



2023

ANNUAL REPORT

At 31 December 2023

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2023

REPORT ON OPERATIONS OF THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

As at 31 December 2023

Company data

Registered office

Indel B S.p.A.

Via Sarsinate, 27

47866 Sant'Agata Feltria (RN) – Italy

Statutory information

Authorised and subscribed share capital Euro 5,842,000

VAT no., Tax code and Chamber of Commerce registration no.: 02037650419

Rimini R.E.A. (Economic and Administrative Index) registration no. 312757

Corporate Bodies

Board of Directors ^(*)

Chairman	Antonio Berloni ⁽⁴⁾
Deputy Chairman	Paolo Berloni ⁽⁴⁾
Chief Executive Officer	Luca Bora ⁽⁴⁾
Directors	Mirco Manganello
	Oscardo Severi ⁽⁶⁾
	Claudia Amadori ^{(1) (2)}
	Monique Camilli
	Annalisa Berloni
	Giovanni Diana ^{(1) (2) (3) (5)}
	Fernanda Pelati ^{(1) (2) (3) (5)}

Board of Statutory Auditors

Chairman	Sergio Marchese
Standing auditors	Emmanuil Perakis
	Nicole Magnifico
Alternate Auditors	Matteo Fosca
	Gian Luca Succi

Supervisory Body

Chairman	Marco Genghini
	Emmanuil Perakis
	Massimiliano Nardini

Financial Reporting Officer

Mirco Manganello

Independent Auditors

PricewaterhouseCoopers S.p.A.

(*) Composition of committees as at 31 December 2023

(1) Member of the Control and Risk Committee

(2) Member of the Remuneration Committee

(3) Member of the Related Parties Committee

(4) The Chairman/Deputy Chairman/Chief Executive Officer is the legal representative of the company; the Board of Directors has granted him/her specific powers to manage the company.

(5) Non-executive and independent directors pursuant to Art. 148, paragraph 3 of the Consolidated Law on Finance (as required by Articles 147-ter, paragraph 4, and 147-quater of the Consolidated Law on Finance) and Art. 2 - Recommendation no. 7 of the Corporate Governance Code (January 2020 edition).

(6) The Board of Directors has granted him/her specific powers for the management of the company, as well as the delegation of powers pursuant to Art. 2381 of the Italian Civil Code on occupational health and safety (pursuant to Italian Legislative Decree no. 81/2008, as amended by Italian Legislative Decree no. 106/2009), environmental protection and waste management.

Report on Operations

Dear Shareholders,

In 2023, the Indel B Group achieved a consolidated net profit of Euro 10,616 thousand, after amortisation, depreciation, provisions and write-downs totalling Euro 8,497 thousand and provisions for current taxes of Euro 4,316 thousand. 2023 was a year of stabilisation for the Group after the strong growth of previous years. Industrial investments continued to improve and expand production capacity and to innovate our product range. This in a global economic and market environment that continues to present complex challenges for businesses. Challenges that Indel B has faced and continues to effectively face thanks to its financial strength, its organisation and its entire workforce. Indel B was also able to maintain its competitive position in 2023 by retaining and supporting customers acquired over the years. As we move forward, the solidity of our Group will undoubtedly enable us to seize the opportunities for innovation and growth that the challenges will bring in all the markets in which we operate.

The Company's financial position and results of operations for the past financial year are analysed as follows.

1. Introduction

Pursuant to Art. 40 of Italian Legislative Decree no. 127/1991 as amended by Art. 2 letter d) of Italian Legislative Decree no. 32/2007, this report is presented in a single document for the purposes of the consolidated financial statements of the Indel B Group and the separate financial statements of the parent company Indel B S.p.A., prepared in accordance with international financial reporting standards (EU-IFRS).

2. About the Group and its activities - Market differentiation

The Group is a major global player in the mobile refrigeration market for the Automotive and Leisure time and in the refrigeration sector for the Hospitality market. It is also active in the "parking" air-conditioning sector for industrial vehicles and in the market of other technological accessories for the Hospitality market and of refrigeration for the home and Ho.Re.Ca. segments. The Group's activity consists of the production and marketing of a wide range of products, designed and developed with two main values in mind: offering high quality products

tailored to customer requirements and constantly innovating these products in terms of energy saving, eco-sustainability and design.

Within the aforementioned business unit, the Group's products can be divided into the following categories, depending on the target market:

- "Automotive": includes the production of a wide range of products such as mobile refrigerators, vehicle air conditioning systems for minibuses, industrial vehicles and special vehicles (e.g. ambulances, mobile clinics, civil defence vehicles, medicine transport vehicles, trams and trains) and refrigeration systems for the transport of foodstuffs at controlled temperatures. These systems are designed for large manufacturers, processing companies/body-builders and multi-sector distributors;
- "Hospitality": includes the production or marketing of a wide range of minibars equipped with the most advanced technology and adaptable to different customer requirements, as well as technological accessories such as safes, electronic locks and latest generation LED televisions, to be used by two main categories of users: hotels (hotels) and cruise ships (cruise);
- "Leisure time": includes the production of built-in or portable refrigerators for both pleasure and luxury boats, such as sailing boats and motorboats and yachts (Marine) and recreational vehicles, such as cars, campers and caravans;
- "Cooling Appliances": includes the production of accessories intended for the retail (home) or professional (Ho.Re.Ca.) market, such as wine cellars and "frigolette" (milk cooling tank) to be included in or combined with professional machines for preparing and serving drinks on the counter;
- "Components & Spare parts": includes the production and marketing of spare parts and, through its subsidiary Condor B, components.

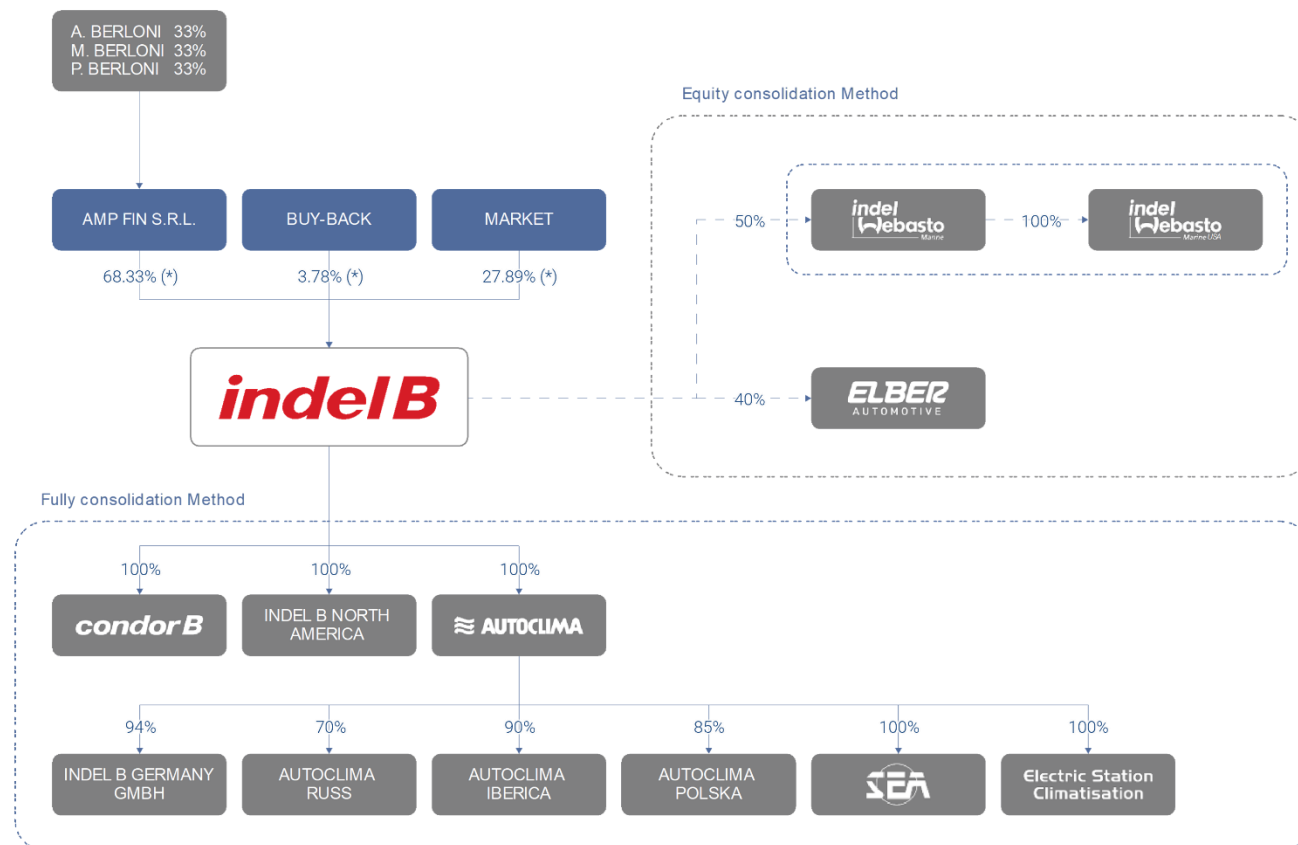
The Group's coverage of these markets is shown in the diagram below together with the relevant sales channel:

	AUTOMOTIVE		HOSPITALITY		COOLING APPLIANCES		LEISURE TIME	
							Recreational Vehicles (Motorhome & Roulotte)	Marine
Markets	INDEL B ELBER INDEL B NORTH AMERICA, INC.	INDEL B AUTOCLIMA SEA ESC	INDEL B		INDEL B ELBER		INDEL B INDEL WEBASTO	ELBER INDEL WEBASTO
Sale Channels	OEM After Market (AM)	OEM After Market (AM)	Hotel (AM) Cruise (AM)		Home (OEM) Professional (OEM)		OEM After Market (AM)	Cabin cruiser yacht
Products	Fridge Integrated & freestanding fridge	Parking air conditioning	Handle & lock Hotel TV Frigobar Safe	Minibar Safe	Wine cellar Other cooling appliances Mini milk Fridge		Built-in & portable fridge Built-in fridge	Built-in & portable fridge Water Heater Cooling Unit Ice Maker Freezer
Components and spare parts								

The Group's activities are concentrated in five main production and assembly plants two of which are located in Sant'Agata Feltria (RN), one in the municipality of Novafeltria (RN), one in Cambiano (TO), one in Russi (RA) and in other smaller production facilities in the same geographical area, as well as in the Pesaro-Montelabbate logistics hub. The Group is also present in the United States of America through the Indel Webasto Marine joint venture, which markets products for the Marine and, in part, Recreational Vehicles segments, and through Indel B North America, which markets products for the Automotive After Market and Recreational Vehicles. In Brazil, through its associate Elber for the production of mini-fridges and refrigeration systems for the automotive, cooling appliances and leisure market. Finally, in France in Sartrouville, through the subsidiary ESC for the production and marketing of Automotive OEM products.

The following chart shows the structure of the Indel B Group as at 31 December 2023.

Group Structure



(*) data updated to 31 December 2023

3. Economic framework

Macroeconomic scenario

2023 was a very complex year, with many macroeconomic and geopolitical factors affecting the Group's business performance. The global economy is facing several geopolitical challenges. The Russian-Ukrainian conflict in Europe continues, while the Israeli-Palestinian conflict in the Middle East is at a crucial stage.

Internationally, inflation is easing after the restrictive policies adopted by central banks and GDP growth has exceeded forecasts in many countries. However, persistently high interest rates, falling consumer purchasing power and related political tensions are taking their toll. Real estate markets are also suffering. In the short term, emerging economies are expected to grow better than Western economies. Inflation in the Western economies (G20 countries) is projected to decrease in the coming years from over 6% in 2023 to 3.8% in 2025.

Italy

Real GDP growth in Italy is forecast to be 0.7% in 2023 and 2024, rising to 1.2% in 2025. Low wage growth and high inflation have severely eroded spending capacity. There was also a decline in business investment and real estate investment. On the other hand, the recovery of public investment in infrastructure, mainly related to the RRP, was positive.

Eurozone

For the eurozone, the IMF expects growth of 0.6 % in 2023, 0.9 % in 2024 and 1.5 % in 2025. In Germany, growth is expected to be 0.6% in 2024 and 1.2% in 2025, after a slight decline in 2023. Real income supported by state policies is expected to rise. In France, GDP growth is expected to be 0.9% in 2023, 0.8% in 2024 and 1.2% in 2025. Demand for goods from abroad should increase. In summary, 2023 will be a challenging year, but 2024 will lay the foundations for a successful recovery in 2025.

United States

The US economy, which ended 2023 with a GDP growth of 2.4%, will slow to 1.5% in 2024 and to 1.7% in 2025. Here, too, interest rates are expected to remain stable, perhaps even decline, accompanied by a decline in inflation after the Fed's strong growth in 2022 and in the first few months of 2023.

BRICS

In 2024 and 2025, the Brics (India and China), which will account for more than 30% of the world's population, are expected to experience a slowdown in GDP, although with an average growth of more than 4%. For Russia, the war is leading to various changes and the country is expected to enter stagnation with a decline in GDP from 2025.

Brazil's growth in 2023 was 3%, but is expected to fall to 2% growth in 2025. The agricultural boom and the growth of household income has led to GDP growth in recent years. Despite the new social democratic government, budgetary policy remains expansionary.

Supply chain

The year 2023 began with the confirmation of a trend that had been anticipated in the last quarter of 2022: a reduction in the cost of key raw materials and a return to a more predictable pattern of logistics costs in the world markets. This made it possible to reduce inventories, improve margins and better manage treasury from June 2023.

The outbreak of the Israeli-Palestinian conflict in October and the ensuing tensions in the Middle East at the end of 2023 once again presented challenges for shipping in the Persian Gulf and the Suez Canal. Logistics from the Far East to Europe have been experiencing difficulties since December due to the disruption of trade routes by local armed groups. To date, a significant portion of this commercial traffic has been redirected to circumvent the African continent and reach northern European ports, resulting in increased costs and transit times in the first few months of 2024.

Business performance

In particular, the Automotive market, which is the most relevant for the Indel B Group, benefited from the positive cycle affecting the European market and in Italy, particularly with regard to Autoclima Group companies, recording an increase of 5.2% and showing a turnover of Euro 145.3 million compared to Euro 138.1 million in the same period of 2022. On the other hand, the market in North America declined.

The Hospitality market shows a modest increase of 0.8%, from Euro 15.8 million in 2022 to Euro 15.9 million in 2023. Both the Hotel market and especially the Cruise market grew (+15.7%).

The Leisure market experienced a significant decline from Euro 31.0 million in 2022 to Euro 25.8 million in 2023. This was entirely attributable to the Marine market, which was affected by a negative cycle. On the other hand,

the RV market was positive (+12.1%), thanks in part to increased penetration by Autoclima Group companies and Indel B North America.

The Cooling Appliances market also declined, with a -15.2% decrease in revenue, with a turnover of Euro 11.6 million in 2022 compared to Euro 9.8 million in 2023. Both the Professional market relating to orders for milk refrigerators and the Home market relating to wine cellars declined.

The market for Components & Spare parts also declined by 6.9%, mainly due to the decline in the sale of components.

THE IMPORTANCE OF DATA AND NUMBERS IN THE RUNNING OF THE COMPANY

4. Overall Group performance

Analysis of the economic performance

The following table shows the income statement of the Group for the years ended 31 December 2023 and 2022.

(in thousands of Euro)	31/12/2023	%	31/12/2022	%	Chg	% chg
Revenues	221,157	97.6%	223,373	98.2%	(2,216)	-1.0%
Other Revenues and income	5,364	2.4%	4,069	1.8%	1,295	31.8%
Total revenues	226,521	100.0%	227,442	100.0%	(921)	-0.4%
Purchases and consumption of raw materials, semi-finished and finished products	(133,253)	-58.8%	(122,282)	-53.8%	(10,971)	9.0%
Costs for services	(26,364)	-11.6%	(38,746)	-17.0%	12,382	-32.0%
Personnel costs	(39,152)	-17.3%	(36,771)	-16.2%	(2,381)	6.5%
Other operating costs	(3,463)	-1.5%	(2,527)	-1.1%	(936)	37.0%
Portion of the result of equity investments measured using the equity method	243	0.1%	739	0.3%	(496)	-67.1%
Amortisation, depreciation, provisions and write-downs	(8,497)	-3.8%	(8,447)	-3.7%	(50)	0.6%
EBIT	16,035	7.1%	19,408	8.5%	(3,373)	-17.4%
Finance income	814	0.4%	878	-0.8%	(64)	-7.3%
Finance costs	(1,929)	-0.9%	(2,770)	0.1%	841	-30.4%
Income (costs) from equity investments	12	0.0%	12	0.0%	-	0.0%
Pre-tax profit (loss)	14,932	6.6%	17,528	7.7%	(2,596)	-14.8%
Income tax	(4,316)	-1.9%	(5,339)	-2.3%	1,023	-19.2%
Profit/(loss) for the year	10,616	4.7%	12,189	5.4%	(1,573)	-12.9%
Minority profit/(loss) for the year	181	0.1%	141	0.1%	40	28.4%
Group profit/(loss) for the year	10,435	4.6%	12,048	5.3%	(1,613)	-13.4%
Basic and diluted earnings per share (in Euro)	1.85		2.31			

In order to assess the Group's performance, the Company's management monitors, among other things, Total revenues including Adjusted, EBITDA and Adjusted EBITDA, EBIT including Adjusted and Profit/(loss) for the year including Adjusted. Total Adjusted revenues, EBITDA, Adjusted EBITDA, Adjusted EBIT and Adjusted Profit/(loss) for the year are not identified as accounting measures under IFRSs and, therefore, should not be considered as alternatives to the measures presented in the Company's financial statements for assessing the Group's economic performance. The tables below show how these indicators are calculated.

(in thousands of Euro)	31/12/2023	%	31/12/2022	%	Chg	% chg
Revenues	226,521	100.0%	227,442	100.1%	(921)	-0.4%
Other non-recurring revenues and income (1)	0	0.0%	(334)	-0.1%	334	-100.0%
Total Adjusted revenues	226,521	100.0%	227,108	100.0%	(587)	-0.3%

(1) For the year ended 31 December 2022, other non-recurring revenues and income refer to the release of a provision for risks for research and development dispute.

(in thousands of Euro)	31/12/2023	%	31/12/2022	%	Chg	% chg
Profit/(loss) for the year	10,616	4.7%	12,189	5.4%	(1,573)	-12.9%
Income tax	4,316	1.9%	5,339	2.4%	(1,023)	-19.2%
Net finance (income)/costs	1,115	0.5%	1,892	0.8%	(777)	-41.1%
(Income)/costs from equity investments	(12)	0.0%	(12)	0.0%	-	0.0%
Amortisation, depreciation, provisions and write-downs	8,497	3.8%	8,447	3.7%	50	0.6%
EBITDA	24,532	10.8%	27,855	12.3%	(3,323)	-11.9%
Non-recurring (income)/costs (2)	3,760	1.7%	2,783	1.2%	977	35.1%
Adjusted EBITDA	28,292	12.5%	30,638	13.5%	(2,346)	-7.7%

(2) For the year ended 31 December 2022, non-recurring extraordinary costs mainly related to the write-down of the equity investment in Elber Industria de Refrigeracao as a result of the Impairment Test of Euro 2.6 million and Covid consultancy and prevention costs, net of non-recurring income related to the release of a provision for risks for research and development dispute. For the year ended 31 December 2023, non-recurring extraordinary costs mainly related to the write-down of the equity investment in Elber Industria de Refrigeracao as a result of the Impairment Test of Euro 3.2 million and the remainder to consultancy costs.

(in thousands of Euro)	31/12/2023	%	31/12/2022	%	Chg	% chg
EBIT	16,035	7.1%	19,408	8.5%	(3,373)	-17.4%
Non-recurring (income)/costs (3)	4,741	2.1%	4,333	1.9%	408	9.4%
Adjusted EBIT	20,776	9.2%	23,741	10.5%	(2,965)	-12.5%

(3) Please refer to Note (2) on Adjusted EBITDA. As at 31 December 2022, non-recurring costs also included the write-down of the Indel B North America goodwill of Euro 400 thousand following an impairment test, the allocation of a provision of Euro 1 million to cover possible risks arising from sales in the Russian market and the allocation of Lohr provisions of Euro 150 thousand relating to a dispute of ESC. On the other hand, as at 31 December 2023, non-recurring costs include the write-down of the entire goodwill of Indel B North America as a result of the Impairment Test for a residual Euro 980 thousand.

The most significant changes in the main items of the income statement for the years under review are briefly commented on below.

Total revenues

In 2023, "Total revenues" decreased by Euro 921 thousand (-0.4%), from Euro 227,442 thousand in 2022 to Euro 226,521 thousand in 2023. This trend is due to the decrease in "Revenues" of Euro 2,216 thousand and to the increase in "Other revenues and income" of Euro 1,295 thousand. With reference to the latter, it should be noted that in the year ended 31 December 2022, they included non-recurring income of Euro 334 thousand, while there is no non-recurring income in the year ended 31 December 2023. Net of this non-recurring income, "Total revenues" would have decreased by Euro 587 thousand (-0.3%) from Euro 227,108 thousand in the year ended 31 December 2022 to Euro 226,521 thousand in 2023.

Revenues from sales

The table below provides a breakdown of the item "Revenues from sales" for the financial years ended 31 December 2023 and 2022:

(in thousands of Euro)	31/12/2023	%	31/12/2022	%	Chg	% chg
Revenues from product sales	218,566	96.5%	219,880	96.7%	(1,314)	-0.6%
Sundry revenues	2,591	1.1%	3,493	1.5%	(902)	-25.8%
Revenues from sales	221,157	97.6%	223,373	98.2%	(2,216)	-1.0%

During 2023, "Revenues from sales" decreased by Euro 2,216 thousand (-1.0%), from Euro 223,373 thousand in the year ended 31 December 2022 to Euro 221,157 thousand in the year 2023.

"Revenues from product sales" decreased by Euro 1,314 thousand from Euro 219,880 thousand in the year ended 31 December 2022 to Euro 218,566 thousand in 2023, with a decline in Italy and the USA partly offset by growth in Europe.

"Sundry revenues" decreased by Euro 902 thousand from Euro 3,493 thousand in the year ended 31 December 2022 to Euro 2,591 thousand in 2023, mainly due to lower revenues from the charge-back of transport costs on sales.

In the financial years ended 31 December 2023 and 2022, 96.5% and 96.7%, respectively, of the Group's revenues from sales were represented by "Revenues from product sales".



AUTOMOTIVE

We have been working for years together with leading international manufacturers of commercial vehicles. We are bound for future.

An analysis of "Revenues from product sales" is provided below, based on:

- reference market
- geographical area.

"Revenues from product sales" by reference market

The table below provides a breakdown of "Revenues from product sales" by reference market for the years ended 31 December 2023 and 2022.

(in thousands of Euro)	31/12/2023	%	31/12/2022	%	Chg	% chg
Automotive	145,310	66.5%	138,093	62.8%	7,217	5.2%
Hospitality	15,892	7.3%	15,772	7.2%	120	0.8%
Leisure time	25,743	11.8%	31,031	14.1%	(5,288)	-17.0%
Cooling Appliances	9,813	4.5%	11,566	5.3%	(1,753)	-15.2%
Components and spare parts	21,809	10.0%	23,418	10.7%	(1,609)	-6.9%
Revenues from product sales	218,566	100.0%	219,880	100.0%	(1,314)	-0.6%

As shown in the table above, 66.5% of the Group's "Revenues from product sales" in 2023 is achieved through sales on the Automotive market.

The decrease in "Revenues from product sales" recorded in 2023 is mainly due to the combined effect of the following factors:

1. the increase of Euro 7,217 thousand (5.2%) in "Revenues from product sales" recorded in the Automotive market, from Euro 138,093 thousand for the year ended 31 December 2022 to Euro 145,310 thousand for the year ended 31 December 2023;
2. the increase of Euro 120 thousand (0.8%) in "Revenues from product sales" recorded in the Hospitality market, from Euro 15,772 thousand for the year ended 31 December 2022 to Euro 15,892 thousand for the year ended 31 December 2023;
3. the decrease of Euro 5,288 thousand (-17.0) in "Revenues from product sales" recorded in the Leisure time market, from Euro 31,031 thousand for the year ended 31 December 2022 to Euro 25,743 thousand for the year ended 31 December 2023;

4. The decrease of Euro 1,753 thousand (-15.2%) in "Revenues from product sales" recorded in the Cooling Appliances market, from Euro 11,566 thousand for the year ended 31 December 2022 to Euro 9,813 thousand for the year ended 31 December 2023;
5. the decrease of Euro 1,609 thousand (-6.9%) in "Revenues from product sales" recorded in the Components & spare parts market, from Euro 23,418 thousand for the year ended 31 December 2022 to Euro 21,809 thousand for the year ended 31 December 2023.

The increase recorded in 2023 compared to the year ended 31 December 2022 in "Revenues from product sales" in the Automotive sector is due to the positive market cycle in Europe offset by a decrease in North America. The performance in Italy was also positive, thanks to the contribution of the Autoclima Group companies.

The Hospitality market remained more or less in line with the results recorded in 2022, recording revenues of Euro 15.9 million, mainly due to a good performance in the Cruise sector.

The Leisure Time market declined significantly, driven by the Marine market, partly offset by growth in the RV market, thanks to the contribution of sales in North America by the group company Indel B North America.

"Revenues from product sales" of the Cooling Appliances market also declined in 2023, both for the Home section (wine cellars) and for the Professional section related to milk refrigerators.

The decrease in the Components & Spare parts market is mainly related to a decline in sales of components and spare parts.



LEISURE TIME

Travel anywhere and feel at home.
Our outdoor solutions rewrite
the boundaries of climatic
comfort and the best solutions
for mobile refrigeration.

"Revenues from product sales" by geographical area

The table below provides a breakdown of revenues from product sales by the main geographical areas in which the Group operates for the years ended 31 December 2023 and 2022.

(in thousands of Euro)	31/12/2023	%	31/12/2022	%	Chg	% chg
Europe (excluding Italy)	118,786	54.3%	112,640	51.2%	6,146	5.5%
Italy	56,265	25.7%	61,103	27.8%	(4,838)	-7.9%
The Americas	37,759	17.3%	41,114	18.7%	(3,354)	-8.2%
Rest of the world	5,755	2.6%	5,023	2.3%	732	14.6%
Revenues from product sales	218,566	100.0%	219,880	100.0%	(1,314)	-0.6%

As shown in the table above, in 2023, approximately 74% of the Group's "Revenues from product sales" were achieved outside Italy, and approx. 20% outside Europe.

In 2023, the incidence of each area did not change significantly compared to the total. In particular, the percentage of Revenues from Europe increased from 51.2% in 2022 to 54.3% in 2023 at the expense of Italy and North America.

The decrease in the absolute value of "Revenues from product sales" recorded in 2023 is mainly due:

1. for Euro 6,146 thousand to Europe (excluding Italy), whose revenues increased from Euro 112,640 thousand for the year ended 31 December 2022 to Euro 118,786 thousand for the year ended 31 December 2023;
2. for Euro 4,838 thousand to Italy, whose revenues decreased from Euro 61,103 thousand for the year ended 31 December 2022 to Euro 56,265 thousand for the year ended 31 December 2023;
3. for Euro 3,354 thousand to the Americas, whose revenues increased from Euro 41,114 thousand for the year ended 31 December 2022 to Euro 37,759 thousand for the year ended 31 December 2023;
4. for Euro 732 thousand to the increase in sales recorded in the Rest of the World, whose revenues increased from Euro 5,023 thousand for the year ended 31 December 2022 to Euro 5,755 thousand for the year ended 31 December 2023;

The increase of Euro 6,146 thousand in "Revenues from product sales" in Europe (excluding Italy) is mainly concentrated in the Automotive market. The Hospitality market also recorded a positive performance, while all other markets recorded a negative performance, especially Cooling Appliances.

The decrease of Euro 4,838 thousand in "Revenues from product sales" in Italy is mainly due to the performance of the Leisure market and in particular the Marine sector. The Others market also declined due to a drop in sales recorded by the subsidiary Condor B.

The decrease of Euro 3,354 thousand in "Revenues from product sales" recorded in the Americas is exclusively due to a decrease in the Automotive market and in the Leisure market.

The increase of Euro 732 thousand in "Revenues from product sales" in the Rest of the World is due to the positive performance of all markets in which the Group operates with the exception of Cooling Appliances.

Other revenues and income

The table below provides a breakdown of the item "Other revenues and income" for the financial years ended 31 December 2023 and 2022:

(in thousands of Euro)	31/12/2023	%	31/12/2022	%	Chg	% chg
Government grants	214	0.1%	150	0.1%	64	42.7%
Foreign currency gains	1,275	0.6%	1,952	0.9%	(677)	-34.7%
Compensation, damages and other income	3,875	1.7%	1,967	0.9%	1,908	97.0%
Other revenues and income	5,364	2.4%	4,069	1.8%	1,295	31.8%

In 2023, "Other revenues and income" increased by Euro 1,295 thousand, from Euro 4,069 thousand in 2022 to Euro 5,364 thousand in 2023. This performance is mainly due to an extraordinary income received from the insurance company of Euro 1,685 thousand related to the damage caused by the heavy snowfall in January 2023. Following checks and assessments, the damage caused by the bad weather was fully reimbursed by the insurance company. Foreign exchange gains from purchase and sale transactions in US dollars also played a role. This value is to be read with foreign exchange losses of Euro 1,585 thousand as at 31 December 2023 and Euro 1,789 thousand as at 31 December 2022.

Purchases and consumption of raw materials, semi-finished and finished products

The table below provides a breakdown of the item "Purchases and consumption of raw materials, semi-finished and finished products" for the financial years ended 31 December 2023 and 2022.

(in thousands of Euro)	31/12/2023	%	31/12/2022	%	Chg	% chg
Purchases of raw materials, consumables and goods and change in inventories of raw materials	129,358	57.1%	129,316	56.9%	42	0.0%
Change in inventories of finished and semi-finished products	3,895	1.7%	(7,034)	-3.1%	10,929	-155.4%
Total	133,253	58.8%	122,282	53.8%	10,971	9.0%

During 2023, "Purchases and consumption of raw materials, semi-finished and finished products" increased by Euro 10,971 thousand (9.0%), from Euro 122,282 thousand in the year ended 31 December 2022 to Euro 133,253 thousand in the year ended 31 December 2023.

As a percentage of "Total Revenues", "Purchases and consumption of raw materials, semi-finished and finished products" (including change in inventories) increased in 2023 from 53.8% for the year ended 31 December 2022 to 58.8% for the year ended 31 December 2023, due to both the different revenue mix compared to the previous year and the impact of the change in inventories, which were valued higher as at 31 December 2022, in particular as a result of higher transport costs.

Costs for services

The table below provides a breakdown of the item "Costs for services" for the financial years ended 31 December 2023 and 2022:

(in thousands of Euro)	31/12/2023	%	31/12/2022	%	Chg	% chg
Transport	11,356	5.0%	25,268	11.1%	(13,912)	-55.1%
Consultancy	2,484	1.1%	2,286	1.0%	198	8.7%
Maintenance	1,672	0.7%	1,655	0.7%	17	1.0%
Fees to directors and statutory auditors	932	0.4%	888	0.4%	44	5.0%
Exhibitions, trade fairs and advertising	1,136	0.5%	1,105	0.5%	31	2.8%
Insurance companies	1,492	0.7%	1,144	0.5%	348	30.4%
Utilities	1,304	0.6%	1,396	0.6%	(92)	-6.6%
Premiums and commissions	605	0.3%	653	0.3%	(48)	-7.4%
Outsourced work	843	0.4%	822	0.4%	21	2.6%
Travel expenses	732	0.3%	581	0.3%	151	26.0%
Customer service costs	805	0.4%	710	0.3%	95	13.4%
Quality certification costs	416	0.2%	267	0.1%	149	55.8%
Costs for leased assets	201	0.1%	189	0.1%	12	6.3%
Other costs	2,386	1.1%	1,782	0.8%	604	33.9%
Total	26,364	11.6%	38,746	17.0%	(12,382)	-32.0%

In 2023, "Costs for services" decreased by Euro 12,382 thousand (-32.0%), from Euro 38,746 thousand in the year ended 31 December 2022 to Euro 26,364 thousand in the year ended 31 December 2023. This decrease is almost entirely due to transport costs for imports from China.

As a percentage of "Total revenues", "Costs for Services" decreased in 2023 from 17.0% for the year ended 31 December 2022 to 11.6% for the year ended 31 December 2023.

Personnel costs

The table below provides a breakdown of the item "Personnel costs" for the financial years ended 31 December 2023 and 2022:

(in thousands of Euro)	31/12/2023	%	31/12/2022	%	Chg	% chg
Wages and salaries	26,357	11.6%	24,096	10.6%	2,261	9.4%
Social security costs	8,153	3.6%	7,518	3.3%	635	8.4%
Temporary work	2,243	1.0%	2,724	1.2%	(481)	-17.7%
Provisions for personnel	1,611	0.7%	1,756	0.8%	(145)	-8.3%
Other costs	788	0.3%	677	0.3%	111	16.4%
Total	39,152	17.3%	36,771	16.2%	2,381	6.5%

The table below shows the average number of employees (FTE) of the Company, broken down by category, for the years ended 31 December 2023 and 2022.

(In units)	31/12/2023	31/12/2022
	Average	Average
Executives	16	13
Middle Managers	23	21
White-collar workers	183	175
Blue-collar workers	621	552
Temporary workers	55	82
Total	897	843

In 2023, "Personnel Costs" increased by Euro 2,381 thousand (6.5%), from Euro 36,771 thousand in the year ended 31 December 2022 to Euro 39,152 thousand in the year ended 31 December 2023, partly due to the increase in the average number of employees from 865 in 2022 to 897 in 2023, and partly due to the increase in wages in favour of the workers, as from June 2023, through the adjustment of the metalworkers' National Labour Agreement, mainly to handle the increase in turnover.

As a percentage of "Total revenues", "Personnel costs" increased by 1.1 percentage points from 16.2% for the year ended 31 December 2022 to 17.3% for the year ended 31 December 2023.

Other operating costs

The table below provides a breakdown of the item "Other operating costs" for the financial years ended 31 December 2023 and 2022:

(in thousands of Euro)	31/12/2023	%	31/12/2022	%	Chg	% chg
Foreign exchange losses	1,585	0.7%	1,789	0.8%	(204)	-11.4%
Taxation	338	0.1%	302	0.1%	36	11.9%
Losses on receivables	40	0.0%	-	-	40	-
Other operating costs	1,500	0.7%	436	0.2%	1,064	244.0%
Total	3,463	1.5%	2,527	1.1%	936	37.0%

In 2023, "Other operating costs" increased by Euro 936 thousand (37.0%). This trend is basically due to the increase of Euro 1,064 thousand in other operating costs, which mainly refers to costs incurred to cope with the state of emergency created following the heavy snowfall in January 2023. This is also affected by the decrease in foreign exchange losses, which amounted to Euro 1,585 thousand for 2023 and Euro 1,789 thousand for 2022, related to the trend of the US dollar against the Euro.

Portion of the result of equity investments measured using the equity method

The table below shows the breakdown of the item "Portion of results of equity investments measured using the equity method" for the financial years ended 31 December 2023 and 2022.

(in thousands of Euro)	31/12/2023	%	31/12/2022	%	Chg	% chg
Indel Webasto Marine	2,761	1.2%	2,873	1.3%	(112)	-3.9%
Elber Industria de Refrigeracao Ltda	(2,518)	-1.1%	(2,134)	-0.9%	(384)	18.0%
Total	243	0.1%	739	0.3%	(496)	-67.1%

During 2023, the "Portion of results of consolidated equity investments using the equity method" decreased by Euro 496 thousand from Euro 739 thousand in the year ended 31 December 2022 to Euro 243 thousand in the year ended 31 December 2023. Following the Impairment Test, the equity investment in the Brazilian company Elber Industria de Refrigeracao was written down by Euro 2.6 million as at 31 December 2022, and by Euro 3.2 million as at 31 December 2023.



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EBITDA and Adjusted EBITDA

As a result of the above comments, EBITDA decreased by Euro 3,323 thousand (-11.9%) during the year, from Euro 27,855 thousand in the year ended 31 December 2022 to Euro 24,532 thousand in the year ended 31 December 2023. This effect is mainly due to the fact that in the year under review, the Group recorded a decrease in "Total revenues" of Euro 921 thousand (-0.4%), from Euro 227,442 thousand in 2022 to Euro 226,521 thousand in 2023, as well as an increase in personnel costs of Euro 2,381 thousand (+6.5%) from Euro 36,771 thousand in the financial year ended 31 December 2022 to Euro 39,152 thousand in the financial year ended 31 December 2023. In percentage terms, the ratio of EBITDA to "Total revenues" decreased from 12.3% for the year ended 31 December 2022 to 10.8% for the year ended 31 December 2023. EBITDA net of non-recurring items decreased by Euro 2,346 thousand (-7.7%), from Euro 30,638 thousand in the year ended 31 December 2022 to Euro 28,292 thousand in the year ended 31 December 2023. In percentage terms, the ratio of Adjusted EBITDA to Adjusted Total revenues was 12.5% for the year ended 31 December 2023 and 13.5% for the year ended 31 December 2022.

Amortisation, depreciation, provisions and write-downs

The table below provides a breakdown of the item "Amortisation, depreciation, provisions and write-downs" for the financial years ended 31 December 2023 and 2022.

(in thousands of Euro)	31/12/2023	%	31/12/2022	%	Chg	% chg
Depreciation of property, plant and equipment	3,811	1.7%	3,577	1.6%	234	6.5%
Amortisation of intangible assets	1,034	0.5%	1,729	0.8%	(695)	-40.2%
Depreciation of right of use	666	0.3%	751	0.3%	(85)	-11.3%
Write-down of receivables and other assets	1,099	0.5%	606	0.3%	493	81.4%
Provisions for risks and charges	1,887	0.8%	1,784	0.8%	103	5.8%
Total	8,497	3.8%	8,447	3.7%	50	0.6%

During 2023, the costs for "Amortisation, depreciation, provisions and write-downs" increased by Euro 50 thousand (0.6%), from Euro 8,447 thousand in the year ended 31 December 2022 to Euro 8,497 thousand in the year ended 31 December 2023, partly due to the decrease of Euro 695 thousand in the amortisation of intangible assets due to the end of the useful life of know-how related to the Purchase Price Allocation of the Autoclima acquisition in 2017 and partly due to the increase in provisions for risks and charges, which included both a provision of Euro 840 thousand as a result of a defect reported by the DAF customer in relation to an electronic component in some refrigerators and Euro 120 thousand for the recall campaign initiated by the customer Iveco in 2022, and the write-down of goodwill recorded against the elimination of the equity investment in Indel B North

America of Euro 980 thousand. The increase of Euro 234 thousand in depreciation of property, plant and equipment is due to investments made during the year.

