 2024, specific actions were taken to mitigate employee work-related injuries. The company takes a proactive approach to mitigating potential negative occupational health and safety impacts and risks, in order to minimize the frequency of injuries, protect the well-being of its workforce, and guarantee a safe work environment conforming to current regulations.

[MDR-A] - Actions and resources in relation to material sustainability matters

(MDR-A 68. a, b, c, e) The following table summarises the actions taken by the Group in this regard:

<table>
<tr><th>ESRS</th><th>I / R / O</th><th>IRO Description</th><th>Action</th><th>Remedy actions (Y/N)</th><th>Scope of application</th><th>Time horizon</th></tr>
<tr><td>S1</td><td>R</td><td>Injuries at Elica sites and production sites</td><td rowspan="2">Continuous training in occupational health and safety, investments in safe equipment and adequate PPE, maintenance and continuous improvement of certified safety management systems, extraordinary machinery maintenance, periodic updating of the Risk Assessment Document, and constant monitoring of workplace safety conditions by the Health and Safety Officer.</td><td rowspan="2">Y[35]</td><td rowspan="2">Elica Group</td><td rowspan="2">Short-term</td></tr>
<tr><td>S1</td><td>I</td><td>Work-related injuries</td></tr>
</table>

(37,38. a,d; 40a) In addition to managing potential negative impacts and risks through procedures and policies compliant with current regulations and guaranteeing safe and dignified working conditions, Elica delivers a continuous training programme on occupational health and safety, aimed at sensitising employees on specific work risks, and at promoting a culture of prevention. In parallel, it makes targeted investments in the purchase and installation of safe equipment, to reduce accident risks and improve workplace ergonomic conditions. In line with the highest safety standards, Elica provides adequate Personal Protective Equipment (PPE), ensuring that all workers have the tools to safely carry out their work tasks. The company constantly maintains and periodically

[35] For further details on the results of the actions to mitigate material impacts, please refer to the Social Information section S1-14.

updates its certified safety management systems, to ensure their effectiveness. Further key elements in the safety strategy are extraordinary machinery maintenance, to prevent faults and risk situations, and periodic updating of the Risk Assessment Document, to ensure that prevention measures are always aligned with operational needs and regulatory changes. Finally, the Group guarantees constant monitoring of the workplace safety conditions through the figure of the Health and Safety Officer, who supervises and verifies the effectiveness of actions, and promotes continuous improvements in working conditions.
(38.d, 39, 41) Elica regularly evaluates the impacts of adopted measures, monitoring the injury rate trend and collecting feedback from the workforce and internal stakeholders in order to ensure that the measures are effective in reducing risks and create opportunities for a safer and more sustainable work environment. The measures also allow the Group to collect detailed information on risks, and determine appropriate responses to negative actual and potential impacts on its own workforce.
(MDR-A 69. a, b, c, 43) Resources dedicated to the management of impacts on the workforce, which were not significant for reporting year, covered continuous investments in safety training programmes for all employees, periodic updating of Personal Protective Equipment (PPE), improvements to monitoring systems, and certifications at production facilities. In addition, funds were allocated to internal and external health and safety standards audits, and to extraordinary corporate infrastructure maintenance, in order to prevent potential risk situations for workers.

(38.c, b) To date, no actual negative impacts have emerged in relation to human rights, though Elica is nonetheless committed to intervening promptly should any violations occur. In this regard, the company is ready to take corrective actions. Furthermore, no material positive impacts were identified.

[S1-6] - Characteristics of the undertaking's employees

(50 d i, ii, e, f) At December 31, 2024, the Elica Group had a total of 2,459 employees[36], as per the annual financial disclosure, excluding interns and trainees (140 people), of which approximately 47% are women, evidencing the company's commitment to gender diversity and equality in professional opportunities. The Group's workforce is distributed over more than ten countries, with significant presences in Europe, America and Asia, reflecting its global imprint, strong impact, and adaptation to the needs of local markets.

In particular, employees are distributed in two main business units (Cooking, and Motors), each with specific technical and production needs, which are reflected in the skills of the personnel.

Most of the employees of the Elica Group are hired on permanent contracts, confirming the company's stability and commitment to the long-term. The permanent contracts are held by 918 women and 1,108 men, guaranteeing a stable workforce, and a low turnover in strategic areas. This type of contract, in addition to offering stable employment, is essential in order to maintain high levels of competence and experience within the organisation.

Temporary contracts cover a minor percentage of the workforce, precisely 189 men, and 244 women. This type of contract is generally used to meet specific operational needs, such as but not limited to the evaluation of new employees before permanent hiring, and the management of seasonal production peaks depending on business needs.

(50 c) The Elica Group turnover rate is 24%. This value is in line with sector averages, and is constantly monitored in order to guarantee the stability of the workforce, and shape effective strategies to improve employee engagement and loyalty.

(MDR-M 77 a) Employee data are given as headcount at December 31 of the reporting periods, not as FTE (full-time equivalent) data.

Headcount data for Group companies were extracted from the company's "Success Factor" management system, with the exception of data for Airforce S.p.A., AG International and Southeast Appliance, Inc. whose data were taken from local payrolls.

Turnover is calculated as the number of employees who voluntarily or involuntarily left Elica in 2024 as a percentage of total employees at December 31, 2024.

Data on the reasons for departures were taken from the payrolls of all the Companies included in the scope.

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[36] Total Headcount (HC)

Employees	2024		
HC	Women	Men	**Total**
Total employees at the end of the period / by gender	1,162	1,297	**2,459**

Type of employment contract	Women	Men	**Total**
Temporary employees	244	189	**433**
Permanent employees	918	1108	**2,026**
At variable hours (hired)	-	-	-
of which on-call contract			-
of which casual employees			-
Total	**1,162**	**1,297**	**2,459**

Total number of employees by type of employment/by gender	Women	Men	**Total**
Full-time	1112	1237	**2,349**
Part--time	50	60	**110**
Total	**1,162**	**1,297**	**2,459**

DR 50 c, AR 59

Turnover	2024		
HC	Women	Men	**Total**
Total employees at the end of the period / by gender	1,162	1,297	**2,459**

Hiring	Women	Men	**Total**
Up to 29 years old	103	126	**229**
30 to 50 years old	107	156	**263**
Over 50 years	19	21	**40**
Total	**229**	**303**	**532**

Terminations	Women	Men	Total
Up to 29 years old	99	138	**237**
30 to 50 years old	110	188	**298**
Over 50 years	33	42	**75**
Total	**242**	**368**	**610**

Reason for termination	Women	Men	Total
Voluntary exits	146	207	**353**
Retirement	11	11	**22**
Dismissal	12	18	**30**
Death in the line of duty			**-**
Other (e.g., end of temporary contracts)	73	132	**205**
Total	**242**	**368**	**610**

Turnover	Women	Men	Total
Positive turnover - hiring	19.4%	22.2%	20.9%
Negative turnover - terminations	20.5%	26.9%	23.9%
Overall turnover	-1.1%	-4.8%	-3.1%

	2024		
Total number of employees by gender / geographical area	Women	Men	**Total**
Italy	404	583	**987**
Canada	2		**2**
China	43	64	**107**
France	4	12	**16**
Germany	1	9	**10**
Japan			**-**
Mexico	195	321	**516**
Netherlands	1	2	**3**
Poland	496	291	**787**
Russia	12	10	**22**
United States - RFCW	2	1	**3**
United States - FRCC	2	4	**6**
Total	**1,162**	**1,297**	**2,459**

Total number of employees by gender/geographic area/contract type	Women	Men	Total
Temporary employees	**244**	**189**	**433**
Italy	11	11	**22**
Canada			-
China	18	29	**47**
France	4	12	**16**
Germany			-
Japan			-
Mexico			-
Netherlands			-
Poland	211	137	**348**
Russia			-
United States - RFCW			-
United States - FRCC			-
Permanent employees	**918**	**1,108**	**2,026**
Italy	393	572	**965**
Canada	2		**2**
China	25	35	**60**
France			-
Germany	1	9	**10**
Japan			-
Mexico	195	321	**516**
Netherlands	1	2	**3**
Poland	285	154	**439**
Russia	12	10	**22**
United States - RFCW	2	1	**3**
United States - FRCC	2	4	**6**
At variable hours (hired)	-	-	-
Italy			-
Canada			-
China			-
France			-
Germany			-
Japan			-
Mexico			-
Netherlands			-
Poland			-
Russia			-
United States - RFCW			-
United States - FRCC			-
Total	**1,162**	**1,297**	**2,459**

[S1-8] - Collective bargaining coverage and social dialogue

(61) 60% of employees are covered by collective bargaining agreements. Employees not covered by collective bargaining are granted the conditions provided for by locally applicable legislation.
(63) To date, the Group has not entered into agreements with its employees for representation by a European Works Council (EWC). However, the function of worker representation is currently covered by the General Workers' Representative Body (RSU), which operates in compliance with relevant regulations. Group-wide, the percentage of employees covered by employee representatives is 30.8%.
(MDR-M 77 a) As regards the type of Italian collective bargaining agreement, for the "white-collar", "managers" and "blue-collar" categories, the "Metal Mechanical Industry" national collective bargaining agreement is applied, while the "Industry Executives" national collective bargaining agreement is applied to the "executives" category. Information on Companies residing abroad was taken from local payrolls. Data related to the type of Italian collective bargaining agreement: it is assumed that for the "white-collar", "managers" and "blue-collar" categories, the "Metal Mechanical Industry" national collective bargaining agreement is applied, while the "Industry Executives" national collective bargaining agreement is applied to the "executives" category. For information on Companies residing abroad, the data were taken from local payrolls.
The figure involving coverage by labour representatives was calculated by reporting through the payroll management system.

DR 60 a b	
Collective bargaining	**2024**
HC	
Total employees	2,459
Employees covered by collective bargaining.	1,467
% employees covered by collective bargaining agreement	59.66%

Number of employees/collective bargaining agreement	
CCNL Metalmechanical Industry	948
CCNL Industry Executives	29
CCNL Commerce de Gross	16
CCNL Comercio de Metal	10
Other Collective Bargaining	464

DR 63 a, AR 66	
Social Dialogue	**2024**
Total employees covered by labor representatives	2,459
Employees covered by labor representatives	757
% employees covered by labor representatives	**30.8%**

	Collective bargaining coverage		**Social Dialogue**
Coverage rate (%)	Employees - EEA (for countries with >50 employees representing > 10 % of total employees)	Employees - non-EEA (estimate for regions >50 employees representing > 10 % of total employees)	Workplace representation (EEA only) (for countries with > 50 employees representing > 10 % of total employees)
0-19 %	Poland		Poland
20-39 %			Italy
40-59 %			
60-79 %		Mexico	
80-100 %	Italy	China	

Diversity, inclusion and equal opportunities (ESRS S1)

[S1-9] - Diversity metrics

(DR 66a and DR66b) At December 31, 2024, the Elica Group had a total of 2,459 employees[37], as per the annual financial disclosure, excluding interns and trainees (140 people), of which approximately are 47% women, evidencing the company's commitment to gender diversity and equality in professional opportunities.

(MDR-M77 a) Headcount data for Group companies were extracted from the company's "Success Factor" management system, with the exception of data for Airforce S.p.A., AG International and Southeast Appliance, Inc. whose data were taken from local payrolls.
(AR 71) Elica's top management is made up of the Board of Directors (BoD). In compliance with transparency obligations, and considering commitments towards gender diversity and the objective of guaranteeing equitable representation in company leadership positions, detailed information is reported below on the gender composition of members of the Board of Directors.

DR 66 b			
Diversity employees	**2024**		
HC			
Employees by category / by gender	Women	Men	**Total**
Managers	5	29	**34**
Supervisors	24	55	**79**
Employees	285	397	**682**
Workers	848	816	**1,664**
Total	**1,162**	**1,297**	**2,459**

Employees by category / by gender %	Women	Men	**Total**
Managers	0.2%	1.2%	**1.4%**
Supervisors	1.0%	2.2%	**3.2%**
Employees	11.6%	16.1%	**27.7%**
Workers	34.5%	33.2%	**67.7%**
Total	**47.3%**	**52.7%**	**100.0%**
DR 66 b			

[37] **Total Headcount (HC)**

Diversity employees	2024		
HC			
Employees by age group/by gender	Women	Men	**Total**
Up to 29 years old	190	218	**408**
30 to 50 years old	627	655	**1,282**
Over 50 years	345	424	**769**
Total	**1,162**	**1,297**	**2,459**
Employees by age group/by gender %	Women	Men	**Total**
Up to 29 years old	7.7%	8.9%	**16.6%**
30 to 50 years old	25.5%	26.6%	**52.1%**
Over 50 years	14.0%	17.2%	**31.3%**
Total	**47.3%**	**52.7%**	**100.0%**

DR 66 b

Diversity employees	2024			
HC				
Employees by category / by age group	**Up to 29 years old**	**30 to 50 years old**	**Over 50 years**	**Total**
Managers		15	19	34
Supervisors		48	31	79
Employees	139	371	172	682
Workers	269	848	547	1664
Total	**408**	**1,282**	**769**	**2,459**
%				
Employees by category / by age group %	**Up to 29 years old**	**30 to 50 years old**	**Over 50 years**	**Total**
Managers	0.0%	0.6%	0.8%	1.4%
Supervisors	0.0%	2.0%	1.3%	3.2%
Employees	5.7%	15.1%	7.0%	27.7%
Workers	10.9%	34.5%	22.2%	67.7%
Total	16.6%	52.1%	31.3%	100.0%

DR 66 a			
Composition of the Board of Directors	**2024**		
Diversity Board of Directors	Women	Men	**Total**
Up to 29 years old			**-**
30 to 50 years old	1		**1**
Over 50 years	2	4	**6**
Total	**3**	**4**	**7**

% Diversity Board of Directors	Women	Men	**Total**
Up to 29 years old	0.0%	0.0%	**0.0%**
30 to 50 years old	14.3%	0.0%	**14.3%**
Over 50 years	28.6%	57.1%	**85.7%**
Total	**42.9%**	**57.1%**	**100.0%**

Board of Directors	**Role**
FRANCESCO CASOLI	PRESIDENTE ESECUTIVO
GIULIO COCCI	AMMINISTRATORE DELEGATO
ELIO COSIMO CATANIA	CONSIGLIERE INDIPENDENTE
ANGELO CATAPANO	CONSIGLIERE INDIPENDENTE
SUSANNA ZUCCHELLI	CONSIGLIERE INDIPENDENTE
CRISTINA CASOLI	CONSIGLIERE NON INDIPENDENTE
ALICE ACCIARRI	CONSIGLIERE INDIPENDENTE E LEAD INDIPENDENT DIRECTOR

[S1-10] - Adequate wages

(69 MDR-M77) Elica defines the remuneration of its workforce in accordance with reference parameters applicable in the various countries in which it operates. In Italy, wages are aligned with the sector national collective bargaining agreements (CCNL). In European countries that do not have national collective bargaining agreements, wages are defined on the basis of minimum salary legislation in the country, and compared with that of similar countries, using official data sources such as Eurostat. In non-EU countries, the wages are determined in reference to local legislation, ensuring compliance with current regulations, and adequacy according to local standards.

[S1-16] – Remuneration metrics (pay gap and total remuneration)

(97c) For 2024, the male-female gender pay gap reported by the Group is 20%, calculated using the standard methodology. This calculation methodology groups Blue Collar, White Collar, Managers and Executives operating in completely different regions of the world and referring to non-homogeneous collective bargaining.

The second table shows the total annual pay ratio, representing the ratio of the annual pay of highest-paid individual to the median pay of all employees, excluding the highest-paid individual.

Pay gap/gender	Unit	2024
Gender pay gap	%	20%

Total annual rate of compensation	Unit	2024
Total annual remuneration for the person with the highest salary in the enterprise	Euro	1,096,560
Median annual total compensation of employees (excluding the person with the highest salary)	Euro	20,145
Annual pay ratio	%	54

(MDR-M 77 a) The gender pay gap indicates the difference between average wages paid to female and to male workers. The Gender Pay Gap calculation considered average gross pay, i.e. total annual pay before tax and contribution deductions, including fixed salary, benefits, production bonuses, relative MBOs and LTIs, and does not include UT or any social security benefits. The formula used to calculate the gender pay gap is: (average gross hourly wage of male employees - average gross hourly wage of female employees) / average gross hourly wage of male employees) x 100.
The determination of gross hourly wages considered gross annual wages at December 31, 2024 plus Remuneration includes fixed wages, benefits, production bonuses, relative MBOs and LTIs, and does not include UT or any social security benefits.

[S1-17] - Incidents, complaints and severe human rights impacts

(103 a,b,c,) For the reporting period, the Group declares that no work-related accidents, episodes of discrimination, harassment or other severe human rights impacts on the workforce occurred. Furthermore, no complaints, fines, sanctions or compensation for damages were recorded regarding such issues.

Health and safety (ESRS S1)

[S1-14] - Health and safety metrics

(88) The following table reports metrics relating to health and safety within the Elica Group. These data are reported to provide a transparent overview of recorded work-related accidents and the related Frequency Index[38], as well as work-related ill health, reflecting the Group's commitment to guaranteeing a safe and healthy work environment for all employees. For metrics regarding non-employees, the Company has chosen to adhere to the phase-in as prescribed by Appendix C of ESRS1 of the Delegated Regulations. For more information on the percentage of workers covered by the health and safety management system (ISO 45001), see paragraph *GOV-4* in the *General disclosures* section.

(MDR-M 77 a) Injury data (number, type and extent) were taken from event records compiled in accordance with current legislation in the countries of the individual companies. The hours worked for companies where there are production sites, namely, Elica S.p.A., Airforce S.p.A., EMC FIME S.r.l., Elica Group Polska Sp.z.o.o, Elicamex S.a.d. and Zheliiang Elica Putian Electric Co. Ltd. refer to precise data from records obtained from the "Management Control Operation" functions. For the remaining companies (where there are no production sites), hours were estimated based on observed working days.
Data gathered from injury event analysis collected by the RSPP (Prevention and Protection Service Manager) functions at each production site and verified monthly by the Corporate EHS Manager function. Precise data on hours worked were provided by the site Operations controllers. Hours worked at companies without production sites were estimated on the basis of working days reported in the company's home country.

The Injury Frequency Index is calculated as the ratio of the total number of recorded incidents (excluding those occurring during commuting) to the total number of hours worked in the same period, multiplied by 1,000,000, as per AR 89. The Severe Injury Frequency is calculated as the ratio of the total number of recorded incidents to the total number of hours worked in the same period, multiplied by 1,000,000. The reporting excludes temporary workers and employees of contractor companies, as their respective working hours are not directly accounted for by the organization; the work-related injuries reported refer to the Elicamex and Elica Group Polska sites where transportation was organized by the company. Specifically, the term "work-related injury with serious consequences" refers to a work injury that results in death or damage from which the worker cannot recover, does not recover, or it is unrealistic to expect a full recovery to the pre-accident health status within six months. The reporting excludes temporary workers and employees of contractor companies, as their respective working hours are not directly accounted for by the organization. The fatality rate resulting from work-related injuries is calculated by dividing the total number of fatalities from work-related injuries by the total number of hours worked, multiplied by

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1,000,000. The reporting excludes temporary workers and employees of contractor companies, as their respective working hours are not directly accounted for by the organization.

DR 88 b,c,e, DR 89, AR 82, AR 89, AR 95

Accidents at work - Employees	Unit	2024
Accidents at work	N°	
Mortals		
Serious accidents		
Other accidents		5
Commuting accidents		
Total accidents recorded		**5**
Types of occupational injuries	N°	
Bruises and fractures		
Muscle strains		1
Other injuries		1
Bone Infringement		
Crushing		
Cutting		3
Other injuries on the way to work		
Total hours worked	h	4,556,082
Days absent due to injuries	N°	111
Accident indices		
Accident Frequency Index (No. of accidents/hours worked x 1,000,000)		1.10
Mortals		0.00
Serious accidents		0.00
Other accidents		1.10
Accident Frequency Index (excluding commuting) (No. accidents/hours worked x 1,000,000)		1.10
Injury Severity Index (days of accident absence/hours worked x 1,000)		0.02

Occupational Diseases - Employees	Unit	2024
Professional diseases	N°	
Mortals		
Other cases		
Totale		-
Types of occupational diseases	N°	
Musculo-skeletal disorders		
Skin diseases		
Respiratory diseases		
Malignant tumours		
Noise-induced deafness		
Days of absence due to occupational disease	N°	

Value chain (ESRS S2)

IRO		Value chain	Time horizon
IMPACT	Violation of human rights in the value chain	Upstream / Downstream	Short-term
IMPACT	Impacts on rights to freedom from forced and child labour in the value chain	Upstream / Downstream	Short-term

ESRS 2 SBM-2 - Interests and views of stakeholders

(ESRS S2 9) The manner in which the interests, views and rights of value chain workers orient the Elica Group's strategy, business model and respect for human rights are outlined in the General Disclosures section SBM-2. Regarding the engagement of value chain workers in assessing impact materiality, we note that the aforementioned questionnaire was administered to the Sustainability Managers of customers, suppliers and commercial partners, as representatives of the interests of workforces of the respective companies.

Listening to the interests and views of these categories of workers is an integral part of the Group's social responsibility, considering the engagement and consultation of all stakeholders, including all production chain workers, as essential in guaranteeing continuous improvements in corporate practices and positive impacts on the entire supply chain.

Regarding the upstream value chain, Elica works closely with suppliers to promote workers' rights and workplace safety and well-being. The views of the workers of suppliers are collected through periodic audits and direct dialogue, aimed at identified areas of improvement in terms of work practices and social impacts. Regarding the downstream value chain, the organisation engages with customer and distributor unions through direct communication channels in order to collect feedback on working conditions and social impacts generated by products and services. Both upstream and downstream, these consultations are carried out as per applicable national and international regulations and conventions.

ESRS 2 SBM-3 - Material impacts, risks and opportunities and their interaction with strategy and business model

(ESRS S2, 10 a, 11, 12, AR 6-7-8) The material impacts identified regarding value chain workers and their interaction with the Elica Group's strategy and business model are detailed in paragraph SBM-3 of the General Disclosures section. We note that by "value chain workers" we mean all workers employed in entities along the entire value chain that may be significantly affected by the Group's activities. The main types of workers involved are as follows:

- **Workers of suppliers and their subcontractors:** workers of companies supplying raw materials, components and services necessary for production, including those involved in the initial stages of the value chain, such as in raw materials mining and refining, and component manufacturing.
- **Downstream value chain workers (distribution, logistics, and after-sales):** workers of companies operating in subsequent value chain stages, such as logistics, distribution, partner relations, retailing, and other downstairs entities.
- **Workers in joint venture or vehicle companies:** workers of joint venture or vehicle companies with which the company entertains relations.

Within the above indicated categories, workers were considered that are particularly vulnerable to certain negative impacts, due to intrinsic characteristics and the contexts in which they work (such as migrant workers, trade unionists, women, young people, remote workers, and those working in particularly precarious conditions), no specific areas at significant risk were identified. Such groups of workers can be more exposed to risks in working conditions, health and safety and corporate policies that may directly impact their safety and well-being.

Since a detailed mapping has not been made of value chain workers for the purposes of identifying material impacts and risks, certain assumptions have been made based on the knowledge and data available to Human Resources.

Potential negative human rights impacts along the Elica value chain are not considered generalised or systemic in the contexts in which the Group operates, including those of procurement activities and commercial relations. Such impacts could, however, be linked to specific individual incidents or commercial relations.

In this regard, in 2023 and 2024, Elica carried out an in-depth assessment of the likelihood of negative human rights impacts in the countries where it has legal entities. In particular, the assessment considered the main reported cases of human rights violations in 2023, using internationally recognised data sources, such as Human Rights Watch, Amnesty International, World Economic Forum, and others, and considering the current legislation in each country.

Elica will constantly monitor all developments to ensure that operations and commercial relations comply with international ethical and legal standards, as it promotes responsible human rights management along the entire value chain.

On the other hand, no positive material impacts, risks or opportunities were identified.

[S2-1] - Policies related to value chain workers

(16) For managing value chain worker impacts identified in the Double Materiality Analysis, Elica has adopted a number of policies focused on the protection of human rights and the prevention of forced and child labour. These policies, contained within the Ethics Code and the Supplier Code of Conduct, establish guidelines to ensure compliance with workers' rights and promote ethical corporate practices.
These policies apply to all actors in the value chain, including suppliers and their workers, with a view to preventing violations of human rights by all parties with which Elica entertains commercial relations.
(17 a, b) Through these policies, Elica undertakes to respect human rights and ensure compliance with the main international human rights protection standards, including the United Nations (UN) Guiding Principles on Business and Human Rights, the International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work, and the Organisation for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises on Responsible Business Conduct.
(18; 19) For more details on the cited policies, please refer to the section MDR-P.
(17) Furthermore, to monitor respect for the aforementioned principles, Elica has introduced a human rights due diligence procedure, approved in 2025, which provides for periodic evaluation of the compliance of suppliers and commercial partners.

(17 c; 19) To date, there have been no reported cases of violation of the principles of human rights and working conditions regarding either upstream or downstream value chain workers. However, should any negative impacts on human rights occur, Elica will take corrective actions and report on the results achieved.

[S2-2] - Processes for engaging with value chain workers about impacts

(S2-2, 24) To date the Group has not adopted a structured process for engaging with these stakeholders, but as part of future initiatives, it plans to increase opportunities and occasions for engagement, both through corporate communication channels and Group initiatives. The aim of this is to establish an open and constructive dialogue linked to the response of actual and potential impacts on affected stakeholders.

[S2-3] - Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those actions

(29) Currently, Elica does not have a dedicated reporting channel exclusively for value chain workers to express concerns. However, the Group has established a public whistleblowing channel, accessible to everyone involved in its business activities. Elica undertakes to ensure that value chain workers are adequately informed about this channel, which guarantees that they can report issues safely, transparently, and without any fear of retaliation.
Further information on the management of reports and remedial mechanisms are detailed in paragraph G1-1 of the Governance Information section.

[S2-5] - Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

(41, 42 a) The identification of targets relating to impacts on value chain workers follows a strategic, integrated approach, which takes into account both corporate priorities and stakeholder expectations. The main targets in this regard are outlined below:

[MDR-T] - Tracking effectiveness of policies and actions through targets

(MDR-T b, c, d, e) The following table summarises the targets set by the Group in this regard:

ESRS	I / R / O	IRO Description	Target	Scope of application	Baseline	Target period	Relation to targets declared in policies
S2	I	Impacts on rights to freedom from forced and child labour in the value chain	- Supplier Code of Conduct was signed by over 90% of suppliers; - More than 70% of suppliers were surveyed; - More than 20% of suppliers underwent ESG Audits.	Elica Group	- Supplier Code of Conduct was signed by 78% of suppliers in FY2024; - 49% of suppliers were surveyed; - 9% of suppliers underwent ESG Audits.	2024 - 2027	Yes - Supplier Code of Conduct;
S2	I	Violation of human rights in the value chain					

(MDR-T 79 a; ESRS S2 42 b, c) The performance against set targets in monitored through periodic assessments that measure the effectiveness of actions and identify opportunities for improvement. The results of these performance assessments are used to refine future policies and actions.

[S2-4] - Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those actions

(32 a) Elica has adopted various measures to prevent potential negative value chain worker impacts identified in the Double Materiality Analysis. In particular, the company has established an ESG Supplier Audit programme, which uses surveys and on-site visits to monitor and promote improvements in environmental, social and governance (ESG) standards along the supply chain.
(33 a) This allows the company to collect detailed information on risks, and determine appropriate responses to negative actual and potential impacts on value chain workers.

(32 c, b; 34 a, b) No current material negative, positive, actual or potential impacts, risks or opportunities were identified.

(32 d; 33 b; 36; 35) Elica is committed to intervening promptly in case of any violations. In this regard, the company is ready to take corrective actions. In the reporting year, there were no reports of incidents of human rights violations

In addition to direct management of identified issues, the approach also envisages corrective actions involving suppliers in commitments to improve social, environmental and governance standards along the supply chain.

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(33 c) Elica undertakes to ensure that measures to mitigate or allow the mitigation of negative impacts are effective and promptly actionable. To this end, continuous monitoring is carried out to guarantee the implementation of necessary corrective actions. The effectiveness of such actions is evaluated through the monitoring of achieved results, periodic audits, and direct feedback from stakeholders.

[MDR-A] - Actions and resources in relation to material sustainability matters

(68. a, b, c ESRS S2 31) The following table summarises the actions carried out by the Group:

ESRS	I / R / O	IRO Description	Action	Remedy actions (Y/N)	Scope of application	Time horizon
S2	I	Impacts on rights to freedom from forced and child labour in the value chain	ESG Supplier Audits with surveys and on-site visits, to constantly monitor and improve environmental, social and governance standards along the supply chain.	N	Elica Group	Short-term
S2	I	Violation of human rights in the value chain				

(MDR-A 69. a, b, c, 38) The Group allocates resources, which were not significant in the reporting year, to guarantee respect for ethical and social standards and the management of related material impacts along its value chain. Such resources are used to support supplier audit activities aimed verifying compliance with labour regulations and human rights commitments. The Group also dedicates resources to manage any criticalities that emerge from audits through improvement plans and the involvement of experts to support suppliers in adapting to required standards.

Customers and end-users (ESRS S4)

IRO		Value chain	Time horizon
IMPACT	Prevention of consumer health and safety issues	Upstream / Own Operations / Downstream	Short-term
IMPACT	Violation of customer privacy	Own operations / Downstream	Short-term
RISK	Non-compliance with GDPR legislation	Downstream	Short-term / Medium-term / Long-term

ESRS 2 SBM-2 - Interests and views of stakeholders

(ESRS S4 8, AR 3-4) The manner in which the interests, views and rights of end-users orient the Elica Group's strategy, business model and respect for human rights are outlined in the General Disclosures section SBM-2. In particular, the organisation takes into account the views of legitimate representatives of actual and potential consumers and end-users, including consumer associations, in order to put in place strategies and changes in Group product and service offerings to improve consumer and end-user experience, to respond to needs, and to comply with European and international regulations on commercial practices and the protection of consumer rights. Elica therefore collects and analyses feedback using different communication methods, such as market investigations, satisfaction polls, focus groups, and public consultations. This process leads to changes in products and services, improvements to customer support policies, and changes in distribution and sales channels in line with expressed expectations.

ESRS 2 SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model

(ESRS S4, 10) The material impacts, risks and opportunities identified in relation to consumers and end-users and related interactions with the Elica Group strategy and business model are detailed paragraph SBM-3 of the General disclosures section. We note that by "consumers and end-users" we mean all affected communities and end-users that may affected by material impacts deriving from Group activities along the value chain, including:

- **Consumers of services at risk regarding privacy rights:** consumers benefiting from services that could potentially compromise their rights to confidentiality or the protection of personal data (e.g., via an e-commerce site).
- **Consumers who may need clear and accessible information:** consumers who need correct and easily understandable information on products or services, such as manuals and labelling to avoid incorrect or potentially harmful use of such products or services.

Within the above indicated categories, consumers were considered that are particularly vulnerable to health or confidentiality impacts or easily influenced by commercial and sales strategies. These include children, who may be more exposed to product risks, and financially vulnerable people, who may be at risk of unsuitable commercial practices.

The only negative impact identified in this regard, relating to the violation of customers' privacy rights, is not considered generalised or systemic in the contexts in which Elica sells or provides its products or services. There is also a risk of GDPR noncompliance that is generally related to individual incidents. Elica takes measures to protect its customers' privacy and to constantly monitor compliance with personal data protection regulations. Regarding the positive material impact of the prevention of harm to the health and safety of end-consumers, Elica takes care to design and make products that respect the highest safety and quality standards. Activities that determine positive impacts include rigorous quality control during all production stages, the adoption of advanced product safety technologies, and the monitoring of compliance with internal protocols and international consumer safety regulations. The consumers and end-users that benefit from these positive impacts are all those who use Elica products in their home or work environments, including families, professionals and workers in residential, commercial and industrial environments.

(ESRS S4, 11, 12, AR 5-6-7-8) In light of the negative impacts and risks identified in relation to end-consumers, particularly regarding personal data protection, Elica does not believe that certain groups of consumers are more exposed than others. Although situations of greater specific exposure to risks may emerge in the use of certain products or services (e.g., smart devices), this is not generally the case. Elica undertakes to ensure that all consumers are equally protected by adequate data protection measures and high security standards, to minimize potential risks.

[S4-1] - Policies related to consumers and end-users

(15,16,17) The Group has established specific policies to manage impacts on end-consumers and guarantee transparency, safety, and the protection of fundamental rights. The Ethics Code and the Policy on Security Measures for the Protection of Personal Data represent the main policies by which the company promotes responsible practices and a relationship of trust with its customers.
These policies establish clear guidelines to ensure personal data protection, compliance with consumer rights and ethical corporate conduct in accordance with the main international standards, including the United Nations (UN) Guiding Principles on Business and Human Rights, the International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work, and the Organisation for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises on Responsible Business Conduct. The Group furthermore undertakes to follow best practices regarding privacy and security, in line with current regulations and stakeholder expectations.
For more details on the cited policies, see paragraph MDR-P of the Social Information section.

[S4-2] - Processes for engaging with consumers and end-users about impacts

(20, 21, 22) The Group has not yet adopted a structured consumer/end-user engagement process, but as part of future initiatives, it plans to increase the occasions and opportunities for consumer/end-user engagement. This will be done both through corporate communication channels and Group initiatives, with the aim of establishing an open and constructive dialogue that is instrumental in managing the actual and potential impacts generated with respect to this area.

[S4-3] - Processes to remediate negative impacts and channels for consumers and end-users to raise concerns

(25.26) The Group recognises the importance of ensuring end-consumers can report issues, express concerns and access protection measures in case of any disservices or negative impacts.

In the B2B context, customers can contact the Sales Department directly to report any issues. The Sales Office is responsible for collecting reports, promptly assessing them and, where necessary, identifying the appropriate resources to resolve the issue. Depending on the nature of the report, the Sales Office works with the relevant departments to ensure that issues are effectively and promptly handled, providing ongoing monitoring until the case is closed. A freephone number is provided for end-users, indicated in the documentation accompanying the product, to allow them to contact customer service. In this case, each report is associated with a ticket, which enables requests to be systematically managed.
The Group continuously monitors the effectiveness of these communication channels, following-up on reports received, and promoting awareness among customers and end-users of their rights and the tools available to them.

[S4-4] - Taking action on material impacts on consumers and end-users, and approaches to managing material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of those actions

(ESRS 2 62) Finally, with particular reference to the issue of consumers and end-users, we note that the Group has not yet formalised an action plan to address impacts, manage material risks, and pursue material opportunities regarding consumers and end-users. This can be attributed to the ongoing development phase, which Elica is working on to integrate these aspects within a broader framework in line with the required standards. In the meantime, Elica is committed to guaranteeing high quality and safety standards for all its products, and the protection of all data entrusted to it.

[S4-5] - Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

(ESRS 2 81) Elica has not yet set specific, measurable targets as per the Minimum Disclosure Requirements introduced by the CSRD in relation to the material aspects identified in the Double Materiality Analysis. In this regard, Elica is working to structure, consolidate and develop its sustainability pathway, with the aim of defining monitorable targets in the near future.

Governance Disclosure (ESRS G1)

IRO		Value chain	Time horizon
IMPACT	Sustainable supply chain management	Own operations	Short-term
IMPACT	Failure to comply with payment practices	Own operations	Short-term
RISK	Business ethics and compliance	Upstream / Downstream	Short-term / Medium-term / Long-term
RISK	Risk of fraud and corruption	Upstream / Downstream	Short-term / Medium-term / Long-term

[ESRS 2 IRO-1] - Description of the processes to identify and assess material impacts, risks and opportunities

(G1, 6) The process for identifying material impacts and risks in the area of business conduct in the Elica Group is provided in the chapter *The Group's double materiality* in the *General disclosures* section. The Group Elica carried out an analysis to identify the impacts, risks, and opportunities related to business conduct, taking into consideration all relevant criteria, including location, activities, and industries. The location of individual subsidiaries was examined to understand the geographic and regulatory specificities that could influence operations. Business activities, particularly those related to production, distribution, and resource management, were analysed to identify potential operational risks and opportunities for optimisation. The sectors in which the

Group operates were also analysed, considering market trends, emerging technologies and regulations, in order to anticipate changes and make the most of competitive opportunities. Finally, the Group's governance structure, including business processes and the interactions between different units, was examined to ensure that the entire system was geared toward reducing risks and maximising opportunities for continuous improvement.

MDR-P - Policies adopted to manage material sustainability matters

(65 a, b, c, d, f)

ESRS	IRO	Policies	Description of the main contents	Scope of application	Entity responsible for enacting	References to any international rules, conventions, or initiatives of third parties	Availability
G1	**IMPACTS:** • Sustainable supply chain management • Failure to comply with payment practices **RISKS:** • Business ethics and compliance	Ethics Code	0 Impartiality and conflicts of interest 0 Personnel management 0 Workplace harassment 0 Workplace environment 0 Payment methods 0 Laundering, receipt and use of money, assets and other proceeds of illegal provenance, self-laundering; Occupational health and safety 0 Environment; Relations with the Public Administration 0 Relations with the Judicial Authority 0 Relations with political parties, trade unions and associations 0 Organised crime 0 Sponsorship and donations 0 Corporate information - confidentiality and privacy 0 Relationships with suppliers and consultants 0 Relations with customers and commercial partners	Elica Group, Business relations	Department managers	0 International Labour Organization Conventions 0 Legislative Decree No. 196/2003 from Regulation (EU) 2016/679 0 Legislative Decree No. 231/01 0 Article 2104 Civil Code	Company website and intranet
G1	**RISKS:** • Business ethics and compliance	Group Whistleblowing Policy	0 Reporting obligations 0 Reporting procedures 0 Protective measures	Elica Group, business relations, stakeholders	CEO	0 Directive (EU) 2019/1937 on Whistleblowing 0 Legislative Decree No. 231 of 2001.	Company website and intranet

			0 Penalties for those who take retaliatory actions 0 Rights of the affected person 0 External reporting			0 Local regulations applicable for each Elica Group site 0 Directive (EU) 2019/1937 on Whistleblowing; Italian Legislative Decree No. 231 of 2001	
G1	**RISKS:** • Business ethics and compliance • Risk of fraud and corruption	Group Anticorruption Policy	0 General Principles 0 Control standards 0 Reports 0 Sanctioning measures 0 Checks	Elica Group	CEO	0 National legislation and conventions of applicable international law (e.g., the UN Convention); 0 D.Lgs.231/2001 0 Legislative Decree No. 24/2023; 0 Directive (EU) 2019/1937; 0 EU Directive 24/64/2022 (CSRD), implemented by Italian Legislative Decree No. 125/2024.	Intranet

(ESRS 2 62) Regarding payment practices in relation to suppliers, a material topic identified in the Double Materiality Analysis, we note that the Elica Group does not have a dedicated Group policy. Nonetheless, this topic is addressed through the principles set out in the Financial Risk Management Policy, which regulates payment practices and the management of financial flows. This policy ensures that all corporate transactions, including payments to suppliers, are made as per current regulations and the principles of transparency, fairness, and responsibility. The decision not to adopt a specific separate policy for payment methods is based on the fact that the practices already in place in the financial management framework are considered sufficient to guarantee proper relations with suppliers, without the need for additional policies.

For further details on Elica's approach and operational practices regarding the management of payments to suppliers, see paragraph G1-2 of the Governance Information section.

[ESRS 2 GOV-1] - The role of the administrative, management and supervisory bodies

(5. a, b) The role of Elica S.p.A.'s administrative, management and supervisory bodies is central to defining corporate governance, ensuring that the company's conduct complies with ethical, regulatory, and transparency principles. The Board of Directors, supported by internal Board committees, monitors the implementation of corporate strategies, oversees the Internal Control and Risk Management System, and ensures maximum transparency on the market and to investors. The Board of Statutory Auditors and the Supervisory Board perform functions to monitor and verify the adequacy of governance structures and compliance with current regulations.

The responsibilities of the administrative, management and supervisory bodies are defined in the By-Laws and the current regulatory framework. The Board of Directors is responsible for ensuring an appropriate organisational, administrative and accounting structure for the nature and size of the company, in accordance with Article 2381 of the Civil Code. Its composition includes Directors with specific expertise in strategic areas of corporate governance, ensuring effective and sustainable management. The Board of Statutory Auditors, composed of Statutory Auditors and Alternate Auditors, supervises proper corporate management, further strengthening the corporate control and transparency system. These bodies are responsible for defining corporate policies and long-term goals, ensuring sustainability and compliance with regulations, and monitoring alignment with laws and the Ethics Code, preventing risks and illegal behaviour.

The Control, Risk, Sustainability, Appointments and Remuneration Committee supports the Board of Directors in defining guidelines on sustainability. It does so with the support of the delegated internal function (“Working Group”) and, if necessary, also in association with external professionals appointed from time to time, in accordance with the Company's guidelines and in order to promote the dissemination of suitable culture and knowledge of the subject at all levels of the organisation.

[G1-1] - Corporate culture and business conduct policies

(7.) Elica promotes a strong corporate culture based on principles of ethics, legality and social responsibility, ensuring compliance with laws and regulations through a well-defined framework of corporate policies. In terms of business conduct, with particular attention to supply chain sustainability, anti-corruption and transparency, the Group has adopted an Ethics Code, which establishes behavioural guidelines for all employees and collaborators to ensure compliance with the principles of integrity, correctness and

transparency in all company activities. There is also the “Group Anti-corruption Policy”, updated in early 2025, which seeks to raise employee awareness, ensure transparency in supplier and partner relationships, and promote fair payment practices. Finally, Elica has established a "Group Whistleblowing Policy" to handle reports of misconduct confidentially and in accordance with local laws, ensuring transparency and respect in all corporate operations.
For further information regarding the above policies, please refer to the relevant table in the MDR-P paragraph of the Governance Information section.

(9.) These policies are updated regularly and supported by training activities for all employees and members of governance bodies to ensure that corporate values and principles are fully integrated into daily operations. Elica's corporate culture is constantly promoted and developed through the active engagement of management and supervisory bodies, ensuring that a high standard of integrity and accountability is maintained at all levels of the organisation.

(10. a) The Elica Group strives to mitigate and manage material impacts on governance, the environment and people by supporting and encouraging the right of any stakeholder to seek clarification of the Company's responsible business conduct.
The Group companies therefore act in accordance with the Group Whistleblowing Policy, which is designed to regulate the operational procedures for handling reports of alleged violations of European or national provisions (Article 2 Legislative Decree No. 24/2023, excluding the information under Article 1, paragraph 2 of the same decree) that have come to the whistleblower’s attention in the working environment and that harm the public interests or integrity of the Company. Specifically, as required by the regulations, Elica provides a reporting channel and takes all measures to ensure the confidentiality of the whistleblower in order to avoid retaliation. This reporting mechanism includes an escalation process to ensure that the relevant boards of Elica S.p.A. are promptly informed in the event of an alleged violation of human rights, fraud, corruption, coercion, collusion, money laundering, environmental pollution, or any other violation harmful to people, the environment, or the Group's interests, including its reputation. Each Company shall explicitly identify an internal function/area (or independent third party) to receive any notification of irregularities and in charge of the necessary relative investigation, including any escalation to Elica S.p.A. Reports of irregularities received are also reported to the Board of Directors or Shareholders' Meeting, as appropriate, of each Group Company. Finally, all

reports are tracked, each according to type, in accordance with the reporting methods and flows established for the corporate boards to which they are addressed. For further details on this policy, see the paragraph *MDR-P Policies adopted to manage material sustainability matters* in this section.

(10. c i, ii) As described above, Elica has set up secure and anonymous channels for all internal and external stakeholders to report any wrongdoing or violations of company regulations. For countries in jurisdictions with regulations other than the EU Directives, reports are transferred to the centralised platform, ensuring consistency and traceability of the process, while fully respecting the confidentiality and anonymity of the reporter. In addition, Elica provides specific training to all employees to promote a corporate culture based on legality and ethics, and ensures that staff responsible for handling whistleblowing are adequately trained to maintain the effectiveness of the system for the protection of whistleblowers.

(10. e) In addition to the policy for handling whistleblowing, Elica has adopted a system to ensure prompt, independent and objective investigation of any incident concerning the company's conduct, including allegations of corruption and bribery. Reports received through the external portal are processed rigorously by means of structured management involving designated internal functions to ensure that they are investigated independently and effectively.
Each report is submitted to an evaluation process that includes preliminary analysis and, if necessary, initiation of a thorough investigation. When necessary, investigations may involve external consultants and supervisory bodies, such as Internal Audit, to ensure impartial assessment in line with internal and external regulations. This approach ensures that incidents are handled with the utmost seriousness and timeliness, while protecting the rights of all those involved and safeguarding the company's reputation. In addition, corrective and disciplinary actions are taken in accordance with the company's policies and current regulations to ensure full compliance with laws on the prevention of corruption and unethical behaviour. Elica continues to monitor the effectiveness of these procedures, making regular updates and revisions to continuously improve their transparency and efficiency.
(10. g) Training is a key tool for promoting a culture of legality and preventing illegal behaviour within the Elica Group. It is structured differentially according to roles and responsibilities to ensure effective awareness at all levels. In particular, management staff and

department managers participate in regular training seminars designed to address specific needs related to governance, compliance and the prevention of corruption.
In addition, all employees are involved in basic training courses, which include company induction courses and internal communications focused on the Ethics Code and the 231 Organisational Model. Mandatory training is supplemented with information materials, including internal notes and intranet access, to ensure an appropriate level of awareness and encourage responsible behaviour.
The training courses are constantly monitored, and the results are reported to the Supervisory Board to assess their effectiveness and level of compliance. For more information, see paragraph *G1-3 Prevention and detection of corruption and bribery* in this section.

(10 h) The Elica Group has identified the business functions that are most exposed to the risk of corruption and bribery (due to numerous dealings with third parties in the performance of their duties), and pays special attention to those functions.
Among them, the "Purchasing Department" and the "Logistics" function are exposed to risk in relation to the awarding of consulting, specialist and professional assignments, as well as the awarding of works and supplies of goods and services, where the risk of corrupt practices could arise if the selection processes are not adequately monitored and regulated.
The "General Services" function is considered to be potentially at risk in relation to its role in the selection of specific vendors who perform specialised services in the area of maintenance and setting up trade fairs, events and exhibitions.
The Administration, Finance and Tax function pays special attention to the management of facilitation payments, preventing such transactions from being used to expedite paperwork or obtain undue benefits.
The "General Counsel" function deals with relations with the Public Administration, a particularly sensitive area in which it is essential to ensure maximum transparency and compliance with local regulations.
The CFO is responsible for managing accounting records to ensure the fairness and transparency of financial transactions, preventing illegal manipulation or concealment.

Another critical function is that of Marketing, which handles donations, sponsorships, non-profit initiatives, gifts, hospitality and entertainment expenses, areas in which strict control is necessary to prevent any risk of improper influence on business decisions, or exploitation for the attainment of illicit benefits.
In addition, the HR function is required to supervise the recruitment and hiring of personnel to prevent any favouritism or conflicts of interest.
The Health and Safety Manager is responsible for ensuring that occupational health and safety practices are properly implemented, looking out for any abuse or unethical behaviour that may arise in this area, and preventing favouritism or unfair practices from influencing his or her decisions.
For all these functions, the Elica Group has adopted policies, procedures and operating instructions that establish clear standards of behaviour and ensure compliance with the Ethics Code and local anti-corruption regulations. Each plant manager is in charge of implementing these principles and overseeing the activities most at risk of corruption.
Finally, the Chief Executive Officer and the Chairperson play a key role in providing overall control and governance of the organisation, ensuring that the company operates transparently and adheres to high ethical standards, overseeing critical functions and promoting a corporate culture based on integrity and accountability.

[G1-2] - Management of relationships with suppliers

(14) The Group has not adopted an official policy on late payments. However, Elica adopts well-established operating practices to ensure accurate compliance with payment terms, in line with the provisions of Article 23 of the Ethics Code, which stipulates compliance with contractual and legal conditions, while maintaining relationships based on good business practices. When selecting suppliers, the M-F06-SAF form is used to collect supplier information and communicate Elica's proposed payment terms. These conditions are established taking into account several factors, including company policies and specific characteristics of the relevant countries. Once defined, payment terms are formalised and entered into the management system.

Payments are made according to an established schedule, usually biweekly. Through the ERP system, invoices are timed and forwarded for payment after verification that there are no quantity, quality or litigation issues. Thereafter, the payment is processed by the treasury, subject to approval by the relevant management level.
Elica is committed to responding to the needs of its suppliers, allowing them, if requested, to change payment arrangements, subsequently updating the terms in the management system. In addition, suppliers are offered preferential terms through reverse factoring platforms, membership of which is voluntary.

(15 a, b) Elica takes a responsible approach to managing relationships with its suppliers, recognising the risks associated with the supply chain and potential impacts on sustainability issues. The Group constantly monitors suppliers through audit activities, verifying that supply conditions comply with company standards and applicable regulations. Specifically, Elica has not identified vulnerable suppliers, as attested in internal audit reports that include specific checks on social and environmental risks. Elica works hard to carefully select raw materials that comply with applicable laws, putting together supply agreements and gathering information from suppliers to guarantee product quality from the outset. In 2023, the Group therefore created a web platform-based service which streamlines and keeps track of all communications and evidence exchanged with the Supply Chain. This ensures ongoing compliance with those regulations to which Group products are subject (e.g. EU RoHS Directive, EU REACH SVHC, EU Waste Framework Directive - SCIP). In terms of the packaging supply chain, Elica favours suppliers who are in possession of FSC certifications for a supply deriving from environmentally friendly, socially useful and economically sustainable forest management. In addition, all Group suppliers have signed the Code of Conduct, which sets out clear principles on ethics, human rights, safety and the environment. When selecting its suppliers, the Elica Group uses a structured assessment and approval process. The process begins by asking suppliers to complete self-assessment questionnaires about their manufacturing processes during the “Early Approval” phase. This allows Elica’s management (Purchasing and Supplier Development Quality Department) to assess the level of risk associated with a supplier's capabilities. Once complete, the supplier is asked to complete an “ESG Survey” during the approval stage, which the Group's Quality and Sustainability Manager uses to determine the risk index associated with ethical, environmental, and social topics. Once the supplier has been approved and can start supplying goods and services to Elica, audits are carried out at the supplier's site to directly assess their capabilities and/or degree of reliability, in addition to any ESG-related

risks. In particular, the protection of workers' rights, anti-corruption, and the minimisation of environmental risks are considered. Suppliers who do not meet the minimum requirements are not permitted to conduct business with Elica. The activities described above also seek to pre-emptively identify any critical issues related to potential new suppliers and adopt corrective action. Existing suppliers within the supply chain are also routinely required to complete the self-assessment process via the ESG Survey. We adopt this approach to foster a culture of continuous improvement, whereby we share and adopt particular action plans based on the audit outcomes.

[G1-3] - Prevention and detection of corruption and bribery

(18.a) Elica takes a proactive approach to preventing and combatting corruption, promoting the consolidation of a corporate culture which values the principles of transparency, ethics, fairness and respect for rules.
The Group's anti-corruption oversight is ensured through the dissemination of its Ethics Code. This document is also contained in the 231 Organisational Model (adopted in accordance with Legislative Decree No. 231 of June 8, 2001) of the Italian companies Elica S.p.A. and its subsidiaries EMC FIME S.r.l. and Air Force S.p.A., which is regularly updated. Compliance with the Ethics Code, which is based on the principles of legality, honesty, fairness, integrity, confidentiality and transparency, is a fundamental element in preventing corruption offences, and works alongside the indispensable respect for the fundamental duties of workers and legislation in the civil, Penal Code, administrative and contractual spheres.
Alongside the 231 Model, the Group has a specific Anti-Corruption Policy, drafted by the Legal & Corporate Affairs function and approved by the Chief Executive Officer, which identifies rules for preventing and combatting corruption, with the ultimate goal of raising awareness among all Elica Group employees and collaborators of the behaviours to be adopted in order to comply with corporate anti-corruption objectives.
The subsidiary in Mexico, a country with a high risk of corruption, is aligned with the Group's principles and operates in accordance with the Ethics Code. It has also obtained CTPAT14 certification, whose goal is to strengthen supply chain security, identify security gaps and implement specific security measures and best practices.

Generally speaking, there are then efforts within the Group to mitigate this risk, such as implementing specific induction and training programs. The Internal Audit & Risk Compliance function conducts various operational, financial and compliance audits on the different Group scopes. For each potential irregularity, legal and other consultants are called upon for ongoing support in order to ensure compliance with applicable laws and regulations.

The Anti-Corruption Policy is shared with the various subsidiaries, and expressly states that the purpose of the document is to set out the rules for preventing and combatting corruption, with the ultimate goal of ensuring that all employees and associates are aware of the rules to be followed and the behaviour to be adopted to avoid involvement in cases of corruption. For tenders, the Policy specifies that the Group's relations with representatives of the Public Administration (P.A.), in all possible forms, must be based on strict compliance with the Anti-Corruption Regulations and may not in any way compromise the integrity and reputation of the Group.

Generally, specific control standards are set with regard to the following categories of activities at risk of commission of acts of corruption:

- relations with the Public Administration (in all possible configurations);
- gifts, gratuities and hosting and entertainment expenses;
- facilitating payments;
- relations with political and trade union organisations;
- award of consultancy, specialist and professional contracts;
- award of works and goods and services contracts;
- acquisition of investments in other companies and Joint Ventures (M&A);
- staff recruitment and hiring;
- non-profit initiatives and sponsorships;
- accounting records.

Alongside the adoption of the dedicated Policy, various processes have been introduced to contain possible incidents of corruption: the use of cash has been limited and the selection of suppliers and the flow of indirect purchases is monitored (PM002 "Purchasing Business Process Management"), when not regulated by specific procedures. Group Policies have been introduced to regulate the receipt of gifts, gratuities or invitations from third parties (GP-07 "Gifts, gratuities and invitations from third parties to Elica employees"), recruiting (GP-02 "Recruiting Principles"), employee rewarding and transfer pricing; special attention is paid to sponsorships, which Elica S.p.A. does not normally make. There are rules of conduct, formalised within the Internal Dealing Code, for relevant persons and persons closely related to them who conduct transactions on the Company's financial instruments.

(18.b,c) The relevant Company-level anti-corruption bodies, where established, along with the Internal Audit Function, are responsible for verifying compliance with the provisions set forth in the Policy. To comply with the Anti-Corruption Policy, all Group companies adopt and comply with the criterion of segregation of responsibilities, according to which the person in charge of an operational activity must be different from the person who checks that activity (and/or from the person who, where applicable, authorises it). For this purpose, operational activities and control functions must be adequately segregated. Communications received regarding irregularities must also be submitted to the Board of Directors or Shareholders' Meeting, as appropriate, of each Company.
In the event of violations, the Risk Compliance Management area, with the support of the Legal Area, will consider whether any revisions and changes to the Policy and internal regulations could help prevent the recurrence of the violation.

(20) The Elica Group encourages awareness of the Anti-Corruption Policy, the Ethics Code and Anti-Corruption Regulations by all Addressees. For the purposes of the Organisational Model, Elica's objective is to ensure that the personnel within the company are properly acquainted with the procedures and rules of conduct adopted in implementing the reference principles contained in this document, to varying degrees of detail in line with the varying level of those workers' involvement in at-risk areas of activity.
Activities to raise awareness entail that:

- the procedures, control systems, and rules of conduct adopted in implementation of the principles defined in the OMCM, together with the Group Ethics Code, are communicated to all employees based on their assigned duties and the role they actually play within the organisation. Communication may be carried out either through information technology tools (e.g. the Intranet or Quality Management System), or through the provision of hard copy documentation at company bulletin boards or through the relevant department managers;
- upon acceptance of the employment offered, employees are required to sign a specific declaration of compliance with the Group Ethics Code and commitment to compliance with the procedures adopted in implementation of the Organisational Model;
- the members of the Board of Directors and the Board of Statutory Auditors, upon accepting their appointment, must declare and/or sign similar declarations of commitment to compliance with and cooperation in the application of the Group Ethics Code and the Organisational Model;
- the OMCM and the principles it contains must be communicated to each Executive, who, in relation to the special fiduciary relationship and the margin of managerial autonomy inherent in the role, is called upon to collaborate actively in its proper and effective implementation. Executives will be required to sign an undertaking similar to that signed by members of the Corporate Boards.

DR 21, AR 4, AR 7			
Training on active and passive corruption			
	2024		
	Employees (executives, managers, clerks, workers)	Administrative, management and control bodies	Other workers (suppliers, others included in the value chain)
Extension of training			
Total recipients by Group	49	2	
Total training recipients			
% destinatari formazione	0.0%	0.0%	
Delivery method and duration			
Classroom training (hours)			
Remote training (hours)			
Voluntary training (hours)			
Total training	-	-	-

	2024	2023	2022
% risk functions that have received training	0%		

(21.a) In 2024, no specific training activities were provided on this topic, as the Group chose to focus on other areas considered priorities to ensure the Company's operational effectiveness and efficiency.

However

Elica is committed to fostering a culture of compliance and integrity through structured training programmes that are designed to ensure that company policies are shared and understood, including on anti-corruption topics. Targeted sessions are therefore organised to present current policies, ensuring an institutional and high-level approach to raise awareness of the importance of adherence to the Company's ethical and regulatory principles, including aspects related to combatting corruption and bribery.

[G1-4] - Confirmed incidents of corruption or bribery

(24 a, MDR-M 77 a) In terms of processes and Group companies subjected to corruption risk assessment, companies that have adopted the 231 Model and/or conducted audits - even if only qualitative - on the subject are considered assessed; while companies that have anti-corruption, similar or equivalent procedures are not considered assessed. No incidents were detected, nor were any fines applied in 2024.