As a percentage of "Total revenues", "Amortisation, depreciation, provisions and write-downs" increased from 3.7% to 3.8% as at 31 December 2023.

EBIT and Adjusted EBIT

In 2023, "EBIT" increased by Euro 3,373 thousand (-17.4%), from Euro 19,408 thousand in the year ended 31 December 2022 to Euro 16,035 thousand in the year ended 31 December 2023. This trend is due to the decrease of Euro 3,323 thousand in EBITDA as well as the increase of Euro 50 thousand in "Amortisation, depreciation, provisions and write-downs" commented above. It should be noted that, net of the non-recurring income and costs commented above, EBIT would amount to Euro 20,776 thousand in 2023, showing a decrease of Euro 2,965 thousand between the two financial years.

Net finance costs

The table below provides a breakdown of the item "Net finance costs" for the financial years ended 31 December 2023 and 2022:

(in thousands of Euro)	31/12/2023	%	31/12/2022	%	Chg	% chg
Interest income	319	0.1%	275	0.1%	44	16.0%
Other finance income	495	0.2%	603	0.3%	(108)	-17.9%
Total finance income	814	0.4%	878	0.4%	(64)	-7.3%
Interest expenses on current accounts, mortgages, loans and rights of use	(975)	-0.4%	(564)	-0.2%	(411)	72.9%
Bank charges and other finance costs	(954)	-0.4%	(2,206)	-1.0%	1,252	-56.8%
Total finance costs	(1,929)	-0.9%	(2,770)	-1.2%	841	-30.4%
Total	(1,115)	-0.5%	(1,892)	-0.8%	777	-41.1%

Net finance income decreased by Euro 64 thousand (-7.3%) from Euro 878 thousand in 2022 to Euro 814 thousand in 2023.

The item "Interest expenses on current accounts, mortgages and loans" increased due to new loans taken out in 2023.

The item bank charges and other finance costs decreased as 2022 included a financial foreign exchange loss related to the payment of the earn-out debt in the associate Elber, which was recorded in Brazilian real.

Income from equity investments

The table below provides a breakdown of the item "Income from equity investments" for the financial years ended 31 December 2023 and 2022:

(in thousands of Euro)	31/12/2023	31/12/2022
Income from equity investments	12	12
Total	12	12

This item refers to the positive difference of Euro 12 thousand deriving from the further sale of 2% of the equity investment in Indel B Germany GMBH.

Income tax

The table below provides a breakdown of the item "Income tax" for the financial years ended 31 December 2023 and 2022.

(in thousands of Euro)	31/12/2023	%	31/12/2022	%	Chg	% chg
Current taxes (IRES, IRAP)	4,841	2.1%	6,248	2.7%	(1,407)	-22.5%
Deferred tax assets/liabilities	(439)	-0.2%	(909)	-0.4%	470	-51.7%
Taxes related to previous years	(86)	0.0%	-	-	(86)	-
Total	4,316	1.9%	5,339	2.3%	(1,023)	-19.2%

The table below shows the reconciliation between theoretical and effective taxes for the years ended 31 December 2023 and 2022.

(in thousands of Euro)	31/12/2023	%	31/12/2022	%
Pre-tax profit (loss)	14,932		17,528	
Theoretical income tax (IRES)	3,584	24.0%	4,207	24.0%
IRAP	966	6.5%	1,140	6.5%
Tax effect of permanent differences and other differences	(234)	(1.6%)	(8)	-0.0%
Taxes	4,316		5,339	
Effective tax rate		28.9%		30.5%

"Income taxes" decreased by Euro 1,023 thousand, from Euro 5,339 thousand in the year ended 31 December 2022 to Euro 4,316 thousand in the year ended 31 December 2023.

As a percentage of "Pre-tax profit (loss)", the ratio increased from 30.5% for the year ended 31 December 2022 to 28.9% for the year ended 31 December 2023.

Profit/(loss) for the year and Adjusted Profit/(loss) for the year

In 2023, Profit/(loss) for the year decreased by Euro 1,573 thousand (-12.9%), from Euro 12,189 thousand in the year ended 31 December 2022 to Euro 10,616 thousand in the year ended 31 December 2023. This change is mainly due to a decrease in sales revenue and an increase in personnel costs.

As a percentage of "Total revenues", there was a decrease of 0.7 percentage points from 5.4% for the year ended 31 December 2022 to 4.7% for the year ended 31 December 2023.

Net of the non-recurring items discussed above, the "Profit/(loss) for the year" would have decreased by Euro 1,136 thousand, from Euro 16,336 thousand in the year ended 31 December 2022 to Euro 15,200 thousand in the year ended 31 December 2023. The ratio to Adjusted Total revenues would have decreased from 7.2% for the year ended 31 December 2022 to 6.7% for the year ended 31 December 2023.



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Analysis of the statement of financial position

The table below shows the reclassified statement of financial position of the Group by "Sources and Uses" as at 31 December 2023 and 2022.

(in thousands of Euro)	31/12/2023	31/12/2022	Chg	% chg
Uses				
Net fixed assets (*)	71,090	70,413	677	1.0%
Net working capital (*)	63,462	79,282	(15,820)	-20.0%
Net invested capital (*)	134,552	149,695	(15,143)	-10.1%
Sources				
Shareholders' equity	127,101	121,240	5,861	4.8%
Net financial indebtedness (*)	7,451	28,455	(21,004)	-73.8%
Total sources of funds	134,552	149,695	(15,143)	-10.1%

(*) It should be noted that Net fixed assets, Net working capital, Net invested capital and Net financial indebtedness are not identified as accounting measures under IFRS and, therefore, should not be considered as alternative measures to those provided by the Company's consolidated financial statements for measuring the Group's economic performance and relative financial position.

A brief analysis of the main items included in the reclassified statement by "Sources and Uses" as at 31 December 2023 and 2022 is shown below.

Net fixed assets

The table below provides a breakdown of "Net fixed assets" as at 31 December 2022 and 2021.

(in thousands of Euro)	31/12/2023	31/12/2022	Chg	% chg
Goodwill	7,146	8,127	(981)	-12.1%
Intangible assets	10,593	11,260	(667)	-5.9%
Property, plant and equipment	44,100	39,670	4,430	11.2%
Right of use	2,965	3,526	(561)	-15.9%
Equity investments measured using the equity method	13,505	14,024	(519)	-3.7%
Non-current financial assets	13	13	0	0.0%
Provisions for risks and charges	(4,191)	(2,951)	(1,240)	42.0%
Employee benefits	(1,506)	(1,438)	(68)	4.7%
Other non-current assets and liabilities (*)	(1,535)	(1,818)	283	-15.6%
Total net fixed assets	71,090	70,413	677	1.0%

(*) Includes the following items drawn from the consolidated statement of financial position: (I) Other equity investments; (II) Other receivables and other non-current assets; and (III) Deferred tax assets and liabilities.

The item "Goodwill" of Euro 7,146 thousand as at 31 December 2023 is related to the acquisitions of Clima Motive and Autoclima in 2017 and of Indel B North America at the beginning of 2019. As at 31 December 2023, the goodwill generated by the acquisition of Indel B North America was fully written down by Euro 980 thousand. Following an impairment test and related sensitivity analyses carried out by an independent third-party expert, the Directors considered that the remaining goodwill relating to Indel B North America should be written down.

The item "Intangible Assets", amounting to Euro 10,593 thousand as at 31 December 2023 (Euro 11,260 thousand as at 31 December 2022), mainly includes: (I) brand, the value of which resulted from the Purchase Price Allocation process related to the acquisitions of Clima Motive and Autoclima during 2018 for a residual amount of Euro 3,141 thousand; (II) customer list, the value of which resulted from the Purchase Price Allocation process related to the acquisitions of Clima Motive and Autoclima in 2018 for a residual amount of Euro 635 thousand and for the acquisition of SEA in 2021, for the residual amount of Euro 6,053; (III) development costs related to specific projects, in particular: i) the technical design and experimental study of a new solution that guarantees the end user a compressor minibar that is more efficient in terms of functionality and consumption; ii) the technical design and experimental study of a new evaporator system that is easy to install; iii) study, design and development of a

new range of refrigerators that stand out in terms of appearance, aesthetics and shapes; iv) study and development of new design-construction and technological solutions for applications in recreational vehicles; v) study and development of new design-construction and technological solutions for applications in the nautical environment.

The item "Property, plant and equipment" of Euro 44,100 thousand as at 31 December 2023 (Euro 39,670 thousand as at 31 December 2022) mainly refers to land, buildings, plant and machinery that are functional to the Group's activities. In particular, this item mainly includes the value of: (I) buildings owned by the Group and leasehold improvements of Euro 22,517 thousand as at 31 December 2023 (Euro 21,846 thousand as at 31 December 2022); (II) plant and machinery of Euro 8,923 thousand as at 31 December 2023 (Euro 8,898 thousand as at 31 December 2022); and (III) land of Euro 4,305 thousand as at 31 December 2023 (Euro 4,079 thousand as at 31 December 2022).

The item "Right of Use" as at 31 December 2023 amounts to Euro 2,965 thousand and refers to the adoption of IFRS 16.

The item "Equity investments measured using the equity method" of Euro 13,505 thousand as at 31 December 2023 (Euro 14,024 thousand as at 31 December 2022), includes the investments: (I) in the company Indel Webasto Marine, jointly controlled with the company Webasto Thermo & Comfort SE of Euro 8,682 thousand; and (II) in the associate Elber Industria de Refrigeracao of Euro 4,823 thousand, the equity investment of which was acquired during 2017.

The item "Provisions for risks and charges" of Euro 4,191 thousand as at 31 December 2023 (Euro 2,951 thousand as at 31 December 2022) includes: (i) the provision for agents' leaving indemnities of Euro 247 thousand as at 31 December 2023 (Euro 230 thousand as at 31 December 2022); (ii) the product guarantee fund determined based on historical information on the nature, frequency and average cost of repairs under guarantee on Group products, increased by an additional Euro 840 thousand as a result of the report of a defect related to an electronic component on some refrigerators found by the customer DAF and still being settled between the parties and Euro 120 thousand in anticipation of the conclusion of the recall campaign initiated by the customer Iveco in 2022, totalling Euro 2,065 thousand as at 31 December 2023 (Euro 892 thousand as at 31 December 2022); and (iii) other provisions for risks and charges amounting to Euro 1,879 thousand as at 31 December 2023 (Euro 1,829 thousand as at 31 December 2022), whose changes in the period mainly refer to: (i) the allocation of Euro 51 thousand to the provision for charges related to the three-year LTIP concerning strategic executives. The provision set aside as at 31 December 2022 of Euro 150 thousand for legal costs related to a dispute already existing at the end of the reporting period relating to the company ESC remains unchanged, which, on 21 March 2023, was served with proceedings brought before the commercial chamber of the Court of Strasbourg by the customer Soframe - Société Française de Matériel ("Soframe") and Lohr Industries ("Lohr"), concerning the complaint by the latter of alleged defects and malfunctions found in air-conditioning systems designed, manufactured, installed and sold by Electric Station Climatisation S.A.S. under a contract for the supply of military vehicles to the Saudi National

Guard and the provision set aside always as at 31 December 2022, out of an abundance of caution and prudence, of Euro 1 million on the subsidiary Autoclima S.p.A. due to the restrictive measures introduced by European regulations on transactions with Russian counterparties.

The item "Employee benefits" of Euro 1,506 thousand as at 31 December 2023 (Euro 1,438 thousand as at 31 December 2022) includes the provision for post employment benefits that includes the estimate of the obligation, determined on the basis of actuarial techniques, related to the amount to be paid to employees of Indel B, Condor B, Autoclima and SEA upon termination of employment.

The item "Other non-current assets and liabilities" amounting to liabilities of Euro -1,535 thousand as at 31 December 2023 (assets Euro -1,818 thousand as at 31 December 2022), includes Deferred Tax Liabilities deriving from the Purchase Price Allocation process related to the acquisitions of Clima Motive and Autoclima during 2018 and to the acquisition of SEA during 2021.

Net working capital

The table below provides a breakdown of "Net working capital" as at 31 December 2023 and 2022.

(in thousands of Euro)	31/12/2023	31/12/2022	Chg	% chg
Inventories	61,250	69,105	(7,855)	-11.4%
Trade receivables	39,173	44,560	(5,387)	-12.1%
Income tax receivables	1,643	1,151	492	42.7%
Trade payables	(33,018)	(40,068)	7,050	-17.6%
Income tax payables	(469)	(673)	204	-30.3%
Other current assets and liabilities (*)	(5,117)	5,207	(10,324)	-198.3%
Total net working capital	63,462	79,282	(15,820)	-20.0%

(*) Includes the following items drawn from the consolidated statement of financial position: (i) Other receivables and other current assets and (ii) Other current liabilities.

During 2023, net working capital decreased by Euro 15,820 thousand, mainly due to the combined effect of: (i) a decrease in the item Inventories of Euro 7,855 thousand; (ii) a decrease in the item Trade receivables of Euro 5,387 thousand due to a reduction in average collection days; (iii) a decrease in the item Trade payables of Euro 7,050 thousand; (iv) a decrease in assets of the item Other current assets and liabilities of Euro 10,324 of which Euro 6,283 refer to the collection of the receivable for the sale of the Chinese company Guangdong Iceco in June 2021.

The main items included in Net working capital for the years under review are briefly commented on below.

The item "Inventories" of Euro 61,250 thousand as at 31 December 2023 (Euro 69,105 thousand as at 31 December 2022) mainly includes the value at the end of the reporting period of stock of: (i) finished products and goods for resale of Euro 26,939 thousand as at 31 December 2023 (Euro 28,462 thousand as at 31 December 2022); and (ii) raw materials and consumables used by the Group to carry out its production activities of Euro 33,920 thousand as at 31 December 2023 (Euro 33,641 thousand as at 31 December 2022) and (iii) work in progress and semi-finished goods of Euro 2,980 thousand as at 31 December 2023 (Euro 9,277 thousand as at 31 December 2022). The decrease in Inventories is mainly due to the fact that stocks were high in 2022 due to the difficulty of finding components on the market; this situation returned to normal in 2023.

The table below shows the inventory turnover ratio and average inventory days for the years ended 31 December 2023 and 2022.

(in thousands of Euro)	31/12/2023	31/12/2022
Annual turnover ratio (1)	2.0	1.9
Average inventory days (2)	153.0	169.0

(1) The inventory turnover ratio is calculated as the ratio of Purchases of raw materials, consumables and goods over 12 months to Inventories.

(2) The average inventory days are calculated as the ratio of Inventories to (Purchases of raw materials, consumables and goods over 12 months x 365).

The item "Trade receivables" of Euro 39,173 thousand as at 31 December 2023 (Euro 44,560 thousand as at 31 December 2022) includes the value at the end of the reporting period of the Group's receivables from: (i) customers of Euro 37,782 thousand as at 31 December 2023 (Euro 42,128 thousand as at 31 December 2022); and (ii) related parties of Euro 1,391 thousand as at 31 December 2023 (Euro 2,432 thousand as at 31 December 2022).

The table below summarises the breakdown of trade receivables by maturity as at 31 December 2023 and 2022, showing the coverage of the bad debt provision.

(in thousands of Euro)

Breakdown of trade receivables by maturity

	31/12/2023	Falling due	Past due within 90 days	Past due between 90 and 180 days	Past due for more than 180 days
Trade receivables before provision	39,961	37,079	2,589	74	219
Bad debt provision	(788)	(84)	(544)	(47)	(113)
Total trade receivables	39,173	36,995	2,045	27	106

(in thousands of Euro)

Breakdown of trade receivables by maturity

	31/12/2022	Falling due	Past due within 90 days	Past due between 90 and 180 days	Past due for more than 180 days
Trade receivables before provision	45,283	40,074	4,477	357	375
Bad debt provision	(723)	(75)	(151)	(267)	(230)
Total trade receivables	44,560	39,999	4,326	90	145

Trade receivables past due and/or in litigation not covered by the provision amounted to Euro 2,178 thousand as at 31 December 2023 (5.6% of total trade receivables) and Euro 4,561 thousand as at 31 December 2022 (10.2% of total trade receivables) and mainly referred to those past due within 90 days. The Group believes that most of past due receivables, not covered by the provision, refer to physiological situations related to the business activity carried on and for which no critical issues are identified.

The table below summarises the Average number of days to collect trade receivables as at 31 December 2023 and 2022.

(in thousands of Euro)	31/12/2023	31/12/2022
Average number of days to collect trade receivables (1)	65	73

(1) The average number of days to collect trade receivables is calculated as the ratio of (Trade receivables X 365 to Revenues from sales over 12 months) before VAT.

The table below shows the concentration of trade receivables as at 31 December 2023 and 2022.

(in thousands of Euro)	31/12/2023	31/12/2022
Receivables from the first customer as a percentage of total trade receivables	7%	7%
Receivables from the top five customers as a percentage of total trade receivables	28%	29%
Receivables from the top ten customers as a percentage of total trade receivables	41%	45%

The concentration of "Trade receivables" in all years under review is influenced by the limited number of customers that characterises the sector in which the Group operates and, in particular, the Automotive and Leisure Time markets.

The item "Trade payables" of Euro 33,018 thousand as at 31 December 2023 (Euro 40,068 thousand as at 31 December 2022) mainly includes the value of payables related to the supply of raw materials, components, equipment, machinery and the provision of services.

The table below summarises the breakdown of trade receivables by maturity as at 31 December 2023 and 2022.

(in thousands of Euro)	Breakdown of trade payables by maturity				
	31/12/2023	Falling due	Past due within 90 days	Past due between 90 and 180 days	Past due for more than 180 days
Trade payables	33,018	32,767	221	7	23
Total	33,018	32,767	221	7	23

(in thousands of Euro)	Breakdown of trade payables by maturity				
	31/12/2022	Falling due	Past due within 90 days	Past due between 90 and 180 days	Past due for more than 180 days
Trade payables	40,068	38,324	1,703	10	31
Total	40,068	38,324	1,703	10	31

The table below summarises the average payment days for trade payables as at 31 December 2023 and 2022.

(in thousands of Euro)	31/12/2023	31/12/2022
Average payment days of trade payables (1)	74	90

- (2) Average payment days of trade payables are calculated as the ratio of (trade payables x 365) to the sum of Cost of raw materials, consumables and goods, Cost for services, Costs for leased assets and Other operating costs over 12 months before VAT.

The table below shows the concentration of trade payables as at 31 December 2023 and 2022.

(in thousands of Euro)	31/12/2023	31/12/2022
Payables to the first supplier as a percentage of total trade payables	10%	10%
Payables to the top five suppliers as a percentage of total trade payables	31%	32%
Payables to the top ten suppliers as a percentage of total trade payables	40%	44%

The concentration of "Trade payables" in all the years under review is influenced by the small number of suppliers. However, with the exception of purchases from Secop GmbH (now Nidec), the main supplier of compressors used in the production of refrigerators, and from Guangdong Iceco Enterprise Co. Ltd, supplier of semi-finished and finished products, the Group is not significantly dependent on any supplier of raw materials and semi-finished products used in its production process.

The item "Other current assets and liabilities", amounting to assets of Euro -5,117 thousand as at 31 December 2023 (Euro 5,207 thousand as at 31 December 2022) mainly includes: (i) tax receivables, relating to receivables from the tax authorities for VAT; (ii) payables to employees for wages and salaries to be paid, for holidays accrued but not taken at the end of the reporting period, and for production bonuses, amounting to Euro 5,201 thousand as at 31 December 2023 (Euro 5,085 thousand as at 31 December 2022). The change was mainly due to the collection of the receivable for the sale of the equity investment in Guangdong Iceco Enterprise (in 2021) recorded from the purchaser Xinyu Yuanxing Ent. China equal to Euro 7,187 thousand; this receivable was collected for Euro 6,283 thousand as at 28 June 2023.

Net financial indebtedness

The table below shows the breakdown of net financial indebtedness of the Group as at 31 December 2023 and 2022, determined in accordance with CONSOB Communication of 28 July 2006 and in compliance with ESMA Recommendations/2013/319.

(in thousands of Euro)	31/12/2023	31/12/2022
A. Cash and cash equivalents	18,379	17,322
B. Cash equivalents	16,000	-
C. Other current financial assets	124	-
D. Liquidity (A)+(B)+(C)	34,503	17,322
E. Current financial payable (including debt instruments, but excluding the current portion of non-current financial payable)	(2,161)	(1,920)
F. Current portion of the non-current financial payable	(24,342)	(19,725)
G. Current financial indebtedness (E)+(F)	(26,503)	(21,645)
H. Net current financial indebtedness (G)+(D)	8,000	(4,323)
I. Non-current financial payable (excluding the current portion and debt instruments)	(15,451)	(24,132)
J. Debt instruments	-	-
K. Other trade payables and other non-current payables	-	-
L. Non-current financial indebtedness (I)+(J)+(K)	(15,451)	(24,132)
M. Total financial indebtedness (H)+(L)	(7,451)	(28,455)

As at 31 December 2023, the Group's financial indebtedness is mainly expressed in fixed interest rates. Consequently, the Group is not exposed to the risks related to interest rate fluctuations.

The group took out new loans of approximately Euro 17.0 million in 2023. This was necessary to finance the expansion of the production plant in Novafeltria (RN) and to pay a dividend amount of Euro 0.80 per share.

The items "Current financial payable" and "Non-current financial payable" include the payable for finance and operating lease payables related to the recognition of the right of use following the introduction of IFRS 16 of Euro 3,066 thousand, the payable to the Ministry of Euro 647 thousand and the payable for SIMEST loans of Euro 480 thousand.

It should be noted that as at 31 December 2023, the Group's gross financial indebtedness is represented by loans denominated in Euro, the Group's functional currency.

At the same date, a portion of Euro 4,310 thousand of the Group's cash and cash equivalents was denominated in currencies other than the euro.

The Group's net financial indebtedness as at 31 December 2023 includes positions with related parties; for further details, please refer to paragraph 2.13 of the Notes to the Consolidated Financial Statements.

5. Economic and financial summary of Indel B S.p.A.

As is the case for the group, the tables below show the main economic and financial indicators, which are not identified as accounting measures under IFRS, used by management to monitor the economic and financial performance of Indel B SpA.

(in thousands of Euro)	31/12/2023	%	31/12/2022	%	Chg	% chg
Revenues	143,921	96.6%	151,835	97.8%	(7,914)	-5.2%
Other Revenues and income	4,995	3.4%	3,443	2.2%	1,552	45.1%
Total revenues	148,916	100.0%	155,278	100.0%	(6,362)	-4.1%
Purchases and consumption of raw materials, semi-finished and finished products	(91,076)	-61.2%	(83,282)	-53.6%	(7,794)	9.4%
Costs for services	(17,540)	-11.8%	(30,582)	-19.7%	13,042	-42.6%
Personnel costs	(22,913)	-15.4%	(22,045)	-14.2%	(868)	3.9%
Other operating costs	(2,473)	-1.7%	(1,267)	-0.8%	(1,206)	95.2%
Amortisation, depreciation, provisions and write-downs	(8,821)	-5.9%	(3,777)	-2.4%	(5,044)	133.5%
EBIT	6,093	4.1%	14,325	9.2%	(8,232)	-57.5%
Finance income	921	0.6%	965	0.6%	(44)	-4.6%
Finance costs	(1,698)	-1.1%	(2,590)	-1.7%	892	-34.4%
Income (costs) from equity investments	1,986	1.3%	2,704	1.7%	(718)	-26.6%
Pre-tax profit (loss)	7,302	4.9%	15,404	9.9%	(8,102)	-52.6%
Income tax	(2,387)	-1.6%	(3,796)	-2.4%	1,409	-37.1%
Profit/(loss) for the year	4,915	3.3%	11,608	7.5%	(6,693)	-57.7%

(in thousands of Euro)	31/12/2023	31/12/2022	Chg	% chg
Group profit/(loss) for the year	4,915	11,608	(6,693)	-57.7%
Income tax	2,387	3,796	(1,409)	-37.1%
Net finance (income)/costs	777	1,625	(848)	-52.2%
(Income)/costs from equity investments	(1,986)	(2,704)	718	-26.6%
Amortisation, depreciation, provisions and write-downs	8,821	3,777	5,044	133.5%
EBITDA (A)	14,914	18,102	(3,188)	-17.6%
Total revenues (B)	148,916	155,278	(6,362)	-4.1%
EBITDA margin (A)/(B)	10.0%	11.7%		
Non-recurring (income)/costs	55	(96)	151	-157.3%
Adjusted EBITDA	14,969	18,006	(3,037)	-16.9%

(in thousands of Euro)	31/12/2023	%	31/12/2022	%	Chg	% chg
EBIT	6,093	9.6%	14,325	9.2%	(8,232)	-57.5%
Non-recurring (income)/costs	3,885	0.0%	(96)	-0.1%	3,981	-4,146.9%
Adjusted EBIT	9,978	9.6%	14,229	9.2%	(4,251)	-29.9%

Profit/(loss) for the year and Adjusted Profit/(loss) for the year

In 2023, Profit/(loss) for the year decreased by Euro 6,693 thousand (-57.7%), from Euro 11,608 thousand in the year ended 31 December 2022 to Euro 4,915 thousand in the year ended 31 December 2023.

Net of the non-recurring items, the Profit/(loss) for the year would have decreased by Euro 2,661 thousand, from Euro 11,446 thousand in the year ended 31 December 2022 to Euro 8,785 thousand in the year ended 31 December 2023 (see details included in the notes to the financial statements in paragraph 2.9 "Significant non-recurring events and transactions").

The table below shows the reclassified statement of financial position of the Company by "Sources and Uses" as at 31 December 2023 and 2022.

(in thousands of Euro)	31/12/2023	31/12/2022
Uses		
Net fixed assets	68,657	70,237
Net working capital	38,588	56,626
Net invested capital	107,245	126,863
Sources		
Shareholders' equity	101,035	101,205
Net financial indebtedness	6,210	25,658
Total sources of funds	107,245	126,863

The breakdown and changes in net invested capital, net working capital and net financial indebtedness are also shown below:

(in thousands of Euro)	31/12/2023	31/12/2022	Chg	% chg
Goodwill	-	-	-	-
Intangible assets	375	350	25	7.1%
Property, plant and equipment	26,911	22,805	4,106	18.0%
Right of use	2,400	2,778	(378)	-13.6%
Equity investments measured using the equity method	38,815	42,645	(3,830)	-9.0%
Non-current financial assets	2,043	2,500	(457)	-18.3%
Provisions for risks and charges	(2,591)	(1,457)	(1,134)	77.8%
Employee benefits	(634)	(631)	(3)	0.5%
Other non-current assets and liabilities (*)	1,338	1,247	91	7.3%
Total net fixed assets	68,657	70,237	(1,580)	-2.2%

(in thousands of Euro)	31/12/2023	31/12/2022	Chg	% chg
Inventories	39,417	47,981	(8,564)	-17.8%
Trade receivables	25,126	32,160	(7,034)	-21.9%
Income tax receivables	1,336	1,106	230	20.8%
Trade payables	(24,868)	(31,086)	6,218	-20.0%
Income tax payables	-	(129)	129	-100.0%
Other current assets and liabilities (*)	(2,423)	6,594	(9,017)	-136.7%
Total net working capital	38,588	56,626	(18,038)	-31.9%

(in thousands of Euro)	31/12/2023	31/12/2022
A. Cash and cash equivalents	15,534	15,315
B. Cash equivalents	16,000	-
C. Other current financial assets	1,549	1,502
D. Liquidity (A)+(B)+(C)	33,083	16,817
E. Current financial payable (including debt instruments, but excluding the current portion of non-current financial payable)	(968)	(759)
F. Current portion of the non-current financial payable	(23,868)	(19,154)
G. Current financial indebtedness (E)+(F)	(24,836)	(19,913)
H. Net current financial indebtedness (G)+(D)	8,247	(3,096)
I. Non-current financial payable (excluding the current portion and debt instruments)	(14,457)	(22,562)
J. Debt instruments	-	-
K. Other trade payables and other non-current payables	-	-
L. Non-current financial indebtedness (I)+(J)+(K)	(14,457)	(22,562)
M. Total financial indebtedness (H)+(L)	(6,210)	(25,658)

6. Significant events after the reporting period

No events have occurred between 31 December 2023 and the date of approval of this Statement that could have a material impact on the Group's results.

7. Related party transactions

The Group's transactions with related parties are mainly of commercial and financial and are carried out on an arm's length basis.

The Group has transactions with the following related parties:

- the company Amp. Fin. Srl;
- the company Indel Webasto Marine Srl and the company Elber Industria de Refrigeracao Ltda;
- key management personnel;
- other parties in which the Group has an interest through the Parent company and/or members of Top Management.

We can state that the terms of contractual applied in the transactions listed below do not differ from those that could theoretically be obtained in negotiations with third parties.

With reference to the transactions of the parent company and investee companies with related parties, and in particular with associates, parent companies and companies subject to the control of the latter, reference is made to the Notes to the Consolidated Financial Statements.

8. Hedging policies for currency, commodity price and interest rate risks

Effective risk management is a key factor in protecting the value of the Group in a historical period characterised by high volatility and uncertainty at a global level. In particular, as part of the Corporate Governance system, Indel B has defined an Internal Control and Risk Management System (SCIR) consistent and compatible with the provisions of the Corporate Governance Code.

Currency risk

The Group's operations in currencies other than the euro (the Group's functional currency) expose the Group to currency risk. Revenues and costs denominated in foreign currencies can be affected by exchange rate fluctuations with an impact on trade margins (economic risk), just as trade payables and receivables in foreign currencies can be affected by the conversion rates used, with an impact on the economic result (transaction risk). Finally, exchange rate fluctuations are also reflected in the consolidated results and on shareholders' equity since the financial statements of some companies included in the consolidation area are prepared in currencies other than the Euro and subsequently translated (translation risk). The main exchange ratio to which the Group is exposed in the three-year period under review is the Euro/US Dollar (USD) ratio, with reference mainly to cash held in USD and purchases and sales made in USD.

The Group hedges currency risk based on systematic assessments of market conditions and the level of net exposure to risk, implementing, where possible, a natural hedging policy, i.e. a risk management strategy that aims to match both economic and financial flows (revenues-costs, collections-payments, known as economic currency risk) and statement of financial position asset and liability items that are denominated in the same foreign currency and have a consistent time frame (known as transaction currency risk) so as to minimise net exposures to currency risk. Moreover, the Group does not usually use derivative financial instruments to hedge currency risk.

It should be noted that for the Brazilian investee company Elber Industria de Refrigeracao, part of the purchases of raw materials and components are carried out in USD and EUR, while sales are almost entirely in local currency. This may result in temporary margin losses if the local currency depreciates against the Euro and USD. However, local management is very careful to adjust sales prices quickly to changes in raw material and component costs. However, this has a limited impact on the consolidated financial statements of the Indel Group as Elber Industria de Refrigeracao is measured at equity in the consolidated financial statements (and at cost in the separate financial statements).

With reference to the currency risk, a sensitivity analysis was carried out to determine the effect on the income statement and shareholders' equity that would result from a 10% appreciation/depreciation of the Euro against the US dollar, while keeping other variables unchanged. The analysis was carried out considering cash and cash equivalents as well as trade receivables and trade payables.

The table below shows the results of the analysis carried out:

(in thousands of Euro)	Impact on profit and shareholders' equity, net of tax effect	
	USD	
Sensitivity analysis	-10%	+10%
Financial year ended 31/12/2023	150	(123)
Financial year ended 31/12/2022	921	(753)

Note: the positive sign indicates a higher profit and an increase in shareholders' equity; the negative sign indicates a lower profit and a decrease in shareholders' equity; the negative percentage sign an appreciation, the positive percentage sign a depreciation of the dollar.

Commodity price risk

The production costs of the Company and the Group are affected by the price trends of the main raw materials used such as, in particular, metals, plastics and electronic components. The price of such materials varies depending on a number of factors, many of which are beyond the Company's control and difficult to predict.

With reference to the purchases made by the Group on the Chinese market and denominated in USD or Euro, it is also exposed to a price risk due to the development of the exchange rate with the local currency; the price of products purchased in USD or Euro can vary based on the exchange rate of the local currency (Renminbi) against the US dollar and the Euro, respectively, in accordance with customary commercial practices in the Chinese market.

The Group's strategy is to reduce the risk of price increases of goods or raw materials by entering into fixed-price supply contracts on the one hand and by contractually renegotiating the prices charged to After Market customers (Automotive dealers and installers and Hospitality and Leisure time customers) on the other hand, while the OEM component of revenues shows a lower flexibility of contractual price conditions.

The Group Companies are and were able, albeit with some difficulty due to the effects of the Ukrainian conflict, to source and purchase raw materials and semi-finished products in sufficient quantities to meet its requirements and maintain its quality standards. With respect to the year ended 31 December 2023, no forms of volatility risk hedging for raw material costs were adopted.

Liquidity risk

This risk may manifest itself in the inability to raise the financial resources required to guarantee Indel B's operations. In order to minimise this risk, the Treasury area carries out the following main activities:

- constant monitoring of forecast financial requirements in order to implement any corrective measures in good time;
- obtaining adequate credit lines;
- correct balance between net financial indebtedness and investments made;
- proper allocation between short-term and medium- to long-term indebtedness in order to adequately monitor liquidity.

Interest rate risk

The interest rate risk derives mainly from the possible increase in net finance costs as a result of unfavourable changes in market rates on floating-rate financial positions, which expose the Group to a "cash flow" risk arising from interest rate volatility.

Almost all of the Group's financial indebtedness is expressed at a fixed interest rate.

Fixed-rate payables expose the contracting parties to fair value risk in relation to changes in the fair value of the payable related to market changes in reference rates.

In this regard, the Group does not use interest rate financial derivatives ("Interest Rate Swaps") to hedge interest rate risk.

The table below shows the results of the sensitivity analysis carried out considering a change of 50 bps:

(in thousands of Euro)	Impact on profit, net of tax effect		Impact on shareholders' equity, net of tax effect	
	-50 bps	+50 bps	-50 bps	+50 bps
Sensitivity analysis				
Financial year ended 31/12/2023	(94)	94	(94)	94
Financial year ended 31/12/2022	(63)	63	(63)	63

Note: the positive sign indicates a higher profit and an increase in shareholders' equity; the negative sign indicates a lower profit and a decrease in shareholders' equity.

Climate Change

Risks related to climate change, which are considered to be external to the Group, are not currently included in the risk management models used by Indel B, as they are not expected to have a significant impact to date due to the nature of the production, the product and the measures already implemented by the Group in previous years.

It should be noted that there are currently three different activities at EU level related to the topic of Sustainability which may lead, in the medium term, to the need to implement important activities related to product, process and supply chain verification, control and adaptation, with costs that in some cases could be significant depending on the solutions adopted or which become necessary. Specifically, the regulations and directives are:

- 1) F-Gas (regulation) with which we are already compliant;
- 2) P-Fas, still being studied by the European Community (part of the Reach regulation), with which compliance or non-compliance will have to be verified and, in the latter case, attained;
- 3) Corporate Sustainability Due Diligence Directive (CSDD), for which we are already carrying out a supplier assessment/management activity using the tool SAQ (Supplier Assurance Quality).

These activities could, however, be the subject of European and/or national contributions.

It should be noted that these regulations, or amendments to regulations or directives, are not yet operational, as they have not yet completed the required process. It is therefore not currently possible to set a date for the introduction of the above-mentioned restriction (for PFAS), which may also be subject to change as a result of specific derogations. We are already compliant or are working towards being compliant for the other two, F-Gas and CSDD.

Regardless, the Group is very attentive to further reducing these risks, in compliance with regulations that will come into force and to meet the needs of its stakeholders.

Cybersecurity

With the ever-increasing use of laptops and smartphones in the workplace, also encouraged by the massive use of smart working during the pandemic, has led to a rise in hacking incidents. These incidents are affecting even the most structured companies, with the aim of obtaining undue profits or stealing confidential information. Indel B addressed the issue of IT security, strengthened its infrastructure and implemented a number of new policies, including Access Management, with the support of external consultants. However, many risks arise from the way portable devices are used and, more generally, from the attitude and attention paid by users. Employees were made aware of this and certain operational practices were put in place to verify the counterparty when exchanging

sensitive information. Moreover, an independent third party assessed the condition of the system and no major issues were identified.

Business interruption

Natural or accidental events (such as earthquakes or fires, bad weather), fraudulent behaviour (vandalism) or plant malfunctioning can cause damage to assets, unavailability of production sites and interruption of operations. Therefore, Indel B strengthened the mitigation process with the planning of engineering activities aimed at eliminating predisposing risk factors in terms of probability of occurrence as well as implementing protections to limit their impact, with the ongoing consolidation of the current business continuity at the Group's production sites.

9. Research and development activities

Research and development activities are carried out through the Group's Technical Office and Laboratory. The Group also relies on external collaborations, mainly with engineering companies and independent third-party laboratories, for the development and validation of specific projects, and on architectural studies for the design of new products.

While the Group capitalised development costs of Euro 130 thousand as at 31 December 2022, Euro 100 thousand were capitalised as at 31 December 2023.

The Group believes in and is committed to research and development to support future growth.

10. Investments

The table below shows the amount of investments in intangible assets and property, plant and equipment made by the Group during the years ended 31 December 2023 and 2022.

(in thousands of Euro)	31/12/2023	%	31/12/2022	%
Intangible assets	361	4.1%	298	5.5%
Property, plant and equipment	8,346	95.9%	5,093	94.5%
Total	8,707	100.0%	5,391	100.0%

During 2023, the Group invested a total of Euro 8,707 thousand in intangible assets and property, plant and equipment, of which Euro 361 thousand related to investments in intangible assets and Euro 8,346 thousand related to property, plant and equipment.

Investments in intangible assets

The table below shows the amount of investments in intangible assets broken down by category, made by the Group during the years ended 31 December 2023 and 2022.

(in thousands of Euro)	31/12/2023	%	31/12/2022	%
Development costs	100	27.7%	130	43.6%
Concessions, licences, trademarks and similar rights	163	45.2%	48	15.8%
Patents and know-how	-	-	-	-
Other intangible assets	-	-	-	-
Intangible assets in progress and payments on account	98	27.1%	120	40.6%
Total	361	100.0%	298	100.00%

A brief analysis of the Group's investments in intangible assets in each of the years under review is shown below.

- Financial year ended 31 December 2023**

The Group's investments in intangible assets during the year ended 31 December 2023 amounted to a total of Euro 361 thousand and are mainly related to: (i) development costs of Euro 100 thousand; (ii) concessions, licences, trademarks and similar rights of Euro 163 thousand; (iii) intangible assets in progress and payments on account of Euro 98 thousand.

Investments of Euro 100 thousand in development costs concern the technical design and experimental study of new product solutions aimed at expanding the company's offer potential, in terms of installation and applicability.

Investments of Euro 98 thousand in intangible assets in progress and payments on account concern the technical design and experimental study of new product solutions not yet completed in 2023.

- Financial year ended 31 December 2022**

The Group's investments in intangible assets during the year ended 31 December 2022 amounted to a total of Euro 298 thousand and are mainly related to: (i) development costs of Euro 130 thousand; (ii) concessions,

licences, trademarks and similar rights of Euro 48 thousand; (iii) intangible assets in progress and payments on account of Euro 120 thousand.

Investments of Euro 130 thousand in development costs concern the technical design and experimental study of new product solutions aimed at expanding the company's offer potential.

Investments of Euro 120 thousand in intangible assets in progress and payments on account concern the technical design and experimental study of new product solutions not yet completed in 2022.

Investments in property, plant and equipment

The table below shows the amount of investments in property, plant and equipment broken down by category, made by the Group during the years ended 31 December 2023 and 2022.

(in thousands of Euro)	31/12/2023	%	31/12/2022	%
Land	234	3%	-	-
Buildings and leasehold improvements	82	1.0%	401	7.9%
Plant and machinery	1,491	17.9%	1,168	22.9%
Fixtures and fittings, tools and equipment	414	5.0%	586	11.5%
Other assets	494	5.9%	765	15.0%
Property, plant and equipment in progress and payments on account	5,631	67.5%	2,173	42.6%
Total	8,346	100.0%	5,093	100.0%

A brief analysis of the Group's investments in property, plant and equipment in each of the years under review is shown below.

- Financial year ended 31 December 2023**

Investments in property, plant and equipment made by the Group during the year ended 31 December 2023 totalled Euro 8,346 thousand and are related to: (i) land of Euro 234 thousand; (ii) buildings and leasehold improvements of Euro 82 thousand; (iii) plant and machinery of Euro 1,491 thousand; (iv) fixtures and fittings, tools and equipment of Euro 414 thousand; (v) other assets of Euro 494 thousand; and (vi) property, plant and equipment in progress and payments on account of Euro 5,631 thousand.

In particular, investments in property, plant and equipment are determined by:

- land of Euro 234 thousand with reference to the purchase of new building land by Autoclima SpA;

- buildings and leasehold improvements of Euro 82 thousand mainly relating to the expansion of the already operational production area located in Via Montefeltro 118/C, in the hamlet of Secchiano, municipality of Novafeltria, and the construction of a new mobile tunnel also in this area;
- plant and machinery of Euro 1,491 thousand, mainly referring to *i)* new plants relating to the new buildings at Secchiano; *ii)* purchase of vertical warehouses; *iii)* purchase of new moulds for production; *iv)* compact evaporator processing machine; *v)* pipe cutting and bending machines; *vi)* improvements to production lines; *vii)* improvements to generic plants;
- fixtures and fittings, tools and equipment of Euro 414 thousand, mainly referring to the purchase of moulds for production and of various equipment for assembly lines and laboratory and workshop tests and trials;
- other assets of Euro 494 thousand, mainly referring to *i)* the purchase of new forklifts; *ii)* the purchase of internal means of transport; *iii)* the purchase of PCs and printers; *iv)* the purchase of IT services; *v)* the purchase of terminals for production; *vi)* the purchase of a fixing station;
- property, plant and equipment in progress of Euro 5,631 thousand, mainly referring to the expansion of new areas adjacent to the already operational production area located in via Montefeltro, 118 Secchiano (RN), a new line, also in this production area, and the construction of new production moulds.

- **Financial year ended 31 December 2022**

Investments in property, plant and equipment made by the Group during the year ended 31 December 2022 totalled Euro 5,093 thousand and are related to: (i) buildings and leasehold improvements of Euro 401 thousand; (ii) plant and machinery of Euro 1,168 thousand, (iii) fixtures and fittings, tools and equipment of Euro 586 thousand, (iv) other assets of Euro 765 thousand; (v) Property, plant and equipment in progress and payments on account of Euro 2,173 thousand.

In particular, investments in property, plant and equipment are determined by:

- buildings and leasehold improvements of Euro 401 thousand, mainly related to the construction of a new building located in Via Montefeltro 118/C, in the hamlet of Secchiano,

municipality of Novafeltria, and the construction of a new wooden building, used as a company canteen, at the main factory located in Via Sarsinate 27, Sant'Agata Feltria (RN);

- plant and machinery of Euro 1,168 thousand, mainly referring to: *i)* new plants relating to the new buildings at Secchiano and at the company canteen adjacent to the main factory; *ii)* purchase of vertical warehouses; *iii)* purchase of new moulds for production; *iv)* purchase of a new assembly line; *v)* hydraulic system for new machinery; *vi)* improvements to production lines; *vii)* improvements to generic plants;
- fixtures and fittings, tools and equipment of Euro 586 thousand, mainly referring to the purchase of moulds for production and of various equipment for assembly lines and laboratory tests and trials;
- other assets of Euro 765 thousand, mainly referring to *i)* the purchase of new forklifts; *ii)* the purchase of IT services and server farms for the new areas; *iii)* the purchase of PCs and printers; *iv)* the purchase of other assets, such as furniture and electrical appliances for the canteen; *v)* the purchase of terminals for production; *vi)* the purchase of terminals for data lines;
- property, plant and equipment in progress of Euro 2,173 thousand, mainly referring to the expansion of a new area adjacent to the already operational production area located in via Montefeltro, 118 Secchiano (RN) and payments on account for new production moulds.

11. Number and nominal value of treasury shares and parent company shares purchased or sold

During 2023, the Company purchased 23,411 treasury shares for a value of Euro 552 thousand. It should also be noted that the Company has not sold any treasury shares or shares in parent companies.

12. Business outlook



Despite the war in Ukraine, the conflict in Palestine and other various geopolitical tensions, inflation in Western countries has stabilised and interest rates are expected to fall in the coming months. In 2023, there was an increase in turnover in the Automotive and Hospitality markets, whereas the Cooling Appliances and Component & Spare Parts markets experienced a decline in turnover. The same applies to the Leisure market, which experienced a physiological decline after two consecutive years of strong growth.

Although 2024 will probably still be a year of transition for the Group, expectations for the medium to long term remain good, both in terms of foreseeable market trends and the specific actions the Group is taking to develop the Automotive, Hospitality and Cooling Appliances markets, in particular.

It will therefore be important to continue to monitor the situation throughout 2024 in order to adjust, if necessary, the measures already taken to maintain the company's financial health, turnover and margins.

The starting position of the Group's companies, with low debt and good cash flows is crucial in this respect.

*We thank you for the trust you placed in us
and ask you to approve the financial statements as presented.*

Sant'Agata Feltria, 12 April 2024

Chairman of the Board of Directors

Antonio Berloni



2023

CONSOLIDATED NON-FINANCIAL STATEMENT

pursuant to Italian Legislative Decree 254/2016

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1. Introduction

1.1. Methodology

[GRI 2-3]; [GRI 3-1];

This document serves as the Consolidated Non-Financial Statement (hereinafter also referred to as “NFS” or “Statement”) of Indel B SpA (hereinafter also referred to as “Indel B”) and its subsidiaries (hereinafter also referred to as “Indel B Group” or the “Group”) in accordance with the provisions of Italian Legislative Decree 254 of 30 December 2016, as amended and supplemented.

For the reporting of non-financial information, the scope consists of Indel B SpA (hereinafter also referred to as “Indel B”) and the following subsidiaries consolidated on a line-by-line basis as at 31 December 2023 within the 2023 Annual Financial Report:¹

- Condor B S.r.l. (hereinafter also referred to as “Condor B”);
- Indel B North America Inc. (hereinafter also referred to as “IBNA”)
- Autoclima Spa and its consolidated companies (hereinafter also referred to as “Autoclima”), namely:
 - Indel B Germany GmbH;
 - Autoclima Russ;
 - Autoclima Iberica;
 - Autoclima Polska.
 - SEA S.r.l.
 - Electric Station Climatisation S.A.

In March 2019, Indel B acquired 100% of the US company Commercial Product Inc., a distributor in the automotive after-market for the North American market, which then changed its name to Indel B North America Inc. Due to the small size of the company (as at 31 December 2023, approximately \$3.8 million turnover and five employees), only the human resources aspect will be considered in this document, integrating it within the parent company Indel B.

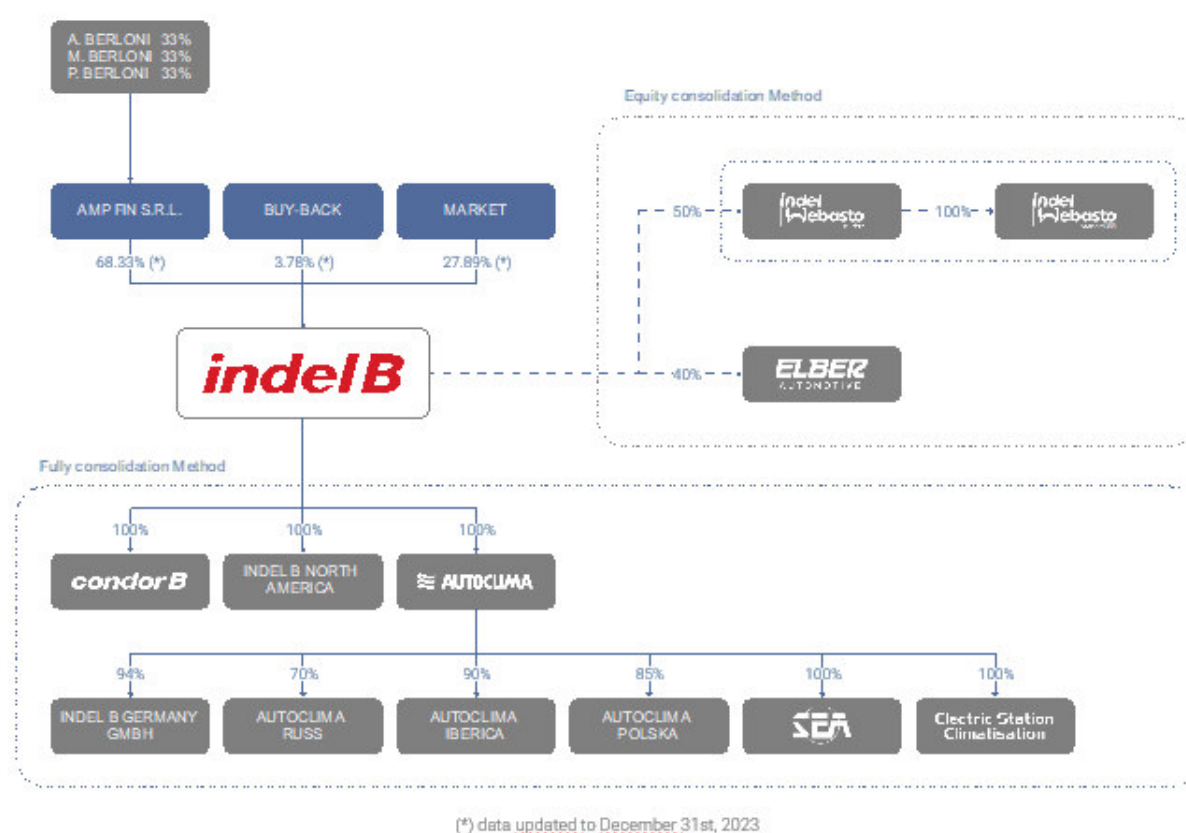
¹ Please refer to the description of the business model on page 7 for further information on the Group companies and their production sites.

The following companies are instead excluded from the reporting scope of the Statement in accordance with the requirements of Italian Legislative Decree 254/16, as they do not represent fully consolidated companies:

- Indel Webasto Marine Italia and Indel Webasto Marine USA in the United States of America;
- Elber, in Brazil.

All the limitations in scope are appropriately stated in the text of the document. These exceptions have no impact on an understanding of the company's activities, nor its performance and impact.

The following graph shows the structure of the Indel B Group as at 31 December 2023.



This Statement reports the non-financial information related to the issues considered material for the Group, the stakeholder analysis and the Business Model, which were defined and drawn up by an internal Working Group coordinated by the *Administration, Finance and Control* Department and the key representatives of the various corporate departments that manage relations with the main stakeholders and keep the relevant data and information.

2023 is the sixth year in which the Indel B Group exceeds the minimum size requirements imposed by Italian Legislative Decree 254/16.

The Consolidated Non-Financial Statement uses the Sustainability Reporting Standards published by the Global Reporting Initiative ("GRI Standards 2016" or "GRI Standards") updated to 2021 as its reference standards, and uses the "with reference to" approach. The following GRI reporting principles necessary for defining the content and quality of the document were taken into consideration when drafting the Statement, namely: *Stakeholder Inclusiveness, Sustainability Context, Materiality, Completeness, Balance, Comparability, Accuracy, Timeliness, Clarity and Reliability*, as reported in GRI Standard 101: Foundation 2021.

References to the GRI Standards are given to facilitate understanding within the text, highlighted with the symbol [GRI No.].

The Group prepared data collection forms to collect the data and information subject to reporting, which were then sent to the contact persons involved in the various areas, both at the parent company (Indel B SpA) and at the subsidiaries.

The Statement was approved by the Board of Directors of Indel B SpA on 12 April 2024.

The limited engagement review of the Non-Financial Statement was entrusted to PricewaterhouseCoopers S.p.A. and concluded with the issuance of the "Report of the Independent Auditor on the Consolidated Non-Financial Statement pursuant to article 3, paragraph 10 of Italian Legislative Decree 254/2016 and Article 5 of the Consob Regulation adopted by resolution 20267 of January 2018".

1.2. Business Model

[GRI 2-1]; [GRI 2-6]; [GRI 3-3]; [GRI 2-1]; [GRI 2-6]

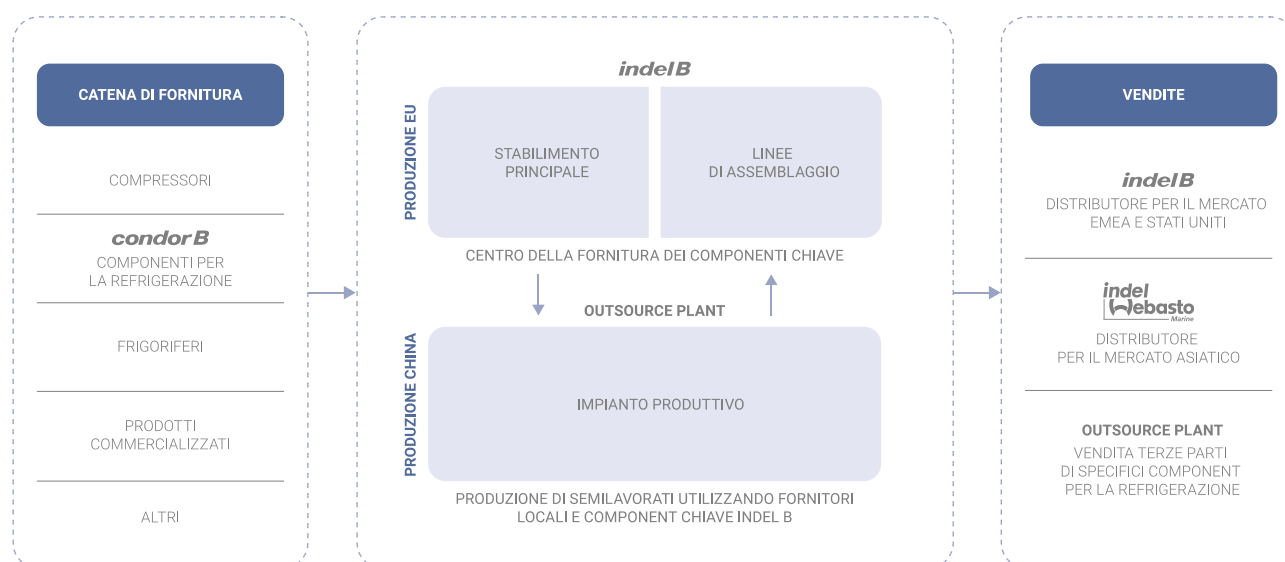
The parent company Indel B was founded in 1967, initially operating in production and marketing in the hotel and mobile refrigeration market, later expanding into other markets. More specifically, Indel B is divided into two product macro-categories:

- **Horeca:** for the management of major clients in the hotel and nautical market, working specifically for renowned hotel chains and cruise ships. The Group supplies a wide range of products including minibars, safes, LED televisions, hair-dryers and electronic locks.
- **Mobile refrigeration:** Indel B is the world's leading manufacturer of 12/24 Volt DC refrigerators and cooperates with major truck and bus chains (e.g., Renault, Volvo and Iveco).

An important turning point was reached in 1982, when the Group was selected by NASA to build a refrigerator to be installed on the Columbia Shuttle. This product capable of functioning in extreme situations and in the absence of gravity helped to increase the reputation of the "Indel B" brand.

The Group pursues the achievement of its business objectives by respecting two of its main values: attention to customer demands and needs, and environmental sustainability and energy saving in production activities.

A diagram of the Business Model of Indel B and Condor B is provided below².



The subsidiary Condor B is an important supplier of refrigeration components and processing services for the Parent Company. Condor B also produces semi-finished products for other major Italian companies operating in the industrial refrigeration market, as well as components for industrial compressors and dryers. The Group is constantly looking for new markets where it can express its ability to innovate through advanced technologies, including, for example the production of air conditioning and direct current for mobile vehicles in recent years. As of 2019 the company Indel B North America, which is responsible for marketing the Group's products in the American market, is also consolidated on a line-by-line basis.

In June 2017, Indel B acquired shares in Elber, a Brazilian company mainly active in the production of mini-fridges and refrigeration systems for the automotive and leisure market. By counting on the Indel B Group's technological know-how and on business relationships established in over 50 years of global presence, Indel B intends to indirectly develop the Brazilian and South American markets with the aim of achieving a leading position in a market with high growth potential such as Latin America.

² The Indel B Group consists of two factories, one in Sant'Agata Feltria (RN) and one in Secchiano (RN), where the company Indel B SpA is based, a factory in Sant'Agata Feltria (RN) where the company Condor B Srl is based, and a factory in Cambiano (TO), where the company Autoclima SpA is based. The latter also has two warehouses: one in Rome and the other in Florence. The four foreign subsidiaries are located in Russia, Spain, Germany and Poland. They are not production companies, but companies that market Autoclima SpA's products. It should be noted that the company Autoclima does not appear in the diagram, as it is currently being integrated in the Business Model.

Autoclima joined the Indel B Group in September 2017. The company was established in 1963, with the development, production and marketing of after-market air conditioning systems for passenger cars as its core business. Cars have been increasingly manufactured with OEM (Original Equipment Manufacturer) air conditioning systems over the years, which is why the company decided to focus on the development of vehicle air conditioning systems specifically for minibuses, ambulances, mobile clinics, industrial vehicles, trams and trains, etc.

An important step in the company's history occurred first with the construction of the modern production site in Cambiano (in 2003), and then with the construction of the storage warehouse (2007) adjacent to the first building. Subsequently, Autoclima changed its internal layout at the beginning of 2011 by separating the production departments from the warehouse and thus reducing the level of risk from interference between the various company departments. The company Indel B Germany GMBH was established in 2014 to serve the German market with Autoclima products. The other foreign companies were established in 2017-2018 to market Autoclima products in the European market, as small start-ups serving the market in a localised manner. More specifically, the latter include the following commercial branches:

- Indel B Germany GmbH located in Germany
- Autoclima Russia LLC located in Moscow, Russia
- Autoclima Iberica S.L. located in Barcelona, Spain
- Autoclima POLSKA Sp. z o.o. in Poland

No events have occurred between 31 December 2023 and the date of approval of this Statement that could have a material impact on the Group's results.

Again with regard to Autoclima, the company completed two extraordinary transactions in 2021, acquiring 100% of the share capital of the French-registered company Electric Station Climatisation SAS (active in the design, production and marketing of vehicle refrigeration air-conditioning systems) in January 2021, and the Italian-registered company SEA S.r.l. (mainly active in the design, production and marketing of air-conditioning systems for agricultural and earthmoving equipment) in May 2021.

In March 2019, Indel B SpA acquired 100% of the US company Commercial Product Inc., a distributor on behalf of Indel B in the automotive after-market sector for the North American market, which then changed its name to Indel B North America Inc. This company is considered strategic for B2B and online sales in the North American after market; the company is located in the state of Kentucky and currently has an annual turnover of around \$3.8 million.

The shareholding in the Chinese company Guangdong Iceco was divested in 2021, as the Indel B Group considered it no longer relevant for strategic purposes. However, Guangdong Iceco continues to be a relevant supplier for the Parent Company Indel B. Following the divestment of the shareholding held in the company in

2021, some production for the European market was transferred to Italy, with obvious sustainability and environmental responsibility benefits as well as lower logistics costs for transport from China to Italy.

An important part of the Indel B Group serving the marine market is Indel Webasto Marine, 50% owned and consolidated using the equity method. Indel Webasto Marine based in Secchiano, Novafeltria, is the successful joint venture between Indel B and the German-based Webasto Group, a leader in the automotive market. The two companies have joined forces to produce high-quality galley equipment for the marine market. The wide range of products consists of recessed and portable refrigerators and freezers, ice makers, wine cellars, water heaters, safes and customised solutions for greater on-board comfort. Indel Webasto Marine refrigerators, freezers and ice-makers are valued for their ease of use, elegant design and maximum energy savings. Indel Webasto Marine established the company Indel Webasto Marine USA in North America to market its products.

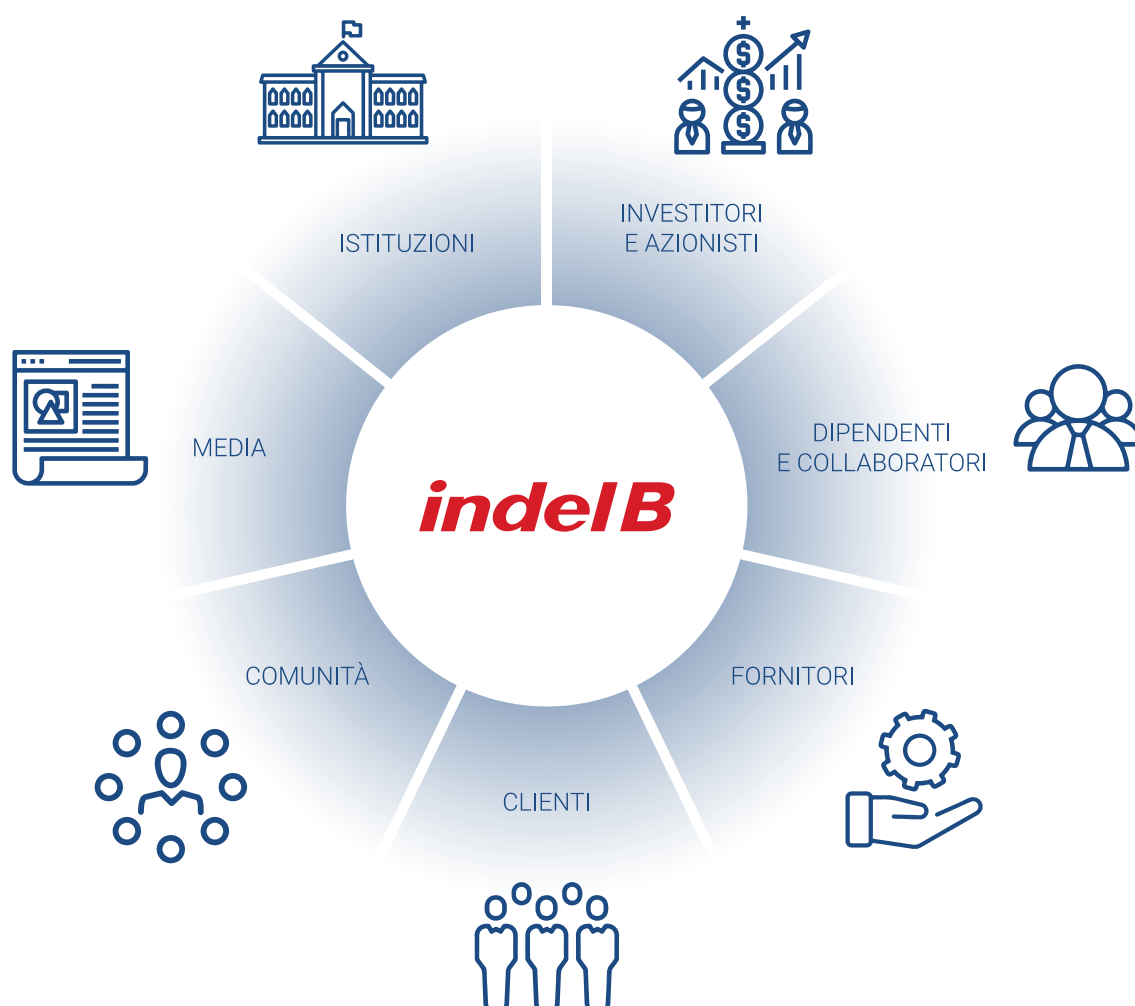
Please refer to what has already been explained on page 4 in relation to the Group's structure.

The Group is committed to research and development: research activities are carried out at the main production site in Sant'Agata Feltria to study new products, and each new product line is developed through dedicated teams. The R&D activity mainly carried out within the Group is usually quite relevant, as it allows the Group to be constantly at the cutting edge of technology. The availability of expertise within the Group ensures a high level of innovation and, consequently, a strong competitive positioning, thereby responding to specific customer needs. The technical feasibility and generation of probable future economic benefits are verified for all development activities.

1.2.1. Stakeholder Engagement

[GRI 2-29]

In carrying out its activities, the Indel B Group constantly interacts with a number of internal and external stakeholders who are the subject of specific reporting lines. Dialogue with stakeholders is highly important, as it allows the Group to improve and enhance knowledge of its network and to increase the positive impacts and mitigate the negative impacts of its business activities on the environment and society, enabling the Group to gather important information about its context and thus gain feedback on its operations. The identification of the main stakeholders and the consequent definition of their expectations are thus crucial aspects for the Group.



The following graph shows the stakeholder map of the Indel B Group

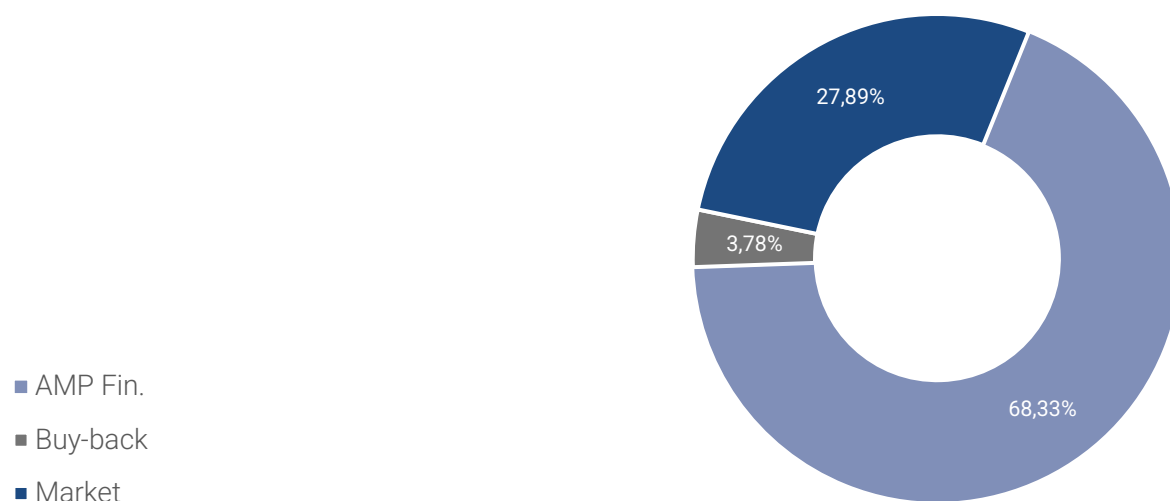
- Investors and Shareholders

Indel B is incorporated in Italy in the form of a joint-stock company and has its registered office in Sant'Agata Feltria, Via Sarsinate, 27. Indel B is at the helm of a leading group in the development, production and marketing of refrigeration products. The Group has over 815 employees and production plants in Italy, Brazil and France.

Indel B has been listed on the EURONEXT Milan segment since May 2017.

The subscribed and fully paid share capital as of 31/12/2023 is € 5,842,000.00.

In light of the results of the "Shareholders' Register", the shareholding structure as at 31/12/2023, with evidence of significant shareholdings, is as follows:



Amp. Fin S.r.l. is a holding company owned by the Berloni family of Pesaro.

- Employees and Collaborators

Indel B has always considered its people to be the Group's most important strategic asset. The Group not only provides high-quality products, but also solutions designed around the customer's needs. The proper functioning of processes is ensured by a major investment in IT systems supported by people working within a real team.

Professional skills and human abilities are the main assets in which the Group seeks to invest in order to achieve future goals, more specifically on:

- protection of the working environment and safety;
- professional growth;
- staff engagement;
- inclusion of a merit-based reward system.

"People" are always at the heart of the Indel B organisation.

Employees are involved in the Group's management of the business and its future developments through regular meetings between management and the Union Representative Body.

- **Suppliers**

Indel B uses suppliers from the electronics, chemicals (gas and plastics), mechanical engineering, glass and packaging sectors for the production of its products, as well as suppliers from the service sector. Geographically, the supplier companies are mainly based in Europe and China.

The Parent Company asks suppliers with which it has contracts to sign its Code of Ethics and 231 Model, thereby committing to complying with the same. Most of the suppliers work closely with Indel B, and there is a strong relationship of trust as well as mutual expectations of future growth.

- **Customers**

The Group sells its products in about 90 countries around the world mainly through its own internal organisation, which is complemented by a network of agents and/or distributors in some specific countries. The main markets are in Europe and North America. The Indel B Group operates in four main markets: Automotive, Hospitality, Leisure and Cooling, in addition to having a significant commercial presence in the After Market.

The Group believes that the key success factors can be summarised as follows:

- wide range of offerings;
- diversification of its target and geographic markets;
- development and in-house production of high-tech components;
- global sales network;
- customer support through after-sales services;
- brand recognition.

Customers expect continuous loyalty and professional growth from the Indel B Group.

- **Community**

The Group intends to have a strong presence in the communities in which it operates. To this end, it implements initiatives for local support, which has to date taken the form of monetary donations. New projects to support local community institutions are being studied for the future. The location of the Parent Company's main production site means that it is an important source of livelihood and labour supply in the area, being the largest production site in the local area and fostering the growth of small entities in the supply chain. The local community expects a lot from the Indel B Group, which is the driving force behind the local economy in the Sant'Agata Feltria district in the province of Rimini.

- **Media**

The Indel B Group works with the media for product sponsorships, using channels dedicated to its market sectors in order to promote them especially in terms of quality. The Group also uses the media to disseminate information to its stakeholders.

- **Institutions**

The Group establishes collaborative relationships with local institutions; together with upper secondary schools, it supports internships at its companies, and is also interested in financing projects linked to the local area such as sponsoring local sports groups or fairs and events.

Indel B has also financed initiatives to improve school infrastructure in Sant'Agata Feltria.

The following table shows the main instruments through which the Indel B Group engages its stakeholders, and their expectations.

Stakeholder	Engagement tools	Expectations
Investors and Shareholders	<ul style="list-style-type: none"> • Meetings • Periodic reporting • Website and social media • Meetings with investors • Periodic surveys • Roadshows 	<ul style="list-style-type: none"> • Transparent and accountable management • Consolidating and strengthening knowledge of the Group and its Business Model • Value creation (return on investment, business sustainability) • Timeliness and availability for dialogue • Adequate risk management, including socio-environmental risks
Employees and Collaborators	<ul style="list-style-type: none"> • Trade union assemblies and meetings 	<ul style="list-style-type: none"> • Sharing Group results • Responsible business management • Training and professional development • Information on strategies • Stimulating and safe working environment • Equal opportunities • Involvement in corporate life • Promoting well-being, health and safety
Suppliers	<ul style="list-style-type: none"> • Partnerships • Individual interviews and surveys • Daily reports • Training 	<ul style="list-style-type: none"> • Supply continuity • Compliance with contractual conditions • Involvement in the definition of supply standards, including social and environmental criteria, and timely communication of new requirements • Cooperation and support in managing any production issues
Customers	<ul style="list-style-type: none"> • Focus Groups with Trade Associations • Periodic Customer Satisfaction surveys • Net Promoter Score 	<ul style="list-style-type: none"> • Product quality, safety and durability • Products made with respect for the environment, people and animals • Design, uniqueness, innovation and offer completeness • High service level during and after sales • Competent, professional and friendly sales staff
Community	<ul style="list-style-type: none"> • Partnerships with local communities 	<ul style="list-style-type: none"> • Supporting or financing initiatives • Support for awareness-raising activities
Media	<ul style="list-style-type: none"> • Press conferences • Press releases • Telephone contacts • Social networks 	<ul style="list-style-type: none"> • Availability, timeliness and accuracy of information • Information on market trends
Institutions	<ul style="list-style-type: none"> • Thematic meetings with Legislators and Legislation and Regulation Control Bodies • Surveys 	<ul style="list-style-type: none"> • Participation in public benefit projects • Active participation in discussion tables

1.3. Materiality

[GRI 3-2]

Material topics are defined through a process of identifying, evaluating and prioritising the sustainability aspects relevant to the Indel B Group, following an analysis carried out internally.

These are the same topics that influence the Group's ability to create value in the short, medium and long term. The Indel B Group assessed possible material topics therefore with the aim of identifying those most relevant to the organisation in the non-financial sphere, which could help stakeholders decide whether or not to invest in the company, thereby creating value for the company.

It should be noted that the determination of the material topics is the result of an assessment carried out internally without engaging external stakeholders. In this process, the Group identified the (positive and negative) impacts that its business activities have on the economy, the environment and people, also considering the impacts on human rights, within the organisation's business activities and relationships.

The significance of the identified impacts was assessed by assigning each impact a severity level (considering a scale of 1 to 5) and probability level (considering a scale of 1 to 5). The definitions of severity and probability are as follows.

- Severity, meaning the severity of the impact taking into account its scope, scale and level of irreversibility.
- Probability, meaning the degree of occurrence of a certain event capable of causing a (positive/negative) impact on people, things, or other factors. The process led to the prioritisation of the most relevant impacts, which were associated with nine material topics.

The materiality table is shown below.

Material Topic	Impacts generated by Indel B	Type of impact
Energy efficiency	<ul style="list-style-type: none"> • Contribution to the reduction of CO2 emissions (Scope 1 and 2) 	Positive
	<ul style="list-style-type: none"> • CO2 emissions/pollution in the territory and damage to the surrounding population 	Negative
Environmental Impacts	<ul style="list-style-type: none"> • Reduction of the negative effects caused by the industrial factory 	Positive
	<ul style="list-style-type: none"> • Eliminating waste and the pollution generated by production 	Positive

Responsible supply chain management	<ul style="list-style-type: none"> • Selection of suppliers in relation to their commitment to sustainability 	Positive
	<ul style="list-style-type: none"> • Creating mutually supportive partnerships on issues of common interest 	Positive
Product quality and safety	<ul style="list-style-type: none"> • Bringing innovative, quality products to the market, in all their components, in order to maximise their safety 	Positive
Socio-economic development	<ul style="list-style-type: none"> • Contribution to the development of local industry 	Positive
Enhancing human resources	<ul style="list-style-type: none"> • Increased personal knowledge 	Positive
	<ul style="list-style-type: none"> • Employee well-being 	Positive
	<ul style="list-style-type: none"> • Risk of loss of human and intellectual capital 	Negative
Management of workers' health and safety	<ul style="list-style-type: none"> • Work-related injuries 	Positive
Protection of human rights	<ul style="list-style-type: none"> • Respect for workers' rights 	Positive
Ethics and anti-corruption	<ul style="list-style-type: none"> • Supporting anti-corruption policies 	Positive
	<ul style="list-style-type: none"> • Responsibility of individuals 	Positive

1.3.1. Policies and Risks

The Indel B Group has a risk management system whose purpose is to identify, assess and control the risks to which it is exposed in all its areas of activity. The risks identified are constantly monitored in order to ensure business continuity and the achievement of corporate objectives. The following table analyses, with reference to the specific areas of risk related to the areas indicated by the Decree, the main risks to which the Group is exposed and how they are managed.