[G1-6] - Payment practices

(33 a, b, d) The Group does not have a formal policy on late payments, but has established clear and well-defined procedures for managing transactions with suppliers.
In 2024, payments to Elica Group suppliers were generally made within **104 days** from the invoice issue date, or from the end of the month of issue, as per agreements (generally 90 days). Elica does not apply different payment types for different supply types and/or country type, unless specifically requested by the supplier, and therefore no significant differences are shown for the average payment time to Small and Medium Enterprises (SME) compared to the overall average.
The analysis of payment times was conducted using data extracted from a sample of suppliers of companies of the Group (Elica S.p.A, EMC, AirForce, Elica Group Polska, Elicamex, Elica France, and Elica GmbH), and included all transactions recorded in 2024 in the local currency. These were later converted to Euro using the average YTD 2024 exchange rate. Intercompany suppliers, the Italian customs supplier Dogana Italiana, and customers accounted for as suppliers for post-invoice management were excluded from the assessment. In order to identify any differences in agreed payment terms, the supplier list was then broken down into Small and Large Enterprises[39].
(MDR-M 77 a) The resulting database was used to calculate the DPO, (Days Payable Outstanding), which reflects the number of days elapsing between the start of contractual or legal payment terms for each invoice and the actual date of payment[40], weighting the amount of the invoices themselves. In addition, to calculate payment terms, an analysis was chosen that involved calculating the actual value, i.e. reflecting cash outflows or offsets and the theoretical value based on the applicable contractual and legal terms. The Group's actual average agreed payment terms for large enterprises is 113 days (theoretically 111 days), while for small enterprises it is 79 days (theoretically 72 days).

(33 c) No judicial proceedings were pending due to late payments for the reporting year 2024.

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[39] Small enterprises are companies with turnover up to Euro 500,000, while Large enterprises are all those companies with turnover above Euro 500,000. This considered turnover to the Company, not the absolute value for each supplier.
[40] Delays in payments may occur due to verification and control procedures necessary for certain purchases before the payment is made.

Annex

[Appendix B] List of datapoints in cross-cutting and topical standards that derive from other EU legislation

(ESRS 2 IRO-2, 56) The table below provides a list of the disclosure requirements that Elica has met in preparing its Consolidated Sustainability Statement (in accordance with both the CSRD Directive and any additional EU legislation listed in Appendix B of ESRS 2), indicating where they can be found within this document. Any mandatory information that was omitted because it was not identified as material in the double materiality analysis or was not applicable (because it was not relevant to the Group's circumstances or is subject to phase-in), was indicated as "Not Material" and "Not Applicable," respectively.

DR	Disclosure requirement and related datapoint	SFDR reference	Pillar 3 Reference	Benchmark Regulation Reference	EU Climate Law Reference	Page reference
ESRS 2 GOV-1	21 (d): Board's gender diversity	Annex I, table 1, indicator no. 13		Delegated Regulation (EU) 2020/1816 of the Commission, Annex II		
ESRS 2 GOV-1	21 (e): Percentage of board members who are independent			Delegated Regulation (EU) 2020/1816 of the Commission, Annex II		
ESRS 2 GOV-4	30: Statement on due diligence	Annex I, table 3, indicator no. 10				
ESRS 2 SBM-1	40 (di): Involvement in activities related to fossil fuel activities	Annex I, table 1, indicator no. 4	Article 449a of Regulation (EU) no. 575/2013; Commission Implementing Regulation (EU) 2022/2453 table 1 - Qualitative disclosure on environmental risk and Table 2 - Qualitative disclosure on social risk	Delegated Regulation (EU) 2020/1816 of the Commission, Annex II		Not applicable
ESRS 2 SBM-1	40 (dii): Involvement in activities related to chemical production	Annex I, table 2, indicator no. 9		Delegated Regulation (EU) 2020/1816 of the Commission, Annex II		Not applicable

ESRS 2 SBM-1	40 (diii): Involvement in activities related to controversial weapons	Annex I, table 1, indicator no. 14		Article 12, paragraph 1 of Delegated Regulation (EU) 2020/1818 and Annex II of Delegated Regulation (EU) 2020/1816		Not applicable
ESRS 2 SBM-1	40 (div): Involvement in activities related to cultivation and production of tobacco			Article 12, paragraph 1 of Delegated Regulation (EU) 2020/1818 and Annex II of Delegated Regulation (EU) 2020/1816		Not applicable
ESRS E1-1	14: Transition plan to reach climate neutrality by 2050				Article 2, paragraph 1 of Regulation (EU) 2021/1119	Not applicable
ESRS E1-1	16 (g): Undertakings excluded from Paris-aligned Benchmarks		Article 449a of Regulation (EU) No. 575/2013; Commission Implementing Regulation (EU) 2022/2453, Template 1: Banking book - Climate change transition risk indicators: Credit quality of exposures by sector, emissions and residual maturity	Article 12(1)(d) to (g), and paragraph 2, of Delegated Regulation (EU) 2020/1818		Not applicable
ESRS E1-4	34: GHG emission reduction targets	Annex I, table 2, indicator no. 4	Article 449a of Regulation (EU) No. 575/2013; Commission Implementing Regulation (EU) 2022/2453, Template 3: Banking book - Climate change transition risk: alignment metrics	Article 6 of Delegated Regulation (EU) 2020/1818		Not applicable
ESRS E1-5	38: Energy consumption from fossil sources disaggregated	Annex I, table 1, indicator no. 5 and				

	by sources (only high climate impact sectors)	Annex I, table 2, indicator no. 5				
ESRS E1-5	37: Energy consumption and mix	Annex I, table 1, indicator no. 5				
ESRS E1-5	40 to 43: Energy intensity associated with activities in high climate impact sectors	Annex I, table 1, indicator no. 6				
ESRS E1-6	44: Gross Scope 1, 2, 3 and Total GHG emissions	Annex I, table 1, indicators no. 1 and 2	Article 449a of Regulation (EU) No. 575/2013; Commission Implementing Regulation (EU) 2022/2453, Template 1: Banking book - Climate change transition risk indicators: Credit quality of exposures by sector, emissions and residual maturity	Article 5, paragraph 1, Article 6 and Article 8, paragraph 1 of Delegated Regulation (EU) 2020/1818		
ESRS E1-6	53 to 55: Gross GHG emissions intensity	Annex I, table 1, indicator no. 3	Article 449a of Regulation (EU) No. 575/2013; Commission Implementing Regulation (EU) 2022/2453, Template 3: Banking book - Climate change transition risk: alignment metrics	Article 8, paragraph 1 of Delegated Regulation (EU) 2020/1818		
ESRS E1-7	56: GHG removals and carbon credits				Article 2, paragraph 1 of Regulation (EU) 2021/1119	Not material
ESRS E1-9	66: Exposure of the benchmark portfolio to climate-related physical risks			Annex II of Delegated Regulation (EU) 2020/1818 and Annex II of Delegated Regulation (EU) 2020/1816		Not applicable
ESRS E1-9	66 (c): Disaggregation of monetary amounts by acute		Article 449a of Regulation (EU) No.			Not applicable

	and chronic physical risk, paragraph 66 (a) ESRS E1-9 Location of significant assets at material physical risk		575/2013; paragraphs 46 and 47 of Commission Implementing Regulation (EU) 2022/2453; template 5: Banking book - Potential climate change transition risk indicators: exposures subject to physical risk			
ESRS E1-9	67 (c): Breakdown of the carrying value of its real estate assets by energy-efficiency classes		Article 449a of Regulation (EU) No. 575/2013; Item 34 of Commission Implementing Regulation (EU) 2022/2453; Template 2: Banking book - Potential climate change transition risk indicators: loans collateralised by immovable property – Energy efficiency of the collateral			Not applicable
ESRS E1-9	69: Degree of exposure of the portfolio to climate-related opportunities			Annex II of Delegated Regulation (EU) 2020/1818		Not applicable
ESRS E2-4	28: Amount of each pollutant listed in Annex II of the E-PRTR Regulation (European Pollutant Release and Transfer Register) emitted to air, water and soil	Annex I, table 1, indicator no. 8; Annex I, table 2, indicator no. 2; Annex I, table 2, indicator no. 1; Annex I, table 2, indicator no. 3				Not material

ESRS E3-1	9: Water and marine resources	Annex I, table 2, indicator no. 7				Not material
ESRS E3-1	13: Dedicated policy	Annex I, table 2, indicator no. 8				Not material
ESRS E3-1	14: Sustainable oceans and seas	Annex I, table 2, indicator no. 12				Not material
ESRS E3-4	28 (c): Total water recycled and reused	Annex I, table 2, indicator no. 6.2				Not material
ESRS E3-4	29: Total water consumption in m^3 per net revenue on own operations	Annex I, table 2, indicator no. 6.1				Not material
ESRS 2 IRO-1 – E4	16 (ai)	Annex I, table 1, indicator no. 7				Not material
ESRS 2 IRO-1 – E4	16 (b)	Annex I, table 2, indicator no. 10				Not material
ESRS 2 IRO-1 – E4	16 (c)	Annex I, table 2, indicator no. 14				Not material
ESRS E4-2	24 (b): Sustainable land/agriculture practices or policies	Annex I, table 2, indicator no. 11				Not material
ESRS E4-2	24 (c): Sustainable oceans/seas practices or policies	Annex I, table 2, indicator no. 12				Not material
ESRS E4-2	24 (d): Policies to address deforestation	Annex I, table 2, indicator no. 15				Not material
ESRS E5-5	37 (d): Non-recycled waste	Annex I, table 2, indicator no. 13				
ESRS E5-5	39: Hazardous waste and radioactive waste	Annex I, table 1, indicator no. 9				Not material
ESRS 2 – SBM3 – S1	14 (f): Risk of incidents of forced labour	Annex I, table 3, indicator no. 13				Not material
ESRS 2 – SBM3 – S1	14 (g): Risk of incidents of child labour	Annex I, table 3, indicator no. 12				Not material
ESRS S1-1	20: Human rights policy commitments	Annex I, table 3, indicator no. 9 and Annex I, table 1, indicator no. 11				

ESRS S1-1	21: Due diligence policies on issues addressed by the fundamental International Labour Organization Conventions 1 to 8			Delegated Regulation (EU) 2020/1816 of the Commission, Annex II		
ESRS S1-1	22: Processes and measures for preventing trafficking in human beings	Annex I, table 3, indicator no. 11				
ESRS S1-1	23: Workplace accident prevention policy or management system	Annex I, table 3, indicator no. 1				
ESRS S1-3	32 (c): Grievance/complaints handling mechanisms	Annex I, table 3, indicator no. 5				
ESRS S1-14	88 (b, c): Number of fatalities and number and rate of work-related accidents	Annex I, table 3, indicator no. 2		Delegated Regulation (EU) 2020/1816 of the Commission, Annex II		
ESRS S1-14	88 (e): Number of days lost due to injuries, accidents, fatalities or illness	Annex I, table 3, indicator no. 3				
ESRS S1-16	97 (a): Unadjusted gender pay gap	Annex I, table 1, indicator no. 12		Delegated Regulation (EU) 2020/1816 of the Commission, Annex II		
ESRS S1-16	97 (b): Excessive CEO pay ratio	Annex I, table 3, indicator no. 8				
ESRS S1-17	103 (a): Incidents of discrimination	Annex I, table 3, indicator no. 7				
ESRS S1-17	104 (a): Non-respect of UNGPs on Business and Human Rights and OECD Guidelines	Annex I, table 1, indicator no. 10 and Annex I, table 3, indicator no. 14		Annex II of Delegated Regulation (EU) 2020/1816 and Article 12, paragraph 1 of Delegated Regulation (EU) 2020/1818		
ESRS 2 SBM-3 - S2	11 (b): Significant risk of child labour or forced labour in the value chain	Annex I, table 3, indicators no. 12 and 13				
ESRS S2-1	17: Human rights policy commitments	Annex I, table 3, indicator no. 9 and				

		Annex I, table 1, indicator no. 11				
ESRS S2-1	18: Policies related to value chain workers	Annex I, table 3, indicators no. 11 and 4				
ESRS S2-1	19: Non-respect of UNGPs on Business and Human Rights principles and OECD guidelines	Annex I, table 1, indicator no. 10		Annex II of Delegated Regulation (EU) 2020/1816 and Article 12, paragraph 1 of Delegated Regulation (EU) 2020/1818		
ESRS S2-1	19: Due diligence policies on issues addressed by the fundamental International Labour Organization Conventions 1 to 8			Delegated Regulation (EU) 2020/1816 of the Commission, Annex II		
ESRS S2-4	36: Human rights issues and incidents connected to its upstream and downstream value chain	Annex I, table 3, indicator no. 14				
ESRS S3-1	16: Human rights policy commitments	Annex I, table 3, indicator no. 9 and Annex I, table 1, indicator no. 11				Not material
ESRS S3-1	17: Non-respect of UNGPs on Business and Human Rights, ILO principles or OECD guidelines	Annex I, table 1, indicator no. 10		Annex II of Delegated Regulation (EU) 2020/1816 and Article 12, paragraph 1 of Delegated Regulation (EU) 2020/1818		Not material
ESRS S3-4	36: Human rights issues and incidents	Annex I, table 3, indicator no. 14				Not material
ESRS S4-1	16: Policies related to consumers and end-users	Annex I, table 3, indicator no. 9 and Annex I, table 1, indicator no. 11				
ESRS S4-1	17: Non-respect of UNGPs on Business and Human Rights	Annex I, table 1, indicator no. 10		Annex II of Delegated Regulation (EU)		

	principles and OECD guidelines			2020/1816 and Article 12, paragraph 1 of Delegated Regulation (EU) 2020/1818		
ESRS S4-4	35: Human rights issues and incidents	Annex I, table 3, indicator no. 14				Not applicable
ESRS G1-1	10 (b): United Nations Convention Against Corruption	Annex I, table 3, indicator no. 15				
ESRS G1-1	10 (d): Protection of whistleblowers	Annex I, table 3, indicator no. 6				
ESRS G1-4	24 (a): Amount of fines for violation of anti-corruption and anti-bribery laws	Annex I, table 3, indicator no. 17		Annex II of Delegated Regulation (EU) 2020/1816		
ESRS G1-4	24 (b): Standards of anti-corruption and anti-bribery	Annex I, table 3, indicator no. 16				

Key calculation criteria

(75) Some detailed methodological guidance on the calculation of the E1-6 indicator is provided below.

Emissions

(ESRS E1, AR 46 hi, i, j, g, MDR-M 77 a)

The Group's greenhouse gas emissions (GHG) inventory was developed as per the UNI EN ISO 14064-1:2018 standard, using an operational control consolidation approach. The following table shows the data for the reporting year 2024, excluding no sites from the calculation perimeter.

Emission factors were identified by taking into consideration parameters such as the reliability and completeness of data, information and sources, and their temporal, geographical and technological correlations.

This methodology was chosen due to a lack of direct GHG measures for the identified and analysed sources. The emission factors assume the complete oxidation of the fuels used.

The part of the inventory regarding Scope 3 indirect GHG emissions was informed by the building of a model of all activities and processes included in the analysis, together with related material and energy inflows and outflows.

The emission factors used considered all of the main GHGs (i.e. CO_2, CH_4, N_2O, HFCs, PFC, SF_6, and other fluorinated gases), and were converted into CO_2 equivalent (CO_2e) units using the conversion factors provided by the Intergovernmental Panel on Climate Change (IPCC), the most authoritative institution on climate change.

The emission factors were taken from the main internationally recognised databases. Specifically:

- Ecoinvent v3.8 (cut-off by classification);
- Department For Environment Food & Rural Affairs (DEFRA);
- Carbon Footprint Country Specific Electricity Grid Greenhouse Gas Emission Factors;
- Ademe Agence De La Transition Écologique (ADEME)

DIRECT GHG EMISSIONS (SCOPE 1)

Fuel consumption was calculated based on data provided by the supplier derived from precise meter measurements, invoices and consumption monitoring software. For natural gas, diesel, petrol, LPG, bioethanol and biodiesel consumption, emission factors from the 2024 report of the UK Department for Environment Food & Rural Affairs (DEFRA) were used. The percentages of global warming potential (GWP) used are expressed in terms of CO_2 equivalent and consider the contributions of CO_2, CH_4 and N_2O, whose GWPs are derived from the IPCC's Fifth Assessment Report (AR5), as defined within the methodological note of the above report.

INDIRECT GHG EMISSIONS (SCOPE 2)

Energy consumption was calculated based on data provided by the supplier derived from precise meter measurements, invoices and consumption monitoring software. "Location-based" and "Market-based" emissions were calculated by multiplying electricity purchased from the national grid, including the share with Guarantees of Origin and energy derived from district heating, by country-specific emission factors, which were taken from the 2024 "Carbon Footprint" report, published at www.carbonfootprint.com. Specifically, to calculate "Market-based" emissions for Mexico, Japan, the United States (FRCC) (RFCW), China, and Russia, countries for which the residual mix factor is not available, the same emission factor was used as for the Location-based calculation. For the other countries, the AIB Report 2024 was used. This Report is published on the European Residual Mix | AIB website.

The percentages of global warming potential (GWP) used are expressed in terms of CO_2 equivalent and consider the contributions of CO_2, CH_4 and N_2O, whose GWPs are derived from the IPCC's Fifth Assessment Report (AR5), as defined within the methodological note of the above report.

INDIRECT GHG EMISSIONS (SCOPE 3)

Upstream emissions (related to what the company purchases or uses)

To calculate the emissions related to Cat. 1 "Purchased goods and services", quantities were extracted from the company management systems (e.g. SAP). For materials and components purchased by volume and not weight (e.g. pieces) calculations were made using unitary weight data. For the various product categories, emissions were calculated on the basis of their physical

composition and respective conversion factors. The calculation was therefore made by multiplying the quantities of sub-categories (e.g. kg of aluminium) by their emission factors (defined as the ratio of the emission of a pollutant from a source to the indicator unit of the source, e.g., kgCO_2e/kg of aluminium).
Emissions from purchased services were calculated using the expenditure-based method. This involves collecting data regarding the economic value of purchased services, which are then multiplied by relevant secondary emission factors.
To calculate emissions from Cat. 6 "Business travelling", and specifically the kilometres travelled by air, distances were estimated based on routes taken by employees via the website http://www.worldatlas.com/ travelaids/flight_distance.htm. As regards car miles driven, distances were calculated based on the refuelling done by employees using fuel cards. To calculate emissions related to Cat. 7 "Employee commuting", distances travelled in own or company cars between each employee's residence and workplace were estimated. If the means of transport had been made available by the company (e.g. company buses), the distances were extracted from data made available by the suppliers carrying out the relevant services.
Emissions related to Cat. 4 "Upstream transportation and distribution" related to purchased raw materials and goods were taken from trip data and transport documents recorded by logistical operators, detailing precise or estimated distances between suppliers and destination warehouses. Only transport directly managed by Group companies was included, excluding other transport by application of the economic exclusion criterion. For each transport mode (e.g. road, ship/container, train, air), guidelines were taken from the methodologies included in the UNI EN ISO 14064-1 standard. The weights of purchased goods were considered when required. The calculation was therefore made by multiplying the quantities of sub-categories (e.g. kg of inbound transport) by their emission factors (defined as the ratio of the emission of a pollutant from a source to the indicator unit of the source, e.g. kgCO_2e/kg of aluminium).
Emissions relate to Cat. 5 "Waste generated in operations" were calculated using specific average emission factors for the various types of waste reported by Group companies.

Downstream emissions (related to what the company sells or distributes)
Emissions related to Cat. 9 "Downstream transportation" related to finished products and goods sold were taken from trip data and transport documents recorded by logistical operators, detailing precise or estimated distances between Group company

warehouses and the areas, or, where known, exact locations of destination of the goods. Only transport directly managed by Group companies was included, excluding other transport by application of the economic exclusion criterion. For each transport mode (e.g. road, ship/container, train, air), guidelines were taken from the methodologies included in the UNI EN ISO 14064-1 standard. The weights of purchased goods were considered when required. The calculation of emissions was carried out by multiplying the quantities of sub-categories as per the previous note on Cat. 4 emissions.

Cat.10 "Processing of sold products" emissions are those related to products in the Motors Business Unit. However, precise emissions for these products were not available or easily estimated, since the associated production processes are carried out by third parties (e.g. customers producing home appliances) after the products have been sold. Therefore, an average data approach was taken. This approach, as indicated in the Technical Guidance for Calculating Scope 3 Emissions (v1.0), estimates emissions from the processing of intermediate products sold on the basis of average secondary data, such as average emissions by process or product category. Using available data on the assembly process of motors for products of the Cooking BU segment (particularly range hoods), it was ascertained that the semi-finished product assembly stage can be reasonably excluded from emissions.

Instead, they fall under the Cat. 11 "Use of sold products" emissions applicable to products in the Cooking Business Unit. For these products, the use of which leads to the consumption of energy, the Annual Energy Consumption (AEC) declared on the Energy Labels of the products were taken as a reference, therefore giving the kWh of energy consumed per single product code. For unlabelled products, weighted averages were used to estimate average indicators. These indicators were multiplied by sales volumes for each individual country, to obtain the total quantity of kwh consumed. The consumption of electricity associated with each country was multiplied by the location-based conversion factor taken from the 2024 Carbon Footprint report, published at www.carbonfootprint.com. The total calculation of emissions was then multiplied by the average life cycle (12 years) of the products of the Business Cooking segment.

Emissions related to Cat. 12 “End-of-life treatment of sold products” were calculated on the basis of quantities sold on each continent, multiplied by the net weight of the products (taken from company management system data). Weights were then compared to European statistics (via Eurostat) and global statistics (via the UN Global E-Waste Monitor) on the recovery and disposal of waste electrical and electronic equipment (WEEE) in the reference continents, and multiplied by conversion factors obtained from the 2024 Report of the United Kingdom Department for Environment, Food and Rural Affairs (DEFRA).

GHG Emissions Categories - Scope 3	Significance of categories
2. Capital goods	Category excluded due to insignificance of data
3. Fuel and energy-related activities (not included in Scope 1 or 2)	Category excluded due to insignificance of data
8. Upstream leased assets	Category excluded because there are no significant upstream leasing activities
10. Processing of sold products	Category excluded because, based on internal processes, finished product assembly activities (products sold as semi-finished products) impacts less than 1%
13. Downstream leased assets	Category excluded because there are no significant downstream leasing activities
14. Franchises	Category excluded because there are no significant franchise activities
15. Investments	Category excluded because there are no significant franchise activities

Contacts and document review

(77 b) This document was approved on March 25, 2025 and is subject to limited review (limited assurance engagement), in accordance with the "International Standard on Assurance Engagements (ISAE 3000 Revised)", by the independent audit firm EY S.p.A. For information and further details regarding the Elica Group's sustainability strategy and the content of this Statement, please contact: elicaehs@sicurezzapostale.it

Fabriano, March 25, 2025

For the Board of Directors
The Chief Executive Officer
Giulio Cocci

A.20.1 Declaration of the Sustainability Statement as per Article 81-ter, paragraph 1 of Consob Regulation No. 11971 of May 14, 1999 and subsequent modifications and integrations

1. Giulio Cocci, as Chief Executive Officer, Stefania Santarelli, as the specifically appointed executive in accordance with Article 154-bis, paragraph 5-ter, of the Consolidated Law, both with Elica S.p.A., hereby attest, in accordance with Article 154-*bis*, paragraph 5-*ter*, of Italian Legislative Decree No. 58 of February 24, 1998, that the Sustainability Statement included in the Directors' Report has been prepared:

a) in accordance with the reporting standards applied pursuant to Directive 2013/34/EU of the European Parliament and of the Council of June 26, 2013, and Legislative Decree No. 125 of September 6, 2024;

b) with the specifications adopted under Article 8(4) of Regulation (EU) 2020/852 of the European Parliament and of the Council of June 18, 2020.

Fabriano, March 25, 2025

The Chief Executive Officer

Giulio Cocci

Specially appointed Executive

Stefania Santarelli

A.20.2 Independent Auditors' Report on Consolidated Sustainability Statement

Shape the future
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Independent auditor's report on the limited assurance of the Consolidated Sustainability Reporting in accordance with Article 14-bis of Legislative Decree n. 39, dated 27 January 2010

(*Translation from the original Italian text*)

To the Shareholders of
Elica S.p.A.

Conclusions

We have been appointed to perform a limited assurance engagement pursuant to Articles 8 of Legislative Decree n. 125 dated 6 September 2024 (hereinafter also referred to as the "Decree") on the Consolidated Sustainability Reporting of Elica S.p.A. and its subsidiaries (hereinafter "Group" or "Elica Group") as at December 31, 2024, prepared in accordance with Article 4 of the Decree, included in the specific section of the Management Report.

Based on the procedures performed, nothing has come to our attention that causes us to believe that:

- the Elica Group's Consolidated Sustainability Reporting as at December 31, 2024, has not been prepared, in all material aspects, in accordance with the reporting principles adopted by the European Commission pursuant to European Directive 2013/34/EU (European Sustainability Reporting Standards, hereinafter also referred to as "ESRS");
- the information included in the paragraph "European Taxonomy" of the Consolidated Sustainability Reporting has not been prepared, in all material aspects, in accordance with Article 8 of European Regulation n. 852 dated 18 June 2020 (hereinafter also referred to as "Taxonomy Regulation").

Elements Underlying the Conclusions

We have performed a limited assurance engagement in accordance with the Sustainability Reporting Assurance Standard ("Principio di Attestazione della Rendicontazione di sostenibilita") - SSAE (Italy). The procedures performed in this type of engagement vary in nature and timing compared to those necessary for conducting an engagement aimed at obtaining a reasonable level of assurance and are also less extensive. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the level of assurance that would have been obtained if the engagement aimed to acquire a reasonable level of assurance. Our responsibilities under this Standard are further described in the section "Auditor's responsibility for the Assurance on the Consolidated Sustainability Reporting" of this report.

We are independent in accordance with the standards and principles regarding ethics and independence applicable to the assurance engagement of the Consolidated Sustainability Reporting according to Italian law.

Our audit firm applies the International Standard on Quality Control (ISQM Italy) 1, under which it is required to establish, implement, and operate a quality management system that includes instructions and procedures on compliance with ethical principles, professional principles, and applicable legal and regulatory provisions.

We believe we have obtained sufficient and appropriate evidence on which to base our conclusions.

EY S.p.A.
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Other Matters

The Consolidated Sustainability Reporting of Elica Group as at December 31, 2024 contains, in the specific section titled "European Taxonomy", the comparative information required by Article 8 of the Taxonomy Regulation as at December 31, 2023, which are unaudited.

Responsibility of the Directors and Those Charged with Governance for the Consolidated Sustainability Reporting

The Directors are responsible for the development and implementation of procedures used to identify the information included in the Consolidated Sustainability Reporting in accordance with the requirements of the ESRS (hereinafter referred to as the "Relevance assessment process") and for the description of such procedures in the paragraph "The Group's Double Materiality" of the Consolidated Sustainability Reporting.

The Directors are also responsible for the preparation of the Consolidated Sustainability Reporting, which contains the information identified through the Relevance assessment process, in accordance with the requirements of Article 4 of the Decree, including:

- compliance with the ESRS;
- compliance with Article 8 of the EU Taxonomy Regulation regarding the information contained in the paragraph "European Taxonomy".

This responsibility entails the establishment, implementation, and maintenance, as required by law, for that part of internal control that they consider necessary in order to allow the preparation of the Consolidated Sustainability Reporting in accordance with the requirements of Article 4 of the Decree, free from material misstatements caused by fraud or not intentional behaviors or events. This responsibility also includes the selection and application of appropriate methods for processing the information as well as the development of assumptions and estimates regarding specific sustainability information that are reasonable under the circumstances.

The statutory audit committee ("Collegio Sindacale") is responsible, within the terms provided by the law, for overseeing the compliance with the requirements of the Decree.

Intrinsic Limitations in the Preparation of the Consolidated Sustainability Reporting

As indicated in Chapter "General Disclosures (ESRS 2)", for the purpose of reporting prospective information in accordance with the ESRS, the Directors are required to prepare such information based on assumptions, described in the Consolidated Sustainability Reporting, regarding events that may occur in the future and possible future actions by the Group. Due to the uncertainty associated with the realization of any future events, both concerning the occurrence itself and regarding the extent and timing of its occurrence, the variations between actual values and prospective information could be significant.

As indicated in paragraph "Climate Change (ESRS E1)", the information related to Scope 3 greenhouse gas emissions is subject to greater intrinsic limitations compared to Scope 1 and 2, due to the limited availability and accuracy of the information used to define such information, both quantitative and qualitative, as well as due to reliance on data, information, and evidence provided by third parties.

Auditor's responsibility for the Assurance of the Consolidated Sustainability Reporting

Our objectives are to plan and perform procedures to obtain a limited level of assurance that the Consolidated Sustainability Reporting is free from material misstatements, due to fraud or not intentional behaviors or events, and to issue a report containing our conclusions. Errors may arise from fraud or not intentional behaviors or events and are considered significant if it can be reasonably expected that they, individually or in the aggregate, could influence the decisions made by users based on the Consolidated Sustainability Reporting.

In the context of the engagement aimed at obtaining a limited level of assurance in accordance with the Sustainability Reporting Assurance Standard ("Principio di Attestazione della Rendicontazione di Sostenibilità") – SSAE (Italy), we exercised professional judgment and maintained professional skepticism throughout the duration of the engagement.

Our responsibilities include:

- considering the risks to identify the information in which a significant error is likely to occur, whether due to fraud or not intentional behaviors or events;
- defining and performing procedures to verify the information in which a significant error is likely to occur. The risk of not detecting a significant error due to fraud is higher than the risk of not detecting a significant error arising from not intentional behaviors or events, as fraud may involve collusion, forgery, intentional omissions, misleading representations, or manipulation of internal controls;
- directing, supervising, and conducting the limited assurance of the Consolidated Sustainability Reporting and assuming full responsibility for the conclusions regarding the Consolidated Sustainability Reporting.

Summary of the Work Performed

An engagement aimed at obtaining a limited level of assurance involves performing procedures to obtain evidence as a basis for formulating our conclusions.

The procedures performed on the Consolidated Sustainability Reporting were based on our professional judgment and included interviews, primarily with the company personnel responsible for preparing the information included in the Consolidated Sustainability Reporting, as well as documents analysis, recalculations and other procedures aimed to obtain evidence considered appropriate.

In particular, we performed the following procedures, partly in a preliminary phase before the end of the year and subsequently in a final phase up to the date of issuance of this report:

- understanding the business model, the Group's strategies, and the context in which it operates concerning sustainability issues;
- understanding the processes underlying the generation, detection, and management of the qualitative and quantitative information included in the Consolidated Sustainability Reporting, including the analysis of the reporting perimeter;
- understanding the process implemented by the Group for identifying and assessing relevant impacts, risks, and opportunities based on the principle of Double Materiality concerning sustainability issues and verifying the related information included in the Consolidated Sustainability Reporting;
- identifying the information for which there is a likelihood of a significant error risk;

- defining and performing analytical and substantive procedures, based on our professional judgment, to address the identified significant error risks, including:
  - for the information collected at the Group level:
    - carrying out inquiries and document analysis regarding qualitative information, particularly policies, actions, and targets on sustainability issues, to verify consistency with the evidence collected;
    - performing analytical procedures and limited assurance procedures on a sample basis regarding quantitative information.
  - for the information collected at site level, conducting on-site visit for the company EMC Fime S.r.l., part of the Elica Group (Castelfidardo plant). This site was selected based on the activities and their relevance to the metrics of the Consolidated Sustainability Reporting. During this visit, we conducted interviews with Group personnel and obtained documentary evidence regarding the determination of the metrics.
- regarding the requirements of Article 8 of the EU Taxonomy Regulation, understanding the process implemented by the Group to identify eligible economic activities and determine their aligned nature based on the provisions of the EU Taxonomy Regulation, and verifying the related information included in the Consolidated Sustainability Reporting;
- cross-checking the information reported in the Consolidated Sustainability Reporting with the information contained in the consolidated financial statements in accordance with the applicable financial reporting framework or with the accounting data used for the preparation of the consolidated financial statements or with the management data of an accounting nature;
- verifying the structure and presentation of the information included in the Consolidated Sustainability Reporting in accordance with the ESRS;
- obtaining letter of representations.

Ancona, March 27, 2025

EY S.p.A.
Signed by: Roberta Ciocci, Auditor

This independent auditor's report has been translated into the English language solely for the convenience of international readers. Accordingly, only the original text in Italian language is authoritative.

Elica Group

B.CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED DECEMBER 31, 2024

Index.
Consolidated Financial Statements

B.CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED DECEMBER 31, 2024

Name of the company preparing the financial statements or other means of identification: Elica S.p.A. – Share Capital: Euro 12,664,560 fully paid-in
Explanation of the changes relating to the name of the entity preparing the financial statements or other means of identification with respect to the end of the previous year: n/a
Address of the entity: Registered office in Via Ermanno Casoli, 2 – 60044 Fabriano (AN)
Legal form of entity: Limited Company with shares
Country of registration: Italy
Address of the entity's registered office: Registered office in Via Ermanno Casoli, 2 – 60044 Fabriano (AN)
Principal place of business: Registered office in Via Ermanno Casoli, 2 – 60044 Fabriano (AN)
Name of the Holding Company: Fan s.r.l.
Name of the most recent Holding Company: Fintrack s.r.l.
Duration of the entity formed for a fixed term: n/a

B.1. Consolidated Income Statement

In Euro thousands	***Note***	**2024**	**2023**
Revenue	B.6.5.1	452,092	473,204
Other operating income	B.6.5.3	4,723	5,325
Change in finished and semi-finished products	B.6.5.7.1	(1,295)	(3,404)
Increase in internal work capitalised	B.6.5.4	4,943	2,895
Raw materials and consumables	B.6.5.7.1	(239,437)	(257,093)
Services	B.6.5.7.2	(92,551)	(87,368)
Personnel expense	B.6.5.6	(91,094)	(82,745)
Amortisation and depreciation	B.6.5.5	(23,004)	(23,727)
Other operating expenses and accruals	B.6.5.7.3	(8,883)	(4,944)
Restructuring charges	B.6.5.7.4	(519)	(481)
Impairment of Goodwill and other assets	B.6.5.5	(303)	(139)
Operating profit		**4,672**	**21,523**
Financial Income	B.6.5.9	11,580	388
Financial expense	B.6.5.8	(7,268)	(6,003)
Net exchange rate gains/(losses)	B.6.5.11	(1,448)	(765)
Profit before taxes		**7,536**	**15,143**
Income taxes	B.6.5.12	1,790	(3,872)
Profit from continuing operations		**9,326**	**11,271**
Profit/(loss) for the year		**9,326**	**11,271**
of which:			
Profit (loss) attributable to non-controlling interests		1,458	1,496
Profit (loss) attributable to the owners of the Parent		7,868	9,775
Basic earnings (loss) per share (Euro/cents)	B.6.5.13	12.73	15.64
Diluted earnings (loss) per share (Euro/cents)	B.6.5.13	12.73	15.64

B.2. Consolidated Statement of Comprehensive Income

In Euro thousands	***Note***	**2024**	**2023**
Profit for the year		**9,326**	**11,271**
Other comprehensive income/(expense) which will not be subsequently reclassified to profit or loss:			
Actuarial gains/(losses) on defined benefit plans	B.6.5.25	111	(44)
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		**111**	**(44)**
Other comprehensive income/(expense) which will be subsequently reclassified to profit or loss:			
Exchange differences on the translation of foreign financial statements	B.6.5.32.2.2.2	(6,025)	5,715
Net change in cash flow hedges	B.6.5.32.2.2.2	(2,410)	(1,258)
Tax effect of Other gains/(losses) which will be subsequently reclassified to the profit/(loss)	B.6.5.32.2.2.2	605	313
Total items which will be subsequently reclassified to profit or loss, net of the tax effect		**(7,830)**	**4,770**
Total other comprehensive income, net of the tax effect:		**(7,719)**	**4,726**
Comprehensive income		**1,607**	**15,997**
of which:			
Attributable to non-controlling interests		1,236	971
Attributable to the owners of the parent		371	15,026

B.3. Consolidated Statement of Financial Position

In Euro thousands	***Note***	**12/31/2024**	**31/12/2023**
Property, plant & equipment	B.6.5.15	100,736	104,740
Goodwill	B.6.5.16	50,212	49,772
Intangible assets with a finite useful life	B.6.5.18	26,250	26,690
Right-of-use assets	B.6.5.18.1	9,936	11,150
Deferred tax assets	B.6.5.27	25,772	20,691
Derivative assets (non-current)	B.6.5.31	1,688	288
Other receivables and other assets	B.6.5.19	2,014	1,083
Non-current Assets		**216,608**	**214,414**
Trade receivables	B.6.5.20	34,831	26,731
Inventories	B.6.5.21	86,059	90,874
Other current assets	B.6.5.22	17,988	26,096
Tax assets	B.6.5.28.1	3,918	2,832
Derivative assets (current)	B.6.5.31	749	1,895
Cash and cash equivalents	B.6.5.30.1	40,761	39,403
Currents Assets		**184,306**	**187,831**
Assets held for sale		**0**	**0**
Total assets		**400,914**	**402,245**
Employee benefit liabilities	B.6.5.25	7,686	7,971
Provisions for risks and charges	B.6.5.26	7,671	11,463
Deferred tax liabilities	B.6.5.27	6,639	7,152
Lease liabilities (non-current)	B.6.5.30.3	6,386	7,944
Bank loans and borrowings (non current)	B.6.5.30.2	39,471	37,236
Other non-current liabilities	B.6.5.23	0	500
Derivative liabilities (non-current)	B.6.5.31.1	264	0
Non-Current Liabilities		**68,117**	**72,266**
Provisions for risks and charges	B.6.5.26	4,919	5,815
Lease liabilities (current)	B.6.5.30.3	3,817	4,240
Bank loans and borrowings (current)	B.6.5.30.2	47,604	43,467
Trade payables	B.6.5.29	112,793	107,025
Other current liabilities	B.6.5.24	21,974	21,870
Tax liabilities	B.6.5.28.2	809	797

Derivative liabilities (current)	B.6.5.31	1,300	316
Current liabilities		**193,216**	**183,530**
Liabilities directly related to discontinued operations		**0**	**0**
Share capital	B.6.5.32.2.1	12,665	12,665
Capital reserves	B.6.5.32.2.2.1	71,123	71,123
Hedging and translation reserve	B.6.5.32.2.2.2	(13,225)	(5,617)
Treasury shares	B.6.5.32.2.3	(8,226)	(2,952)
Actuarial reserve	B.6.5.25	(2,147)	(2,296)
Retained earnings	B.6.5.32.2.2.3	65,421	58,194
Profit/(loss) attributable to the owners of the Parent		7,868	9,775
Equity attributable to the owners of the Parent	**B.6.5.32.2**	**133,479**	**140,892**
Capital and reserves attributable to non-controlling interests		4,644	4,061
Profit attributable to non-controlling interests	B.6.5.32.1.1	1,458	1,496
Equity attributable to non-controlling interests	**B.6.5.32.1.1**	**6,102**	**5,557**
Equity	**B.6.5.32**	**139,581**	**146,449**
Total liabilities and equity		**400,914**	**402,245**

B.4. Consolidated Statement of Cash Flow

In Euro thousands	Note	12/31/2024	31/12/2023
Cash flow from operating activities			
Profit for the year		**9,326**	**11,271**
Adjustments for:			
-Depreciation of property, plant and equipment	B.6.5.5	17,493	13,099
-Amortisation of intangible assets	B.6.5.5	5,511	10,627
-Impairment losses on property, plant and equipment and intangible assets and goodwill		303	139
-Net exchange rate gains/losses	B.6.5.11	3,711	(2,935)
-Interest on post-employment benefits and other discounting	B.6.5.8	70	263
-Net financial expense	B.6.5.8	3,096	6,243
-Provisions for risks, restructuring and LTI	B.6.5.7.3	2,342	(3,637)
- Gains from the sale of assets	B.6.5.9	(7,704)	0
- Revaluations of investments in other companies	B.6.5.9	(1,454)	0
-Provision for inventory write-down	B.6.5.21	588	(1,141)
-Loss allowance	B.6.5.20	880	(1,228)
-Other changes		(2,606)	451
-Income taxes	B.6.5.12	(5,498)	7,405
Sub-total		26,058	40,557
Changes in:			
-Inventories	B.6.5.21	2,458	13,891
-Trade receivables	B.6.5.20	(9,847)	25,845
-Other assets and tax assets	B.6.5.22/28	10,770	3,590
-Trade payables	B.6.5.29	8,940	(38,073)
-Other liabilities and tax liabilities	B.6.5.23/24/28	(2,957)	(1,831)
-Employee provisions and benefits	B.6.5.25	(6,996)	(11,646)
- Proceeds from derivatives (currency)		(1,158)	(3,016)
Cash flow generated by operating activities		27,267	29,319
Income taxes paid		(2,135)	(2,674)
Cash flow generated/(absorbed) from operating activities		**25,132**	**26,645**
Cash flows from investing activities			
Proceeds from the sale of property, plant and equipment			
Proceeds from the sale of financial assets and investments in subsidiaries			
Acquisition of subsidiaries, net of liquidity acquired	B.6.5.33	(68)	(6,546)
Purchase of property, plant and equipment	B.6.5.15	(11,545)	(12,093)
Purchases of intangible assets	B.6.5.18	(5,600)	(4,017)
Acquisition of other financial assets			
Cash flow generated/(absorbed) by investment activities		**(17,213)**	**(22,656)**
Cash flow from financing activities			
Proceeds from financial derivatives, other financial assets, and new bank borrowings		9,002	2,481

	B.6.5.31		
Payment for purchase of treasury shares	B.6.5.32.2.3	(5,274)	(1,250)
Repayment of bank financial liabilities	B.6.5.30	6,329	(16,836)
Repayment of financial liabilities related to the purchase of equity investments		(500)	(475)
Payment of lease liabilities	B.6.5.30	(4,978)	(5,112)
Dividends paid	B.6.5.32.2.2.3.1	(3,781)	(5,222)
Interest paid		(6,465)	(5,352)
Cash flow from generated/(absorbed) by financing activities		**(5,667)**	**(31,766)**
Net increase/(decrease) in cash and cash equivalents		**2,252**	**(27,777)**
Cash and cash equivalents at January 1		39,403	67,727
Effect of exchange rate fluctuations on cash and cash equivalents		(895)	(547)
Cash and cash equivalents at the reporting date		**40,761**	**39,403**

B.5. Consolidated Statement of Changes in Equity

In Euro thousands	Note	Share capital	Capital reserves	Acquisition/Sale treasury shares	Hedge, trans. & actuarial. res. Hedge, trans. & actuarial. res.	Retained earnings	Profit/(loss) for the year	Equity attributable to the owners of the Parent	Equity attributable to non-controlling interests	Equity
12/31/2022		**12,665**	**71,123**	**(1,703)**	**(13,168)**	**47,006**	**16,608**	**132,531**	**5,430**	**137,961**
Fair value change inn cash flow hedges net of the tax effect					(945)			(945)		(945)
Actuarial gains/(losses) on post-employment benefits					(44)			(44)		(44)
Exchange differences on translation of foreign subsidiaries' financial statements					6,240			6,240	(525)	5,715
Total gains/(losses) recognised directly in equity		***0***	***0***	***0***	***5,251***	***0***	***0***	***5,251***	***(525)***	***4,726***
Profit/(loss) for the year							9,775	9,775	1,496	11,271
Total gains/(losses) recognised in other comprehensive income		***0***	***0***	***0***	***5,251***	***0***	***9,775***	***15,026***	***971***	***15,997***
Allocation of profit for the year						16,608	(16,608)	0		0
Dividends						(4,379)		(4,379)	(844)	(5,223)
Variation consolidation scope										
Other changes				(1,249)	4	(1,041)		(2,286)	0	(2,286)
12/31/2023		**12,665**	**71,123**	**(2,952)**	**(7,913)**	**58,194**	**9,775**	**140,892**	**5,557**	**146,449**
12/31/2023		**12,665**	**71,123**	**(2,952)**	**(7,913)**	**58,194**	**9,775**	**140,892**	**5,557**	**146,449**
Fair value change in cash flow hedges net of the tax effect	B.6.5.32.2.2.2				(1,805)			(1,805)	0	(1,805)
Actuarial gains/(losses) on post-employment benefits	B.6.5.25				111			111	0	111
Exchange differences on translation of foreign subsidiaries' financial statements	B.6.5.32.2.2.2				(5,803)			(5,803)	(222)	(6,025)
Total gains/(losses) recognised directly in equity		***0***	***0***	***0***	***(7,497)***	***0***	***0***	***(7,497)***	***(222)***	***(7,719)***
Profit/(loss) for the year							7,868	7,868	1,458	9,326
Total gains/(losses) recognised in other comprehensive income		***0***	***0***	***0***	***(7,497)***	***0***	***7,868***	***371***	***1,236***	***1,607***
Allocation of profit for the year	B.6.5.32.2.2.3				0	9,775	(9,775)	0	0	0
Dividends	B.6.5.32.2.2.3.1				0	(3,091)	0	(3,091)	(690)	(3,781)
Variation consolidation scope	B.6.5.33				0	(26)	0	(26)	0	(26)
Other changes	B.6.5.32.2.3			(5,274)	38	569	0	(4,667)	(1)	(4,668)
12/31/2024		**12,665**	**71,123**	**(8,226)**	**(15,372)**	**65,421**	**7,868**	**133,479**	**6,102**	**139,581**

B.6. Explanatory notes to the Consolidated Financial Statements

B.6.1. Group structure and activities

Elica S.p.A. is a company incorporated under Italian law based in Fabriano (Ancona, Italy). The Group produces and sells products for cooking, especially range hoods for household use and extractor hobs, and produces and sells electric motors.
The main activities of the Company and its subsidiaries, as well as its registered office and other offices are illustrated in the Directors' Report at point A.14. Elica Group structure and consolidation scope

B.6.2. Accounting policies and basis of consolidation

The Consolidated Financial Statements have been prepared in accordance with the International Financial Reporting Standards, issued by the International Accounting Standards Board and endorsed by the European Union, as well as in accordance with Article 9 of Legislative Decree no. 38/2005 and related CONSOB regulations.

B.6.2.1 Accounting policies and statement of compliance with international financial reporting standards

The financial statement items 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.
These financial statements have been prepared using the historical cost convention, with the exception of derivative financial instruments, financial assets held for sale and financial instruments classified as available for sale, which are measured at fair value.
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.

B.6.2.2 Other general information

The Consolidated Financial Statements as at and for the year ended December 31, 2024 of the Elica Group are compared with the previous year and consist of the Income Statement, the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Cash Flows, the Statement of Changes in Equity and these notes.
The financial statements and related notes comply with the minimum disclosure requirements of IFRS, as supplemented, where applicable, by the provisions of the law and CONSOB regulations.
The Group did not make any changes in the accounting policies applied between the comparative dates of December 31, 2024 and December 31, 2023, except as indicated below in the specific paragraph B.6.2.6 Accounting standards, amendments and interpretations applied from January 1, 2024.
The reporting currency for these financial statements is the Euro, and they are presented in thousands of Euro.
The statement of cash flows was prepared applying the indirect method. It classifies cash flows respectively from (used in) operating activities, investing activities and financing activities, in line with IAS 7. Specifically, operating activities are activities that generate revenue and are not investing or financing activities. Investment activities are those concerning the purchase and sale of Fixed Assets and other investments, while Financing Activities are those resulting in a change to the sources of financing, therefore in the size and composition of the share capital and share premium reserves and Group loans. Unrealised exchange rate gains and losses are not considered cash flows. However, the effect of such exchange rate gains and losses on cash and cash equivalents is included to reconcile the change in the opening and closing balances of cash and cash equivalents. It is, however, presented separately.

In preparing the financial report at December 31, 2024, account was taken of the comparability over time of the financial statement items. Therefore, the figures are compared respectively with the financial report for the previous year for the income statement, the statement of comprehensive income, the consolidated statement of financial position, the statement of cash flows and the statement of changes in equity, 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).

These reclassifications did not have any impact on the Consolidated Income Statement for the comparative period to December 31, 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

Furthermore, in the Consolidated Statement of Cash Flows for the comparative period at December 31, 2023, the following has been reclassified:

- in the item “Trade payables” within the section “Cash flows from operating activities”, the cash flows arising from the cash out and payment of derivative financial instruments related to commodities for Euro -895 thousand, which in the previous financial statements were included in the item “Cash out/payments from derivative financial instruments and other financial assets” within the section “Cash flows from financing activities”;
- in the item “Cash out/payments from financial instruments (currency)” within the section “Cash flows from operating activities”, the cash flows arising from the cash out and payment of derivative financial instruments related to currency for Euro -3,016 thousand, which in the previous financial statements were included in the item “Cash out/payments from derivative financial instruments and other financial assets” within the section “Cash flows from financing activities”;
- in the item “Other changes” within the section “Cash flows from operating activities”, the fair value changes for the year of derivative financial instruments related to commodities, currencies and interest rates for Euro 1,196 thousand, which in the previous financial statements were included in the item “Cash out/payments from derivative financial instruments and other financial assets” within the section “Cash flows from financing activities”;

ESEF and related obligations

Beginning with the financial statements at December 31, 2021, the requirement of the European regulation defined Transparency as presenting the financial statements in the xhtml format and as tagging all numbers in the consolidated financial statement schedules and issuer data with the ixbrl format becomes effective. Beginning with the financial statements at December 31, 2022, it is also necessary to tag the blocks of explanatory notes - a procedure that has been confirmed for the financial statements for fiscal year 2024 also.

B.6.2.3 Authorisation to publish

The consolidated financial statements as of December 31, 2024 of the Group and the financial statements as of December 31, 2024 of Elica S.p.A. were approved by the Board of Directors on March 25, 2025, which authorised their release. Publication is scheduled for March 28, 2025.

B.6.2.4 Basis of consolidation

The Consolidated Financial Statements as at and for the year ended December 31, 2024 include the financial statements of the parent and the companies it controls directly or indirectly (the subsidiaries). Control exists where the Group contemporaneously has decision-making power over the investee, rights upon variable results (positive or negative) and the capacity to use its decision-making power to affect the amount of profits devolving from its investment in the entity.
The consolidation of a subsidiary begins when the Group obtains control and ceases when the Group loses this control. The assets, liabilities, revenues and costs of the subsidiary acquired or sold during the year are included in the consolidated financial statements at the date in which the Group obtains control until the date in which the Group no longer exercises control.
The separate financial statements at December 31, 2024 of the Parent Elica S.p.A. and of the Italian subsidiary EMC Fime S.r.l. were prepared in accordance with IFRS, in accordance with Legislative Decree No. 38/2005 and CONSOB regulations. The financial statements of the Italian subsidiary Airforce S.p.A. were prepared in accordance with the Italian Civil Code as supplemented, where necessary, by the accounting standards and those issued by the IASB.
All the Group companies have provided the data and information required to prepare the Consolidated Financial Statements in accordance with IFRS.

For information on the consolidation scope, reference should be made to section B.6.4 “Composition and changes in the consolidation scope”.
If the consolidation scope changes in the year, the results of subsidiaries acquired or sold during the year are included in the consolidated profit or loss from the date of acquisition until the date of sale.
All significant transactions between companies included in the consolidation scope are eliminated.
Gains and losses arising on intercompany sales of operating assets are eliminated, where considered material.
Non-controlling interests in the net assets of consolidated subsidiaries are recorded separately from equity attributable to the owners of the parent and include the amount attributable to the non-controlling interests at the original acquisition date (see below) and changes in equity after that date.

B.6.2.4.1 Consolidation of foreign companies and foreign currency translation

The assets and liabilities of consolidated foreign companies in currencies other than the Euro are translated using the closing exchange rates. Revenue and costs are translated into Euro using the average exchange rate for the year. Translation differences are recognised in the translation reserve until the investment is sold.
At December 31, 2024, the consolidated foreign companies whose functional currency differs from the Euro are Elica Group Polska Sp.zo.o, Elicamex S.A. De C.V., Ariafina Co., Ltd, Elica Inc., Elica Home Appliances (Zhejiang) Co., LTD, Elica Trading LLC, Southeast Appliance Inc. and AG International Inc., which use the Polish Zloty, the Mexican Pesos, the Japanese Yen, the US Dollar, the Chinese Renminbi, the Russian Ruble and the Canadian Dollar respectively.
The exchange rates used for translation purposes are set out below:

	Average 2024	Average 2023		12/31/2024	12/31/2023	
EUR	1.00	1.00	0.00%	1.00	1.00	0.00%
USD	1.08	1.08	0.00%	1.04	1.11	(6.31%)
PLN	4.31	4.54	(5.07%)	4.28	4.34	(1.38%)
RUB	100.79	92.52	8.94%	114.80	97.81	17.37%
CNY	7.79	7.66	1.70%	7.58	7.85	(3.44%)
MXN	19.83	19.18	3.39%	21.55	18.72	15.12%
CAD	1.48	1.46	1.37%	1.49	1.46	2.05%
JPY	163.85	151.99	7.80%	163.06	156.33	4.30%
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).

B.6.2.4.2 Business combinations

Business combinations are recognised according to the acquisition method. The purchase cost is calculated as the total of the fair value consideration transferred at the acquisition date, and the value of any minority equity holding. For each business combination, the Group decides whether to measure the minority interest at fair value or in proportion to the amount held in the identifiable net assets of the investee. The acquisition costs are expensed in the year and classified under administration expenses.

The Group determines that it has acquired a business when the integrated set of activities and assets includes at least one factor of production and one substantial process that together contribute significantly to the ability to generate an output. The acquired process is considered substantial if it is critical to the ability to continue generating an output and the acquired inputs include an organised workforce that has the necessary skills, knowledge, or experience to perform that process or contributes significantly to the ability to continue generating an output and is considered unique or scarce or cannot be replaced without significant cost, effort, or delay to the ability to continue generating an output.
When the group acquires a business, the financial assets acquired or liabilities assumed under the agreement are classified or designated in accordance with the contractual terms, the economic conditions and the other conditions at the acquisition date. This includes the verification to establish whether an embedded derivative must be separated from the host contract.
At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at fair value at this date; except for the following items, which are instead measured according to the applicable standard:

- Deferred tax assets and liabilities;
- Assets and liabilities for employee benefits;
- Liability or equity instruments relating to share-based payments of the company acquired or share-based payments relating to the Group issued to replace contracts of the entity acquired;
- Assets held for sale and discontinued operations.

Any contingent payment to be recognised is recorded by the acquirer at fair value at the acquisition date. The contingent amount classified as equity is not remeasured and its subsequent payment is accounted under shareholders' equity. The change in the fair value of the contingent amount classified as an asset or liability, as a financial instrument covered by IFRS 9 Financial instruments must be recognised in the income statement in accordance with IFRS 9. The contingent amount that does not fall within the scope of IFRS 9 is measured at fair value at the reporting date and changes in fair value are recognized in the income statement.

Goodwill is calculated as the excess of the amounts transferred in the business combination, of the value of minority interests' net equity and the fair value of any holding previously held in the acquired company compared to the fair value of the net identifiable assets acquired and liabilities assumed by the Group at the acquisition date. If the fair value of the net assets acquired exceeds the sum of amounts transferred, of any minority interest and the fair value of any holding previously held in the acquired company, this excess is immediately recorded to the statement of profit and loss as income deriving from the transaction concluded.
The share of equity attributable to non-controlling interests, at the acquisition date may be measured at fair value or in proportion to the acquiree's recognised net assets. The valuation method is chosen on the basis of each individual transaction.
In a step acquisition of a subsidiary, a business combination is only deemed to occur when control is acquired, which is when the fair value of all the acquiree's identifiable net assets is measured; non-controlling interests are measured at their fair value or in proportion to the fair value of the acquiree`s identifiable net assets.
In a step acquisition of an investee, the previously held interest, which was until that time recognised must be treated as if it was sold and repurchased at the date of the acquisition of control. The investee is therefore recognised at the fair value at the acquisition date and the profits and losses arising on measurement are taken to profit or loss. Any amount previously recognised as Other comprehensive income (expense), which must be taken to profit or loss following the sale of the assets to which it refers, is reclassified to profit or loss. Goodwill or income deriving from an acquisition of control of a subsidiary must be calculated as the sum of the price paid to gain control, the value of non-controlling interests (measured using one of the methods permitted by the standard) and fair value of the previously held non-controlling interest, net of the fair value of the identifiable net assets acquired.
Any payments subject to conditions are considered part of the transfer price of the net assets acquired and are measured at fair value at the acquisition date. If the combination contract establishes a right of repayment of some price elements on the fulfilment of certain conditions, this right is classified as an asset by the acquirer. Any subsequent changes in the fair value are recognised as an adjustment to the original accounting treatment only if they result from additional or improved information concerning fair value and if they occur within 12 months of the acquisition date; all other changes must be recognised in profit or loss.

Once control of an entity has been acquired, transactions in which the Parent acquires or sells further non-controlling interests without changing the control exercised over the subsidiary are considered transactions with equity owners and therefore must be recognised in equity. The carrying amount of the controlling interest and the non-controlling interest must be adjusted to reflect the change in the percentage of the investment held and any difference between the amount of the adjustments allocated to non-controlling interests and the fair value of the price paid or received against the transaction is taken directly to equity and allocated to the owners of the Parent. No adjustments are made to goodwill or the profits or losses recognised in the income statement. Related costs are recognised in equity in accordance with paragraph 35 of IAS 32.
After its initial recognition, goodwill is measured at cost, net of accumulated impairment. For the purpose of impairment testing, goodwill acquired in a business combination is allocated, from the acquisition date, to each of the Group's cash-generating units expected to benefit from the synergies of the combination, regardless of whether other assets or liabilities of the acquiree are assigned to those units.
If goodwill has been allocated to a cash-generating unit and the entity disposes of an operation within that unit, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss of the disposal. The goodwill associated to assets sold is calculated based on the relative values of the asset sold and the part maintained by the cash generating unit.

Business combinations before January 1, 2010 were recognised in accordance with the previous version of IFRS 3.

B.6.2.4.3 Investments in associates and joint ventures

An associate is a company in which the Group has significant influence, but not control or joint control. The Group exerts its influence by taking part in the associate's financial and operating policy decisions.

A joint venture is a contractual agreement whereby the Group undertakes a jointly controlled business venture with other parties. Joint control is defined as a contractually shared control over a business. Joint control is defined as the contractually shared control over a business activity and only exists when the financial and operating strategic decisions of the activities requires the unanimous consent of the parties sharing control.
The profits and losses, assets and liabilities of associates and joint ventures are recognised in the Consolidated Financial Statements using the equity method, except where the investments are classified as held for sale.

Under this method, investments in associates and joint ventures are recognised in the Statement of Financial Position at cost, as adjusted for changes after the acquisition of the net assets of the associates, less any impairment in the individual investments. Losses of the associates and joint ventures in excess of the Group share are not recognised unless the Group has an obligation to cover them. Any excess of the acquisition cost over the Group's share in the fair value of the identifiable assets, liabilities and contingent liabilities at the acquisition date, is recognised as Goodwill. Goodwill is included in the carrying value of the investment and is tested for impairment. Any excess of the Group's share in the fair value of the identifiable assets, liabilities and contingent liabilities of the associate over the cost of acquisition is taken to profit or loss in the year of acquisition.
Unrealised profits and losses on transactions between a Group company and an associate or joint venture are eliminated to the extent of the Group's share in the associate or joint venture, except when the unrealised losses constitute a reduction in the value of the asset transferred.

B.6.2.5 Accounting policies

Information regarding the accounting policies adopted in the preparation of the Consolidated Financial Statements are described below in accordance with IAS 1.

B.6.2.5.1 Plant, property and equipment

Property, plant and equipment are recognised at purchase or production cost, including any directly attributable costs. Some assets have been adjusted under specific revaluation legislation prior to January 1, 2004 and are deemed to reflect the fair value of the asset at the revaluation date ("deemed cost" as per IFRS 1). This cost is recognised net of accumulated depreciation and any impairment losses.
Depreciation is calculated on a straight-line basis over the estimated useful life of the relative assets applying the following percentage rates:

Industrial buildings	3%
Light buildings	10%
Machines and installations	6% -15%
Industrial and commercial equipment	10% -25%
Fitting and furniture	12%
Electronic machines	20%
Cars	20%
Cars and trucks	25%

Purchase cost is adjusted for grants related to assets already approved to the Group companies. These grants are recognised in profit or loss by gradually reducing the depreciation charged over the useful life of the assets to which they relate.
Ordinary maintenance, repair, expansion, updating and replacement costs that do not therefore lead to a significant, measurable increase in the production capacity and useful life of an asset are taken to profit or loss when they are incurred. Routine maintenance costs are mainly labour costs and consumables and may include the cost of small spare parts.
The carrying amount of property, plant and equipment and any significant component initially recognised is derecognised upon disposal or when no future economic benefit is expected from its use or disposal. For the disposal of property, plant and equipment, the date of disposal of the asset is the date on which the acquirer obtains control of the asset in accordance with the requirements for determining when an obligation to do is satisfied in IFRS 15 (IAS 16.69). The gain/loss on it derecognition is recorded in the income statement when the item is derecognised. The amount of consideration to be included in the gain or loss from derecognition is determined in accordance with the transaction pricing requirements in IFRS 15. Subsequent changes to the estimated amount of consideration used to determine profit or loss must be accounted for in accordance with the requirements for transaction price changes in IFRS 15 (IAS 16.72).
The Group reviews the estimated residual values and expected useful lives of property, plant and equipment at least annually, also considering the impact of health, safety and environmental legislation. In addition, the Group considers climate-related issues, including physical and transition risks. Specifically, the Group determines whether climate-related laws and regulations may impact both the expected useful life and the estimated residual value.

B.6.2.5.2 Goodwill

Goodwill arising on the acquisition of a subsidiary or other business combinations represents the excess of the acquisition cost over the Group's share in the fair value of the identifiable assets, liabilities and contingent liabilities of the subsidiary at the acquisition date.
At each reporting date the Group reviews the recoverable value of the goodwill to assess whether an impairment loss has occurred and determine the amount of any impairment. An impairment loss is immediately taken to profit or loss and is not reversed in a subsequent period.
On the sale of a subsidiary, any goodwill attributable to the subsidiary is included in the calculation of the gain or loss on the sale.
Goodwill arising on acquisitions prior to January 1, 2004 is carried at the amount recognised under Italian GAAP after an impairment test.

B.6.2.5.3 Intangible assets with definite useful lives

The other intangible assets acquired or produced internally are recorded under assets, in accordance with the provisions of IAS 38 – Intangible Assets, when it is probable that the use of the asset will generate future economic benefits and when the cost of the asset can be determined reliably. After initial recognition, intangible assets are recognised at cost, net of accumulated amortisation and accumulated impairment, if any.
The useful life of an intangible asset may be considered definite or indefinite. Intangible assets with a finite useful life are amortised over equal monthly quotas and tested for impairment whenever there is evidence of an impairment loss. According to management and experts, the Group's most important software has a useful life of seven years. The useful life is reviewed on an annual basis and any changes are made in accordance with future estimates.
Intangible assets with indefinite useful lives are not amortised but tested annually for impairment or more frequently where there is an indication that the asset may be impaired.
An intangible asset is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. The date of disposal of the asset is the date on which the acquirer obtains control of the asset in accordance with the requirements for determining when an obligation to do is satisfied in IFRS 15 (IAS 38.114). Any gain or loss arising from the disposal of the asset is included in the income statement. The amount of consideration to be included in the gain or loss from derecognition is determined in accordance with the transaction pricing requirements in IFRS 15. Subsequent changes to the estimated amount of

consideration used to determine profit or loss must be accounted for in accordance with the requirements for transaction price changes in IFRS 15 (IAS 38.116).
At present, the Group only owns intangible assets with definite useful lives.

B.6.2.5.3.1 Research and development costs

The research costs are taken to profit or loss when incurred.
Development costs in relation to specific projects are capitalised when all of the following conditions are satisfied:

- the costs can be reliably determined during the development;
- the technical feasibility of the product is demonstrated, such that it is available for use or sale;
- there is an intention to complete the project and there is the capacity and intention to use or sell the asset;
- the volumes, and expected prices indicate that costs incurred for development will generate future economic benefits;
- the technical and financial resources necessary for the completion of the project are available.

Where the above conditions are not met; the cost is recorded in the Income Statement.
After initial recognition, the development costs are measured at cost, reduced for amortisation or accumulated impairment losses.

Capitalised development costs are amortised on a straight-line basis, commencing from the point at which development is completed and production begins of the product to which these costs refer and over its estimated life.
The carrying amount of development costs are tested annually for impairment when the asset is no longer in use, or with greater frequency when there is indication of impairment. The recoverability test requires estimates by the Directors, as dependent on the cash flows deriving from the sale of products sold by the Group. These estimates are impacted both by the complexity of the assumptions underlying the projected revenues and future margins and by the strategic industrial choices of the Directors.

B.6.2.5.4. Impairment test

At each reporting date, and in any case at least once a year, in accordance with IAS 36 the Group assesses whether events or circumstances exist that raise doubts as to the recoverability of the carrying amount of property, plant and equipment and

intangible assets with definite useful lives. If there are any indications of impairment, the company estimates the recoverable amount of the assets to determine any impairment loss.
The goodwill and intangible assets with indefinite useful lives, including intangible assets in progress, are tested at least annually for impairment and whenever there is an indication of a possible loss in value. The impairment test compares the carrying amount with the recoverable amount, which is the greater of fair value less costs to sell and value in use. Any excess of the carrying amount results in an impairment loss. An impairment loss is recognised to profit and loss. When the reasons for the impairment no longer exist, the impairment losses on the assets are reversed bringing the carrying amount up to the revised estimate of its recoverable amount. The restatement cannot exceed the carrying amount had no impairment been recognised. The reversal of an impairment loss is taken to profit or loss.
For goodwill, the recoverable amount is determined by the Directors through the calculation of the value in use of the Cash Generating Units (CGU's). Cash generating units are identified based on the Group's organisational and business structure as units that generate cash flows independently through the continuous use of the assets allocated.
Impairment losses on goodwill are measured by determining the recoverable amount of the CGU to which the goodwill is allocated, and where it is less than the carrying amount of the CGU to which the goodwill has been allocated, an impairment loss is recognised.
The impairment loss of the goodwill is taken to profit or loss and, differing to that for other property, plant and equipment and intangible assets, no reversal is recognised in future years.
The Group assesses whether climate risks, including physical and transition risks, could have a significant impact, and if this is the case, these risks are considered in estimating future cash flows in the value-in-use estimate. Please refer to the relevant note for further discussion of the impact of climate-related risks in estimating value in use.

B.6.2.5.5 IFRS 16 Leasing

At the commencement date of leases, the Group recognises the usage right assets and the lease liabilities. Right-of-use assets are initially measured at cost, and subsequently at cost net of cumulative depreciation and impairment losses, while adjusted to reflect lease liability remeasurements.
Right-of-use assets are depreciated on a straight-line basis from the effective date to the end of the useful life of the asset consisting of the right of use or at the end of the lease term, whichever is earlier. Right-of-use assets are subject to impairment. Reference should be made to paragraph B.6.2.5.4. Impairment Tests

The Group assesses the lease liabilities at the present value of payments due for lease charges not settled at the commencement date, discounting them according to the implied lease interest rate. Where it is not possible to establish this rate easily, the Group utilises the marginal interest rate.
The lease liability is subsequently increased by the interest maturing on this liability and reduced for payments due on the lease and is redetermined in the case of changes to future payments on leasing deriving from a change in the index or rate, in the case of a change to the amount which the Group expects to pay as guarantee on the residual value or where the Group changes its assessment on the exercise or otherwise of a purchase, renewal or termination option.
The Group estimated the lease duration of some contracts in which it acts as lessee and which have renewal options. The Group assessment upon the existence or otherwise of a reasonable certainty of exercising the option influences the estimate of the lease duration, significantly impacting the amount of the lease liabilities and the usage right assets recognised.
The Group's lease liabilities are included among the payables to banks and other lenders (see paragraph B.6.5.30.3).
The Group applies the exemption for the recognition of short-term leases and without the purchase option and leases related to low-value assets. The short-term lease instalments and those for low value assets are recognised as costs on a straight-line basis over the lease duration.

B.6.2.5.6 Inventories

Inventories are measured at the lower of purchase or production cost and net realisable value.
The purchase cost of raw, ancillary, supplies and goods for resale is determined using the weighted average cost method.
The production cost of finished products, work in progress and semi-finished products is determined considering the cost of the materials used plus direct operating expenses and overheads.
Net realisable value represents the estimated selling price less expected completion costs and selling costs.
Obsolete and slow moving inventories are written down taking account of their prospects of utilisation or sale.

B.6.2.5.7. Trade receivables and other current assets

Receivables are recorded at nominal value which normally represents their fair value, as they do not contain a significant financing component. In the event of a significant difference between nominal amount and fair value, they are initially recognised at fair value and subsequently measured at amortised cost using the effective interest rate method.

Receivables are adjusted through an allowance for bad debt to reflect their realisable value. The allowance is calculated as the difference between the carrying amount of the receivables and the present value of the expected cash flows, discounted at the effective interest rate on initial recognition.

B.6.2.5.8 Other financial assets

Financial assets other than trade receivables, loans and cash and cash equivalents are initially recorded at fair value, including directly related transaction costs.

Initial recognition and measurement
Upon initial recognition, financial assets are classified according to the subsequent measurement method, as appropriate, i.e., amortised cost, fair value through OCI comprehensive income, and fair value through profit or loss.
The classification of financial assets on initial recognition depends on the characteristics of the contractual cash flows of the financial assets and the business model that the Group uses to manage them. Except for trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are valued at the transaction price as illustrated under paragraph (e) Revenues from contracts with customers.
In order for a financial asset to be classified and measured at amortised cost or fair value recognised in OCI, it must generate cash flows that depend solely on principal and interest on the amount of principal to be repaid ("solely payments of principal and interest (SPPI)"). This assessment is referred to as the SPPI test and is performed at the instrument level. Financial assets whose cash flows do not meet the above requirements (e.g., SPPI) are classified and measured at fair value through profit or loss.
The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will come from the collection of contractual cash flows, the sale of financial assets, or both.
Financial assets that are classified and measured at amortised cost are held as part of a business model whose objective is to own financial assets for the collection of contractual cash flows, while financial assets that are classified and measured at fair value through OCI are held as part of a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets.

Subsequent measurement

Subsequently, the financial assets are classified in four categories:

- Financial assets at amortised cost (debt instruments);
- Financial assets at fair value through other comprehensive income with reclassification of accumulated gains and losses (debt instruments);
- Financial assets at fair value through other comprehensive income without reversal of accumulated gains and losses upon derecognition (equity instruments);
- Financial assets at fair value through profit or loss.

Financial assets at amortised cost (debt instruments)

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognised in the income statement when the asset is derecognised, modified or revalued.
The Group's financial assets at amortised cost include trade receivables, a loan to an associate, and a loan to a director included in other non-current financial assets.

Financial assets at fair value through OCI (debt instruments)

For assets from debt instruments measured at fair value through OCI, interest income, changes due to exchange rate differences and impairment losses, together with reversals, are recognised to the income statement and are calculated in the same way as financial assets measured at amortised cost. The remaining changes in fair value are recognised in OCI. Upon derecognition, the cumulative change in fair value recognised in OCI is reclassified to the income statement.
The Group's debt instrument assets measured at fair value through OCI include investments in listed debt instruments included in other non-current financial assets.

Investments in equity instruments

Upon initial recognition, the Group may irrevocably elect to classify its equity investments as equity instruments recognized at fair value through OCI when they meet the definition of equity instruments under IAS 32 "Financial Instruments: Presentation" and are not held for trading. Classification is determined for each individual instrument.
Gains and losses on these financial assets are never reversed through profit or loss. Dividends are recognised as other income in the income statement when the right to payment has been approved, except when the Group benefits from such income as a

recovery of part of the cost of the financial asset, in which case such gains are recognised to OCI. Equity instruments recorded at fair value through OCI are not subject to impairment testing.

Financial assets at fair value through profit or loss

Financial instruments at fair value with changes recognised to the income statement are recorded in the balance sheet at fair value and net changes in fair value through profit or loss.

This category includes derivative instruments and listed equity investments that the Group has not irrevocably elected to classify at fair value through OCI. Dividends on publicly traded equity investments are recognised as other income to the income statement when the right to payment has been established.

The embedded derivative contained in a hybrid non-derivative contract, financial liability or master non-financial contract is separated from the host contract and accounted for as a separate derivative if: its economic characteristics and associated risks are not closely related to those of the host contract; a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and the hybrid contract is not measured at fair value through profit or loss. The embedded derivatives are measured at fair value through profit or loss. A redetermination occurs only in the case of a change in the terms of the contract which significantly modify the cash flows otherwise expected or a reclassification of a financial asset to a category other than fair value through profit or loss.

The Group has chosen to irrevocably classify its unlisted equity investments in this category.

Derecognition

Financial assets (or, where applicable, part of a financial asset or part of a group of similar financial assets) are derecognised firstly (e.g. eliminated from the Group statement of financial position) when:

- the rights to receive cash flows from the asset are extinguished, or
- the Group has transferred to a third party the right to receive the cash flows of the asset or has assumed the contractual obligation to pay entirely and without delay and (a) has substantially transferred all of the risks and rewards of ownership of the financial asset, or (b) has not substantially transferred all of the risks and rewards of the asset, but has transferred control.

Where the Group has transferred the rights to receive the cash flows of an asset or has signed an agreement under which to maintain the contractual rights to receive the cash flows of a financial asset, but assumes a contractual obligation to pay the cash flows to one or more beneficiaries (pass-through), they shall assess if and to what extent they have maintained the risks and

rewards relating to ownership. Where they have neither transferred or maintained substantially all of the risks and rewards or have not lost control, the asset continues to be recorded in the financial statements of the Group up to the amount of its residual holding in the asset. In this case, the Group also recognises an associated liability. The assets transferred and the associated liabilities are measured in order to reflect the rights and obligations maintained by the Group.
When the entity's continuing involvement is a guarantee on the transferred asset, involvement is measured based on the lesser of the amount of the asset or the maximum amount of consideration received that the entity may have to repay.

B.6.2.5.9 Non-current assets held for sale

Non-current assets (and disposal groups) classified as held-for-sale are measured at the lower of their previous carrying value and market value less selling costs.
Non-current assets (and disposal groups) are classified as held-for-sale when their carrying value is expected to be recovered by means of a sales transaction rather than through use in company operations. This condition is met only when the sale is highly likely, the assets (or group of assets) are available for immediate sale in their current condition and, consequently, management is committed to a sale, which should take place within 12 months of the classification as held for sale.

B.6.2.5.10 Cash and cash equivalents

Cash and cash equivalents include cash balances, bank current accounts and deposits repayable on demand plus other highly liquid short term financial investments that can be readily converted into cash and are not subject to a significant risk of a change in value.

B.6.2.5.11 Trade payables and other liabilities

Trade payables are recorded at nominal value, which normally represents their fair value. In the event of significant differences between their nominal amount and fair value, trade payables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest rate method.

B.6.2.5.12 Other financial liabilities

Other financial liabilities are recognised at their nominal amount, which generally represents their fair value. In the event of a significant difference between nominal amount and fair value, they are recognised at fair value and subsequently measured at amortised cost using the effective interest rate method.

B.6.2.5.13 Bank loans and borrowings and loans and borrowings from other lenders

Bank loans and borrowings – comprising non-current loans and bank overdrafts – and loans and borrowings from other lenders, are recognised based on the amounts received, less transaction costs, and are subsequently measured at amortised cost using the effective interest rate method.

B.6.2.5.14 Derivative instruments and hedge accounting

The Group makes use of derivative financial instruments with the intention of hedging currency, interest rate and commodity price risks.
These derivative financial instruments are initially recognized at fair value at the date on which they are obtained, and this fair value is periodically remeasured. They are recorded as financial assets when the fair value is positive, and as financial liabilities when negative.
In compliance with International Accounting Standards, derivative financial instruments can be recognised using "hedge accounting", in line with IFRS 9, only when the hedge is formally designated and documented as such and is presumed to be highly effective at inception, such effectiveness can be reliably measured and the hedge is highly effective over the accounting periods for which it was designated.

All derivative financial instruments are measured at fair value. When derivative instruments have the characteristics for hedge accounting, the following accounting treatments apply:

- Fair value hedge – if a derivative financial instrument is designated as a hedge to the exposure of changes in the fair value of an asset or liability or of an irrevocable commitment which can have effects on the income statement, the change in the fair value of the hedge instrument is recognised through profit or loss, and the change in the fair value of the hedged item,

attributable to the risk hedged, is recognised as part of the carrying value of that item and recognised through profit or loss. If the underlying item is represented by an irrevocable commitment, the fair value of the item relating to the risk hedged is recognised as an asset or liability, adjusting the balance sheet account which will be concerned by the irrevocable commitment at the time of its realisation.
- Cash flow hedge – If a derivative financial instrument is designated as a hedge to the exposure of the changes in the cash flows of an asset or liability, of an operation considered highly probable, or of an irrevocable commitment and which may have effects on the income statement, the effective portion of the profits or of the losses of the financial instrument is recognised under equity and shown on the statement of comprehensive income. The cumulative profits or losses are reversed from net equity and recognised to the income statement in the same period in which the operation subject to hedging influences the income statement; the profit or loss related to a hedge or the part of the hedge becoming ineffective is recognised to the income statement when such inefficacy is recognised.

If hedge accounting cannot be applied, gains or losses deriving from the fair value of the financial derivative instrument are recognised directly in the income statement.
For the management of the risks related to exchange rates and interest rates, reference should be made to the specific paragraph[41].

B.6.2.5.15 Treasury shares

Treasury shares are recognised at cost and taken as a reduction in equity. The gains and losses deriving from trading of treasury shares, net of the tax effect are recorded under Equity reserves. Transaction charges are charged to the income statement in the year in which they accrue.

[41] B.6.7. “Risk management” in these notes.

B.6.2.5.16 Employee Benefits

B.6.2.5.16.1 Post-employment plans

Italian post-employment benefits are considered equivalent to a defined benefit plan. For defined benefit plans, the cost of the benefits is determined using the Projected Unit Credit Method, with actuarial valuations being carried out at the end of each year. The Group recognises the plan deficit or surplus in the statement of financial position, the service cost and net financial expenses in profit or loss and gains or losses on the remeasurement of the assets and liabilities in other comprehensive income. In addition, any income from the plan assets included under net financial expenses must be calculated based on the discount rate of the liability.
Up to December 31, 2006, the employees' leaving entitlement of the Italian companies was considered a defined benefit plan. The regulations governing Italian employees' leaving entitlement were modified by Law no. 296 of December 27, 2006 ("2007 Finance Act") and subsequent decrees and regulations issued at the beginning of 2007. In the light of these changes, and specifically with reference to companies with more than 50 employees, only the benefits that accrued prior to January 1, 2007 (and not yet paid at the reporting date) are now considered a defined benefit plan, while those that accrued after this date are considered a defined contribution plan.

B.6.2.5.17 Provisions for risks and charges

The Group recognises a provision for risks and charges when the risk related to an obligation deriving from a past event is considered probable and a reliable estimate may be made on the amount of the obligation. Provisions are made based on management's best estimate of the cost of fulfilling the obligation at the end of the reporting date and are discounted to their present value when the effect is material. These risks are subject to a high level of complexity and uncertainty, and therefore the amount of the provision for risks and charges is reviewed periodically to reflect the best current estimate of each provision.

B.6.2.5.18 Revenue

The IFRS 15 - Revenues standard establishes an overall framework to identify the timing and amount of revenue recognition.

IFRS 15 requires the recognition and measurement of revenues from contracts with customers according to the following five steps: (i) identification of the contract with the customer; (ii) identification of the performance obligations (i.e. the contractual commitments to transfer goods and/or services to a customer); (iii) establishment of the transaction price; (iv) the allocation of the transaction price to the performance obligations identified on the basis of the stand alone sales price of each good or service and (v) recognition of revenue upon satisfaction of the relative performance obligation (i.e. on the transfer to the customer of the asset or service promised).
The transfer is considered complete when the customer obtains control of the goods or services, which may occur over time or at a point in time. According to the standard, the amount that the entity recognises as revenue should reflect the consideration that it has the right to receive following the exchange of the assets transferred to the customer and/or services provided, to be recognised upon fulfilment of the contractual obligations. In addition, the need for probability of obtaining/collecting the economic benefits associated with the income is emphasised for revenue recognition.
The Group carried out an analysis on the identification of separate performance obligations and decided to represent revenues disaggregated by geographic markets and operating segments, as it was not necessary to further disaggregate them. In addition, the Group acts as the principal for the agreements from which it receives revenues, as usually it controls the goods and services before their transfer to the customer. No circumstances were identified whereby a Group company had the role of "agent".
Also at the level of operating segments, both for Cooking and for Motors, revenues are recognised when the control of the goods and services is transferred to the customer for an amount which reflects the consideration that the Group expects to receive in exchange for these goods and services. 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 Group considers whether there are other promises in the contract that represent obligations in relation to which a portion of the transaction consideration should be allocated, and, in calculating the sales transaction price for goods, the Group considers the effects from any variable fees, significant financial components and monetary and non-monetary fees to be paid to the client (if existing).
The criteria applied by the Group are in line with those established by IFRS 15.

B.6.2.5.19 Operating segments

For the purposes of IFRS 8, an operating segment is a component of an entity that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the

same entity); whose operating results are reviewed regularly by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance; and for which separate financial information is available.
The Elica Group produces and sells range hoods and extractor hobs (Cooking segment) and of motors for domestic ventilation and other uses (Motors segment).
At December 31, 2021, the Group had a single operating segment for the purposes of IFRS 8, given that management made operating decisions centrally.
In 2021, the full acquisitions of the companies E.M.C. Srl and CPS S.r.l. were completed CPS was then merged into EMC, with the surviving company being renamed EMC FIME S.r.l.
The consequent reorganisation called for the transfer of Elica’s Motors division to the subsidiary EMC FIME, effective as of January 1, 2022.
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.
As a result, the Group has defined two operating segments, and namely 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.

B.6.2.5.20 Interest income and expense

Interest income and expense are recorded on an accruals basis on the amount financed and according to the effective interest rate applicable: this represents the rate at which the expected future receipts/payments over the life of the financial asset/liability are discounted to equate them with the carrying amount of the asset.

B.6.2.5.21 Dividends

Dividends are recognised when it is established that the shareholders have the right to receive them.

B.6.2.5.22 Presentation currency, functional currency, and foreign currency transactions

The Euro is the functional and presentation currency of Elica S.p.A. and of the consolidated companies, except for the foreign subsidiaries Elica Group Polska Sp.zo.o, Elicamex S.A. de C.V., Ariafina CO., LTD, Elica Home Appliances (Zhejiang) 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.
Each Group company defines its own functional currency, which is used to measure the items included in the individual financial statements, so foreign currency transactions are translated into the functional currency (the currency in the main area in which the company operates) using the exchange rate at the transaction date or otherwise at the date on which the fair value of the underlying assets/liabilities is determined. Foreign currency assets and liabilities are translated at the reporting date using the closing exchange rate. Non-monetary assets and liabilities measured at historical cost in foreign currency are translated using the exchange rate at the transaction date.
Exchange differences arising on such transactions or on the translation of monetary assets and liabilities are recorded in the Income Statement except for those arising on derivative financial instruments qualified as cash flow hedges and any inter-company receivables or payables whose settlement has not been planned nor is plannable. These differences are recorded in equity if unrealised; otherwise they are recorded in the income statement.

B.6.2.5.23 Government grants

Government grants are recognised when it is reasonably certain that the conditions required to obtain them will be satisfied and that they will be received. Such grants are recognised in profit or loss over the period in which the related costs are recognised, with a reduction in the item to which they relate. Grants related to an asset are recognised as revenue on a straight-line basis over the expected useful life of the asset to which they refer.
The accounting treatment of benefits deriving from a government loan obtained at a reduced rate are similar to those for government grants. This benefit is calculated at the beginning of the loan as the difference between the initial book value of the loan (fair value plus direct costs attributable to obtaining the loan) and that received, and subsequently recorded in the income statement in accordance with the regulations for the recording of public grants.

B.6.2.5.24 Current taxes

Tax receivables and payables for the year are measured at the amount expected to be paid to / received from the tax authorities. The tax rates and regulations used to calculate such amounts are those issued or substantially in force at the reporting date of the financial statements, in the countries in which the Group operates and generates its assessable income.
Current taxes relating to items recorded directly in shareholders' equity are also recorded directly to shareholders' equity and not to the separate income statement.
Elica S.p.A., EMC Fime S.r.l and the subsidiary Airforce S.p.A. have opted for a consolidated tax regime in Italy. This means that the IRES (Corporation Tax) charge is calculated on a tax base representing the aggregate of the taxable income and tax losses of the individual companies. The contract is for a period of three years.
The transactions and mutual responsibilities and obligations between the Parent and the aforementioned subsidiary are defined by a specific consolidation agreement. With regard to their responsibilities, the agreement provides that the Parent is jointly liable with the subsidiary for:

- amounts due by the subsidiary under Article 127(1) of the Income Tax Code;
- payment of amounts due to the tax authorities, should it emerge that sums declared in the consolidated tax return have not been paid;
- consolidation adjustments made based on figures supplied by the subsidiary and contested by the tax authorities.

The income tax receivable is shown under Tax Receivables, determined as the difference between the income taxes in the year, payments on account, withholding taxes and, in general, tax credits.
Tax Receivables also include the current IRES charge as determined on an estimate of the taxable income and tax losses of the companies taking part in the Consolidated tax regime, net of payments on account, taxes withheld by third parties and tax credits; tax assets are offset by the amounts due to the subsidiary companies by Elica for the residual receivable attributable to the Consolidated tax regime.

B.6.2.5.25 Deferred taxes

Deferred taxes are recorded on temporary timing difference between the financial statements and the taxable profit, recognised using the liability method.

Deferred tax assets are recognised to the extent that it is probable that, in the periods in which the deductible temporary differences will reverse, taxable income shall arise of not less than the amount of the differences that are to be absorbed which allow for their recovery. The carrying value of deferred tax assets is revised at the end of the year and reduced to the extent that it is no longer likely that there will be sufficient taxable income against which to recover all or part of the assets. In assessing the recoverability of deferred tax assets, the Group relies on the same forward-looking assumptions used elsewhere in the financial statements and in other management reports, which, among other matters, reflect the potential impact of climate-related developments on the business.
Deferred taxes are measured based on the tax rate that is expected to be in effect at the time the asset value is realized or the liability is extinguished and are recognized directly to the income statement with the exception of those relating to accounts directly recognized to equity, in which case the deferred taxes are also recognized to equity.
Offsetting between deferred tax assets and liabilities is carried out only for similar items, and if there is a legal right to offset the current deferred tax assets and liabilities; otherwise they are recognised separately under receivables and payables.

B.6.2.5.26 Earnings per share

Basic earnings per share is calculated based on the net profit of the Group and the weighted average number of shares outstanding at the balance sheet date. Treasury shares are excluded from the calculation. Diluted earnings per share equate to the basic earnings per share adjusted to assume conversion of all potentially dilutable shares, i.e. all financial instruments potentially convertible into ordinary shares, with a dilutive effect on earnings, considering the denominator the number of shares which potentially may be added to those in circulation under an allocation or utilisation of treasury shares in portfolio under stock grant plans.

B.6.2.6 Accounting standards, amendments and interpretations applied from January 1, 2024

In the preparation of these financial statements, the accounting policies and consolidation principles applied are in accordance with those used for the financial statements as of December 31, 2023, and the financial statement formats used are the same as those used for the preparation of the financial statements as of December 31, 2023.
There are no new standards applied or amendments that have impacted these consolidated financial statements. The Group has not adopted in advance any accounting standard, interpretation or amendment issued but not yet in effect.

The main changes are as follows:

Amendments to IFRS 16 - Lease Liability in a Sale and Leaseback
The amendments to IFRS 16 specify the requirements that a seller-lessor uses in determining the lease liability arising from a sale and lease back transaction, to ensure that the seller-lessor does not account for a gain or loss that relates to the right-of-use retained by them.

This amendment had no impact on the Group financial statements.

Amendments to IAS 1 - Classification of Liabilities as Current or Non-current
The amendments to IAS 1 specify the requirements for classifying a liability 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.

The amendments resulted in additional disclosures in paragraph B.6.5.30 of the Notes to the Financial Statements, but had no impact on the Group's classification of liabilities.

Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7)
The amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures clarify the characteristics of supply finance arrangements and require additional disclosure of these arrangements. The disclosure requirements introduced are intended to assist users of financial statements in understanding the effects of supply finance arrangements on an entity's liabilities and cash flows and its exposure to liquidity risk.

Following the implementation of these changes, the Group provided additional information on its supply financing arrangements. Refer to paragraph B.6.5.29 and B.6.7 of the Explanatory Notes.

International Tax Reform – Pillar Two Model Rules – Amendments of IAS 12

On May 23, 2023, the IASB issued the International Tax Reform - Pillar Two Model Rules - Amendments to IAS 12 which clarifies that IAS 12 applies to income taxes arising from laws that are in force or are substantially in force to implement the Pillar Two model published by the OECD[42], including tax laws that introduce a domestic minimum tax (Qualified Domestic Minimum Top-up Taxes).

As the Group's consolidated revenues are less than Euro 750 million, the Group is not subject to Pillar Two regulations. Consequently, neither the mandatory recognition and disclosure exemption of IAS 12.4A nor the disclosure requirements of IAS 12.88A-88D, are applicable for the Group.

B.6.2.7 Accounting standards, amendments and interpretations not yet applied and applicable

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 will adopt these standards when they enter into force, if applicable.

Amendments to IAS 21: Lack of Exchangeability

On August 15, 2023, the IASB amended IAS 21 The Effects of Changes in Foreign Exchange Rates - Lack of Exchangeability to specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking.

[42] The Organisation for Economic Co-operation and Development (OECD)/G20 Inclusive Framework on Base Erosion and Profit Sharing (OECD/G20 BEPS), published the Pillar Two anti-Base Erosion rules ("Pillar Two") aiming to address the tax challenges arising from the digitisation of the global economy.
The Pillar Two Global anti-Base Erosion rules (GloBE Rules) is the first substantial proposal to restructure international tax rules that proposes new tax mechanisms whereby multinational enterprises (MNEs) will have to pay a minimum level of income taxation.

The amendments require the disclosure of information to enable users of financial statements to understand the impact of a currency that is not exchangeable.
These amendments are effective for fiscal years beginning on or after January 1, 2025, with early application possible.
The amendments apply to annual reporting periods beginning on or after January 1, 2025, and may be applied early. However, an entity cannot review comparative information.
From preliminary analyses, these amendments are not expected to have any material impact on the Group's financial statements.

Amendments to IFRS 9 and IFRS 7 – Amendments to the Classification and Measurement of Financial Instruments – Annual Improvements Volume 11

On May 30, 2024, the IASB amended IFRS 9 for Classification and Measurement of Financial Instruments and IFRS 7 for Disclosure.
The amendments clarify that a financial liability is eliminated on the "settlement date" and introduce an accounting choice to eliminate financial liabilities when they are settled through an electronic payment system before the settlement date.
The classification of financial assets with characteristics related to ESG factors has been clarified through further guidance on the assessment of contingent characteristics. Clarification was provided on non-recourse loans and contractually related instruments.
Additional **disclosure** requirements have been introduced for investments in equity instruments valued at FVTOCI and for financial instruments with contingent features, such as features related to ESG objectives.
These amendments to IFRS 9 and IFRS 7 are effective for fiscal years beginning on or after January 1, 2026, with the possibility of early application.
From preliminary analyses, these amendments are not expected to have any material impact on the Group's financial statements.

IFRS 18 Presentation and Disclosure in Financial Statements

In April 2024, the IASB issued IFRS 18, which replaces IAS 1 Presentation of Financial Statements. IFRS 18 introduces new requirements for the presentation of the income statement, including specific totals and subtotals. Additionally, entities will need

to classify all expenses and revenues within the income statement within four categories: operating, investing, financing, income tax, and discontinued operations. The first three categories are new.
The standard also requires disclosures based on the new definition of management-defined performance indicators (MPMs), subtotals of costs and revenues, and includes new provisions for aggregating and disaggregating financial information based on the identified roles of Primary Financial Statements (PFS) and the notes.
In addition, changes have been made to IAS 7 Statement of Cash Flows, which include changing the starting point for determining cash flows from operations based on the indirect method; from profit or loss to operating profit or loss and removing the option to classify cash flows from dividends and interest. Additionally, consequential changes were made to multiple other accounting standards.
IFRS 18, and amendments to other standards, are effective for fiscal years beginning on or after January 1, 2027, but early application is permitted subject to disclosure. IFRS 18 will apply retrospectively.
The Group is currently working to identify the impacts that the changes will have on its financial statements and notes to the financial statements.

IFRS 19 Subsidiaries without Public Accountability: Disclosures

In May 2024, the IASB issued IFRS 19, which allows eligible entities to opt for a reduction in their disclosure requirements while continuing to apply the recognition, measurement and presentation requirements in the other IFRS accounting standards. To be eligible, at the end of the fiscal year, an entity must be a subsidiary as defined within IFRS 19, may not have "public accountability" and must have a parent (ultimate or interim) that prepares consolidated financial statements, available to the public, prepared in accordance with IFRS accounting standards.
IFRS 19 will become effective for fiscal years beginning on or after January 1, 2027, with early application possible.
As the Group's shares are publicly traded, the Group is not eligible for the application of IFRS 19.

B.6.3. Significant accounting estimates

In the preparation of the Consolidated Financial Statements in accordance with IFRS, the Group’s Management must make accounting estimates and assumptions regarding the future which have an effect on the values of the assets and liabilities and disclosures. The Group based its estimates and assumptions on information available at the preparation date of the consolidated financial statements. However, the current circumstances and assumptions on future events may alter due to changes in the market and events outside of the Group's control. These changes, where occurring, are reflected in the assumptions. The estimates and assumptions are periodically reviewed and the effects of any changes are promptly recognised in the consolidated financial statements.

In this context, the situation caused by the historic volatility of the financial markets and the continued macroeconomic and geopolitical uncertainty has resulted in the need to make assumptions about a future performance characterised by significant uncertainty, in which results in the coming years could differ from such estimates and, therefore, require adjustments that is not currently possible to estimate or forecast, and these adjustments might even be significant.

The items principally affected by such uncertainty are: goodwill (Notes B.6.5.16 and B.6.5.17), the allowance for impairment and the provision for inventory impairment (Notes B.6.5.20.1 and B.6.5.21), non-current assets (intangible and tangible fixed assets, see Notes B.6.5.15 and B.6.5.18), derivative financial instruments (Note B.6.5.31), pension funds and Long Term Incentives and provisions for risks and charges (Note B.6.5.26), other post-employment benefits (Note B.6.5.25), and deferred tax assets (Note B.6.5.27).
Reference should be made to the notes to each individual item for further information on the aforementioned estimates.

B.6.4. Composition and changes to the consolidation scope

At December 31, 2024, the consolidation scope includes the companies controlled by the Parent, Elica S.p.A.. Control exists where the Parent has the power to determine, directly or indirectly, the financial or management policies of an entity so as to obtain benefits from the activities of the company.
The following table lists the companies consolidated on a line-by-line basis controlled by the Parent.

Companies consolidated by the line-by-line method

	Registered Office	Currency	Share Capital	% Held Direct	% Held Indirect	% of investment
Elica Spa	Fabriano (Ancona - Italia)	EUR	12,664,560			
Airforce	Fabriano (Ancona - Italia)	EUR	103,200	100%		100%
Ariafina	Sagamihara - Shi (Giappone)	JPY	10,000,000	51%		51%
Elica Group Polska	Wroklaw (Polonia)	PLN	78,458,717	100%		100%
Elica Mex	Queretaro (Mexico)	MXN	8,633,514	98%	2%(*)	100%
EMC Fime Srl	Castelfidardo (Ancona - Italia)	EUR	5,000,000	100%		100%
Elica Inc	Chicago, Illinois (Stati uniti)	USD	5,000		100%(**)	100%
Elica Home Appliances (Zhejiang) Co., LTD	Shengzhou (Cina)	CNY	167,266,372	99%		99%
Elica Trading	Saint Petersburg (Russia)	RUB	176,793,102	100%		100%
Elica Francia	Paris (Francia)	EUR	300,000	100%		100%
Elica Gmbh	Munich (Germania)	EUR	1,000,000	100%		100%
Southeast Appliance Inc	Orlando, Florida (Stati Uniti)	USD	30,000	100%		100%
AG International	Montreal, Quebec (Canada)	CAD	138	100%		100%
Elica Nederland B.V.	Haren (Paesi Bassi)	EUR	18,151	100%		100%

(*) As Elica Inc. held through Elicamex
(**) As 2% of Elicamex is held through EGP
(***) Please note that effective December 17, 2024, the name of the subsidiary Zhejiang Elica Putian Electric Co., LTD is changed to Elica Home Appliances (Zhejiang) Co., LTD (also referred to as “Putian” for short).

As at December 31, 2024, the Group does not have any associated companies.
Reference should be made to section B.6.8 of these notes for data and information on associates.

B.6.5. Notes to the Consolidated Income Statement, Statement of Financial Position and Statement of Cash Flows

Consolidated Income Statement

B.6.5.1 Revenue

Details of the Group's revenue are as follows:

In Euro thousands	**2024**	**2023**	**Changes**
Revenue	452,092	473,204	(21,112)
Revenue	**452,092**	**473,204**	**(21,112)**

In Euro thousands	**2024**	**2023**	**Changes**
EMEA	352,900	374,123	(21,223)
AMERICA	70,344	68,636	1,708
ASIA and the Rest of World	28,849	30,446	(1,597)
Revenue	**452,092**	**473,204**	**(21,112)**

In 2024, revenue from the EMEA region, which represents approximately 80% of the total, experienced a decrease of 6% compared to the same period of the previous year, in a market context still affected by the downward trend in domestic demand and, in general, the deterioration of consumer purchasing power, which has resulted in strong pressure on the sales price mix. Confirming this, the average market price has continued to decrease for the third consecutive year.
Similarly, revenue from the "Asia and the Rest of the World" region recorded a decrease of -5%, due almost entirely to the negative impact of the euro-yen exchange rate. Strong performances were however reported in the "Americas", with revenue up 2.5%, thanks to the new Group strategy put into place from last year to strengthen its presence in the Americas through new direct distribution channels and the acquisition of new OEM segment customers.
For an analysis on revenues, reference should be made to the paragraph A.5.2 "The Elica Group: Financial position and performance" in the Directors' Report. Reference should be made however to paragraph B.6.5.2 "Segment reporting" with regards to the analysis of revenue for the "Cooking" and "Motors" CGU's.

B.6.5.2 Segment reporting

The segment reporting required in accordance with IFRS 8 “Operating Segments” is presented below.

In Euro thousands	**Cooking**	**Motors**	**Eliminations and other adjustments**	**Elica Group 31/12/2024**	**Cooking**	**Motors**	**Eliminations and other adjustments**	**Elica Group 31/12/2023**
Revenue - third parties	353,086	99,006	(0)	452,092	365,702	107,502	0	473,204
Inter-segment revenues	(913)	25,195	- 24,283	0	1,363	25,393	(26,756)	-
Revenue	**352,173**	**124,202**	**- 24,283**	**452,092**	**367,065**	**132,895**	**(26,756)**	**473,204**
Other operating income/(expenses)	- 337,307	(110,874)	24,283	(423,898)	(336,763)	(117,467)	26,756	(427,474)
Restructuring charges	- 519	-	-	(519)	(518)	37	-	-481
Amortisation & depreciation	- 17,574	(5,430)	-	(23,004)	(18,547)	(5,180)	-	-23,727
Operating Profit	**(3,227)**	**7,898**	**-**	**4,671**	**11,237**	**10,285**	**-**	**21,523**
Financial income				11580				388
Financial expense				-7,268				(6,003)
Exchange rate gains/(losses)				-1448				(765)
Profit before taxes				**7,535**				**15,143**
Income taxes				1,790				(3,872)
Profit/ from continuing operations				**9,325**				**11,271**
Profit from discontinued operations				0				0
Profit for the year				**9,325**				**11,271**

In Euro thousands	**Cooking**	**Motors**	**Eliminations and other adjustments**	**Elica Group 31/12/2024**	**Cooking**	**Motors**	**Eliminations and other adjustments**	**Elica Group 31/12/2023**
Property, plant and equipment	72,581	28,155	-	100,736	76,003	28,737	-	104.740
Goodwill	38,137	12,075	-	50,212	37,697	12,075	-	49.772
Intangible assets with finite useful lives	16,065	10,185	-	26,250	16,142	10,549	-	26.690
Right-of-use assets	9,114	822	-	9,936	9,721	1,430	-	11.150
Non-current assets	**135,896**	**51,236**	**-**	**187,133**	**139,562**	**52,791**	**-**	**192.353**
Trade receivables	30,718	11,565	(7,452)	34,831	20,128	13,017	(6,414)	26.731
Inventories	62,060	23,999	(0)	86,059	63,966	26,908	-	90.874
Trade payables	(83,208)	(37,038)	7,452	(112,793)	(81,574	(31,866)	6,414	(107.025)
Managerial Working Capital	**9,571**	**(1,474)**	**(0)**	**8,097**	**2,521**	**8,059**	**-**	**10.580**
Deferred tax assets	23,892	1,880	-	25,772	18,766	1,926	-	20.691
Other non-current receivables and other assets	1,962	52	-	2,014	1028	56	-	1.083
Other current assets	14,925	3,065	-	17,989	4,972	803	-	5.775
Tax assets (current)	3,716	202	-	3,918	18,066	5,087	-	23.153
Derivative assets (current)	674	74	-	749	1,893	2	-	1.895
Derivative assets (non-current)	1,688	-	-	1,688	288	-	-	288
Other allocated assets	**46,857**	**5,272**	**-**	**52,129**	**45,012**	**7,874**	**-**	**52.886**
Deferred tax liabilities	(3,711)	(2,928)	-	(6,639)	(3,762)	(3,391)	-	(7.152)
Other current liabilities – excluding purchase of investments	(16,620)	(4,804)	-	(21,425)	(11,765)	(4,445)	-	(16.210)
Tax liabilities (current)	(820)	11	-	(809)	(5,134)	(823)	-	(5.957)
Derivative liabilities (current)	(408)	(892)	-	(1,300)	(93)	(224)	-	(316)
Derivative liabilities (non-current)	(264)	-	-	(264)	-	-	-	-
Employee benefits	(6,121)	(1,564)	-	(7,686)	(6,370)	(1,601)	-	(7.971)
Provisions for risks and charges (non-current)	(7,500)	(171)	-	(7,671)	(11,040)	(423)	-	(11.463)
Provision for risks and charges (current)	(4,605)	(314)	-	(4,919)	(5,784)	(31)	-	(5.815)
Other allocated liabilities	**(40,049)**	**(10,663)**	**-**	**(50,712)**	**(43,948)**	**(10,937)**	**-**	**(54.886)**
Capital Employed	**152,275**	**44,372**	**-**	**196,647**	**143,147**	**57,786**	**-**	**200.933**
Net Financial Debt				**(57,068)**				**(54.484)**
Total equity				**(139,580)**				**(146.449)**
Source of funds				**(196,648)**				**(200,933)**

The Elica Group produces and sells range hoods and extractor hobs (Cooking segment) and of motors for domestic ventilation and other uses (Motors segment).

Until December 31, 2021, the Elica Group had a single, global view of the Group's business, whereby the "chief operating decision maker", as defined by IFRS 8, was the Chief Executive Officer. The Group's operational reporting mirrored this centralized management approach to business; therefore, in accordance with IFRS 8, there was just one operating segment.

In 2021, the company began a reorganisation of operations, completed in the second half of 2022, that resulted in the transformation of the Italian production site of Mergo into a high-end hub, the transfer of the higher standardised production

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

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

In Euro thousands	**2024**	**2023**	**Changes**
Cooking	353,087	365,702	(12,615)
Motors	99,006	107,502	(8,496)
Revenue	**452,092**	**473,204**	**(21,112)**

There are no customers that individually generate more than 10% of total revenue in 2024 (as in 2023).

B.6.5.3 Other operating income

In Euro thousands	2024	2023	Changes
Grants related to income	1,744	2,818	(1,074)
Ordinary gains	95	152	(57)
Other revenues from associated companies	520	0	520
Claims and insurance settlement	617	564	53
Other operating income	1,747	1,792	(45)
Other operating income	**4,723**	**5,325**	**(602)**

Other operating income decreased by Euro 0.6 million, concentrated in Grants related to income The change for the year is mainly attributable to the reduced contribution of gas and energy and by the elimination of the R&D tax credit compared to 2023. The item includes gains for energy grants for Euro 387 thousand and grants related to the photovoltaic system for Euro 383 thousand. This account presents the majority of the public grants disbursed to the Group. Reference should be made to Note B.6.9 for information on the public grants presented according to Article 1, paragraph 125, No. 124 of Law of August 4, 2017.
"Other operating revenue" mainly comprises extraordinary gains by the parent company, Elica S.p.A., such as refunded excise tax and advertising bonuses from previous years, as well as revenue on the sale of electricity generated but not consumed by the subsidiary EMC FIME S.r.l.

B.6.5.4 Increase in internal work capitalised

The Increase in internal work capitalised, amounting to Euro 4,943 thousand (Euro 2,895 thousand in the previous year), includes Euro 722 thousand related to the Mexican subsidiary (Euro 750 thousand in 2023), Euro 256 thousand to the subsidiary E.M.C. Fime S.r.l. (Euro 344 thousand in 2023) and Euro 3,965 thousand Elica S.p.A. (Euro 1,801 thousand in 2023).
These increases relate to the capitalisation of costs for the design and development of new products and internal costs incurred for the construction of mouldings, industrial equipment and the introduction of new IT programmes. Internal works capitalised principally comprise personnel expense and external consulting.
The table below provides greater detail concerning the nature of the costs capitalised during the year compared with December 31, 2023.

In Euro thousands	2024	2023	Changes
Raw materials and consumables	312	171	141
Services	2,314	843	1,471
Personnel expense	2,311	1,878	433
Other operating expenses and accruals	6	3	4
Increase in internal work capitalised	**4,943**	**2,895**	**2,049**

All costs capitalised during the year are related to Intangible fixed assets, the main changes of which are described in Section B B.6.5.18.

B.6.5.5 Amortisation, depreciation and impairment losses

Amortisation and depreciation reports a small decrease from Euro 23,727 thousand in 2023 to Euro 23,004 thousand in 2024. The most significant change concerns property, plant and equipment. For further details, reference should be made to points B.6.5.15, B.6.5.18 and B.6.5.18.1 of these notes.
During the year, impairment of intangible assets in progress was recognised for Euro 303 thousand related to two development projects for which work was interrupted during the year.

B.6.5.6 Personnel expense

Personnel expense incurred by the Group in 2023 and 2024 was as follows:

In Euro thousands	2024	2023	Changes
Wages and salaries	64,947	62,320	2,627
Social security expenses	18,876	17,590	1,286
Post-employment benefits	2,429	2,506	(77)
Other personnel expense	4,842	329	4,513
Personnel expense	**91,094**	**82,745**	**8,349**

Personnel expense overall increased by approximately Euro 8.3 million.

This change was the result of multiple factors. On one hand, the salary adjustment correlated to inflationary dynamics must be taken into account, both in Italian companies, due to inflation adjustment measured by the IPCA index excluding the price dynamics of imported energy goods (ISTAT), which, for the second consecutive year, recorded an increase of approximately 7%, and in foreign production companies due to minimum wage increase mechanisms defined by individual countries (Poland and Mexico). On the other, part of this increase derives from the new distribution companies in the United States and Canada established in the latter part of 2023, and also especially from the fact that, as highlighted in relation to other personnel expenses, 2023 was affected by the adjustment of variable incentives to employees and in particular the Long-Term Incentive Plan fund linked to the 2021-2023, which led to its adjustment in consideration of company performance actually achieved over the three-year period.
All of this came about despite the mitigating effect of implementation of the production footprint reorganisation completed in 2023, which led to the transfer of a part of production from Elica S.p.A.'s Italian plants to the Polish plant of the subsidiary Elica Group Polska, thereby ensuring greater flexibility in production management in response to market fluctuations. This latter factor is not irrelevant as the marked decline in demand, which continued throughout 2024, caused a further contraction in production volumes both in the Cooking segment and in the Motors segment. Personnel expense at December 31, 2024, includes the cost for projects that have been capitalised for Euro 2.3 million, as detailed in paragraph B.6.5.4 Increase in internal work capitalised.

The table below reports the Group workforce at December 31, 2023, and December 31, 2024.

Workeforce	12/31/2024	12/31/2023	Changes
Executives	34	32	2
White-collar	762	746	16
Blue-collar	1,663	1,770	(107)
Others	140	152	(12)
Total	**2,599**	**2,700**	**(101)**

The reduction in the number of employees is mainly attributable to the foreign subsidiary Elicamex S.A. de C.V. and reflects the dynamics described above.

B.6.5.7 Other operating expenses

B.6.5.7.1 Change in inventories of finished and semi-finished products and raw materials and consumables

In Euro thousands	2024	2023	Changes
Purchase of raw materials	181,464	193,070	(11,606)
Purchase of semi-finished products	22,003	22,387	(384)
Purchase of consumables and supplies	1,930	2,504	(574)
Purchase of finished products	26,287	23,163	3,124
Packaging	1,324	1,381	(57)
Others	2,500	2,159	341
Transport on purchases	4,218	3,920	298
Change in inventory of raw materials, consumables, supplies and goods	(289)	8,509	(8,798)
Raw materials and consumables	**239,437**	**257,093**	**(17,656)**
Change in finished and semi-finished products	**1,295**	**3,404**	**(2,109)**
Total	**240,732**	**260,497**	**(19,765)**

The two items, Raw materials and consumables and changes in inventories of finished and semi-finished products, may be considered together. The total value of consumables decreased by Euro 19.8 million, while as a percentage of revenue they decreased from 55.0% in 2023 to 53.2% in 2024. This trend is primarily due to the lower volume of purchases made during the year because of market trends, but also from the partial recovery of the sharp increase in raw materials costs and in the components recorded during previous years. At the same time, the work on improving working capital management pursued by Management, which led to a significant reduction in inventories at December 31, 2024, has positively impacted the change.
In detail, the items that decreased the most are purchases of raw materials, ancillaries and consumables and purchases of semi-finished products. On the other hand, purchases of finished products and transport on purchases increased in response to development of the commercial strategy pursued by the Group to transition to Cooking, providing new products such as ovens and wine cellars.
Consumption of raw materials and consumables at December 31, 2024, includes the cost for projects that have been capitalised for Euro 0.3 million, as detailed in paragraph B.6.5.4 Increase in internal work capitalised.
Changes in inventories of finished and semi-finished goods report total costs of approx. Euro 1.3 million, while the change in the inventory of raw materials, consumables, supplies and goods reports income of approx. Euro 0.3 million. Both items reflect the decrease in production volumes and in purchase costs during the year, but above all the significant destocking efforts throughout the year.

B.6.5.7.2 Services

In Euro thousands	2024	2023	Changes
Outsourcing	22,957	24,107	(1,150)
Maintenance	2,443	2,458	(15)
Transportation	10,692	11,142	(450)
Trade fairs and promotional events	4,578	1,897	2,681
Utilities	5,512	6,593	(1,081)
Promotion and advertising fees	3,673	2,626	1,047
Commissions and bonuses	1,515	1,663	(148)
Management of finished products	8,386	8,706	(320)
Consultancy	10,885	8,573	2,312
Industrial services	874	863	11
Travelling expenses	2,007	1,549	458
Insurances	1,646	1,462	184
Banking commissions and charges	605	374	231
Other professional services	13,319	11,223	2,096
Heating expenses	758	1,379	(621)
Statutory auditors' fees	143	137	6
Directors' fees	1,241	1,387	(146)
Car management	840	774	66
Costs to remain listed on the stock exchange	477	455	22
Services	**92,551**	**87,368**	**5,183**

Service costs increased in absolute value, in the amount of Euro 5.2 million, going from 18.5% to 20.5% of revenues. The increase, in line with the investment strategy for the transformation to Cooking, is primarily reflected in the "Promotion & advertising" fees, which include investments for participation in the Milan furniture trade fair of April 2024, the sponsorship with Ducati where the Elica brand gained visibility on the fairing of the Ducati Desmosedici GP, on the riders' suits and on the team uniforms, thereby reaching a continuously growing audience, and finally the marketing and communication efforts for the launch of new products, such as the LHOV, and for the new brand identity.
Compared to 2023, Consultancy fees increased by Euro 2.3 million and "Other professional services" by Euro 2.1 million, mainly for projects that have been capitalised. The capitalisation of service costs in 2024 amounts to Euro 2.3 million, as indicated in paragraph B.6.5.4 Increase in internal work capitalised.

The items Outsourcing reduced by Euro 1.2 million, Utilities by Euro 1.1 million, Heating expenses by Euro 0.6 million, and Transportation by Euro 0.5 million, in line with the decline in production that continued in 2024 and with the recovery from the sharp increase in utility and gas costs recorded in previous years.

B.6.5.7.3 Other operating expenses and accruals

These are detailed as follows:

In Euro thousands	**2024**	**2023**	**Changes**
Rental of vehicles and industrial equipment	567	658	(91)
Leases and rentals	1,138	1,088	50
HW, SW, patent use fees	316	510	(194)
Other taxes (no income tax)	1,247	950	297
Magazines, Subscriptions' expenses	4	4	0
Sundry equipment	446	390	56
Catalogues and brochures	315	187	128
Credit losses and loss allowance	879	(1,228)	2,107
Provisions for risks and charges	2,893	1,359	1,534
Other prior year expenses and losses	1,078	1,026	52
Other operating expenses and accruals	**8,883**	**4,944**	**3,939**

Overall, this account increased by Euro 3.9 million, especially in relation to the components Credit losses and loss allowance and Provisions for risks and charges. In this regard, differing from 2024, provisions were released in 2023 as risks related to business operations that had given rise to the allocations in previous years were eliminated or as cash outflows were deemed no longer likely in order to meet the underlying obligations.
“Rental of cars and industrial vehicles” and “Lease charges” include costs related to rental and lease agreements excluded from application of IFRS 16, such as those of insignificant amount, and/or of a duration less than 12 months without renewal.
These changes reflect updated estimates made by Management for risk coverage.

B.6.5.7.4 Restructuring charges

In Euro thousands	2024	2023	Changes
Restructuring charges	519	481	38
Restructuring charges	**519**	**481**	**38**

At December 31, 2024, the item mainly includes personnel expenses. It is essentially in line with December 31, 2023, and reflects the rightsizing pursued largely throughout previous years.

B.6.5.8 Financial expense

Financial expense may be broken down as follows:

In Euro thousands	2024	2023	Changes
Financial expense on overdrafts and bank loans	6,042	4,719	1,323
Interest on lease liabilities (IFRS 16)	332	267	65
Financial expenses on post-employment benefits	229	262	(33)
Financial discounts	622	754	(132)
Other financial expense	43	1	42
Financial expense	**7,268**	**6,003**	**1,265**

In increase of Euro 1.3 million in financial expense is concentrated in “Financial expense on overdrafts and bank loans” and is strictly correlated with the increase in finance cost due to the rising interest rates seen in the first half of 2024 in response to ECB monetary policy. This increase in finance cost impacted both short-term and longer-term financing obtained during the year.

B.6.5.9 Financial income

Details of financial income are shown below:

In Euro thousands	**2024**	**2023**	**Changes**
Interest on bank and postal deposits	360	274	86
Other financial income	11,220	114	11,106
Financial Income	**11,580**	**388**	**11,192**

Financial income recorded a significant increase compared to the previous year, mainly attributable to other financial income. This movement is mainly due to the gain for approx. Euro 7.7 million from the sale of 4.78% of the share capital of the Indian investee ELICA PB Whirlpool Kitchen Appliances Private Limited to Whirlpool of India Limited, and Euro 3.1 million from the valuation of the remaining 1.59% stake, for Euro 1.5 million and the valuation of a related Put&Call option for Euro 1.7 million.

B.6.5.10 Income and expenses from Group companies

In 2024, the account had a zero balance.