Areas indicated by Italian Leg. Decree 254/16	Material topic for Indel B	Risks identified	Management methods and Policies implemented
Environmental aspects	<ul style="list-style-type: none"> Energy efficiency 	<p>Following the assessment of the environmental impacts generated and suffered, the Group is exposed to specific environmental risks related to the following aspects:</p> <ul style="list-style-type: none"> Energy consumption; Use of potentially dangerous substances (technical gases, oils, paints, fuels, solvents, etc.); Production of waste (especially packaging); Processing scraps; Leakage of combustible gas due to equipment breakage; Noise pollution from production processes; Air pollution; Spilling liquids on the ground. 	<p>The Parent Company Indel B and its subsidiary Autoclima have issued a policy for the adoption of an Environmental Management System for all company areas. In particular, it should be noted that the main production sites have obtained UNI EN ISO 14001 certification. Part of the certification process includes an Initial Environmental Analysis, which is at the basis of the system for managing and mapping significant environmental aspects.</p> <p>This system is used to manage and mitigate the existing risks. By planning a systematic structure and adopting criteria and actions consistent with the company's business, the system creates the necessary conditions so that the services provided meet all the environmental conditions required by compliance obligations over time.</p>
	<ul style="list-style-type: none"> Reducing environmental impacts 		
Social aspects	<ul style="list-style-type: none"> Responsible supply chain management 	<p>The Group does not have a system for measuring the possible (direct or indirect) social impacts produced; however, the main social risks identified by the Group concern the supply chain and its impact on the Group's activities, product quality/conformity and complaint management, and employment stability.</p>	<p>With regard to the supplier qualification process, the choice of supplier companies is focused on the ability to guarantee products that comply with mandatory environmental, safety and occupational hygiene requirements, and comply with any certification and suitability obligations required by law.</p>

	<ul style="list-style-type: none"> Product quality and safety 	<p>In relation to this last aspect, it should be emphasised that the business of Indel B and Condor B and the related ancillary activities created foster the employment and development of local communities.</p>	<p>The Group has not issued formal policies, but the Parent Company has a procedure for handling emergencies, and constantly and continuously monitors the supply chain and product safety in order to prevent any potential accidents and protect social aspects.</p>
	<ul style="list-style-type: none"> Socio-economic development 		<p>With reference to product quality risks, it should be noted that the Group has a Quality Management System in accordance with UNI EN ISO 9001, through which it is able to meet customer expectations as well as the safety and performance standards of the products marketed by the Group. Thanks to its steady growth in recent years, Indel B has committed itself to hiring people with different specialisations in the territory where it operates.</p>
Human Resources	<ul style="list-style-type: none"> Enhancing human resources 	<p>The high growth of the business and the ever-increasing demand for human resources from competitors in the sector exposes the Group to the risk of loss of human and intellectual capital.</p>	<p>The Group aims to increase and enhance the capital of knowledge and skills of each employee through the implementation of welfare practices and the provision of ad hoc training courses.</p>
	<ul style="list-style-type: none"> Management of workers' health and safety 	<p>Production activities expose workers to health and safety risks, more specifically consisting of mechanical risks (material falling from heights, crushing, slipping, impacts, compressions, collisions, road accidents, risks from manually handling loads, biomechanically overloading the upper limbs and lower back) and other general risks.</p>	<p>The company Autoclima has a Health and Safety Management System according to UNI ISO 45001:2018, while Indel B has the same system, although not yet certified. The policy put in place by Indel B and Autoclima for the management of employee health and safety aspects is summarised in a single principle: "Occupational safety and health are goals to be pursued continuously; the right conditions must be created for this to happen". With the aim of continuing to pursue the goal of minimising risk factors and, therefore, the likelihood of injuries and occupational illnesses, various occupational safety and prevention programmes have been implemented. The Group is also committed to preventing discriminatory behaviour by upholding the equal treatment of men and women and condemning all manifestations of discrimination based on ethnicity, religion, age, race, sexual orientation, nationality or political opinions, as described in the Code of Ethics and the Charter of Values.</p>

Respect for human rights	<ul style="list-style-type: none"> Protection of human rights 	<p>The Group's Italian offices operate in a context where human rights are protected by current legislation. Human rights risks are concentrated in the supply chain, and in particular in the geographic areas where Indel B is present, through contracts with local companies. In this regard, the Group is exposed to potential risks of human rights violations, such as the exploitation of child labour, forced labour, the violation of workers' rights and, in general, the rights of the individual; in particular, the country most presenting these potential risks is Brazil.</p>	<p>The Group does not have formalised policies in place; however, in those areas where the risk is highest, there is an awareness of the need for greater commitment to the protection of human and labour rights, particularly with regard to the absence of forced labour and workplace harassment.</p> <p>The same ethical principles are applied in staff evaluation and selection processes.</p> <p>To safeguard the above-mentioned aspects, the parent company Indel B has adopted a Management, Organisation and Control Model pursuant to Italian Legislative Decree 231/2001 with the relevant Code of Ethics and Charter of Values. The companies Condor B and Autoclima, although not provided with a Management, Organisation and Control Model pursuant to Italian Legislative Decree 231/2001, also have a Code of Ethics and a Charter of Values.</p>
Combating Active and Passive Corruption	<ul style="list-style-type: none"> Ethics and anti-corruption 	<p>Indel B operates in some countries with a medium/high risk of corruption (in Italy, France), or high risk (Brazil). This risk mainly relates to corruption between private individuals, since the Group does not usually operate with public companies.</p> <p>Risk for transactions with countries on sanctions lists.</p>	<p>The Management, Organisation and Control Model adopted by the Parent Company allows for the identification of the activities through which it is possible to incur the offence of corruption and the adoption of control measures appropriate for the prevention of this offence. A whistleblowing channel is in place for all Group companies.</p>

To achieve its objectives and mitigate existing risks, the Group has formally issued policies within its certified corporate management systems, which include:

- Environmental Management System (compliant with UNI EN ISO 14001:2015 for Autoclima and Indel B);
- Health and Safety Management (compliant with UNI ISO 45001:2018 for Autoclima)
- Quality Management (compliant with UNI EN ISO 9001:2015 for Indel B, Autoclima, Condor B and SEA).

With regard to the main risks and management methods and policies for Autoclima's foreign subsidiaries, there are no environmental, social and safety policies beyond what is required by the local regulations in force, as these

foreign subsidiaries are mainly used for distribution and marketing activities, and the purchasing of spare parts and equipment is carried out directly by Autoclima Italia.

2. Environment

[GRI 3-3]

The main production site of Indel B is at Via Sarsinate 27 in the municipality of Sant'Agata Feltria (Rimini). Other small production or storage sites can be found in the municipality of Sant'Agata Feltria at Via dei Ronchi, Via Sartini and Strada di Maiano. A new production site at Via Montefeltro 118, Secchiano in the municipality of Novafeltria (RN) of about 11,000 square metres has been operational since the end of 2020.

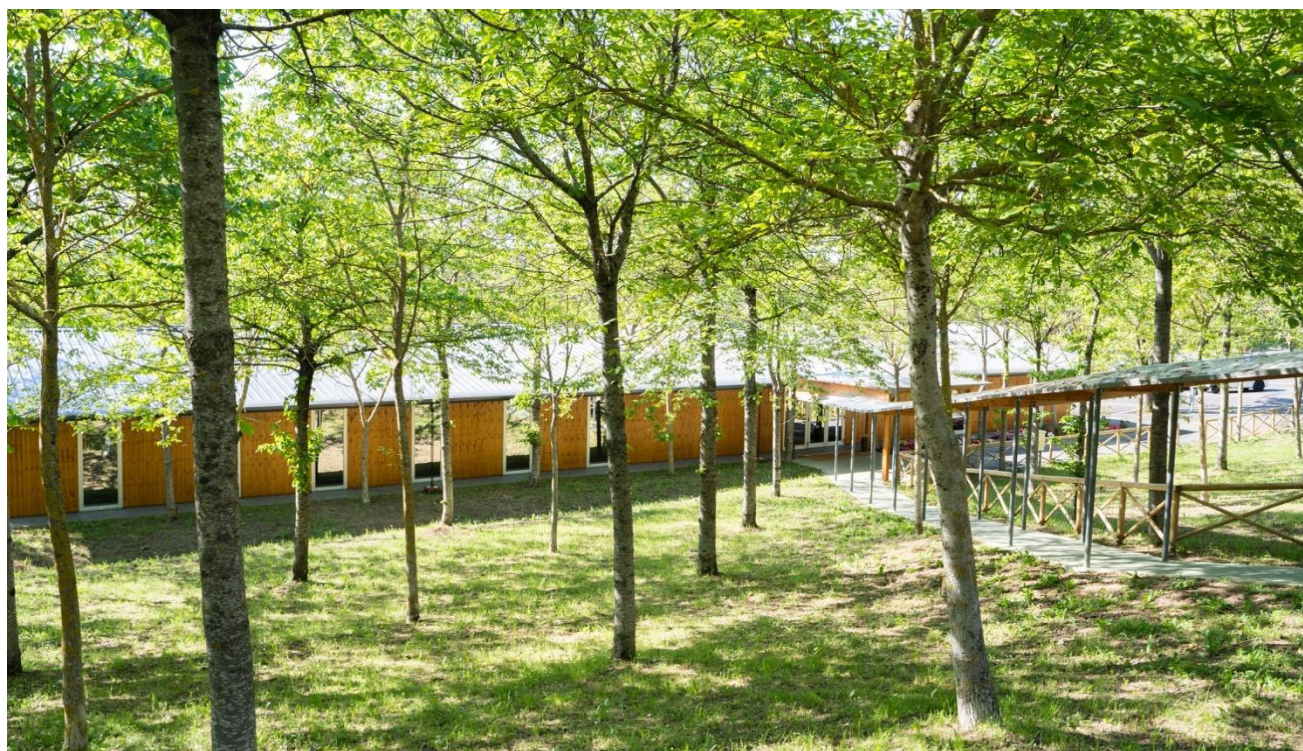
It is worth mentioning that the new plant in Secchiano was expanded by a further 4,500 square metres in 2022 in order to accommodate new production for the automotive market.

In the year 2023, the production area in Secchiano was again expanded with two additional factories, the first approximately 5,000 square metres and the second 3,000 square metres.

Indel B's activities include the design, production and marketing of 12-24 V direct current refrigerators and air conditioners, 230-115 V alternating current refrigerators and minibars for hotels, offices and furnishings through the stages of: plastic thermoforming, sheet metal processing, resin injection and assembly.

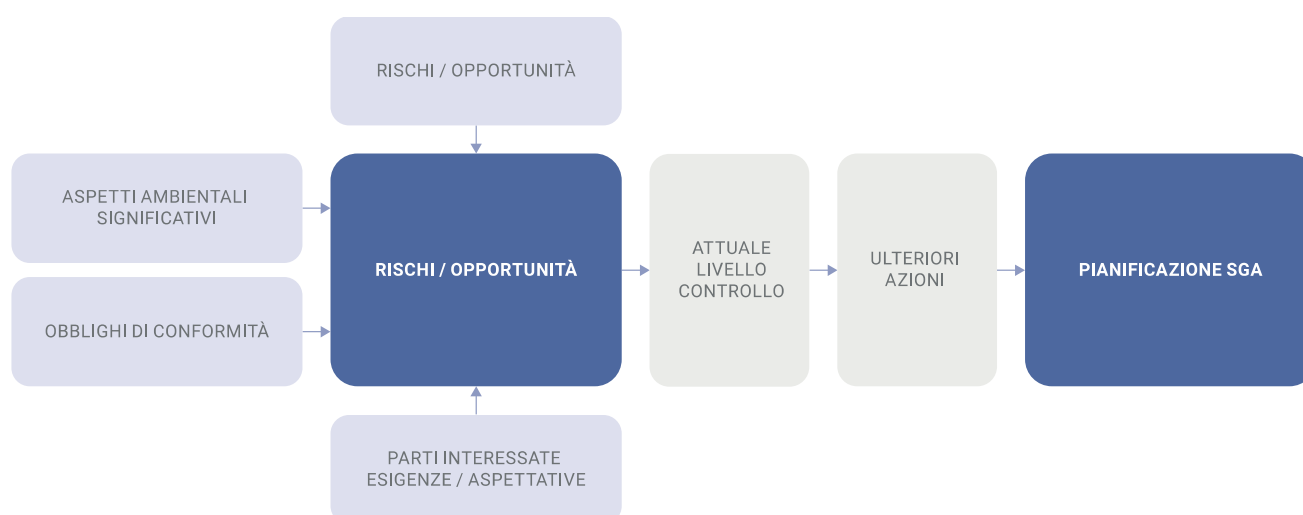
The Environmental Management System and the main production site at Via Sarsinate are certified according to UNI EN ISO 14001:2015 by DNV. The certification was renewed in October 2023, and is valid for three years.

The production site in Secchiano, Novafeltria has also been certified according to UNI EN ISO 14001:2015 by DNV since July 2022.



Indel B carried out an Environmental Analysis taking into account the general framework of the site, the analysis of the activities and production processes, the environmental aspects (including abnormal and emergency situations), the sensitivity of the area with reference to the environmental aspects identified, the choice of indicators for measuring environmental performance and the risk analysis and planning of the Environmental Management System.

Both direct environmental aspects under the organisation's control, and indirect environmental aspects relating to product placement on the market and the behaviour of suppliers of externally outsourced processes (e.g., painting), which may generate environmental impacts under normal, abnormal or emergency conditions, were identified.



Indel B has defined its environmental aspects and assigned significance/importance to each aspect. Significance is attributed to each aspect by multiplying the probability of occurrence (P) and severity (G).

The probability of occurrence is the probability of the event, e.g., in the case of consumption of water to extinguish a fire, the probability of the fire is considered. Probability of occurrence and significance are identified as follows:

A. Probability of occurrence:

1. very unlikely, i.e., the event could occur due to a particularly unfavourable and unlikely set of circumstances; no similar episodes occurred.
2. likely, i.e., the event could occur due to conceivable unfavourable circumstances; some such cases are known.
3. highly likely, i.e., the event may occur due to the absence or defect of one or a few elements; similar incidents have occurred in the company or in similar companies.
4. certain, the event occurs during normal operation.

B. Severity

Severity is calculated using a series of criteria listed below; each aspect is assigned a score (from 0 to 4), the severity of the aspect being the sum of the scores assigned for each criterion.

1. Standards, Regulations, Prescriptions: the aspect is regulated by national/regional laws or prescriptions of local authorities.
2. Environmental Damage: this aspect can have serious and persistent environmental implications (reversible and otherwise) over time - even criminal implications - as environmental damage, and have negative financial effects.
3. Impact on the environment: the aspect has (or can cause) an effect on the surrounding environment depending on the quantities emitted, their intrinsic hazardousness, and the sensitivity of the receptors.
4. External Community: the aspect causes (or may cause) an effect, harm or disturbance to local community groups (e.g., residents, environmental associations, external companies, etc.); it should be considered whether requests or complaints have already been expressed.
5. Cost Reduction: the aspect has or may have positive implications on direct (savings are foreseeable) or indirect (e.g., Insurance) company costs.
6. Customer Requests: the aspect is or may be requested by the company's direct or indirect customers in the future.

Indel B decided to consider environmental aspects with a score above 18 as significant for 2023. The significance assessment of environmental aspects is present in the Indel B Environmental Management System, part of which is shown below:

Description	Normal conditions	Abnormal conditions	Emergency conditions	Activity	Probability of occurrence	Rules & Regulations	Environmental damage	Impact on the environment	External community	Cost reduction	Customer requests	Total score
Energy consumption of the final product	N			Product placement on the market	4	1	1	3	2	0	1	32
Packaging waste production	N			Receipt of raw materials	3c	1	1	2	2	0	0	18
Polyol and isocyanate spillage	N			Skimming	4	1	0	2	1	0	0	16
Fuel consumption	N			Workplace heating	4	1	0	2	1	0	0	16
Spillage of of fuel gas due to plant breakage		A		Workplace heating	4	1	0	2	1	0	0	16
Spillage of of fuel gas due to plant breakage			E	Workplace heating	4	1	0	2	1	0	0	16
Machine noise	N			Sheet metal processing	4	1	1	1	1	0	0	16
Processing scraps (oil)	N			Sheet metal processing	4	1	1	1	1	0	0	16
Packaging waste production	N			Product placement on the market	4	1	1	1	1	0	0	16
Processing scraps	N			Sheet metal processing	4	1	1	1	1	0	0	16

Significant environmental aspects are the subject of specific improvement actions within the company's Environmental Management System.

Risk analysis and planning of the environmental management system

The analysis of the risks and opportunities that have emerged as a result of the characterisation of the context, stakeholder needs/expectations, (significant) environmental aspects and the related compliance obligations, must lead the organisation to assess whether it is appropriate to plan further actions, in addition to those already in place within the ENVIRONMENTAL MANAGEMENT SYSTEM, to improve the current level of control and thus guarantee the progressive achievement of the expected results of the ENVIRONMENTAL MANAGEMENT SYSTEM. Within the scope of its ENVIRONMENTAL MANAGEMENT SYSTEM, risks and opportunities have been identified related to:

1. environmental aspects
2. compliance obligations
3. context
4. needs/expectations of the parties concerned.

In view of the risks and opportunities identified in relation to the previous elements, the organisation has defined which of them must be addressed in order to prevent or reduce undesirable effects that do not allow it to guarantee that its ENVIRONMENTAL MANAGEMENT SYSTEM can achieve the expected results, such as continually improving environmental performance, maintaining full compliance with mandatory and/or voluntarily undertaken compliance obligations, achieving environmental objectives, etc.

A summary of the results of the risk analysis using SWOT analysis is shown below:

<h3>Strength</h3> <ul style="list-style-type: none"> • Attention to legislative compliance • Management's sensitivity to environmental issues • Systematic management of environmental aspects (e.g., waste) • Non-significant environmental impacts 	<h3>Weakness</h3> <ul style="list-style-type: none"> • Reduced resources for day-to-day management of the ENVIRONMENTAL MANAGEMENT SYSTEM and the search for new environmental solutions • Staff environmental culture
<h3>Opportunities</h3> <ul style="list-style-type: none"> • Image and reputation of the company as environmentally sensitive through external communication, promotion and participation in conferences on environmental issues • Increase in staff environmental culture through dedicated training courses • Intercept the market of customers with environmental awareness • Research into innovative components or solutions to achieve greater energy efficiency of products 	<h3>Threats</h3> <ul style="list-style-type: none"> • Legislative evolution towards a reduction in limits for the use of certain raw materials (product adaptation) • Incorrect management of environmental aspects and consequent legislative non-compliance • Structural damage due to natural events such as earthquakes or natural phenomena (emergency management and recovery or relocation)

Risks related to climate change, which are considered to be external to the Group, are not currently included in the risk management models used by Indel B, as they are not expected to have a significant impact to date due to the nature of the production, the product and the measures already implemented by the Group in previous years.

It should be noted that there are currently three different activities at EU level related to the topic of Sustainability which may lead, in the medium term, to the need to implement important activities related to product, process and supply chain verification, control and adaptation, with costs that in some cases could be significant depending on the solutions adopted or which become necessary. Specifically, the regulations and directives are:

- F-Gas (regulation) with which we are already compliant;
- P-Fas, still being studied by the European Community (part of the Reach regulation), with which compliance or non-compliance will have to be verified and, in the latter case, attained;
- Corporate Sustainability Due Diligence Directive (CSDD), for which we are already carrying out a supplier assessment/management activity using the tool SAQ (Supplier Assurance Quality).

These activities could, however, be the subject of European and/or national contributions.

It should be noted that these regulations, or amendments to regulations or directives, are not yet operational, as they have not yet completed the required process. It is therefore not currently possible to set a date for the introduction of the above-mentioned restriction (for PFAS), which may also be subject to change as a result of specific derogations. We are already compliant or are working towards being compliant for the other two, F-Gas and CSDD.

Regardless, the Group is very attentive to further reducing these risks, in compliance with regulations that will come into force and to meet the needs of its stakeholders.

General Overview of the Indel B Sant'Agata Feltria Site

Some history about the area

Located on the border between Marche and Romagna, Sant'Agata Feltria has ancient origins. Already inhabited by the Umbri Sarsinati, in later centuries it belonged to various feuds, including the Malatesta, Montefeltro and then the Fregoso, who gave their name to the fortress built around the 10th century and restored by Francesco di Giorgio Martini in 1474. In addition to the aforementioned fortress now home to a permanent museum, Sant'Agata Feltria has a stupendous and well-maintained historic centre and several buildings of notable historical value, including the convent and church of San Girolamo and, above all, Teatro Angelo Mariani which, with its entirely wood structure is one of the oldest theatres in Italy; all dominated, from the top of Mont'Ercole, by an imposing chestnut forest.

Geographical framework

The territory of Sant'Agata Feltria is quite large (79.30 km²); it includes several hamlets such as Caioletto, Casalecchio, Maiano, Palazzo, Pereto, Petrella Guidi, Rocca Pratiffi, Sapigno, San Donato, Ugrigno and others. It is the second largest municipality in the province of Rimini (after the provincial capital) and the first in the Alta Valmarecchia mountain community.

The main town is located at an altitude of 607 metres and lies within the catchment area of the Savio River, just north-west of the ridge. According to the Geological Map of Italy drawn up by the Geological Service of Italy (sheet no. 108), the Santagatese terrain is geologically formed by mainly a mixed, predominantly clayey complex, known as "scaly clay" (c), and of "greyish clayey marls, sandy-white in the lower part, sometimes with intercalations of molasses" (Ms2). The hamlet of Petrella Guidi stands on a "limonic-sideritic manganisiferous concretion" (cfs) immersed in the mixed complex, while the settlements of Sapigno and Maiano rise in the Mg2 zone ("thinly stratified, microcrystalline chalks with bluish marly-clayey intercalations"), in an area surrounded by the aforementioned clayey marls characteristic of the Tuscan-Emilian complex. Monte Ercole (933 m a.s.l.) is partly formed by soils classified as "quartz-feldspar sandstones of the stone type but generally coarser". Overall, much of the Santagata terrain is subject to landslides. Its seismic classification is zone 2 (medium seismicity).

Hydrography

The municipality of Sant'Agata is bordered both to the east and west by watercourses: to the west, the Maggio River marks the municipal boundary with Sarsina, while to the east, the Marecchia marks a few kilometres of the boundary with the municipality of Pennabilli. The municipal territory is crossed by two tributaries of the Maggio River: one is the Marecchiola stream, which in its course of about ten kilometres collects the waters of other seasonal streams, the longest of which are the Piagge canal, which originates near San Donato at about 450 m above sea level, the Fossatone ditch, which originates near the municipal cemetery at about 510 m above sea level, and the Serva, Cerafosso, Carrocchi and Ronchi canals. The other is the Fanante stream, which starts near Ugrigno at an altitude of about 400 m above sea level and reaches the Maggio River, delimiting part of the northern border with Novafeltria. The Rocca canal, a watercourse that begins near Pereto at about 605 m above sea level, flows into the Marecchia River at an altitude of 351 m a.s.l.: the Avezzane canal, which also forms near Pereto at 653 m a.s.l., instead flows into the Senatello canal as far as Cicognaia, marking the boundary with the Tuscan exclave of Badia Tedalda at an altitude of 415 m above sea level before it flows into the Marecchia.

Extending over 9,458 square kilometres, the Apennine territory constitutes more than 40% of the regional surface area. It is a varied geographical area, reaching even considerable altitudes (over 2,000 metres), with differentiated morphological-environmental, demographic and economic characteristics. It takes on different names not only according to its simple spatial location (Ligurian, Tuscan-Emilian, Bolognese, Tuscan-Romagnolo or Montefeltro Apennines) but also in relation to the dominant lithology - Apennines of clays, chalks, sandstones, ophiolites - or to the dominant vegetation formations, from highland meadows-pastures to the chestnut and oak belts.

Beyond the differences, all these areas are nevertheless united by the more or less extensive presence of "hydrogeological disruption" phenomena: landslides, rock collapses, hydrological disorder. These phenomena make Emilia-Romagna, together with Lombardy and Marche, one of the most landslide-prone regions in Italy, with over 22% of the hilly and mountainous territory affected by the phenomena (against the national average of 14%). The following figure shows these first two aspects - geological and vegetation - which provide an initial snapshot of the differences where, for example, in the figure on the left the grey colour represents the extent of the clay Apennines - extremely landslide-prone - while the brown colour represents the sandstone Apennines, much more "solid" and less prone (certainly not exempt) to instability phenomena. The diversity of types of forests depending on the substrate should also be noted, where the clay Apennines are characterised by a very widespread presence of non-forest areas (in yellow in the figure below).

Source: Emilia Romagna Region Website



with respect to those in the Extraordinary Plan. These analyses made it possible to recognise an ancient landslide body to the south of the historic core of which there is no historical mention. A detailed study conducted on this landslide body states that there are no prospects of potential mobilisation for it. The preliminary general project for the consolidation of the landslide comprised nine lots (March 1998 - total amount 23 billion lire); the first three (financed to the tune of 6,271,000,000 lire), indicated as a priority by the S. Agata Feltria Municipal Administration, were implemented. The analysis was carried out by Geoequipe Studio Tecnico Associato, Geoteco with the technical-scientific consultancy of M. G. Angeli – I.R.P.I. (Research Institute for Geo-hydrological Protection) C.N.R. (National Research Council) Perugia. For further details, please refer to the "Catchment Plan for Hydrogeological Management" of the Sant'Agata Feltria Municipality.

The Indel B plants of Sant'Agata Feltria

The main plant at Via Sarsinate is located in the industrial zone identified as (D2) in the Manufacturing Plan of the municipality of Sant'Agata Feltria (PU). The nearest residential settlement to the factory is no less than 200 m away and the nearest manufacturing activity is approximately 250 m away. The plant is bordered by agricultural land to the west and south, by the provincial road to the north and by the business area to the east. The plant is located along the provincial road with a moderate amount of car traffic; in fact, this road connects S. Agata Feltria to the hamlet of S. Donato. The area where the plant is located is NOT subject to the requirements of the P.P.A.R. (Regional Environmental Landscape Plan). The new production plant located in the industrial area of the municipality of Novafeltria in Secchiano has been operational since the end of 2020.

The Indel B plant in Secchiano di Novafeltria



General site overview

The plant is located in an industrial zone in the General Regulatory Plan of the municipality of Novafeltria (RN). The use of the buildings within a radius of 200 m is predominantly residential, with the presence of a few industrial factories. Compressor refrigerators are manufactured in the Secchiano factory.



Source: Emilia Romagna Region Website

Overview of the history of the territory and Geographical framework

Secchiano Marecchia, known simply as Secchiano, is a hamlet of the municipality of Novafeltria, from which it is four kilometres away, right on Via Marecchiese (SS 258,) in the direction of Rimini. Until the creation of the municipality itself in 1910, it was part of other hamlets (Sartiano, Torricella, Perticara and Uffogliano) of the municipality of Talamello. Novafeltria (formerly Mercatino Marecchia, Marcatein in Romagnolo) is an Italian municipality with 7,029 inhabitants in the province of Rimini in Emilia-Romagna.

The Union of Municipalities of the Marecchia Valley is based here and includes the municipality of Sant'Agata Feltria, where the Indel B headquarters are located.



Source: Emilia Romagna Website

Novafeltria is located on the SS 258 Marecchiese road in the centre of the upper Marecchia Valley, the basin of the Marecchia River that flows into the Adriatic Sea at Rimini, and is in the centre of the valley between the regions Marche, Tuscany and Emilia-Romagna. The Marecchia Valley generally appears as a set of gently sloping hills. However, it has the particularity of featuring very varied and diverse landscapes, including both rather high peaks and flat areas at the extremes. In fact, the highest peaks start from the west at the source of the Marecchia River, as part of the Apennine ridge (Monte dei Frati, 1,454 m a.s.l., Monte della Zucca, 1,263 m a.s.l.). Moving eastwards, the heights diminish and the landscape becomes decidedly more gentle and hilly. A number of particularly fascinating isolated reliefs emerge from these hills, such as Sasso Simone and Simoncello, Monte Carpegna and Monte Canale, where the arboreal vegetation takes over. Descending towards the Adriatic Sea, the

middle Marecchia Valley widens considerably; the hilly landscape dominates here too, with gentle slopes and rounded reliefs, within which limestone-arenaceous formations lead to the emergence of isolated reliefs and cliffs of undoubted natural and historical importance (Monte Perticara, San Leo, Maioletto, etc.). The valley subsequently takes on an almost flat appearance already after the Ponte Verucchio bottleneck, and then merges with the southern extremities of the Po Valley. The municipality was called Mercatino Marecchia until 1941 and was established in 1907 from the union of hamlets detached from the municipality of Talamello. The first settlement dates back to 950 AD, with the church of San Pietro in Culto and the oratory of Santa Marina. Chosen as the home of the Segni Counts of Bologna, who built a sumptuous villa there in the first half of the 17th century which is now the town hall, Novafeltria became an agricultural and commercial centre and the scene of large fairs, particularly in August. Today, the town is the centre of numerous economic activities in the Marecchia Valley.

From 1922 to 1960, Novafeltria was connected to the Adriatic coast by the Rimini-Novafeltria railway. The municipality of Novafeltria belonged to the Marche region (province of Pesaro and Urbino) until 15 August 2009, when it was detached from it together with six other municipalities of the Alta Valmarecchia Valley in implementation of the outcome of a referendum held on 17 and 18 December 2006. The seismic classification of the municipality of Novafeltria is zone 2 (medium seismicity)



Hydrography

The municipal territory is crossed by the Marecchia River. The river originates in the municipality of Badia Tedalda in Tuscany, from the Alpe della Luna (Monte Zucca 1,263 m) near Pratieghi in the Tuscan-Romagna Apennines.

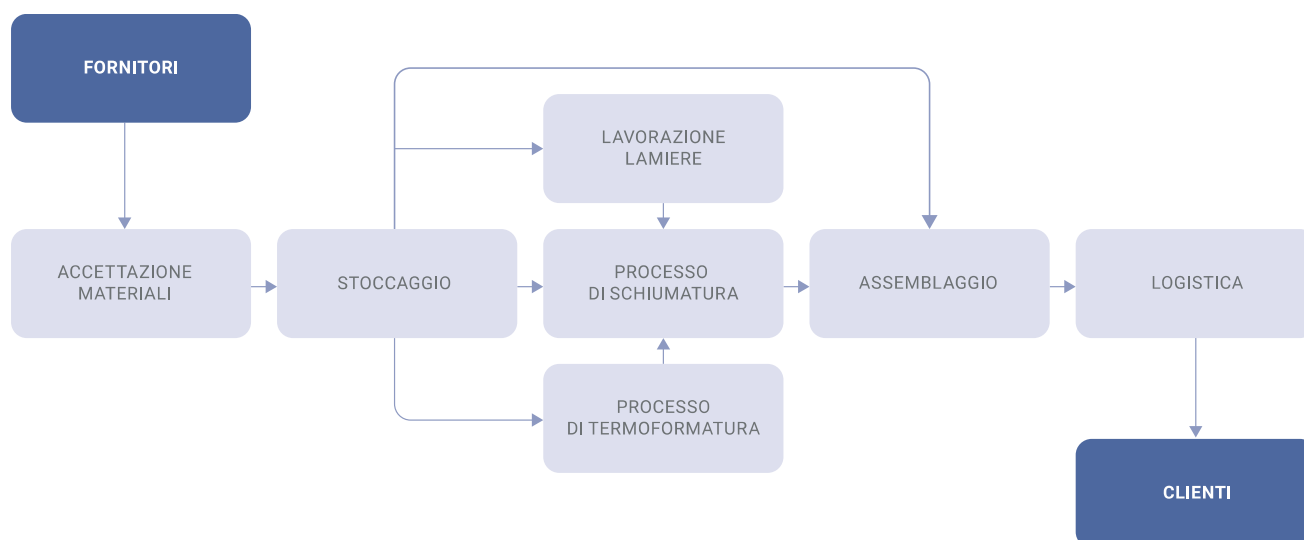
Its 70 km course runs through Tuscany and Emilia Romagna along the Valmarecchia Valley (which takes its name from the river), receiving contributions from several tributaries including the Presale stream, the Senatello stream, the Mavone stream, the Mazzocco stream, the San Marino stream and the Ausa stream. With a wide, pebbly bed, the river then reaches the city of Rimini, where it flows into the Adriatic Sea. In the past, the final stretch (about two kilometres) of its course passed under the Tiberius Bridge and then flowed into the sea via the canal port. Between 1924 and 1930, an artificial riverbed was instead built to prevent flooding. As a result of this diversion, the current mouth is located near San Giuliano Mare and Rivabella.

Although it has a fairly high average annual modulus at Pietracuta (of about 11 m³/s), the Marecchia remains more a large stream: in fact, the flow variations are considerable depending on the season, with violent floods in the autumn (even of over 1,200 m³/s) and total dryness in the summer. However, a geological characteristic of the Marecchia River is that it has a considerable water flow under the substratum of its flowing bed (this can be seen in particular by the large difference in flow rate between Ponte Verucchio and the small dam 500m from the mouth). In addition, some small flows exit far from the coast, where freshwater pools form. The city of Rimini makes use of this special feature for its water supply, even in summer when the river is dry.

The activities carried out in Indel B's plants, given the characteristics of the surrounding area and the above-mentioned sensitivity to hydrogeological instability, do not cause a significant environmental influence on the territory.

Process flow chart

A graphical summary of the production process of Indel B's activities is shown below:



Consumption of Raw Materials

[GRI 301-1];

The products marketed by Indel B are characterised by a high degree of uniformity in the raw materials used for production. The quantity and type of raw materials used do not depend strongly on the product class, but are practically homogeneous for the various product classes, and for products belonging to the same class.

The raw materials used by Indel B for production or assembly, and present in the products marketed, are as follows:

- Thermoplastics (ABS/polystyrene/polypropylene sheets, polycarbonate/PMMA/PVC components, polyethylene, polypropylene and polystyrene packaging)
- Iron and steel sheets (galvanised iron sheets, steel sheets, stainless steel components);
- Duromers (polyurethane);
- Metals and metal alloys (copper, aluminium);
- Paints (saturated carboxylated polyester resins and solid epoxy resins);
- Refrigerant gas (R134a, R600a);
- Glass;
- Cardboard;

- Wood;
- Electronic components.

Of the materials used, most are recoverable at the end of the product's life. In addition, recoverable materials make up a larger percentage of Indel B products than non-recoverable materials.

The non-recoverable materials at the end of the product's life, and therefore destined for disposal, include:

- Refrigerant gas;
- Electronic components.

Energy Consumption and Emissions

[GRI 302-1]; [GRI 302-3]; [GRI 305-1]; [GRI 305-2]

Energy consumption is divided into electricity, gas and wood consumption:

- **Electricity:** is used to power office utilities, lighting and air conditioning of premises, equipment and production machinery.
- **Methane gas:** for space and process heating.
- **Wood:** for heating production departments.

The electric system of the main plant has a contracted power of 423 kW. There are also two generator sets available to power the lighting and machinery systems in case of emergencies (power failure). The thermal power plant for heat production consists of three generators with a total heat output of 3316 kW:

- generator 1: 1,950 Kw
- generator 2: 1,266 Kw
- generator 3: 100 Kw

Maintenance is entrusted to certified companies. In addition, it should be noted that a 55.68 KWp PV system is installed on the roof of the Thermoforming department.

Energy consumption within the organisation, broken down by renewable and non-renewable source³

FY 2023	UoM	Indel B	Condor B ⁴	Autoclima	SEA	ESC
• Natural gas	m3	95,089.00	58,808.00	73,847.00	12,928.00	126.00
• Gas R134a	Kg	17,240.00	-	-	-	-
• LPG	l	15,351.00	4,210.00	-	-	-
• Diesel ⁵	l	30,249.79	20,830.37	23,562.28	849.16	-
• Petrol	l	716.41	136.21	-	643.98	-
• Other (Ad Blue)	l	-	-	57.57	-	-
• Electricity	MWh	2,386.51	273.85	484.63	61.83	115.00
• of which from non-renewable sources	MWh	871.56	173.85	419.20	61.83	115.00
• of which from renewable sources ⁶	MWh	1,514.96	100.01	65.43	-	-

FY 2023	UoM	Indel B	Condor B	Autoclima	SEA	ESC	Group
• Natural gas	GJ	3,371.57	2,078.10	2,618.39	458.39	4.46	8,530.91
• Gas R134a	GJ	0.61	-	-	-	-	0.61
• LPG	GJ	363.25	99.62	-	-	-	462.87
• Diesel	GJ	1,082.91	745.71	853.61	30.40	-	2,712.63
• Petrol	GJ	23.17	4.41	-	20.97	-	48.55
• Other (Ad Blue)	GJ	-	-	1.85	-	-	1.85
• Electricity	GJ	8,591.46	985.99	1,744.67	0.22	0.41	11,322.75
• of which from non-renewable sources	GJ	5,453.86	625.90	235.55	-	0.41	6,315.73
• of which from renewable sources	GJ	3,137.60	360.08	1,509.12	0.22	-	5,007.02
• Total energy	GJ	13,432.36	3,913.82	5,216.67	509.98	4.87	23,077.70

FY 2022	UoM	Indel B	Condor B ⁷	Autoclima	SEA	ESC
• Natural gas	m3	70,568.00	57,177.00	81,794.00	13,822.00	128.14
• Gas R134a	Kg	13,400.00	-	-	-	-
• LPG	l	14,010.00	6,440.00	-	-	-
• Diesel ⁸	l	33,340.00	18,599.08	23,073.00	413.50	-
• Petrol	l	471.00	308.33	-	927.79	-

• Electricity	MWh	2,438.71	292.47	571.37	59.77	100.87
• of which from non-renewable sources	MWh	1,388.85	166.56	514.23	59.77	-
• of which from renewable sources ⁹	MWh	1,049.86	125.91	77.14	-	-

Y 2022	UoM	Indel B	Condor B	Autoclima	SEA	ESC	Group
• Natural gas	GJ	2,493.66	2,020.46	2,890.35	490.55	4.53	7,899.56
• Gas R134a	GJ	0.47	-	-	-	-	0.47
• LPG	GJ	331.51	152.39	-	-	-	483.90
• Diesel	GJ	1,193.54	665.83	825.99	14.80	-	2,700.16
• Petrol	GJ	15.23	9.97	-	30.01	-	55.22
• Electricity	GJ	8,779.36	1,052.88	2,056.93	215.17	363.13	12,104.70
• of which from non-renewable sources	GJ	4,999.84	599.62	1,851.23	215.17	-	7,666.22
• of which from renewable sources	GJ	3,779.51	453.28	277.70	-	-	4,510.48
• Total energy	GJ	12,813.76	3,901.53	5,773.28	750.53	367.66	23,244.00

³ The figure does not include Indel B North America and Autoclima's foreign subsidiaries.

⁴ With reference to the company Condor B: the quantity of natural gas used was taken from the annual summary of the supplier company SGR Servizi; the welding LPG from the gas stock discharges; diesel and petrol from the fuel cards. The annual electricity quantity is available on the supplier Hera's summary table.

⁵ The fuel consumption for Indel B, Condor B and Autoclima is calculated taking into account the amount paid for each car and the conversion into litres is calculated by considering the average fuel price from the website of the Ministry of Economic Development.

⁶ The percentage of electricity from renewable sources for Autoclima is calculated considering the energy mix indicated by each vendor, taking into account the latest available year. For Indel B and Condor B, the percentage was allocated on the basis of the figure for the year 2023, made available in the supplier's bill (Hera).

⁷ With reference to the company Condor B: the quantity of natural gas used was taken from the annual summary of the supplier company SGR Servizi; the welding LPG from the gas stock discharges; diesel and petrol from the fuel cards. The annual electricity quantity is available on the supplier Hera's summary table.

⁸ The fuel consumption for Indel B, Condor B and Autoclima is calculated taking into account the amount paid for each car and the conversion into litres is calculated by considering the average fuel price from the website of the Ministry of Economic Development.

⁹ The percentage of electricity from renewable sources for Autoclima is calculated considering the energy mix indicated by each vendor, taking into account the latest available year. For Indel B and Condor B, the percentage was allocated on the basis of the figure for the year 2021, made available in the supplier's bill (Hera).