D.6.5.11 Exchange rate gains/(losses)

In Euro thousands	**2024**	**2023**	**Changes**
Exchange rate losses	(10,638)	(8,380)	(2,258)
Exchange rate gains	10,296	10,424	(128)
Losses on derivatives	(6,180)	(6,880)	700
Gains on derivatives	5,074	4,071	1,003
Net exchange rate gains/(losses)	**(1,448)**	**(765)**	**(683)**

Net exchange rate losses, excluding transactions in derivative instruments, amounted to Euro 342 thousand, down from the Euro 2,386 thousand of the previous year. Exchange rate gains and losses principally concern: EGP, with exchange rate gain of Euro 683 thousand; Elicamex S.A. de C.V., with net losses of Euro 378 thousand; and EMC Fime Srl, with net losses of Euro 263 thousand. Finally, Elica S.p.A. posted a net exchange rate loss of Euro 1,314 thousand. The remaining loss is attributable to the remaining companies of the Group.
Net (gains)/losses on derivative instruments were losses of Euro 1,106 thousand in 2024, compared to losses of Euro 2,818 thousand in 2023.
Paragraph B.6.7. Risk management of these notes reports information on derivative operations.

B.6.5.12 Income taxes

Income taxes in 2024 and 2023 are broken down into current and deferred taxes as follows:

In Euro thousands	**2024**	**2023**	**Changes**
Current taxes	3,336	2,244	1,092
Deferred taxes	(5,126)	1,628	(6,754)
Income taxes	**(1,790)**	**3,872**	**(5,662)**

Income taxes for the year shows a positive balance in 2024 for Euro 1.8 million, compared to 2023 when it represented an expense of Euro 3.9 million. The balance comprises current and deferred taxes. At December 31, 2024, Elica S.p.A. has tax income of Euro 3.4 million, as do the subsidiaries Elicamex for Euro 2.8 million, EMC Fime for Euro 1.4 million, and Airforce for Euro 0.1 million. Conversely, the subsidiaries Ariafina, for Euro 1.5 million, and Elica Group Polska, for Euro 1.3 million, report income tax expense. It should be noted that the main element determining a positive impact on the Group's taxes for the year is the tax benefit related to the patent box incentive, recognised for the years 2020-2024 following the signing of the Agreement with the Italian Tax Agency on December 27, 2024. The tax benefit amounts to approximately Euro 3.3 million for Elica S.p.A. (IRES) and to approximately Euro 0.2 million for EMC FIME S.r.l.
For 2024, the Parent's theoretical tax rate (theoretical tax on pre-tax income) was 28.73%, based on the corporate income tax (IRES) and regional tax on productive activities (IRAP) rates applicable to the reported taxable income for the year ended December 31, 2024, while they vary from country to country according to local legislation in force for the other foreign Group companies.
The table below shows a reconciliation between the theoretical and effective income taxes ("IRES" for the Italian Group companies) paid by the Parent.
The effective tax rate decreased from 18.7% to -28.9%

Reconciliation between expected and effective tax rates

		2024					2023				
	Theoretical IRES rate	24.00%					24.00%				
	Theoretical IRAP rate	4.73%					4.73%				
	(in Euro thousands)	**I Taxable base**	**Income taxes**	**IRAP**	**Total**	**% IRES on tax base**	**I Taxable base**	**Income taxes**	**IRAP**	**Total**	**% IRES on tax base**
	[A] TOTAL INCOME TAXES		**(2,179)**	**331**	**(1,849)**	**-28.9%**		**4,477**	**1,220**	**5,697**	**18.7%**
	PROFIT BEFORE TAXES	**7,535**					**23,985**				
+	Tax calculated using local tax rate		1,809			24.0%		5,757			24.0%
+	Tax effect of (income)/expenses not considered for tax purposes	(19,642)	(4,716)			-62.6%	(2,205)	(529)			-2.2%
-	Tax effect on the different tax rates of the foreign subsidiaries	1,025	246			3.3%	(2,542)	(610)			-2.5%
-	Other differences	330	82			1.1%	91	7			0.0%
	[B] Effective tax charge and tax rate net of substitute tax	**(10,752)**	**(2,579)**			**-34.2%**	**19,300**	**4,624**			**19.3%**
-	Tax credit for Polish investments		(719)			-9.5%		(113)			-0.5%
-	- Tax refund / foreign taxes / prior year taxes / substitute tax		1,119			14.9%		(35)			-0.1%
	[C] Effective tax charge and tax rate	**(10,752)**	**(2,179)**			**-28.9%**	**19.330**	**4.476**			**18.7%**

B.6.5.13 Basic earnings per share – Diluted earnings per share

The calculation of basic and diluted earnings per share is based on the following data:

In Euro thousands	**12/31/2024**	**12/31/2023**
From continuing and discontinued operations:		
Profit/(loss) attributable to owners of the Parent (In Euro thousands)	7,868	9,775
Average number of ordinary shares net of treasury shares	61,808,319	62,489,018
Basic earnings/(loss) per share	**12.73**	**15.64**
Weighted average number of ordinary shares to calculate diluted earnings per share	61,808,319	62,489,018
Diluted earnings/(loss) per share	**12.73**	**15.64**
From continuing operations		
Profit/(loss) attributable to owners of the Parent (In Euro thousands)	7,868	9,775
Average number of ordinary shares net of treasury shares	61,808,319	62,489,018
Basic earnings/(loss) per share	**12.73**	**15.64**
Weighted average number of ordinary shares to calculate diluted earnings per share	61,808,319	62,489,018
Diluted earnings/(loss) per share	**12.73**	**15.64**

Basic earnings per share is calculated based on the net profit of the Group and the weighted average number of shares outstanding at the balance sheet date. Treasury shares are excluded from the calculation. Diluted earnings per share equate to the basic earnings per share adjusted to assume conversion of all potentially dilutable shares, i.e. all financial instruments potentially convertible into ordinary shares, with a dilutive effect on earnings, considering the denominator the number of shares which potentially may be added to those in circulation under an allocation or utilisation of treasury shares in portfolio under stock grant plans.

Basic earnings per share and diluted earnings per share are equivalent in that there are no classes of instruments that could affect the latter indicator, i.e., there are no financial instruments potentially convertible into ordinary shares that have a dilutive effect, nor are there any instruments (including contingently issuable shares) that could potentially do so in the future that are not included in the calculation because they have no dilutive effects in the periods presented.

In addition, there are no transactions involving ordinary shares or potential ordinary shares after the end of the fiscal year that could have significantly changed the number of ordinary shares or potential ordinary shares outstanding at the end of the fiscal year had they occurred before that date.

B.6.5.14 Other information on income statement items

The research and development costs charged in the Income Statement in 2024 and 2023 are summarised in the table below:

In Euro thousands	2024	2023	Changes
Research costs taken to profit or loss	5,491	5,709	(218)
Amortisation of capitalised development costs in the year	2,038	2,633	(595)
Total research and development costs	**7,529**	**8,342**	**(813)**
Development costs capitalised in the year	**1,919**	**1,087**	**832**

(*) the Amortisation also includes any write-downs.

Development costs capitalised in the year regard product design and development activities related to the core business, including in relation to expansion of the Group's product line, mainly in Cooking segment, but also in Motors.

Consolidated Statement of Financial Position

B.6.5.15 Plant, property and equipment

The table below shows details of the changes in property, plant and equipment in 2024 and 2023.

In Euro thousands	Land & buildings	Plant and machinery	Industrial and commercial equipment	Other assets	Assets under construction and payments on account	Historical cost property, plant & equipment
12/31/2022	**72,122**	**112,337**	**123,293**	**15,792**	**3,640**	**327,184**
Increase	977	5,006	6,133	1,152	2,393	15,661
Disposals & other reclassifications	79	(1,231)	(6,750)	(480)	(3,980)	(12,362)
Other changes	(1,089)	3,176	3,189	311	392	5,979
12/31/2023	**72,089**	**119,288**	**125,865**	**16,775**	**2,445**	**336,462**
Increase	1,045	2,957	3,850	1,969	2,334	12,155
Disposals & other reclassifications	1,093	(1,338)	(2,680)	(661)	(2,458)	(6,044)
Variation consolidation perimeter	0	0	0	1	0	1
Other changes	(1,006)	(2,714)	(1,617)	(409)	19	(5,727)
12/31/2024	**73,221**	**118,193**	**125,418**	**17,675**	**2,340**	**336,847**

In Euro thousands	Land & buildings	Plant and machinery	Industrial and commercial equipment	Other assets	Assets under construction and payments on account	Accumulated Depreciation
12/31/2022	**35,407**	**75,600**	**102,438**	**12,407**		**225,852**
Depreciation	1,915	4,325	5,766	975		12,981
Disposals & other reclassifications	209	(1,788)	(6,776)	(28)		(8,383)
Other changes	(2,433)	1,250	2,422	33		1,272
12/31/2023	**35,098**	**79,387**	**103,850**	**13,387**		**231,722**
Depreciation	2,044	4,608	5,446	1,152		13,250
Disposals & other reclassifications	(71)	(1,407)	(3,224)	(697)		(5,399)
Other changes	(266)	(1,693)	(1,150)	(353)		(3,462)
12/31/2024	**36,805**	**80,895**	**104,922**	**13,489**		**236,111**

In Euro thousands	Land & buildings	Plant and machinery	Industrial and commercial equipment	Other assets	Assets under construction and payments on account	Net property, plant and equipment
12/31/2022	**36,715**	**36,737**	**20,855**	**3,385**	**3,640**	**101,332**
Increase	977	5,006	6,133	1,152	2,393	15,661
Depreciation	(1,915)	(4,325)	(5,766)	(975)	0	(12,981)
Disposals & other reclassifications	(130)	557	26	(452)	(3,980)	(3,979)
Other changes	1,344	1,926	767	278	392	4,707
12/31/2023	**36,991**	**39,901**	**22,015**	**3,388**	**2,445**	**104,740**
Increase	1,045	2,957	3,850	1,969	2,334	12,155
Depreciation	(2,044)	(4,608)	(5,446)	(1,152)	0	(13,250)
Disposals & other reclassifications	1,164	69	544	36	(2,458)	(645)
Other changes	(740)	(1,021)	(467)	(56)	19	(2,265)
12/31/2024	**36,416**	**37,298**	**20,496**	**4,186**	**2,340**	**100,736**

Property, plant and equipment decreased from Euro 104,740 thousand at December 31, 2023 to Euro 100,736 thousand at December 31, 2024, a net decrease of Euro 4,004 thousand as a result of the sales, purchases and of depreciation recorded in the income statement of Euro 13,250 thousand, in line with the figure at December 31, 2023. Investments in the year mainly concerned “industrial and commercial equipment”, “plant and machinery” and “assets under construction”, respectively for Euro 3,441 thousand, Euro 2,930 thousand and Euro 2,851 thousand, following the actions taken to improve the manufacturing plant and machinery, the purchase of new mouldings and assembly lines for the launch of new products, such as the LHOV, 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 412 thousand. There were no significant disposals in the period.

Other changes include net exchange rate losses of approximately Euro 2.3 million.

As required by IAS 16 – Property, Plant and Equipment, management has reviewed the estimated residual values and expected useful lives of these assets. In particular, given all the factors that can have an effect on this estimate (IAS 16.56), especially the great instability of the economic landscape and climate-related issues, the estimate of the remaining useful life of assets is deemed to be appropriate.

The historical cost criteria remains the measurement method used for property, plant and equipment after initial recognition.

The historical cost includes revaluations permitted by previous legislation on first time application as considered representative of the fair value of the property, plant and equipment when the revaluation was made.

B.6.5.16 Goodwill

In Euro thousands	12/31/2023	Incrementi	Decrementi	altri movimenti	12/31/2024
Goodwill allocated to subsidiaries	49,772	206	-	234	50,212
Goodwill	**49,772**	**206**	**-**	**234**	**50,212**

Goodwill, in the amount of Euro 50.2 million, increased in part for the consolidation of the new Dutch distributor, Elica Nederland (for further details see section B.6.5.33), and in part for the Euro 0.2 million related to the conversion into euros of the financial statements of the foreign subsidiaries. Of this goodwill, Euro 38.1 million was allocated to the Cooking CGU, and Euro 12.1 million was allocated to the Motors CGU, as specified in paragraph B.6.5.17 Impairment test.

B.6.5.17 Impairment test

International Accounting Standard (IAS) 36 establishes standards for the recognition and disclosure of the impairment of certain types of assets, including goodwill, and presents the principles that businesses must follow to ensure that their assets are measured at no greater than their recoverable amount.
IAS 36 defines recoverable amount as the greater of:

- fair value less costs of disposal, i.e. the amount obtainable, net of disposal costs, from the sale of the asset in an arm's length transaction between knowledgeable, willing parties; and
- value in use, which is equal to the present value of the future cash flows expected to be derived from an asset or cash-generating unit.

IAS 36 requires the carrying value[43] of goodwill to be compared with its recoverable amount whenever there is an indication that the asset may have undergone a reduction in value, and at least once per year in conjunction with impairment testing for the

[43] The carrying amount is equal to the sum of non-current assets (i.e. property, plant and equipment; goodwill, intangible assets with a finite useful life, and right-of-use assets), managerial working capital (i.e. trade receivables and inventories less trade payables), and other assets and liabilities (i.e. tax receivables and payables, provisions for risks and charges, other current receivables and payables excluding the portion related to the purchase of equity investments, which are included among net financial position, deferred tax assets and liabilities related to purchase price allocations, assets and liabilities for derivative financial instruments excluding interest rate swaps, which are instruments used to hedge the cash flows of financing).

annual financial statements. The recoverable amount of goodwill is measured in reference to the cash generating unit (CGU), given that goodwill is not able to generate cash flows on its own.

A CGU is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows generated by other assets or groups of assets and with regard to which the Group has separate reporting of results.

The impairment testing undertaken in 2024 was based on the Group’s five-year (2025-2029) financial forecasts, as prepared by management solely for the purposes of impairment testing and taking into account the current macroeconomic landscape and current trends in the markets in which the Group operates and as approved by the Board of Directors of the Parent Company on February 13, 2025.

In accordance with IAS 36, and based on the considerations presented above, impairment testing of goodwill for the Group’s consolidated financial statements at December 31, 2024, included the following activities:
1) Identification of goodwill;
2) Identification of the CGUs and allocation of goodwill to these CGUs;
3) Measurement of the recoverable amount of the CGUs;
4) Results of impairment testing;
5) Sensitivity analyses on impairment test results in relation to changes in the underlying assumptions.

The Directors do not consider the difference between Equity and Market Capitalization to be an indicator of impairment because the latter figure does not reflect the real economic value of the Group and the stock's performance is in line with the performance of stocks considered peers by size of capitalization or industry.
Elica is also a particularly cyclical stock with a low percentage of free float, which broadens the performance gap of the share in a market landscape that remains critical, with continuing increases in both bond yields and geopolitical uncertainty, in addition to the fact that the share has been involved in a reshuffling, like many Italian small-cap shares, by foreign investment funds that have diversified their portfolios.

Identification of goodwill

Goodwill totalling Euro 50.2 million was subjected to impairment testing. The balance sheet shows no other intangible assets with finite useful lives.

Identification of the CGUs and allocation of goodwill to these CGUs

IAS 36 requires that each CGU or CGU group to which goodwill is allocated represent the minimum level, within the entity, at which goodwill is monitored for management purposes and not be broader than an operating segment as defined by IFRS 8 – Operating Segments.
Impairment testing of the Group's goodwill was undertaken by identifying the CGUs into which it is possible to break down the Group's business and analysing the 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.

As discussed in paragraph B.6.5.2., at December 31, 2021, the Group had a single operating segment for the purposes of IFRS 8, given that management made operating decisions centrally.
At December 31, 2021, this segment also represented the minimum level at which goodwill was monitored for management purposes and, consequently, subjected to impairment testing.
In 2021, the company began a reorganisation of operations, completed in the second half of 2022, that resulted in the transformation of the Italian production site of Mergo into a high-end hub, the transfer of the higher standardised production lines to the Jelcz-Laskowice plant in Poland, and the integration into the Mergo plant of the activities currently carried out at the Cerreto site. Within this context, in the first half of 2022, the Motors division of Elica S.p.A. was transferred to the subsidiary EMC FIME S.r.l. with the goal of concentrating this operating segment within a single company.
Upon completion of this process, the Group began operating under a new organizational structure with two distinct areas of managerial responsibility, which now make up the Group's operating segments: Cooking and Motors.
These areas of responsibility are represented in procedures by which the Group is managed, and reporting is structured in the same manner and is periodically analysed by the CEO and by senior management.
As a result, the Group has defined two CGUs, and namely the segments Motors (which includes EMC FIME and the Motors division of the Polish subsidiary, Elica Group Polska) and Cooking, which encompasses the rest of the Group.

Therefore, at December 31, 2024, goodwill was allocated to the two CGUs that comprise the two operating segments defined by management, which represent the minimum level at which goodwill is monitored for internal management purposes. This allocation was undertaken, with the support of a leading advisory firm, using the relative fair value approach based on the present value of the expected future cash flows for the two CGUs, as this was the approach found to best represent the allocation of goodwill.
As a result, goodwill of Euro 38.1 million was allocated to the Cooking CGU, and goodwill of Euro 12.1 million was allocated to the Motors CGU.

Measurement of the recoverable amount of the CGUs

The Impairment Test of the Group's goodwill at December 31, 2024 was undertaken by identifying the recoverable value of the individual CGUs in the value in use.
The recoverable value of the two Cash Generating Units was determined, also with the support of a leading consulting firm, through the determination of their respective value in use, understood as the present value of the expected future cash flows generated by the CGUs and estimated in accordance with the discounted cash flow method.

The Impairment Test was approved by the Board of Directors on February 13, 2025, independently and prior to the preparation of the financial statements.

Discounted cash flow assumptions
The principal assumptions utilised by the Company for the estimate of the future cash flows for the impairment test were as follows:

Cooking CGU

	2024	2023
Weighted average cost of capital (WACC)	7.7%	7.9%
Growth rate terminal value	1.0%	1.0%

Motors CGU

	2024	2023
Weighted average cost of capital (WACC)	8.2%	8.8%
Growth rate terminal value	1.0%	1.0%

The Weighted Average Cost of Capital (WACC) utilised to discount the future cash flows was determined utilising the Capital Asset Pricing Model (CAPM).
For the calculation of the Cooking WACC a free risk rate of 4% was used, a market premium risk of 5.6% and a beta-unlevered factor of 0.67.
For the calculation of the Motors WACC a free risk rate of 3.9% was used, a market premium risk of 5.2% and a beta-unlevered factor of 0.77.

Assumptions utilised in estimating cash flows
The discounted cash flow model is based on the cash flows calculated on the basis of the best estimates made by the directors, for the sole purposes of the impairment test, for a period of five years, the first of which coincides with the 2025 budget (2025-2029 Operating and Financial Projections).
The 2025-2029 Operating and Financial Projections used for the purpose of the impairment test were prepared and approved by the Directors on February 13, 2025.
The main assumptions utilised in the determination of the cash flows were as follows:

Cooking CGU

- a revenue CAGR over the 2025-2029 period of 3.9%.
- average EBITDA on revenue equal to 6.4%;
- average EBIT on revenue equal to 2.0%;
- average Capex on revenue equal to 3.2%;
- level of Free Operating Cash flow After Taxes on revenue equal to 2.8%.

Motors CGU

- A revenue CAGR over the 2025-2029 period of 5.7%.
- average EBITDA on revenue equal to 10.6%;
- average EBIT on revenue equal to 5.6%;
- average Capex on revenue equal to 3.4%;
- level of Free Operating Cash flow After Taxes on revenue equal to 3.8%.

The assumptions utilised in the estimates are based on historical and forecast data of the Group, and are in line with information available from independent sector and market analysts in which the Group operates. These estimates are subject to changes, even significant, deriving from uncertainties which continue to effect the markets, particularly fuelled by the geopolitical landscape and by environmental issues. For this reason, management continues to periodically monitor the circumstances and events which affect these assumptions and future trends.
In particular, with regard to environmental issues, considering the Group's industry, we refer to the assumptions made by management regarding the contribution to be pursued with product solutions that ensure efficiency and control of environmental impact. For example, through the use of Brushless motors, which are quiet and efficient, and can reduce CO_2 emissions and energy consumption by up to 70%, the Group can offer aspiration hobs with integrated suction that reach energy class A++, as well as products with IOT systems and sensor technology that allow automatic adjustment of suction to curb the impact on the environment and energy expenditure, and finally - assuming a recovery in the market due to the drive to pass the "Green Home" Directive - heat pump motors.
Product solutions are also complemented by projects pertaining to the circular economy, such as the increased use of recycled components, particularly in terms of reducing the use of virgin plastic in the production process, the use of EVO filters with the ability to regenerate and last beyond their normal service life, and the use of packaging with an increasingly smaller Styrofoam component; costs and investments related to these projects have been reflected within the financial-operating projections.

Results of the Impairment Test

The impairment test did not result in the recognition of loss in value of the goodwill. The value in use of the Cooking CGU (Euro 184.0 million) was 1.3 times its book value. The value in use of the Motors CGU (Euro 101.2 million) was 2.1 times its book value.

Sensitivity analysis

In order to better appreciate the sensitivity of the results of the Impairment Test with respect to changes in the basic assumptions, several sensitivity analyses were performed assuming reasonable changes in 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 6.7% and 8.7% and for Motors 7.2% and 9.2%).
In addition, sensitivity analyses were 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 resulted in a CGU recoverable amount equal to or below the respective book values.
Specifically, on a change in the growth rate the coverage would fluctuate between 1.2 and 1.5 for Cooking and between 1.9 and 2.3 for Motors, while on a change in WACC the coverage would fluctuate between 1.5 and 1.1 for Cooking and between 2.4 and 1.8 for Motors, on an increase in raw material costs the coverage would fluctuate between 1.2 and 1.0 for Cooking and between 2.0 and 1.8 for Motors. Finally, on a change in the EBITDA margin the coverage would range between 1.1 and 1.0 for Cooking and between 1.9 and 1.8 for Motors.
WACC and growth rate g were then considered, which make the coverage equal to 1. Regarding the WACC, the breakeven value for Cooking is 9.8% and for Motors is 14.8%. The breakeven g growth rate for Cooking is -1.8% and for Motors is -12.8%.

The Group continues extensive monitoring of demand dynamics across all markets in execution of the 2024-2026 operating-financial projections and in particular the guidance for 2025 and 2026, as better presented in the Outlook section of the Directors' Report. Group management will continue to monitor events and circumstances, including developments in the geopolitical landscape and climate-related issues, all of which underlie the assumptions on future business for the two CGUs.

B.6.5.18 Other Intangible assets with finite useful lives

The table below shows details of changes in other intangible assets in 2024 and 2023.

In Euro thousands	Development costs	Industrial patents and intellectual property rights	Concessions, licences, trademarks and software	Other intangible assets	Assets under development and payments on account	Net intangible assets
12/31/2022	**7,834**	**1,441**	**6,763**	**10,380**	**2,166**	**28,584**
Increase	1,087	138	585	114	2,440	4,364
Amortisation	(2,633)	(437)	(2,299)	(317)	0	(5,686)
Disposals & other reclassifications	0	0	0	0	0	0
Other changes	631	104	1,006	(516)	(1,797)	(572)
12/31/2023	**6,919**	**1,246**	**6,055**	**9,661**	**2,809**	**26,690**
Increase	1,919	565	790	32	2,292	5,598
Amortisation	(2,038)	(668)	(2,025)	(781)	0	(5,512)
Disposals & other reclassifications	(586)	1,427	875	73	(1,787)	2
Other changes	(215)	(4)	(1)	(31)	(277)	(528)
12/31/2024	**5,999**	**2,566**	**5,694**	**8,954**	**3,037**	**26,250**

At December 31, 2024, intangible assets amounted to Euro 26,250 thousand, a net decrease of Euro 0.4 million on the previous year.
Development costs relate to product design and development activities. The increase in the year of Euro 1.9 million is mainly attributable to the cost of developing new products, especially as incurred by Elica for the new product LHOV.
Industrial patents and intellectual property rights include the recognition of patents, associated development costs, intellectual property rights and software programmes. The increase in the year of Euro 0.6 million principally relates to the Parent and EMC FIME S.r.l. and concerns costs for the new patents related to product development.
Concessions, licenses, brands and similar rights refers to the registration of brands by Group companies.
Other Intangible assets of Euro 9.0 million mainly concerns the technologies developed, whose main component (Euro 8.4 million) was recognised by the Group, following the business combination in 2021 of the two companies E.M.C. and C.P.S., merged in 2022 into E.M.C. Fime S.r.l.

Assets under development and payments on account of Euro 3.0 thousand refer in part to advances to suppliers, the development of projects for the implementation of new IT platforms, the design and development of new software applications and in part to the development of new products. This increased by Euro 2.3 million during the year.
Other changes include an exchange rate loss of approx. Euro 0.3 million, in line with the previous year, in addition to the write-down of two development projects for which work was interrupted during the year for Euro 0.3 million.

The recoverable amount of the development costs and all intangible assets is verified annually and is greater than the corresponding book value, and therefore it is not necessary to recognise an impairment loss. The criteria applied to amortise intangibles is considered appropriate to reflect the remaining useful life of the assets and also takes account of the multiple factors of uncertainty related to the macroeconomic landscape and to climate-related issues.
In addition to the recoverability of intangible assets, the capitalisation of development costs and intangible assets in progress are also the result of estimates formulated by the Directors, which depend strictly on expectations regarding cash flows deriving from the sale of products distributed by the Elica Group. These estimates to date take into account regulatory developments and changing market demands, are reflected in the operating and financial projections, and are based on growths described in section B.6.5.17 Impairment test.

B.6.5.18.1 Right-of-use assets

In Euro thousands	Buildings	Machines and installation	Industrial and commercial equipment	Other	Assets under construction and payments on account	Net property use rights
12/31/2022	**7,135**	**91**	**0**	**5,138**		**12,364**
Increase	597	68	0	2,502		3,167
Depreciation	(1,615)	(27)	0	(2,222)		(3,864)
Disposals & other reclassifications	(233)	(73)	0	(586)		(892)
Other changes	213	(1)	0	162		374
12/31/2023	**6,097**	**58**	**0**	**4,995**		**11,150**
Increase	741	29	0	2,433		3,203
Depreciation	(2,050)	(36)	0	(2,157)		(4,243)
Disposals & other reclassifications	(220)	(1)	0	3		(218)
Other changes	75	2	0	(33)		44
12/31/2024	**4,643**	**52**	**0**	**5,241**		**9,936**

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 9,936 thousand at December 31, 2024, a net decrease of Euro 1.2 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 and the warehouse of the Canadian subsidiary for Euro 222 thousand, eliminations and of depreciation recognised to the income statement of Euro 4,243 thousand (Euro 3,864 thousand at December 31, 2023). The change for the period includes exchange rate gains of approx. Euro 0.1 million.

B.6.5.19 Other assets (non-current) and other assets

The breakdown is as follows:

In Euro thousands	**12/31/2024**	**12/31/2023**	**Changes**
Receivables from employees	1	1	0
Other receivables	341	366	(25)
Other financial assets	1,672	716	956
Other (non-current) receivables and other assets	**2,014**	**1,083**	**931**

Other non-current receivables mainly include guarantee deposits paid by the Polish subsidiary (Euro 270 thousand).
The item Other financial 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.
The item mainly includes Euro 1,620 thousand for the 1.6% stake held in Elica PB Whirlpool Kitchen Appliances (formerly Elica PB India Private Ltd.), a subsidiary of Whirlpool of India Limited.
The company was previously an Elica Group subsidiary and 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, remained classified as Other Financial Assets and maintained its non-current status. Since there was no

provision for a different use of the shareholding and all the necessary requirements were met, the transfer was treated, from a tax point of view, by applying the participation exemption (PEX) regime under Article 87 of the Income Tax Law (TUIR).
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 ended March 31, 2024. In addition, this shareholder agreement includes Put & Call options, under which Whirlpool of India Limited could 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 that was partially realised in September 2024. On September 19, 2024, the Group concluded an agreement for the sale of a further share of the Indian investee Elica PB India to Whirlpool (equal to 4.78%), which generated a gain of Euro 8.2 million. In particular, Elica sold 4.78% of the Indian investee together with the other Indian minority shareholders, who sold their equivalent stake. Following the sale, Whirlpool of India now holds 96.8% of the capital of Elica PB Whirlpool Kitchen Appliances, while Elica and the other Indian shareholders maintain 1.59% each, further diluting their stakes. At the same time, Elica PB Whirlpool Kitchen Appliances renewed a Trademark & Technical License Agreement with Elica, which provides for the exclusive use of the Elica brand in the Indian territory and non-exclusive use in Nepal and Bangladesh with minimum guaranteed royalties over time that are part of the Group's normal resale business relationships.
Also with the 2024 agreement, the parties have established a new mechanism of cross put and call options expiring 90 days after the date of approval of Elica India's financial statements for the year ending March 31, 2026, in order to exit the partnership on that date.
Although the agreement signed in 2021 with Whirlpool provided for the possibility for Elica to exit the partnership in India in 2024, management, based on the new 2024 agreement, has reiterated a willingness to remain with a small stake in the Indian company. Management, taking into account the expectation of exiting the investment at the expiry of the aforementioned agreement, believes that the carrying amount of the investment and other financial assets approximates fair value.

The change in the item, equal to Euro 956 thousand, is mainly attributable to the net result of the elimination of the shareholding in Elica PB Whirlpool Kitchen Appliances subject to disposal during the year, for Euro 497 thousand, and the revaluation of the remaining investment carried out at the balance sheet date with the support of a leading advisory firm, for Euro 1,454 thousand.

B.6.5.20 Trade receivables

In Euro thousands	**12/31/2024**	**12/31/2023**	**Changes**
Receivables within one year	34,831	26,731	8,100
Trade receivables	**34,831**	**26,731**	**8,100**

Trade receivables increased by Euro 8.1 million. This change is mainly attributable to the trend in Group revenue in 2024 compared to 2023. There are no trade receivables due beyond 12 months.
In order to mitigate credit risk, the Group implements a Group Credit Policy which governs the management of credit, in order to reduce the related risk.
"Credit Risk" represents the exposure to potential losses deriving from the non-compliance of obligations by trading partners. This risk is mainly caused by financial factors related to the potential insolvency of one or more counterparties.
Group policy calls for transferring credit risk to third parties. To this end, various derivatives are utilised among which first and second level insurance policies with leading international insurance companies.
The maximum theoretical exposure to "Credit Risk" for the Group as of December 31, 2024 is equal to the carrying amount of receivables net of specific insurance coverage, receivables transferred to the factor on a non-recourse basis, documentary credits, as well as the nominal value of guarantees provided by third parties. This value as of December 31, 2024, is equal to 11% of total trade receivables.

At December 31, 2024, trade receivables of Euro 34.8 million (compared to Euro 26.7 million at December 31, 2023) included approx. Euro 4.4 million (Euro 3.9 million at December 31, 2023) of overdue receivables, broken down as follows.

In Euro thousands

Overdue (days)	12/31/2024	12/31/2023
0 - 30	4.202	3.130
31 - 60	534	270
61 – 90	182	65
Oltre 91	(545)	(975)
Overdue	**4.373**	**2.491**

B.6.5.20.1 Allowance for impairment of receivables

The amount of trade receivables recognised in the statement of financial position is net of the allowance for impairment.
The Group applies a simplified approach in calculating expected losses as trade receivables and/or contract assets do not contain a significant financing component. Accordingly, the Group does not monitor changes in credit risk, but recognises the full expected credit loss at each reporting date. As a tool for determining expected losses, the Group has established its own Group Credit Policy that takes into account historical information revised to consider forward-looking elements with reference to specific types of debtors and their economic environment, while also taking into account specific critical situations.
Receivables are recognised net of the allowance for impairment, amounting to Euro 3,590 thousand (Euro 2,783 thousand in 2023), accrued in accordance with the Group Credit Policy.
In particular, it is Group policy to transfer the recoverability risk of receivables to third parties and, therefore, various derivatives are utilised among which first and second level insurance policies with leading international insurance companies.
The maximum theoretical credit risk exposure for the Group at December 31, 2024 is based on the carrying amount of recognised receivables, net of the specific insurance coverage, non-recourse receivables factored and letters of credit, in addition to the nominal value of the guarantees given to third parties.
At December 31, 2024, approx. 70% of this provision covered receivables past due by more than 360 days, reflecting a prudent assessment of the collection risk. The existing provision is considered adequate to adjust the receivables to their realisable value. Management believes that the amount approximates the fair value of the receivables.

B.6.5.21 Inventories

In Euro thousands	12/31/2024	12/31/2023	Changes
Raw materials, consumables and supplies	36,679	37,530	(851)
Provision for the write-down of raw materials	(1,674)	(2,005)	331
Raw materials, consumables and supplies	**35,005**	**35,525**	**(520)**
Semi-finished goods	16,035	19,950	(3,915)
Provision for the write-down of semi-finished products	(570)	(834)	264
Semi-finished goods	**15,465**	**19,116**	**(3,651)**
Work in progress	**0**	**0**	**0**
Finished products	38,564	37,951	613
Provision for the write-down of finished products	(2,975)	(1,720)	(1,255)
Finished products	**35,589**	**36,231**	**(642)**
Prepayments	**0**	**2**	**(2)**
Inventories	**86,059**	**90,874**	**(4,815)**

The value of inventories reports a net decrease of approx. Euro 4.8 million. The decrease is distributed across the various companies of the Group, with the exception of the new distribution companies in the United States and Canada, established in the latter part of 2023, and in the Netherlands, acquired at the end of 2024, which is important to note for the purposes of comparison with the previous year.

The change in inventories in 2024 is the result of a decline in production in response to market dynamics, but it also reflects more effective inventory management, which balances destocking measures aimed at maintaining a flexible cost structure with the need to serve customers quickly and efficiently. More specifically, the most significant decrease refers to products in process and semi-finished products inventories, as well as to raw materials inventories, whereas the finished products inventory is essentially unchanged from December 31, 2023, in demonstration of our focus on customer service levels.

Inventories are stated net of the provision for inventory write-down of approximately Euro 5,219 thousand (Euro 4,559 thousand in 2023), in order to take into consideration the life cycle and inventory turnover based on Group policy and the risk estimates of the use of some categories of raw materials and semi-finished products based on assumptions made by management. The provisions for the write-down of raw materials, semi-finished products, and finished products total approx. 6% of the total value of inventories (5% in 2023).

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

B.6.5.22 Other assets (current)

This item is broken down as follows:

In Euro thousands	12/31/2024	12/31/2023	Changes
Prepayments	1,953	2,214	(261)
Other current receivables	2,671	3,559	(888)
Receivables from employees	2	0	2
Prepayments to suppliers	359	2	357
VAT receivables	9,755	15,012	(5,257)
Other tax receivables	3,248	5,309	(2,061)
Other current assets	**17,988**	**26,096**	**(8,108)**

This item decreased by Euro 8.1 million at December 31, 2024, compared to the previous year. Other current receivables include the prepayments and advances paid, such as insurance premiums, internet service fees, and consultancy fees paid in advance. Also included are receivables such as those that concern the receipt of regional training grants, state financing requested in relation to investment made, and grants related to photovoltaic systems.
Finally, the account includes Euro 13,003 thousand regarding receivables for indirect taxes, including VAT, receivables for taxes paid abroad to be recovered, and indirect taxes.
The VAT receivable decreased by Euro 5.3 million for the period, particularly for the parent company and for the subsidiaries Elicamex and EMC Fime. Other tax receivables recognised by the Group in previous years decreased as they were offset with other tax payables.
The account includes receivables beyond five years of Euro 35 thousand.
Management considers that the carrying amount approximates the fair value.

B.6.5.23 Other non-current payables

In Euro thousands	12/31/2024	12/31/2023	Changes
Other non-current liabilities	0	500	(500)
Other non-current liabilities	**0**	**500**	**(500)**

The change in Other non-current payables is related to the reclassification to Other current payables of the last portion of the debt that arose for Elica S.p.A. for the purchase of 40% of Airforce due by the year 2025.

B.6.5.24 Other liabilities (current)

In Euro thousands	**12/31/2024**	**12/31/2023**	**Changes**
Wages and salaries	6,762	5,152	1,610
Social security payables	3,144	3,147	(3)
Accrued expenses	294	1,103	(809)
Other liabilities	2,842	3,564	(722)
Deferred income	3,048	3,225	(177)
Advances from customers	452	517	(65)
Payables to customers	1	2	(1)
IRPEF payables	2,588	2,384	204
VAT payables	2,590	2,553	37
Other tax liabilities	253	223	30
Other current liabilities	**21,974**	**21,870**	**104**

Other current liabilities are essentially in line with the previous year. The slight increase is in response to the trend in salary payables and social security payables, which increased compared to 2023. For information on the increase in wages and salaries payable in the amount of Euro 1.6 million, see point B.6.5.6 Personnel expenses above.
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..
Finally, the account includes Euro 5,431 thousand regarding payables for indirect taxes, including VAT and non-income taxes.
The account includes payables beyond 5 years for Euro 1,177 thousand.

B.6.5.25 Post-employment benefit provision

The Elica Group reports obligations of Euro 7,686 thousand, reflecting the present value of liabilities for post-employment benefits accrued by employees at the end of the reporting period.
The most recent calculation of the present value of this liability was performed at December 31, 2023, and December 31, 2024, by an independent specialist actuary.
The amounts recognised in profit or loss were as follows:

In Euro thousands	12/31/2024	12/31/2023	Changes
Current service cost	2,009	2,721	(712)
Financial expense	229	262	(33)
Total	**2,238**	**2,983**	**(745)**

The changes in the present value of post-employment benefit obligations in the reporting period were as follows:

In Euro thousands	12/31/2024	12/31/2023	Changes
Opening balance	7,971	7,988	(17)
Current service cost	2,009	2,721	(712)
Actuarial gains/losses	215	44	171
	2,224	**2,765**	**(541)**
Financial expense	229	262	(33)
Pension fund	(2,738)	(1,986)	(752)
Benefits provided	0	(1,058)	1,058
	(2,509)	**(2,782)**	**273**
Employee benefit liabilities	**7,686**	**7,971**	**(285)**

The interest component of the defined employee benefit plan cost is shown under financial expenses, with a resulting increase of Euro 229 thousand in this item for the year. The current service cost and the effect of the curtailment were recorded under personnel expense. Actuarial gains and losses, amounting to Euro 215 thousand, 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 2.1 million and entirely concerns the Group.
The costs relating to current employee services and utilisations of pension funds respectively include the charges and settlements in the year.

Assumptions used for the calculation

	12/31/2024	12/31/2023
Discount rate to determine the obligation	3.38%	3.17%
Expected salary growth rate	0.50%	0.50%
Inflation rate	2.00%	2.00%

The discount rates utilised by the Group were selected based on the yield curves of high-quality fixed income securities, as in previous years.
This financial variable is considered the most significant and therefore chosen for a sensitivity analysis. The objective of a sensitivity analysis is to show how the result of the valuation changes in response to changes in an assumption adopted for the calculation, with all other assumptions unchanged
Therefore, if the discount rate increased 0.5%, the provision would reduce to Euro 246 thousand, while if the discount rate decreased 0.5%, the obligation would increase to Euro 263 thousand.
The number of employees is detailed in paragraph B.6.5.6 “Personnel expense”.

B.6.5.26 Provision for risks and charges

The composition and movements of the provisions are as follows:

In Euro thousands	**12/31/2023**	**Increase**	**Decrease**	**Other changes**	**12/31/2024**
Provision for Agents' termination benefits	755	1	(512)	0	244
Agency termination indemnities provision	0	0	0	0	0
Provision for product warranties	3,557	2,670	(2,247)	(147)	3,843
Provision for legal risks	4,165	250	(304)	0	4,111
Long Term Incentive plan provision	3,618	101	(3,618)	3	104
Personnel provision	974	1,034	(1,210)	7	806
Restructuring provision	1,284	0	(1,284)	0	0
Other provision	2,925	1,237	(679)	0	3,483
Provisions for risks and charges	**17,278**	**5,303**	**(9,854)**	**(137)**	**12,590**
Of which:					
Non-current	11,463	1,318	(5,113)	3	7,671
Current	5,815	3,985	(4,741)	(140)	4,919
Provisions for risks and charges	**17,278**	**5,303**	**(9,854)**	**(137)**	**12,590**

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.

Following the commitment to provide a service warranty free of charge to customers for a defined period after sale of the good, the product warranty provision 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 warranty provision is measured based on the estimated cost that is likely to be incurred in order to provide the warranty service. This estimate is based on past experience and statistical analyses that take account of the various factors in the warranty service to be provided, such as the rate of defective products and the related repair cost.

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 most up-to-date information available.

The Long Term Incentive plan provision reflects the missed targets set for 2024-2026. The fully monetary 2024-2026 plan, reserved for key people, comprises the long-term incentive plan for the CEO, the specific incentive plan for certain members of

senior management, and the share of related contributions. For further details, reference should be made to the Remuneration Report.
The decreases include Euro 3.2 million related to uses for the year of the provision related to the 2021-2023 Long Term Incentive plan, which was also fully monetary, as well as releases for Euro 0.7 million to adjust the value to actual payouts.

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 in this regard.

The restructuring provision, in the amount of Euro 1,284 thousand at December 31, 2023, was needed in order to cover terminations during the year, primarily in relation to personnel expenses, and was therefore used in its entirety during the year. These uses are related to the estimated Group costs incurred to complete the reorganisation of the production plant of the Cooking business unit, as described in point B.6.5.7.4 Restructuring charges of these explanatory notes.

The other provisions for risks mainly include the product waste provision, the provision for returns, and other provisions for risks concerning operations or tax-related aspects.

The guarantee fund, the returns provision, and the personnel provision are considered to be current, as they relate to matters that will presumably concern 2025. The other provisions are shown an present value. Other changes relate to exchange rate losses for Euro 132 thousand.

B.6.5.27 Deferred tax assets – Deferred tax liabilities

At December 31, 2024, details of deferred tax assets and liabilities, determined on the basis of the asset-liabilities method, were as follows:

In Euro thousands	**12/31/2024**	**12/31/2023**	**Changes**
Deferred tax assets	25,772	20,691	5,081
Total	**25,772**	**20,691**	**5,081**

In Euro thousands	12/31/2024	12/31/2023	Changes
Deferred tax liabilities	(6,639)	(7,152)	513
Total	(6,639)	(7,152)	513

The table below shows all the types of timing differences that gave rise to deferred taxes:

In Euro thousands	12/31/2023		Other changes/Equity	Costs/(income)	12/31/2024	
	Assets	Liabilities			Assets	Liabilities
Amortisation, depreciation and provisions	6,605	(2,113)	(194)	(55)	6,847	(2,106)
Losses carried forward	3,855	0	(2,086)	(7,347)	13,287	0
Inventory write-down	717	0	1	(184)	901	0
Exchange rate gains/losses	587	(707)	611	283	334	(126)
Restructuring charges	369	0	0	369	0	0
Allocation of acquisition price	0	(3,140)	(201)	(206)	0	(3,134)
Other accruals (e.g. personnel expense, LTI, employee bonuses and post-employment benefits and R&D)	4,599	0	(2,941)	1,004	654	0
Goodwill	0	(3)	0	0	0	(3)
Other	3,960	(1,189)	715	1,009	3,748	(1,271)
	20,691	**(7,152)**	**465**	**(5,127)**	**25,772**	**(6,639)**

The column E (Equity)/Other reclassifications includes all the changes in deferred tax assets and liabilities which do not have a balancing entry in profit or loss affecting deferred tax income or expenses. It also includes Euro 609 thousand of deferred taxes relating to the recognition of cash flow hedging transactions, in addition to the currency effect and reclassifications.
Management of each Group company decides whether to recognise deferred tax assets by assessing projected future recovery based on budget projections.
“Other” includes deferred tax assets of Euro 1,382 thousand concerning the investments in Poland.
Some subsidiaries, mainly the Chinese subsidiary, have accrued tax losses utilisable, although the Group has prudently not recognised any deferred tax asset for over Euro 3 million.

B.6.5.28 Tax assets and liabilities

B.6.5.28.1 Tax assets

The breakdown of tax assets is summarised in the table below:

In Euro thousands	**12/31/2024**	**12/31/2023**	**Changes**
Corporate income tax refunds	3,837	2,706	1,131
IRAP credits	81	126	(45)
Tax assets	**3,918**	**2,832**	**1,086**

Current tax receivables include income taxes receivable in accordance with IAS 12. Domestic income taxes are calculated by applying the current tax rates for IRES (24%, 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.
Management believes that this amount approximates fair value.

B.6.5.28.2 Tax liabilities

In Euro thousands	**12/31/2024**	**12/31/2023**	**Changes**
IRAP tax payables	0	151	(151)
IRES tax payables	809	646	163
Tax liabilities	**809**	**797**	**12**

Current tax payables include income taxes payable and are essentially in line with the previous year. Management believes that this amount approximates fair value.

B.6.5.29 Trade payables

In Euro thousands	12/31/2024	12/31/2023	Changes
Trade payables	112,793	107,025	5,768
Trade payables	**112,793**	**107,025**	**5,768**

Trade payables mainly include payables for trade purchases and other costs. The increase of Euro 5.8 million is mainly due to the dynamics of purchases necessary to support production and sales, but also, in part, to payment dynamics related to supplies.
The Elica Group has offered some of its suppliers the opportunity to access Supply Chain Finance (SCF) programmes, which allow them to manage liquidity more effectively and reduce financial risk. These programmes allow participating suppliers to independently advance invoices at a financial cost agreed with the bank, without any impact on the originally planned payment terms.
At the end of December 2024, the average payment terms for suppliers participating in SCF programmes range from 60 to 150 days, while for those not included in SCF programmes, the terms range from 30 to 150 days.
Its implementation has helped manage debt maturities more effectively, enabling smoother financial planning and greater flexibility in negotiations with suppliers.
As there is no change in the payment terms contractually defined with the counterparty participating in the SCF program, the related payables are recorded within the item Trade payables.
There are no trade payables due beyond twelve months.
Management estimates that the carrying amount of trade payables approximates their fair value.

B.6.5.30 Net financial position, default risk and covenants

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

For comments on the change in net financial position, see paragraph A.5.2.2 of the report on operations, “Elica Group Equity and Financial Performance”.

In Euro thousands	12/31/2024	12/31/2023	Changes
Cash and cash equivalents	**40,761**	**39,403**	**1,358**
Cash and cash equivalents	40,761	39,403	1,358
Other liquidity			
Other current financial assets	**0**	**0**	**0**
Liquidity (A+B+C)	**40,761**	**39,403**	**1,358**
Current financial debt (including debt instruments but excluding the current portion of non-current financial debt)	**14,368**	**4,740**	**9,628**
Bank borrowings	10,000	0	10,000
Lease liabilities (current)	3,817	4,240	(423)
Other payables for purchase of investments	551	500	51
Current portion of non-current financial debt	**37,604**	**43,467**	**(5,863)**
Mortgages	37,604	43,467	(5,863)
Current financial debt (E+F)	**51,972**	**48,207**	**3,764**
NET CURRENT FINANCIAL DEBT (G-D)	**11,210**	**8,804**	**2,406**
Non-current financial debt (excluding current portion and debt instruments)	**45,857**	**45,180**	**677**
Bank loans and borrowings (non current)	39,471	37,236	2,235
Lease liabilities (non-current)	6,386	7,944	(1,558)
Debt instruments	**0**	**0**	**0**
Trade payables and other non-current payables	**0**	**500**	**(500)**
Other payables for purchase of investments	0	500	(500)
Non-current financial debt (I+J+K)	**45,857**	**45,680**	**177**
NET FINANCIAL DEBT (H+L)	**57,068**	**54,484**	**2,584**

It should be noted that the covenants have been met; therefore, no liability arising from a financing agreement has been classified as current due to the loss of the right of subordination.

B.6.5.30.1 Cash and cash equivalents, and notes to the consolidated statement of cash flows

In Euro thousands	12/31/2024	12/31/2023	Changes
Bank and postal deposits	40,742	39,369	1,373
Cheques	0	1	(1)
Cash account	19	33	(14)
Cash and cash equivalents	**40,761**	**39,403**	**1,358**

This account reflects the positive balances of bank current accounts and cash on hand. The increase was due to a different composition in the Group's net financial position. The carrying amount of these assets reflects their fair value.

Notes to the consolidated statement of cash flows

The increase of Euro 25,132 million in cash flow from operating activities in 2024 reflects the care with which the Group has managed working capital during the year, including effective efforts to collect trade receivables and reduce inventories, while also managing relations with suppliers.

Cash flow absorbed by investing activities, in the amount of Euro 17,213 thousand, is due mainly to capital expenditure and investment in intangibles for Euro 17,145 thousand.

Cash flow absorbed by financing activities amounts to Euro 5,667 thousand. This includes new bank loans received net of repayments for the period for a total of Euro 6,329 thousand, the payment to purchase treasury shares for Euro 5,274 thousand, and receipt of the net consideration for the sale of the equity investment in Elica India for Euro 6,502 thousand.

The Company generated cash flow of Euro 6,877 thousand in 2024.

It should be noted that the Group does not hold cash subject to transfer restrictions or other constraints that may have negative impacts on its ability to meet liquidity requirements. All cash and cash equivalents are freely usable by the Group. There are no investment or financing transactions that did not require the use of cash.

For information regarding credit risk related to cash and cash equivalents or regarding liquidity risk, see notes B.6.7.2 and B.6.7.3. For information regarding cash flow from financing activities related to debt, see paragraphs B.6.5.30.2 "Bank loans and borrowings" and B.6.5.30.3 "Finance leases and other lenders" below.

B.6.5.30.2 Bank loans and borrowings

In Euro thousands	12/31/2024	12/31/2023	Changes
Bank loans and borrowings	87,076	80,703	6,373
Total	**87,076**	**80,703**	**6,373**
Bank loans and borrowings have the following repayment schedules:			
On demand or within one year	47,605	43,467	4,138
Within two years	10,723	27,576	(16,853)
Within three years	10,948	2,692	8,256
Within four years	11,064	2,782	8,282
Within five years	6,735	2,758	3,977
After 5 years		1,428	(1,428)
Total	**87,076**	**80,703**	**6,373**
Less amounts to be repaid within one year	47,605	43,467	4,138
Due after one year	**39,471**	**37,236**	**2,235**

Among the main financing arrangements currently in place for the Group is the contract stipulated by Elica SpA on June 29, 2020. Initially amounting to Euro 100 million (divided into a 90 million Euro Line A and a 10 million Euro RCF Line), the loan was undertaken at a variable rate with a margin recognised to the lending banks of 1.50% on Line A and 1.25% on the RCF Line. Interest rate risk was hedged with an Interest Rate Swap (IRS) on the full amount of the loan until its maturity. With a five-year term, the financing was structured as a Club Deal with a bank syndicate of five banks: Intesa Sanpaolo S.p.A., BNL Group BNP Paribas, Banco BPM S.p.A., Crédit Agricole Italia S.p.A. and UniCredit S.p.A.. The last instalment is contractually due on June 30, 2025.
In order to ensure a balanced debt structure and provide Elica S.p.A. with the necessary liquidity to support the company's projects, a new Club Deal was signed in 2024, which provides the company with an initial credit line of Euro 70 million, with a residual balance of Euro 50 million as of December 31, 2024. The loan was signed with a syndicate of four banks: BNL Group BNP Paribas, Intesa Sanpaolo S.p.A., Crédit Agricole Italia S.p.A. and UniCredit S.p.A. Again, the loan is at a variable rate, with a margin

recognised to the lending banks of 1.65%. Interest rate risk was fully hedged with an IRS for 100% of the amount drawn down as of December 31, 2024 and until the maturity of the credit line. The last instalment is contractually due on May 9, 2029.

In addition to the above loans, there is an additional loan signed with Banco BPM S.p.A. on May 18, 2023, for a total amount of Euro 30 million, at a variable rate with a margin recognised to Banco BPM S.p.A. of 1.60%. For this line of credit, the interest rate risk was partially hedged with an IRS affecting 50% of the amount financed until the maturity of the loan. The final instalment is contractually due on June 29, 2029.
For further information on interest rate hedges, reference should be made to paragraph D.6.6. "Risk management" of these notes.

B.6.5.30.3 Finance leases and other lenders

The Group has financial payables arising from the application of IFRS 16. We report the details below.

In Euro thousands	**12/31/2024**	**12/31/2023**	**Changes**
Lease liabilities and loans and borrowings from other lenders as per IFRS16	10,203	12,184	(1,981)
Total	**10,203**	**12,184**	**(1,981)**
Due:			
On demand or within one year	3,817	4,240	(423)
1-5 years	5,638	7,027	(1,389)
over 5 years amount	748	917	(169)
Total	**10,203**	**12,184**	**(1,981)**
Less amounts to be repaid within one year	3,817	4,240	(423)
Due after one year	**6,386**	**7,944**	**(1,558)**

B.6.5.31 Derivative financial instruments

	12/31/2024		12/31/2023	
In Euro thousands	**Assets**	**Liabilities**	**Assets**	**Liabilities**
FX derivatives	195	672	243	92
Interest rate derivatives	402	0	1,940	0
Commodities derivatives	152	892	0	224
Equity options	1,688	0	0	0
Derivative financial instruments	**2,437**	**1,564**	**2,183**	**316**
of which:				
Non-current	1,688	264	288	0
Current	749	1,300	1,895	316
Derivative financial instruments	**2,437**	**1,564**	**2,183**	**316**

As of December 31, 2024, the Group recognises a non-current derivative financial instrument asset, representing the Put&Call Option for the sale of the remaining stake held in Elica PB Whirlpool Kitchen Appliances at a Fair Value of Euro 1.69 million.

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 table below reports the following information on derivative instruments at December 31, 2024 and December 31, 2023:

- The notional value of the derivative contracts, broken down by maturity;
- The carrying amount of these contracts, represented by their fair value.

12/31/2024	**Notional Value**				**Carrying amount**
In Euro thousands	**Maturity within 1 year**		**Maturity after 1 year**		
Interest rate risk					
Cash Flow hedge as per IFRS	27,603		30,512		46
Fair Value hedge as per IFRS	-		-		-
Other derivative financial instruments	-		-		-
Total derivatives on interest rates	**27,603**	**-**	**30,512**	**-**	**46**
Foreign currency risks	sales	purchases	sales	purchases	
Cash Flow hedge as per IFRS	-	-	-	-	-
Fair Value hedge as per IFRS	13,473	11,496	-	-	(57)
Other derivative financial instruments	21,848	3,005	-	-	(65)
Total fx derivatives	**35,321**	**14,501**	**-**	**-**	**(122)**
Commodity risk	sales	purchases	sales	purchases	
Cash Flow hedge as per IFRS	-	16,914	-	-	(740)
Fair Value hedge as per IFRS	-	-	-	-	-
Other derivative financial instruments	-	-	-	-	-
Total derivatives on commodities	**-**	**16,914**	**-**	**-**	**(740)**

31/12/2023	**Notional Value**				**Carrying amount**
In Euro thousands	**Maturity within 1 year**		**Maturity after 1 year**		
Interest rate risk					
Cash Flow hedge as per IFRS	29,120		25,000		1,940
Fair Value hedge as per IFRS	-		-		-
Other derivative financial instruments	-		-		-
Total derivatives on interest rates	**29,120**	**-**	**25,000**	**-**	**1,940**
Foreign currency risks	sales	purchases	sales	purchases	
Cash Flow hedge as per IFRS	-	-	-	-	-
Fair Value hedge as per IFRS	9,088	7,842	-	-	(16)
Other derivative financial instruments	30,844	10,927	-	-	166
Total fx derivatives	**30,972**	**18,769**	**-**	**-**	**150**
Commodity risk	sales	purchases	sales	purchases	
Cash Flow hedge as per IFRS	-	12,594	-	-	(224)
Fair Value hedge as per IFRS	-	-	-	-	-
Other derivative financial instruments	-	-	-	-	-
Total derivatives on commodities	**-**	**12,594**	**-**	**-**	**(224)**

"Other derivative financial instruments" include those traded for hedging purposes, for which hedge accounting was not applied as per IAS/IFRS.

B.6.5.31.1 Derivative financial instruments, IFRS 7 classification

IFRS 7 requires that the classification of financial instruments valued at fair value is determined based on the quality of the input sources used in the valuation of the fair value.
The IFRS 7 classification implies the following hierarchy:

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

The classification of the financial instruments may have a discretional element, although not significant, where in accordance with IFRS, the Group utilises prices listed on active markets as the best estimate of the fair value of derivative instruments, where available.
All the derivative instruments in place at December 31, 2024 and December 31, 2023 belong to level 2 of the fair value hierarchy.

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 (income statement or equity). All the derivative instruments in place at December 31, 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.

We report the type of financial instruments present in the financial statements:

In Euro thousands	at December 31st 2024	at December 31st 2023
FINANCIAL ASSETS		
Measured at fair value through profit or loss:		
Derivative instrument financial assets	1,883	243
Other receivables and other assets	1,672	716
Measured at fair value through OCI:		
Derivative instrument financial assets	554	1,940
Measured at amortised cost:		
Trade receivables	34,831	26,731
Other receivables and other assets	18,332	26,461
FINANCIAL LIABILITIES		
Measured at fair value through profit or loss:		
Financial liabilities for derivative instruments	672	93
Valutate a fair value con contropartita OCI:		
Derivative instrument financial liabilities	892	224
Measured at amortised cost:		
Trade payables	112,793	107,025
Other liabilities	21,974	22,369
Bank loans and borrowings (current)	87,075	80,703
Finance leases and other lenders as per IFRS 16	10,203	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.

B.6.5.32. Equity

The analysis on the changes in equity, reference should be made to the relative table.
The following table contains a reconciliation between Elica S.p.A.'s equity and profit/(loss) for the year and consolidated equity and profit/(loss) for the year.

Situation at December 31, 2023 and December 31, 2024

	12/31/2024		12/31/2023	
In Euro thousands	**Profit/(loss) for the year**	**Equity**	**Profit/(loss) for the year**	**Equity**
Parent's separate financial statements	**11,486**	**112,215**	**8,895**	**110,439**
Elimination of the effect of intercompany transactions net of tax effect:				
Unrealised gains on non-current assets	634	(2,468)	582	(3,102)
Unrealised gains on sale of goods	(411)	(1,178)	(468)	(779)
Tax effect	(53)	875	(28)	932
Dividends received from consolidated companies	(6,420)	(6,420)	(3,926)	(3,926)
Other	731	(894)	(455)	(335)
Share of profit/(loss) from investments	**0**	**0**	**0**	**0**
Carrying amount of consolidated companies	**(104)**	**(103,706)**	**(15)**	**(103,537)**
Equity and profit of the subsidiaries consolidated on a line-by-line basis	**3,967**	**109,167**	**7,193**	**114,723**
Allocation of differences to assets of consolidated companies and related amortisation/depreciation:				
Goodwill arising on consolidation	0	24,081	0	23,682
Intangible assets and property, plant and equipment	(504)	7,909	(507)	8,352
Consolidated financial statements	**9,326**	**139,581**	**11,271**	**146,449**
Attributable to the owners of the parent	**7,868**	**133,479**	**9,775**	**140,892**
Attributable to non-controlling interests	**1,458**	**6,102**	**1,496**	**5,557**

Equity includes the portion attributable to the owners of the parent and that of non-controlling interests.

B.6.5.32.1 Equity attributable to non-controlling interests

Equity attributable to non-controlling interests of Euro 6.1 million increased by Euro 0.5 million due to the combined allocation of the Non-controlling interest profit for 2023 of Euro 1.5 million, a decrease of Euro 0.7 million due to the payment of dividends to third parties, and a decrease of Euro 0.2 million concerning the Non-controlling interest portion of the effect from the translation of the financial statements of the investees Ariafina Co., Ltd and Elica Home Appliances (Zhejiang) Co. Ltd, expressed in foreign currencies. For more details, see the Statement of changes in equity.
The composition of the non-controlling interests by company is shown below:

	Profit (loss) attributable to non-controlling interests		**Equity attributable to non-controlling interests**	
In Euro thousands	**12/31/2024**	**12/31/2023**	**12/31/2024**	**12/31/2023**
Ariafina	1,459	1,497	6,093	5,547
Elica Home Appliances (Zhejiang) Co., LTD	(1)	(1)	9	10
Consolidated total	**1,458**	**1,496**	**6,102**	**5,557**

Information on subsidiaries with significant non-controlling interests is presented below:

Reporting package figures	Ariafina	
In Euro thousands	**12/31/2024**	**12/31/2023**
Currents Assets	15,515	13,897
Non-current Assets	118	110
Current liabilities	3,199	2,688
Non-Current Liabilities	0	0
Equity attributable to the owners of the Parent	6,341	5,773
Equity attributable to non-controlling interests	6,093	5,547
Revenue	19,913	20,116
Operating profit	4,457	4,570
Profit (loss) attributable to the owners of the Parent	2,977	3,054
Dividends to non-controlling interests	(690)	(844)
Change in net financial debt	1,354	121

B.6.5.32.1.1 Profit attributable to non-controlling interests

The profit attributable to non-controlling interests concerns the subsidiaries for which the Elica Group does not hold 100% of the share capital, despite having control.

B.6.5.32.2 Equity attributable to the owners of the Parent

Comments are provided on each of the Group equity reserves.

B.6.5.32.2.1 Share capital

The share capital at December 31, 2024 amounts to Euro 12,664,560, consisting of 63,322,800 ordinary shares with a par value of Euro 0.20 each. It is fully subscribed and paid-in.

B.6.5.32.2.2 Reserves

B.6.5.32.2.2.1 Capital reserves

These amount to Euro 71,123 thousand and entirely relate to the Share Premium Reserve.
In accordance with IFRS, the costs of the share capital increase, amounting to Euro 3,650 thousand, net of the relevant tax effect of Euro 2,190 thousand, were taken to the Share Premium Reserve.

B.6.5.32.2.2.2 Hedging and translation reserve

This reserve shows a negative balance for Euro 13,225 thousand (negative balance of Euro 5,617 thousand at December 31, 2023) and underwent the following changes: translation of financial statements expressed in foreign currencies (Elicamex S.A. De C.V., Elica Group Polska Sp.Zo.O, Ariafina Co., Ltd, Elica Inc., Elica Home Appliances (Zhejiang) Co., LTD, Elica Trading LLC, Southeast Appliance Inc. and AG International Inc.) resulting in a negative amount of Euro 5,803 thousand, and the fair value changes of cash flow hedges, net of the negative tax effect of Euro 1,805 thousand. In particular, the portion concerning the fair value change is a negative Euro 2,410 thousand, while the tax impact is positive for Euro 605 thousand.
The change in the translation reserve totalling a negative Euro 6,025 thousand was a negative Euro 5,803 thousand for the Group and a negative Euro 222 million for non-controlling interests.

In Euro thousands	**12/31/2023**	**Reserve adjustment**	**12/31/2024**
Hedge reserve	1,315	(1,805)	(490)
Translation Reserve	(6,932)	(5,803)	(12,735)
Hedge and Translation reserve	**(5,617)**	**(7,608)**	**(13,225)**

B.6.5.32.2.2.3 Retained earnings

Retained earnings increased from Euro 58,194 thousand in 2023 to Euro 65,421 thousand in 2024. The increase of Euro 7,227 thousand is due mainly to the allocation of earnings from the previous year for Euro 9,775 thousand and to the distribution of dividends for Euro 3,091 thousand.

B.6.5.32.2.2.3.1 Dividends

On April 24, 2024, the Shareholders' Meeting of ELICA S.p.A. approved the distribution of an ordinary dividend of Euro 0.05 for each of the 63,322,800 ordinary shares, net of the ordinary treasury shares held at the coupon date and gross of statutory withholdings, to be allocated from the retained earnings. Therefore Euro 3,091 thousand was paid.

B.6.5.32.2.3 Treasury shares

On April 3, 2024, the second part of the Elica ordinary share Buyback plan concludes, 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"), for a maximum of 240,000 treasury shares that can be purchased (equal to about 0.4% of subscribed, paid-in share capital).
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 held a total of 1,326,173 treasury shares, equal to 2.09% of the share capital.
On April 24, 2024, Elica S.p.A. announced that the third tranche of the Elica ordinary share Buyback plan concluded, announced to the market on March 14, 2024 and launched on April 2, 2024, also 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. As a result of the purchases made, Elica held a total of 1,371,719 treasury shares, equal to 2.17% of the share capital.
The Company also announced the launch from April 26, 2024 of a new treasury share buyback programme authorised by the Shareholders' Meeting of April 24, 2024 (the "Buyback Plan") according to the terms previously disclosed to the market. In execution of this Shareholders' Meeting resolution, from April 26, 2024 and until the Shareholders' Meeting called to approve the 2024 financial statements, a Buyback Plan was launched, for a maximum 1,000,000 treasury shares (representing approx. 1.6% of the subscribed and paid-in share capital).
On September 19, 2024, the Shareholders' Meeting of Elica S.p.A., meeting in extraordinary session, approved an amendment to the By-Laws and, in particular, the amendment of Article 8 of the By-Laws to introduce ordinary and strengthened multi-share votes. The extraordinary shareholders' meeting approved the amendments to the By-Laws regarding mainly the following

matters: 1) the allocation of two votes to each share held by the vote-holder for a continuous period of twenty-four months from the date of their inclusion on the special list; 2) the allocation of one additional vote at the end of the twelve month period following the expiry of the twenty-four month period referred to in the point above, to each share held by the same person on the special list, up to a maximum total of three votes per share (including the increase referred to in the point above). On October 30, Elica announces the final results of the exercise of the right of withdrawal by shareholders resulting from the By-Law amendment introduced on September 19. The company announces that the right of withdrawal was exercised for 2,082,176 shares, representing 3.2882% of the share capital, for a total value of Euro 3,975,706.85. It also informs that the termination conditions that would have caused the offer to lapse have not occurred, or the Company has waived such and that, therefore, the amendment to the By-Laws regarding multi-share voting is effective. Finally, it announces that where any shares remain at the end of the option and pre-emption offer period, the Company will directly purchase them without any prior placement on the market. Therefore, on December 4, 2024, Elica announces the results of the option and pre-emption offer announced on October 30, as a result of which 3,159 shares were purchased, of which 2,722 as part of the exercise of the option right and 437 as part of the exercise of the pre-emption right. It also announces that the payment of the equivalent value of the shares subject to withdrawal and the transfer of the shares purchased under the option and pre-emption offer would take place on December 9, using available reserves.

Following the purchases made and the result of the rights offer on the shares subject to withdrawal, as of December 31, 2024 Elica held a total of 3,845,374 treasury shares, or 6.07% of the share capital. At December 31, 2023, treasury shares came to about 1,083 thousand shares, equal to 1.71% of share capital, and reduced equity by Euro 2,952 thousand.

In general, the Buyback Plan initiated by the Group serves the following purposes: a) execute any future share-based incentive plans which may be authorised in favour of Directors and/or employees and/or business partners of the Elica S.p.A. and/or its subsidiaries, in accordance with applicable legal and regulatory provisions; and/or b) undertake agreements with individual Directors, employees and/or business partners of the Elica S.p.A. or companies controlled by it, not falling under the scrip issue plans governed by Article 114-bis of the CFA; and/or c) act, where necessary, and in compliance with applicable provisions (including those serving market practices), directly or through authorised intermediaries, with the objective to contain irregular share price movements of the Elica S.p.A. and/or to enable fluid trading; and/or d) invest in treasury shares within the pursuit of Group policies (for example utilising such as remuneration, including shares swaps, for the acquisition of investments or in acquisition operations of other companies), or where market conditions render such transactions advantageous; and/or e) utilise treasury shares for transactions such as sales, conferment, allocation, exchange or other disposal within agreements with strategic partners, or to serve any corporate transactions (e.g. convertible loans); and/or f) utilise treasury shares as guarantees on loans. Transaction charges are charged to the income statement in the year in which they accrue.

B.6.5.33 Acquisitions, incorporation and disposals of businesses in the year

In December 2024, Elica finalised the full acquisition of its Dutch distributor aXiair B.V., now Elica Nederland, in order to expand the Group's presence in Europe through a directly controlled subsidiary in the Netherlands, Europe's second-largest market for the aspirating hob category. Following payment of Euro 98 thousand by Elica S.p.A., Euro 74 thousand of which had been paid previously, the Group now owns a branch in Haren (Groningen).
The effects of this transaction are summarised in the table below.

In Euro thousands	**Carrying amount based on Group accounting policies**	**Fair value adjustments**	**Fair value**
Intangible assets with a finite useful life	-	-	-
Property, plant & equipment	1	-	1
Inventories	79	-	79
Trade receivables	27	-	27
Other receivables and other current assets	4	-	4
Cash and cash equivalents	6	-	6
Other payables and non-current liabilities	(36)	-	(36)
Trade payables	(88)	-	(88)
Other payables and current liabilities	(38)	-	(38)
Net debt	(63)	-	(63)
Total Equity	**(108)**	**-**	**(108)**
Share acquired (100%)			**(108)**
Goodwill			**206**
Total acquisition cost			**98**
Payable to former shareholders			(25)
Cash and cash equivalents acquired			6
Net cash flow from the acquisition			**80**

B.6.6. Guarantees, commitments and contingent liabilities

B.6.6.1. 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 in the financial statements at December 31, 2024 to cover legal risks and charges amounts to Euro 4,164 thousand.
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 - though its lawyers - is preparing an appeal before the competent Tax Commission.
On 24.08.2022 and 09.11.2022, the Ancona Tax Commission accepted the grounds of appeal brought by the company for the transfer pricing findings for the years 2015 and 2016, concerning the notices of assessment (IRES and IRAP), received in May 2021 and December 2021 - against which it had appealed - by entering an appearance for the Ancona Provincial Tax Commission. 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 fully upheld the Company's Appeal on IRAP 2017 (hearing of 23/2/2024).
On May 13, 2024, the same Sect, 1 of the Court of First Instance of Fiscal Justice of Ancona filed ruling No. 245/2024, which fully upheld the Company's Appeal regarding IRES 2017 (hearing of 19/2/2024), ordering the Office to pay legal expenses in the amount of €11,000 plus accessory costs.
Against the aforementioned rulings, the Office has filed an appeal, and the Company will appear in court within the legal deadlines, respectively: i) on February 3, 2025, for the second instance proceedings initiated against ruling 244/2024; ii) on February 10, 2025, for the appeal proceedings pending against ruling 245/2024.

B.6.6.2 Guarantees

There are no significant guarantees issued at the Group level.
However, Elica S.p.A. has issued guarantees to enable Elica Home Appliances (Zhejiang) Co., LTD to obtain bank loans for approx. Euro 6 million, while Elica Group Polska has a revolving line of credit for factoring for Euro 3.5 million. Elica S.p.A. has also issued a Euro 10 million guarantee in favour of EMC FIME S.r.l. related to a commercial line of credit made available by BNP Paribas.

B.6.6.3 Commitments

Commitments with suppliers for tangible and intangible fixed asset purchases at December 31, 2024 amount to approx. Euro 0.8 million. There are also commitments for operational expenses of Euro 8.2 million, relating in particular to long-term contracts.
The Group has commitments for the purchase of raw materials and goods described in the Commodity Risk paragraph.
Pursuant to the provisions of Article 122 of the CFA and Articles 129 and subsequent of the Issuers' Regulations, it should be noted that on July 22, 2022, FAN S.r.l. ("FAN"), the parent company of Elica S.p.A, and Tamburi Investment Partners S.p.A. ("TIP”), signed a shareholder agreement (the "Shareholder Agreement"), effective as of the same day, relating to Elica S.p.A, a company listed on the Euronext STAR Milan segment of Borsa Italiana S.p.A. ("Elica") and concerning regarding TIP 9,233,701 shares of Elica and regarding FAN 33,440,445 shares of Elica, so as to (i) establish certain understandings regarding Elica's corporate governance; (ii) govern their mutual rights and duties in relation to the transfer of their respective stakes in Elica; and (iii) establish a commitment to consult in good faith before casting their votes at Elica's Shareholders' Meeting in order to identify Elica's best interest (this without intending to give rise to any voting restrictions).
The key information regarding the Shareholder Agreements was published as per Article 130 of the Issuers’ Regulation on the website of Elica S.p.A.[44], and on the website of the authorised storage mechanism “1INFO” at www.1info.it.
This did not impact control over Elica which, as per Article 93 of the CFA, is held by Mr. Francesco Casoli.

B.6.7 Risk management

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

- identify the risks related to the achievement of the business objectives;

[44] https://corporate.elica.com/it/governance/documenti-societari.

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

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

- prudent management of the risk with a view to protecting the expected value of the business;
- use of "natural hedges" in order to minimise the net exposure on the financial risks described above;
- undertake hedging transactions within the limits approved by management and only for actual, clearly identified exposures.

The process for the management of the financial risks is structured on the basis of appropriate procedures and controls, based on the correct segregation of conclusion, settlement, registration and reporting of results.
The paragraphs below include an analysis of the risks to which the Elica Group is exposed, indicating the level of exposure and, for market risk, the potential impact on results of hypothetical fluctuations in the parameters (sensitivity analysis).

B.6.7.1 Market risk

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

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

In relation to these risk profiles, the Elica Group uses derivative instruments to hedge its risks. The Group does not engage in derivative trading.
The paragraphs below individually analyse the different risks, indicating where necessary, through sensitivity analysis, the potential impact on the results deriving from hypothetical fluctuations in the parameters.

B.6.7.1.1 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), Russian Roubles (RUB), Chinese Yuan (CNY) and the Indian Rupee (INR). In all of these currencies, except for the Polish Zloty, the Chinese Renminbi, the Mexican Peso, the Elica Group has higher revenue than costs; therefore changes in the exchange rates between the Euro and these currencies impact the Group results as follows:

- the appreciation of the Euro has negative effects on revenue and operating results;
- the depreciation of the Euro has positive effects on revenue and operating results.

The amount of the currency risk, defined in advance by management of the Group on the basis of the budget for the reporting period, is gradually hedged over the acquisition process of the orders, up to the amount of the orders corresponding to budget projections or emerging during the year.

The hedge is entered into through agreements with third party lenders for forward contracts and options for the purchase and sale of foreign currency. As previously described, these hedges are entered into without any speculative or trading purposes, in line with the strategic policies of prudent cash flow management.

In addition to the aforementioned transaction risks, the Group is also exposed to translation risk. The assets and liabilities of consolidated companies whose currency differs from the Euro may be translated into Euro with carrying amounts that vary according to different exchange rates, with recognition in the translation reserve under equity.

The Group monitors this exposure, against which there were no hedging operations at the reporting date; in addition, given the Parent's control over its subsidiaries, governance over the respective foreign currency transactions is greatly simplified.

The most significant statement of financial position balances in foreign currency at December 31, 2024 are shown below:

In Euro thousands	12/31/2024		12/31/2023	
Currency	**Assets**	**Liabilities**	**Assets**	**Liabilities**
CNY	2,199	(1,232)	2,679	(1,364)
GBP	129	(5)	144	(11)
JPY	721	(4,316)	1,555	(10,787)
PLN	20,664	(13,341)	35,267	(33,690)
RUB	1,893	(9)	2,802	(18)
USD	40,964	(33,491)	40,715	(30,052)
MXN	(83)	148	(26)	70
INR	562	-	625	-
Foreign currency transactions	**67,049**	**(52,246)**	**83,761**	**(75,852)**

For the purposes of the sensitivity analysis on the exchange rate, the potential changes in the Euro/CNY, Euro/GBP, Euro/YEN, Euro/PLN, Euro/RUB, Euro/USD, Euro/MXN, USD/MXN and EUR/INR rates were analysed.
The following table shows the sensitivity of the statement of comprehensive income to reasonably possible changes in the exchange rates, with all other variables unchanged, due to changes in the value of current assets and liabilities in foreign currencies:

	12/31/2024		**12/31/2023**	
In Euro thousands				
Currency	**Currency depreciation 5%**	**Currency appreciation 5%**	**Currency depreciation 5%**	**Currency appreciation 5%**
CNY	(46)	51	(63)	69
GBP	(6)	7	(6)	7
JPY	171	(189)	440	(486)
PLN	(349)	385	(75)	83
RUB	(90)	99	(133)	147
USD	(356)	393	(508)	561
MXN	(3)	3	(2)	2
INR	(27)	30	(30)	33
Total	**(706)**	**779**	**(377)**	**416**

The hedging operations at December 31, 2024 with financial counterparties have a total negative fair value of Euro 122 thousand (a positive value of Euro 150 thousand in 2023).
The table below shows the details of the notional and fair values:

Currency	12/31/2024		12/31/2023	
	Notional *thousands (foreign currency)*	**Fair value** *In Euro thousands*	**Notional** *thousands (foreign currency)*	**Fair value** *In Euro thousands*
USD				
Forward	23,700	16	14,700	(131)
PLN				
Forward	94,000	(93)	175,500	215
JPY				
Forward	610,000	(58)	550,000	44
MXN				
Forward	-	-	10,000	(1)
MXN				
Forward	11,750	13	10,000	(3)
		(122)		**150**

The notional amount shown in USD aggregates transactions in USD/EUR, USD/MXN and USD/PLN, respectively. The net notional USD/MXN pair amounts to USD 8 Million and the USD/PLN pair to USD 1.5 million.
For the purposes of the sensitivity analysis on the exchange rate, the potential changes in the EUR/USD, EUR/PLN, EUR/JPY, EUR/CNY, USD/PLN and USD/MXN and the EUR and foreign exchange interest rate curves were analysed.
In the stress testing we have stressed not only the spot to spot exchange rate, but also the monetary curve rates at December 31, 2024 in order to show the effect of changes in the rate curve.
For this purpose, the maximum change in the interval between the beginning of November 2024 and the first weeks of January 2025 was considered.
For the EUR/USD exchange rates a stress of 6% was applied, for EUR/PLN and USD/PLN 6%, for EUR/JPY 7%, for EUR/RUB 25% and for EUR/MXN and USD/MXN 11% and for EUR/CNY 5%.

For interest rates on forward exchange contracts, a stress of 50 bps was applied for the Eurozone rates, 50 bps for the US rates, 50 bps for the Polish rates, 200 bps for the Russian rates, 50 bps for the Chinese rates, 50 bps for the Mexican rates and 50 bps for the Japanese rates.

The following table shows the sensitivity in the statement of comprehensive income to the changes in the exchange rates and the rate curves indicated, with all other variables unchanged, of the fair value of the transactions in foreign currencies at December 31, 2024 (compared with December 31, 2023):

	12/31/2024				
In Euro thousands	**USD Notional 23,700 USD/000**	**PLN Notional 94,000 PLN/000**	**JPY Notional 610,000 JPY/000**	**MXN Notional - MXN/000**	**CNY Notional 11,750 CNY/000**
Depreciation of foreign currencies	746	1.146	(359)		(60)
Euro exchange rate depreciation	(147)	(55)	(58)		12
Exchange rate depreciation	(137)	(39)	(60)		11
***Sensitivity* to depreciation**	**462**	**1,052**	**(477)**		**(37)**
Appreciation of foreign currencies	(1,177)	(1,490)	223		94
Euro exchange rate appreciation	(164)	(147)	(56)		16
Exchange rate appreciation	(153)	(121)	(58)		14
Sensitivity to appreciation	**(1,494)**	**(1,758)**	**109**		**124**

	31/12/2023					
In Euro thousands	**USD Notional 14,700 USD/000**	**PLN Notional 175,500 PLN/000**	**JPY Notional 550,000 JPY/000**	**RUB Notional - RUB/000**	**MXN Notional 10,000 MXN/000**	**CNY Notional 10,000 CNY/000**
Depreciation of foreign currencies	886	1,349	(200)	-	(48)	(56)
Euro exchange rate depreciation	(13)	160	30	-	(3)	2
Exchange rate depreciation	(3)	176	28	-	(4)	1
Sensitivity to depreciation	**870**	**1,685**	**(142)**	-	**(55)**	**(53)**
Appreciation of foreign currencies	(1,183)	(1,261)	295	-	59	68
Euro exchange rate appreciation	(64)	68	32	-	2	5
Exchange rate appreciation	(54)	95	30	-	1	4
Sensitivity to appreciation	**(1,301)**	**(1,098)**	**357**	-	**62**	**77**

B.6.7.1.2 Commodity risk

The Group is exposed to market risk deriving from price fluctuations in commodities used in the production process. The raw materials purchased by the Company are subject to changes in price in response to trends in the main markets concerned.
For 2025, hedges have been activated on energy costs, such as natural gas and other energy sources. The Company regularly monitors its exposure to the risk of fluctuations in the price of commodities and manages that risk both by fixing prices in contracts with suppliers and by way of financial instruments with specialised counterparties.
In particular, between the end and the beginning of the year, on the basis of the production budget for the year, the prices and quantities were defined through both channels described above. This approach enables the Company to protect the standard cost of raw materials stated in the budget from potential price increases, thereby ensuring the achievement of the target for operating profits.

The notional value and the relative value of the derivatives in place at December 31, 2024 are reported below:

	12/31/2024		12/31/2023	
In Euro thousands	**Notional**	***Fair Value***	**Notional**	***Fair Value***
Commodity swap Copper	16,152	(892)	12,594	(224)
Commodity Swap Natural Gas	295	70	-	-
Commodity Swap Power	467	82	-	-
Commodity derivatives assets/(liabilities)	**16,914**	**(740)**	**12,594**	**(224)**

In addition, commodity risk is measured through sensitivity analyses, in accordance with IFRS 7. The changes in the prices of copper utilised for the sensitivity analysis were based on the volatility of the market rates.

This analysis highlights a revaluation in the price of the Commodities of 5%, resulting in an increase in the fair value of forward contracts at December 31, 2024 of Euro 846 thousand.
Similarly, a reduction of 5% results in a decrease in the fair value of forward contracts of Euro 846 thousand.

B.6.7.1.3 Interest rate risk

The management of interest rate risk by the Elica Group is in line with longstanding, consolidated practices to reduce the volatility risk on the interest rates, while at the same time minimising the borrowing costs within the established budget limits.
The Group's debt mainly bears a floating rate of interest.
The Group hedges the interest rate risk through the utilisation of interest rate swaps against specific non-current loans at a variable rate.
The table below shows the details of the notional and fair values:

	12/31/2024		12/31/2023	
	Notional	***Fair Value***	**Notional**	***Fair Value***
In Euro thousands	58,115	46	54,120	1,940
Interest derivatives assets/(liabilities)	**58,115**	**46**	**54,120**	**1,940**

The interest rate risk is also measured through sensitivity analyses, in accordance with IFRS 7. The changes in the interest rate curve utilised for the sensitivity analysis were based on the volatility of the market rates.
The analysis shows that a change in the interest rate curve of -25/+25 bps generates a Euro 231 thousand decrease/increase in the fair value of the IRS at December 31, 2024.
A sensitivity analysis was conducted on the interest rate risk of medium- to long-term loans not covered by interest rate swaps as of December 31, 2024. The result of this sensitivity analysis shows that in the event of a change in the interest rate of -25/+25 bps, there would be a decrease/increase in financial expenses of approximately Euro 162 thousand over the remaining term of the loans.

B.6.7.1.4 Geopolitical risk

In recent years, the current economic environment in which the Group has been operating 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.

This economic landscape is further exacerbated by the additional uncertainty brought about by the rivalry between the United States and China, which is reshaping global trade and investment and by the growing tensions in the South China Sea and Taiwan Strait.

The Elica Group has been monitoring for some time the geopolitical developments caused by the war in Ukraine, and we continue to assess the potential risks it could have on our operations.
Although the Elica Group's business in the affected area is however limited (Russian market revenue accounts for approx. 2.3% of aggregate 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, 2024 volumes and margins remained in line with forecasts on operations that were in line with past years.
The Elica Group continues to operate in Russia through the wholly-owned subsidiary Elica Trading LLC, which is responsible for distributing the Group’s products in Russia. The Russian trading company does not have significant fixed assets.
In order to monitor the impact of the conflict on business continuity, management has formed a task force comprising figures from the main areas of the company involved.
The Internal Audit & Risk Compliance unit provides the internal Board committee with Control, Risks & Sustainability functions 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.

With regard to the conflict in Gaza and Israel, the Group continues to assess the potential risks impacting the supply chain, international trade relations, and financial market dynamics. In particular, should the conflict worsen, it could cause renewed shocks for the supply chain and potential new increases in the cost of energy and transport, as well as in the cost of raw materials, not to mention interruptions in key trade routes. 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.
Further weighing on raw material price fluctuations and, therefore, on the Group's procurement costs and profitability, alongside logistical risks, is the changing political landscape in the United States, characterised by possible changes to fiscal, trade and international security policies.

Although the direct effects on the Group's business have been limited thus far, the evolving geopolitical landscape requires assiduous monitoring to promptly identify risks and ensure adequate management of resources and strategic levers. In the face of geopolitical factors that could have repercussions on market demand, the supply chain, operations, employees and customers, the Group has established internal procedures and conducts training activities designed to ensure prompt crisis management and business continuity.
In this regard, the Group has prepared a three-year business plan that incorporates the Group management's best forecast of the above macro-economic factors and all currently available information. These forecasts are 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 assess these scenarios, traditional and alternative financial indicators deemed to be relevant, such as Group EBITDA and the cost of raw materials, have been taken into account.
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 macro-economic 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.6.7.1.5 Cyber Security Risk Analysis

The digital transformation of the global economy offers ever-increasing opportunities, but as the Group evolves technologically to take advantage of these opportunities, there are also new risks and a greater exposure to threats. The growing use of information systems, in part in response to the increased use of remote work, connected factories, or intelligent products, increases the Group's exposure to various types of risk that can have a significant impact on deliveries, production, sales and other critical systems and functions.

The most significant is the risk of cyber attacks and security control failures, which constitute a constant threat to the Group and are therefore carefully monitored. Specifically, the Group constantly assesses its cyber risk profile, taking action when necessary to proactively manage cyber defences. The impacts analysed include:

- data loss;
- unauthorised access;
- the installation of malware;
- privacy violations;
- interruption of business;
- reputational harm.

Mitigation efforts made by the Group concern:

- the strengthening of network infrastructure;
- the strengthening of protection systems;
- the constant updating of company procedures;
- taking out a specific insurance policy to cover the risk arising from a cyber event;
- provision of employee training to increase awareness, knowledge and skills so as to strengthen corporate culture surrounding the issue of cyber security.

B.6.7.2 Credit risk

The credit risk (or insolvency risk) represents the exposure of the Elica Group to potential losses deriving from the non-compliance of obligations by trading partners. This risk derives in particular from economic-financial factors related to a potential solvency crisis of one or more counterparties.

For more details, see paragraph B.6.5.22 "Trade receivables" of these notes.

B.6.7.3 Liquidity risk

The liquidity risk represents the risk related to the unavailability of financial resources necessary to meet short-term commitments assumed by the Group and its own financial needs.
The principal factors which determine the liquidity of the Group are, on the one hand, the resources generated and absorbed by the operating and investment activities and on the other the due dates and the renewal of the payable or liquidity of the financial commitments and also market conditions. These factors are monitored constantly in order to guarantee a correct equilibrium of the financial resources.
The following table shows the expected cash flows in relation to the contractual expiries of trade payables and various financial liabilities from derivatives:

12/31/2024 *In Euro thousands*	**On demand or within one year**	**1-5 years**	**over 5 years amount**
Lease liabilities and loans and borrowings from other lenders as per IFRS 16	3,817	5,571	748
Bank loans and borrowings	47,604	39,471	0
Trade payables and other liabilities	134,768	0	0
Commitment by due date	**186,189**	**45,042**	**748**

12/31/2023 *In Euro thousands*	**On demand or within one year**	**1-5 years**	**over 5 years amount**
Lease liabilities and loans and borrowings from other lenders as per IFRS 16	4,240	6,948	917
Bank loans and borrowings	43,467	35,808	1,428
Trade payables and other liabilities	123,733	500	0
Commitment by due date	**171,440**	**43,256**	**2,345**

Management believes that at the present time, 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 details on the net financial position, reference should be made to note B.6.5.30 of the notes.

B.6.7.4 Management of capital

For the purpose of Group capital management, it has been defined to include issued share capital, share premium reserve, and all other capital reserves attributable to parent company shareholders. The primary objective of capital management is to maximise shareholder value. The Group manages the capital structure and makes adjustments based on economic conditions and the requirements of financial covenants. In order to maintain or adjust the capital structure, the Group could take action on dividends paid to shareholders, repay capital to shareholders or issue new shares. The Group controls equity using a gearing ratio, which is the ratio of net debt to total equity plus net debt. The Group includes in net debt, interest-bearing loans, trade and other payables, less cash and cash equivalents and short-term deposits and excluding discontinued operations. The Group has put in place supply financing arrangements (Supply Chain Finance, see section B.6.5.29 for further details) to manage its working capital.

In Euro thousands	***Note***	**12/31/2024**	**12/31/2023**
Bank borrowings	B.6.5.30.2	87,075	80,703
Lease liabilities and loans and borrowings from other lenders as per IFRS16	B.6.5.30.3	10,203	12,184
Trade payables and other payables	B.6.5.29	134,767	129,395
Minus: Cash and cash equivalents	B.6.5.30.1	(40,761)	(39,403)
Net Financial Debt		**191,284**	**182,879**
Equity	B.6.5.32.2	**133,479**	**140,892**
Equity and Net Financial Debt		**324,763**	**323,771**
Gearing ratio		59%	56%

In order to achieve this objective, Group capital management aims, among other matters, to ensure compliance with covenants, related to interest-bearing loans and borrowings, based on financial performance indicators. Breaches in the covenants would permit the banks to request immediate repayment of the loans. In the current year, there were no covenant violations related to interest-bearing loans and borrowings.

In the fiscal years ended December 31, 2024 and 2023, no changes were made to the objectives, policies, and procedures for capital management.

B.6.7.4 Classification of the Financial instrument

In Euro thousands	**12/31/2024**	**12/31/2023**
Derivative assets (current)	749	1,895
Trade receivables	34,831	26,731
Cash and cash equivalents	40,761	39,403
Current Assets	**76,341**	**68,029**
Lease liabilities and loans and borrowings from other lenders (non-current)	6,386	7,944
Bank loans and borrowings (non-current)	39,471	37,236
Derivative liabilities (non-current)	264	0
Non-current Liabilities	**46,121**	**45,180**
Trade payables	112,793	107,025
Lease liabilities and loans and borrowings from other lenders (current)	3,817	4,240
Bank loans and borrowings (current)	47,604	43,467
Derivative liabilities	1,300	316
Current Liabilities	**165,514**	**155,048**

The Group believes that the carrying amounts approximate fair value. In relation to the valuation methods for the individual accounts, reference should be made to paragraph B.6.2. “Accounting policies” of these Notes.

B.6.8. Disclosure pursuant to IAS 24 on management compensation and related party transactions

A person or entity is related to the reporting entity if it has control or joint control of the company. Persons or entities that have significant influence over the company or the Senior Executive in the company is also related. In all such cases, the entity controlled or jointly controlled by a person in the above conditions is considered to be related to the company. Where any of the above individuals exert significant influence over an entity or is a Senior Executive, that entity will be considered a related party. A related entity to a company is also one that is part of the same Group. Therefore, each parent company, subsidiary, or group company is related to the others.

Transactions with other related parties

In 2024, transactions with other related parties took place. All transactions were conducted on an arm's length basis in the ordinary course of business. No separate disclosure of these positions is provided in the Consolidated Financial Statements, given the immaterial amounts involved, in accordance with Consob resolution no. 15519 of July 27, 2006.

In Euro thousands	Assets	Liabilities/Lease Liabilities	Revenue	Costs
La Ceramica	0	(1)	0	(11)
Fondazione Ermanno Casoli	0	0	0	(100)
Other related parties and natural persons	8	(34)	0	(33)
Total	**8**	**(35)**	**0**	**(144)**

With the other related parties, the Elica Group primarily carries out transactions of a trading nature. There were no transactions with Fintrack S.p.A., nor with FAN S.r.l..
The statement of comprehensive income and statement of financial position balances arise from trading transactions conducted to purchase goods and services and use fixed assets on an arm's length basis.

The Procedures for Transactions with Related Parties is published on the Company's website[45].

[45] **https://corporate.elica.com/it/governance/sistema-di-controllo.**

B.6.8.1 Remuneration of Directors, Statutory Auditors and Senior Executives

The remuneration of the above-mentioned parties totalled Euro 4,545 thousand. The details and calculation criteria are provided in the Remuneration Report. This report is available on the Company's website.[46]

Share-based payments

No short-term or long-term share-based incentive plan payments were made in 2024, and there are no such plans in place. Existing incentive plans do not provide for share-based payments.

B.6.8.2 Information on subsidiaries

The tables below show key financial figures for the year ended December 31, 2024.

[46] https://corporate.elica.com/it/governance/assemblea-degli-azionisti.

B.6.8.2.1 Subsidiaries – 2024 Highlights

In Euro thousands	**Assets**	**Liabilities**	**Equity**	**Revenue**	**Profit/(loss) for the year**
Airforce S.p.A.	11,306	8,209	3,097	21,338	(443)
Ariafina Co. Ltd.	15,633	3,199	12,434	19,913	2,977
Elica Group Polska Sp.z.o.o	76,128	51,801	24,327	137,503	1,398
Elicamex S.a.d. C.V.	60,742	35,968	24,774	60,892	(4,131)
Elica Inc	550	115	435	879	15
Elica Home Appliances (Zhejiang) Co., LTD	10,704	10,852	(148)	8,568	(97)
Elica Trading LLC	4,684	2,668	2,016	10,379	308
Elica France S.A.S.	7,827	6,376	1,451	25,976	17
Elica Gmbh	2,262	557	1,705	6,528	118
EMC FIME Srl	85,627	51,741	33,886	139,050	4,878
Southeast Appliance Inc	1,887	3,356	(1,469)	2,227	(1,075)
AG International	1,818	1,466	352	3,475	7
Elica Nederland B.V.	105	217	(112)	57	(4)

It should be noted that Elica S.p.A. has provided loans to Group companies, as well as having cash pooling contracts in place with some of them as part of more general centralized treasury management. All loans outstanding are interest bearing and at market rates. Transactions with consolidated companies have been derecognised in the Consolidated Financial Statements. As a result, they are not reported in these notes.

B.6.9. Public grants as per Article 1, paragraphs 125-129, of Law No. 124/2017

For the detail of the grants received, reference should be made to the National State Aid register. The following information is provided:

In Euro thousands	**Asset at 01/01/2024**	**Vested in 2024**	**Collected 2024**	**Asset at 12/31/2024**	**Description**
Contribution for Photovoltaics (*)	1	1	0	1	Grant on photovoltaic plant installed on the roof of the Castlefidardo and Cerreto D'Esi industrial buildings issued by GSE
H@H Project	24	-	22	2	Research and Development grant from Ministry for University and Scientific Research
SEAL Project	30	1	-	31	Research and Development grant from Ministry for University and Scientific Research
SHELL Project	173	-	-	173	Research and Development grant from Ministry for University and Scientific Research
SM Project	104	-	-	104	Research and Development grant from Ministry for University and Scientific Research
MERCURY Project	25	0	-	25	Research and development grant from the Marche region Regional Plan
MIRACLE Project	- 3	99	-	96	Research and development grant from the Marche region Regional Plan
Fondimpresa	122	33	114	41	Staff training grant from Fondimpresa
Fondirigenti	8	14	17	5	Training executives grant from Fondimpresa
Assist 2023 tender	846	827	1.026	647	Employee training
New Investment Tax Credit 2020	32	-	16	16	Tax credit on new investments year 2020 - Law No. 160 of 27.12.2019
New Investment Tax Credit 2022	120	-	40	80	Tax credit on new investments year 2022 - Law No.234, 25.12.2021
Research & Development tax credit 2019	899	-	-	899	Research & Development tax credit 2019 - Law No. 190/2014
Research & Development tax credit 2020	464	-	-	464	R&D tax credit - Law No. 178 of 30.12.2020
Research & Development tax credit 2021	351	-	-	351	R&D tax credit - Law No. 178 of 30.12.2020
Research & Development tax credit 2022	181	-	-	181	R&D tax credit - Law No. 178 of 30.12.2020
"4.0 Intangible Assets" tax credit	125	-	54	71	Tax credit - Law No. 178 of 30.12.2020
Elica S.p.A.	**3.502**	**975**	**1.289**	**3.187**	
Fondimpresa	11	6	-	17	Staff training grant from Fondimpresa
Airforce S.r.l.	**11**	**6**	**-**	**17**	
Contribution for Photovoltaics	117	367	407	77	Grant on photovoltaic plant installed on the roof of the Castlefidardo industrial buildings issued by GSE
SABATINI grant credit	101	-	-	101	Ministry for Economic Development
Capital goods tax credit 6% ex EMC	23	-	10	13	B.S. tax credit Law 160/2019
Capital goods tax credit 6% - 2020 (**)	10	-	5	5	B.S. tax credit Law 160/2019
Capital goods tax credit 6% - 2022	80	-	40	40	Tax credit on new investments year 2022 - Law No.234, 25.12.2021
Research & Development tax credit 2022	13	-	4	9	R&D tax credit - Law No. 178 of 30.12.2020
Fondirigenti	5	8	13	-	Training executives grant - Fondirigenti
PPE 4.0 tax credit	1.682	-	1.005	677	Law No. 178 of 30.12.2020 tax credit
Intangible Assets 4.0 Tax Credit	53	0	27	27	Law No. 178 of 30.12.2020 tax credit
EMC Fime S.r.l.	**2.085**	**375**	**1.511**	**949**	
Gruppo Elica	**5.598**	**1.355**	**2.800**	**4.153**	

(*) Includes advances received
(**) including EMC FIME S.r.l transfer

B.6.10 Disclosure pursuant to Article 149 of the Consob Issuers' Regulation

The following table, prepared pursuant to Article 149-duodecies of the CONSOB Issuers' Regulation reports the payments made in 2024 for audit and other services provided by the independent auditors and entities associated with them.

Type of service *In Euro thousands*	**Service provider**	**Company**	**Remuneration**
Audit	EY S.p.A.	Elica S.p.A.	151
Audit	EY S.p.A.	Air Force S.p.A.	13
Audit	EY S.p.A.	EMC Fime S.r.l.	61
Audit	EY S.p.A.	Elica France	6
Audit	EY Mexico (1)	Elicamex S.A. de C.V.	34
Audit	EY Polska (2) / EY S.p.A.	Elica Group Polska S.p.z.o.o.	49
Audit	EY China (3)	Elica Home Appliances (Zhejiang) Co., LTD	40
Audit	EY Japan (4) / EY S.p.A.	Ariafina CO., LTD	11
Limited review of the consolidated sustainability reporting	EY S.p.A.	Elica S.p.A.	120
EY Network fees			**485**

(1) Mancera, S.C.
(2) Ernst & Young Audyt Polska spółka z ograniczoną odpowiedzialnośc
(3) Ernst & Young Hua Ming LLP
(4) Ernst & Young ShinNihon LLC

B.6.11 Events after the reporting date

On February 13, 2025, the Board of Directors of Elica S.p.A. approved the additional periodic disclosure for the fourth quarter of 2024, prepared according to IFRS and reviewed the 2024 preliminary consolidated results.

B.6.12 Other information

B.6.12.1 Management and coordination

Elica S.p.A. is indirectly controlled by the Casoli Family through Fintrack S.p.A. of Fabriano (AN - Italy).

The Company is not subject to management and co-ordination pursuant to Art. 2497 and subsequent of the Civil Code. This conclusion derives from the fact that the controlling shareholder does not carry out management activities within the company and, although exercising voting rights at the Shareholders' Meeting, does not have any involvement in the financial, production or strategic programmed of the Company, which is governed by a Board of Directors responsible for operating control.
The Parent's Board of Directors has also appointed a CEO for ordinary operational management.
With effect from July 2019, Tamburi Investments Partners ("TIP") acquired a minority interest in the Company. As at December 31, 2024, this interest amounted to 21.53% of Elica's capital.
The Company however continues to carry out its operations through a totally autonomous and independent decision-making process; it has independent decision-making capacity with customers and suppliers and independently manages its treasury in accordance with the business purpose.

B.6.12.2 Positions or transactions arising from atypical and/or unusual operations

The Group in 2024 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.6.12.3 Significant non-recurring events and transactions

There were no significant non-recurring transactions during 2024.

Fabriano, March 25, 2025

For the Board of Directors
The Chief Executive Officer
Giulio Cocci

C.ATTACHMENTS TO THE CONSOLIDATED FINANCIAL STATEMENTS

C.1. Statement on the Consolidated Financial Statements as per Article 81-ter of CONSOB Regulation No. 11971 of May 14, 1999 and subsequent modifications and integrations

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
- of the administrative and accounting procedures for the preparation of the consolidated financial statements in 2024.

In addition, we declare that the consolidated financial statements:

- correspond to the underlying accounting documents and records;
- were prepared in accordance with the IFRS endorsed by the European Union and with Article 9 of Legislative Decree no. 38/2005;
- 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 Directors' Report includes a reliable analysis of the issuer's performance, results of operations and situation, together with a description of the main risks and uncertainties to which it is exposed.

Fabriano, March 25, 2025

The Chief Executive Officer
Giulio Cocci

Corporate Financial
Reporting Manager
Emilio Silvi

C.2. Independent Auditors' Report on Consolidated Financial Statements

Shape the future with confidence

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Independent auditor's report pursuant to article 14 of Legislative Decree n. 39, dated 27 January 2010 and article 10 of EU Regulation n. 537/2014
(Translation from the original Italian text)

To the Shareholders of
Elica S.p.A.

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements Elica Group (the Group), which comprise the consolidated statement of financial position as at December 31, 2024, and the consolidated income statement, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flow for the year then ended, and explanatory notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the consolidated financial statements give a true and fair view of the financial position of the Group as at December 31, 2024, and of its financial performance and its cash flows for the year then ended in accordance with IFRS accounting standards issued by International Accounting Standards Board as adopted by the European Union and with the regulations issued for implementing art. 9 of Legislative Decree n. 38/2005.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISA Italia). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of Elica S.p.A. in accordance with the regulations and standards on ethics and independence applicable to audits of financial statements under Italian Laws. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other matters

The financial statements of Elica Group for the year ended December 31, 2023 were audited by another auditor who expressed an unmodified opinion on those statements on March 27, 2024.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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We identified the following key audit matters:

Key Audit Matter	Audit Response
Recoverability of intangible assets with an indefinite useful life – goodwill	
As at December 31, 2024, the Group recorded in the consolidated financial statements intangible assets with an indefinite useful life (goodwill) of 50.2 million euros. Goodwill was allocated to the Cash Generating Units ("CGU") of the Group, corresponding to the two segments of the Group (Cooking and Motors). The processes and methodologies for the valuation and determination of the recoverable value of each CGU, in terms of value in use, are based on sometimes complex assumptions, which by their nature require judgment, in particular with reference to the expected future cash flows for each CGU, the determination of the normalized cash flows used to estimate the terminal value and the determination of the long-term growth and discount rates applied to the expected future cash flows. Because of the judgment required and the complexity of the assumptions used to estimate the recoverable amount of goodwill, we believe that this issue is a key audit matter. Financial statement disclosures relating to the assumptions and estimates used to perform the impairment test on goodwill are provided in Notes B.6.2.5.4, B.6.5.16 and B.6.5.17 to the consolidated financial statements.	Our audit procedures in response to the key matter included, among the others: • analysis of the procedure applied in performing the impairment test on goodwill approved by the board of directors of Elica S.p.A.; • analysis of the criteria for identifying the CGUs and the allocation of the carrying amounts of the assets and liabilities to the CGUs; • analysis of the expected future cash flows for each CGU and verification of their consistency with the future cash flows resulting from the 2025-2029 economic and financial projections approved by the board of directors of Elica S.p.A. for the purposes of the impairment test; • analysis of the reasonableness of the forecasts made by the directors also through comparison with the actual historical data and external market information, where available; • examination of the sensitivity analysis performed by the directors on the main key assumptions used in the impairment test model; • verification of the long-term growth rates and discount rates. We used our valuation experts in our procedures. Finally, we reviewed the disclosures provided in the notes to the consolidated financial statements in relation to this key audit matter.

Responsibilities of Directors and Those Charged with Governance for the Consolidated Financial Statements

The Directors are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with IFRS accounting standards issued by International Accounting Standards Board as adopted by the European Union and with the regulations issued for implementing art. 9 of Legislative Decree n. 38/2005 and, within the terms provided by the law, for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The Directors are responsible for assessing the Group's ability to continue as a going concern and, when preparing the consolidated financial statements, for the appropriateness of the going concern assumption, and for appropriate disclosure thereof. The Directors prepare the consolidated financial statements on a going concern basis unless they either intend to liquidate the Parent Company Elica S.p.A. or to cease operations or have no realistic alternative but to do so.

The statutory audit committee ("Collegio Sindacale") is responsible, within the terms provided by the law, for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with International Standards on Auditing (ISA Italia) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with International Standards on Auditing (ISA Italia), we have exercised professional judgment and maintained professional skepticism throughout the audit. In addition:

- we have identified and assessed the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, designed and performed audit procedures responsive to those risks, and obtained audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- we have obtained an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control;
- we have evaluated the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors;
- we have concluded on the appropriateness of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to consider this matter in forming our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern;
- we have evaluated the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation;
- we have obtained sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We have communicated with those charged with governance, identified at an appropriate level as required by ISA Italia, regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We have provided those charged with governance with a statement that we have complied with the ethical and independence requirements applicable in Italy, and we have communicated them all matters that may reasonably be thought to bear on our independence, and where applicable, the actions taken to eliminate relevant risks or the safeguard measures applied.

From the matters communicated with those charged with governance, we have determined those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We have described these matters in our auditor's report.

Additional information pursuant to article 10 of EU Regulation n. 537/14

The shareholders of Elica S.p.A., in the general meeting held on April 27, 2023, engaged us to perform the audits of the consolidated financial statements for each of the years ending December 31, 2024 to December 31, 2032.

We declare that we have not provided prohibited non-audit services, referred to article 5, par. 1, of EU Regulation n. 537/2014, and that we have remained independent of the Group in conducting the audit.

We confirm that the opinion on the consolidated financial statements included in this report is consistent with the content of the additional report to the audit committee (Collegio Sindacale) in their capacity as audit committee, prepared pursuant to article 11 of the EU Regulation n. 537/2014.

Report on compliance with other legal and regulatory requirements

Opinion on the compliance with Delegated Regulation (EU) 2019/815

The Directors of Elica S.p.A. are responsible for applying the provisions of the European Commission Delegated Regulations (EU) 2019/815 for the regulatory technical standards on the specification of a single electronic reporting format (ESEF - European Single Electronic Format) (the "Delegated Regulation") to the consolidated financial statements as at December 31, 2024 to be included in the annual financial report.

We have performed the procedures under the auditing standard SA Italia n. 700B, in order to express an opinion on the compliance of the consolidated financial statements as at December 31, 2024 with the provisions of the Delegated Regulation.

In our opinion, the consolidated financial statements as at December 31, 2024 have been prepared in the XHTML format and have been marked-up, in all material aspects, in compliance with the provisions of the Delegated Regulation.

Due to certain technical limitations, some information included in the notes to the consolidated financial statements when extracted from the XHTML format to an XBRL instance may not be reproduced in an identical manner with respect to the corresponding information presented in the consolidated financial statements in XHTML.

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Opinion and statement pursuant to article 14, paragraph 2, subparagraph e), e-*bis*) and e-*ter*) of Legislative Decree n. 39 dated 27 January 2010 and pursuant to article 123-bis, paragraph 4, of Legislative Decree n. 58, dated 24 February 1998

The Directors of Elica S.p.A. are responsible for the preparation of the Report on Operations and of the Report on Corporate Governance and Ownership Structure of Elica Group as at December 31, 2024, including their consistency with the related consolidated financial statements and their compliance with the applicable laws and regulations.

We have performed the procedures required under audit standard SA Italia n. 720B, in order to:

- express an opinion on the consistency of the Report on Operations and of specific information included in the Report on Corporate Governance and Ownership Structure as provided for by article 123-bis, paragraph 4, of Legislative Decree n. 58, dated 24 February 1998, with the consolidated financial statements;
- express an opinion of the compliance with the laws and regulations of the Report on Operations, excluding the section related to the consolidated sustainability information, and the above mentioned specific information included in the Report on Corporate Governance and Ownership Structure pursuant article n. 123-bis, paragraph 4, of Legislative Decree n. 58, dated 24 February 1998;
- issue a statement on any material misstatement in the Report on Operations and in certain specific information contained in the Report on Corporate Governance and Ownership Structure pursuant article n. 123-bis, paragraph 4, of Legislative Decree n. 58, dated 24 February 1998.

In our opinion, the Report on Operations and the specific information contained in the Report on Corporate Governance and Ownership Structure pursuant article n. 123-bis, paragraph 4, of Legislative Decree n. 58, dated 24 February 1998, are consistent with the consolidated financial statements of Elica Group as at December 31, 2024.

Furthermore, in our opinion, the Report on Operations, excluding the section related to the consolidated sustainability information, and the specific information contained in the Report on Corporate Governance and Ownership Structure pursuant article n. 123-bis, paragraph 4, of Legislative Decree n. 58, dated 24 February 1998, comply with the applicable laws and regulations.

With reference to the statement required by art. 14, paragraph 2, subparagraph e-*ter*), of Legislative Decree n. 39, dated 27 January 2010, based on our knowledge and understanding of the entity and its environment obtained through our audit, we have no matters to report.

Our opinion on compliance with applicable laws and regulations does not extend to the section of the Report on Operations related to consolidated sustainability information. The conclusion on the compliance of this section with the applicable standards governing its preparation criteria and the compliance with the disclosure requirements pursuant to article 8 of (EU) Regulation 2020/852 are formulated by us in the attestation report pursuant to article 14-bis of Legislative Decree No. 39 dated 27 January 2010.

Ancona, March 27, 2025

EY S.p.A.
Signed by: Roberta Ciocci, Auditor

This independent auditor's report has been translated into the English language solely for the convenience of international readers. Accordingly, only the original text in Italian language is authoritative.

D. PARENT COMPANY FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED DECEMBER 31, 2024

ELICA S.p.A.

Registered Office at Via Ermanno Casoli, 2 – 60044 Fabriano (AN) - Share Capital: Euro 12,664,560 fully paid-in

Index.

D. 2024 Parent Company Financial Statements

D.1. Income statement

In Euro	*Note*	2024	2023
Revenue - thirt parties	D.6.4.1	202,188,508	205,715,486
Revenue - subsidiaries	D.6.4.1	43,084,082	52,389,984
Other operating income	D.6.4.2	2,609,502	4,207,756
Change in finished and semi-finished products	D.6.4.3	(258,061)	904,860
Increase in internal work capitalised	D.6.4.4	3,964,576	1,801,297
Raw materials and consumables - third parties	D.6.4.5	(51,427,614)	(61,066,233)
Raw materials and consumables - subsidiaries	D.6.4.5	(112,525,208)	(107,916,262)
Services - third parties	D.6.4.6	(42,395,998)	(37,016,255)
Services - subsidiaries	D.6.4.6	(3,723,843)	(3,408,847)
Personnel expense	D.6.4.7	(35,077,064)	(30,580,045)
Amortisation and depreciation	D.6.4.8	(7,335,936)	(8,217,090)
Other operating expenses and accruals	D.6.4.9	(4,349,293)	(2,455,236)
Restructuring charges	D.6.4.10	21,586	(257,851)
Impairment of Goodwill and other assets	D.6.4.8	(302,786)	0
Operating profit		**(5,527,549)**	**14,101,564**
Gain and loss from group companies	D.6.4.11	0	0
Dividends from investments in subsidiaries	D.6.7.3.5	6,420,400	3,926,498
Financial Income	D.6.4.12	14,624,384	3,321,870
Financial expense	D.6.4.13	(6,699,891)	(5,225,283)
Net exchange rate gains/(losses)	D.6.4.14	(681,389)	(3,990,640)
Profit before taxes		**8,135,955**	**12,134,009**
Income taxes	D.6.4.15	3,350,164	(3,238,943)
Profit from continuing operations		**11,486,119**	**8,895,066**
Profit from discontinued operations		**0**	**0**
Profit/(loss) for the year		**11,486,119**	**8,895,066**

D.2. Statement of comprehensive income

In Euro	*Note*	2024	2023
Profit for the year		**11,486,119**	**8,895,066**
Other comprehensive income/(expense) which will not be subsequently reclassified to profit or loss:			
Actuarial gains/(losses) on defined benefit plans	D.6.4.31.5	41,217	(26,064)
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		**41,217**	**(26,064)**
Other comprehensive income/(expense) which will be subsequently reclassified to profit or loss:			
Net change in cash flow hedges	D.6.4.31.3	(1,821,010)	(2,370,934)
Tax effect of Other gains/(losses) which will be subsequently reclassified to the profit/(loss)	D.6.4.31.3	433,710	569,024
Total items which will be subsequently reclassified to profit or loss, net of the tax effect		**(1,387,300)**	**(1,801,910)**
Total other comprehensive income, net of the tax effect:		**(1,346,083)**	**(1,827,974)**
Comprehensive income		**10,140,036**	**7,067,092**

D.3.Statement of Financial Position

Trade payables to group companies	D.6.7.3.3	12,466,891	33,575,518
Other current liabilities	D.6.4.29	8,639,151	8,008,958
Tax liabilities	D.6.4.28.2	0	19,961
Derivative liabilities (current)	D.6.4.32.3	1,562,662	316,466
Current liabilities		**142,293,688**	**149,709,080**
Liabilities directly related to discontinued operations	D.6.4.19.1	**0**	**0**
Share capital	D.6.4.31.1	12,664,560	12,664,560
Capital reserves	D.6.4.31.2	71,123,335	71,123,335
Hedging reserve	D.6.4.31.3	85,478	1,472,778
Treasury shares	D.6.4.31.4	(8,226,093)	(2,952,410)
Treasury shares	D.6.4.31.5	(1,956,846)	(1,998,063)
Retained earnings	D.6.4.31.6	27,038,264	21,233,934
Profit/(loss) for the year		11,486,119	8,895,066
Equity	**D.6.4.31**	**112,214,817**	**110,439,200**
Total liabilities and equity		**306,099,451**	**313,850,011**

D.4.Statement of Cash Flows

In Euro	Note	12/31/2024	12/31/2023
Cash flow from operating activities			
Profit for the year		**11,486,119**	**8,895,066**
Adjustments for:			
-Depreciation of property, plant and equipment	D.6.4.8	3,759,751	3,996,240
-Amortisation of intangible assets	D.6.4.8	3,576,185	4,220,850
-Impairment losses on property, plant and equipment and intangible assets and goodwill	D.6.4.8	302,786	0
-Net exchange rate gains/losses	D.6.4.14	(533,044)	1,321,662
-Interest on post-employment benefits and other discounting	D.6.4.26	(11,503)	156,815
-Net financial expense	D.6.4.12/13	2,021,788	2,250,413
-Provisions for risks, restructuring and LTI	D.6.4.9	1,760,711	(3,855,759)
- Gains from the sale of assets	D.6.4.12	(7,704,227)	
-Provision for inventory write-down	D.6.4.23	855,517	(1,371,621)
-Loss allowance	D.6.4.22	302,774	(868,292)
-Other chages		(6,512,391)	(6,771,380)
-Income taxes	D.6.4.15	(7,086,736)	8,367,782
Sub-Total		2,217,730	16,341,776
Changes in:			
-Inventories	D.6.4.23	(555,511)	3,156,933
-Trade receivables	D.6.4.22	(8,718,710)	6,998,465
-Other assets and tax assets	D.6.4.24/25	2,454,140	(1,593,558)
-Trade payables	D.6.4.30	(18,229,641)	17,628,805
-Other liabilities and tax liabilities	D.6.4.28/29	4,462,786	(5,442,486)
-Employee provisions and benefits	D.6.4.26	(6,872,900)	(10,626,491)
- Proceeds from derivatives (currency)	D.6.4.32.3	(1,822,984)	(2,407,543)
Cash flow generated by operating activities		(27,065,090)	24,055,901
Income taxes paid	D.6.4.15	0	(33,142)
Cash flow generated/(absorbed) from operating activities		**(27,065,090)**	**24,022,759**
Cash flows from investing activities			
Proceeds from the sale of property, plant and equipment	D.6.4.17	0	0
Proceeds from the sale of financial assets and investments in subsidiaries	D.6.4.20	0	(403,192)
Acquisition of subsidiaries, net of liquidity acquired	D.6.4.19	(73,849)	(6,545,665)
Purchase of property, plant and equipment	D.6.4.17	(3,466,377)	(1,058,658)
Purchases of intangible assets	D.6.4.18	(4,193,852)	(2,791,062)
Acquisition of other financial assets	D.6.4.20	0	0
Dividends received	D.6.4.12	6,420,400	3,926,498
Cash flow generated/(absorbed) by investment activities		**(1,313,678)**	**(6,872,079)**
Cash flow from financing activities			
Proceeds from financial derivatives, other financial assets, and new bank borrowings		57,707,588	(26,715,476)

	D.6.4.32.3		
Payment for purchase of treasury shares	D.6.4.31.4	(5,273,683)	1,249,596
Repayment of bank financial liabilities	D.6.4.32.2	6,452,496	(6,119,939)
Repayment of financial liabilities related to the purchase of equity investments	D.6.4.19	0	500,000
Payment of lease liabilities	D.6.4.32.4	(24,077,377)	(1,161,623)
Dividends paid	D.6.4.31	(3,090,736)	(4,378,111)
Interest paid	D.6.4.13	(2,933,432)	(1,746,598)
Cash flow from generated/(absorbed) by financing activities		**28,784,856**	**(38,372,151)**
Net increase/decrease) in cash and cash equivalents		**406,088**	**(21,221,471)**
Cash and cash equivalents at January 1	D.6.4.32.1	21,295,651	42,517,124
Effect of exchange rate fluctuations on cash and cash equivalents		0	0
Cash and cash equivalents at the reporting date	**D.6.4.32.1**	**21,701,739**	**21,295,653**

D.5. Statement of changes in equity

In Euro thousands	Note	Share capital	Capital reserves	Treasury shares	Hedging reserve/Actuarial reserve	Retained earnings	Profit/(loss) attributable to the owners of the Parent	Equity
12/31/2022		**12,665**	**71,123**	**(1,703)**	**1,303**	**9,710**	**15,902**	**109,000**
Fair value change in cash flow hedges net of the tax effect		0	0	0	(1,802)	0	0	(1,802)
Actuarial gains/(losses) on post-employment benefits		0	0	0	(26)	0	0	(26)
Total gains/losses) recognised directly in equity		***0***	***0***	***0***	***(1,828)***	***0***	***0***	***(1,828)***
Profit/(loss) attributable to the owners of the Parent		0	0	0	0	0	8,895	8,895
Total gains/losses) recognised in other comprehensive income		***0***	***0***	***0***	***(1,828)***	***0***	***8,895***	***7,067***
Allocation of profit for the year		0	0	0	0	15,902	(15,902)	0
Dividends		0	0	0	0	(4,378)	0	(4,378)
Other changes		0	0	(1,249)	0	0	0	(1,249)
12/31/2023		**12,665**	**71,123**	**(2,952)**	**(525)**	**21,234**	**8,895**	**110,439**
Fair value change in cash flow hedges net of the tax effect	D.6.4.31.3	0	0	0	(1,387)	0	0	(1,387)
Actuarial gains/(losses) on post-employment benefits	D.6.4.31.5	0	0	0	41	0	0	41
Total gains/losses) recognised directly in equity		***0***	***0***	***0***	***(1,346)***	***0***	***0***	***(1,346)***
Profit/(loss) for the year		0	0	0	0	0	11,486	11,486
Total gains/losses) recognised in other comprehensive income		***0***	***0***	***0***	***(1,346)***	***0***	***11,486***	***10,140***
Allocation of profit for the year		0	0	0	0	8,895	(8,895)	0
Dividends	D.6.4.31.6	0	0	0	0	(3,091)	0	(3,091)
Other changes	D.6.4.31.4	0	0	(5,274)	0	0	0	(5,274)
12/31/2024		**12,665**	**71,123**	**(8,226)**	**(1,871)**	**27,038**	**11,486**	**112,215**

D.6. Explanatory notes to the Parent Company Financial Statements at December 31, 2024

D.6.1. Accounting policies

D.6.1.1 – General information

Elica SpA is a company incorporated under Italian law based in Fabriano (Ancona, Italy).
The company is listed on the EURONEXT STAR MILAN segment of the Mercato Telematico Azionario (MTA) organised and managed by Borsa Italiana S.p.A.
The main activities of the Company and its subsidiaries, as well as its registered office and other offices are illustrated in the Directors' Report.
The Euro is the functional and reporting currency. Amounts in the financial statement are given in Euro while the amounts in the notes are given in thousands of Euro.
The company in addition prepares the Consolidated Financial Statements of the Group which it heads.