FY 2021	UoM	Indel B	Condor B ¹⁰	Autoclima	SEA	ESC
• Natural gas	m3	95,204.00	73,569.00	135,179.00	11,874.00	27,138.00
• LPG	l	8,500.00	5,130.00	-	956.83	-
• Diesel ¹¹	l	33,349.16	250.91	21,730.00	-	13,400.00
• Petrol	l	599.82	212.64	-	790.85	-
• Electricity	MWh	2,431.85	322.74	419.38	56.50	153.32
• of which from non-renewable sources	MWh	1,853.31	245.96	377.44	56.50	153.32
• of which from renewable sources ¹²	MWh	578.54	76.78	41.94	-	-

FY 2021	UoM	Indel B	Condor B	Autoclima	SEA	ESC	Group
• Natural gas	GJ	3,358.89	2,597.21	4,772.22	419.19	958.05	12,105.56
• LPG	GJ	221.59	133.74	-	24.94	-	380.27
• Diesel	GJ	1,193.98	8.98	777.98	-	479.75	2,460.69
• Petrol	GJ	19.26	6.83	-	25.40	-	51.49
• Electricity	GJ	8,754.67	1,161.86	1,509.76	203.41	551.95	12,181.65
• of which from non-renewable sources	GJ	6,671.93	885.45	1,358.78	203.40	551.95	9,671.52
• of which from renewable sources	GJ	2,082.74	276.41	150.98	-	-	2,510.12
• Total energy	GJ	13,548.39	3,908.61	7,059.97	672.94	1,989.75	27,179.66

¹⁰ With reference to the company Condor B: the quantity of natural gas used was taken from the annual summary of the supplier company SGR Servizi; the welding LPG from the gas stock discharges; diesel and petrol from the fuel cards. The annual electricity quantity is available on the supplier Hera's summary table.

¹¹ The fuel consumption for Indel B, Condor B and Autoclima is calculated taking into account the amount paid for each car and the conversion into litres is calculated by considering the average fuel price from the website of the Ministry of Economic Development.

¹² The percentage of electricity from renewable sources for Autoclima is calculated considering the energy mix indicated by each vendor, taking into account the latest available year. For Indel B and Condor B, the percentage was allocated on the basis of the figure for the year 2021, made available in the supplier's bill (Hera).

Below is a calculation of the ratio of total energy consumed by the Group to hours worked in the period 2021-2023 in GJ per hour.

FY 2023

Total energy consumed / Hours worked	=	0.172
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FY 2022

Total energy consumed / Hours worked	=	0.0175
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FY 2021

Total energy consumed / Hours worked	=	0.0239
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In October 2020, a photovoltaic system was commissioned at the new production site in Secchiano (Novafeltria) with a capacity of 214 kW, which gave rise to various savings and a lower environmental impact already in the 2021 financial year. In addition, a state-of-the-art 136 kW compressor was installed on the same site, which allows energy to be recovered via a heat exchanger and used to heat the water and the environment of the changing rooms and toilets.

A new photovoltaic plant with a capacity of 110 kW went into operation on the same site in June 2022.

In September 2023, an additional photovoltaic system went into operation on the extension of the production factory in Secchiano, called Secchiano 3, with a capacity of 114 kW.

It should further be noted that two additional photovoltaic systems have been installed, but not yet connected, on the two new factories at the production site in Secchiano, named Secchiano 4 and 5 for a respective power of 309 and 183 kW.

It should also be noted that all the Indel B S.p.A plants located in Secchiano di Novafeltria, and the canteen located in the main plant in Sant'Agata Feltria, are energy class A4.

To date, this is the highest energy class under current law, and is only obtained if the property is built according to green building standards.

As far as atmospheric emissions for Indel B SpA's headquarters are concerned, the emissions are channelled into certain production departments due to:

- Aspiration of welding fumes;
- Vapour extraction from tank/foaming container;
- Aspiration of thermoforming machines;
- Aspiration from cutting plastics.

The emissions into the atmosphere are authorised and subject to annual checks as required by law.

The company Autoclima has five aspiration systems:

- Aspiration for the painting plant;
- Aspiration for the welding plant;
- Aspiration for the sandblasting plant;
- Aspiration for the exhaust gas system.

The company Condor B instead has two aspiration systems:

- Aspiration for the welding plant;
- Aspiration for the automatic bending machine.

Direct (Scope 1) and indirect (Scope 2) CO₂ emissions¹³

FY 2023	UoM	Indel B	Condor B	Autoclima	SEA	ESC	Group
• Direct (Scope 1) CO ₂ emissions	tCO ₂ eq	296.71	179.73	211.10	28.22	0.25	716.01
• Natural gas	tCO ₂ eq	190.55	117.45	147.99	25.91	0.25	482.15
• LPG	tCO ₂ eq	26.03	7.14	-	-	-	33.17
• Diesel	tCO ₂ eq	80.06	55.13	63.10	2.25	-	200.54
• Petrol	tCO ₂ eq	0.07	0.01	-	0.07	-	0.15
• Other (Ad Blue)	tCO ₂ eq	-	-	0.01	-	-	0.01

¹³ For the calculation of direct emissions (Scope 1), the reference source is the Higher Institute for Environmental Protection and Research (ISPRA) - Version 2020, with the exception of LPG, for which the source used is the GHG Emissions Calculation Tool (Version 2.6, World Resources Institute - WRI, 2015), made available by the GHG Protocol.

For the calculation of the GJ of energy consumed from kWh, reference is made to the conversion unit provided by ENEA (National Agency for New Technologies, Energy and Economic Development)

For the calculation of the GJ of energy consumed from 1 litre of LPG, diesel, petrol and natural gas, the reference source is the Higher Institute for Environmental Protection and Research (ISPRA) - Version 2020.

For the calculation of indirect emissions (Scope 2), the reference source used is the Higher Institute for Environmental Protection and Research (ISPRA), "Air emission factors of greenhouse gases in the domestic electricity sector and major European countries" no. 303/2020. It should be noted that the figure does not include the subsidiary Indel B North America and Autoclima's foreign subsidiaries.

• Indirect (Scope 2) CO2 emissions	tCO2eq	730.51	83.84	148.35	18.93	35.20	1,016.82
• Electricity	tCO2eq	730.51	83.84	148.35	18.93	35.20	1,016.82
• Total energy consumed	tCO2eq	1,027.22	263.57	359.45	47.15	35.45	1,732.83

FY 2022	UoM	Indel B	Condor B	Autoclima	SEA	ESC	Group
• Direct (Scope 1) CO2 emissions	tCO2eq	250.50	173.07	233.89	28.82	0.26	676.53
• Natural gas	tCO2eq	140.48	113.82	162.82	27.63	0.26	445.01
• LPG	tCO2eq	21.74	9.99	-	-	-	31.74
• Diesel	tCO2eq	88.23	49.22	61.06	1.09	-	199.61
• Petrol	tCO2eq	0.05	0.03	-	0.09	-	0.17
• Indirect (Scope 2) CO2 emissions	tCO2eq	768.19	92.13	179.98	18.83	31.82	1,069.57
• Electricity	tCO2eq	768.19	92.13	179.98	18.83	31.82	1,069.57
• Total energy consumed	tCO2eq	1,018.69	265.19	403.87	47.65	32.07	1,746.10

FY 2021	UoM	Indel B	Condor B	Autoclima	SEA	ESC	Group
• Direct (Scope 1) CO2 emissions	tCO2eq	294.08	155.9	326.35	27.06	89.7	893.09
• Natural gas	tCO2eq	188.88	145.96	268.2	23.56	53.84	680.44
• LPG	tCO2eq	14.53	8.77	-	1.64	-	24.94
• Diesel	tCO2eq	89.25	0.67	58.15	-	35.86	183.93
• Petrol	tCO2eq	1.41	0.5	-	1.86	-	3.78
• Indirect (Scope 2) CO2 emissions	tCO2eq	628.15	83.36	108.33	14.59	39.6	874.03
• Electricity	tCO2eq	628.15	83.36	108.33	14.59	39.6	874.03
• Total energy consumed	tCO2eq	922.23	239.27	434.67	41.65	129.3	1,767.12

Electricity and related costs increased exponentially globally in the financial year 2022, and then fell again during 2023. In 2021, Indel B purchased land adjacent to its headquarters for the production of wood to be used for heating the production departments.

Ozone-Depleting Substances

The air-conditioning system of the offices in the main building consists of about 40 splits with refrigerant charges of less than 3 kg. The refrigerants used are: R-404, R-407, R-410, R-422. With the exception of R-410, the other refrigerants have a GWP (Global Warming Potential) greater than 2500, for which a replacement process is underway. The air-conditioning system is maintained by certified companies.

External Noise

Sources of noise that can also be heard externally come from:

- Production machinery and equipment
- Compressed air production

The acoustic classification of the Municipality of Sant'Agata Feltria (adopted by C.C. Resolution 2 of 08.02.2007) places the area of company relevance in Class V, "Predominantly industrial areas". A noise impact assessment of the company's activities was carried out, the results of which show compliance with regulations.

Soil Contamination

The activities of Indel B do not cause any soil and subsoil pollution, as the following measures have been taken by the organisation:

- the sewage pipes (black and white) are designed to prevent possible leakage into the ground;
- the production activities and storage of the various substances (solid and liquid) occur in an impermeable paved area; therefore, any spills do not lead to soil pollution.

Water Consumption and Resources

[GRI 303-3];

In the Indel B Group, water resources are mainly drawn from the public aqueduct, with the exception of the Cambiano plant, which draws water from its own well, with exclusive use for irrigating green areas. Indel B and Condor B's production cycles do not involve the use of water, thus its consumption is 100% from the water mains and is only for domestic use; toilets and room cleaning operations.

Total volume of water withdrawn, broken down by source¹⁴

FY 2023	UoM	Indel Bⁱ	Condor B	Autoclima	SEA	ESC	Group
Groundwater	m ³	-	-	14,000	-	-	14,000
Public aqueduct or water supplied by water service management companies ⁱⁱ	m ³	3,043.05	473	1,241	88	374	5,219
Total water withdrawn	m³	3,043.05	473	15,241	88	374	19,219
FY 2022	UoM	Indel B¹⁵	Condor B	Autoclima	SEA	ESC	Group
Groundwater	m ³	-	-	12,023	-	-	12,023
Public aqueduct or water supplied by water service management companies ¹⁶	m ³	2,755.36	470	1,336	94	339	4,994.36
Total water withdrawn	m³	2,755.36	470	13,359	94	339	17,017.36
FY 2021	UoM	Indel Bⁱⁱⁱ	Condor B	Autoclima	SEA	ESC	Group
Groundwater	m ³	-	-	11,230	-	-	11,230.00
Public aqueduct or water supplied by water service management companies ^{iv}	m ³	2,408.14	466	1,236	0.40	382	4,492.54
Total water withdrawn	m³	2,408.14	466	12,466	0.40	382	15,722.54

Water Discharges

[GRI 303-4];

The Indel B factory is connected to the public sewage system. The company does not have any industrial waste water discharges, so it is not subject to authorisation under Italian Legislative Decree 152/06. Domestic waste water discharges from the toilets are discharged into the public sewerage system. The buildings are equipped with an outdoor appurtenance with a predominantly impermeable bottom that collects the rainwater that falls on the roof of the structure through grates, which is conveyed through pipes to the neighbouring canal.

Condor B does not have an ISO 14001 certification system; however, all legal regulations concerning the environmental sector, such as water discharge permits, are complied with. Also with reference to the company

¹⁴ The figure does not include Indel B North America and Autoclima's foreign subsidiaries.

¹⁵ It should be noted that the total volume of water withdrawn from "public waterworks or water supplied by water service companies" is an estimated consumption based on the supplier's reports.

¹⁶ For the company Autoclima, it should be noted that the figure for the total volume of water withdrawn from "public waterworks or water supplied by water service companies" refers to the average annual consumption reported by the supplier. For Condor B, SEA and ESC, it should be noted that the figure was calculated from the billing records.

Condor B, there are no discharges or destinations other than the public sewage system and the public purification plant; furthermore, the company does not have any outlet meters. No water is used in production, with the exception of a limited use for filling the test tanks used for immersion leak tests and is discharged into the sewage system. Water is therefore not altered by the production process.

Waste

[GRI 306-3] [GRI 306-4] [GRI 306-5]

The waste produced by Indel B is sent to parties authorised under current legislation to carry out recovery or disposal activities. More specifically, the organisation mainly produces waste from production and office activities. The waste produced is managed and disposed of according to specific procedures in compliance with regulatory provisions; in addition, transport and final disposal are strictly controlled and monitored, carried out by specialised companies with specific authorisations. Waste is delivered to authorised external disposers. The transfer occurs after verification of the authorisation status, which also takes into account the transporter. An internal procedure defines tasks and responsibilities for preventive controls on disposers or disposals. Temporary storage facilities are in operation at the plant, where waste already packaged and awaiting shipment for disposal is grouped together. These warehouses are covered, fenced, enclosed and provided with waterproof flooring.

The main waste produced by the company are:

Cer	Waste description	Type	Department	Destination
070299	Resin	Non-hazardous	Foaming department	Recovery
150106	multi-material packaging	Non-hazardous	All departments	Recovery
150101	Cardboard	Non-hazardous	All departments	Recovery
120102	Iron	Non-hazardous	Sheet Metal Department	Recovery
120104	Aluminium	Non-hazardous	Sheet Metal Department	Recovery
120104	Copper	Non-hazardous	Sheet Metal Department	Recovery
120102	Steel	Non-hazardous	Sheet Metal Department	Recovery
150102	Plastic packaging	Non-hazardous	All departments	Recovery
120105	ABS Scrap	Non-hazardous	Thermoforming Department	Recovery
160304	Condensation water	Non-hazardous	Plants	Disposal
140601*	GAS R134a	Hazardous	Assistance	Disposal
070213	Plastic	Non-hazardous	Warehouse	Recovery

In the case of Condor B, the analysis of material recyclability was carried out by considering the material with which the products were made and in some cases (e.g., welding alloys and complex products such as valves) by

consulting the supplier. Most of the components used in Condor B's production are reusable, as they consist of individual metals or alloys. For some customers, reusable wooden kanban management is in operation and individual items are bagged in polyethylene bags. For other customers where disposable packaging is envisaged, wooden pallets and cardboard boxes are used; the only material to be disposed of is adhesive tape, where used. Almost all of the waste produced by Condor B is reusable. In order of weight, the waste consists mainly of cardboard; metal; non-metal (mainly copper) and wood. The company does not have an ISO 14001 certification system; however, all legal provisions concerning the environmental sector, such as those relating to waste management, are complied with.

Total weight of waste by type and disposal method¹⁷

FY 2023	UoM	Indel B	Condor B	Autoclima	SEA	ESC	Group
Total hazardous waste	t	34.41	1.00	3.11	0.09	78.00	116.61
Total non-hazardous waste	t	1,003.12	30.00	352.34	74.15	24.00	1,483.61

FY 2023	UoM	Indel B	Condor B	Autoclima	SEA	ESC	Group
Hazardous waste	t	24.74	1.00	2.07	0.01	39.00	66.82
of which prepared for re-use	t	-	-	1.04	0.01	-	1.044
of which recycled	t	24.74	1.00	0.59	-	39.00	65.329
other recovery operations	t	-	-	0.45	-	-	0.447
Non-hazardous waste	t	987.65	30.00	234.90	30.15	12.00	1,285.7
of which prepared for re-use	t	-	6.00	117.40	-	-	123.4
of which recycled	t	987.65	23.00	117.40	30.15	12.00	1,161.2
other recovery operations	t	-	1.00	-	-	-	1.00

FY 2023	UoM	Indel B	Condor B	Autoclima	SEA	ESC	Group
Hazardous waste	t	9.67	-	1.04	0.08	39.00	49.793
Incineration (with energy recovery)	t	-	-	-	-	-	-
Incineration (without energy recovery)	t	-	-	-	-	-	-
Landfilling	t	-	-	-	-	39.00	39.00
Other disposal operations	t	9.67	-	1.04	0.08	-	10.79

¹⁷ The figure does not include Indel B North America and Autoclima's foreign subsidiaries.

Non-hazardous waste	t	15.47	-	117.44	44.00	12.00	188.91
Incineration (with energy recovery)	t	-	-	-	-	-	-
Incineration (without energy recovery)	t	-	-	-	-	-	-
Landfilling	t	-	-	-	-	12.00	12.00
Other disposal operations	t	15.47	-	117.44	44.00	-	176.91

FY 2022	UoM	Indel B	Condor B	Autoclima	SEA	ESC	Group
Total hazardous waste	t	24.20	-	0.70	0.05	32.48	57.43
Total non-hazardous waste	t	1,092.73	68.00	168.70	18.77	7.04	1,355.17

FY 2022	UoM	Indel B	Condor B	Autoclima	SEA	ESC	Group
Hazardous waste	t	16.25	-	1.40	7.01	32.00	56.65
of which prepared for re-use	t	-	-	0.70	7.01	-	7.70
of which recycled	t	16.25	-	0.54	-	32.00	48.79
other recovery operations	t	-	-	0.16	-	-	0.16
Non-hazardous waste	t	1,075.86	67.00	337.40	18.77	7.00	19,220.28
of which prepared for re-use	t	38.88	3.00	168.70	-	-	210.58
of which recycled	t	1,036.98	64.00	168.70	18.62	7.00	18,859.70
other recovery operations	t	-	-	-	0.15	-	150.00

FY 2022	UoM	Indel B	Condor B	Autoclima	SEA	ESC	Group
Hazardous waste	t	7.95	-	0.70	0.04	32.00	84.65
Incineration (with energy recovery)	t	-	-	-	-	-	-
Incineration (without energy recovery)	t	-	-	-	-	-	-
Landfilling	t	-	-	-	-	32.00	32.00
Other disposal operations	t	7.95	-	0.70	0.04	-	52.65
Non-hazardous waste	t	16.87	1.00	168.70	-	7.00	193.57
Incineration (with energy recovery)	t	-	-	-	-	-	-
Incineration (without energy recovery)	t	-	-	-	-	-	-
Landfilling	t	-	-	-	-	7.00	7.00
Other disposal operations	t	16.87	1.00	168.70	-	-	186.57

FY 2021	UoM	Indel B	Condor B	Autoclima	SEA	ESC	Group
Total hazardous waste	t	38.78	0.35	0.50	0.40	42.22	82.26
Total non-hazardous waste	t	1,035.82	65.34	147.63	16.30	18.92	1,284.01

FY 2021	UoM	Indel B	Condor B	Autoclima	SEA	ESC	Group
Hazardous waste	t	14.72	0.27	0.50	-	42.22	57.71
of which prepared for re-use	t	-	-	-	-	-	-
of which recycled	t	-	0.27	0.27	-	42.22	42.76
other recovery operations	t	14.72	-	0.23	-	-	14.95
Non-hazardous waste	t	1,035.31	63.17	147.63	16.30	18.92	1,281.33
of which prepared for re-use	t	-	2.89	-	-	-	2.89
of which recycled	t	-	60.28	147.63	16.30	18.92	243.13
other recovery operations	t	1,035.31	-	-	-	-	1,035.31

FY 2021	UoM	Indel B	Condor B	Autoclima	SEA	ESC	Group
Hazardous waste	t	24.06	0.08	-	0.40	-	24.54
Incineration (with energy recovery)	t	-	-	-	-	-	-
Incineration (without energy recovery)	t	-	-	-	-	-	-
Landfilling	t	-	-	-	-	-	-
Other disposal operations	t	24.06	0.08	-	0.40	-	24.54
Non-hazardous waste	t	0.51	2.17	-	-	-	2.68
Incineration (with energy recovery)	t	-	-	-	-	-	-
Incineration (without energy recovery)	t	-	-	-	-	-	-
Landfilling	t	-	-	-	-	-	-
Other disposal operations	t	0.51	2.17	-	-	-	2.68

3. Social

[GRI 3-3]

Indel B, Condor B and Autoclima work to ensure that their suppliers and external collaborators comply with behavioural principles corresponding to their own. Each supplier, business partner or external collaborator is informed of the existence of the respective Codes of Ethics and the relevant commitments.

In selecting its suppliers, the Group considers:

- professionalism and experience of the interlocutor;
- availability of means, organised facilities;
- project capabilities and resources;
- qualitative adequacy.

Indel B carries out periodic audits to verify and qualify the production processes of its main suppliers, from which no risk situations have emerged to date in this regard.

As for the subsidiaries Autoclima, Electric Station Climatisation and SEA, these can rely on a branched and well-established network of suppliers operating, for example, in the plastic moulding sector (thermoforming and injection moulding), mechanics, the supply of refrigerant gases, electronics as well as the provision of services. The companies prefer to buy from suppliers operating in the local market or at least in the European context.

On a periodic basis, Autoclima, ESC and SEA staff audit suppliers that play a strategic role, without any significant risk situations emerging to date. The majority of suppliers have been working with the company for several years and have demonstrated technical expertise, production capacity, adequate financial resources, punctual deliveries and compliance with quality standards in line with company expectations. These requirements are also requested when entering the portfolio of new supplier companies.

Responsible Supply Chain Management

[GRI 2-6]; [GRI 204-1]

Total number and percentage of suppliers by geographical area¹⁸

FY 2023	Indel B	Condor B	Autoclima	SEA	ESC	Total
No. of suppliers	1,080	195	492	331	392	2,490
EU Suppliers	994	195	444	301	355	2,289
Non-EU Suppliers	86	-	48	30	37	201
(mln €) Total value of supplies	104	5.8	34.2	8.8	7.7	160.5
(mln €) Total value of supplies from EU	75	5.8	30.1	7.7	6.9	125.5
(mln €) Total value of supplies non-EU	29	-	4.1	1.1	0.7	35
FY 2022	Indel B	Condor B	Autoclima	SEA	ESC	Total
No. of suppliers	1,134	221	402	296	396	2,449
EU Suppliers	1,050	221	362	272	357	2,262
Non-EU Suppliers	84	-	40	24	39	187
(mln €) Total value of supplies	121	8	30	9	7	175
(mln €) Total value of supplies from EU	87	8	27	8	6	136
(mln €) Total value of supplies non-EU	34	-	3	1	1	39
FY 2021	Indel B	Condor B	Autoclima	SEA	ESC	Total
No. of suppliers	1,034	207	432	100	206	1,979
EU Suppliers	971	207	393	86	182	1,839
Non-EU Suppliers	63	-	39	14	24	140
(mln €) Total value of supplies	120	7	26	5	7	165
(mln €) Total value of supplies from EU	69	7	22	4	6	108
(mln €) Total value of supplies non-EU	51	-	4	1	1	57

¹⁸ The figure does not include Indel B North America and Autoclima's foreign subsidiaries.

The parent company Indel B consolidated its relations with its subsidiary in the territory. Regular visits of key partners in the supply chain allow the situation to be monitored and risks to be prevented. In addition, production started in the new production plant located in the neighbouring municipality of Novafeltria in the last two months of 2020, with a covered area of about 11,000 square metres. This plant has been fully operational since July 2021. The expansion of the production plant located in the hamlet of Secchiano in the municipality of Novafeltria with a covered area of about 4,500,000 square metres began in April 2022. This extension has been operational since early 2023. In May 2023, work began on the construction of two new factories at the Secchiano production site, which will be operational in the year 2024.

It should be noted that the Parent Company continued its investments following the new Industry 4.0 policy.

Condor B invested in new machinery to streamline and increase production capacity in 2023.

a) Percentage of purchases from local suppliers¹⁹, understood as the percentage of goods and locally purchased services

FY 2023	Indel B	Condor B	Autoclima	SEA	ESC	Group
(mln €) Total goods and services purchased	104	6	34	9	8	161
(mln €) Goods and services purchased from local suppliers	53	5	21	7	4	90
(%) Goods and services purchased from local suppliers	51%	93%	62%	84%	50%	56%

FY 2022	Indel B	Condor B	Autoclima	SEA	ESC	Group
(mln €) Total goods and services purchased	121	8	30	9	7	175
(mln €) Goods and services purchased from local suppliers	67	7	17	7	3	101
(%) Goods and services purchased from local suppliers	56%	97%	55%	80%	39%	48%

¹⁹ Local suppliers are defined as Italian companies operating in the national territory.

FY 2021	Indel B	Condor B	Autoclima	SEA	ESC	Group
(mln €) Total goods and services purchased	120	7	25	7	6	164
(mln €) Goods and services purchased from local suppliers	52	7	13	4	3	79
(%) Goods and services purchased from local suppliers	43%	99%	50%	82%	39%	48%

FY 2023	Indel B	Condor B	Autoclima	SEA	ESC
	No.	No.	No.	No.	No.
New suppliers	154	19	n.a.	90	61

FY 2022	Indel B	Condor B	Autoclima	SEA	ESC
	No.	No.	No.	No.	No.
New suppliers	191	24	32	196	59

FY 2021	Indel B	Condor B	Autoclima	SEA	ESC
	No.	No.	No.	No.	No.
New suppliers	185	7	38	1	-

In 2017, the parent company Indel B was listed on the MTA segment of the Italian stock exchange, now renamed Euronext Milan, which necessitated a series of fulfilments that in turn generated the need to obtain specific consulting services as well as to implement a policy of supplier skimming and rationalisation, in the specific case of Indel B. Compared to the previous years, a small increase in new suppliers for both Indel B and Condor was recorded in 2023. This phenomenon is related to the turnover trend of the two companies. Due to the implementation of the new ERP Business Central, it was not possible to precisely define the new suppliers for Autoclima. Since this information is not mandatory, it was decided not to include potentially misleading information.

Socio-Economic Development

[GRI 413-1]

Thanks to their demand for manpower and the supply of materials and semi-finished products, Indel B and Condor B are fundamental to the economy of the area in which they are located, believing that the help the community provides to achieve the Group's objectives is also fundamental. They are thus sensitive to the needs of the local area, financing local events such as fairs or sporting events and groups through sponsorships, without forgetting educational institutions. In the last three financial years, projects have been financed at the local lower secondary school in Sant'Agata Feltria, allowing for the construction of a science and computer room as well as one dedicated to music, and a contribution has also been made for financing the outdoor playground of the local nursery school. In recent years, the association "La Lumaca" has also been given funds, which provides after-school services and play activities in the municipality of Sant'Agata Feltria. In addition, Indel B and Condor B donated sums to the local school in 2021 for the purchase of teaching materials. Moreover, in 2022 Indel B donated money to the Umberto Veronesi Foundation to support scientific research, as well as to the Religious Sciences Institute. This year, the parent company also contributed financially to support the various communities in Emilia Romagna that were severely affected by flooding in May 2023.

At present, no local community engagement plan has been defined and formalised for Autoclima, nor a system for measuring the possible (direct and indirect) impacts that could result from the organisation's activities.

Product Quality and Safety

[GRI 416-2]

The Group's products are constantly monitored, and there were no incidents of non-compliance with regulations and/or voluntary codes with regard to health and safety impacts for products and services during the reporting period; this is also true for the previous three years reported in this Note. Lastly, with regard to the quality and safety management of new and innovative products, over the years the Group has strengthened its structure dedicated to managing activities related to the development of new solutions in the field of mechatronics. Particular attention has been paid to improving the quality of electronic products purchased from suppliers and to monitoring production processes.

4. Human Resources

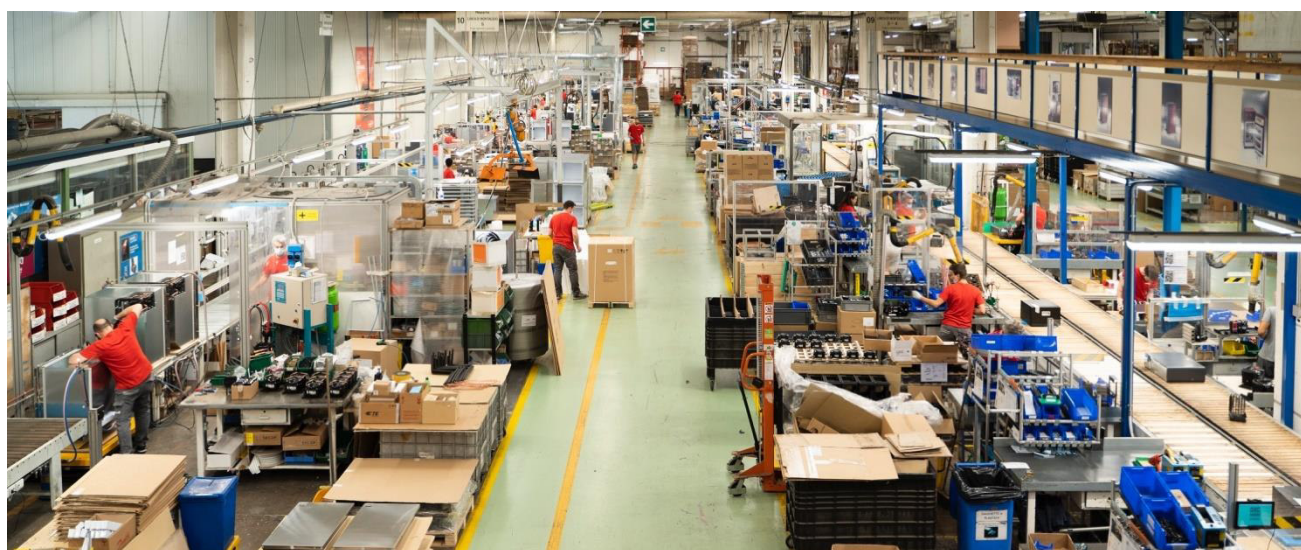
[GRI 3-3]; [GRI 2-7]; [GRI 405-1]; [GRI 405-2]; [GRI 401-1]; [GRI 401-2]; [GRI 403-9]; [GRI 403-10]; [GRI- 404-1]

Enhancing Human Resources

Human capital is the most important operational and strategic asset for Indel B, which strongly believes that the knowledge and skills of each individual determine the true competitive advantage at the heart of the Group.

The Group has not structured a formal process to assess its companies with regard to respect for human rights, considering the compliance of all the subsidiaries with the provisions of the Code of Ethics in place for the three companies Indel B, Condor B and Autoclima to be sufficient. Consistent with these internal codes and policies, the Indel B Group did not record any incidents of discrimination during 2023. The Group's HR management is always conducted with respect for diversity and the guarantee of equal opportunities for all employees, without discrimination of any kind. Moreover, this is confirmed immediately from the staff selection phase, where the process is conducted by objectively assessing the candidate's skills without regard to their strictly personal characteristics. Likewise, the same principles are applied in staff evaluation processes. This approach is particularly significant in countries with a higher potential for discrimination risk. A case in point is Brazil, whose national contexts are characterised by steadily increasing migration flows. In this context, the company has launched specific initiatives aimed at avoiding possible discrimination, including the implementation of anti-mobbing and anti-discrimination procedures, as well as specific initiatives focused on greater dissemination of the Code of Ethics.

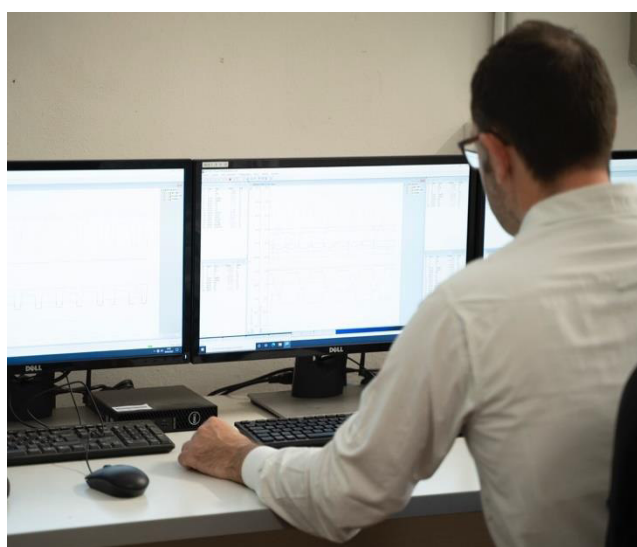
In Italy, training is partially or fully financed through the use of specific inter-professional funds (Fondimpresa and Fondirigenti).



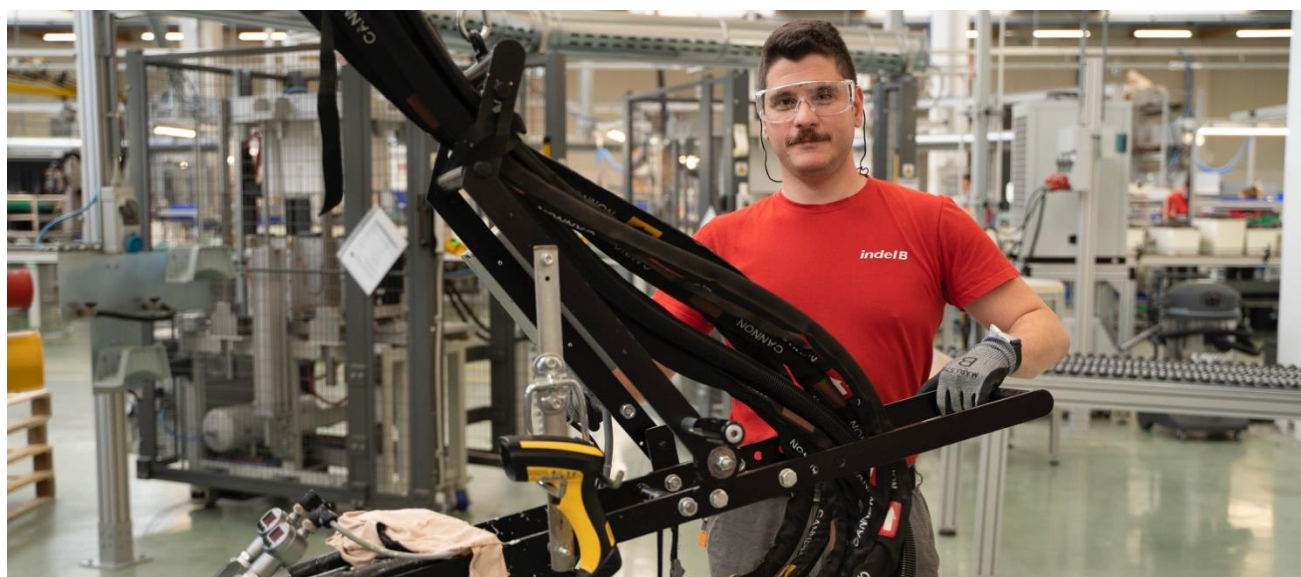
Global geopolitical tensions caused a shortage of raw materials in 2023, which led the company to use less temporary contract labour than in previous years.

It should be noted that a company canteen was opened in April 2022 near the production plant located in Sant'Agata Feltria for an investment of about € 1,000,000; this canteen will also serve the plant located in Secchiano in the municipality of Novafeltria.

In order to limit the environmental impact and be energy efficient, the building was made entirely with wood and its energy class is A4. To date, this is the highest energy class under current law, and is only obtained if the property is built according to green building standards.



In addition, there are water dispensers/purifiers inside the canteen to limit the consumption of plastic. To encourage the use of such dispensers, the company Indel B has given a personalised water bottle to all employees. All employees can book their lunch online to be eaten on-site or be taken comfortably home in a lunch box.



Total number of employees by contract type (permanent or fixed-term), gender ¹⁹

No. as at 31.12.2023	Indel B			Condor B			Autoclima			SEA			ESC			Group		
	M	W	Tot	M	W	Tot	M	W	Tot	M	W	Tot	M	W	Tot	M	W	Tot
Permanent	253	161	414	46	21	67	92	17	109	12	2	14	41	9	50	444	209	653
Fixed-term	57	51	108	-	1	1	22	11	33	15	4	19	-	-	-	94	67	161
Total	310	212	522	46	22	68	114	28	142	27	6	33	41	9	50	538	277	815

No. as at 31.12.2022	Indel B			Condor B			Autoclima			SEA			ESC			Group		
	M	W	Tot	M	W	Tot	M	W	Tot	M	W	Tot	M	W	Tot	M	W	Tot
Permanent	264	165	429	46	19	65	92	18	110	10	2	12	31	11	42	443	215	658
Fixed-term	78	61	139	5	5	10	18	4	22	10	3	13	-	-	-	111	73	184
Total	342	226	568	51	24	75	110	22	132	20	5	25	31	11	42	554	288	842

No. as at 31.12.2021	Indel B			Condor B			Autoclima			SEA			ESC			Group		
	M	W	Tot	M	W	Tot	M	W	Tot	M	W	Tot	M	W	Tot	M	W	Tot
Permanent	237	140	377	45	17	62	110	27	137	14	2	16	32	13	45	438	199	637
Fixed-term	49	36	85	1	-	1	4	2	6	3	1	4	2	1	3	60	39	99
Total	286	176	462	46	17	63	114	29	143	17	3	20	34	14	48	497	239	736

However, it is the Parent Company's policy to employ staff initially introduced on a temporary contract basis through an agency, as has already been demonstrated in recent years.

78 temporary employment contracts were set up in 2023 for Indel B, of which 62 men and 16 women. With regard to Condor B, 3 temporary employment contracts were set up, specifically for 2 men and 1 woman.

222 temporary employment contracts were set up in 2022 for Indel B, of which 148 men and 74 women. With regard to Condor B, 34 temporary employment contracts were set up, specifically for 21 men and 13 women.

126 temporary employment contracts were set up in 2021 for Indel B., of which 89 men and 37 women. With regard to Condor B, 33 temporary employment contracts were set up, specifically for 19 men and 14 women.

Total number of employees by contract type (full-time or part-time), gender ¹⁹

No. as at 31.12.2023	Indel B			Condor B			Autoclima			SEA			ESC			Group		
	M	W	Tot	M	W	Tot	M	W	Tot	M	W	Tot	M	W	Tot	M	W	Tot
Full-Time	310	197	507	45	20	65	113	25	138	27	6	33	41	7	48	536	255	791
Part-time	-	15	15	1	2	3	1	3	4	-	-	-	-	2	2	2	22	24
Total	310	212	522	46	22	68	114	28	142	27	6	33	41	9	50	538	277	815

No. as at 31.12.2022	Indel B			Condor B			Autoclima			SEA			ESC			Group		
	M	W	Tot	M	W	Tot	M	W	Tot	M	W	Tot	M	W	Tot	M	W	Tot
Full-Time	341	209	550	50	22	72	110	17	127	20	4	24	31	9	40	552	261	813
Part-time	1	17	18	1	2	3	-	5	5	-	1	1	-	2	2	2	27	29
Total	342	226	568	51	24	75	110	22	132	20	5	25	31	11	42	554	288	842

No. as at 31.12.2021	Indel B			Condor B			Autoclima			SEA			ESC			Group		
	M	W	Tot	M	W	Tot	M	W	Tot	M	W	Tot	M	W	Tot	M	W	Tot
Full-Time	285	161	446	45	14	59	114	27	141	17	2	19	34	12	46	496	215	711
Part-time	1	15	25	1	3	4	-	2	2	0	1	1	-	2	2	2	23	25
Total	286	176	462	46	17	63	114	29	143	17	3	20	34	14	48	497	239	736

Indel B's workforce showed a significant increase in 2021 and 2022, in parallel with the turnover trend. There was instead a decrease in the workforce in 2023, again closely tied to the turnover dynamics.

Condor B's workforce was adapted to the needs of the market and simultaneously aligned to support the demands of the parent company Indel B; Autoclima's workforce also followed the turnover trend.

All Group employees throughout the three-year reporting period were covered by collective bargaining agreements.

Specifically, for the year 2023 these amounted to 527 for Indel B (including Indel B North America), 68 for Condor B, 110 for Autoclima, 33 for SEA and 50 for ESC.

222 temporary employment contracts were set up in 2022 for Indel B., of which 148 men 74 women. With regard to Condor B, 34 temporary employment contracts were set up, specifically for 21 men and 13 women.

126 temporary employment contracts were set up in 2021 for Indel B., of which 89 men and 37 women. With regard to Condor B, 33 temporary employment contracts were set up, specifically for 19 men and 14 women.

Number and percentage of individuals within the organisation's governing bodies, broken down by gender, age group and other diversity indicators where relevant (including minority or vulnerable groups)
20

Number of individuals by age group

No. as at 31.12.2023	<30			30 - 50			>50			Total		
	Men	Women	Total	Men	Women	Total	Men	Women	Total	Men	Women	Total
Members of the governing bodies of Indel B	-	-	-	1	-	1	5	4	9	6	4	10

Percentage of individuals by age group

% as at 31.12.2023	<30		30 - 50		>50	
	Men	Women	Men	Women	Men	Women
Members of the governing bodies of Indel B	-	-	100%	-	55%	45%

Number of individuals by age group

No. as at 31.12.2022	<30			30 - 50			>50			Total		
	Men	Women	Total	Men	Women	Total	Men	Women	Total	Men	Women	Total
Members of the governing bodies of Indel B	-	-	-	1	-	1	5	4	9	6	4	10

²⁰ The figure does not include Indel B North America and Autoclima's foreign subsidiaries.

percentage of individuals by age group

% as at 31.12.2022	<30		30 - 50		>50	
	Men	Women	Men	Women	Men	Women
Members of the governing bodies of Indel B	-	-	100%	-	55%	45%

Number of individuals by age group

No. as at 31.12.2021	<30			30 - 50			>50			Total		
	Men	Women	Total	Men	Women	Total	Men	Women	Total	Men	Women	Total
Members of the governing bodies of Indel B	-	-	-	2	-	2	4	4	8	6	4	10

Percentage of individuals by age group

% as at 31.12.2021	<30		30 - 50		>50	
	Men	Women	Men	Women	Men	Women
Members of the governing bodies of Indel B	-	-	100%	-	50%	50%

Number of individuals by age group

No. as at 31.12.2023	<30			30 - 50			>50			Total		
	Men	Women	Total	Men	Women	Total	Men	Women	Total	Men	Women	Total
Members of the governing bodies of Condor B	-	-	-	1	-	1	3	2	5	4	2	6

Percentage of individuals by age group

% as at 31.12.2023	<30		30 - 50		>50	
	Men	Women	Men	Women	Men	Women
Members of the governing bodies of Condor B	-	-	100%	-	60%	40%

Number of individuals by age group

No. as at 31.12.2022	<30			30 - 50			>50			Total		
	Men	Women	Total	Men	Women	Total	Men	Women	Total	Men	Women	Total
Members of the governing bodies of Condor B	-	-	-	1	-	1	3	2	5	4	2	6

Percentage of individuals by age group

% as at 31.12.2022	<30		30 - 50		>50	
	Men	Women	Men	Women	Men	Women
Members of the governing bodies of Condor B	-	-	100%	-	60%	40%

Number of individuals by age group

No. as at 31.12.2021	<30			30 - 50			>50			Total		
	Men	Women	Total	Men	Women	Total	Men	Women	Total	Men	Women	Total
Members of the governing bodies of Condor B	-	-	-	1	-	1	3	2	5	4	2	6

Percentage of individuals by age group

% as at 31.12.2021	<30		30 - 50		>50	
	Men	Women	Men	Women	Men	Women
Members of the governing bodies of Condor B	-	-	100%	-	60%	40%

Number of individuals by age group

No. as at 31.12.2023	<30			30 - 50			>50		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Members of the governing bodies of Autoclina	-	-	-	1	-	1	3	-	3

Percentage of individuals by age group

% as at 31.12.2023	<30		30 - 50		>50	
	Men	Women	Men	Women	Men	Women
Members of the governing bodies of Autoclima	-	-	100%	-	100%	-

Number of individuals by age group

No. as at 31.12.2022	<30			30 - 50			>50		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Members of the governing bodies of Autoclima	-	-	-	1	-	1	3	-	3

Percentage of individuals by age group

% as at 31.12.2022	<30		30 - 50		>50	
	Men	Women	Men	Women	Men	Women
Members of the governing bodies of Autoclima	-	-	100%	-	100%	-

Number of individuals by age group

No. as at 31.12.2021	<30			30 - 50			>50		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Members of the governing bodies of Autoclima	-	-	-	1	-	1	3	-	3

Percentage of individuals by age group

% as at 31.12.2021	<30		30 - 50		>50	
	Men	Women	Men	Women	Men	Women
Members of the governing bodies of Autoclima	-	-	100%	-	100%	-

Number of individuals by age group

No. as at 31.12.2023	<30			30 - 50			>50			Total		
	Men	Women	Total	Men	Women	Total	Men	Women	Total	Men	Women	Total
Members of the governing bodies of SEA	-	-	-	1	-	1	3	-	3	4	-	4

Percentage of individuals by age group

% as at 31.12.2023	<30		30 - 50		>50	
	Men	Women	Men	Women	Men	Women
Members of the governing bodies of SEA	-	-	100%	-	100%	-

Number of individuals by age group

No. as at 31.12.2022	<30			30 - 50			>50			Total		
	Men	Women	Total	Men	Women	Total	Men	Women	Total	Men	Women	Total
Members of the governing bodies of SEA	-	-	-	1	-	1	3	-	3	4	-	4

Percentage of individuals by age group

% as at 31.12.2022	<30		30 - 50		>50	
	Men	Women	Men	Women	Men	Women
Members of the governing bodies of SEA	-	-	100%	-	100%	-

Number of individuals by age group

No. as at 31.12.2021	<30			30 - 50			>50			Total		
	Men	Women	Total	Men	Women	Total	Men	Women	Total	Men	Women	Total
Members of the governing bodies of SEA	-	-	-	1	-	1	3	-	3	4	-	4

Percentage of individuals by age group

% as at 31.12.2021	<30		30 - 50		>50	
	Men	Women	Men	Women	Men	Women
Members of the governing bodies of SEA	-	-	100%	-	100%	-

Number of individuals by age group

No. as at 31.12.2023	<30			30 - 50			>50			Total		
	Men	Women	Total	Men	Women	Total	Men	Women	Total	Men	Women	Total
Members of the governing bodies of ESC	-	-	-	1	-	1	2	-	2	3	-	3

Percentage of individuals by age group

% as at 31.12.2023	<30		30 - 50		>50	
	Men	Women	Men	Women	Men	Women
Members of the governing bodies of ESC	-	-	100%	-	100%	-

Number of individuals by age group

No. as at 31.12.2022	<30			30 - 50			>50			Total		
	Men	Women	Total	Men	Women	Total	Men	Women	Total	Men	Women	Total
Members of the governing bodies of ESC	-	-	-	1	-	1	2	-	2	3	-	3

Percentage of individuals by age group

% as at 31.12.2022	<30		30 - 50		>50	
	Men	Women	Men	Women	Men	Women
Members of the governing bodies of ESC	-	-	100%	-	100%	-

Number of individuals by age group

No. as at 31.12.2021	<30			30 - 50			>50			Total		
	Men	Women	Total	Men	Women	Total	Men	Women	Total	Men	Women	Total
Members of the governing bodies of ESC	-	-	-	1	-	1	2	-	2	3	-	3

Percentage of individuals by age group

% as at 31.12.2021	<30		30 - 50		>50	
	Men	Women	Men	Women	Men	Women
Members of the governing bodies of ESC	-	-	100%	-	100%	-

Number and percentage of employees by professional category, gender, age group and other diversity indicators where relevant (including minority and vulnerable groups)

No. as at 31.12.2023	Indel B	Condor B	Autoclima	SEA	ESC	Group
Executives	8	-	2	2	1	13
Middle Managers	11	-	5	-	16	32
White-collar workers	73	7	57	11	23	171
Blue-collar workers	430	61	78	20	10	599
Total	522	68	142	33	50	815

Number of employees by age group - Indel B

No. as at 31.12.2023	<30			30 - 50			>50		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Executives	-	-	-	2	0	2	6	0	6
Middle Managers	-	-	-	6	1	7	4	0	4
White-collar workers	5	2	7	28	19	47	9	10	19
Blue-collar workers	53	38	91	129	102	231	68	40	108
Total	58	40	98	165	122	287	87	50	137

Number of employees by age group - Condor B

No. as at 31.12.2023	<30			30 - 50			>50		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Executives	-	-	-	-	-	-	-	-	-
Middle Managers	-	-	-	-	-	-	-	-	-
White-collar workers	1	-	1	3	1	4	2	-	2
Blue-collar workers	4	1	5	19	12	31	17	8	25
Total	5	1	6	22	13	35	19	8	27

Number of employees by age group - Autoclima

No. as at 31.12.2023	<30			30 - 50			>50		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Executives	-	-	-	1	-	1	1	-	1
Middle Managers	-	-	-	2	-	2	3	0	3
White-collar workers	3	2	5	22	10	32	11	9	20
Blue-collar workers	19	4	23	36	2	38	16	1	17
Total	22	6	28	61	12	73	31	10	41

Number of employees by age group - SEA

No. as at 31.12.2023	<30			30 - 50			>50		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Executives	-	-	-	-	-	-	2	-	2
Middle Managers	-	-	-	-	-	-	-	-	-
White-collar workers	1	4	15	2	2	4	2	-	2
Blue-collar workers	15	-	5	3	-	3	2	-	2
Total	16	4	20	5	2	7	6	-	6

Number of employees by age group - ESC

No. as at 31.12.2023	<30			30 - 50			>50		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Executives	-	-	-	-	-	-	1	-	1
Middle Managers	1	-	1	4	2	6	8	1	9
White-collar workers	7	-	7	10	2	12	-	4	4
Blue-collar workers	-	-	-	-	-	-	10	-	10
Total	8	-	8	14	4	18	19	5	24

Number of employees by gender and qualification - Indel B Group

No. as at 31.12.2023	Group		
	Men	Women	Total
Executives	13	-	13
Middle Managers	28	4	32
White-collar workers	106	65	171
Blue-collar workers	391	208	599
Total	538	277	815

Percentage of employees by age group – Indel B

% as at 31.12.2023	<30		30 - 50		>50	
	Men	Women	Men	Women	Men	Women
Executives	-	-	100%	-	100%	-
Middle Managers	-	-	85.7%	14.3%	100%	-
White-collar workers	71.4%	28.6%	59.6%	40.4%	47.4%	52.6%
Blue-collar workers	58.2%	41.8%	55.8%	44.2%	63.0%	37.0%
Total	59.2%	40.8%	57.5%	42.5%	63.5%	36.5%

Percentage of employees by age group – Condor B

% as at 31.12.2023	<30		30 - 50		>50	
	Men	Women	Men	Women	Men	Women
Executives	-	-	-	-	-	-
Middle Managers	-	-	-	-	-	-
White-collar workers	100.0%	-	75.0%	25.0%	100.0%	0.0%
Blue-collar workers	80.0%	20.0%	61.3%	38.7%	68.0%	32.0%
Total	83.3%	20.0%	62.9%	37.1%	70.4%	29.6%

Percentage of employees by age group – Autoclima

% as at 31.12.2023	<30		30 - 50		>50	
	Men	Women	Men	Women	Men	Women
Executives	-	-	100.0%	-	100.0%	-
Middle Managers	-	-	100.0%	-	100.0%	-
White-collar workers	60.0%	40.0%	68.8%	31.3%	55.0%	45.0%
Blue-collar workers	82.6%	17.4%	94.7%	5.3%	94.1%	5.9%
Total	78.6%	21.4%	83.6%	16.4%	75.6%	24.4%

Percentage of employees by age group – SEA

% as at 31.12.2023	<30		30 - 50		>50	
	Men	Women	Men	Women	Men	Women
Executives	-	-	-	-	-	-
Middle Managers	-	-	-	-	-	-
White-collar workers	20.0%	80.0%	50.0%	50.0%	100.0%	-
Blue-collar workers	100.0%	-	100.0%	0.0%	100.0%	-
Total	80.0%	20.0%	71.4%	28.6%	100.0%	-

Percentage of employees by age group – ESC

% as at 31.12.2023	<30		30 - 50		>50	
	Men	Women	Men	Women	Men	Women
Executives	-	-	-	-	100%	-
Middle Managers	-	-	66.6%	33.3%	88.9%	11.1%
White-collar workers	12.5%	-	83.3%	16.7%	-	100%
Blue-collar workers	87.5	-	-	-	100%	-
Total	100%	-	77.8%	22.2%	82%	18%

Number and percentage of employees by professional category, gender, age group and other diversity indicators where relevant (including minority and vulnerable groups)

No. as at 31.12.2022	Indel B	Condor B	Autoclima	SEA	ESC	Group
Executives	7	-	2	2	1	12
Middle Managers	9	-	6	-	5	20
White-collar workers	72	7	58	6	15	158
Blue-collar workers	480	68	66	17	21	652
Total	568	75	132	25	42	842

Number of employees by age group - Indel B

No. as at 31.12.2022	<30			30 - 50			>50		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Executives	-	-	-	1	-	1	6	-	6
Middle Managers	-	-	-	4	1	5	4	-	4
White-collar workers	3	3	6	31	19	50	7	9	16
Blue-collar workers	74	43	117	145	108	253	67	43	110
Total	77	46	123	182	128	310	84	52	136

Number of employees by age group - Condor B

No. as at 31.12.2022	<30			30 - 50			>50		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Executives	-	-	-	-	-	-	-	-	-
Middle Managers	-	-	-	-	-	-	-	-	-
White-collar workers	1	-	1	4	1	5	1	-	1
Blue-collar workers	8	3	11	18	12	30	19	8	27
Total	9	3	12	22	13	35	20	8	28

Number of employees by age group - Autoclima

No. as at 31.12.2022	<30			30 - 50			>50		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Executives	-	-	-	1	-	1	1	-	1
Middle Managers	-	-	-	3	-	3	3	-	3
White-collar workers	6	2	8	21	8	29	12	9	21
Blue-collar workers	21	1	22	28	2	30	14	-	14
Total	27	3	30	53	10	63	30	9	39

Number of employees by age group - SEA

No. as at 31.12.2022	<30			30 - 50			>50		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Executives	-	-	-	-	-	-	2	-	2
Middle Managers	-	-	-	-	-	-	-	-	-
White-collar workers	-	3	3	1	2	3	-	-	-
Blue-collar workers	9	-	9	5	-	5	1	-	1
Total	9	3	12	6	2	8	3	-	3

Number of employees by age group - ESC

No. as at 31.12.2022	<30			30 - 50			>50		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Executives	-	-	-	-	-	-	1	-	1
Middle Managers	-	-	-	1	2	3	2	-	2
White-collar workers	-	-	-	4	4	8	4	3	7
Blue-collar workers	2	-	2	8	-	8	9	2	11
Total	2	-	2	13	6	19	16	5	21

Number of employees by gender and qualification - Indel B Group

No. as at 31.12.2022	Group		
	Men	Women	Total
Executives	12	-	12
Middle Managers	17	3	20
White-collar workers	95	63	158
Blue-collar workers	428	222	650
Total	552	288	840

Percentage of employees by age group – Indel B

% as at 31.12.2022	<30		30 - 50		>50	
	Men	Women	Men	Women	Men	Women
Executives	-	-	100.0%	-	100.0%	-
Middle Managers	-	-	80.0%	20.0%	100.0%	-
White-collar workers	50.0%	50.0%	62.0%	38.0%	43.8%	56.3%
Blue-collar workers	63.3%	36.8%	57.3%	42.7%	60.9%	39.1%
Total	62.8%	37.2%	58.7%	41.3%	61.8%	38.2%

Percentage of employees by age group – Condor B

% as at 31.12.2022	<30		30 - 50		>50	
	Men	Women	Men	Women	Men	Women
Executives	-	-	-	-	-	-
Middle Managers	-	-	-	-	-	-
White-collar workers	100.0%	-	80.0%	20.0%	100.0%	-
Blue-collar workers	72.7%	27.3%	57.3%	40.0%	70.4%	29.7%
Total	75.0%	25.0%	51.4%	48.6%	71.4%	28.6%

Percentage of employees by age group – Autoclina

% as at 31.12.2022	<30		30 - 50		>50	
	Men	Women	Men	Women	Men	Women
Executives	-	-	100.0%	-	100.0%	-
Middle Managers	-	-	100.0%	-	100.0%	-
White-collar workers	75.0%	25.0%	72.4%	27.6%	57.1%	42.9%
Blue-collar workers	95.5%	4.5%	93.3%	6.7%	100.0%	-
Total	90.0%	10.0%	84.1%	15.9%	76.9%	23.1%

Percentage of employees by age group – SEA

% as at 31.12.2022	<30		30 - 50		>50	
	Men	Women	Men	Women	Men	Women
Executives	-	-	-	-	100.0%	-
Middle Managers	-	-	-	-	-	-
White-collar workers	-	100.0%	33.3%	66.7%	-	-
Blue-collar workers	100.0%	-	100.0%	-	100.0%	-
Total	75.0%	25.0%	75.0%	25.0%	100%	-

Percentage of employees by age group – ESC

% as at 31.12.2022	<30		30 - 50		>50	
	Men	Women	Men	Women	Men	Women
Executives	-	-	-	-	6.3%	-
Middle Managers	-	-	7.7%	33.3%	12.5%	-
White-collar workers	-	-	30.8%	66.7%	25.0%	60.0%
Blue-collar workers	100.0%	-	61.5%	-	56.3%	40.0%
Total	100.0%	-	68.4%	31.6%	76.2%	23.8%

Number and percentage of employees by professional category, gender, age group and other diversity indicators where relevant (including minority and vulnerable groups)

No. as at 31.12.2021	Indel B	Condor B	Autoclima	SEA	ESC	Group
Executives	7	-	2	2	1	12
Middle Managers	11	-	5	-	8	23
White-collar workers	70	6	74	4	18	172
Blue-collar workers	374	57	62	14	21	529
Total	462	63	143	20	48	736

Number of employees by age group - Indel B

No. as at 31.12.2021	<30			30 - 50			>50		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Executives	-	-	-	3	-	3	4	-	4
Middle Managers	-	-	-	4	2	6	5	-	5
White-collar workers	5	5	10	29	17	46	6	8	14
Blue-collar workers	59	28	87	112	81	193	58	36	94
Total	64	33	97	148	100	248	73	44	117

Number of employees by age group - Condor B

No. as at 31.12.2021	<30			30 - 50			>50		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Executives	-	-	-	-	-	-	-	-	-
Middle Managers	-	-	-	-	-	-	-	-	-
White-collar workers	1	-	1	4	-	4	1	-	1
Blue-collar workers	6	1	7	18	7	25	16	9	25
Total	7	1	8	22	7	29	17	9	26

Number of employees by age group - Autoclina

No. as at 31.12.2021	<30			30 - 50			>50		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Executives	-	-	-	1	-	1	1	-	1
Middle Managers	-	-	-	2	-	2	3	-	3
White-collar workers	3	3	6	30	13	43	16	9	25
Blue-collar workers	18	3	21	25	1	26	15	-	15
Total	21	6	27	58	14	72	35	9	44

Number of employees by age group - SEA

No. as at 31.12.2021	<30			30 - 50			>50		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Executives	-	-	-	-	-	-	2	-	2
Middle Managers	-	-	-	-	-	-	-	-	-
White-collar workers	-	1	1	1	2	3	-	-	-
Blue-collar workers	7	-	7	6	-	6	1	-	1
Total	7	1	8	7	2	9	3	-	3

Number of employees by age group - ESC

No. as at 31.12.2021	<30			30 - 50			>50		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Executives	-	-	-	-	-	-	1	-	1
Middle Managers	-	-	-	2	1	3	5	-	5
White-collar workers	-	-	-	3	6	9	2	7	9
Blue-collar workers	2	-	2	12	-	12	7	-	7
Total	2	-	2	17	7	24	15	7	22

Number of employees by gender and qualification - Indel B Group

No. as at 31.12.2021	Group		
	Men	Women	Total
Executives	12	-	12
Middle Managers	22	2	24
White-collar workers	101	71	172
Blue-collar workers	362	166	528
Total	497	239	736

Percentage of employees by age group – Indel B

% as at 31.12.2021	<30		30 - 50		>50	
	Men	Women	Men	Women	Men	Women
Executives	-	-	100.0%	-	100.0%	-
Middle Managers	-	-	66.7%	33.3%	100.0%	-
White-collar workers	50.0%	50.0%	63.0%	37.0%	42.9%	57.1%
Blue-collar workers	67.8%	32.2%	58.0%	42.0%	61.7%	38.3%
Total	66.0%	34.0%	59.7%	40.3%	62.4%	37.6%

Percentage of employees by age group – Condor B

% as at 31.12.2021	<30		30 - 50		>50	
	Men	Women	Men	Women	Men	Women
Executives	-	-	-	-	-	-
Middle Managers	-	-	-	-	-	-
White-collar workers	100%	-	100%	-	100%	-
Blue-collar workers	85.7%	14.3%	72%	28%	64%	36%
Total	87.5%	12.5%	75.9	14.1%	65.4%	34.6%

Percentage of employees by age group – Autoclima

% as at 31.12.2021	<30		30 - 50		>50	
	Men	Women	Men	Women	Men	Women
Executives	-	-	100.0%	-	100.0%	-
Middle Managers	-	-	100.0%	-	100.0%	-
White-collar workers	50.0%	50.0%	69.8%	30.2%	64.0%	36.0%
Blue-collar workers	85.7%	14.3%	96.2%	3.8%	100.0%	-
Total	77.8%	22.2%	80.6%	19.4%	79.5%	20.5%

Percentage of employees by age group – SEA

% as at 31.12.2021	<30		30 - 50		>50	
	Men	Women	Men	Women	Men	Women
Executives	-	-	-	-	-	-
Middle Managers	-	-	-	-	-	-
White-collar workers	-	100.0%	33.33%	66.67%	-	-
Blue-collar workers	100.0%	-	100.0%	-	100.0%	-
Total	87.50%	12.5%	77.78%	22.22%	100.00%	0.00%

Percentage of employees by age group – ESC

% as at 31.12.2021	<30		30 - 50		>50	
	Men	Women	Men	Women	Men	Women
Executives	-	-	-	-	100.0%	0.0%
Middle Managers	-	-	66.7%	33.3%	100.0%	0.0%
White-collar workers	-	-	33.3%	66.7%	22.2%	77.8%
Blue-collar workers	100.0%	0.0%	100.0%	0.0%	100.0%	0.0%
Total	100.0%	0.0%	70.8%	29.2%	68.2%	31.8%

In line with the year 2022, the prevailing age group of the employees of Indel B, Condor B and Autoclima is 30 to 50 years for 2023 as well; this is due to the fact that these companies have developed considerably over the last fifteen years.

Also for the companies SEA and ESC, the prevailing age group of employees is 30-50 years.

Ratio of basic salary of women to men²¹, by employee category²²

FY 2023	Indel B	Condor B	Autoclima	SEA	ESC
Executives	-	-	-	-	-
Middle Managers	0.67%	-	-	-	-
White-collar workers	0.98%	0.68%	0.93%	-	-
Blue-collar workers	0.94%	0.81%	0.81%	-	-

FY 2022	Indel B	Condor B	Autoclima	SEA	ESC
Executives	-	-	-	-	-
Middle Managers	0.80	-	-	-	-
White-collar workers	0.89	0.66	0.94	-	-
Blue-collar workers	0.95	0.83	0.82	-	-

²¹ The percentage of the basic salary of women to men was calculated by comparing the average gross annual salary of women to the average gross annual salary of men.

²² The figure does not include Indel B North America and Autoclima's foreign subsidiaries.

FY 2021	Indel B	Condor B	Autoclima	SEA	ESC
Executives	-	-	-	-	-
Middle Managers	0.63	-	-	-	-
White-collar workers	0.84	-	0.98	0.94	-
Blue-collar workers	0.97	0.84	0.75	-	-

**Ratio of women's remuneration to men's²³
by employee category²⁴**

FY 2023	Indel B	Condor B	Autoclima	SEA	ESC
Executives	-	-	-	-	-
Middle Managers	0.67%	-	-	-	-
White-collar workers	0.94%	0.59%	0.92%	-	-
Blue-collar workers	0.86%	0.75%	0.73%	-	-

FY 2022	Indel B	Condor B	Autoclima	SEA	ESC
Executives	-	-	-	-	-
Middle Managers	0.57	-	-	-	-
White-collar workers	0.88	0.48	0.93	-	-
Blue-collar workers	0.85	0.78	0.81	-	-

FY 2021	Indel B	Condor B	Autoclima	SEA	ESC
Executives	-	-	-	-	-
Middle Managers	0.60	-	-	-	-
White-collar workers	0.83	-	0.88	0.94	-
Blue-collar workers	0.96	0.83	0.77	-	-

²³ The percentage of the remuneration of women to men was calculated by comparing the average remuneration of women to the average remuneration of men.

²⁴ The figure does not include Indel B North America and Autoclima's foreign subsidiaries.

**Total number of new hires and incoming turnover rate during the reporting period,
by age group, gender and geographical area²⁵**

Incoming employees

No. as at 31.12.2023	Indel B			Condor B			Autoclima			SEA			ESC			Group		
	M	W	Tot	M	W	Tot	M	W	Tot	M	W	Tot	M	W	Tot	M	W	Tot
<30	21	10	31	-	1	1	6	3	9	5	2	7	7	-	7	39	16	55
30-50	23	14	37	2	-	2	8	3	11	1	0	1	4	-	4	38	17	55
>50	8	2	10	-	1	1	2	1	3	1	0	1	3	-	3	14	4	18
Total	52	26	78	2	2	4	16	7	23	7	2	9	14	-	14	91	37	128

Incoming employees

No. as at 31.12.2022	Indel B			Condor B			Autoclima			SEA			ESC			Group		
	M	W	Tot	M	W	Tot	M	W	Tot	M	W	Tot	M	W	Tot	M	W	Tot
<30	84	51	135	14	6	20	25	3	28	6	3	9	2	-	2	131	63	194
30-50	95	60	155	13	9	22	10	-	10	-	-	-	1	1	2	119	70	189
>50	24	15	39	6	3	9	-	-	-	-	-	-	1	1	2	31	19	50
Total	203	126	329	33	18	51	35	3	38	6	3	9	4	2	6	281	152	433

Incoming employees

No. as at 31.12.2021	Indel B			Condor B			Autoclima			SEA			ESC			Group		
	M	W	Tot	M	W	Tot	M	W	Tot	M	W	Tot	M	W	Tot	M	W	Tot
<30	11	8	19	2	-	2	10	5	15	7	1	8	1	-	1	31	14	45
30-50	17	18	35	1	2	3	6	1	7	-	-	-	-	-	0	24	21	45
>50	5	1	6	-	-	-	2	1	3	2	-	2	1	-	1	10	2	12
Total	33	27	60	3	2	5	18	7	25	9	1	10	2	-	2	65	37	102

²⁵ The figure does not include Autoclima's foreign subsidiaries.

Incoming turnover rate

No. as at 31.12.2023	Indel B			Condor B			Autoclima			SEA			ESC			Group		
	M	W	Tot	M	W	Tot	M	W	Tot	M	W	Tot	M	W	Tot	M	W	Tot
Total	17%	12%	15%	4%	9%	6%	14%	25%	16%	26%	33%	27%	34%	-	28%	17%	13%	16%

Incoming turnover rate

No. as at 31.12.2022	Indel B			Condor B			Autoclima			SEA			ESC			Group		
	M	W	Tot	M	W	Tot	M	W	Tot	M	W	Tot	M	W	Tot	M	W	Tot
Total	59%	56%	58%	65%	75%	68%	32%	14%	29%	33%	60%	39%	13%	18%	14%	51%	53%	52%

Incoming turnover rate

No. as at 31.12.2021	Indel B			Condor B			Autoclima			SEA			ESC			Group		
	M	W	Tot	M	W	Tot	M	W	Tot	M	W	Tot	M	W	Tot	M	W	Tot
Total	12%	15%	13%	7%	12%	8%	16%	24%	17%	53%	33%	50%	6%	-	4%	19%	17%	19%



**Total number and turnover rate of employees leaving during the reporting period,
by age group, gender and region²⁶**

Outgoing employees

No. as at 31.12.2023	Indel B			Condor B			Autoclima			SEA			ESC			Group		
	M	W	Tot	M	W	Tot	M	W	Tot	M	W	Tot	M	W	Tot	M	W	Tot
<30	11	2	13	2	-	2	11	-	11	8	1	9	7	-	7	39	3	42
30-50	24	13	37	1	-	1	6	1	7	-	-	-	4	-	4	35	3	38
>50	5	5	10	2	-	2	2	1	3	-	-	-	3	-	3	12	6	18
Total	40	20	60	5	-	5	19	2	21	8	1	9	14	-	14	86	12	98

Outgoing employees

No. as at 31.12.2022	Indel B			Condor B			Autoclima			SEA			ESC			Group		
	M	W	Tot	M	W	Tot	M	W	Tot	M	W	Tot	M	W	Tot	M	W	Tot
<30	65	29	94	13	3	16	18	4	22	6	-	6	2	1	3	104	37	141
30-50	60	34	94	12	9	21	5	2	7	1	-	1	5	1	6	83	46	129
>50	14	13	27	6	2	8	3	-	3	-	-	-	1	2	3	24	17	41
Total	139	76	215	31	14	45	26	6	32	7	-	7	8	4	12	211	100	311

Outgoing employees

No. as at 31.12.2021	Indel B			Condor B			Autoclima			SEA			ESC			Group		
	M	W	Tot	M	W	Tot	M	W	Tot	M	W	Tot	M	W	Tot	M	W	Tot
<30	11	8	19	2	-	2	10	5	15	7	1	8	1	-	1	31	14	45
30-50	17	18	35	1	2	3	6	1	7	-	-	-	-	-	-	24	21	45
>50	5	1	6	-	-	-	2	1	3	2	-	2	1	-	1	10	2	12
Total	33	27	60	3	2	5	18	7	25	9	1	10	2	-	2	65	37	102

²⁶ The figure does not include Autoclima's foreign subsidiaries

Outgoing turnover rate

No. as at 31.12.2023	Indel B			Condor B			Autoclima			SEA			ESC			Group		
	M	W	Tot	M	W	Tot	M	W	Tot	M	W	Tot	M	W	Tot	M	W	Tot
Total	13%	9%	11%	11%	-	7%	17%	7%	15%	30%	17%	27%	34%	-	28%	16%	8%	13%

Outgoing turnover rate

No. as at 31.12.2022	Indel B			Condor B			Autoclima			SEA			ESC			Group		
	M	W	Tot	M	W	Tot	M	W	Tot	M	W	Tot	M	W	Tot	M	W	Tot
Total	41%	34%	38%	61%	58%	60%	24%	27%	24%	39%	0%	30%	26%	36%	29%	38%	35%	37%

Outgoing turnover rate

No. as at 31.12.2021	Indel B			Condor B			Autoclima			SEA			ESC			Group		
	M	W	Tot	M	W	Tot	M	W	Tot	M	W	Tot	M	W	Tot	M	W	Tot
Total	11%	7%	10%	4%	12%	6%	11%	17%	13%	18%	-	15%	32%	14%	27%	15%	10%	14%

For Indel B, Condor B, Autoclima, SEA and ESC, there are no benefits for some categories over others, except for what is already envisaged by current legislation.

Average training hours received by the organisation's employees during the reporting period, by gender and professional category²⁷

Indel B strongly believes that promoting continuous health and safety training for all its people is essential to ensure an increasingly safe working environment, as well as to help prevent accident risks. For this reason, general training courses on occupational health and safety have been defined in line with current regulations and address all company staff, with a special focus on new hires.

Indel B training on environmental issues

no. of training hours FY 2023	Men	Women	Total
Executives	-	-	-
Middle Managers	-	-	-
White-collar workers	-	-	-
Blue-collar workers	0.01	-	0.01
Total	0.01	-	0.01

No. of training hours FY 2022	Men	Women	Total
Executives	-	-	-
Middle Managers	-	-	-
White-collar workers	0.1	-	0.1
Blue-collar workers	1	1	2
Total	1.1	1	2.1

no. of training hours FY 2021	Men	Women	Total
Executives	-	-	-
Middle Managers	-	-	-
White-collar workers	0.2	-	0.2
Blue-collar workers	0.1	-	0.1
Total	0.3	-	0.3

²⁷ The figure does not include Autoclima's foreign subsidiaries.

Indel B technical training

no. of training hours FY 2023	Men	Women	Total
Executives	1.6	-	0.9
Middle Managers	0.7	-	0.3
White-collar workers	6.9	3.7	5.3
Blue-collar workers	4.4	1.5	2.9
Total	13.8	5.2	18.9

No. of training hours FY 2022	Men	Women	Total
Executives	9.6	-	9.6
Middle Managers	1.1	7.5	8.6
White-collar workers	8.2	7.2	15.5
Blue-collar workers	2.7	1.7	4.4
Total	21.6	16.4	38.1

no. of training hours FY 2021	Men	Women	Total
Executives	0.9	-	0.9
Middle Managers	-	-	-
White-collar workers	3.3	0.3	-
Blue-collar workers	3.8	1.8	5.5
Total	7.9	2.1	10.0

Compulsory training for Indel B interns

no. of training hours FY 2023	Men	Women	Total
Executives	-	-	-
Middle Managers	-	-	-
White-collar workers	2	-	2
Blue-collar workers	-	-	-
Total	2	-	2

No. of training hours FY 2022	Men	Women	Total
Executives	-	-	-
Middle Managers	-	-	-
White-collar workers	1.8	-	1.8
Blue-collar workers	-	-	-
Total	1.8	-	1.8

no. of training hours FY 2021	Men	Women	Total
Executives	-	-	-
Middle Managers	-	-	-
White-collar workers	1.7	-	1.7
Blue-collar workers	-	-	-
Total	1.7	-	1.7

Condor B technical training

no. of training hours FY 2023	Men	Women	Total
Executives	-	-	-
Middle Managers	-	-	-
White-collar workers	-	-	-
Blue-collar workers	1	-	1
Total	1	-	1

No. of training hours FY 2022	Men	Women	Total
Executives	-	-	-
Middle Managers	-	-	-
White-collar workers	-	-	-
Blue-collar workers	6.2	2.1	8.3
Total	6.2	2.1	8.3

no. of training hours FY 2021	Men	Women	Total
Executives	-	-	-
Middle Managers	-	-	-
White-collar workers	1.0	-	1.0
Blue-collar workers	2.8	0.2	3.0
Total	3.8	0.2	4.0

Autoclimate training on environmental issues

no. of training hours FY 2023	Men	Women	Total
Executives	-	-	-
Middle Managers	-	-	-
White-collar workers	-	-	-
Blue-collar workers	-	-	-
Total	-	-	-

No. of training hours FY 2022	Men	Women	Total
Executives	-	-	-
Middle Managers	-	-	-
White-collar workers	-	-	-
Blue-collar workers	-	-	-
Total	-	-	-

no. of training hours FY 2021	Men	Women	Total
Executives	-	-	-
Middle Managers	-	-	-
White-collar workers	-	-	-
Blue-collar workers	0.3	-	0.3
Total	0.3	-	0.3

Compulsory training for Autoclima interns

no. of training hours FY 2023	Men	Women	Total
Executives	-	-	-
Middle Managers	-	-	-
White-collar workers	12	8	20
Blue-collar workers	26	9	34
Total	38	17	54

No. of training hours FY 2022	Men	Women	Total
Executives	-	-	-
Middle Managers	-	-	-
White-collar workers	34.8	96.4	131.2
Blue-collar workers	38.4	61.3	99.8
Total	73.2	157.8	231.0

no. of training hours FY 2021	Men	Women	Total
Executives	-	-	-
Middle Managers	-	-	-
White-collar workers	-	-	-
Blue-collar workers	1.4	-	1.4
Total	1.4	-	1.4

Autoclina voluntary training

no. of training hours FY 2022	Men	Women	Total
Executives	7.3	-	7.3
Middle Managers	33.8	-	33.8
White-collar workers	121.3	44.3	165.6
Blue-collar workers	120.8	154.7	275.5
Total	283.2	199.0	482.2

no. of training hours FY 2021	Men	Women	Total
Executives	5.5	-	5.5
Middle Managers	14.6	-	14.6
White-collar workers	10.1	24.4	34.5
Blue-collar workers	7.4	-	7.4
Total	37.6	24.4	62.0

SEA technical training

no. of training hours FY 2023	Men	Women	Total
Executives	-	-	-
Middle Managers	-	-	-
White-collar workers	1	2	3
Blue-collar workers	1	-	1
Total	2	2	4

SEA technical training

no. of training hours FY 2022	Men	Women	Total
Executives	-	-	-
Middle Managers	-	-	-
White-collar workers	-	1.6	1.6
Blue-collar workers	3.3	-	3.3
Total	3.3	1.6	4.9

Compulsory training for SEA interns

no. of training hours FY 2023	Men	Women	Total
Executives	-	-	-
Middle Managers	-	-	-
White-collar workers	28.0	57.0	85.0
Blue-collar workers	99.0	0.0	99.0
Total	127.0	57.0	184.0

No. of training hours FY 2022	Men	Women	Total
Executives	-	-	-
Middle Managers	-	-	-
White-collar workers	-	54.4	54.4
Blue-collar workers	36.3	-	36.3
Total	36.3	-	90.7

no. of training hours FY 2021	Men	Women	Total
Executives	-	-	-
Middle Managers	-	-	-
White-collar workers	-	-	-
Blue-collar workers	11.4	-	11.4
Total	11.4	-	11.4

The company IBNA did not conduct any new staff training courses in 2023. It should be noted that a new Financial Manager was appointed during the year.

With reference to the performance management system, it should be noted that Group employees are not subject to periodic performance appraisals and no career paths are formally defined. It should further be noted that MBOs were only considered for certain categories of employees.

Management of Workers' Health and Safety

The mental and physical protection of its employees is a primary objective for the Indel B Group. For this reason, it is committed to guaranteeing a working environment that complies with current legislation on the subject and is as healthy and safe as possible, while at the same time promoting a responsible and compliant approach to safety for employees in accordance with Italian Legislative Decree 81/08.C51. Indel B and Autoclima have a Health and Safety Management System according to UNI ISO 45001. Such a system is not yet certified at Indel B.

The introduction of the ISO 45001 principles is consistent with the company vision that expresses Indel B's desire to be recognised as a trusted partner for all its employees. The Group's primary intent is to prevent the occurrence of accidents, or work-related illnesses, for employees and all stakeholders, sharing responsibility for the implementation, maintenance and continuous improvement of the new Management System with the entire company organisation. It looks beyond short-term issues, taking into account what workers and all stakeholders expect today.