D.6.1.2 Accounting policies and statement of compliance with international financial reporting standards

The Separate Financial Statements have been prepared in accordance with the International Financial Reporting Standards (IFRS), issued by the International Accounting Standards Board (IAS) and endorsed by the European Union, as well as in accordance with Article 9 of Legislative Decree no. 38/2005 and related CONSOB regulations.
The Separate Financial Statements at December 31, 2024 are compared with the previous year and consist of the Statement of Financial Position, the Income Statement, the Statement of Comprehensive Income, the Statement of Cash Flows, the Statement of changes in Equity and the Explanatory Notes thereto.
The financial statements and related notes comply with the minimum disclosure requirements of IFRS, as supplemented, where applicable, by the provisions of the law and CONSOB regulations.
The Company did not make any changes in the accounting policies applied between the comparative dates of December 31, 2024 and December 31, 2023.

The financial statement items 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.
These financial statements have been prepared using the historical cost convention, with the exception of derivative financial instruments, financial assets held for sale and financial instruments classified as available for sale, which are measured at fair value.
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 company made use of the option granted by Article 40, Legislative Decree No. 127/1991 paragraph 2-*bis*, which allows companies required to present consolidated financial statements to present both the Directors' Report to the parent's ordinary financial statements and the Directors' Report to the consolidated financial statements in a single document. For the operating performance for FY2024, please refer to the consolidated Directors' Report.
In preparing the financial report at December 31, 2024, account was taken of the comparability over time of the financial statement items. Therefore, the figures are compared respectively with the consolidated financial statements for the previous year for the income statement, the statement of comprehensive income, the consolidated statement of financial position, the statement of cash flows and the statement of changes in equity, 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 December 31, 2023.

Account Items	12/31/2023	Reclassification	12/31/23 Restated
Other current assets	2,675,861	8,311,706	10,987,567
Tax assets (current)	9,757,041	(8,311,706)	1,445,335
Other current liabilities	5,545,126	2,463,832	8,008,958
Tax liabilities	2,483,793	(2,463,832)	19,961

Furthermore, in the Consolidated Statement of Cash Flows for the comparative period at December 31, 2023, the following has been reclassified:

- in the item “Cash out/payments from financial instruments (currency)” within the section “Cash flows from operating activities”, the cash flows arising from the cash out and payment of derivative financial instruments related to currency for Euro 2,408 thousand, which in the previous financial statements were included in the item “Cash out/payments from derivative financial instruments and other financial assets” within the section “Cash flows from financing activities”;
- in the item “Other changes” within the section “Cash flows from operating activities”, the fair value changes for the year of derivative financial instruments related to commodities, currencies and interest rates for Euro -6,474 thousand, which in the previous financial statements were included in the item “Cash out/payments from derivative financial instruments and other financial assets” within the section “Cash flows from financing activities”;

D.6.1.3 Financial statements

Company Management, in accordance with IAS 1, made the following choices in relation to the presentation of the financial statements.
The Income Statement is prepared in accordance with the nature of the item and shows intermediary results relating to the operating profit/(loss) and the profit/(loss) before taxes in order to allow a better assessment of the operating performance. The operating profit is the difference between net revenue and operating expenses (this latter including non-monetary items relating to amortisation/depreciation and impairment of current and non-current assets, net of any reversals), including any gains/losses on the sale of non-current assets.

The Statement of Comprehensive Income reports, beginning with the profit/(loss) for the year, the effect of the other comprehensive income statement items recorded directly to equity (other comprehensive income).
The Statement of Financial Position is presented with separation of current and non-current assets and liabilities. It is expected to be realised/settled or sold or utilised within the company's normal operating cycle; it is held for trading; it is expected to be realised/settled within 12 months from the end of the reporting period. Where none of these conditions apply, the assets/liabilities are classified as non-current.
The Statement of Cash Flows is prepared using the indirect method in which the operating profit/(loss) is adjusted by non-monetary items. It classifies cash flows respectively from (used in) operating activities, investing activities and financing activities, in line with IAS 7. Specifically, operating activities are activities that generate revenue and are not investing or financing activities. Investing activities relate to the purchase and sale of non-current assets and other investments, while financing activities are those resulting in a change to the sources of financing, therefore in the size and composition of the share capital, share premium reserves and Company loans. Unrealised exchange rate gains and losses are not considered cash flows. However, the effect of such exchange rate gains and losses on cash and cash equivalents is included to reconcile the change in the opening and closing balances of cash and cash equivalents. It is, however, presented separately.
Statement of Changes in Equity outlines the changes to the Equity items, including the allocation of the result, the recognition of actuarial profits/losses, the impact of the valuation of hedging instruments and the recording of the profit/loss, in addition to the additional phenomenon which according to IFRS should be recognised to this item.

D.6.1.4 Accounting policies

Information regarding the accounting policies adopted in the preparation of the statutory financial statements are described below in accordance with IAS 1.

Property, plant & equipment

Property, plant and equipment are recognised at purchase or production cost, including any directly attributable costs. Some assets have been adjusted under specific revaluation legislation prior to January 1, 2005 and are deemed to reflect the fair value of the asset at the revaluation date ("deemed cost" as per IFRS 1). This cost is recognised net of accumulated depreciation and any impairment losses.

Depreciation is calculated on a straight-line basis over the estimated useful life applying the following percentage rates:

Buildings	3%
Light constructions	10%
Plant & machinery	6% -10%
Industrial & commercial equipment	14% -16%
Furniture & fittings	12%
Electronic machines	20%
Cars	20%
Transport vehicles	25%

Purchase cost is also adjusted for grants related to assets already approved to the company. These grants are recognised in profit or loss by gradually reducing the depreciation charged over the useful life of the assets to which they relate.
Maintenance, repair, expansion, updating and replacement costs that do not lead to a significant, measurable increase in the production capacity and useful life of an asset are taken to profit or loss when they are incurred.

The carrying amount of property, plant and equipment and any significant component initially recognised is derecognised upon disposal or when no future economic benefit is expected from its use or disposal. The gain/loss on it derecognition is recorded in the income statement when the item is derecognised.
The Company reviews the estimated residual values and expected useful lives of property, plant and equipment at least annually, also considering the impact of health, safety and environmental legislation. In addition, the Company considers climate-related issues, including physical and transition risks. Specifically, the Company determines whether climate-related laws and regulations may impact both the expected useful life and the estimated residual value.

Goodwill

The Goodwill, recognised in the value of the investment, deriving from the acquisition of a subsidiary or other business combination, represents the excess of the acquisition cost over the Group's share in the fair value of the identifiable assets, liabilities and contingent liabilities of the subsidiary at the acquisition date.
At each reporting date the Company reviews the recoverable value of the goodwill to assess whether an impairment loss has occurred and determine the amount of any impairment. An impairment loss is immediately taken to profit or loss and is not reversed in a subsequent period.
On the sale of a subsidiary, any goodwill attributable to the subsidiary is included in the calculation of the gain or loss on the sale.
Goodwill arising on acquisitions prior to January 1, 2004 is carried at the amount recognised under Italian GAAP at that date, after an impairment test.

Research costs

The research costs are taken to profit or loss when incurred.

Development costs

Development costs in relation to specific projects are capitalised when all of the following conditions are satisfied:

- the costs can be reliably determined during the development;
- the technical feasibility of the product is demonstrated, such that it is available for use or sale;
- the volumes, and expected prices indicate that costs incurred for development will generate future economic benefits;
- the technical and financial resources necessary for the completion of the project are available.

Where the above conditions are not met; the cost is recorded in the Income Statement.
After initial recognition, the development costs are measured at cost, reduced for amortisation or accumulated impairment losses.
Capitalised development costs are amortised on a straight-line basis, commencing from the point at which development is completed and production begins of the product to which these costs refer and over its estimated life.

The carrying amount of development costs are tested annually for impairment when the asset is no longer in use, or with greater frequency when there is indication of impairment. The recoverability test requires estimates by the Directors, as dependent on the cash flows deriving from the sale of products sold by the company. These estimates are impacted both by the complexity of the assumptions underlying the projected revenues and future margins and by the strategic industrial choices of the Directors.

Other intangible assets

The other intangible assets acquired or produced internally are recorded under assets, in accordance with the provisions of IAS 38 – Intangible Assets, when it is probable that the use of the asset will generate future economic benefits and when the cost of the asset can be determined reliably.
After initial recognition, intangible assets are recognised at cost, net of accumulated amortisation and accumulated impairment, if any.
The useful life of an intangible asset may be considered definite or indefinite. Intangible assets with a finite useful life are amortised over equal monthly quotas and tested for impairment whenever there is evidence of an impairment loss. According to management and experts, the company's most important software has a useful life of seven years. The useful life is tested annually for impairment and any changes are made on a prospective basis.
Intangible assets with indefinite useful lives are not amortised but tested annually for impairment or more frequently where there is an indication that the asset may be impaired. At present, the company only owns intangible assets with definite useful lives.
An intangible asset is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising from the disposal of the asset is included in the income statement.

Impairment test

At each reporting date, and in any case at least once a year, in accordance with IAS 36 the Company assesses whether events or circumstances exist that raise doubts as to the recoverability of the carrying amount of property, plant and equipment and intangible assets with definite useful lives. If there are any indications of impairment, the company estimates the recoverable amount of the assets to determine any impairment loss.

The goodwill and other intangible assets with indefinite useful lives, including intangible assets in progress, are tested at least annually for impairment and whenever there is an indication of a possible loss in value. The impairment test compares the carrying amount with the recoverable amount, which is the greater of fair value less costs to sell and value in use. Any excess of the carrying amount results in an impairment loss. An impairment loss is recognised to profit and loss. When the reasons for the impairment no longer exist, the impairment losses on the assets are reversed bringing the carrying amount up to the revised estimate of its recoverable amount. The restatement cannot exceed the carrying amount had no impairment been recognised. The reversal of an impairment loss is taken to profit or loss.

For goodwill, the recoverable amount is determined by the Directors through the calculation of the value of use of the cash-generating Unit (CGU's). Cash generating units are identified depending on the organisational and business structure of the Company as units that generate cash on an autonomous basis as a result of the continuous use of the assets allocated. Impairment losses on goodwill are measured by determining the recoverable amount of the CGU to which the goodwill is allocated, and where it is less than the carrying amount of the CGU to which the goodwill has been allocated, an impairment loss is recognised. The impairment loss of the goodwill is taken to profit or loss and, differing to that for other property, plant and equipment and intangible assets, no reversal is recognised in future years.

In the determination of the value in use, the estimated future cash flows are discounted by the company at a pre-tax rate that reflects the market assessment of the present value of money and the risks specific to the asset. In the determination of the fair value net of selling costs, account is taken of recent market transactions. Where it is not possible to identify these transactions, an adequate valuation model is utilised. These calculations are made utilising appropriate valuation multipliers, listed equity prices for publicly traded securities and other fair value indicators available.

The Company bases its impairment test on recent budgets and forecasts, prepared separately for each cash generating unit of the Company to which the individual assets were allocated. These budgets and forecasts generally cover a period of five years. A long-term growth rate is calculated to project future cash flows beyond the fifth year.

The Company assesses whether climate risks, including physical and transition risks, could have a significant impact, and if this is the case, these risks are considered in estimating future cash flows in the value-in-use estimate. Please refer to the relevant note on the impact of climate-related risks in estimating the value in use.

Investments in subsidiaries and associates

This item includes interests held in subsidiaries, associates and joint ventures. For the classification of items, entities for which the power to establish financial and management policies is held to obtain benefits are considered subsidiaries. This is the case when more than half of the voting rights are held, directly and/or indirectly, or when other conditions of *de facto* control exist, such as the appointment of a majority of Directors.
Jointly-controlled entities are those for which there are contractual, shareholders' or other agreements for the joint management of the business and the appointment of Directors. Associates are those companies in which 20% or more of the voting rights are held and companies which, due to particular legal ties, such as participation in shareholders' agreements, are to be considered as having significant influence.
Investments in subsidiaries, joint ventures and associates not classified as held-for-sale are measured at cost.
At each year-end or interim reporting date, any indicators of the risk that the investment has been impaired are ascertained. Where indicators exist that the value of an equity investment may have been impaired, the recoverability of the carrying amount is tested (Impairment Test).
The impairment test compares the carrying amount of the investment with the recoverable value, defined as the higher between the fair value of the investment net of sales costs and the value in use, represented by the present value of the expected revenue streams for the years of operations of the company subject to the impairment test and deriving from its disposal on conclusion of its useful life. Any excess of the carrying amount results in an impairment loss. An impairment loss is recognised to profit and loss. Following the write-down of the cost of the investment, further losses recorded on the investment are recorded under liabilities, where a legal implicit obligation to cover the losses in the investment exists. When the reasons for the impairment no longer exist, the impairment losses are reversed bringing the carrying amount up to the revised estimate of its recoverable amount. The restatement cannot exceed the carrying amount had no impairment been recognised. The reversal of an impairment loss is taken to profit or loss.
Income from investments is recognised only in relation to the dividends received from the investee on profit generated after the acquisition date. Dividends received in excess of profits generated are regarded as a recovery on the investment and are taken as a reduction in the cost of the investment.

IFRS 16 Leasing

At the commencement date of leases, the Company recognises the usage right assets and the lease liabilities. Right-of-use assets are initially measured at cost, and subsequently at cost net of cumulative depreciation and impairment losses, while adjusted to reflect lease liability remeasurements.
Right-of-use assets are depreciated on a straight-line basis from the effective date to the end of the useful life of the asset consisting of the right of use or at the end of the lease term, whichever is earlier. Right-of-use assets are subject to impairment. Reference should be made to paragraph B.6.2.5.4. Impairment Tests
The Company assesses the lease liabilities at the present value of payments due for lease charges not settled at the commencement date, discounting them according to the implied lease interest rate. Where it is not possible to establish this rate easily, the Company utilises the marginal interest rate.
The lease liability is subsequently increased by the interest maturing on this liability and reduced for payments due on the lease and is revalued in the case of changes to future payments on leasing deriving from a change in the index or rate, in the case of a change to the amount which the Company expects to pay as guarantee on the residual value or where the Company changes its assessment on the exercise or otherwise of a purchase, renewal or termination option.
The Company has estimated the lease duration of some contracts in which it acts as lessee and which have renewal options. The Company assessment upon the existence or otherwise of a reasonable certainty of exercising the option influences the estimate of the lease duration, significantly impacting the amount of the lease liabilities and the usage right assets recognised. The Company's lease liabilities are included among "Lease liabilities and loans and borrowings from other lenders" (see paragraph B.6.5.30.3).
The Company applies the exemption for the recognition of short-term leases and without the purchase option and leases related to low-value assets. The short-term lease instalments and those for low value assets are recognised as costs on a straight-line basis over the lease duration.

Inventories

Inventories are measured at the lower of purchase or production cost and net realisable value.
The purchase cost of raw, ancillary, supplies and goods for resale is determined using the weighted average cost method.

The production cost of finished products, work in progress and semi-finished products is determined considering the cost of the materials used plus direct operating expenses and overheads.
Net realisable value represents the estimated selling price less expected completion costs and selling costs.
Obsolete and slow moving inventories are written down taking account of their prospects of utilisation or sale.

Trade receivables, loans, including financial receivables from Group companies and other financial assets

Financial assets other than trade receivables, loans and cash and cash equivalents are initially recognised at fair value, including directly related transaction costs.

Initial recognition and measurement
Upon initial recognition, financial assets are classified according to the subsequent measurement method, as appropriate, i.e., amortised cost, fair value through OCI comprehensive income, and fair value through profit or loss.
The classification of financial assets on initial recognition depends on the characteristics of the contractual cash flows of the financial assets and the business model that the Company uses to manage them. Except for trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient, the Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient are valued at the transaction price as illustrated in section (e) “Revenue from contracts with customers”.
In order for a financial asset to be classified and measured at amortised cost or fair value recognised in OCI, it must generate cash flows that depend solely on principal and interest on the amount of principal to be repaid (“solely payments of principal and interest (SPPI)”). This assessment is referred to as the SPPI test and is performed at the instrument level. Financial assets whose cash flows do not meet the above requirements (e.g., SPPI) are classified and measured at fair value through profit or loss.

The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will come from the collection of contractual cash flows, the sale of financial assets, or both.

Financial assets that are classified and measured at amortised cost are held as part of a business model whose objective is to own financial assets for the collection of contractual cash flows, while financial assets that are classified and measured at fair value through OCI are held as part of a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets.

Subsequent measurement

Subsequently, the financial assets are classified in four categories:

- Financial assets at amortised cost (debt instruments);
- Financial assets at fair value through other comprehensive income with reclassification of accumulated gains and losses (debt instruments);
- Financial assets at fair value through other comprehensive income without reversal of accumulated gains and losses upon derecognition (equity instruments);
- Financial assets at fair value through profit or loss.

Financial assets at amortised cost (debt instruments)

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognised in the income statement when the asset is derecognised, modified or revalued. The Company's financial assets at amortised cost include trade receivables, a loan to an associate, and a loan to a director included in other non-current financial assets.

Financial assets at fair value through OCI (debt instruments)

For assets from debt instruments measured at fair value through OCI, interest income, changes due to exchange rate differences and impairment losses, together with reversals, are recognised to the income statement and are calculated in the same way as financial assets measured at amortised cost. The remaining changes in fair value are recognised in OCI. Upon derecognition, the cumulative change in fair value recognised in OCI is reclassified to the income statement.
The Company's debt instrument assets measured at fair value through OCI include investments in listed debt instruments included in other non-current financial assets.

Investments in equity instruments

Upon initial recognition, the Company may irrevocably elect to classify its equity investments as equity instruments recognized at fair value through OCI when they meet the definition of equity instruments under IAS 32 "Financial Instruments: Presentation" and are not held for trading. Classification is determined for each individual instrument.
Gains and losses on these financial assets are never reversed through profit or loss. Dividends are recognised as other income in the income statement when the right to payment has been approved, except when the Company benefits from such income as a recovery of part of the cost of the financial asset, in which case such gains are recognised to OCI. Equity instruments recorded at fair value through OCI are not subject to impairment testing.

Financial assets at fair value through profit or loss
Financial instruments at fair value with changes recognised to the income statement are recorded in the balance sheet at fair value and net changes in fair value through profit or loss.
This category includes derivative instruments and listed equity investments that the Company has not irrevocably elected to classify at fair value through OCI. Dividends on publicly traded equity investments are recognised as other income to the income statement when the right to payment has been established.
The embedded derivative contained in a hybrid non-derivative contract, financial liability or master non-financial contract is separated from the host contract and accounted for as a separate derivative if: its economic characteristics and associated risks are not closely related to those of the host contract; a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and the hybrid contract is not measured at fair value through profit or loss. The embedded derivatives are measured at fair value through profit or loss. A redetermination occurs only in the case of a change in the terms of the contract which significantly modify the cash flows otherwise expected or a reclassification of a financial asset to a category other than fair value through profit or loss.
The Company has chosen to irrevocably classify its unlisted equity investments in this category.

Derecognition
Financial assets (or, where applicable, part of a financial asset or part of a group of similar financial assets) are derecognised firstly (e.g. eliminated from the statement of financial position of the Company) when:

- the rights to receive cash flows from the asset are extinguished, or
- the company has transferred to a third party the right to receive the cash flows of the asset or has assumed the contractual obligation to pay entirely and without delay and (a) has substantially transferred all of the risks and rewards

of ownership of the financial asset, or (b) has not substantially transferred all of the risks and rewards of the asset, but has transferred control.

Where the company has transferred the rights to receive the cash flows of an asset or has signed an agreement under which to maintain the contractual rights to receive the cash flows of a financial asset, but assumes a contractual obligation to pay the cash flows to one or more beneficiaries (pass-through), they shall assess if and to what extent they have maintained the risks and rewards relating to ownership. Where they have neither transferred or maintained substantially all of the risks and rewards or have not lost control, the asset continues to be recorded in the financial statements of the company up to the amount of its residual holding in the asset. In this case, the company also recognises an associated liability. The assets transferred and the associated liabilities are measured in order to reflect the rights and obligations maintained by the company.

When the entity's continuing involvement is a guarantee on the transferred asset, involvement is measured based on the lesser of the amount of the asset or the maximum amount of consideration received that the entity may have to repay.

Receivables are recorded at nominal value which normally represents their fair value, as they do not contain a significant financing component. In the event of a significant difference between nominal amount and fair value, they are initially recognised at fair value and subsequently measured at amortised cost using the effective interest rate method.

Receivables are adjusted through an allowance for bad debt to reflect their realisable value. The allowance is calculated as the difference between the carrying amount of the receivables and the present value of the expected cash flows, discounted at the effective interest rate on initial recognition.

Assets and liabilities held-for-sale

Non-current assets (and disposal groups) classified as held for sale are measured at the lower of their previous carrying value and market value less selling costs.

Non-current assets (and disposal groups) are classified as held-for-sale when their carrying amount is expected to be recovered by means of a sales transaction rather than through use in company operations. This condition is met only when the sale is highly likely, the assets (or group of assets) are available for immediate sale in their current condition and, consequently, management is committed to a sale, which should take place within 12 months of the classification as held for sale.

As provided for by IFRS 5, in addition to the assets, the related liabilities must also be represented.

Cash and cash equivalents

Cash and cash equivalents include cash balances and bank current accounts and deposits repayable on demand plus other highly liquid short term financial investments that can be readily converted into cash and are not subject to a significant risk of a change in value.

Trade payables and other financial liabilities

Trade payables and other financial liabilities are recorded at nominal value which generally represents their fair value. In the event of significant differences between their nominal amount and fair value, trade payables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest rate method.

Bank loans and borrowings and loans and borrowings from other lenders, including Group companies

Bank loans and borrowings – comprising non-current loans and bank overdrafts – and loans and borrowings from other lenders, are recognised based on the amounts received, less transaction costs, and are subsequently measured at amortised cost using the effective interest rate method.

Derivative instruments and hedge accounting

The Company makes use of derivative financial instruments with the intention of hedging currency, interest rate and commodity price risks.
These derivative financial instruments are initially recognized at fair value at the date on which they are obtained, and this fair value is periodically remeasured. They are recorded as financial assets when the fair value is positive, and as financial liabilities when negative.
In compliance with International Accounting Standards, derivative financial instruments can be recognised using "hedge accounting" only when the hedge is formally designated and documented as such and is presumed to be highly effective at

inception, such effectiveness can be reliably measured and the hedge is highly effective over the accounting periods for which it was designated.

All derivative financial instruments are measured at fair value. When derivative instruments have the characteristics for hedge accounting, the following accounting treatments apply:

- Fair value hedge – if a derivative financial instrument is designated as a hedge to the exposure of changes in the fair value of an asset or liability or of an irrevocable commitment which can have effects on the income statement, the change in the fair value of the hedge instrument is recognised through profit or loss, and the change in the fair value of the hedged item, attributable to the risk hedged, is recognised as part of the carrying value of that item and recognised through profit or loss. If the underlying item is represented by an irrevocable commitment, the fair value of the item relating to the risk hedged is recognised as an asset or liability, adjusting the balance sheet account which will be concerned by the irrevocable commitment at the time of its realisation.
- Cash flow hedge – If a derivative financial instrument is designated as a hedge to the exposure of the changes in the cash flows of an asset or liability, of an operation considered highly probable, or of an irrevocable commitment and which may have effects on the income statement, the effective portion of the profits or of the losses of the financial instrument is recognised under equity and shown on the statement of comprehensive income. The cumulative profits or losses are reversed from net equity and recognised to the income statement in the same period in which the operation subject to hedging influences the income statement; the profit or loss related to a hedge or the part of the hedge becoming ineffective is recognised to the income statement when such inefficacy is recognised.

If hedge accounting cannot be applied, gains or losses deriving from the fair value of the financial derivative instrument are recognised directly in the income statement.
Reference should be made to paragraph. D.6.6. “Risk management” for information on the management of risks related to exchange rates.

Treasury shares

Treasury shares are recognised at cost and taken as a reduction in equity. The gains and losses deriving from trading of treasury shares, net of the tax effect, are recognised under equity reserves. Accessory charges are charged to the income statement in the year in which they accrue.

Employee benefits

Post-employment benefits

Italian post-employment benefits are considered equivalent to a defined benefit plan. For defined benefit plans, the cost of the benefits is determined using the Projected Unit Credit Method, with actuarial valuations being carried out at the end of each year.
On the basis of IAS 19 – Employee benefits, the Company presents in the balance sheet the deficit or surplus of the relevant provision, with recognition to the income statement of the labour cost components and net financial charges and the recognition of the gains or losses which derive from the recalculation of the assets and liabilities under Other Comprehensive Income. In addition, any income from the plan assets included under net financial expenses must be calculated based on the discount rate of the liability.
Up to December 31, 2006, the employees' leaving entitlement of the Italian companies was considered a defined benefit plan. The regulations governing Italian employees' leaving entitlement were modified by Law no. 296 of December 27, 2006 ("2007 Finance Act") and subsequent decrees and regulations issued at the beginning of 2007. In the light of these changes, and specifically with reference to companies with more than 50 employees, only the benefits that accrued prior to January 1, 2007 (and not yet paid at the reporting date) are now considered a defined benefit plan, while those that accrued after this date are considered a defined contribution plan.

Provisions for risks and charges

The company recognises a provision for risks and charges when the risk related to an obligation deriving from a past event is considered probable and a reliable estimate may be made on the amount of the obligation. Provisions are made based on management's best estimate of the cost of fulfilling the obligation at the end of the reporting date and are discounted to their present value when the effect is material. These risks are subject to a high level of complexity and uncertainty, and therefore the amount of the provision for risks and charges is reviewed periodically to reflect the best current estimate of each provision.

Revenue and income

The new IFRS 15-Revenues standard establishes an overall framework to identify the timing and amount of revenue recognition.
IFRS 15 requires the recognition and measurement of revenues from contracts with customers according to the following five steps: (i) identification of the contract with the customer; (ii) identification of the performance obligations (i.e. the contractual commitments to transfer goods and/or services to a customer); (iii) establishment of the transaction price; (iv) the allocation of the transaction price to the performance obligations identified on the basis of the stand alone sales price of each good or service and (v) recognition of revenue upon satisfaction of the relative performance obligation (i.e. on the transfer to the customer of the asset or service promised). The transfer is considered complete when the customer obtains control of the goods or services, which may occur over time or at a point in time. According to the new standard, the amount that the entity recognises as revenue should reflect the consideration that it has the right to receive following the exchange of the assets transferred to the customer and/or services provided, to be recognised upon fulfilment of the contractual obligations. In addition, to recognise the revenue, the requirement of probable obtainment/receipt of the economic benefits linked to the income is emphasised; for a contract in progress, a requirement to recognise revenue taking account of any discounting effect from payments deferred over time is introduced.
The Company carried out an analysis regarding the identification of separate performance obligations, and it was found that no further disaggregation of revenues was necessary; furthermore, no circumstances were identified in which the company played the role of "agent."
The Company considers whether there are other promises in the contract that represent obligations in relation to which a portion of the transaction consideration should be allocated, and, in calculating the sales transaction price for goods, also considers the effects from any variable fees, significant financial components and monetary and non-monetary fees to be paid to the client (if existing).
The criteria applied by the Company are in line with those established by IFRS 15.
Interest income is recorded on an accruals basis, according to the amount financed and the effective interest rate applicable. This is the rate at which the expected future cash flow over the life of the financial asset is discounted to equate them with the carrying amount of the asset.
Dividends are recognised when it is established that the shareholders have the right to receive them.

Foreign currency transactions

Foreign currency assets and liabilities are translated at the reporting date using the closing exchange rate. Non-monetary assets and liabilities measured at historical cost in foreign currency are translated using the exchange rate at the transaction date.
Exchange differences arising on such transactions or on the translation of monetary assets and liabilities are recorded in the Income Statement except for those arising on derivative financial instruments qualified as cash flow hedges. These differences are recorded in Equity if unrealised, otherwise they are recorded in the Income Statement.

Government grants

Government grants are recognised when it is reasonably certain that the conditions required to obtain them will be satisfied and that they will be received. Such grants are recorded in the income statement over the period in which the related costs are recorded, with a reduction in the generating account.
Grants related to an asset are recognised as revenue on a straight-line basis over the expected useful life of the asset to which they refer.
The accounting treatment of benefits deriving from a government loan obtained at a reduced rate are similar to those for government grants. This benefit is calculated at the beginning of the loan as the difference between the initial book value of the loan (fair value plus direct costs attributable to obtaining the loan) and that received, and subsequently recorded in the income statement in accordance with the regulations for the recording of public grants.

Income taxes

Income taxes for the year represent the sum of current and deferred taxation.
Tax receivables and payables for the year are measured at the amount expected to be paid to / received from the tax authorities. Current taxes are based on the assessable results of the period as per the applicable regulation. The liability for current income taxes is calculated using the current rates at the reporting date.
Current taxes relating to items recorded directly in net equity are also recorded directly to equity and not to the separate income statement.

Elica S.p.A. and the subsidiaries EMC Fime S.r.l and Airforce S.p.A. have opted for a consolidated tax regime in Italy. This means that the IRES (Corporation Tax) charge is calculated on a tax base representing the aggregate of the taxable income and tax losses of the individual companies. The contract is of three-year duration.
The transactions and mutual responsibilities and obligations between the Parent and its aforementioned subsidiaries are defined by a specific consolidation agreement. With regard to their responsibilities, the agreement provides that the Parent is jointly liable with the subsidiary for:
amounts due by the subsidiary under Article 127(1) of the Income Tax Code;
payment of amounts due to the tax authorities, should it emerge that sums declared in the consolidated tax return have not been paid;
consolidation adjustments made based on figures supplied by the subsidiary and contested by the tax authorities.
The income tax receivable is shown under Tax Receivables, determined as the difference between the income taxes in the year, payments on account, withholding taxes and, in general, tax credits. Tax Receivables also include the current IRES charge as determined on an estimate of the taxable income and tax losses of the companies taking part in the Consolidated tax regime, net of payments on account, taxes withheld by third parties and tax credits; tax assets are offset by the amounts due to the subsidiaries by Elica for the residual receivable attributable to the Consolidated tax regime.
The liability for any tax losses surrendered by a subsidiary is recorded under Amounts due to subsidiaries.
Deferred tax assets and liabilities arise from timing differences between the carrying amount of assets and liabilities determined in accordance with the financial reporting criteria set out by the Italian civil code and their tax base.
No tax provision has been made in relation to reserves subject to taxation upon distribution as no transactions that could trigger their taxation are planned.
Deferred tax assets are recognised to the extent that it is probable that, in the periods in which the deductible temporary differences will reverse, taxable income shall arise of not less than the amount of the differences that are to be absorbed. The carrying value of deferred tax assets is revised at the end of the year and reduced to the extent that it is no longer likely that there will be sufficient taxable income against which to recover all or part of the assets.
Deferred taxes are measured based on the tax rate that is expected to be in effect at the time the asset value is realized or the liability is extinguished and are recognized directly to the income statement with the exception of those relating to accounts directly recognized to equity, in which case the deferred taxes are also recognized to equity.
Deferred tax assets and liabilities are offset when there is a direct right to compensate the tax assets and liabilities and when they refer to income taxes due to the same fiscal authority and the Company intends to pay the amount on a net basis.

D.6.2. Accounting standards, amendments and interpretations in force as from January 1, 2024 and not yet applicable by the Company

D.6.2.1 Accounting standards, amendments and interpretations applied from January 1, 2024

In the preparation of these financial statements, the accounting standards and basis of preparation applied are in accordance with those used for the financial statements as of December 31, 2023, and the financial statement formats used are the same as those used for the preparation of the financial statements as of December 31, 2023.
There are no new standards applied or amendments that have impacted these separate financial statements. The Company has not adopted in advance any accounting standard, interpretation or amendment issued but not yet in effect.

The main changes are as follows:

Amendments to IFRS 16 - Lease Liability in a Sale and Leaseback
The amendments to IFRS 16 specify the requirements that a seller-lessor uses in determining the lease liability arising from a sale and lease back transaction, to ensure that the seller-lessor does not account for a gain or loss that relates to the right-of-use retained by them.

This amendment had no impact on the Company's financial statements.

Amendments to IAS 1 - Classification of Liabilities as Current or Non-current
The amendments to IAS 1 specify the requirements for classifying a liability 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.

The amendments resulted in additional disclosures in paragraph D.6.4.32 of the Notes to the Financial Statements, but had no impact on the Company's classification of liabilities.

Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7)
The amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures clarify the characteristics of supply finance arrangements and require additional disclosure of these arrangements. The disclosure requirements introduced are intended to assist users of financial statements in understanding the effects of supply finance arrangements on an entity's liabilities and cash flows and its exposure to liquidity risk.

Following the implementation of these changes, the Company provided additional information on its supply financing arrangements. Refer to paragraph D.6.4.30 of the Explanatory Notes.

International Tax Reform – Pillar Two Model Rules – Amendments of IAS 12
On May 23, 2023, the IASB issued the International Tax Reform - Pillar Two Model Rules - Amendments to IAS 12 which clarifies that IAS 12 applies to income taxes arising from laws that are in force or are substantially in force to implement the Pillar Two model published by the OECD[47], including tax laws that introduce a domestic minimum tax (Qualified Domestic Minimum Top-up Taxes).
As the Group's consolidated revenues of the Company and Group are less than Euro 750 million, the Company and Group are not subject to Pillar Two regulations. Consequently, neither the mandatory recognition and disclosure exemption of IAS 12.4A nor the disclosure requirements of IAS 12.88A-88D, are applicable for the Company and Group.

[47] The Organisation for Economic Co-operation and Development (OECD)/G20 Inclusive Framework on Base Erosion and Profit Sharing (OECD/G20 BEPS), published the Pillar Two anti-Base Erosion rules ("Pillar Two") aiming to address the tax challenges arising from the digitisation of the global economy.
The Pillar Two Global anti-Base Erosion rules (GloBE Rules) is the first substantial proposal to restructure international tax rules that proposes new tax mechanisms whereby multinational enterprises (MNEs) will have to pay a minimum level of income taxation.

D.6.2.2 Accounting standards, amendments and interpretations not yet applied and applicable

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 Company will adopt these standards when they enter into force, if applicable.

Amendments to IAS 21: Lack of Exchangeability

On August 15, 2023, the IASB amended IAS 21 The Effects of Changes in Foreign Exchange Rates - Lack of Exchangeability to specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking.

The amendments require the disclosure of information to enable users of financial statements to understand the impact of a currency that is not exchangeable.
These amendments are effective for fiscal years beginning on or after January 1, 2025, with early application possible.
From preliminary analyses, these amendments are not expected to have material impacts on the company's financial statements.

Amendments to IFRS 9 and IFRS 7 – Amendments to the Classification and Measurement of Financial Instruments – Annual Improvements Volume 11

On May 30, 2024, the IASB amended IFRS 9 for Classification and Measurement of Financial Instruments and IFRS 7 for Disclosure.
The amendments clarify that a financial liability is eliminated on the "settlement date" and introduce an accounting choice to eliminate financial liabilities when they are settled through an electronic payment system before the settlement date.
The classification of financial assets with characteristics related to ESG factors has been clarified through further guidance on the assessment of contingent characteristics. Clarification was provided on non-recourse loans and contractually related instruments.

Additional disclosure requirements have been introduced for investments in equity instruments valued at FVTOCI and for financial instruments with contingent features, such as features related to ESG objectives.
These amendments to IFRS 9 and IFRS 7 are effective for fiscal years beginning on or after January 1, 2026, with the possibility of early application.
From preliminary analyses, these amendments are not expected to have material impacts on the company's financial statements.

IFRS 18 Presentation and Disclosure in Financial Statements

In April 2024, the IASB issued IFRS 18, which replaces IAS 1 Presentation of Financial Statements. IFRS 18 introduces new requirements for the presentation of the income statement, including specific totals and subtotals. Additionally, entities will need to classify all expenses and revenues within the income statement within four categories: operating, investing, financing, income tax, and discontinued operations. The first three categories are new.
The standard also requires disclosures based on the new definition of management-defined performance indicators (MPMs), subtotals of costs and revenues, and includes new provisions for aggregating and disaggregating financial information based on the identified roles of Primary Financial Statements (PFS) and the notes.
In addition, changes have been made to IAS 7 Statement of Cash Flows, which include changing the starting point for determining cash flows from operations based on the indirect method; from profit or loss to operating profit or loss and removing the option to classify cash flows from dividends and interest. Additionally, consequential changes were made to multiple other accounting standards.
IFRS 18, and amendments to other standards, are effective for fiscal years beginning on or after January 1, 2027, but early application is permitted subject to disclosure. IFRS 18 will apply retrospectively.
The Company is currently working to identify the impacts that the changes will have on its financial statements and notes to the financial statements.

IFRS 19 Subsidiaries without Public Accountability: Disclosures

In May 2024, the IASB issued IFRS 19, which allows eligible entities to opt for a reduction in their disclosure requirements while continuing to apply the recognition, measurement and presentation requirements in the other IFRS accounting

standards. To be eligible, at the end of the fiscal year, an entity must be a subsidiary as defined within IFRS 19, may not have "public accountability" and must have a parent (ultimate or interim) that prepares consolidated financial statements, available to the public, prepared in accordance with IFRS accounting standards.
IFRS 19 will become effective for fiscal years beginning on or after January 1, 2027, with early application possible.
As the Company's shares are publicly traded, the Company is not eligible for the application of IFRS 19.

D.6.3. Significant accounting estimates

In the preparation of the Financial Statements in accordance with IFRS, Management must make accounting estimates and assumptions which have an effect on the values of the assets and liabilities and disclosures. Actual results may differ from these estimates. The estimates and assumptions are periodically reviewed and the effects of any changes are promptly recognised in the consolidated financial statements.
In this context, the situation caused by the historic volatility of the financial markets and the continued macroeconomic and geopolitical uncertainty has resulted in the need to make assumptions about a future performance characterised by significant uncertainty, in which results in the coming years could differ from such estimates and, therefore, require adjustments that is not currently possible to estimate or forecast, and these adjustments might even be significant.
The items principally affected by such uncertainty are: goodwill, the allowance for impairment and the provision for inventory impairment, non-current assets (intangible and tangible fixed assets), pension funds and Long Term Incentives, other post-employment benefits, provisions for risks and charges and deferred tax assets.
Reference should be made to the notes to each individual item for further information on the aforementioned estimates.

D.6.4. Explanatory notes to the Parent Company Financial Statements

Income statement

D.6.4.1 Revenue

An analysis of revenues by product sales and services follows:

In Euro thousands	**2024**	**2023**	**Changes**
Net revenue from core business	238,001	247,258	(9,257)
Premiums and recharges	(8,879)	(8,187)	(692)
Revenue from services	8,993	9,230	(237)
Revenue from other products	7,158	9,804	(2,646)
Revenue	**245,273**	**258,105**	**(12,832)**

The item decreased by approximately 5% on the previous year. This mainly follows the contraction in demand in the year, reflecting the downturn in demand evident globally since the second half of 2022, partly due to a still critical macroeconomic and geopolitical environment and the continued high cost of living and inflation.
For information on revenue, reference should be made to paragraph A.6. "The Parent Company, Elica S.p.A.: financial results and operating performance", in the Directors' Report.
A breakdown of revenues from third parties and subsidiaries is shown below.

In Euro thousands	**2024**	**2023**	**Changes**
Revenue - third parties	202,189	205,715	(3,526)
Revenue - subsidiaries	43,084	52,390	(9,306)
Revenue	**245,273**	**258,105**	**(12,832)**

Revenue from subsidiaries amounts to Euro 43,084 thousand. These amounts principally refer to the sale of components, finished products and services to the subsidiary AirForce for Euro 722 thousand (Euro 724 thousand in 2023), to the subsidiary Ariafina for Euro 300 thousand (Euro 299 thousand in 2023), to the subsidiary Elica Group Polska for Euro 5,874 thousand (Euro 8,341 thousand in 2023), to the subsidiary Elicamex for Euro 4,861 thousand (Euro 5,390 thousand in 2023), to the Chinese subsidiary Putian for Euro 240 thousand (Euro 264 thousand in 2023), to the Russian subsidiary Elica Trading for Euro 6,731 thousand (Euro 6,603 thousand in 2023), to Elica France for Euro 19,192 thousand (Euro 23,607 thousand in 2023), to the subsidiary Elica GmbH for Euro 3,779 thousand (Euro 5,878 thousand in 2023) and to the subsidiary EMC Fime for Euro 1,370 thousand (Euro 1,284 thousand in 2023).
Revenues from subsidiaries reduced by approximately Euro 9.3 million, in line with the decline in global demand.
All transactions are regulated at prices in line with market conditions applied to third parties.
Finally, we present revenue by geographic area: the breakdown of revenue from sales and services by geographic area and from third party and subsidiaries is as follows:

In Euro thousands	**2024**	**2023**	**Changes**
EUROPE + CSI (RUSSIA)	223,504	238,023	(14,519)
OTHER COUNTRIES	12,201	12,493	(292)
AMERICA	9,568	7,589	1,979
Revenue	**245,273**	**258,105**	**(12,832)**

Sales in the Americas region increased by 26% in 2024 due to the implementation of the new direct distribution strategy started in 2023, while sales in Europe and the other countries decreased by 6%.
There are no customers attributable to Elica S.p.A. in 2024, similar to 2023, whose revenue accounts for more than 10% of total revenues.

D.6.4.2 Other operating income

In Euro thousands	2024	2023	Changes
Grants related to income	1,057	1,729	(672)
Ordinary gains	78	410	(332)
Claims and insurance settlement	100	494	(394)
Other operating income	1,375	1,575	(200)
Other operating income	**2,610**	**4,208**	**(1,598)**

Other operating income decreased by Euro 1.6 million, particularly in relation to Grants related to income. The change is attributable to two main factors, namely: the significant reduction in energy and gas grants and lack of R&D tax credit compared to 2023; and the recognition in 2023 of the gains by Elica S.p.A. on the sale of assets needed in production to the subsidiaries Airforce and Elica Group Polska.
This account presents the majority of the public grants issued to the company. Reference should be made to Note D.6.8 for information on the public grants presented according to Article 1, paragraph 125, No. 124 of Law of August 4, 2017.

D.6.4.3 Changes in inventories of finished and semi-finished goods

Changes in inventories of finished products and semi-finished goods was negative for Euro 258 thousand, while positive at December 31, 2023, for Euro 905 thousand. The decrease reflects the trend in inventory of finished and semi-finished products and, especially, the effective destocking policy pursued by the Company during the year.

D.6.4.4 Increase in internal work capitalised

In Euro thousands	2024	2023	Changes
Increase in internal work capitalised	3,965	1,801	2,164
Increase in internal work capitalised	**3,965**	**1,801**	**2,164**

The account amounted to Euro 3,965 thousand (Euro 1,801 thousand in the previous year) and mainly relates to the capitalisation of charges regarding the design and development of new products and costs sustained internally for the

construction of mouldings, industrial equipment and the implementation of new IT programmes. The amount increased from the previous year by Euro 2,164 thousand, and capitalized costs refer mainly to hours of employees engaged in projects and to outside consultancy services.
The table below provides greater detail concerning the nature of the costs capitalised during the year.

In Euro thousands	2024	2023	Changes
Raw materials and consumables	241	53	187
Services	2,220	687	1,533
Personnel expense	1,504	1,060	444
Increase in internal work capitalised	**3,965**	**1,801**	**2,164**

All costs capitalised during the year are related to Intangible fixed assets, the main changes in which are described in section D.6.4.18.2.

D.6.4.5 Raw materials and consumables

The breakdown of consumables (third parties and subsidiaries) are as follows:

In Euro thousands	2024	2023	Changes
Purchase of raw materials	40,547	43,069	(2,522)
Purchase of semi-finished products	8,245	9,387	(1,142)
Purchase of consumables and supplies	248	362	(114)
Purchase of finished products	113,747	112,653	1,094
Packaging	170	165	5
Others	608	299	309
Transport on purchases	346	357	(11)
Change in inventory of raw materials, consumables, supplies and goods	42	2,690	(2,648)
Raw materials and consumables	**163,953**	**168,982**	**(5,029)**
Change in finished and semi-finished products	**258**	**(905)**	**1,163**

The two items, Raw materials and consumables and changes in inventories of finished and semi-finished products, may be considered together. This results in an absolute decrease of Euro 3,866 thousand.

Changes in inventories of finished and semi-finished goods report total costs of approx. Euro 258 million, as well as the change in the inventory of raw materials, consumables, supplies and goods for approx. Euro 42 million.
The above changes reflect the decrease in production volumes in response to the drop in demand and, above all, the aggressive destocking efforts that characterised the year.
With regard to costs for purchases during the year, the components which decreased most were purchases of raw materials and of semi-finished products, followed by purchases of consumables and transport costs on purchases given the lower level of activities in the year. Conversely, purchases of finished products increased due to development of the commercial strategy being pursued by Elica for the transition to Cooking, which entails providing new products such as ovens and wine cellars.

The balances of the consumption of raw materials and of other consumables break down as follows:

In Euro thousands	**2024**	**2023**	**Changes**
Raw materials and consumables - third parties	51,428	61,066	(9,638)
Raw materials and consumables - subsidiaries	112,525	107,916	4,609
Raw materials and consumables	**163,953**	**168,982**	**(5,029)**

Raw materials and consumables decreased by approx. Euro 5 million in 2024 compared to 2023. These costs as a percentage on sales increased from 65.5% to 66.8%. These costs are considered together with the change in inventories of finished products and semi-finished goods. The percentage of revenues increased from 65.12% to 66.95%. Consumption of raw materials and consumables at December 31, 2024, includes the cost for projects that have been capitalised for Euro 0.2 million, as detailed in paragraph D.6.4.4 Increase in internal work capitalised.

Purchases from subsidiaries amounted to Euro 112,525 thousand (Euro 107,916 thousand in 2023). The most significant item relates to the purchases of finished products and goods from the subsidiaries, and in particular Elica Group Polska, the value of which came to Euro 100,729 thousand in 2024 compared to Euro 94,568 thousand in 2023. This increase is the direct result of the new production footprint, completed in 2023, following which the high volume and more standardised productions and automated processes are now carried out at the Polish facilities.
All transactions are regulated at prices in line with market conditions applied to third parties.

D.6.4.6 Services

In Euro thousands	2024	2023	Changes
Outsourcing	7,109	7,787	(678)
Maintenance	593	753	(160)
Transportation	3,263	3,225	38
Trade fairs and promotional events	4,851	2,269	2,582
Utilities	947	1,320	(373)
Promotion and advertising fees	2,966	2,065	901
Commissions and bonuses	494	862	(368)
Management of finished products	6,984	7,055	(71)
Consultancy	8,703	6,476	2,227
Industrial services	303	388	(85)
Travelling expenses	733	615	118
Insurances	795	744	51
Banking commissions and charges	417	215	202
Other professional services	5,375	3,662	1,713
Heating expenses	245	605	(360)
Statutory auditors' fees	86	86	0
Directors' fees	1,214	1,325	(111)
Car management	565	518	47
Costs to remain listed on the stock exchange	477	455	22
Services	**46,120**	**40,425**	**5,695**

Service expenses increased approx. Euro 5.7 million on the previous year. The increase, in line with the investment strategy for the transformation to Cooking, is primarily reflected in “Trade fairs and promotional events” and "Promotion & advertising” fees, which include investments for participation in the Milan furniture trade fair of April 2024, the sponsorship with Ducati where the Elica brand gained visibility on the fairing of the Ducati Desmosedici GP, on the riders’ suits and on the team uniforms, thereby reaching a continuously growing audience, and finally the marketing and communication efforts for the launch of new products, such as the LHOV, and for the new brand identity.

Outsourcing reduced by Euro 678 million and Utilities and heating expenses decreased by Euro 733 million, both in line with the decline in production that continued in 2024 and with the recovery from the sharp increase in utility and gas costs recorded in previous years.
Personnel expense at December 31, 2024 includes the cost for projects that have been capitalised for Euro 2.2 million (Euro 0.7 million in 2023), as detailed in paragraph D.6.4.4 Increase in internal work capitalised.
The balance is comprised of:

In Euro thousands	**2024**	**2023**	**Changes**
Services - third parties	42.396	37.016	5.380
Services - subsidiaries	3.724	3.409	315
Services	**46.120**	**40.425**	**5.695**

D.6.4.7 Personnel expense

Personnel expense incurred in 2024 and 2023 was as follows:

In Euro thousands	**2024**	**2023**	**Changes**
Wages and salaries	25,251	24,450	801
Social security expenses	8,120	7,653	467
Post-employment benefits	1,632	1,719	(87)
Other personnel expense	74	(3,242)	3,316
Personnel expense	**35,077**	**30,580**	**4,497**

Personnel expense overall increased Euro 4.5 million.
This change was the result of multiple factors. On one hand, the salary adjustment correlated to inflationary dynamics must be taken into account, due to inflation adjustment measured by the IPCA index excluding the price dynamics of imported energy goods (ISTAT), which, for the second consecutive year, recorded an increase of approximately 7%.
All of this came about despite the mitigating effect of implementation of the production footprint reorganisation completed in 2023, which led to the transfer of a part of production from Elica S.p.A.'s Italian plants to the Polish plant of the subsidiary Elica Group Polska, thereby ensuring greater flexibility in production management in response to market fluctuations. This

latter factor is not irrelevant as the marked decline in demand, which continued throughout 2024, caused a further contraction in production volumes.
On the other, as highlighted in relation to other personnel expenses, 2023 was affected by the adjustment of variable incentives to employees and in particular the Long-Term Incentive Plan fund linked to the 2021-2023, which led to its adjustment in consideration of company performance actually achieved over the three-year period.
Personnel expense at December 31, 2024, includes the cost for projects that have been capitalised for Euro 1.5 million (Euro 1.1 million in 2023), as detailed in paragraph D.6.4.4 Increase in internal work capitalised.

The table below shows the number of employees at December 31, 2024 and December 31, 2023:

Workforce	**12/31/2024**	**12/31/2023**	**Changes**
Executives	23	22	1
White-collar	288	262	26
Blue-collar	328	344	(16)
Others	2	8	(6)
Total	**641**	**636**	**5**

The above figure also includes employees in the Spanish office.

D.6.4.8 Amortisation, depreciation and write-downs

Amortisation and depreciation amount to Euro 7,336 thousand, a decrease on Euro 8,217 thousand in 2023. The decrease is mainly due to lower amortisation during the year on software and development costs.
For the changes in the year of amortisation and depreciation, reference should be made to the paragraph on fixed assets and right-of-use assets as per IFRS 16, D.6.4.17 and D.6.4.18.2, D.6.4.18.3.

D.6.4.9 Other operating expenses and accruals

These are detailed as follows:

In Euro thousands	**2024**	**2023**	**Changes**
Rental of vehicles and industrial equipment	189	307	(118)
Leases and rentals	114	134	(20)
HW, SW, patent use fees	453	744	(291)
Other taxes (no income tax)	333	251	82
Magazines, Subscriptions' expenses	3	3	0
Sundry equipment	150	113	37
Catalogues and brochures	206	136	70
Credit losses and loss allowance	302	(869)	1,171
Provisions for risks and charges	2,359	977	1,382
Other prior year expenses and losses	240	659	(419)
Other operating expenses and accruals	**4,349**	**2,455**	**1,894**

Overall, the item increased by Euro 1,894 thousand compared to FY2023. This movement included the items Provisions for risks and charges and Credit losses and loss allowance, which reflect Managements' estimates for the coverage of risks.
For further details, see also D.6.4.27.

D.6.4.10 Restructuring charges

In Euro thousands	**2024**	**2023**	**Changes**
Restructuring charges	(22)	258	(280)
Restructuring charges	**(22)**	**258**	**(280)**

The essential elimination of the item in 2024 is an expression of reaching the final stages of the reorganisation plan that began in 2021 and continued through a large part of the previous years.

D.6.4.11 Income and expenses from Group companies

Income and expenses from Group companies, which refers to income and expenses from associates, is nil in 2024. For greater detail on revenue and expenses from subsidiaries, see note D.6.7.3.5 Balances with subsidiaries.

D.6.4.12 Financial income

Details of financial income are shown below:

In Euro thousands	2024	2023	Changes
Interest on bank and postal deposits	271	166	105
Other financial income	14,353	3,156	11,197
Financial Income	**14,624**	**3,322**	**11,302**

Financial income recorded a significant increase compared to the previous year. The increase is mainly attributable to the item Other Financial Income. This change is due largely to the gain on the sale of a 4.78% stake held in Elica PB Whirlpool (Euro 7.7 million), the valuation of the remaining stake held in the company (Euro 3.1 million), and dividends received from subsidiaries (Euro 6.4 million).
Interest income from subsidiaries, related to cash pooling and other intercompany financing, remained essentially unchanged compared to the previous year.

D.6.4.13 Financial expense

Financial expense may be broken down as follows:

In Euro thousands	2024	2023	Changes
Financial expense on overdrafts and bank loans	5,102	3,764	1,338
Interest on lease liabilities (IFRS 16)	62	33	29
Financial expenses on post-employment benefits	130	155	(25)
Financial discounts	314	293	21
Other financial expense	1,092	980	112
Financial expense	**6,700**	**5,225**	**1,475**

The balance increased Euro 1.5 million on the previous year. The increase is concentrated in "Financial expense on overdrafts and bank loans" and is strictly related to the increase in finance cost due both to the rising interest rates in the first part of 2024 in response to ECB monetary policy and the trend in the Euribor rate, which is used as the benchmark rate for short-term financing, and to the impact of new long-term financing received during the year.
This income statement account also includes, in addition to interest expense on intercompany financing, also interest expenses from subsidiaries participating in the cash pooling with Elica S.p.A.