With the aim of continuing to pursue the goal of minimising risk factors and, therefore, the likelihood of injuries and work-related ill health, various prevention programmes aimed at continuous improvement of the workplace have been implemented. The aim is to further improve these processes in the Italian locations of the subsidiaries Condor B and Autoclima in 2024, and then continue with the foreign ones.

The Indel B Group's objective for the future is to create a Health and Safety Department at corporate level, which would provide a structure capable of centrally overseeing and coordinating the health and safety aspects of all Group companies.

During 2021 and 2022, the Group's companies continued to organise their work in accordance with current health regulations, which enabled Indel B to supervise and secure its work from the point of view of workers' health and safety, which responded to the health emergency quickly and effectively.

The following graphs provide quantitative information on the number of recordable, commuting and at-work injuries, as well as the rate of recordable injuries, as required by GRI indicator 403-9.

The requirement for disclosure of the number and rate of work-related injuries without lost days or serious consequences was introduced for the first time in the 2020 reporting, following the update of the GRI Standard (GRI 403-9).

FY 2023 ²⁸	Indel B	Condor B	Autoclima	SEA	ESC	Group
Number of deaths as a result of work-related injuries	-	-	-	-	-	-
Number of work-related injuries with severe consequences (excluding deaths)	-	-	-	-	-	-
Number of recordable work-related injuries	21	-	5	-	-	26
• commuting	3	-	2	-	-	5
• at work	18	-	3	-	-	21
Hours worked	880,384	105,198	237,798	49,891	71,650	1,255,061
Death rate as a result of work-related injuries	-	-	-	-	-	-
Rate of work-related injuries with severe consequences (excluding deaths)	-	-	-	-	-	-
Rate of recordable work-related injuries	5.28	-	4.21	-	-	1,255,113

FY 2023	Indel B	Condor B	Autoclima	SEA	ESC	Group
Total number of injuries (commuting/at work)	21	-	5	-	-	26
• commuting	3	-	2	-	-	5
• at work	18	-	3	-	-	21
Cases of work-related ill health	-	-	-	-	-	-
Work-related deaths	-	-	-	-	-	-

FY 2022 ²⁹	Indel B	Condor B	Autoclima	SEA	ESC	Group
Number of deaths as a result of work-related injuries	-	-	-	-	-	-
Number of work-related injuries with severe consequences (excluding deaths)	-	-	-	-	-	-
Number of recordable work-related injuries	29	1	1	-	-	31

²⁸ The figure does not include Autoclima's foreign subsidiaries. It should be noted that Indel B North America had no injuries during 2023.

²⁹ The figure does not include Autoclima's foreign subsidiaries. It should be noted that Indel B North America had no injuries during 2022.

• commuting	4	-	-	-	-	4
• at work	25	1	1	-	-	27
Hours worked	885,806	142,379	217,752	35,772	69,897	1,351,606
Death rate as a result of work-related injuries	-	-	-	-	-	-
Rate of work-related injuries with severe consequences (excluding deaths)	-	-	-	-	-	-
Rate of recordable work-related injuries	6.55%	1.40%	0.92%	-	-	2.00%

FY 2022	Indel B	Condor B	Autoclima	SEA	ESC	Group
Total number of injuries (commuting/at work)	29	1	1	-	-	31
• commuting	4	-	-	-	-	4
• at work	25	1	1	-	-	27
Cases of work-related ill health	-	-	-	-	-	-
Work-related deaths	-	-	-	-	-	-

FY 2021 ³⁰	Indel B	Condor B	Autoclima	SEA	ESC	Group
Number of deaths as a result of work-related injuries	-	-	-	-	-	-
Number of work-related injuries with severe consequences (excluding deaths)	-	-	-	-	-	-
Number of recordable work-related injuries	22	1	2	-	1	26
• commuting	3	-	1	-	-	4
• at work	19	1	1	-	1	22
Hours worked	719,891	105,619	219,004	26,164	72,800	1,143,478
Death rate as a result of work-related injuries	-	-	-	-	-	-

³⁰ The figure does not include Autoclima's foreign subsidiaries. It should be noted that Indel B North America had no injuries during 2021.

Rate of work-related injuries with severe consequences (excluding deaths)	-	-	-	-	-	-
Rate of recordable work-related injuries	6.11%	1.89%	1.83%	-	2.75%	3%

FY 2021	Indel B	Condor B	Autoclima	SEA	ESC	Group
Total number of injuries (commuting/at work)	22	1	2	-	1	26
• commuting	3	-	1	-	-	4
• at work	19	1	1	-	1	22
Cases of work-related ill health	-	-	-	-	-	-
Work-related deaths	-	-	-	-	-	-

The health and safety measures taken and constant compliance with the relevant legal regulations have made it possible to keep the number of work-related accidents low, but above all to reduce their average severity. During 2023, Indel B had three work-related ill health claims that were not accepted by the insurer.

Indel B and Autoclima carried out several training activities during the three-year period 2021-2023 in relation to health & safety. The following tables show the details of the training hours provided to the employees of the above companies, broken down by professional category and gender.

Average hours of health and safety training received by the organisation's employees during the reporting period, broken down by gender and occupational category³¹

Indel B Health and Safety Training

no. of training hours FY 2023	Men	Women	Total
Executives	3.00	-	3
Middle Managers	4.00	-	4
White-collar workers	4.33	2.10	6.43
Blue-collar workers	6.82	3.05	9.87
Total	18.15	5.15	23.3

No. of training hours FY 2022	Men	Women	Total
Executives	-	-	-
Middle Managers	8.1	-	8.1
White-collar workers	16.2	1.2	17.4
Blue-collar workers	9.7	16.2	25.8
Total	34.0	17.4	51.3

no. of training hours FY 2021	Men	Women	Total
Executives	3.7	-	3.7
Middle Managers	1.1	4.0	5.1
White-collar workers	1.7	1.5	3.1
Blue-collar workers	9.2	3.9	13.0
Total	15.6	9.3	25.0

³¹ The figure does not include Autoclima's foreign subsidiaries.

Condor B Health and Safety Training

no. of training hours FY 2023	Men	Women	Total
Executives	-	-	-
Middle Managers	-	-	-
White-collar workers	-	-	-
Blue-collar workers	0.5	2.1	2.6
Total	0.5	2.1	2.6

No. of training hours FY 2022	Men	Women	Total
Executives	-	-	-
Middle Managers	-	-	-
White-collar workers	5.8	4.0	9.8
Blue-collar workers	4.1	3.0	7.2
Total	10.0	7.0	17.0

no. of training hours FY 2021	Men	Women	Total
Executives	-	-	-
Middle Managers	-	-	-
White-collar workers	-	-	-
Blue-collar workers	6.3	0.9	7.2
Total	6.3	0.9	7.2

Autoclina Health and Safety Training

no. of training hours FY 2023	Men	Women	Total
Executives	-	-	-
Middle Managers	1	-	1
White-collar workers	1	1	2
Blue-collar workers	4	-	4
Total	6	1	7

No. of training hours FY 2022	Men	Women	Total
Executives	-	-	-
Middle Managers	-	-	-
White-collar workers	1.2	0.4	1.7
Blue-collar workers	2.2	-	2.2
Total	3.5	0.4	3.9

no. of training hours FY 2021	Men	Women	Total
Executives	-	-	-
Middle Managers	-	-	-
White-collar workers	0.3	0.6	1.0
Blue-collar workers	3.2	12.0	15.2
Total	3.5	12.6	16.1

SEA Health and Safety Training

no. of training hours FY 2023	Men	Women	Total
Executives	6	-	6
Middle Managers	-	-	-
White-collar workers	4	2	6
Blue-collar workers	6	-	6
Total	16	2	18

No. of training hours FY 2022	Men	Women	Total
Executives	-	-	-
Middle Managers	-	-	-
White-collar workers	-	4.8	4.8
Blue-collar workers	1.6	-	1.6
Total	1.6	4.8	6.4

no. of training hours FY 2021	Men	Women	Total
Executives	-	-	-
Middle Managers	-	-	-
White-collar workers	-	-	-
Blue-collar workers	11.4	-	11.4
Total	11.4	-	11.4

The company IBNA did not conduct any new health and safety-related training courses during the year 2023.

Respect for Human Rights

[GRI 406-1]; [GRI 412-1]

As mentioned earlier, the Indel B Group believes in the fundamental value of people. The Group places respect for human rights as the foundation of its values, its way of operating and doing business. In particular, Indel B is also committed to providing its employees with tools to prevent and report possible violations. The adoption of the Code of Ethics by Indel B, Condor B and Autoclima guarantees employees can report any human rights violations they find, with absolute respect for their privacy. The Supervisory Body set up collects the reports received, verifying whether they are founded and assessing whether further investigations are necessary, always subject to the confidentiality and protection of the report. No incidents of discrimination occurred during the reporting period.

In addition to this, the Indel B Group promotes careful policies aimed at creating a positive and inclusive working environment and defining organisational tools that improve people's work-life balance.

5. Combating Active and Passive Corruption

[GRI 3-3]; [GRI 205-2]; [GRI 205-3]

The pursuit of the Group's interest or advantage cannot justify unethical and dishonest conduct. For this reason, all three companies Indel B, Condor B and Autoclima have had a Code of Ethics and a Charter of Values since 2018, as well as a Whistleblowing channel for reporting unlawful conduct. Furthermore, the Parent Company has adopted an Organisation, Management and Control Model pursuant to Italian Legislative Decree 231/2001, which was revised and updated in early 2021.

In this context, we would like to point out that the Indel B Group adopted a platform as a Whistleblowing reporting tool in 2023. The Indel B Group Integrity Platform complies with the relevant regulations and the latest security standards and best practices. By using the Indel B Group Integrity Platform, employees, collaborators, consultants, suppliers and any other third party entertaining relations with the Group may report, in order to protect the Group's integrity, unlawful conduct or conduct that does not comply with the Code of Ethics, with internal procedures, with the laws and regulations in force, with the Organisation, Management and Control Model (231 Organisational Model) for the Italian companies of the Group that have adopted it, or with the internal procedures adopted by the Group. Reports must be substantiated and based on objective data rather than personal suspicions or evaluations, and may also be made anonymously.

The Integrity Platform is managed by an independent third-party company, EQS Group AG, to protect the identity of all those who use it. In fact, the Group is committed to protecting the confidentiality of the whistleblower's identity and to ensuring that no retaliatory or discriminatory act, whether direct or indirect, is taken against a person who has made a report in good faith.

The company Indel B has adopted an Organisation, Management and Control Model pursuant to Italian Legislative Decree 231/2001, as it considers the fight against active and passive corruption an essential commitment. In fact,

the conduct of anyone who carries out activities in favour of or on behalf of the company through the promise, offer, payment or acceptance of money or other benefits in order to obtain or maintain business and secure an unfair advantage is condemned.

Indel B Management pursues this objective of primary importance by maintaining and developing the above-mentioned Model, which also regulates the subject of anti-corruption.

The areas identified as at risk are:

- Relations with the PA;
- Access to funding;
- Human resources management;
- Supplier management;
- Information systems management;
- Gifts, gratuities and donations;
- Litigation management.

In order to avoid the above-mentioned risks, the recipients of the Model:

1. are required to avoid any situation of conflict of interest, even potential, with the Public Administration;
2. are not authorised to pay sums of money or other benefits in favour of public officials and/or persons responsible for a public service, nor in favour of their relatives, except in the case of gifts of modest value and/or of symbolic value and/or falling within normal business courtesy;
3. are not authorised to grant or promise advantages of any kind to public officials and/or persons responsible for a public service;
4. are not authorised to grant sums of money in favour of third parties that have not been contractually agreed upon or that are not adequately proportionate to the activity performed and market conditions;
5. must refrain from making payments to parties other than the contractual partner;

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6. during negotiations, requests or relations with the Public Administration, must avoid any conduct aimed at improperly influencing the decisions of the counterparty, including those of the officials who negotiate or make decisions on behalf of the Public Administration and/or at encouraging conditioning and pressure for the purpose of determining corporate decisions inconsistent with the provisions of the Articles of Association, the internal procedures, the Code of Ethics and this Model;
 7. must refrain from providing, drawing up or handing over to public officials and/or persons in charge of a public service data or documents in general with inaccurate, erroneous, deficient, incomplete and/or false contents, in order to obtain certifications, permits, authorisations and/or licences of any kind, to obtain public grants, contributions or subsidised loans;
 8. must refrain from providing, drawing up, exhibiting or handing over to public officials and/or persons in charge of a public service declarations, data, information or documents with contents that are intentionally artificial, inaccurate, incomplete, deficient and/or false, for whatever company purpose intended;
 9. must promptly report any irregularities and/or violations of the provisions of the company's Code of Ethics and of this Model to the Supervisory Body.

The Indel B Group had no convictions for cases of corruption during the three-year period 2021/2023.

Furthermore, with regard to risks related to international sanctions, despite its limited exposure considering the limited value of volumes, the Group has implemented a control procedure aimed at monitoring the regularity of transactions, both subjectively and objectively, with counterparties resident in countries to which international sanctions apply. This procedure is constantly updated as new sanction packages are released.

Total number and percentage of members of the Parent Company's governing bodies to whom anti-corruption policies and procedures have been communicated

2023

	No.	%
Members of the governing body who have been notified of anti-corruption policies/procedures	10	100%

2022

Members of the governing body who have been notified of anti-corruption policies/procedures	10	100%
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2021

Members of the governing body who have been notified of anti-corruption policies/procedures	10	100%
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Total number and percentage of employees who have received anti-corruption training, by employee category

Italian Leg. Decree 231: Indel B

no. of training hours FY 2023	Men	Women	Total
Executives			
Middle Managers			
White-collar workers	0.4	0.1	0.5
Blue-collar workers	0.5	0.4	0.9
Total	0.9	0.5	1.4

No. of training hours FY 2022	Men	Women	Total
Executives	2.0	-	2.0
Middle Managers	0.8	2.0	2.8
White-collar workers	1.4	1.6	3.0
Blue-collar workers	0.2	-	0.2
Total	4.3	3.7	8.0

no. of training hours FY 2021	Men	Women	Total
Executives	-	-	-
Middle Managers	-	-	-
White-collar workers	0.1	-	0.1
Blue-collar workers	0.5	0.6	1.1
Total	0.6	0.6	1.2

Training on Indel B's Organisation, Management and Control Model began the year the Model was adopted, i.e., 2017, and involved almost all employees. It represents an ongoing commitment, as set out in the Model itself. Training was resumed for all employees in 2021, 2022 and 2023, with a small test to verify learning at the end of the course. The adequate information procedure is adopted for new employees, which includes the delivery of an explanatory circular as well as delivery of the Code of Ethics and the Whistleblowing procedure.

Fiscal Responsibility

[GRI 207-1]; [GRI 207-2]; [GRI 207-3]; [GRI 207-4]

The Group, in its entirety and in compliance with its Code of Ethics, undertakes to respect the principles inspired by the values of integrity and honesty in the management of tax matters, as well as to be respectful of the tax regulations applicable to the countries in which the Group operates, maintaining a relationship based on cooperation and transparency with the tax authorities. Indel B has always paid special attention to the evolution of both domestic and international tax regulations that seek to counteract tax erosion and profit slippage, with a constant commitment to their principles. The Indel B Group is assisted by qualified consultants in its various locations worldwide for the quantification and determination of tax aspects. Furthermore, Indel B actively participates in the technical debate on new tax policies through industry associations such as Confindustria. The Group maintains a cooperative and transparent relationship with tax authorities, ensuring that the latter can gain a full understanding of the facts underlying the application of tax rules. With a view to transparency vis-a-vis the authorities, in 2023 Indel B ensured the correct application of local national tax laws and regulations and the OECD Transfer Pricing Guidelines. Indel B does not engage in transactions without valid economic reasons in order to obtain tax advantages, nor does it exploit privileged tax jurisdictions for tax avoidance purposes.

The Group aims to pursue the following objectives:

- settle taxes due by law in a timely manner as much as possible, as well as to ensure the most accurate determination of taxes;
- also in light of the above, ensure that tax risk, understood as the risk of incurring tax law violations or the abuse of the principles and purposes of the tax system, is limited.

In 2023, the Group recognised € 4,007 million in income taxes for the year, mostly in Italy, where most of the net operating income was realised.

The table below shows the numbers by country of the group companies; the numbers are expressed in thousands of euros;

	Revenues from third parties	Intra-group revenues	Pre-tax profit/loss	Assets other than cash and cash equivalents	Taxes on income paid, cash basis	Taxes on income of companies accrued
Italy						
Indel B SpA	140,058	3,862	7,302	143,279	2,222	2,387
Condor B SpA	7,016	1,886	335	8,763	211	72
Autoclima SpA	34,223	11,870	3,850	43,045	1,123	1,093
SEA Srl	11,932	320	1,565	7,284	140	308
Total Italy	193,349	17,938	13,052	202,371	3,696	3,860
USA						
Indel B North America Inc.	2,797	524	(600)	2,079	8	(9)
Total USA	2,797	524	(600)	2,079	8	(9)
Germany						
Autoclima GMBH	3,147	55	191	1,361	76	58
Total Germany	3,147	55	191	1,361	76	58
Russia						
Autoclima Russia	3,898	-	599	1,491	115	120
Total Russia	3,898	-	599	1,491	115	120
Spain						
Autoclima Iberica	2,038	1	147	934	4	27
Total Spain	2,038	1	147	934	4	27
Poland						
Autoclima Polska	2,589	20	145	724	31	32
Total Poland	2,589	20	145	724	31	32
France						
Electric Station Climatisation	13,458	73	674	5,515	119	175
Total France	13,458	73	674	5,515	119	175

6. EU Taxonomy Regulation 2020/852

With reference to Regulation (EU) 2020/852 (hereinafter also "Regulation") on the establishment of a framework in favour of sustainable investments, the Indel B Group presents the required disclosure below, since it is a company subject to the obligation to publish a Non-Financial Statement.

The European Taxonomy Regulation identifies criteria for determining whether an economic activity can be considered environmentally sustainable, considering six environmental objectives:

- climate change mitigation;
- climate change adaptation;
- sustainable use and protection of water and marine resources;
- transition to a circular economy;
- pollution prevention and reduction;
- protection and restoration of biodiversity and ecosystems.

In July 2021, EU Regulation 2021/2178 further supplemented the content of the Regulation to clarify how the taxonomy disclosure should be calculated and presented.

Following the first application of the Regulation for the financial year 2021, non-financial corporations were required to report on their proportion of eligible economic activities within the meaning of the Taxonomy.

As of 1 January 2023, with respect to data for the financial year 2022, non-financial corporations are required to report not only their proportion of eligible activities, but also their proportion of environmentally sustainable (so-called "aligned") activities in relation to the environmental objectives of climate change adaptation and mitigation. During 2023, the European Commission finalised the identification and enunciation of economic activities and technical screening requirements for the remaining four environmental objectives (sustainable use and protection of water and marine resources, transition to a circular economy, pollution prevention and reduction, protection and restoration of biodiversity and ecosystems). Consequently, for financial statements ending 31 December 2023, the regulations require companies to report KPIs on revenue, capital expenditure (CapEx) and operating expenditure (OpEx) of eligible and non-eligible activities for all six environmental objectives. However, reporting on the KPIs of aligned economic activities is still only mandatory for the first two environmental objectives³².

³² Delegated Regulation 2021/2139 of 4 June 2021 ("Climate Delegated Act")

According to the Regulation, economic activities can be classified into:

- economic activities eligible for the taxonomy, i.e., those that correspond with the definition of at least one of the activities listed in the delegated acts adopted pursuant to Regulation 2020/852, irrespective of whether these activities meet any or all of the technical screening criteria. Consequently, ineligible economic activities are those that do not correspond to the definition of one of the activities described in the delegated acts;
- economic activities aligned with the Taxonomy, i.e., those which, in addition to being eligible, substantially contribute to the achievement of at least one of the six environmental objectives defined by the European Commission.

Thus, in order to comply with the regulatory requirements, the Indel B group carried out an eligibility analysis of its economic activities, also checking for any consistency with the NACE codes set out in the Delegated Acts. In the light of this analysis, the Indel B group did not find any turnover from products or services associated with economic activities eligible under Articles 3 and 9 of the Regulation with reference to the first two environmental objectives, while it did find some capital expenditure ("CapEx") related to the purchase of products from economic activities aligned with the Taxonomy and individual measures that enable the target activities to achieve low carbon emissions or greenhouse gas reductions. This is for certain CapEx relating to Activity 4.1 "Production of electricity using photovoltaic solar technology", specifically related to the increase of a photovoltaic system for a portion of the plant located in Secchiano di Novafeltria, and new investments at the Autoclima plant located in Cambiano. Activities in the gas and nuclear sectors covered by Delegated Regulation 2022/1214 are also not eligible.

The Indel B Group therefore reported activity 4.1 as eligible for the climate change mitigation and adaptation objectives, as the latter has the same description for both objectives³³.

Subsequently, as required by the Regulation, for each eligible activity identified, the Group conducted an alignment analysis. The European Taxonomy defines an economic activity that meets specific technical screening criteria (substantial contribution to one or more environmental objectives, no significant harm to any other environmental objective, and compliance with minimum safeguards) as aligned. From the analysis conducted, none of Indel B's economic activities appears to be aligned with the European Taxonomy and thus able to meet all the technical screening criteria.

³³ In section 2 of the "European common enforcement priorities for 2023 annual financial reports" of 25 October 2023, the importance of considering economic activities as eligible for more than one objective if they have the exact same description is pointed out.

In the coming years, the Group will assess, where possible, further eligibility cases in order to identify best practices to be implemented for future reporting in terms of both eligibility and alignment. The results of these evaluations are briefly illustrated in the tables below, which show the percentages of eligibility and alignment with respect to the indicators set out in the Regulation.

	Total in euros (millions) ¹	Percentage of eligible activities (%)*	Percentage of aligned activities (%)*	Percentage of economic activities not eligible for the taxonomy (%)*
Turnover	227	-%	-%	100%
CapEx	9	3.5%	-%	96.5%
OpEx	2	-%	-%	100%

*) The % are calculated in relation to the total

¹) The values are taken from consolidated financial statement data

For the calculation of KPIs, the denominator of KPI turnover refers to the item "Total Revenues" in section 1.2 "Consolidated Income Statement" of the consolidated financial statements.

The denominator of the CapEx KPI was determined by the additions to tangible and intangible assets that occurred during the year and taken into account before depreciation, amortisation and revaluation, and by the additions to tangible and intangible assets resulting from business combinations. The total refers to "Net investments in intangible and tangible assets" in section 1.5 "Consolidated Cash Flow Statement" of the consolidated financial statements.

Finally, the denominator of the OpEx KPI includes non-capitalised direct costs for research and development, short-term rent, building renovation measures and maintenance and repair costs.

Tables of economic KPIs associated with eligible economic activities aligned with the Taxonomy

Table 1 - Turnover

Financial year N	2023			Criteria for substantial contribution						DNSH ("Do No Significant Harm") criteria										
Economic activities (1)	Code ³⁴ (2)	Turnover (3)	Proportion of turnover, year N (4)	Climate change mitigation (5)	Climate change adaptation (6)	Water (7)	Pollution (8)	Circular economy (9)	Biodiversity (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water (13)	Pollution (14)	Circular economy (15)	Biodiversity (16)	Minimum safeguards (17)	Taxonomy-aligned (A.1) or -eligible (A.2) proportion of turnover year N-1 (18)	Category enabling activity (19)	Category transitional activity (20)	
-	-	EUR (million)	%	Yes; No; N/EL ³⁵	Yes; No; N/E	Yes; No; N/E	Yes; No; N/E	Yes; No; N/E	Yes; No; N/E	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	%	A	T	
A. TAXONOMY-ELIGIBLE ACTIVITIES																				
A.1 Environmentally sustainable activities (Taxonomy-aligned)																				
	N/A	-	-	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	No	No	No	No	No	No	No	-			
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)		-	-							No	No	No	No	No	No	No	-			
Of which enabling	-	-		N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	No	No	No	No	No	No	No		A		
Of which transitional	-	-		N/EL						No	No	No	No	No	No	No			T	
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																				
				EL; N/EL	EL; N/E	EL; N/E	EL; N/E	EL; N/E	EL; N/E											
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		-	-														-			
A. Turnover of Taxonomy-eligible activities (A.1 + A.2)		-	-														-			
A. TAXONOMY-NON-ELIGIBLE ACTIVITIES																				
Turnover of Taxonomy-non-eligible activities		227	100%																	
TOTAL		227	100%																	

34 climate change mitigation: CCM; climate change adaptation: CCA; water and marine resources: WTR; circular economy: CE; pollution prevention and reduction: PPC; biodiversity and ecosystems: BIO.

35 Yes - The activity is eligible for the Taxonomy and aligned with the Taxonomy with respect to the relevant environmental objective; No - The activity is eligible for the Taxonomy but is not aligned with the Taxonomy with respect to the relevant environmental objective; N/EL - Not eligible; the activity is not eligible for the Taxonomy for the relevant objective; EL - The activity is eligible for the Taxonomy for the relevant objective.

Table 2 - CapEx

Financial year N	2023			Criteria for substantial contribution						DNSH ("Do No Significant Harm") criteria									
Economic activities (1)	Code ³⁶ (2)	Turnover (3)	Proportion of turnover, year N (4)	Climate change mitigation (5)	Climate change adaptation (6)	Water (7)	Pollution (8)	Circular economy (9)	Biodiversity (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water (13)	Pollution (14)	Circular economy (15)	Biodiversity (16)	Minimum safeguards (17)	Taxonomy-aligned (A.1) or -eligible (A.2) proportion of turnover year N-1 (18)	Category enabling activity (19)	Category transitional activity (20)
-	-	EUR (million)	%	Yes; No; N/EL ³⁷	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	%	A	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1 Environmentally sustainable activities (Taxonomy-aligned)																			
	N/A	-	-	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	No	No	No	No	No	No	No	-		
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		-	-							No	No	No	No	No	No	No	-		
Of which enabling	-	-	-	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	No	No	No	No	No	No	No		A	
Of which transitional	-	-	-	N/EL						No	No	No	No	No	No	No			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										
Electricity generation using solar photovoltaic technology	4.1 CCM/CCA	0.3	3.5%	EL	EL	N/EL	N/EL	N/EL	N/EL										
CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		0.3	3.5%	3.5%													0.01%		
A. CapEx of Taxonomy-eligible activities (A.1 + A.2)		0.3	3.5%	3.5%													0.01%		
A. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
CapEx of Taxonomy-non-eligible activities		8.7	96.5%																
TOTAL		9	100%																

36 climate change mitigation: CCM; climate change adaptation: CCA; water and marine resources: WTR; circular economy: CE; pollution prevention and reduction: PPC; biodiversity and ecosystems: BIO.

37 Yes - The activity is eligible for the Taxonomy and aligned with the Taxonomy with respect to the relevant environmental objective; No - The activity is eligible for the Taxonomy but is not aligned with the Taxonomy with respect to the relevant environmental objective; N/EL - Not eligible; the activity is not eligible for the Taxonomy for the relevant objective; EL - The activity is eligible for the Taxonomy for the relevant objective.

Table 3 - OpEx

Financial year N	2023			Criteria for substantial contribution						DNSH ("Do No Significant Harm") criteria						Minimum safeguards (17)	Taxonomy-aligned (A.1) or -eligible (A.2) proportion of OpEx year N-1 (18)	Category enabling activity (19)	Category transitional activity (20)
Economic activities (1)	Code ³⁸ (2)	OpEx (3)	Proportion of OpEx, year N (4)	Climate change mitigation (5)	Climate change adaptation (6)	Water (7)	Pollution (8)	Circular economy (9)	Biodiversity (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water (13)	Pollution (14)	Circular economy (15)	Biodiversity (16)				
		EUR (million)	%	Yes; No; N/EL ³⁹	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	%	A	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1 Environmentally sustainable activities (Taxonomy-aligned)																			
	N/A	-	-	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	No	No	No	No	No	No	No	-		
OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		-	-							No	No	No	No	No	No	No	-		
Of which enabling		-	-	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	No	No	No	No	No	No	No		A	
Of which transitional		-	-	N/EL						No	No	No	No	No	No	No			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										
OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		-	-														-		
A. OpEx of Taxonomy-eligible activities (A.1 + A.2)		-	-														-		
A. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
OpEx of Taxonomy-non-eligible activities		2	100%																
TOTAL		2	100%																

38 climate change mitigation: CCM; climate change adaptation: CCA; water and marine resources: WTR; circular economy: CE; pollution prevention and reduction: PPC; biodiversity and ecosystems: BIO.

39 Yes - The activity is eligible for the Taxonomy and aligned with the Taxonomy with respect to the relevant environmental objective; No - The activity is eligible for the Taxonomy but is not aligned with the Taxonomy with respect to the relevant environmental objective; N/EL - Not eligible; the activity is not eligible for the Taxonomy for the relevant objective; EL - The activity is eligible for the Taxonomy for the relevant objective.

Table 4 - Nuclear and Fossil Gas Activities

Activities related to nuclear energy		
1.	The company carries out, finances or has exposures to research, development, demonstration and creation of innovative power generation plants that produce energy from nuclear processes with a minimum amount of waste from the fuel	NO
2.	The company carries out, finances or has exposures to the construction and safe operation of new nuclear power plants for the generation of electricity or process heat, including for district heating purposes or for industrial processes such as hydrogen production, and improvements in their safety, with the help of the best available technology.	NO
3.	The company carries out, finances or has exposures to the safe operation of existing nuclear power plants that generate electricity or process heat, including for district heating or for industrial processes such as the production of hydrogen from nuclear energy, and improvements in their safety.	NO
Activities related to fossil gases		
4.	The company carries out, finances or has exposures to the construction or operation of power generation plants using gaseous fossil fuels.	NO
5.	The company carries out, finances or has exposures to the construction, upgrading and operation of combined heat/cooling and power generation plants using gaseous fossil fuels.	NO
6.	The company carries out, finances or has exposures to the construction, upgrading and operation of heat generation plants producing heat/cooling using gaseous fossil fuels.	NO

7. Correlation Table

Reference chapter	Topics of Italian Legis. Decree 254/16	GRI-Standard	Disclosure	Notes
Methodology	General Aspects	GRI 2 General Disclosure	<ul style="list-style-type: none"> 2-1 Organisational details 	
			<ul style="list-style-type: none"> 2-3 Reporting period, frequency and contact point 	
			<ul style="list-style-type: none"> 2-5 External assurance 	
Business Model			<ul style="list-style-type: none"> 2-6 Activities, value chain and other business relationships 	
Stakeholder engagement			<ul style="list-style-type: none"> 2-29 Approach to stakeholder engagement 	
Materiality	General Aspects	GRI 2 General Disclosure	<ul style="list-style-type: none"> 3-1 Process to determine material topics 	
			<ul style="list-style-type: none"> 3-2 List of material topics 	
Environment	Environment	GRI 3 Material Topics	<ul style="list-style-type: none"> 3-3 Management of material topics 	
	Energy efficiency	GRI 302 Energy	<ul style="list-style-type: none"> 302-1 Energy consumption within the organisation 	The Group is unable to report on the consumption of the foreign subsidiaries Autoclima and Indel B North America, however they are not significant and not such as to compromise the understanding of the company business, its performance, results and impact.
		GRI 303 Water and Effluents	<ul style="list-style-type: none"> 303-3 Water withdrawal 	The Group is unable to report on the water consumption of the foreign subsidiaries Autoclima and Indel B North America, however they are not significant and not such as to compromise the understanding of the company business, its performance, results and impact.
		GRI 305 Emissions	<ul style="list-style-type: none"> 305-1 Direct (Scope 1) GHG emissions 	The Group is unable to report the data on the direct emissions of the foreign subsidiaries Autoclima and Indel B North America, however they are not significant and not such as to compromise the understanding of the

				company business, its performance, results and impact.
			<ul style="list-style-type: none"> 305-2 Indirect (Scope 2) GHG emissions 	The Group is unable to report the data on the indirect emissions of the foreign subsidiaries Autoclima and Indel B North America, however they are not significant and not such as to compromise the understanding of the company business, its performance, results and impact.
	Reducing environmental impacts	GRI 306 Waste	<ul style="list-style-type: none"> 306-3 Waste generated 306-4 Waste diverted from disposal 306-5 Waste directed to disposal 	The Group is unable to report the data on waste of the foreign subsidiaries Autoclima and Indel B North America, however they are not significant and not such as to compromise the understanding of the company business, its performance, results and impact.
	Social	GRI 3-3 Management Approach	<ul style="list-style-type: none"> 3-3; 3-2 Management Approach 	
Social		GRI 2-6 general disclosure	<ul style="list-style-type: none"> 2-6 Supply chain 	For this reporting year, the Group was unable to report the supply chain information of Indel B North America and will make every effort to include this in the NFS for the year 2023.

	Responsible supply chain management Socio-economic development	GRI 204 Procurement Practices	<ul style="list-style-type: none"> 204-1 Proportion of spending on local suppliers 	
	Socio-economic development	GRI 416 Customer Health and Safety	<ul style="list-style-type: none"> 416-2 Incidents of non-compliance concerning the health and safety impacts of products and services 	
		GRI 413 Local Communities	<ul style="list-style-type: none"> 413-1 Operations with local community engagement, impact assessments and development programmes 	The Group is not able to report on the indicator in a timely manner, but has referred to the GRI indicator to inform its actions.
Human Resources	Human Resources	GRI 3-3 Management Approach	<ul style="list-style-type: none"> 3-3; 3-2 Management Approach 	
		GRI 2-7 general disclosure	<ul style="list-style-type: none"> 2-7 Information on employees and other workers 	
			<ul style="list-style-type: none"> 2-30 Collective bargaining agreements 	The foreign branches of the company Autoclima apply the employment contracts prescribed by law in the respective countries.
	Enhancing human resources	GRI 401 Employment	<ul style="list-style-type: none"> 401-1 New employee hires and employee turnover 	The Group is unable to report the data on employee turnover of the foreign subsidiaries Autoclima and Indel B North America, however they are not significant and not such as to compromise the understanding of the company business, its performance, results and impact.
			<ul style="list-style-type: none"> 401-2 Employee benefits 	
		GRI 404 Training and Education	<ul style="list-style-type: none"> 404-1 Average hours of training per capita 	The Group is unable to report the data on training hours of the foreign

	Management of workers' health and safety			subsidiary Autoclima, however they are not significant and not such as to compromise the understanding of the company business, its performance, results and impact.
		GRI 405 Diversity and Equal Opportunity	<ul style="list-style-type: none"> 405-1 Diversity of governance bodies and employees 	
			<ul style="list-style-type: none"> 405-2 Ratio of basic salary and remuneration of women to men 	The Group is unable to report the data on ratio of basic salary and remuneration of the foreign subsidiaries Autoclima and Indel B North America, however they are not significant and not such as to compromise the understanding of the company business, its performance, results and impact.
		GRI 403 Occupational Health and Safety	<ul style="list-style-type: none"> 403-9 Work-related injuries 	The Group is unable to report the data on injuries of the foreign subsidiary Autoclima, however they are not significant and not such as to compromise the understanding of the company business, its performance, results and impact.
			<ul style="list-style-type: none"> 403-10 Work-related ill health 	The Group is unable to report the data on injuries of the foreign subsidiary Autoclima, however they are not significant and not such as to compromise the understanding of the company business, its performance, results and impact.
Respect for Human Rights	Respect for Human Rights	GRI 3-2 Management Approach	<ul style="list-style-type: none"> 3-3; 3-2 Management Approach 	
	Protection of human rights	GRI 406 Non-discrimination	<ul style="list-style-type: none"> 406-1 Incidents of discrimination and corrective actions taken 	
Combating Active and Passive Corruption	Combating Active and Passive Corruption	GRI 3-2 Management Approach	<ul style="list-style-type: none"> 3-3; 3-2 Management Approach 	
	Ethics and anti-corruption	GRI 205 Anti-corruption	<ul style="list-style-type: none"> 205-2 Communication and training about anti-corruption policies and procedures 	

			<ul style="list-style-type: none"> • 205-3 Confirmed incidents of corruption and actions taken 	
Fiscal Responsibility	Taxation Management	GRI 207 Taxes	<ul style="list-style-type: none"> • 207-1 Approach to tax 	
			<ul style="list-style-type: none"> • 207-2 Tax governance, control and risk management 	
			<ul style="list-style-type: none"> • 207-3 Stakeholder engagement and management of concerns related to tax 	
			<ul style="list-style-type: none"> • 207-4 • 207-4: Country-by-country reporting 	

Relazione della società di revisione indipendente sulla dichiarazione consolidata di carattere non finanziario

ai sensi dell'articolo 3, comma 10, del DLgs 254/2016 e dell'articolo 5 del Regolamento CONSOB adottato con Delibera n. 20267 del gennaio 2018

Al Consiglio di Amministrazione della
Indel B SpA

Ai sensi dell'articolo 3, comma 10, del Decreto Legislativo 30 dicembre 2016, n. 254 (di seguito "Decreto") e dell'articolo 5, comma 1, lettera g) del Regolamento CONSOB n. 20267/2018, siamo stati incaricati di effettuare l'esame limitato ("*limited assurance engagement*") della dichiarazione consolidata di carattere non finanziario della Indel B SpA e sue controllate (di seguito il "Gruppo Indel B" o il "Gruppo") relativa all'esercizio chiuso al 31 dicembre 2023, predisposta ai sensi dell'articolo 4 del Decreto e approvata dal Consiglio di Amministrazione in data 12 aprile 2024 (di seguito "DNF").

L'esame limitato da noi svolto non si estende alle informazioni contenute nel paragrafo "Regolamento 2020/852 sulla Tassonomia UE" della DNF, richieste dall'articolo 8 del Regolamento Europeo 2020/852.

Responsabilità degli amministratori e del collegio sindacale per la DNF

Gli amministratori sono responsabili per la redazione della DNF in conformità a quanto richiesto dagli articoli 3 e 4 del Decreto e alla selezione dei "*Global Reporting Initiative Sustainability Reporting Standards*" aggiornati al 2021 dal GRI - *Global Reporting Initiative* (di seguito "GRI Standards"), da essi individuato come standard di rendicontazione.

Gli amministratori sono altresì responsabili, nei termini previsti dalla legge, per quella parte del controllo interno da essi ritenuta necessaria al fine di consentire la redazione di una DNF che non contenga errori significativi dovuti a frodi o a comportamenti o eventi non intenzionali.

Gli amministratori sono responsabili, inoltre, per l'individuazione del contenuto della DNF, nell'ambito dei temi menzionati nell'articolo 3, comma 1, del Decreto, tenuto conto delle attività e delle caratteristiche del Gruppo Indel B e nella misura necessaria ad assicurare la comprensione dell'attività del Gruppo, del suo andamento, dei suoi risultati e dell'impatto dallo stesso prodotti.