D.6.4.14 Exchange rate gains/(losses)

In Euro thousands	**2024**	**2023**	**Changes**
Exchange rate losses	(2,764)	(4,459)	1,695
Exchange rate gains	4,209	2,633	1,576
Losses on derivatives	(5,717)	(6,500)	783
Gains on derivatives	3,591	4,335	(744)
Net exchange rate gains/(losses)	**(681)**	**(3,991)**	**3,310**

Net exchange rate losses of Euro 681 thousand were reported in the year, compared with net exchange losses of Euro 3,991 thousand last year.
The account Gains/(losses) on derivatives was a loss of Euro 2,126 thousand in 2024 (a loss of Euro 2,165 thousand in 2023) and relates principally to income on currency derivatives, which in accordance with the accounting standards may not be treated as hedging operations. For this reason, they were recognised at their fair value and recognised in the income statement.
Net profit, resulting from adjusting the translation of balances in a foreign currency at year-end exchange rates and from the fair value measurement of derivatives on time deposits in foreign currencies, is Euro 230 thousand.
Given that these are unrealised charges that fall within the scope of Article 2426, point 8-bis, paragraph 1, of the Italian Civil Code, it was necessary to establish a non-distributable reserve.

D.6.4.15 Income taxes

The tax charge in the year is broken down as follows:

In Euro thousands	**2024**	**2023**	**Changes**
Current taxes	(330)	(1,366)	1,036
Deferred taxes	(3,020)	4,605	(7,625)
Income taxes	**(3,350)**	**3,239**	**(6,589)**

Current taxes include the amounts regarding: non-recoverable foreign taxes for Euro 1,117 thousand, the refund of taxes related to past years for Euro 9 thousand, and the recognition of the income from the tax consolidation for Euro 1,438 thousand.

The Company signed a Ruling Agreement with the Tax Authorities on December 30, 2024 concerning the regulation of transactions with its subsidiary Elicamex. In addition, on December 27, 2024, Elica SpA signed a preventive agreement that establishes the methods and criteria for calculating the contribution applicable to earnings resulting from the use of intangibles (patents, i.e. the “Patent Box”) related to 2020 and to the four subsequent fiscal years. The tax benefits from the Agreement, resulting from income tax relief in the above tax periods, have been included in the determination of taxes accruing in fiscal year 2024.

The company took part in the National Tax Consolidation, as per Article 117 and subsequent of the Income Tax Law, with the subsidiaries EMC Fime S.r.l. and Air Force S.p.A..

According to the consolidation agreements, in the case of the transfer to the fiscal consolidation (fiscal unit) of a tax loss, of a ROL excess (EBITDA), of an interest charge or income excess compared to the assessable income, the Company will recognise remuneration equal to the tax advantage gained by the Group (IRES rate 24%); this amount is recognised to “Consolidation income” in the income statement.

The reconciliation between the theoretical and effective tax rate is shown (IRES) in the table below.

The change in the effective tax rate is due to non-recurring events, both last year and in the present year.

Tax Rate Reconciliation

RECONCILIATION TAX RATE

	Taxable base	IRES	IRAP	Total	% IRES on tax base	Taxable base	IRES	IRAP	Total	% IRES on profit/(loss) before tax
		2024					2023			
IRES rate		24.00%					24.00%			
IRAP rate		4.73%					4.73%			
Income base										
- Current		(1,438)	-	(1438)			(1,521)	20	(1,501)	
- Prior year taxes / foreign taxes		1,108	-	1,108			135	0	135	
- Deferred – cost (income)		(3,129)	51	(3,078)			3,995	609	4,605	
[A] TOTAL INCOME TAXES		**(3,459)**	**51**	**(3,408)**	**(42.51%)**		**2,610**	**629**	**3,239**	**21.51%**
PROFIT BEFORE TAXES	8,136					12,134				
Tax calculated using local tax rate		1,953			24.00%		2,912			24.00%
Tax effect of exempt income	(29,116)	(6,988)			(85.89%)	(5,002)	(1,200)			-9.89%
Tax effect of non-deductible expenses	1,624	390			4.79%	1,792	430			3.5%
Other differences	330	79			0.97%	1,386	333			2.7%
[B] Effective tax charge and tax rate net of substitute tax	**(19,027)**	**(4,566)**			**(56.13%)**	**10,310**	**2,474**			**20.39%**
Effect of tax reimbursement / Foreign taxes		1,108			13.62%		135			1.11%
[C] Effective tax charge and tax rate		**(3.459)**			**(42.51%)**		**2,610**			**21.51%**

D.6.4.16 Other information on Income Statement items

The research and development costs capitalised and expensed in 2023 and in 2024 are summarised in the table below:

In Euro thousands	**2024**	**2023**	**Changes**
Research costs taken to profit or loss	3,672	3,590	82
Amortisation of capitalised development costs in the year	1,286	1,665	(379)
Total research and development costs	**4,958**	**5,255**	**(297)**
Development costs capitalised in the year	**1,203**	**319**	**884**

Statement of financial position

D.6.4.17 Property, plant and equipment

The table below shows details of the changes in property, plant and equipment in 2023 and 2024.

In Euro thousands	Land & buildings	Plant and machinery	Industrial and commercial equipment	Other assets	Assets under construction and payments on account	Historical cost property, plant & equipment
12/31/2022	**23,767**	**28,324**	**49,849**	**8,355**	**476**	**110,771**
Increase	257	152	2,118	409	868	3,804
Disposals & other reclassifications	(4,529)	(2,510)	(5,708)	(212)	(660)	(13,619)
12/31/2023	**19,495**	**25,966**	**46,259**	**8,552**	**684**	**100,956**
Increase	446	259	698	793	1,329	3,525
Disposals & other reclassifications	(12)	(1,028)	(1,340)	(352)	(623)	(3,355)
12/31/2024	**19,929**	**25,197**	**45,617**	**8,993**	**1,390**	**101,126**

In Euro thousands	Land & buildings	Plant and machinery	Industrial and commercial equipment	Other assets	Assets under construction and payments on account	Accumulated Depreciation
12/31/2022	**14,348**	**23,090**	**44,596**	**7,167**		**89,201**
Depreciation	502	604	1,311	400		2,817
Disposals & other reclassifications	(2,851)	(2,129)	(5,689)	(204)		(10,873)
12/31/2023	**11,999**	**21,565**	**40,218**	**7,363**		**81,145**
Depreciation	507	593	1,260	422		2,782
Disposals & other reclassifications	(8)	(1,022)	(1,872)	(394)		(3,296)
12/31/2024	**12,498**	**21,136**	**39,606**	**7,391**		**80,631**

In Euro thousands	Land & buildings	Plant and machinery	Industrial and commercial equipment	Other assets	Assets under construction and payments on account	Net property, plant and equipment
12/31/2022	**9,419**	**5,234**	**5,253**	**1,188**	**476**	**21,570**
Increase	257	152	2,118	409	868	3,804
Depreciation	(502)	(604)	(1,311)	(400)	0	(2,817)
Disposals & other reclassifications	(1,678)	(381)	(19)	(8)	(660)	(2,746)
12/31/2023	**7,496**	**4,401**	**6,041**	**1,189**	**684**	**19,811**
Increase	446	259	698	793	1,329	3,525
Depreciation	(507)	(593)	(1,260)	(422)	0	(2,782)
Disposals & other reclassifications	(4)	(6)	532	42	(623)	(59)
12/31/2024	**7,431**	**4,061**	**6,011**	**1,602**	**1,390**	**20,495**

Property, plant and equipment increased from Euro 19,811 thousand at December 31, 2023 to Euro 20,495 thousand at December 31, 2024, a net increase of Euro 684 thousand as a result of the sales, purchases and of depreciation recorded in the income statement of Euro 2,782 thousand, in line with the figure at December 31, 2023. Investments in the year mainly concerned “assets under construction” for Euro 2,355 thousand, but also “industrial and commercial equipment” and “other assets” for a total of Euro 1,491 thousand, following the actions taken to improve the manufacturing plant and machinery, the purchase of new mouldings and assembly lines for the launch of new products, such as the LHOV, and the development of hardware for the implementation of new projects.

As required by IAS 16 – Property, Plant and Equipment, management has reviewed the estimated residual values and expected useful lives of these assets. In particular, given all the factors that impact this estimate (IAS 16.56), especially the great instability of the economic landscape and climate-related issues, the estimate of the remaining useful life of assets is deemed to be appropriate.

The historical cost criteria remains the measurement method used for property, plant and equipment after initial recognition. The historical cost includes revaluations permitted by previous legislation on first time application as considered representative of the fair value of the property, plant and equipment when the revaluation was made.

D.6.4.18 Goodwill and other intangible assets

D.6.4.18.1. Goodwill

The item presents the following movements:

In Euro thousands	31/12/2023	Acquisitions/ (Impairment losses)	31/12/2024
Goodwill	23.342	-	23.342
Goodwill	**23.342**	**-**	**23.342**

Goodwill totalled Euro 23.3 million and did not change in 2024.

Impairment Test for goodwill

International Accounting Standard (IAS 36) establishes standards for the recognition and disclosure of the impairment of certain types of assets, including goodwill, and presents the principles that businesses must follow to ensure that their assets are measured at no greater than their recoverable amount.
IAS 36 defines recoverable amount as the greater of:

- fair value less costs of disposal, i.e. the amount obtainable, net of disposal costs, from the sale of the asset in an arm's length transaction between knowledgeable, willing parties; and
- value in use, which is equal to the present value of the future cash flows expected to be derived from an asset or cash-generating unit.

IAS 36 requires the carrying value[48] of goodwill to be compared with its recoverable amount whenever there is an indication that the asset may have undergone a reduction in value, and at least once per year in conjunction with impairment testing for

[48] The carrying amount is equal to the sum of non-current assets (i.e. property, plant and equipment; goodwill, intangible assets with a finite useful life, and right-of-use assets), managerial working capital (i.e. trade receivables and inventories less trade payables), and other assets and liabilities (i.e. tax receivables and payables, provisions for risks and charges, other current receivables and payables excluding the portion related to the purchase of equity investments, which are included among net financial position, deferred tax assets and liabilities related to purchase price allocations, assets and liabilities for derivative financial instruments excluding interest rate swaps, which are instruments used to hedge the cash flows of financing).

the annual financial statements. The recoverable amount of goodwill is measured in reference to the cash generating unit (CGU), given that goodwill is not able to generate cash flows on its own.

A CGU is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows generated by other assets or groups of assets and with regard to which the Company has separate reporting of results.

The impairment testing undertaken in 2024 was based on the Company's five-year (2025-2029) financial forecasts, as prepared by management solely for the purposes of impairment testing and taking into account the current macroeconomic landscape and current trends in the markets in which the Company operates and as approved by the Board of Directors on February 13, 2025.

In accordance with IAS 36, and based on the considerations presented above, impairment testing of goodwill for the Company's financial statements at December 31, 2024, included the following activities:
1) Identification of goodwill;
2) Identification of the CGUs and allocation of goodwill to these CGUs;
3) Measurement of the recoverable amount of the CGUs;
4) Results of impairment testing;
5) Sensitivity analyses on impairment test results in relation to changes in the underlying assumptions.

Identification of goodwill

Goodwill totalling Euro 23.3 million was subjected to impairment testing. The balance sheet shows no other intangible assets with finite useful lives.

Identification of the CGUs and allocation of goodwill to these CGUs

IAS 36 requires that each CGU or CGU group to which goodwill is allocated represent the minimum level, within the entity, at which goodwill is monitored for management purposes and not be broader than an operating segment as defined by IFRS 8 – Operating Segments.

The verification of goodwill was carried out by identifying the entire company as a single CGU, following an approach based on Management Reporting.

Measurement of the recoverable amount of the CGUs

The Impairment Test of Elica S.p.A.'s goodwill at December 31, 2024 was carried out by identifying the recoverable value in the value in use.
The recoverable value of the Cash Generating Unit was determined, also with the support of a leading consulting firm, through the determination of their respective value in use, understood as the present value of the expected future cash flows generated by the CGUs and estimated in accordance with the discounted cash flow method.

The impairment test was approved by the Board of Directors on February 13, 2025, independently and prior to the preparation of the financial statements.

Discounted cash flow assumptions

The principal assumptions utilised by the Company for the estimate of the future cash flows for the impairment test were as follows:

	2024	2023
Weighted average cost of capital (WACC)	7.2%	7.5%
Growth rate terminal value	1.0%	1.0%

The Weighted Average Cost of Capital (WACC) utilised to discount the future cash flows was determined utilising the Capital Asset Pricing Model (CAPM). For the calculation of the WACC a free risk rate of 3.2% was used, a market premium risk of 5.6% and a beta-unlevered factor of 0.67.

Assumptions utilised in estimating cash flows

The discounted cash flow model is based on the financial cash flows, calculated on the basis of the best estimates made by the directors, for the sole purposes of the impairment test, for a period of five years (2025-2029 Operating and Financial Projections).
The 2025-2029 Operating and Financial Projections used for the purpose of the impairment test were prepared and approved by the Directors on February 13, 2025. The main assumptions utilised in the determination of the cash flows were as follows:

- a revenue CAGR over the 2025-2029 period of 3.9%;
- average EBITDA on revenue equal to 6.5%;
- average EBIT on revenue equal to 3.9%;
- average Capex on revenue equal to 1.6%;
- level of Free Operating Cash flow After Taxes on revenue equal to 5.0%.

The assumptions utilised in the estimates are based on historical and forecast data of the Company, and are in line with information available from independent sector and market analysts in which the Group operates. These estimates are subject to changes, even significant, deriving from uncertainties which continue to effect the markets, and for this reason management continues to periodically monitor the circumstances and events which affect these assumptions and future trends.

Results of the impairment test

The impairment test did not result in the recognition of loss in value of the goodwill. The value in use of the Company was 3.6 times its book value (Euro 224 million).

Sensitivity analysis

In order to better appreciate the sensitivity of the results of the Impairment Test to changes in the basic assumptions, several sensitivity analyses were carried out assuming reasonable changes in some of the assumptions underlying the estimates made, and in particular in the growth rate (between 0% and 2%), the WACC (between 8.2% and 6.2%) and the cost of raw materials (percentage increase between 0.5% and 1.7%). None of the changes considered resulted in a recoverable amount

of the Company equal to or below the respective book values. In particular, upon changes in the growth rate the coverage would fluctuate between 3.2 and 4.1 and upon changes in the WACC coverage would fluctuate between 3.1 and 4.2. Regarding the sensitivity analysis related to the cost of raw materials, increasing it by 0.5% would result in a coverage of 2.4, while with an increase of 1.7% the coverage would be 2.1.
The WACC and growth rate at which the coverage is equal to one were also calculated. The WACC is 24.1% and the growth rate is -60.3%.

D.6.4.18.2. Other intangible assets

The table below shows details of changes in other intangible assets in 2023 and 2024.

In Euro thousands	Development costs	Industrial patents and intellectual property rights	Concessions, licences, trademarks and software	Other intangible assets	Assets under development and payments on account	Net intangible assets
12/31/2022	**4,568**	**809**	**6,309**	**602**	**1,646**	**13,934**
Increase	319	139	424	12	1,915	2,809
Depreciation	(1,665)	(270)	(2,079)	(208)	0	(4,222)
Disposals & other reclassifications	481	103	870	(11)	(1,460)	(17)
12/31/2023	**3,703**	**781**	**5,524**	**395**	**2,101**	**12,504**
Increase	1,203	343	601	0	2,045	4,192
Depreciation	(1,286)	(281)	(1,834)	(174)	0	(3,575)
Disposals & other reclassifications	298	144	839	48	(1,631)	(302)
12/31/2024	**3,918**	**987**	**5,130**	**269**	**2,515**	**12,819**

At December 31, 2024, intangible assets amounted to Euro 12,819 thousand, an increase of Euro 315 thousand on the previous year.
Development costs relate to product design and development activities. The increase in the year of Euro 1,203 thousand is mainly attributable to the cost of developing new products, especially for the new product LHOV.

Industrial patents and intellectual property rights include the recognition of patents, associated development costs, intellectual property rights and software programmes. The increase in the year of Euro 343 million principally relates to the Parent and costs for the new patents developed for the execution of new products as described above.
Concessions, licenses, trademarks and similar rights refers to the registration of trademarks by the company.
Other intangible assets, in the amount of Euro 269 thousand, mainly consist of shared costs regarding the development of equipment, mouldings and machinery and servers refurbishment.
Assets under development and payments on account of Euro 2,515 thousand refer in part to advances and the development of projects for the implementation of new IT platforms, the design and development of new software applications and in part to the development of new products. This increased by Euro 2,045 thousand during the year.
”Disposals and other reclassifications” includes the impairment of two development projects for which work was interrupted during the year for Euro 303 thousand.

The recoverable amount of the development costs and all intangible assets is greater than the corresponding book value, and therefore it is not necessary to recognise an impairment loss. The criteria applied to amortise intangibles is considered appropriate to reflect the remaining useful life of the assets and also takes account of the multiple factors of uncertainty related to the current macroeconomic landscape and climate-related issues.
In addition to the recoverability of intangible assets, the capitalisation of development costs and intangible assets in progress are also the result of estimates formulated by the Directors, which depends strictly on expectations regarding cash flows deriving from the sale of products distributed by Elica. These estimates currently take into account regulatory developments and evolving market demands.

D.6.4.18.3. Rights-of-use

In Euro thousands	Buildings	Machines and installation	Industrial and commercial equipment	Other	Assets under construction and payments on account	Net property use rights
12/31/2022	**214**	**87**	**0**	**2,405**		**2,706**
Increase	118	0	0	624		742
Depreciation	(109)	(15)	0	(1,055)		(1,179)
Disposals & other reclassifications	1	(72)	0	(5)		(76)
12/31/2023	**224**	**0**	**0**	**1,968**		**2,192**
Increase	140	0	0	964		1,104
Depreciation	(109)	0	0	(867)		(976)
Disposals & other reclassifications	(16)	0	0	(228)		(244)
12/31/2024	**239**	**0**	**0**	**1,836**		**2,075**

This item includes assets representing the Company'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 Rights-of-use for Other Leased Assets primarily regards IT equipment. At December 31, 2024, the net amount of rights of use was Euro 2,075 thousand, decreasing by Euro 117 thousand on the previous year.

D.6.4.19 Equity investments

D.6.4.19.1 Investments in subsidiaries

In Euro thousands	12/31/2023	Other changes	12/31/2024
Investment in subsidiaries	103.147	124	103.271
Investment in subsidiaries	**103.147**	**124**	**103.271**

The details of investments in subsidiaries are shown below:

In Euro thousands	12/31/2023	Acquisitions & Sub.	Impairment	Increases	Decreases	12/31/2024
Elica Trading LLC	3,880					3,880
Elica Group Polska S.p.zoo	22,275					22,275
Elicamex S.a. de C.V.	9,465					9,465
Ariafina Co.Ltd	49					49
Airforce S.p.A.	3,662					3,662
Elica Home Appl. (Zhejiang) Co., LTD(*)	11,990					11,990
Elica France S.A.S.	1,024					1,024
Elica GmbH	4,540					4,540
EMC Fime S.r.l.	45,859					45,859
Southeast Appliance Inc.	27					27
AG international Inc.	376					376
Elica Nederland B.V.	-	124			-	124
Investments in subsidiaries	**103,147**	**124**			**-**	**103,271**

(*) Please note that effective December 17, 2024, the name of the subsidiary Zhejiang Elica Putian Electric Co., LTD is changed to Elica Home Appliances (Zhejiang) Co., LTD (also referred to as "Putian" for short).

During the year, the only change concerning investments in subsidiaries was as follows: on December 4, 2024, Elica S.p.A. finalised the agreement for the acquisition of 100% of the share capital of the Dutch distributor aXiair B.V., now Elica Nederland, based in the Netherlands, for a total consideration of Euro 124 thousand.
The table below summarises the key figures derived from the subsidiary companies 2024 financial statements, including their equity. This amount is therefore compared with the carrying amount of the investment.

In Euro thousands	% held	Carrying amount at 12/31/2024	Profit/(loss) for the year	Equity
Airforce S.p.A.	100%	3,662	(443)	3,097
Ariafina Co.Ltd	51%	49	2,977	12,434
Elica Group Polska Sp.z o.o	100%	22,275	1,398	24,327
Elicamex S.a.d. C.V.	98%	9,465	(4,131)	24,774
Elica Home Appliances (Zhejiang) Co., LTD	99%	11,990	(97)	(148)
Elica Trading LLC	100%	3,880	308	2,016
Elica France S.A.S.	100%	1,024	17	1,451
Elica GmbH	100%	4,540	118	1,705
EMC Fime S.r.l.	100%	45,859	4,878	33,886
Southeast Appliances Inc.	100%	27	(1,075)	(1,469)
AG international Inc.	100%	376	7	352
Elica Nederland B.V	100%	124	(4)	(112)
Total		**103,271**		

In accordance with the provisions of IAS 36, the recoverability of the carrying amount of equity investments is subject to testing amid the existence of indicators of potential impairment. Following the trigger events analysis carried out, the controlling equity investments are held in: Elica Home Appliances (Zhejiang) Co., LTD, in consideration of the results reported and the adjustments made in previous years, Elica Trading LLC, in consideration of the risks from the Russia-Ukraine conflict as concerning the company marketing Elica products in Russia, EMC Fime S.r.l. which reports consolidating goodwill.
In terms of how to determine any impairment losses on investments in subsidiaries, the test is carried out, in accordance with IAS 36, by comparing the recoverable amount with the carrying value of the investment.
The recoverable value of the equity investments was estimated, also with the assistance of a leading consulting firm, through the determination of their respective values in use, represented by the present value of the estimated cash flows for the years of operation of the tested companies and resulting from its disposal at the end of its useful life, calculated in accordance with the discounted cash flow method.
The impairment test was approved by the Board of Directors on February 13, 2025, independently and prior to the preparation of the financial statements.

Discounted cash flow assumptions

The principal assumptions utilised by the company for the estimate of the future cash flows for the impairment test of the investments were as follows:

	Weighed average cost of capital (WACC) 2024	Growth rate terminal value 2024	Weighed average cost of capital (WACC) 2023	Growth rate terminal value 2023
Elica Home Appliances (Zhejiang) Co., LTD	7.0%	2.0%	7.8%	2.2%
Elica Trading	25.8%	4.0%	25.2%	4.0%
EMC Fime Srl	8.2%	1.0%	8.8%	1.0%
Investments in subsidiaries with indicators of Impairment				

The Weighted Average Cost of Capital (WACC) utilised to discount the future cash flows was determined utilising the Capital Asset Pricing Model (CAPM).

For the calculation of the WACC of Putian a free risk rate of 3.2% was used, a market premium risk of 5.6% and a beta-unlevered factor of 0.67.
For the calculation of the WACC of Elica Trading a free risk rate of 22.1% was used, a market premium risk of 3.7% and a beta-unlevered factor of 0.67.
For the calculation of the WACC of EMC Fime a free risk rate of 4.2% was used, a market premium risk of 5.1% and a beta-unlevered factor of 0.74.

Assumptions utilised in estimating cash flows

The discounted cash flow model is based on the financial cash flows, calculated on the basis of the best estimates made by the directors, for the sole purposes of the impairment test, for a period of five years (2025-2029 Operating and Financial Projections).
The 2025-2029 Operating and Financial Projections for the companies subject to testing, used for the purpose of the impairment test, were prepared and approved by the Directors on February 13, 2025.

The main assumptions utilised in the determination of the cash flows were as follows:

	CAGR revenue period 2024-2029	Average gross operating profit on revenue	Average operating profit on revenue	Average Free Operating Cash flow after taxes on revenue
Elica Home Appliances (Zhejiang) Co., LTD	5.3%	12.7%	6.9%	11.3%
Elica Trading	3.5%	5.0%	4.1%	6.0%
EMC Fime Srl	4.5%	7.8%	4.6%	2.6%
Investments in subsidiaries with indicators of Impairment				

The assumptions utilised in the estimates are based on historical and forecast data of the investees, and are in line with information available from independent sector and market analysts in which the company operates. These estimates are subject to changes, even significant, deriving from uncertainties which continue to effect the markets, and for this reason management continues to periodically monitor the circumstances and events which affect these assumptions and future trends.

Results of the impairment test

The tests conducted did not result in the Company's Income Statement recording an impairment for the investments tested. The results are reported below.

	Coverage
Elica Home Appliances (Zhejiang) Co., LTD	1.3
Elica Trading	1.0
EMC Fime Srl	2.0
Investments in subsidiaries with indicators of Impairment	

Sensitivity analysis

Sensitivity analyses were carried out in order to indicate, by coverage level, the impacts from:

- a +/-1% change in the WACC

Coverage		***Elica Home Appliances (Zhejiang) Co., LTD***		***Elica Trading***		**EMC Fime Srl**
	6.0%	1.7	24.8%	1.0	7.2%	2.2
	7.0%	1.3	25.8%	1.0	8.2%	2.0
	8.0%	1.1	26.8%	< 1.0	9.2%	1.7
Sensitivity WACC						

- a +/-1% change in the Growth rate

Coverage		***Elica Home Appliances (Zhejiang) Co., LTD***		***Elica Trading***		**EMC Fime Srl**
	1.0%	1.1	3.0%	< 1.0	0.0%	1.8
	2.0%	1.3	4.0%	1.0	1.0%	2.0
	3.0%	1.7	5.0%	1.0	2.0%	2.2
Growth Rate Sensitivity						

- from an increase in costs. A percentage increase in raw material costs was factored in from 0.5% to 1.7%

Coverage	***Base Scenario***	***0.50%***	**1.70%**
Elica Home Appliances (Zhejiang) Co., LTD	1.3	1.3	1.2
Elica Trading	1.0	1.0	1.0
EMC Fime Srl	2.0	1.9	1.6
Sensitivity increase % raw material costs			

- from a change in EBITDA. A percentage decrease in the EBITDA margin from -0.5% to -0.9% was factored in

Coverage	***Scenario Base***	***-0.50%***	**-0.90%**
Elica Home Appliances (Zhejiang) Co., LTD	1.3	1.3	1.2
Elica Trading	1.0	1.0	1.0
EMC Fime Srl	2.0	1.8	1.6
Change in EBITDA Sensitivity			

It is noted that the carrying amount of the investment in Elica Trading is in line with the value in use estimated in the Impairment Test, so any negative changes in the underlying assumptions could result in an impairment loss.
The WACC and growth rate at which the coverage is equal to one were also calculated for Putian, Elica Trading and EMC Fime . For Putian, the WACC is 8.3% and the growth rate is 0.3%. For Elica Trading, the WACC is 26.0% and the growth rate is 3.4%. For EMC Fime, the WACC is 16.8% and the growth rate is -15.2%.

D.6.4.20 Other assets (non-current) and other assets

The breakdown is as follows:

In Euro thousands	**12/31/2024**	**12/31/2023**	**Changes**
Receivables from employees	1	1	0
Other receivables	4	4	0
Other financial assets	1,668	712	956
Other (non-current) receivables and other assets	**1,673**	**717**	**956**

Other non-current receivables includes security deposits.
The item Other financial 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.
The item mainly includes Euro 1,620 thousand for the 1.6% stake held in Elica PB Whirlpool Kitchen Appliances (formerly Elica PB India Private Ltd.), a subsidiary of Whirlpool of India Limited.
The company was previously an Elica Group subsidiary and 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, remained classified as Other Financial Assets and maintained its non-current status. Since there was no provision for a different use of the shareholding and all the necessary requirements were met, the transfer was treated, from a tax point of view, by applying the participation exemption (PEX) regime under Article 87 of the Income Tax Law (TUIR).
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 ended March 31, 2024. In addition, this shareholder agreement includes Put & Call options, under which Whirlpool of India Limited could 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 that was partially realised in September 2024. On September 19, 2024, the Group concluded an agreement for the sale of a further share of the Indian investee Elica PB India to Whirlpool (equal to 4.78%), which generated a gain of Euro 8.2 million. In particular, Elica sold 4.78% of the Indian investee together with the other Indian minority shareholders, who sold their equivalent stake. Following the sale, Whirlpool of India now holds 96.8% of the capital of Elica PB Whirlpool Kitchen Appliances, while Elica and the other Indian shareholders maintain 1.59% each, further diluting their stakes. At the same time, Elica PB Whirlpool Kitchen Appliances renewed a Trademark & Technical License Agreement with Elica, which provides for

the exclusive use of the Elica brand in the Indian territory and non-exclusive use in Nepal and Bangladesh with minimum royalties not guaranteed over time.
Also with the 2024 agreement, the parties have established a new mechanism of cross put and call options expiring 90 days after the date of approval of Elica India's financial statements for the year ending March 31, 2026.
Although the agreement signed in 2021 with Whirlpool provided for the possibility for Elica to exit the partnership in India in 2024, management, based on the new 2024 agreement, has reiterated a willingness to remain with a small stake in the Indian company.
Management, taking into account the expectation of exiting the investment at the expiry of the aforementioned agreement, believes that the carrying amount of the investment and other financial assets approximates fair value.
The change in the item, equal to Euro 956 thousand, is mainly attributable to the net result of the elimination of the shareholding in Elica PB Whirlpool Kitchen Appliances subject to disposal during the year, for Euro 497 thousand, and the revaluation of the remaining investment carried out at the balance sheet date with the support of a leading advisory firm, for Euro 1,454 thousand.

D.6.4.21 Deferred tax assets and liabilities

In Euro thousands	**12/31/2024**	**12/31/2023**	**Changes**
Deferred tax assets	12,602	9,450	3,152
Deferred tax liabilities	(180)	(468)	288
Total	**12,422**	**8,982**	**3,440**

Deferred tax assets principally relate to non-deductible accruals, goodwill and the tax loss. Deferred tax liabilities mainly include the provisions for risk related to the IFRS measurement of financial derivative instruments and interest income on the discounting of the provision for agents' termination benefits.

The following table presents the Deferred tax assets and liabilities:

In Euro thousands	12/31/2023		Equity/Others	Effect on profit or loss		12/31/2024	
	Assets	**Liabilities**		**Costs**	**(Revenue)**	**Assets**	**Liabilities**
Amortisation & depreciation	1,110			3	(16)	1,123	
Provisions	2,181			654	(777)	2,374	(70)
Inventory write-down	438			63	(269)	644	
Exchange rate differences	522			522			
Restructuring charges	369			369			
Merger adjustments							
Goodwill		(3)					(3)
IRS measurement		(465)	434			75	(106)
Post-employment benefits	216					216	
Tax loss	3,445		(13)		(4,695)	8,125	
Other	88			43		44	
Employee bonuses	1,081			1081			
Total	**9,450**	**(468)**	**421**	**2,735**	**(5,756)**	**12,602**	**(180)**

Management decides whether to recognise deferred tax assets by assessing projected future recovery based on budget projections.

D.6.4.22 Trade receivables - third parties

The account consists of:

In Euro thousands	**12/31/2024**	**12/31/2023**	**Changes**
Receivables within one year	7,685	494	7,191
Receivables beyond one year	-	1,858	(1,858)
Trade receivables	**7,685**	**2,352**	**5,333**

Net trade receivables increased by a total of Euro 5,333 thousand from December 31, 2023, due mainly to a different mix of sales to customers with higher DSOs. In 2024, to nonetheless ensure a good generation of cash, be intensified efforts to optimise collections, focusing those efforts on customers with higher-than-average delays in payment.

In Euro thousands

Overdue (days)	12/31/2024	12/31/2023
0 - 30	1,348	778
31 - 60	242	3
61 – 90	-	(9)
Over 91	(226)	(243)
Overdue	**1,364**	**529**

The Company applies a simplified approach in calculating expected losses as trade receivables and/or contract assets do not contain a significant financing component. Accordingly, the Company does not monitor changes in credit risk, but recognises the full expected credit loss at each reporting date. As a tool for determining expected losses, the Group has established its own Group Credit Policy, applied also by the Company, that takes into account historical information revised to consider forward-looking elements with reference to specific types of debtors and their economic environment, while also taking into account specific critical situations.

In particular, it is Company policy to transfer the recoverability risk of receivables to third parties and, therefore, various derivatives are utilised among which first and second level insurance policies with leading international insurance companies. The maximum theoretical credit risk exposure for the Company at December 31, 2024 is based on the carrying amount of recognised receivables, net of the specific insurance coverage, non-recourse receivables factored and letters of credit, in addition to the nominal value of the guarantees given to third parties.

At the end of December 2024, 85% of receivables are covered against risk through credit insurance or other guarantees. The amount of trade receivables recognised in the statement of financial position is net of the allowance for impairment. The movements in the Doubtful Debt Provision in 2024 are set out below:

In Euro thousands	31/12/2024	31/12/2023	Changes
Opening balance	2,084	3,291	(1,207)
Provision	303		303
Utilisation/Releases	(12)	(1,207)	(1,195)
Loss allowance	**2,375**	**2,084**	**291**

The realignment of receivables to their fair value is achieved through the bad debt provision. At December 31, 2024, approx. 85% of this provision covered receivables past due by more than 360 days, reflecting a prudent assessment of the collection risk.

D.6.4.23 Inventories

The value of inventories reports a slight decrease of approx. Euro 300 thousand.

In Euro thousands	**12/31/2024**	**12/31/2023**	**Changes**
Raw materials, consumables and supplies	9,422	9,640	(218)
Provision for the write-down of raw materials	(585)	(761)	176
Raw materials, consumables and supplies	**8,837**	**8,879**	**(42)**
Semi-finished goods	4,878	5,261	(383)
Provision for the write-down of semi-finished products	(275)	(316)	41
Semi-finished goods	**4,603**	**4,945**	**(342)**
Work in progress	**0**	**0**	**0**
Finished products	18,463	17,307	1,156
Provision for the write-down of finished products	(1,821)	(749)	(1,072)
Finished products	**16,642**	**16,558**	**84**
Prepayments	**0**	**0**	**0**
Inventories	**30,082**	**30,382**	**(300)**

The change in inventories in 2024 is the result of more effective inventory management by management, which balances destocking measures aimed at maintaining a flexible cost structure with the need to serve customers quickly and efficiently. More specifically, the most significant decrease refers to products in process and semi-finished products inventories, as well as to raw materials inventories, whereas the finished products inventory increased from December 31, 2023, in demonstration of our focus on customer service levels.

Inventories are stated net of the provision for inventory write-down of approximately Euro 2,681 thousand at December 31, 2024, compared to Euro 1,826 thousand at December 31, 2023, in order to take into consideration the life cycle and inventory turnover based on Group policy and the risk estimates of the use of some categories of raw materials, semi-finished and finished products based on assumptions made by

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

D.6.4.24 Other assets (current)

This item is broken down as follows:

In Euro thousands	12/31/2024	12/31/2023	Changes
Prepayments	1,703	1,662	41
Other receivables	1,534	1,014	519
VAT receivables	3,826	4,955	(1,129)
Other tax assets	2,383	3,357	(974)
Other current assets	**9,445**	**10,988**	**(1,543)**

This item amounts to Euro 9,445 thousand at December 31, 2024, a decrease of Euro 1,543 thousand on the previous year. This change is due both to the increase in other receivables from the Marche Region for a training grant of Euro 647 thousand and to a decrease in VAT and other tax receivables for a total of Euro 2,103 thousand. The latter mainly includes the tax credit on R&D investments.
The account includes receivables beyond five years of Euro 33 thousand.
Management believes that this amount approximates fair value.

D.6.4.25 Tax assets (current)

The breakdown of the account Tax Assets is summarised in the table below:

In Euro thousands	12/31/2024	12/31/2023	Changes
Corporate income tax refunds	2,099	1,340	759
IRAP	55	106	(51)
Tax assets	**2,155**	**1,446**	**709**

Tax assets mainly include receivables for taxes paid abroad to be recovered in accordance with Article 165 of the Italian Income Tax Law.

D.6.4.26 Employee benefit liabilities

The amount provisioned in the accounts of Euro 3,816 thousand is the present value of pension liabilities matured by employees at year-end.

The most recent calculation of the present value of this item was performed at December 31, 2024 by an independent specialist actuary.

The amounts recognised in the Income Statement were as follows:

In Euro thousands	12/31/2024	12/31/2023	Changes
Current service cost	1,632	1,719	(87)
Financial expense	130	155	(25)
Total	**1,762**	**1,874**	**(112)**

The changes in the present value of post-employment benefit obligations in the reporting period were as follows:

In Euro thousands	12/31/2024	12/31/2023	Changes
Opening balance	3,982	4,444	(462)
Current service cost	1,632	1,719	(87)
Actuarial gains/losses	41	(26)	67
	1,673	**1,693**	**(20)**
Financial expense	130	155	(25)
Pension fund	(1,969)	(1,654)	(315)
Benefits provided	0	(656)	656
	(1,839)	**(2,155)**	**316**
Employee benefit liabilities	**3,816**	**3,982**	**(166)**

The interest component of the defined employee benefit plan cost is shown under financial charges, with a resulting increase of Euro 130 thousand in this item for the reporting period. The current service cost and the effect of the curtailment and settlement were recorded under personnel expense. Actuarial gains and losses, amounting to Euro 41 thousand, comprise the actuarial gains (losses) of the defined benefit plans reported in the Statement of Comprehensive Income.

Assumptions adopted for the calculation:

	12/31/2024	12/31/2023
Discount rate to determine the obligation	3.38%	3.17%
Inflation rate	2.00%	2.00%

The discount rates utilised by the Company were selected based on the yield curves of high-quality fixed income securities, as in previous years.
This financial variable is considered the most significant and therefore chosen for a sensitivity analysis. The objective of a sensitivity analysis is to show how the result of the valuation changes in response to changes in an assumption adopted for the calculation, with all other assumptions unchanged
Therefore, if the discount rate increased 0.5%, the provision would reduce to Euro 132 thousand, while if the discount rate decreased 0.5%, the obligation would increase to Euro 140 thousand.

Number of employees

The average number of employees in 2024 was 646 (648 in 2023), with a final number at December 31, 2024 of 641, as outlined in Note D.6.4.7.

D.6.4.27 Provision for risks and charges

The composition and movements of the provisions are as follows:

In Euro thousands	**12/31/2023**	**Provision**	**Utilisation/Releases**	**Other movement**	**12/31/2024**
Agents' termination benefits	629	0	(403)	0	225
Agency termination indemnities provision	0	0	0	0	0
Product warranties	1,587	2,109	(1,657)	0	2,040
Legal risks	4,165	250	(304)	0	4,111
Long Term Incentive Provision	3,382	0	(3,382)	0	0
Personnel provision	864	0	(864)	0	0
Restructuring provision	1,284	0	(1,284)	0	0
Other provision	2,268	593	(99)	0	2,762
Provisions for risks and charges	**14.179**	**2.952**	**(7.993)**	**0**	**9.137**
Of which:					
Non-current	11,727	667	(5,472)	0	6,922
Current	2.451	2.285	(2.521)	0	2.215
Provisions for risks and charges	**14.179**	**2.952**	**(7.993)**	**0**	**9.137**

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.
Product warranties represent an estimate of the costs likely to be incurred to repair or replace items sold to customers. These provisions reflect the average warranty costs historically incurred by the company as a percentage of sales still covered by warranty.
The provision for legal risks relates to likely costs and charges to be incurred as a result of ongoing legal disputes, estimated by Management on the basis of the best information available.
The Long Term Incentive plan provision reflects the missed targets set for 2024-2026. The fully monetary 2024-2026 plan, reserved for key people, comprises the long-term incentive plan for the CEO, the specific incentive plan for certain members of senior management, and the share of related contributions. For further details, reference should be made to the Remuneration Report.
The utilisations and releases include Euro 2.8 million related to uses for the year of the provision related to the 2021-2023 Long Term Incentive plan, which was also fully monetary, as well as releases for Euro 0.6 million to adjust the value to actual payouts.
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 in this regard.

The restructuring provision, in the amount of Euro 1,284 thousand at December 31, 2023, was needed in order to cover terminations during the year, primarily in relation to personnel expenses, and was therefore used in its entirety during the year. This utilisation is related to the costs incurred by the company to complete the reorganisation of the production plant.
The other provisions for risks mainly include the product waste provision and other provisions for risks concerning operations or tax-related aspects.
The guarantee fund and the personnel provision are considered to be current, as they relate to matters that will presumably concern 2025. The other provisions are shown an present value.

D.6.4.28 Current and non-current tax liabilities

D.6.4.28.1 Tax liabilities (non-current)

The balance of this category at December 31, 2024 is zero.

D.6.4.28.2 Tax liabilities (current)

In Euro thousands	**12/31/2024**	**12/31/2023**	**Changes**
IRAP	0	20	(20)
Tax liabilities	**0**	**20**	**(20)**

The balance of this category at December 31, 2024 is zero.

D.6.4.29 Other liabilities (current and non-current)

In Euro thousands	**12/31/2024**	**12/31/2023**	**Changes**
Other non-current liabilities	0	500	(500)
Other non-current liabilities	**0**	**500**	**(500)**

In Euro thousands	12/31/2024	12/31/2023	Changes
Wages and salaries	3,486	2,317	1,169
Social security liabilities	1,881	1,755	126
Accrued expenses	0	454	(454)
Other liabilities	705	654	51
Deferred income	169	251	(82)
Advances from customers	141	115	26
Advance payment taxes payables	1,531	1,508	23
VAT tax payables	727	956	(229)
Other current liabilities	**8,639**	**8,009**	**630**

The reduction in Other non-current liabilities is due to the reclassification to Other current liabilities of the last portion to be paid in 2025 of the payable arising for Elica in 2022 for the purchase of 40% of Airforce, totalling Euro 0.5 million at December 31, 2024.
The change in other current liabilities for the year mainly concerns the increase in employee payables for wages, salaries and related withholdings.
IRPEF withholdings payable include taxes on employee salaries, while VAT payable includes amounts for the tax representatives of Elica S.p.A. in Spain and Germany.
This item does not include payables due beyond 5 years.
Management believes that the carrying amount of other payables reflects their fair value.

D.6.4.30 Trade payables

In Euro thousands	12/31/2024	12/31/2023	Changes
Trade payables	46,435	43,556	2,879
Trade payables - to third parties	**46,435**	**43,556**	**2,879**

Trade payables mainly include payables for trade purchases and other costs. The increase of Euro 2.9 million is mainly due to the dynamics of purchases necessary to support production and sales, but also to payment dynamics related to supplies.
Elica has offered some of its suppliers the opportunity to access Supply Chain Finance (SCF) programmes, which allow them to manage liquidity more effectively and reduce financial risk. These programmes allow participating suppliers to

independently advance invoices at a financial cost agreed with the bank, without any impact on the originally planned payment terms.
At the end of December 2024, the average payment terms for suppliers participating in SCF programmes range from 60 to 150 days, while for those not included in SCF programmes, the terms range from 30 to 150 days.
Its implementation has helped manage debt maturities more effectively, enabling smoother financial planning and greater flexibility in negotiations with suppliers.
As there is no change in the payment terms contractually defined with the counterparty participating in the SCF program, the related payables are recorded within the item Trade payables.
There are no trade payables due beyond twelve months.
Management estimates that the carrying amount of trade payables approximates their fair value.

D.6.4.31 Equity

For the analysis on the movements in equity, reference should be made to the relative table.
Comments are provided on each of the equity reserves.

D.6.4.31.1 Share capital

The share capital at December 31, 2024 amounts to Euro 12,664 thousand, consisting of 63,322,800 ordinary shares with a par value of Euro 0.20 each, fully subscribed and paid-in.

D.6.4.31.2 Capital reserves

The capital reserves amount to Euro 71,123 thousand and relate to the Share Premium Reserve.

D.6.4.31.3 Hedge reserves

In Euro thousands	12/31/2023	Reserve adjustment	12/31/2024
Hedge reserve	1,473	(1,387)	86
Hedge reserve	**1,473**	**(1,387)**	**86**

The hedge reserve was positive for Euro 86 thousand (Euro 1,473 thousand in 2023), which represents the positive fair value of hedging derivatives (cash flow hedges) net of the tax effect, equal to Euro 31 thousand (Euro 465 thousand in 2023). This resulted in a decrease of Euro 1,387 thousand, of which Euro 1,821 thousand for valuation and Euro 434 thousand for the tax effect.

D.6.4.31.4 Treasury shares

At December 31, 2024, the Company held 3,846 treasury shares, equal to approx. 6.1% of the share capital. During 2024, in fact, the Company not only implemented the Buyback Program authorised by the Shareholders' Meeting, but also passed a resolution in Extraordinary Shareholders' Meeting on the amendment to the By-Laws and, in particular, on the amendment of Article 8 of the By-Laws to introduce ordinary and strengthened multi-voting rights. After making such a resolution, at the end of the option and pre-emption offer period of the shares for which shareholders had exercised withdrawal rights as a result of the aforementioned amendment to the By-Laws, the Company proceeded directly to purchase the remaining shares without prior placement on the market.
As of December 31, 2024, the Company has no programmes or agreements regarding the allocation of treasury shares held in portfolio to third parties.

D.6.4.31.5 Actuarial reserve

In Euro thousands	12/31/2023	IAS 19 actuarial effect	12/31/2024
Actuarial reserve	1,998	(41)	1,957
Actuarial reserve	**1,998**	**(41)**	**1,957**

D.6.4.31.6 Retained earnings

In Euro thousands	12/31/2024	12/31/2023	Changes
Legal reserve	2,533	2,533	-
FTA reserve	1,675	1,675	-
Extraordinary reserve	22,830	17,026	5,804
Retained earnings	**27,038**	**21,234**	**5,804**

The change in the Extraordinary Reserve, a positive Euro 22,830 thousand, is generated by an increase of Euro 8,895 thousand as a result of the allocation of the Company's 2023 result to this item and a decrease of Euro 3,091 thousand due to the distribution of dividends to shareholders.

D.6.4.31.7 Information on distributable reserves

The following table shows the equity accounts divided by origin, the possibility of utilisation and distribution, as well as any utilisations in the previous three years. The amounts are in units of Euro.

Description	Amount	Origin/Nature	Poss. of utilisation	Quota available	Utilisations in last 3 years to cover losses	Utilisations in last 3 years for other reasons
I Share Capital	**12,664,560**	Share Capital				
II Share premium reserve	**71,123,336**	Share Capital	**A,B,C**	**71,123,336**		
IV Legal reserve	2,532,912	Profit	B			
VI Other Reserves:						
Extra. reserve	22,830,256	Profit	A,B,C,D,E	22,830,256		11,242,538
FTA Reserve	1,675,096	Profit	A,B,C,D,E	1,675,096		
Retained earnings	**24,505,352**			**24,505,352**		
VII Hedging reserve/Actuarial reserve	**(1,871,368)**					
X Treasury Shares reserve	**(8,226,093)**			**(8,226,093)**		
Total equity reserves	**100,728,699**			**87,402,595**		
Non-distributable amount	-			5,900,645		
Residual amount distributable	-			81,501,950		

A - to increase share capital

B - coverage of losses

C - for distribution to shareholders

D - for other statutory constraints
E - other

The non-distributable portion, amounting to Euro 5,901 thousand, refers to the residual to be amortised of development costs pursuant to Article 2426, paragraph 5 of the Civil Code, as well as net unrealised exchange gains pursuant to Article 2426, paragraph 8-bis) of the Civil Code and, finally, net gains arising from the fair value measurement of derivative financial instruments used to hedge the expected cash flows of financial assets pursuant to Article 2426, paragraph 11-bis) of the Civil Code.

D.6.4.32 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	31/12/2024	31/12/2023	Changes
A,	**Cash and cash equivalents**	**21,702**	**21,296**	**406**
	Cash and cash equivalents	21,702	21,296	406
B,	**Other liquidity**			
C,	**Other current financial assets**	**32,473**	**53,860**	**(21,387)**
	Financial assets with group companies (current)	32,473	53,860	(21,387)
	Other financial receivables (current)	0	0	0
D,	**Liquidity (A+B+C)**	**54,175**	**75,156**	**(20,981)**
E,	**Current financial debt (including debt instruments but excluding the current portion of non-current financial debt)**	**34,042**	**17,652**	**16,390**
	Bank borrowings	10,000	0	10,000
	Lease liabilities (current)	906	782	124
	Loans and borrowings from group companies (current)	22,585	16,370	6,215
	Other payables for purchase of investments (current)	551	500	51
F,	**Current portion of non-current financial debt**	**37,484**	**43,345**	**(5,861)**
	Mortgages	37,484	43,345	(5,861)
G,	**Current financial debt (E+F)**	**71,526**	**60,997**	**10,529**
H,	**NET CURRENT FINANCIAL DEBT (G-D)**	**17,351**	**(14,159)**	**31,510**
I,	**Non-current financial debt (excluding current portion and debt instruments)**	**40,410**	**38,309**	**2,101**
	Bank loans and borrowings (non current)	39,231	36,876	2,355
	Lease liabilities (non-current)	1,179	1,433	(254)
	Financial payable to group companies (non-current)	0	0	0
J,	**Debt instruments**			
K,	**Debiti commerciali e altri debiti non correnti**	**0**	**500**	**(500)**
	Other payables for purchase of investments	0	500	(500)
L,	**Non-current financial debt (I+J+K)**	**40,410**	**38,809**	**1,601**
M,	**NET FINANCIAL DEBT (H+L)**	**57,761**	**24,650**	**33,111**

At December 31, 2024, the net financial position of Elica S.p.A. worsened by Euro 33.1 million on the previous year.
It should be noted that the covenants have been met; therefore, no liability arising from a financing agreement has been classified as current due to the loss of the right of subordination.
For further comments, reference should be made to the Directors' Report A.6.2 "Financial and equity overview of Elica S.p.A.”.

D.6.4.32.1 Cash and cash equivalents, and notes to the statement of cash flows

In Euro thousands	12/31/2024	12/31/2023	Changes
Bank and postal deposits	**21,695**	21,290	405
Cash account	7	6	1
Cash and cash equivalents	**21,702**	**21,296**	**406**

This item reflects the positive balances of bank current accounts and cash on hand.

Notes to the cash flow statement

Net cash flow absorbed from operating activities in 2024 is Euro 27,065 thousand, strongly influenced by the reduction in trade payables to group companies following the application of more careful management of intercompany commercial payment dynamics.
Cash flow absorbed by investing activities, in the amount of Euro 1,314 thousand, is due mainly to capital expenditure and investment in intangibles for Euro 7,660 thousand and to dividends received for Euro 6,420 thousand.
Cash flow generated by financing activities amounts to Euro 28,785 thousand. This includes new bank loans received net of repayments for the period for a total of Euro 6,452 thousand, the effects of centralised treasury management for Euro 22,585 thousand, and receipt of the net consideration for the sale of the equity investment in Elica India for Euro 6,502 thousand.
The company generated cash flow of Euro 406 thousand in 2024.
It should be noted that the company does not hold cash subject to transfer restrictions or other constraints that may have negative impacts on its ability to meet liquidity requirements. All cash and cash equivalents are freely usable by the Group.
There are no investment or financing transactions that did not require the use of cash.

For information regarding credit risk in relation to cash and cash equivalents or liquidity risk, see notes D.6.6.3 and D.6.6.4.
For information regarding cash flow from financing activities related to debt, see paragraphs D.6.4.32.2 "Bank loans and borrowings" and D.6.4.32.3 "Finance leases and other lenders" below.

D.6.4.32.2 Bank loans and borrowings

In Euro thousands	12/31/2024	12/31/2023	Changes
Bank loans and borrowings	86,716	80,220	6,496
Total	**86,716**	**80,220**	**6,496**
Bank loans and borrowings have the following repayment schedules:			
On demand or within one year	47,485	43,344	4,141
Within 2 years	10,603	27,456	(16,853)
Within 3 years	10,828	2,572	8,256
Within 4 years	11,064	2,662	8,402
Within 5 years	6,735	2,758	3,977
After 5 years	-	1,428	(1,428)
Total	**86,716**	**80,220**	**6,496**
Less amounts to be repaid within one year	47,485	43,344	4,141
Due after one year	**39,231**	**36,879**	**2,352**

Among the main financing arrangements currently in place for the Group is the one stipulated by Elica S.p.A. on June 29, 2020. Initially amounting to Euro 100 million (divided into a 90 million Euro Line A and a 10 million Euro RCF Line), the loan was undertaken at a variable rate with a margin recognised to the lending banks of 1.50% on Line A and 1.25% on the RCF Line. Interest rate risk was hedged with an Interest Rate Swap (IRS) on the full amount of the loan until its maturity. With a five-year term, the financing was structured as a Club Deal with a bank syndicate of five banks: Intesa Sanpaolo S.p.A., BNL Group BNP Paribas, Banco BPM S.p.A., Crédit Agricole Italia S.p.A. and UniCredit S.p.A.. The last instalment is contractually due on June 30, 2025.
In order to ensure a balanced debt structure and provide Elica S.p.A. with the necessary liquidity to support the company's projects, a new Club Deal was signed in 2024, which provides the company with an initial credit line of Euro 70 million, with a residual balance of Euro 50 million as of December 31, 2024. The loan was signed with a syndicate of four banks: BNL Group BNP Paribas, Intesa Sanpaolo S.p.A., Crédit Agricole Italia S.p.A. and UniCredit S.p.A. Again, the loan is at a variable rate, with

a margin recognised to the lending banks of 1.65%. Interest rate risk was fully hedged with an IRS for 100% of the amount drawn down as of December 31, 2024 and until the maturity of the credit line. The last instalment is contractually due on May 9, 2029.
In addition to the above loans, there is an additional loan signed with Banco BPM S.p.A. on May 18, 2023, for a total amount of Euro 30 million, at a variable rate with a margin recognised to Banco BPM S.p.A. of 1.60%. For this line of credit, the interest rate risk was partially hedged with an IRS affecting 50% of the amount financed until the maturity of the loan. The final instalment is contractually due on June 29, 2029.
For further information on interest rate hedges, reference should be made to paragraph D.6.6. "Risk management" of these notes.

D.6.4.32.3 Derivative financial instruments

	12/31/2024		12/31/2023	
In Euro thousands	**Assets**	**Liabilities**	**Assets**	**Liabilities**
FX derivatives	181	853	335	92
Interest rate derivatives	415	0	1.937	0
Commodities derivatives	1.044	974	224	224
Equity options	1.688			
Derivative financial instruments	**3.328**	**1.827**	**2.496**	**316**
Of which:				
Non-current	1.688	264	288	0
Current	1.640	1.563	2.208	316
Derivative financial instruments	**3.328**	**1.827**	**2.496**	**316**

As of December 31, 2024, the Group recognises a non-current derivative financial instrument asset, representing the Put&Call Option for the sale of the remaining stake held in Elica PB Whirlpool Kitchen Appliances at a Fair Value of Euro 1.69 million.
The Company uses derivative financial instruments to hedge the market risks to which it is exposed, i.e. foreign currency risk and interest rate risk.
The table below reports the following information on derivative instruments at December 31, 2024 and December 31, 2023, and in particular:

- The notional value of the derivative contracts, broken down by maturity;

- The carrying amount of these contracts, represented by their fair value.

12/31/2024	Notional value				Carrying amount
In Euro thousands	Maturity within 1 years		Maturity after 1 years		
Interest rate risk					
Cash Flow hedges as per IFRS	27,603		30,512		46
Fair Value hedges as per IFRS	-		-		-
Other derivative financial instruments	-		-		-
Total derivatives on interest rates	**27,603**	**-**	**30,512**	**-**	**46**
Currency risks	sales	purchases	sales	purchases	
Cash Flow hedges as per IFRS	-	-	-	-	-
Fair Value hedge as per IFRS	13,473	3,819	-	-	(238)
Other derivative financial instruments	21,848	3,005	-	-	(65)
Total fx derivatives	**35,321**	**6,824**	**-**	**-**	**(303)**
Commodity risk	sales	purchases	sales	purchases	
Cash Flow hedges as per IFRS		355	-	-	**70**
Fair Value hedge as per IFRS					
Other derivative financial instruments					
Total derivatives on commodities		**355**	**-**	**-**	**70**

12/31/2023	Notional Value				Carrying amount
In Euro thousands	Maturity within 1 year		Maturity after 1 year		
Interest rate risk					
Cash Flow hedges as per IFRS	29,000		25,000		1,938
Fair Value hedges as per IFRS	-		-		-
Other derivative financial instruments	-		-		-
Total derivatives on interest rates	**29,000**	**-**	**25,000**	**-**	**1,938**
Currency risks	sales	purchases	sales	purchases	
Cash Flow hedges as per IFRS	-	-	-	-	-
Fair Value hedge as per IFRS	9,088	3,502	-	-	76
Other derivative financial instruments	30,884	10,927	-	-	166
Total fx derivatives	**39,972**	**14,429**	**-**	**-**	**242**
Commodity risk	sales	purchases	sales	purchases	
Cash Flow hedges as per IFRS	12,594	12,594	-	-	-
Fair Value hedge as per IFRS					
Other derivative financial instruments					
Total derivatives on commodities	**12,594**	**12,594**	**-**	**-**	

"Other derivative financial instruments" includes derivative financial instruments used for hedging purposes, for which, however, hedge accounting was not applied, as required by IAS/IFRS standards.

In 2024, exposures related to commodities contracts concern derivatives used to hedge the risk of changes in the price of copper, originated by the subsidiary Emc Fime S.r.l. In addition, hedges are in place for risks associated with energy costs, such as gas and electricity, for both Elica S.p.A. and its subsidiaries Emc Fime S.r.l. and Air Force S.p.A. These financial instruments are managed through the banking system by the parent company on behalf of the subsidiaries.
In summary, derivatives used to hedge commodity and energy cost risks are recorded separately for each company, but centrally managed by the parent company.

Derivative financial instruments, IFRS 7 classification

IFRS 7 requires that the classification of financial instruments valued at fair value is determined based on the quality of the input sources used in the valuation of the fair value.
The IFRS 7 classification implies the following hierarchy:

- Level 1: determination of fair value based on prices listed in active markets for identical assets or liabilities. The instruments which the Company operates directly on active markets or in “Over the Counter” markets characterised by an adequate level of liquidity belong to this category;
- Level 2: determination of fair value based on other inputs than the listed prices included in “Level 1” but which are directly or indirectly observable. In particular instruments which the Company operates on “Over the Counter” 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 Company 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 December 31, 2023 and December 31, 2024 belong to level 2 of the fair value hierarchy.
For further information, refer to paragraph D.6.6 “Risk management”.

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 (income statement or equity). All the derivative instruments in place at December 31, 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.

We report the type of financial instruments present in the financial statements:

In Euro thousands	At December 31st 2024	At December 31st 2023
FINANCIAL ASSETS		
Measured at fair value through profit or loss:		
Derivative instrument financial assets	1,869	335
Other receivables and other financial assets	1,668	712
Measured at fair value through OCI:		
Derivative instrument financial assets	1,459	2,162
Measured at amortised cost:		
Trade receivables	30,637	22,221
Other receivables and other assets	9,450	2,681
Financial assets with group companies	32,473	53,860
FINANCIAL LIABILITIES		
Measured at fair value through profit or loss:		
Financial liabilities for derivative instruments	853	93
Measured at fair value through OCI:		
Financial liabilities for derivative instruments	974	224
Measured at amortised cost:		
Trade payables	58,901	77,131
Other payables and other liabilities	8,639	6,045
Financial payable to group companies	22,585	16,370
Bank loans and borrowings (current)	86,716	80,220
Finance leases and other lenders as per IFRS 16	2,084	2,215

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.

D.6.4.32.4 Financial payables as per IFRS 16

The Company has financial payables arising from the application of IFRS 16. We report the details below.

In Euro thousands	**12/31/2024**	**12/31/2023**	**Changes**
Lease liabilities and loans and borrowings from other lenders as per IFRS 16	2.085	2.215	(130)
Total	**2.085**	**2.215**	**(130)**
Due:			
On demand or within one year	906	782	124
1-5 years	1.179	1.433	(254)
over 5 years amount	0	0	0
Total	**2.085**	**2.215**	**(130)**
Less amounts to be repaid within one year	906	782	124
Due after one year	**1.179**	**1.433**	**(254)**

D.6.4.33 Significant non-recurring events and transactions

There were no significant non-recurring transactions during 2024.

D.6.5. Guarantees, commitments and contingent liabilities

D.6.5.1. 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 in the financial statements at December 31, 2024 to cover legal risks and charges amounts to Euro 4,110 thousand (in 2023 amounting to Euro 4,164 thousand).
In 2019 the Company was subject to an audit by the Italian Agency of Revenue, Marche Regional Department, Tax Audits Office, for the tax years 2014, 2015 and 2016. It received an auditors' report on October 14, 2019. 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 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 - though its lawyers - is preparing an appeal before the competent Tax Commission.
On 24.08.2022 and 09.11.2022, the Ancona Tax Commission accepted the grounds of appeal brought by the company for the transfer pricing findings for the years 2015 and 2016, concerning the notices of assessment (IRES and IRAP), received in May 2021 and December 2021 - against which it had appealed - by entering an appearance for the Ancona Provincial Tax Commission.

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 fully upheld the Company's Appeal on IRAP 2017 (hearing of 23/2/2024).
On May 13, 2024, the same Sect, 1 of the Court of First Instance of Fiscal Justice of Ancona filed ruling No. 245/2024, which fully upheld the Company's Appeal regarding IRES 2017 (hearing of 19/2/2024), ordering the Office to pay legal expenses in the amount of €11,000 plus accessory costs.
Against the aforementioned rulings, the Office has filed an appeal, and the Company will appear in court within the legal deadlines, respectively: i) on February 3, 2025, for the second instance proceedings initiated against ruling 244/2024; ii) on February 10, 2025, for the appeal proceedings pending against ruling 245/2024.

D.6.5.2. Guarantees and commitments

Pursuant to the provisions of Article 122 of the CFA and Articles 129 and subsequent of the Issuers' Regulations, it should be noted that on July 22, 2022, FAN S.r.l. ("FAN"), the parent company of Elica S.p.A, and Tamburi Investment Partners S.p.A. ("TIP"), signed a shareholder agreement (the "Shareholder Agreement"), effective as of the same day, relating to Elica S.p.A, a company listed on the Euronext STAR Milan segment of Borsa Italiana S.p.A. ("Elica") and concerning regarding TIP 9,233,701 shares of Elica and regarding FAN 33,440,445 shares of Elica, so as to (i) establish certain understandings regarding Elica's corporate governance; (ii) govern their mutual rights and duties in relation to the transfer of their respective stakes in Elica; and (iii) establish a commitment to consult in good faith before casting their votes at Elica's Shareholders' Meeting in order to identify Elica's best interest (this without intending to give rise to any voting restrictions).
The key information regarding the Shareholder Agreements was published as per Article 130 of the Issuers' Regulation on Elica S.p.A.'s website, and on the website of the authorised storage mechanism "1INFO" at www.1info.it.
This did not impact control over Elica which, as per Article 93 of the CFA, is held by Mr. Francesco Casoli.

Elica S.p.A. is responsible for:

- guarantees provided, totalling Euro 6 million, for the subsidiary Elica Home Appliances (Zhejiang) Co., LTDto have the availability of bank credit facilities;
- loan mandate for Euro 10 million in favour of EMC FIME S.r.l. related to a commercial line of credit made available to the subsidiary by BNP Paribas;

Commitments with suppliers for tangible and intangible fixed asset purchases at December 31, 2023 amount to approx. Euro 427 thousand. There are also commitments for operational expenses of Euro 5.0 million, relating in particular to long-term contracts.

D.6.6. Risk management policy

D.6.6.1 Introduction

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

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

The Company Financial Risk Policy is based on the principle of proficient management and the following assumptions:
- prudent management of the risk with a view to protecting the expected value of the business;
- use of “natural hedges” in order to minimise the net exposure on the financial risks described above;
- undertake hedging transactions within the limits approved by management and only for actual, clearly identified exposures.

The process for the management of the financial risks is structured on the basis of appropriate procedures and controls, based on the correct segregation of conclusion, settlement, registration and reporting of results.
The paragraphs below include an analysis of the risks to which the Company Elica is exposed, indicating the level of exposure and, for market risk, the potential impact on results of hypothetical fluctuations in the parameters (sensitivity analysis).

D.6.6.2 Market risk

According to IFRS 7, market risk includes all the risks directly or indirectly related to the fluctuations of the general market prices and the financial markets in which the company is exposed:
- currency risk;
- commodity risk, related to the volatility of the prices of the raw materials utilised in the production processes;
- interest rate risk.

In relation to these risk profiles, the Company uses derivative instruments to hedge its risks. It does not engage in derivative trading.
The paragraphs below individually analyse the different risks, indicating where necessary, through sensitivity analysis, the potential impact on the results deriving from hypothetical fluctuations in the parameters.

D.6.6.2.1 Currency risk

The Company’s operating currency is the Euro. However, the Group companies trade also in American Dollars (USD), British Pounds (GBP), Japanese Yen (JPY), Russian Rubles (RUB), Polish Zloty (PLN), Chinese Yuan (CNY) and Mexican Pesos (MXN). For the currencies in which the company has higher revenue than costs, changes in the exchange rates between the Euro and these currencies impact the Company results as follows:

- the appreciation of the Euro has negative effects on revenue and operating results;
- the depreciation of the Euro has positive effects on revenue and operating results.

The amount of foreign exchange risk is determined by the Company's management considering both economic budget forecasts and ongoing analysis of the underlying balance sheet. Currency risk management is implemented progressively, taking into account not only orders won and sales, but also overall exposure to trade and financial risks, including trade receivables and payables denominated in foreign currencies.

To mitigate this exposure, the Company mainly uses forward contracts (forwards) and, to a limited extent, optional instruments. These transactions are carried out exclusively for risk management purposes and are not speculative in nature, in line with the company's strategic policies focused on prudent cash flow management.
The most significant statement of financial position balances in foreign currency at December 31, 2024 are shown below:

In Euro thousands	**12/31/2024**		**12/31/2023**	
Currency	**Assets**	**Liabilities**	**Assets**	**Liabilities**
CNY	2,497	(1,371)	2,695	(1,361)
GBP	117	(5)	124	(1)
JPY	700	(4,501)	1,297	(8,996)
PLN	9,759	(5,129)	20,099	(27,063)
RUB	1,893	(9)	2,444	(16)
USD	25,542	(1,578)	37,006	(827)
INR	562	-	573	-
Foreign currency transactions	**41,070**	**(12,593)**	**64,238**	**(38,264)**

For the purposes of the sensitivity analysis on the exchange rate, the potential movements on the Euro/CNY, Euro/GBP, Euro/YEN, Euro/PLN, Euro/RUB, Euro/USD and EUR/INR rates were analysed.
The following table shows the sensitivity to reasonably possible movements in the exchange rates, maintaining all other variables unchanged, due to changes in the value of current assets and liabilities in foreign currencies.

In Euro thousands	12/31/2024		12/31/2023	
Currency	**Appreciation of foreign currencies 5%**	**Depreciation of foreign currencies 5%**	**Appreciation of foreign currencies 5%**	**Depreciation of foreign currencies 5%**
CNY	62	(56)	77	(69)
GBP	6	(5)	7	(6)
JPY	(189)	171	(486)	440
PLN	195	(176)	346	(313)
RUB	99	(90)	147	(133)
USD	1322	(1,196)	1,858	(1,681)
INR	30	(27)	33	(30)
Foreign currency transactions	**1,525**	**(1,379)**	**1,982**	**(1,792)**

The hedging operations at December 31, 2024 by the Company Elica with financial counterparties have a total negative fair value of approx. Euro 303 thousand (Euro 242 thousand in 2023).
The table below shows the details of the notional and fair values:

	12/31/2024		12/31/2023	
Currency	**Notional** *(in foreign currency /000)*	**Fair value** *In thousands of Euro*	**Notional** *(in foreign currency /000)*	**Fair value** *In thousands of Euro*
USD				
Forward	15,700	(165)	10,000	46
PLN				
Forward	94,000	(93)	175,500	165
JPY				
Forward	610,000	(58)	550,000	30
MXN				
Forward	-	-	10,000	(1)
CNY				
Forward	11,750	13	10,000	3
FX derivative assets/(liabilities		**(303)**		**242**

For the purposes of the sensitivity analysis on the exchange rate, the potential movements on the EUR/USD, EUR/PLN, EUR/JPY, EUR/MXN and EUR/CNY and the EUR and foreign exchange interest rate curves were analysed.
In the stress testing we have stressed not only the spot to spot exchange rate, but also the monetary curve rates at December 31, 2024 in order to show the effect of changes in the rate curve.

For this purpose, the maximum change in the interval between the beginning of November 2024 and the first weeks of January 2025 was considered.
For the EUR/USD exchange rates a stress of 6% was applied, for EUR/PLN 6%, for EUR/JPY 7%, for EUR/MXN 11% and for EUE/CNY 5%.
For interest rates on forward exchange contracts, a stress was applied of 50 bps for the Eurozone rates, 50 bps for the US rates, 50 bps for the Polish rates, 50 bps for the Chinese rates and 50 bps for the Japanese rates.
The following table shows the sensitivity to the movements in the exchange rates and the rate curves indicated, maintaining all other variables unchanged, of the Fair Value of the operations in foreign currencies at December 31, 2024 (compared with December 31, 2023):

	12/31/2024				
In Euro thousands	**USD Notional 15,700 USD/000**	**PLN Notional 94,000 PLN/000**	**JPY Notional 610,000 JPY/000**	**MXN Notional - MXN/000**	**CNY Notional 11,750 CNY/000**
Depreciation of foreign currencies	669	1,146	(359)	-	(60)
Euro exchange rate depreciation	(162)	(55)	(58)	-	12
Exchange rate depreciation	(153)	(39)	(60)	-	11
Sensitivity to Depreciation	354	1,052	(477)	-	(37)
Appreciation of foreign currencies	(1,113)	(1,490)	223	-	94
Euro exchange rate appreciation	(178)	(147)	(56)	-	16
Exchange rate appreciation	(167)	(121)	(58)	-	14
Sensitivity to Appreciation	**(1,458)**	**(1,758)**	**109**	**-**	**124**

	31/12/2023					
In Euro thousands	**USD Notional**	**PLN Notional**	**JPY Notional**	**RUB Notional**	**MXN Notional**	**CNY Notional**
	10,000	**175,500**	**550,000**	**0**	**10,000**	**10,000**
	USD/000	**PLN/000**	**JPY/000**	**RUB/000**	**MXN/000**	**CNY/000**
Depreciation of foreign currencies	556	1,349	(200)	-	(48)	(56)
Euro exchange rate depreciation	47	160	30	-	(3)	2
Exchange rate depreciation	54	176	28	-	(4)	1
Sensitivity to Depreciation	**657**	**1,685**	**(142)**	**-**	**(55)**	**(53)**
Appreciation of foreign currencies	(530)	(1,261)	295	-	59	68
Euro exchange rate appreciation	38	68	32	-	2	5
Exchange rate appreciation	44	95	30	-	1	4
Sensitivity to Appreciation	**(448)**	**(1,098)**	**357**	**-**	**62**	**77**

D.6.6.2.2 Commodity risk

The Company is exposed to market risk deriving from price fluctuations in commodities used in the production process. The raw materials purchased by the Company are subject to changes in price in response to trends in the main markets concerned. For 2025, hedges have been activated on energy costs, such as natural gas and other energy sources. The Company regularly monitors its exposure to the risk of fluctuations in the price of commodities and manages that risk both by fixing prices in contracts with suppliers and by way of financial instruments with specialised counterparties.
In particular, between the end and the beginning of the year, on the basis of the production budget for the year, the prices and quantities were defined through both channels described above. This approach enables the Company to protect the standard cost of raw materials stated in the budget from potential price increases, thereby ensuring the achievement of the target for operating profits.

The notional value and relative fair values of derivatives outstanding as of December 31, 2024 are shown below.

Commodities	12/31/2024		12/31/2023	
In Euro thousands	Notional	*Fair Value*	Notional	*Fair Value*
Commodity Swap Natural Gas	129	31		
Commodity Swap Power	226	40		
Commodities derivative assets/(liabilities	**355**	**71**		

The notional value is Euro 355 thousand, and the fair value is a receivable from the banking system for Euro 71 thousand.
In addition, commodity risk is measured through sensitivity analyses, in accordance with IFRS 7. The changes in prices for the sensitivity analysis were based on the volatility of the market rates.
This analysis highlights a revaluation in the price of copper of 5%, resulting in an increase in the fair value of forward contracts at December 31, 2024 of Euro 18 thousand.
Similarly, a reduction of 5% results in a decrease in the fair value of forward contracts of Euro 18 thousand.

D.6.6.2.3 Interest rate risk

The management of interest rate risk by Elica S.p.A. is in line with longstanding, consolidated practices to reduce the volatility risk on the interest rates, while at the same time minimising the borrowing costs within the established budget limits.
The company's debt mainly bears a floating rate of interest.
The Company hedges the interest rate risk through the utilisation of interest rate swaps against specific non-current loans.
The table below shows the details of the notional and fair values:

	12/31/2024		12/31/2023	
Instrument *In Euro thousands*	Notional	*Fair Value*	Notional	*Fair Value*
Interest Rate Swap	58,116	46	54,000	1,938
Interest rate derivative assets/(liabilities)		**46**		**1,938**

The interest rate risk is also measured through sensitivity analyses, in accordance with IFRS 7. The changes in the interest rate curve utilised for the sensitivity analysis were based on the volatility of the market rates.
The analysis shows that a decrease in the interest rate curve of +/-25 bps converts into a decrease/increase in the Fair Value of the Interest Rate Swap at December 31, 2024 of Euro 231 thousand.
A sensitivity analysis was conducted on the interest rate risk of medium- to long-term loans not covered by interest rate swaps as of December 31, 2024. The result of this sensitivity analysis shows that in the event of a change in the interest rate of -25/+25 bps, there would be a decrease/increase in financial expenses of approximately Euro 162 thousand over the remaining term of the loans.

D.6.6.2.4 Cyber Security Risk Analysis

The digital transformation of the global economy offers ever-increasing opportunities, but as the Group evolves technologically to take advantage of these opportunities, there are also new risks and a greater exposure to threats. The growing use of information systems, in part in response to the increased use of remote work, connected factories, or intelligent products, increases the Group's exposure to various types of risk that can have a significant impact on deliveries, production, sales and other critical systems and functions.
The most significant is the risk of cyber attacks and security control failures, which constitute a constant threat to the Group and are therefore carefully monitored. Specifically, the Group constantly assesses its cyber risk profile, taking action when necessary to proactively manage cyber defences. The impacts analysed include:
- data loss;
- unauthorised access;
- the installation of malware;
- privacy violations;
- interruption of business;
- reputational harm.

Mitigation efforts made by the Group concern:
- the strengthening of network infrastructure;
- the strengthening of protection systems;

• the constant updating of company procedures;
• taking out a specific insurance policy to cover the risk arising from a cyber event;
• provision of employee training to increase awareness, knowledge and skills so as to strengthen corporate culture surrounding the issue of cyber security.

D.6.6.3 Credit risk

The credit risks represent the exposure of Elica S.p.A. to potential losses deriving from the non-compliance of obligations by trading partners. This risk derives in particular from economic-financial factors related to a potential solvency crisis of one or more counterparties.
For more details, see paragraph D.6.4.22 of these notes.

D.6.6.4 Liquidity risk

Liquidity risk is that related to the unavailability of financial resources necessary to meet short-term commitments assumed by the company and its own financial needs.
The principal factors which determine the liquidity of the company 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 following table shows the expected cash flows in relation to the contractual expiries of trade payables and various financial liabilities from derivatives.

12/31/2024 *In Euro thousands*	On demand or within one year	1-5 years	after 5 years
Lease liabilities and loans and borrowings from other lenders as per IFRS 16	906	1,179	0
Bank loans and borrowings	47,484	39,231	0
Trade payables and other liabilities	67,540	0	0
Commitment by due date	**115,930**	**40,410**	**0**

In Euro thousands 12/31/2023	On demand or within one year	1-5 years	after 5 years
Lease liabilities and loans and borrowings from other lenders as per IFRS 16	782	1,433	0
Bank loans and borrowings	43,345	35,448	1,428
Trade payables and other liabilities	82,676	500	0
Commitment by due date	**126,803**	**37,381**	**1,428**

Management believes that at the present time, the funds available, in addition to those that will be generated from operating and financial activities, will permit the Company to satisfy its requirements deriving from investment activities, working capital management and repayment of debt in accordance with their maturities.
For details on the net financial position, reference should be made to section D.6.4.32 of the notes.

D.6.6.5 Classification of the Financial instruments

In Euro thousands	12/31/2024	12/31/2023	Changes
Derivative assets on rate (non-current)	0	288	(288)
Equity options	1,688	0	1,688
Derivative assets (non-current)	**1,688**	**288**	**1,400**
Derivative assets on rate (current)	415	1,649	(1,234)
Derivative assets on exchange rate (current)	181	243	(62)
Derivative assets on commodities (current)	1,044	224	820
Derivative assets on intercompany (current)	0	92	(92)
Derivative assets (current)	**1,640**	**2,208**	**(568)**
Derivative liabilities on exchange rate (non-current)	264	0	264
Derivative liabilities (non-current)	**264**	**0**	**264**

The Company considers that the book values of the accounts approximate their fair value. In relation to the valuation methods for the individual accounts, reference should be made to paragraph D.6.1. “Accounting policies” of these Notes.

D.6.7. Disclosure on Management renumeration and related-party transactions

As required by law, the total remuneration of Directors, Statutory Auditors and Managers with strategic roles also in other companies are reported below.

D.6.7.1 Remuneration of Directors, Statutory Auditors and Senior Executives

The remuneration of the above-mentioned persons in total amounted to Euro 4,178 thousand. No short-term or long-term share-based incentive plan payments were made in 2024. The details and calculation criteria are provided in the Remuneration Report. This report is available on the Company website (https://corporate.elica.com/it/governance/assemblea-degli-azionisti).

D.6.7.2 Management and coordination

Elica S.p.A. is indirectly controlled by the Casoli Family through Fintrack S.p.A. of Fabriano (AN - Italy).
The Company is not subject to management and co-ordination pursuant to Art. 2497 and subsequent of the Civil Code. This conclusion derives from the fact that the controlling shareholder does not carry out management activities within the company and, although exercising voting rights at the Shareholders' Meeting, does not have any involvement in the financial, production or strategic programmed of the Company, which is governed by a Board of Directors responsible for operating control.
The Parent's Board of Directors has also appointed a CEO for ordinary operational management.
With effect from July 2019, Tamburi Investments Partners ("TIP") acquired a minority interest in the Company. As at December 31, 2023, this interest amounted to 21.53% of Elica's capital.
The Company however continues to carry out its operations through a totally autonomous and independent decision-making process; it has independent decision-making capacity with customers and suppliers and independently manages its treasury in accordance with the business purpose.

D.6.7.3 Transactions with subsidiaries

During the year, transactions with subsidiaries took place. All transactions were conducted on an arm's length basis in the ordinary course of business. Regarding transfer prices - applied in transactions between: Elica S.p.A. and Elica Group Polska; between Elica S.p.A. and Elicamex; between Elica S.p.A. and Elica France, Elica Gmbh, Elica Trading, Elica S.O. Spain - specific Ruling Agreements have been signed with the National Tax Authorities.

On December 31, 2024, another Transfer Pricing agreement (APA) was signed with the Tax Agency for transactions between Elica SpA and Elicamex.

D.6.7.3.1. Subsidiaries – 2024 Highlights

The tables below show key figures for subsidiaries and the amount of transactions performed with them as at and for the year ended December 31, 2024.

In Euro thousands	Assets	Liabilities	Equity	Revenue	Profit/(loss) for the year
Airforce S.p.A.	11,306	8,209	3,097	21,338	(443)
Ariafina Co. Ltd.	15,633	3,199	12,434	19,913	2,977
Elica Group Polska Sp.z.o.o	76,128	51,801	24,327	137,503	1,398
Elicamex S.a.d. C.V.	60,742	35,968	24,774	60,892	(4,131)
Elica Inc.	550	115	435	879	15
Elica Home Appliances (Zhejiang) Co., LTD	10,704	10,852	(148)	8,568	(97)
Elica Trading LLC	4,684	2,668	2,016	10,379	308
Elica France S.A.S.	7,827	6,376	1,451	25,976	17
Elica Gmbh	2,262	557	1,705	6,528	118
EMC FIME Srl	85,627	51,741	33,886	139,050	4,878
Southeast Appliance Inc	1,887	3,356	(1,469)	2,227	(1,075)
AG International	1,818	1,466	352	3,475	7
Elica Nederland B.V.	105	217	(112)	57	(4)

D.6.7.3.2 Trade receivables from subsidiaries

Trade receivables from subsidiaries are broken down as follows:

In Euro thousands	12/31/2024	12/31/2023	Changes
Airforce S.p.A.	815	1,271	(456)
Ariafina Co. Ltd.	300	293	7
Elica Group Polska Sp.z.o.o	673	2,651	(1,978)
Elicamex S.a.d. C.V.	8,482	3,465	5,017
Elica Home Appliances (Zhejiang) Co., LTD	2,149	2,176	(27)
Elica Trading LLC	1,893	2,444	(551)
Elica France S.A.S.	2,917	2,658	259
Elica Gmbh	0	952	(952)
EMC FIME Srl	5,641	3,954	1,687
Southeast Appliance Inc	61	5	56
AG International	19	0	19
Trade receivables from subsidiaries	**22,950**	**19,869**	**3,081**

D.6.7.3.3 Trade payables to subsidiaries

Payables to subsidiaries are detailed below.

In Euro thousands	12/31/2024	12/31/2023	Changes
Airforce S.p.A.	395	310	85
Ariafina Co. Ltd.	23	25	(2)
Elica Group Polska Sp.z.o.o	5,800	28,479	(22,679)
Elicamex S.a.d. C.V.	260	202	58
Elica Home Appliances (Zhejiang) Co., LTD	3,807	3,243	564
Elica Trading LLC	9	16	(7)
Elica France S.A.S.	278	290	(12)
Elica Gmbh	280	52	228
EMC FIME Srl	1,615	959	656
Trade payables to subsidiaries	**12,467**	**33,576**	**(21,109)**

D.6.7.3.4 Financial assets and liabilities with subsidiaries

In Euro thousands	12/31/2024	12/31/2023	Changes
Financial assets with subsidiaries			
Elica Group Polska Sp.z.o.o	10,618	32,443	(21,825)
Elicamex S.a.d. C.V.	12,210	14,208	(1,998)
Elica Home Appliances (Zhejiang) Co., LTD	6,887	6,846	41
Southeast Appliance Inc.	2,454	271	2,183
AG International	289	90	199
Elica Nederland B.V.	15	-	15
Total	**32,473**	**53,860**	**(21,385)**
Financial liabilities with subsidiaries			
Airforce Srl	2,149	1,601	548
Ariafina Co. Ltd.	4,293	4,478	(185)
Elicamex S.a.d. C.V.	1,843	600	1,243
Elica France S.A.S.	1,831	668	1,163
Elica Gmbh	84	1,131	(1,047)
EMC FIME Srl	12,385	7,893	4,492
Total	**22,585**	**16,371**	**6,214**

Elica also carries out transactions with Group companies as part of a general plan to centralise treasury management activities. These loans are interest bearing and at market rates. The changes show the synergies created in order to optimise cash management.

D.6.7.3.5 Balances with subsidiaries

In Euro thousands	Revenue, Other Revenue and Financial Income	Costs and Financial Expense
Airforce S.p.A.	752	70
Ariafina Co. Ltd.	300	62
Elica Group Polska Sp.z.o.o	7,143	103,913
Elicamex S.a.d. C.V.	5,856	45
Elica Home Appliances (Zhejiang) Co., LTD	577	6,820
Elica Trading LLC	6,739	58
Elica France S.A.S.	19,232	521
Elica Gmbh	3,781	66
EMC FIME Srl	2,077	5,932
Southeast Appliance Inc	55	6
AG International	28	0
Total	**46,540**	**117,493**

Below are the dividends received by the Company:

In Euro thousands	12/31/2024	12/31/2023	Changes
Dividends from subsidiaries			
Ariafina Co. Ltd.	719	878	(159)
Elica Group Polska Sp.z.o.o	1,706	3,048	(1,342)
EMC FIME Srl	3,996	0	3,996
Total	**6,421**	**3,926**	**2,495**

D.6.7.4 Transactions with other related parties

In 2024, transactions with other related parties took place. All transactions were conducted on an arm's length basis in the ordinary course of business. No separate disclosure of these positions is provided in the Consolidated Financial Statements, given the immaterial amounts involved, in accordance with Consob resolution no. 15519 of July 27, 2006.

In Euro thousands	Assets	Liabilities/Lease Liabilities	Revenue	Costs
La Ceramica	0	(1)	0	(11)
Fondazione Ermanno Casoli	0	0	0	(100)
Other	8	(29)	0	(10)
Total	**8**	**(30)**	**0**	**(121)**

With the other related parties, Elica primarily carries out transactions of a trading nature. There are no transactions with Fintrack S.p.A. and with FAN S.r.l..
The statement of comprehensive income and statement of financial position balances mainly arise from trading transactions conducted to purchase goods and services and use fixed assets on an arm's length basis.
The Procedures for Transactions with Related Parties is published on the Company's website (https://corporate.elica.com/it/governance/sistema-di-controllo).

D.6.8. Public grants as per Article 1, paragraphs 125-129, of Law No. 124/2017

For the detail of the grants received, reference should be made to the National State Aid register. The following information is provided:

In Euro thousands	**Asset at 01/01/2024**	**Vested in 2024**	**Collected 2024**	**Asset at 12/31/2024**	**Description**
Contribution for Photovoltaics (*)	1	1	0	1	Grant on photovoltaic plant installed on the roof of the Castlefidardo and Cerreto D'Esi industrial buildings issued by GSE
H@H Project	24	-	22	2	Research and Development grant from Ministry for University and Scientific Research
SEAL Project	30	1	-	31	Research and Development grant from Ministry for University and Scientific Research
SHELL Project	173	-	-	173	Research and Development grant from Ministry for University and Scientific Research
SM Project	104	-	-	104	Research and Development grant from Ministry for University and Scientific Research
MERCURY Project	25	0	-	25	Research and development grant from the Marche region Regional Plan
MIRACLE Project	- 3	99	-	96	Research and development grant from the Marche region Regional Plan
Fondimpresa	122	33	114	41	Staff training grant from Fondimpresa
Fondirigenti	8	14	17	5	Training executives grant from Fondimpresa
Assist 2023 tender	846	827	1.026	647	Employee training
New Investment Tax Credit 2020	32	-	16	16	Tax credit on new investments year 2020 - Law No. 160 of 27.12.2019
New Investment Tax Credit 2022	120	-	40	80	Tax credit on new investments year 2022 - Law No.234, 25.12.2021
Research & Development tax credit 2019	899	-	-	899	Research & Development tax credit 2019 - Law No. 190/2014
Research & Development tax credit 2020	464	-	-	464	R&D tax credit - Law No. 178 of 30.12.2020
Research & Development tax credit 2021	351	-	-	351	R&D tax credit - Law No. 178 of 30.12.2020
Research & Development tax credit 2022	181	-	-	181	R&D tax credit - Law No. 178 of 30.12.2020
"4.0 Intangible Assets" tax credit	125	-	54	71	Tax credit - Law No. 178 of 30.12.2020
Total	**3.502**	**975**	**1.289**	**3.187**	

D.6.9. Positions or transactions arising from atypical and/or unusual operations

The Company in 2024 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.

D.6.10. Subsequent events

On February 13, 2025, the Board of Directors of Elica S.p.A. approved the additional periodic disclosure for the fourth quarter of 2024, prepared according to IFRS and reviewed the 2024 preliminary consolidated results.

Fabriano, March 25, 2025

For the Board of Directors

The Chief Executive Officer

Giulio Cocci

D.6.11. Proposal for the approval of the 2024 Financial Statements and allocation of the result as approved by the Board of Directors on March 25, 2025

Dear Shareholders,
in relation to the motion at item 2 on the Agenda of the Shareholders' Meeting of Elica S.p.A.:

2. Approval of the Financial Statements for the year ended December 31, 2024; Directors' Report, Consolidated Sustainability Statement; Board of Statutory Auditors' Report; Independent Auditors' Report. Presentation of the Consolidated Financial Statements for the year ended December 31, 2024.

The Financial Statements for the year 2024, which we present for your approval, report a net profit of Euro 11,486,119 and equity of Euro 112,214,817.

More generally, we propose approval of the 2024 Separate Annual Accounts, collectively and individually, the Directors' Report, which includes the Consolidated Sustainability Statement 2024, and the review of the Board of Statutory Auditors' Report and the Independent Auditors' Report.

We highlight that no vote shall be held on the consolidated financial statements presented at the Shareholders' Meeting.

In relation to the motion at item 3 on the Agenda:

3. Resolutions on the result for the year.

We propose:

(i) to distribute an ordinary dividend in the amount of Euro 0.04 for each of the 63,322,800 ordinary shares in circulation, net of the treasury shares held on the ex-dividend date of the coupon, gross of statutory withholdings, to be allocated from the Profit for the year;

(ii) to establish July 7, 2025 as the ex-dividend date of coupon No. (13), July 8, 2025 as the record date and July 9, 2025 as the payment date;

(iii) to allocate Euro 294,997 related to unrealised net foreign exchange gains to a specific non-distributable reserve pursuant to Article 2426, paragraph 8-bis, of the Italian Civil Code; to also allocate an amount of Euro 1,688,000 related to the profit arising from the fair value measurement of derivatives used to hedge expected cash flows of financial assets pursuant to Article 2426, paragraph 11-bis;

(iv) to allocate the remaining amount of the profit to the extraordinary reserve;

(v) to authorise the Chairperson of the Board of Directors, and the Chief Executive Officer, severally and with the power to sub-delegate, where the number of treasury shares is modified before the dividend coupon date:

- to allocate the amount of the dividend relating to any treasury shares acquired to the Extraordinary Reserve;

- to reduce the Extraordinary Reserve for the amount of dividends on any treasury shares sold;

(vi) to grant the Chairperson of the Board of Directors and the Chief Executive Officer, severally and with the power to delegate to third parties, the broadest powers necessary to carry out the above".

We thank you for your assistance.

Fabriano, March 25, 2025

The Board of Directors
The Chief Executive Officer
Giulio Cocci

E. ATTACHMENTS TO THE SEPARATE FINANCIAL STATEMENTS

E.1. Disclosure pursuant to Article 149 of the Consob Issuers' Regulation

The following table, prepared pursuant to Article 149-*duodecies* of the CONSOB Issuers Regulations, shows the payments made in 2024 for audit services, including those performed centrally by EY S.p.A. for certain foreign subsidiaries for consolidation purposes, and for other non-audit services provided by the latter and the entities belonging to its network.

Type of service	Service provider	Company	Remuneration *In Euro thousands*
Audit	EY S.p.A.	Elica S.p.A.	163
Limited review of the Consolidated Sustainability Reporting	EY S.p.A.	Elica S.p.A.	120
EY Network fees			**283**

E.2. Attestation on the Separate Financial Statements as per Article 81-ter of Consob Regulation no. 11971 of May 14, 1999 and subsequent amendments and integrations

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 financial statements for 2024.

We also declare that:

the separate financial statements:

- correspond to the underlying accounting documents and records;
- were prepared in accordance with the IFRS endorsed by the European Union and with Article 9 of Legislative Decree no. 38/2005;
- as far as we are aware, provide a true and fair view of the financial position, financial performance and cash flow of the issuer.

The Directors' Report includes a reliable analysis on the performance and operating result as well as the situation of the issuer together with a description of the principal risks and uncertainties to which they are exposed.

Fabriano, March 25, 2025

The Chief Executive Officer
Giulio Cocci

Corporate Financial
Reporting Manager
Emilio Silvi

E.3. Independent Auditors' Report on Parent Company Financial Statements

Shape the future with confidence

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

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

Independent auditor's report pursuant to article 14 of Legislative Decree n. 39, dated 27 January 2010 and article 10 of EU Regulation n. 537/2014
(Translation from the original Italian text)

To the Shareholders of
Elica S.p.A.

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Elica S.p.A. (the Company), which comprise the statement of financial position as at December 31, 2024, and the income statement, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and the notes to the financial statements, including material accounting policy information.

In our opinion, the financial statements give a true and fair view of the financial position of the Company as at December 31, 2024, and of its financial performance and its cash flows for the year then ended in accordance with IFRS accounting standards issued by International Accounting Standards Board as adopted by the European Union and with the regulations issued for implementing art. 9 of Legislative Decree n. 38/2005.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISA Italia). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the regulations and standards on ethics and independence applicable to audits of financial statements under Italian Laws. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other matters

The financial statements of Elica S.p.A. for the year ended December 31, 2023 were audited by another auditor who expressed an unmodified opinion on those statements on March 27, 2024.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Shape the future with confidence

We identified the following key audit matters:

Key Audit Matter	Audit Response
Recoverability of intangible assets with an indefinite useful life - goodwill	
As at December 31, 2024, the Company recorded in the financial statements intangible assets with an indefinite useful life (goodwill) equal to 23.3 million euros. Goodwill was allocated to the Cash Generating Unit ("CGU") of the company, which is part of the Cooking segment of the Group. The processes and methodologies for the valuation and determination of the recoverable value of the CGU, in terms of value in use, are based on sometimes complex assumptions, which by their nature require judgment, in particular with reference to the expected future cash flows for the CGU, the determination of the normalized cash flows used to estimate the terminal value and the determination of the long-term growth and discount rates applied to the expected future cash flows. Because of the judgment required and the complexity of the assumptions used to estimate the recoverable amount, we believe that this issue is a key audit matter. Financial statement disclosures relating to the assumptions and estimates used to perform the impairment test on goodwill are provided in notes D.6.1.4 and D.6.4.18.1 of the financial statements.	Our audit procedures in response to the key matter included, among the others: • analysis of the procedure applied in performing the impairment test on goodwill approved by the Company's board of directors; • analysis of the expected future cash flows for the CGU and verification of their consistency with the future cash flows of the CGU with the 2025-2029 economic and financial projections approved by the Company's board of directors for the purposes of the impairment test; • analysis of the reasonableness of the forecasts made by the directors also through comparison with actual historical data and external market information, where available; • examination of the sensitivity analysis performed by the directors on the main key assumptions used in the impairment test model; • verification of the long-term growth rates and discount rates. We used our valuation experts in our procedures. Finally, we reviewed the disclosures provided in the notes to the financial statements in relation to this key audit matter.
Recoverability of investments in subsidiaries	
As at December 31, 2024, the Company's financial statements show investments in subsidiaries for 103.3 million euros. In accordance with IAS/IFRS accounting principles, the company management verifies the recoverability of the net book value of investments in subsidiaries in the event of the existence of indicators of impairment (trigger events). Based on this analysis, the company management has concluded that it was necessary to proceed with the determination of the recoverable value of the subsidiaries Elica	Our audit procedures in response to the key matter included: • analysis of the procedure applied in performing the impairment test approved by the Company's board of directors; • analysis of the presence of indicators of impairment on investments; • analysis of the expected future cash flows for each investment and verification of their consistency with the future cash flows relating to each investment with the 2025-2029 economic-financial projections approved by the

Home Appliances (Zhejiang) Co. Ltd (also Putian), Elica Trading LLC and EMC Fime S.r.l.. The processes and methodologies for the evaluation and determination of the recoverable value, in terms of value in use, are based on sometimes complex assumptions, which by their nature require judgment, in particular with reference to the expected future cash flows, the determination of the normalized cash flows used to estimate the terminal value and the determination of the long-term growth and discount rates applied to the expected future cash flows.
Because of the judgment required and the complexity of the assumptions used to estimate the recoverable amount of investments in subsidiaries, we believe that this issue is a key audit matter.

Financial statement disclosures relating to the assumptions and estimates used to perform the impairment test on investments is reported in notes D.6.1.4 and D.6.4.19.1 of the financial statements.

Company's board of directors for the purposes of the impairment test;
• analysis of the reasonableness of the forecasts made by the directors also through comparison with the actual historical data and external market information, where available;
• examination of the sensitivity analysis performed by the directors on the main key assumptions used in the impairment test model;
• verification of the long-term growth rates and discount rates.

We used our valuation experts in our procedures.

Finally, we reviewed the disclosures provided in the notes to the financial statements in relation to this key audit matter.

Responsibilities of Directors and Those Charged with Governance for the Financial Statements

The Directors are responsible for the preparation of the financial statements that give a true and fair view in accordance with IFRS accounting standards issued by International Accounting Standards Board as adopted by the European Union and with the regulations issued for implementing art. 9 of Legislative Decree n. 38/2005, and, within the terms provided by the law, for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The Directors are responsible for assessing the Company's ability to continue as a going concern and, when preparing the financial statements, for the appropriateness of the going concern assumption, and for appropriate disclosure thereof. The Directors prepare the financial statements on a going concern basis unless they either intend to liquidate the Company or to cease operations or have no realistic alternative but to do so.

The statutory audit committee ("Collegio Sindacale") is responsible, within the terms provided by the law, for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee

that an audit conducted in accordance with International Standards on Auditing (ISA Italia) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with International Standards on Auditing (ISA Italia), we have exercised professional judgment and maintained professional skepticism throughout the audit. In addition:

- we have identified and assessed the risks of material misstatement of the financial statements, whether due to fraud or error, designed and performed audit procedures responsive to those risks, and obtained audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- we have obtained an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control;
- we have evaluated the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors;
- we have concluded on the appropriateness of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to consider this matter in forming our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern;
- we have evaluated the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We have communicated with those charged with governance, identified at an appropriate level as required by ISA Italia, regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We have provided those charged with governance with a statement that we have complied with the ethical and independence requirements applicable in Italy, and we have communicated them all matters that may reasonably be thought to bear on our independence, and where applicable, the actions taken to eliminate relevant risks or the safeguard measures applied.

From the matters communicated with those charged with governance, we have determined those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We have described these matters in our auditor's report.

Additional information pursuant to article 10 of EU Regulation n. 537/14

The shareholders of Elica S.p.A., in the general meeting held on April 27, 2023, engaged us to perform the audits of the financial statements for each of the years ending December 31, 2024 to December 31, 2032.

We declare that we have not provided prohibited non-audit services, referred to article 5, par. 1, of EU Regulation n. 537/2014, and that we have remained independent of the Company in conducting the audit.

We confirm that the opinion on the financial statements included in this report is consistent with the content of the additional report to the audit committee (Collegio Sindacale) in their capacity as audit committee, prepared pursuant to article 11 of the EU Regulation n. 537/2014.

Report on compliance with other legal and regulatory requirements

Opinion on the compliance with Delegated Regulation (EU) 2019/815

The Directors of Elica S.p.A. are responsible for applying the provisions of the European Commission Delegated Regulations (EU) 2019/815 for the regulatory technical standards on the specification of a single electronic reporting format (ESEF – European Single Electronic Format) (the "Delegated Regulation") to the financial statements as at December 31, 2024, to be included in the annual financial report.

We have performed the procedures under the auditing standard SA Italia n. 700B, in order to express an opinion on the compliance of the financial statements as at December 31, 2024 with the provisions of the Delegated Regulation.

In our opinion, the financial statements as at December 31, 2024 have been prepared in the XHTML format in compliance with the provisions of the Delegated Regulation.

Opinion and statement pursuant to article 14, paragraph 2, subparagraph e), e-*bis*) and e-*ter*) of Legislative Decree n. 39 dated 27 January 2010 and pursuant to article 123-bis, paragraph 4, of Legislative Decree n. 58, dated 24 February 1998

The Directors of Elica S.p.A. are responsible for the preparation of the Report on Operations and of the Report on Corporate Governance and Ownership Structure of Elica S.p.A. as at December 31, 2024, including their consistency with the related financial statements and their compliance with the applicable laws and regulations.

We have performed the procedures required under audit standard SA Italia n. 720B, in order to:

- express an opinion on the consistency of the Report on Operations and of specific information included in the Report on Corporate Governance and Ownership Structure as provided for by article 123-bis, paragraph 4, of Legislative Decree n. 58, dated 24 February 1998, with the financial statements;
- express an opinion of the compliance with the laws and regulations of the Report on Operations, excluding the section related to the consolidated sustainability information, and the above-mentioned specific information included in the Report on Corporate Governance and Ownership Structure pursuant article n. 123-bis, paragraph 4, of Legislative Decree n. 58, dated 24 February 1998;
- issue a statement on any material misstatement in the Report on Operations and in certain specific information contained in the Report on Corporate Governance and Ownership Structure pursuant article n. 123-bis, paragraph 4, of Legislative Decree n. 58, dated 24 February 1998.

In our opinion, the Report on Operations and the specific information contained in the Report on Corporate Governance and Ownership Structure pursuant article n. 123-bis, paragraph 4, of Legislative Decree n. 58, dated 24 February 1998, are consistent with the financial statements of Elica S.p.A. as at December 31, 2024.

Furthermore, in our opinion, the Report on Operations, excluding the section related to the consolidated sustainability information, and the specific information contained in the Report on Corporate Governance and Ownership Structure pursuant article n. 123-bis, paragraph 4, of Legislative Decree n. 58, dated 24 February 1998, comply with the applicable laws and regulations.

With reference to the statement required by art. 14, paragraph 2, subparagraph e-*ter*), of Legislative Decree n. 39, dated 27 January 2010, based on our knowledge and understanding of the entity and its environment obtained through our audit, we have no matters to report.

Our opinion on compliance with applicable laws and regulations does not extend to the section of the Report on Operations related to consolidated sustainability information. The conclusion on the compliance of this section with the applicable standards governing its preparation criteria and the compliance with the disclosure requirements pursuant to article 8 of (EU) Regulation 2020/852 are formulated by us in the attestation report pursuant to article 14-bis of Legislative Decree No. 39 dated 27 January 2010.

Ancona, March 27, 2025

EY S.p.A.
Signed by: Roberta Ciocci, Auditor

This independent auditor's report has been translated into the English language solely for the convenience of international readers. Accordingly, only the original text in Italian language is authoritative.

E.4. Board of Statutory Auditors' Report to the Shareholders' Meeting

ELICA S.p.A.

Registered office in Fabriano (AN), Via Ermanno Casoli No. 2

Share capital: Euro 12,664,560.00 fully paid-in

Marche Companies Registration Office

Tax and VAT No.: 00096570429

BOARD OF STATUTORY AUDITORS' REPORT

TO THE SHAREHOLDERS' MEETING

(in accordance with Article 153 of Legislative Decree 58/1998 and Article 2429, paragraph 2 of the Civil Code)

Dear Shareholders,

we were appointed by the Shareholders' Meeting of April 29, 2024 (in accordance with applicable legal, regulatory and statutory provisions) and our mandate will conclude at the Shareholders' Meeting for the approval of the financial statements at December 31, 2026.
We have complied with the limit on the number of offices envisaged by Article 144-*terdecies* of the Issuers' Regulation.
We acknowledge that the composition of the Board of Statutory Auditors complies with the provisions on gender diversity (as per Article 148, paragraph 1-*bis*, of Legislative Decree No. 58/1998, as amended by Article 1, paragraph 303, Law No. 160 of December 27, 2019, and applied pursuant to Article 1, paragraph 304 of the same law, as well as in accordance with the provisions of Consob Communication No. 1/20 of January 30, 2020).

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During the year ended December 31, 2024, in continuity with the previous Board of Statutory Auditors, we performed the supervisory activities required by law, in accordance with the "Conduct principles for the Board of Statutory Auditors in listed companies" and recommended by the Italian Accounting Profession (Consigli Nazionale dei Dottori Commercialisti e degli Esperti Contabili), the Consob provisions concerning corporate controls and activities of the Board of Statutory Auditors and the indications of the Self-Governance Code of the Company.

The Company's independent audit firm is EY S.p.A., for a term of nine fiscal years (2024-2032), as approved by the Shareholders' Meeting of April 27, 2023.

In particular, also in accordance with the recommendations issued by Consob, we performed the following:

- we verified compliance with law, the By-Laws and the regulations;
- during the year:
  i) we met 21 times in the performance of our duties;
  ii) we attended 1 Shareholders' Meeting, 1 Extraordinary Shareholders' Meeting, 8 Board of Directors' meetings, 2 Control, Risks and Sustainability Committee meetings, 2 Appointments and Remuneration Committee meetings and 3 internal Board Committee meetings (held on April 24, 2024 in replacement of the Control, Risks and Sustainability Committee and of the Appointments and Remuneration Committee).

  all meetings were held in compliance with the applicable laws, the By-Laws and the regulations governing their functioning. The motions were passed in compliance with law and the company By-Laws and were not imprudent, reckless or such as to compromise the integrity of the company's assets;
- periodically, we received information from the Directors, also by attending the meetings of the Board of Directors and of the Committees, on the general performance and on the outlook, as well as on the most significant operations, in terms of size and nature, carried out by the Company and its subsidiaries.

  In relation to such, we can reasonably assure that the actions taken are in conformity with law and the By-Laws of the company and were not imprudent, risk related, in potential conflict of interest or contrary to the motions passed, or such as to compromise the integrity of the company assets;
- the following assignments were awarded to EY S.p.A. and its network:

Type of service	**Service provider**	**Company**	**Remuneration (Euro thousands)**
Annual and half-yearly audit	EY SpA	Elica S.p.A.	130
Annual and half-yearly audit	EY SpA	Air Force SpA	13
Annual and half-yearly audit	EY SpA	EMC Fime Srl	61
Annual and half-yearly audit	EY SpA	Elica France	6
Annual and half-yearly audit	EY Mexico	Elicamex S.A.de C.V.	34
Annual and half-yearly audit	EY Polska / EY SpA	Elica Group Polska S.p.z.o.o.	49
Annual and half-yearly audit	EY China	Elica Home Appliances (Zhejiang) Co., LTD	40
Annual and half-yearly audit	EY Japan / EY SpA	Ariafina CO., LTD	11
Other services	EY SpA	Elica S.p.A.	120
Total			**464**

- we constantly monitored the independence of the Independent Audit Firm, noting the absence of any critical aspects;

- in accordance with Article 150, paragraph 3 of Legislative Decree No. 58/1998, we met 4 times with the Independent Audit Firm and, during the meetings, no data or information to be reported herein emerged;
- the Independent Audit Firm EY S.p.A. was not awarded additional assignments by the company, other than those assigned, as required by the regulations, with the prior approval of the Board of Statutory Auditors;
- we have noted the changes to the organisational structure, overseeing its adequacy for the efficient and lean management of the business; in relation to this, there are no observations to report;
- we assessed the adequacy of the internal control system and of the administration and accounting system and its reliability to correctly represent operations, through the obtaining of information from managers and we reviewed company documents and oversaw the financial disclosure process in accordance with Article 19 of Legislative Decree No. 39/2010;
- we periodically met the Executive responsible for the preparation of the corporate accounting documents to exchange information on the administrative-accounting system, while also considering the reliability of this latter to correctly present operating events;
- we reviewed the adequacy of the instructions given by the Parent Company to its subsidiaries to receive in a timely manner all necessary information to comply with the obligations required by law;
- we did not detect any atypical and/or unusual transactions (as defined by Consob Communication No. DEM/6064293 of July 28, 2006). We acknowledge that the information provided in the Financial Report regarding significant non-recurring events and operations and transactions between group companies or with related parties is adequate;
- we note the following significant operations:

i) on January 30, 2024, a sponsorship was signed with Ducati Motor Holding S.p.A. for the 2024 MotoGP World Championship;

ii) on April 3, 2024, the second part of the Elica ordinary share Buyback plan concluded, announced to the market on October 26, 2023 and which began on November 6, 2023, in execution of the Shareholders' Meeting resolution of April 27, 2023. 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;

iii) on April 24, 2024, the third part of the Elica ordinary share Buyback plan concluded, announced to the market on March 14, 2024 and which began 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;

iv) on April 24, 2024, the Shareholders' Meeting resolved to distribute a dividend of Euro 0.05 for each of the 63,322,800 outstanding ordinary shares, from the net profit as per the financial statements for the year ended December 31, 2023, for a total amount of Euro 3,166,140.00;

v) on September 19, 2024, the Extraordinary Shareholders' Meeting passed a resolution to amend Article 8 of the By-Laws to introduce ordinary multi-voting shares and strengthened multi-vote shares;

vi) on September 19, 2024, an agreement was signed to sell to Whirlpool of India Limited 4.78% of the 6.73% of the share capital held in Elica PB Whirlpool Kitchen Appliances Private Limited, based in Pune, Maharashtra (India), for approx. Euro 8.2 million. Upon completion of the transaction, Whirlpool of India Limited will hold approximately 96.81% of Elica PB Whirlpool Kitchen Appliances Private Limited, while Elica S.p.A. and the Group of other minority Indian shareholders will remain shareholders in the company with a stake of approximately 1.59% each.

Concurrently with the purchase of the stake, ELICA PB Whirlpool Kitchen Appliances Private Limited will sign new license agreements for the use of the Elica brand in India, as well as a Trademark & Technical License Agreement, which provides for the use of the Elica brand exclusively in India and non-exclusively in Nepal and Bangladesh for the marketing of products in the kitchen & cooking sector;

iii) on 20/09/2024 closing for Elica's sale of its 4.78% stake in the share capital of Elica PB Whirlpool Kitchen Appliances Private Limited for approximately Euro 8.2 million;

iv) on November 29, 2024, the acceptance period concluded for the rights issue, pursuant to Article 2437-*quater* of the Civil Code, concerning 2,079,017 shares, representing 3.2834% of the share capital, with respect to which the right of withdrawal was exercised as a result of the amendments to the By-Laws approved by the Extraordinary Shareholders' Meeting of September 19, 2024.

The payment of the countervalue of the shares subject to withdrawal, totalling Euro 3,969,675.06 and the transfer of the shares subject to withdrawal purchased as part of the rights issue, took place on December 9, 2024;

v) on December 4, 2024, Elica's acquisition of all the shares of the Dutch distributor aXiair B.V. (now Elica Nederland B.V.) was finalised;

vi) as of December 31, 2024, the Company holds 3,845,374 treasury shares in portfolio, equal to 6.07% of the share capital, for a total amount of Euro 8,226,093;

- impairment tests were conducted according to the criteria and assumptions approved by the Board of Directors on February 13, 2025 and reported in the notes to the financial statements;
- the inter-company and related party transactions undertaken by the company and its subsidiaries in 2024, the parties involved and the relative financial effects are indicated in the notes to the financial statements, to which reference should be made, and which were appropriate and in the interests of the company;
- no petitions were received pursuant to Article 2408 of the Civil Code;
- no reports have been made to the board of directors pursuant to and in accordance with Article 15 of Legislative Decree No. 118/2021;
- on February 13, March 14, April 24 and December 11, 2024, as required by Article 2389, paragraph 3 of the Civil Code, we issued favourable opinions on the remuneration of the Executive Directors;

- we issued on April 24, 2024, in compliance with Article 26.1 of the By-Laws, and in accordance with the provisions of Article 154 *bis* of the CFA, as amended by Law 262/2005, a favourable opinion for the appointment of the Executive Officer for Financial Reporting;
- the Company has complied with the Self-Governance Code promoted by Borsa Italiana S.p.A.; the Directors reported on such in the "*Corporate Governance and Ownership Structure Report*", approved by the Board of Directors on March 25, 2025;
- we have monitored, by acquiring information from the functions concerned, the disputes in which the Company is involved;
- we verified the company processes to draw up the remuneration policies of the Executive Directors, the Senior Executives and other key figures, both over the short and long-term, as outlined in the Remuneration Report, drawn up as per Article 123-*ter* and 84-*quater* of the Issuers' Regulation;
- we assessed at our meetings of April 24, 2024 and March 20, 2025 the existence of the requirements of our independence, including pursuant to the Corporate Governance Code for Listed Companies;
- we verified during the meetings of April 24, 2025 and March 20, 2025 the correct application of the assessment criteria and procedures adopted by the Board of Directors to assess the independence of its members and did not note any irregularities;
- we examined the declarations of the Chief Executive Officer and the Corporate Financial Reporting Manager, pursuant to Article 154-*bis* of the Consolidated Finance Act;
- we note that the company has an Organisation and Management Model as per Legislative Decree No. 231/2001, structured by "business process", which is subject to periodic review, and whose latest update was approved by the Board of Directors on July 30, 2024;
- we held meetings with the Supervisory Board, reviewing the periodic reports prepared and received information on the activities scheduled for 2025;
- we acknowledge that pursuant to Legislative Decree No. 125/2024, in implementation of the new EU Directive 2022/2464/EU ("CSRD Directive"), the Elica Group prepares the Sustainability Statement in accordance with the European Sustainability Reporting Standards (ESRS) issued by EFRAG and which must be signed by a Sustainability Executive.

  On February 13, 2025, the Board of Directors, with our favourable opinion, appointed the Sustainability Executive for the year 2024, availing of the exception provided for in Article *154-bis*, paragraph 5-*ter,* of Legislative Decree No. 58 of February 28, 1998, reserving the right to submit to the Extraordinary Shareholders' Meeting the amendment to the By-Laws to provide for the possibility of appointing a Sustainability Executive other than the Executive Officer for Financial Reporting, also for subsequent years.

  The Sustainability Statement for the fiscal year ending December 31, 2024, which includes data from the parent company Elica S.p.A. and the fully consolidated companies, was approved by the Board of Directors of Elica S.p.A. on March 25, 2025.

  We have supervised the completeness, adequacy and effectiveness of the procedures, processes and structures that govern the formation of the sustainability reporting, as well as verified compliance with the relevant regulations and the subjective and objective scope of application of the regulations, and in this regard we have no observations to report.

In relation to the separate financial statements, we confirm that:

vii) they were prepared in accordance with International Accounting Standards (IAS/IFRS), as presented by the Board of Directors in the notes to the financial statements. The Directors have complied with current regulations regarding disclosure of the risk management and internal control system in connection with the financial reporting process;

viii) was prepared in compliance with the specifications required by EU Regulation No. 2019/85 ("ESEF Regulation") and, therefore, in the XHTML electronic format and presents, with reference to the consolidated financial statements at December 31, 2024, the *Inline* XBRL markings and the note block tags of the information according to the taxonomy indicated in the ESEF Regulation;

ix) the Notes to the Financial Statements provide information deemed appropriate to better represent the Company's equity, financial and operating situation;

x) the information provided in the Directors' Report is complete and exhaustive, including with regard to subsequent events and the outlook, also considering the situation of uncertainty at the global level;

The statutory financial statements at December 31, 2024, accompanied by the Directors' Report prepared by the Directors, in addition to the statement of the Chief Executive Officer and of the Executive Officer, were approved by the Board of Directors at the meeting of March 25, 2025 and simultaneously made available to the Board of Statutory Auditors, subject to the granted request to the Control Body and the Independent Audit Firm to waive the terms, in view of the Shareholders' Meeting called for April 29, 2025.

EY S.p.A. today issued:

i) pursuant to Article 14 of Legislative Decree No. 39/2010 and Article 10 of Regulation (EU) No. 537/2014 the Auditors' Reports to the annual financial statements and consolidated financial statements, without qualification or requests for information. Both the reports expressed an opinion on the consistency of the Directors' Report and of certain specific information contained in the corporate governance and ownership structure report with the financial statements, and on their compliance with law;

ii) the additional report required by Article 11 of Regulation (EC) 537/2014, which did not indicate any matters to be reported herein. As an attachment to the additional report, the Independent Audit Firm sent to the Board of Statutory Auditors the statement regarding its independence, as required by Article 6 of Regulation (EC) 537/2014, indicating no situations which may compromise such independence and which will be sent by the Board of Statutory Auditors to the Board of Directors;

iii) the report on the Consolidated Sustainability Statement prepared in accordance with Article 14-*bis* of Legislative Decree No. 39/2010, in which it certifies that, based on the work carried out by the Independent Audit Firm, no evidence was received to suggest that:

a) the Elica Group's Consolidated Sustainability Statement for the year ending December 31, 2024, has not been prepared, in all significant aspects, in accordance with the reporting standards adopted by the European Commission pursuant to Directive (EU) 2013/34/EU (European Sustainability Reporting Standard - ESRS);
b) the information contained in the "European Taxonomy" section of the Consolidated Sustainability Statement has not been prepared in all significant aspects in accordance with Article 8 of Regulation (EU) No. 852 of June 18, 2020 ("Taxonomy Regulation").

In the course of the supervisory activity and based on the information obtained, no significant omissions and/or significant matters or irregularities that would require reporting to the Supervisory Authority or mention in the present report were noted.

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Taking account of that outlined above, we do not indicate, to the extent of our remit, reasons which would prevent approval of the financial statements at December 31, 2024, as presented, nor observations regarding the proposal for the allocation of the net profit, drawn up by the Board of Directors.

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The Group consolidated financial statements have been reviewed by us and we report no further observations in this regard.

Jesi, March 27, 2025

THE BOARD OF STATUTORY AUDITORS

FREZZOTTI GIOVANNI - Chairperson

MASSINISSA MAGINI PAOLO - Statutory Auditor

ROMAGNOLI SIMONA - Statutory Auditor