Gli amministratori sono infine responsabili per la definizione del modello aziendale di gestione e organizzazione dell'attività del Gruppo, nonché, con riferimento ai temi individuati e riportati nella DNF, per le politiche praticate dal Gruppo e per l'individuazione e la gestione dei rischi generati o subiti dallo stesso.

PricewaterhouseCoopers SpA

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Il collegio sindacale della Indel B SpA ha la responsabilità della vigilanza, nei termini previsti dalla legge, sull'osservanza delle disposizioni stabilite nel Decreto.

Indipendenza della società di revisione e controllo della qualità

Siamo indipendenti in conformità ai principi in materia di etica e di indipendenza dell'*International Code of Ethics for Professional Accountants* (including *International Independence Standards*) (IESBA Code) emesso dall'*International Ethics Standards Board for Accountants*, basato su principi fondamentali di integrità, obiettività, competenza e diligenza professionale, riservatezza e comportamento professionale. Nell'esercizio di riferimento del presente incarico la nostra società di revisione ha applicato l'*International Standard on Quality Control 1* (ISQC Italia 1) e, di conseguenza, ha mantenuto un sistema di controllo qualità che include direttive e procedure documentate sulla conformità ai principi etici, ai principi professionali e alle disposizioni di legge e dei regolamenti applicabili.

Responsabilità della società di revisione

È nostra la responsabilità di esprimere, sulla base delle procedure svolte, una conclusione circa la conformità della DNF rispetto a quanto richiesto dal Decreto e dai GRI Standards. Il nostro lavoro è stato svolto secondo quanto previsto dal principio *International Standard on Assurance Engagements ISAE 3000 (Revised) - Assurance Engagements Other than Audits or Reviews of Historical Financial Information* (di seguito "*ISAE 3000 Revised*"), emanato dall'*International Auditing and Assurance Standards Board* (IAASB) per gli incarichi *limited assurance*. Tale principio richiede la pianificazione e lo svolgimento di procedure al fine di acquisire un livello di sicurezza limitato che la DNF non contenga errori significativi. Pertanto, il nostro esame ha comportato un'estensione di lavoro inferiore a quella necessaria per lo svolgimento di un esame completo secondo l'*ISAE 3000 Revised* ("*reasonable assurance engagement*") e, conseguentemente, non ci consente di avere la sicurezza di essere venuti a conoscenza di tutti i fatti e le circostanze significativi che potrebbero essere identificati con lo svolgimento di tale esame.

Le procedure svolte sulla DNF si sono basate sul nostro giudizio professionale e hanno compreso colloqui, prevalentemente con il personale della società responsabile per la predisposizione delle informazioni presentate nella DNF, nonché analisi di documenti, ricalcoli e altre procedure volte all'acquisizione di evidenze ritenute utili.

In particolare, abbiamo svolto le seguenti procedure:

1. analisi dei temi rilevanti in relazione alle attività ed alle caratteristiche del Gruppo rendicontati nella DNF, al fine di valutare la ragionevolezza del processo di selezione seguito alla luce di quanto previsto dall'articolo 3 del Decreto e tenendo presente lo standard di rendicontazione utilizzato;
2. analisi e valutazione dei criteri di identificazione del perimetro di consolidamento, al fine di riscontrarne la conformità a quanto previsto dal Decreto;

3. comparazione tra i dati e le informazioni di carattere economico-finanziario inclusi nella DNF e i dati e le informazioni inclusi nel bilancio consolidato del Gruppo;
4. comprensione dei seguenti aspetti:
 - modello aziendale di gestione e organizzazione dell'attività del Gruppo, con riferimento alla gestione dei temi indicati nell'articolo 3 del Decreto;
 - politiche praticate dall'impresa connesse ai temi indicati nell'articolo 3 del Decreto, risultati conseguiti e relativi indicatori fondamentali di prestazione;
 - principali rischi, generati o subiti connessi ai temi indicati nell'articolo 3 del Decreto.

Relativamente a tali aspetti sono stati effettuati inoltre i riscontri con le informazioni contenute nella DNF ed effettuate le verifiche descritte nel successivo punto 5, lettera a);

5. comprensione dei processi che sottendono alla generazione, rilevazione e gestione delle informazioni qualitative e quantitative significative incluse nella DNF.

In particolare, abbiamo svolto interviste e discussioni con il personale della Direzione della Indel B SpA e abbiamo svolto limitate verifiche documentali, al fine di raccogliere informazioni circa i processi e le procedure che supportano la raccolta, l'aggregazione, l'elaborazione e la trasmissione dei dati e delle informazioni di carattere non finanziario alla funzione responsabile della predisposizione della DNF.

Inoltre, per le informazioni significative, tenuto conto delle attività e delle caratteristiche del Gruppo:

- a livello di gruppo,
 - a. con riferimento alle informazioni qualitative contenute nella DNF, e in particolare a modello aziendale, politiche praticate e principali rischi, abbiamo effettuato interviste e acquisito documentazione di supporto per verificarne la coerenza con le evidenze disponibili;
 - b. con riferimento alle informazioni quantitative, abbiamo svolto sia procedure analitiche che limitate verifiche per accertare su base campionaria la corretta aggregazione dei dati.
- per la società Indel B SpA, che abbiamo selezionato sulla base della sua attività e del suo contributo agli indicatori di prestazione a livello consolidato, abbiamo effettuato visite in loco nel corso delle quali ci siamo confrontati con i responsabili e abbiamo acquisito riscontri documentali circa la corretta applicazione delle procedure e dei metodi di calcolo utilizzati per gli indicatori.

Conclusioni

Sulla base del lavoro svolto, non sono pervenuti alla nostra attenzione elementi che ci facciano ritenere che la DNF del Gruppo Indel B relativa all'esercizio chiuso al 31 dicembre 2023 non sia stata redatta, in tutti gli aspetti significativi, in conformità a quanto richiesto dagli articoli 3 e 4 del Decreto e alla selezione dei GRI Standards individuati dagli amministratori come *standard* di rendicontazione.



Le nostre conclusioni sulla DNF del Gruppo Indel B non si estendono alle informazioni contenute nel paragrafo “Informativa in merito alla Tassonomia UE” della stessa, richieste dall’articolo 8 del Regolamento Europeo 2020/852.

Bologna, 24 aprile 2024

PricewaterhouseCoopers SpA



Federico Scapinelli
(Revisore legale)



2023

CONSOLIDATED FINANCIAL STATEMENTS

As at 31 December 2023

CONSOLIDATED FINANCIAL STATEMENTS AS AT 31 DECEMBER 2023

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1. Consolidated financial statements of the Indel B S.p.A. group

1.1. Consolidated statement of financial position

(in thousands of Euro)

Financial year ended 31 December

	Notes	2023	Of which related parties	% weight	2022	Of which related parties	% weight
ASSETS							
Non-current assets							
Goodwill	2.8.1	7,146			8,127	-	
Other intangible assets	2.8.1	10,593			11,260	-	
Property, plant and equipment	2.8.2	44,100			39,670	-	
Right of use	2.8.3	2,965	1,489	50%	3,527	1,665	47%
Equity investments measured using the equity method	2.8.4	13,505	13,505	100%	14,024	14,024	100%
Other equity investments	2.8.4	66			66	-	
Non-current financial assets		13			13	-	
Other receivables and other non-current assets	2.8.5	275	50	18%	462	50	11%
Deferred tax assets	2.8.13	1,603			1,381	-	
Total non-current assets		80,266	15,044	19%	78,530	15,739	20%
Current assets							
Inventories	2.8.6	61,250			69,105	-	
Trade receivables	2.8.7	39,173	1,391	4%	44,560	2,432	5%
Cash and cash equivalents	2.8.8	34,379			17,322	-	
Income tax receivables	2.8.15	1,643			1,151	-	
Current financial assets		124					
Other receivables and other current assets	2.8.5	5,036	-		14,729	-	
Total current assets		141,605	1,391	1%	146,867	2,432	2%
Total assets		221,871	16,435	7%	225,397	18,171	8%

SHAREHOLDERS' EQUITY AND LIABILITIES

Shareholders' Equity

Share capital		5,842	-		5,842	-	
Reserves		110,354	-		103,020	-	
Profit/(loss) for the year		10,435	-		12,048	-	
Total shareholders' equity	2.8.9	126,631	-		120,910	-	

Minority interests

Minority interests in share capital and reserves		290	-		189	-	
Minority interests in profit/(loss) for the year		181	-		141	-	
Total minority interests		471	-		330	-	

Non-current liabilities

Provisions for risks and charges	2.8.10	4,191			2,951	-	
Employee benefits	2.8.11	1,506			1,438	-	
Non-current financial liabilities	2.8.12	15,451	1,385	9%	24,132	1,554	6%
Deferred tax liabilities	2.8.13	3,371			3,602	-	
Other non-current liabilities	2.8.16	108			126	-	
Total non-current liabilities		24,627	1,385	6%	32,249	1,554	5%

Current liabilities

Trade payables	2.8.14	33,018	32	0%	40,068	97	0%
Income tax payables	2.8.15	469			673	-	
Current financial liabilities	2.8.12	26,503	169	0%	21,645	166	1%
Derivative financial instruments		-			-	-	
Other current liabilities	2.8.16	10,153	633	6%	9,522	591	6%
Total current liabilities		70,143	834	1%	71,908	854	1%
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		221,871	2,219	1%	225,397	2,408	1%

1.2. Consolidated income statement

(in thousands of Euro)	Notes	31/12/2023	Of which related parties	% weight	31/12/2022	Of which related parties	% weight
Revenues	2.9.1	221,157	15,206	7%	223,373	21,661	10%
Other revenues and income	2.9.2	5,364	539	10%	4,069	489	12%
Total revenues		226,521			227,442		
Purchases and consumption of raw materials, semi-finished and finished products	2.9.3	(133,253)	(149)	0%	(122,282)	(169)	0%
Costs for services	2.9.4	(26,364)	(55)	0%	(38,746)	(71)	0%
Personnel costs	2.9.5	(39,152)	(2,798)	7%	(36,771)	(2,686)	7%
Other operating costs	2.9.6	(3,463)	(16)	0%	(2,527)	(1)	0%
Portion of the result of equity investments measured using the equity method	2.9.7	243	-		739		
Amortisation, depreciation, provisions and write-downs	2.9.8	(8,497)	(176)	2%	(8,447)	(176)	2%
EBIT		16,035			19,408		
Finance income	2.9.9	814			878		
Finance costs	2.9.9	(1,929)	(35)	0%	(2,770)	(39)	1%
Income (costs) from equity investments	2.9.10	12			12		
Pre-tax profit (loss)		14,932			17,528		
Income tax	2.9.11	(4,316)			(5,339)		
Profit/(loss) for the year		10,616			12,189		
Minority profit/(loss) for the year		181			141		
Group profit/(loss) for the year		10,435			12,048		
Basic and diluted earnings per share (in Euro)		1.85			2.31		

1.3. Statement of comprehensive income

(in thousands of Euro)	31/12/2023	31/12/2022
Profit/(loss) for the year (A)	10,616	12,189
Actuarial gains/(losses) on employee benefits and provision for agents' leaving indemnities	(64)	293
Tax effect - Actuarial gains/(losses) on employee benefits and provision for agents' leaving indemnities	14	(70)
Total items that will not be subsequently reclassified to the income statement (B1)	(50)	223
Foreign exchange translation differences	361	1,648
Total items that will be subsequently reclassified to the income statement (B2)	361	1,648
Total other comprehensive income components, net of the tax effect (B)=(B1)+(B2)	311	1,871
Total profit for the year (A)+(B)	10,927	14,060
of which pertaining to the Group	10,803	13,911
of which pertaining to third parties	124	149
Basic and diluted earnings per share (in Euro)	1.94	2.70

1.4. Statement of changes in shareholders' equity

(in thousands of Euro)	Notes	Share capital	Reserves	Profit/(loss) for the year	Group Shareholders' equity	Minority interests	Total Shareholders' equity
Balance as at 01/01/2022	2.8.9	5,842	83,423	24,247	113,512	169	113,681
Allocation of previous year's profit/(loss)			24,247	(24,247)			
Transactions with shareholders:							
Distribution of dividends			(5,658)		(5,658)		(5,658)
Share capital increase							
Purchase of treasury shares			(843)		(843)		(843)
Change in the consolidation area			(12)		(12)	12	-
Total transactions with shareholders		-	(6,513)	-	(6,513)	12	(6,501)
Comprehensive income for the year:							
Profit/(loss) for the year				12,048	12,048	141	12,189
Actuarial gains/(losses) on employee benefits and provision for agents' leaving indemnities, net of tax effect			223		223		223
Translation difference from measurement of equity investments			1,640		1,640	8	1,648
Total comprehensive income for the year		-	1,863	12,048	13,911	149	14,060
Balance as at 31/12/2022	2.8.9	5,842	103,020	12,048	120,910	330	121,240
Allocation of previous year's profit/(loss)			12,048	(12,048)	-		-
Transactions with shareholders:							
Distribution of dividends			(4,514)		(4,514)		(4,514)
Share capital increase		-	-		-		-
Purchase of treasury shares			(552)		(552)		(552)
Change in the consolidation area/third-party translation reserve			(16)		(16)	16	-
Total transactions with shareholders		-	(5,082)	-	(5,082)	16	(5,066)
Comprehensive income for the year:							
Profit/(loss) for the year				10,435	10,435	181	10,616
Actuarial gains/(losses) on employee benefits and provision for agents' leaving indemnities, net of tax effect			(50)		(50)		(50)
Translation difference from measurement of equity investments			418		418	(57)	361
Total comprehensive income for the year		-	368	10,435	10,803	124	10,927
Balance as at 31/12/2023	2.8.9	5,842	110,354	10,435	126,631	471	127,101

1.5. Consolidated statement of cash flows

(in thousands of Euro)	Notes	31/12/2023	31/12/2022
Operating activities			
Pre-tax profit (loss)		14,932	17,528
Adjustments for:			
Depreciation of property, plant and equipment and amortisation of intangible assets	2.9.8	5,511	6,057
Bad debt provisions	2.9.8	119	206
Provisions for risks and charges	2.9.8	1,938	2,003
Provision/(Releases) for inventory obsolescence	2.9.8	323	406
Portion of the result of equity investments measured using the equity method	2.9.7	(243)	(739)
Net finance (income)/costs	2.9.9	1,115	1,892
Income from equity investments		(12)	(12)
Net exchange rate differences		310	(163)
Other non-monetary components		941	66
Cash flows from operations before changes in working capital		24,934	27,244
Cash flow provided by/(used in) changes in working capital		14,900	(22,620)
- Trade receivables and other assets	2.8.7 2.8.5	14,528	(9,142)
- Inventories	2.8.6	7,532	(12,445)
- Trade payables and other liabilities	2.8.14 2.8.15 2.8.16	(7,160)	(1,033)
Taxes paid	2.8.15	(4,050)	(7,667)
Net finance costs paid		(807)	(382)
Use of provisions		(812)	(765)
Realised net exchange rate differences		(750)	(1,121)
Cash flow provided by/(used in) operating activities (A)		33,415	(5,311)
Investment activities			
Net investments in property, plant and equipment and intangible assets	2.8.1	(8,600)	(5,231)
Net investments in equity investments	2.8.4	12	12

Divestments by associates	2.8.4		
Dividends collected		1,334	1,962
Cash flow provided by/(used in) investing activities (B)		(7,254)	(3,257)
Financing activities			
Taking out mortgages and loans	2.8.12	17,000	29,500
Repayment of mortgages and loans	2.8.12	(20,413)	(15,423)
Dividends paid	2.8.9	(4,514)	(5,658)
Purchase of treasury shares	2.8.9	(553)	(843)
Changes in liabilities for right of use	2.8.12	(674)	(664)
Other changes in financial liabilities	2.8.12	156	(4,901)
Cash flow provided by/(used in) financing activities (C)		(8,998)	2,009
Increase/(decrease) in cash and cash equivalents (A)+(B)+(C)		17,163	(6,559)
Cash and cash equivalents at beginning of the year	2.8.8	17,322	24,187
Net effect of translating cash and cash equivalents denominated in foreign currencies		(106)	(306)
Cash and cash equivalents at end of the year	2.8.8	34,379	17,322

2. Explanatory notes to the consolidated financial statements

2.1. General information

INDEL B SPA (hereinafter referred to as "INDEL B SPA", the "Company" or the "Parent Company") is a company established and domiciled in Italy, with its registered and administrative office in Sant'Agata Feltria, Via Sarsinate 27, and organised under the laws of the Italian Republic.

The INDEL B SPA Group (hereinafter referred to as "the Group") operates in the mobile refrigeration market, which covers the "Automotive" and "Leisure time" segments and in the refrigeration market, which covers the "Hospitality" segment. The Group is also active in the mobile air-conditioning market, with particular reference to the Automotive market represented by commercial vehicles, minibuses, ambulances, agricultural and earthmoving equipment, and in the "Cooling Appliances" market, which mainly includes wine cellars for storing wine and small refrigerators for storing milk.

As at 31 December 2023, 68.33% of the share capital of the Company of Euro 5,842,000 was held by Amp. Fin. S.r.l., with registered office in Pesaro, 3.78% is treasury shares and 27.89% is free float on the EXM market of Borsa Italiana.

This document was approved by the Board of Directors of the Company on 12 April 2024.

2.2. Summary of the adopted accounting standards

The main accounting policies and standards applied in the preparation of the Consolidated Financial Statements are set out below.

2.2.1. Basis of preparation

The Consolidated Financial Statements were prepared in accordance with EU-IFRS, i.e. all the "International Financial Reporting Standards", all the "International Accounting Standards" (IAS) and all the interpretations of the "International Reporting Interpretations Committee" (IFRIC), previously known as the "Standard Interpretations Committee" (SIC), which, at the end of the consolidated reporting period, were approved by the European Union in accordance with the procedure envisaged by Regulation (EC) no. 1606/2002 of the European Parliament and European Council of 19 July 2002. The IFRSs were applied consistently to all periods presented.

The Consolidated Financial Statements were prepared on a going concern basis.

The Consolidated Financial Statements were prepared in Euro, which is the currency of the primary economic environment in which the Group operates. All amounts included in this document are presented in thousands of Euro, unless otherwise stated.

The financial statements and related classification criteria adopted by the Group as part of the options envisaged by IAS 1 - Presentation of Financial Statements are shown below:

- The consolidated statement of financial position was prepared by classifying assets and liabilities on a "current/non-current" basis;
- The consolidated income statement was prepared separately from the consolidated statement of comprehensive income, and was prepared by classifying operating costs by nature;
- The consolidated statement of comprehensive income includes, in addition to the result for the year, other changes in shareholders' equity items attributable to transactions not carried out with the Company's shareholders;

The consolidated statement of cash flows was prepared by presenting cash flows generated by operating activities according to the "indirect method".

2.2.2. Accounting standards

Accounting standards, amendments and interpretations effective from 2023

The measurement criteria used for the preparation of the consolidated financial statements as at 31 December 2023 do not differ from those used for the preparation of the consolidated financial statements for the year ended 31 December 2022, with the exception of the new accounting standards, amendments and interpretations effective from 1 January 2023 set out below:

IFRS 17 Insurance contracts

In May 2017, the IASB issued IFRS 17 "Insurance Contracts", a new accounting standard on insurance contracts that considers recognition and measurement, presentation and disclosure. IFRS 17 replaces IFRS 4 "Insurance Contracts", issued in 2005. IFRS 17 applies to all types of insurance contracts (e.g. life, non-life, direct insurance and reinsurance), regardless of the type of entity that issues them, and to certain guarantees and financial instruments with discretionary participation features; there are some exceptions to the scope of application. The overall objective of IFRS 17 is to provide an accounting model for insurance contracts that is more useful and consistent for insurers. In contrast to the requirements of IFRS 4, which are largely based on the retention of previous local accounting standards, IFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects. IFRS 17 is based on a general model, supplemented by: - a specific adaptation for contracts with direct participation features (the variable fee approach) - a simplified approach (the premium allocation approach) mainly for short-term contracts. These amendments had no impact on the Group's financial statements.

Definition of Accounting Estimates – Amendments to IAS 8

The amendments to IAS 8 clarify the distinction between changes in accounting estimates, changes in accounting standards and corrections of errors. They also clarify how entities use valuation techniques and inputs to develop accounting estimates. These amendments had no impact on the Group's financial statements.

Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2

The amendments to IAS 1 and IFRS Practice Statement 2 Making Materiality Judgements provide guidance to help entities in making material judgements when disclosing accounting standards. The amendments are intended to help entities provide more useful information about accounting standards by replacing the requirement for entities to disclose their "significant" accounting standards with a requirement to disclose their "material" accounting standards and by adding guidance on how entities should apply the concept of materiality when making decisions about the disclosure of accounting standards. The amendments had an impact on the disclosure of the Company's accounting standards, but not on the measurement, recognition and presentation of the elements of the Group's financial statements.

Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to IAS 12

The amendments to IAS 12 "Income Taxes" narrow the scope of the exception to initial recognition so that it no longer applies to transactions that give rise to both taxable and deductible temporary differences, such as leases and decommissioning obligations. These amendments had no significant impact on the Group's financial statements. See also note 2.8.13 on deferred tax assets and liabilities.

International Tax Reform – Pillar Two Model Rules – Amendments of IAS 12

On 20 December 2021, the Organisation for Economic Co-operation and Development (OECD) published the document Tax Challenges Arising from the Digitalisation of the Economy - Global Anti-Base Erosion Model Rules (Pillar Two), which provides for an international tax reform aimed at introducing a minimum tax of 15% on the profits of multinational groups. On 14 December 2022, the Council of the European Union adopted Directive (EU) 2022/2523 to implement the GloBE Rules. Member states are required to implement the "Pillar Two" Directive into their legal systems with a gradual implementation of the measures starting from 2024. The amendments to IAS 12 were introduced in response to the above-mentioned OECD BEPS Pillar Two rules and include: - a temporary mandatory exemption from the recognition and disclosure requirements for deferred tax liabilities resulting from the implementation of the Pillar Two rules in jurisdictions; and - disclosure requirements for the involved entities to help users of financial statements better understand the impact on income taxes arising from that legislation, in particular before the effective date. The temporary mandatory exemption - for the use of which a disclosure is required - is immediately applicable. The remaining disclosure requirements apply for financial years beginning on or after 1 January 2023, but not for interim periods prior to 31 December 2023. These amendments had no impact on the Group's financial statements.

Accounting standards, amendments and interpretations not yet applicable and not early adopted by the Company

The international standards that have been endorsed by the EU - not mandatory for IFRS 2023 financial statements, but mandatory for financial statements beginning on or after 1 January 2024 - are set out below:

Amendments to IFRS 16: Liability in a Sale and Leaseback (amendments to IFRS 16 Leases).

The International Accounting Standards Board (Board) issued in 2020 the Exposure Draft called Lease Liability in a Sale and Leaseback. This document specifies the method by which a selling lessee initially measures the right-of-use asset and lease liability deriving from a sale and leaseback transaction and how the lessor-seller subsequently measures that liability.

Amendments to IAS 1

In January 2020, the IASB issued amendments to IAS 1 that clarify how an entity should classify liabilities as current or non-current.

As things stand, the Group is analysing these standards and considering whether their adoption will have a significant impact on the consolidated financial statements.

New standards and amendments issued by the IASB but not yet endorsed by the EU

The amendments to international standards issued by the IASB for which the endorsement process has not yet been completed are listed below:

- amendments to IAS 7 - Statement of Cash Flows and IFRS 7 - Financial Instruments: Disclosures: Supplier Finance Arrangements (issued on 25 May 2023);
- amendments to IAS 21 - The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability (issued on 15 August 2023).

It is expected that the amendments to IAS 21 can be endorsed before the planned effective date of 1 January 2025, while the amendments to IAS 7 and IFRS 7 are unlikely to be endorsed before the planned effective date of 1 January 2024.

The accounting standards and policies adopted for the preparation of the Consolidated Financial Statements as at 31 December 2023 are consistent with those used for the preparation of the Financial Report as at 31 December 2022, to which reference is made for further information.

The application of the above standards has not had a material impact on the Group's financial position, the results of the operations and of the cash flows.

The Group has not early adopted new standards, interpretations or amendments that have been issued but are not yet effective. The Group is also analysing these standards and considering whether their adoption will have a significant impact on the Consolidated Financial Statements.

2.3. Consolidation principles

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as approved by the Boards of Directors of each company, duly adjusted where necessary to comply with the accounting standards adopted by the Company. It should be noted that all Group companies end their financial year on 31 December. The companies included in the consolidation area as at 31 December 2023 and 31 December 2022 are detailed in paragraph 2.4 "Consolidation area" below.

2.3.1. Subsidiaries

Subsidiaries are companies in which the Group is exposed to, or has the right to participate in, the variability of the relative economic returns and is able to exercise its decision-making power over the relevant activities of the investee so as to affect those returns. The existence of control is verified whenever facts and circumstances indicate a change in one or more of the three elements qualifying the control. Generally, control is presumed to exist when the Group holds, directly or indirectly, more than half of the voting rights, including potential voting rights that are immediately exercisable or convertible.

The assets and liabilities, costs and income of subsidiaries are recognised on a line-by-line basis, starting from the date on which the Parent Company takes direct or indirect control (i.e. through one or more other subsidiaries) and until the date on which such control ceases, attributing, where applicable, to minority shareholders the portion of shareholders' equity and net result for the year, showing them separately under appropriate items of the shareholders' equity and the consolidated statement of comprehensive income. In the case of shares acquired after control has been obtained (acquisition of minority interests), any positive difference between the purchase cost and the corresponding portion of shareholders' equity acquired is recognised in shareholders' equity pertaining to the Group; similarly, the effects of the sale of minority interests without loss of control are recognised in shareholders' equity. On the other hand, the disposal of shares that results in the loss of control results in the recognition in profit or loss:

of any gain/loss calculated as the difference between the consideration received and the corresponding portion of consolidated shareholders' equity sold;

of the effect of the remeasurement of any residual equity investment retained to align it with its fair value;

of any amounts recognised in other comprehensive income relating to the former subsidiary for which a reversal to profit or loss is envisaged, or if no reversal to profit or loss is envisaged for profit (loss) carried forward.

The value of any retained equity investment, in line with its fair value at the date of loss of control, represents the new book value of the equity investment and thus the reference value for the subsequent measurement of the equity investment in accordance with the applicable measurement basis.

2.3.2. Intra-group transactions

The gains from transactions between companies consolidated on a line-by-line basis and not yet realised vis-à-vis third parties are eliminated, as are receivables, payables, income and costs, guarantees, commitments and risks between consolidated companies.

The gains and losses that are not yet realised with third parties arising from transactions with companies measured using the equity method are eliminated to the extent of the Group's share.

2.3.3. Associates

Associates are companies in which the Group exercises a significant influence over the determination of the administrative and management decisions, despite not having control or joint control of them. Significant influence is presumed to exist when the Group holds, directly or indirectly, between 20% and 50% of the voting rights.

Equity investments in associates are measured using the equity method.

The method for applying the equity method is described below:

1. the carrying amount value of the equity investments is in line with the shareholders' equity of the investee company adjusted, where necessary, to reflect the application of accounting standards compliant with those applied by the Company and includes, where applicable, the recognition of any goodwill identified at the time of acquisition;
2. profit or loss attributable to the Group is recognised in the income statement of the consolidated financial statements from the date on which the significant influence began and until the date on which it ceases. If, as a result of losses, the company shows a negative net shareholders' equity, the book value of the equity investment is written off and any surplus pertaining to the Group is recognised in a special provision only if the Group has undertaken to fulfil legal or implicit obligations of the investee company or in any case to cover its losses. Changes in the shareholders' equity of investee companies that are not determined by the income statement result are recognised directly as an adjustment to the Group's shareholders' equity reserves;

3. unrealised gains generated on transactions between the Company and subsidiaries or investee companies are eliminated according to the value of the Group's shareholding in the investee companies. Unrealised losses are eliminated unless they represent impairment;
4. if an associate recognises an adjustment directly posted to shareholders' equity, the Group also recognises its share and, where appropriate, shows it in the statement of changes in shareholder's equity.

2.3.4. Joint Ventures

Joint ventures are companies in which the Group exercises joint control based on the voting rights exercisable in accordance with contractual agreements, shareholders' agreements or the companies' articles of association.

Equity investments in joint ventures are consolidated using the equity method, as described in note 2.3.3 "Associates", from the date on which joint control occurs until the date on which such control ceases.

2.3.5. Conversion of financial statements of foreign companies

The financial statements of subsidiaries, associates and joint ventures are prepared using the currency of the economic environment in which they operate (the "Functional Currency"). The Consolidated financial statements are presented in Euro, which is the Functional Currency of the Parent Company.

The rules for translating the financial statements of the companies expressed in currencies other than the euro are as follows:

1. assets and liabilities, including goodwill and assets and liabilities arising during the PPA, are translated using the exchange rates prevailing at the end of the reporting period;
2. costs and revenues are translated at the average exchange rate for the period;
3. the "translation reserve" includes both exchange rate differences generated by the translation of income statement amounts at an exchange rate different from the closing rate and those generated by the translation of opening shareholders' equity at an exchange rate different from the closing rate of the period;
4. goodwill and fair value adjustments related to the acquisition of a foreign entity are recognised as assets and liabilities of the foreign entity and translated at the closing exchange rate.

The following table summarises the exchange rates used to translate the financial statements of companies that have a functional currency other than the euro.

	as at 31/12/2023	as at 31/12/2023	as at 31/12/2022	as at 31/12/2022
Currency	Actual	Average	Actual	Average
BRL	5.3618	5.4010	5.6386	5.4399
PLN	4.3395	4.5420	4.6808	4.6861
RUB	99.1919	92.8741	75.6553	72.1509
USD	1.1050	1.0813	1.0666	1.0530

It should be noted that in the absence of an exchange rate for the rouble since the beginning of the Russian-Ukrainian conflict, the figure provided by the Russian Central Bank was used, which is not significantly different from the figure provided by Bloomberg.

2.4. Consolidation area

The list of companies included in the consolidation area indicating the method of consolidation for the years ended 31 December 2023 and 2022 is shown below:

Company name	Registered Office	Currency	Share capital as at 31/12/2023 (in currency units)	% held	
				31/12/2023	31/12/2022
Parent Company:					
INDEL B S.p.A.	Italy	EUR	5,842,000		
Subsidiaries - consolidated on a line-by-line basis					
Condor B S.r.l.	Italy	EUR	728,000	100.0%	100.0%
Indel B North America - ex Commercial Products Ltd	USA	USD	10,133	100.0%	100.0%
Autoclima S.p.A.	Italy	EUR	2,750,000	100.0%	100.0%
Indel B Germany (*)	Germany	EUR	100,000	94.0%	96.0%
Autoclima Russ	Russia	RUB	7,500,000	70.0%	70.0%
Autoclima Iberica	Spain	EUR	150,000	90.0%	90.0%

Autoclima Polska	Poland	PLN	500,000	85.0%	85.0%
Electric Station Climatisation	France	EUR	1,000,000	100.0%	100.0%
SEA s.r.l.	Italy	EUR	100,000	100.0%	100.0%
Associates - jointly controlled entities, consolidated using the equity method					
Indel Webasto Marine S.r.l. (**)	Italy	EUR	101,490	50.0%	50.0%
Elber Industria de Refrigeracao Ltda	Brazil	BRL	260,000	40.0%	40.0%

(*) It should be noted that the sale of a 2% stake in Indel B Germany to the General Manager of the company was completed during the year.

(**) It should be noted that Indel Webasto Marine S.r.l. holds a 100% stake in Indel Webasto Marine Usa Inc.

As at 31 December 2023, none of the companies included in the consolidation area operated in hyperinflationary countries.

2.5. Measurement bases of financial statement items

The most significant measurement bases adopted for the preparation of the Consolidated Financial Statements are indicated in the points below:

2.5.1. Non-current assets

Intangible assets

Intangible assets consist of non-monetary elements, identifiable and lacking physical consistency, controllable and capable of generating future economic benefits. These elements are initially recognised at purchase and/or production cost, inclusive of the directly attributable expenses for preparing the asset for its intended use. Intangible assets are amortised on a straight-line basis over their estimated useful lives; amortisation rates are reviewed annually and are changed if the current useful life differs from the previously estimated useful life. The useful life estimated by the Group for the various categories of intangible assets, valid for all periods presented, is shown below.

Category	Useful life
Patents	18 years
Licences and concessions	3 years

Trademarks	18-20 years
Other deferred costs and research and development costs	5 years
Know-how	5 years
Customer list	15-20 years

Development costs

Costs related to research and development activities are recognised in profit or loss of the year in which they are incurred, with the exception of development costs recognised as intangible assets when all of the following conditions are met:

- the project is clearly identified and the costs related to it can be identified and measured reliably;
- the technical feasibility of the project is demonstrated;
- the intention to complete the project and to sell the intangible assets generated by the project is demonstrated;
- there is a potential market or, in the case of internal use, the usefulness of the intangible asset for the production of the intangible assets generated by the project is demonstrated;
- the technical and financial resources required to complete the project are available.

Amortisation of development costs recognised as intangible assets begins from the date on which the result, generated by the project, is marketable. The amortisation is carried out on a straight-line basis over a period corresponding to the estimated useful life of the relevant projects, i.e. five years.

Goodwill and business combinations

The Group uses the purchase method to recognise business combinations. According to this method:

1. the consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the fair values of the assets transferred and the liabilities assumed by the Group at the acquisition date and of the equity instruments issued in exchange for control of the acquired company. The accessory costs of the transaction are booked to the income statement at the time they are incurred;

2. the identifiable assets acquired and liabilities assumed are recognised at fair value at the acquisition date; deferred tax assets and liabilities, assets and liabilities for employee benefits, liabilities or equity instruments related to share-based payments of the acquiree or share-based payments related to the group issued in lieu of contracts of the acquiree, and assets (or groups of assets and liabilities) held for sale and rights of use, which are instead measured in accordance with their reference principle, are exceptions;
3. goodwill is determined as the excess between the sum of the amounts transferred in the business combination, the value of shareholders' equity attributable to minority interests and the fair value of any equity investment previously held in the acquired company compared to the fair value of net assets acquired and liabilities undertaken at the date of acquisition. If the value of the net assets acquired and liabilities assumed at the date of acquisition exceeds the sum of the amounts transferred, the value of shareholders' equity attributable to minority interests and the fair value of any equity investment previously held in the acquired company, this excess is immediately recognised in the income statement as income arising from the concluded transaction;
4. any contingent consideration under the business combination agreement is measured at fair value at the acquisition date and included in the value of the consideration transferred in the business combination for the purpose of determining goodwill.

In the case of business combinations that occurred in stages, the equity investment previously held by the company in the acquired company is revalued at fair value at the date of acquisition of control and any ensuing gain or loss is recognised in the income statement.

If the initial values of a business combination are incomplete at the end of the reporting period in which the business combination occurred, the Group reports in its consolidated financial statements the provisional values of those items for which recognition cannot be completed. These provisional values are adjusted during the measurement period to reflect new information obtained about facts and circumstances existing at the acquisition date that, if known, would have affected the value of the assets and liabilities recognised at that date.

Goodwill is not amortised but is subject to an annual impairment test. Any impairment of goodwill is recognised if the recoverable amount of the goodwill is less than its carrying amount in the financial statements. The reversal of the impairment loss of goodwill is not permitted in the event of a previous impairment.

The test is carried out at least once a year, or in any case when indicators of impairment are identified.

Property, plant and equipment

Property, plant and equipment are recognised according to the cost approach and recorded at purchase price or cost of production inclusive of the directly attributable accessory costs necessary for making these assets ready to use.

The carrying amount of property, plant and equipment is subsequently adjusted by systematic depreciation, calculated on a straight-line basis from the time the asset is available and ready for use, in accordance with its useful life, being the estimated period over which the asset will be used by the company, and any accumulated impairment losses.

When the asset being depreciated consists of components that can be identified separately and the useful life of which differs significantly from that of the other parts forming the asset, the depreciation is carried out separately for each of these parts by applying the "component approach".

Any finance costs directly attributable to the purchase and production of property, plant and equipment are capitalised and depreciated over the useful life of the asset to which they refer.

Maintenance and repair costs are charged directly to the income statement in the year in which they are incurred. Costs for improvements, modernisation and transformation that increase the value of property, plant and equipment are recognised as assets when they are likely to increase the future economic benefits expected from the use or sale of the asset.

The annual depreciation rates used are as follows:

Category	Depreciation rate (%)
Buildings relating to the company's business activities	3%
Maintenance on third-party property	16.67% (*)
Light constructions	10%
Plants	9%-10%
Operating machines and automatic plants	15.5%
Equipment	25%
Office furniture and machines	12%
Electronic office machines	20%
Internal means of transport	20%

Trucks	20%
Cars	25%

(*) Remaining term of the lease agreement

The useful life of property, plant and equipment and their residual value are reviewed annually and updated, where applicable, at the end of each reporting period.

Assets and liabilities for right of use and leases

In accordance with IFRS 16, a contract is, or contains, a lease if it conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The contract is reassessed to see whether it is, or contains, a lease only if the terms and conditions of the contract are changed.

For a contract that is, or contains, a lease, each lease component is separated from the non-lease components, unless the Group applies the practical expedient in paragraph 15 of IFRS 16. This practical expedient allows the lessee to choose, for each class of underlying asset, not to separate the non-lease components from the lease components and to recognise each lease component and the associated non-lease components as a single lease component.

The lease term is determined as the non-cancellable period of the lease, to which both of the following periods are to be added:

- periods covered by a lease extension option, if the lessee is reasonably certain to exercise the option;
- periods covered by a lease termination option if the lessee is reasonably certain not to exercise the option.

In assessing whether the lessee is reasonably certain to exercise the option to extend the lease or not to exercise the option to terminate the lease, all relevant facts and circumstances that create an economic incentive for the lessee to exercise the option to extend the lease or not to exercise the option to terminate the lease are considered. The lessee shall redetermine the lease term in the event of a change in the non-cancellable term of the lease.

Upon lease commencement, the Group recognises a right-of-use asset and a lease liability.

Upon lease commencement, the right-of-use asset is measured at cost. The cost of the right-of-use asset includes:

- the amount of the initial measurement of the lease liability;
- lease payments due on or before the commencement date net of lease incentives received;
- the direct initial costs incurred by the lessee; and
- the estimated costs to be incurred by the lessee for dismantling and removing the underlying asset and restoring the site on which it is located or restoring the underlying asset under the terms and conditions of the lease unless such costs are incurred in producing inventories. The obligation related to the aforementioned costs arises for the lessee on the commencement date or as a result of the use of the underlying asset during a specified period;

Upon lease commencement, the lessee shall measure the lease liability at the present value of the lease payments unpaid at that date. The lease payments due include the following amounts:

- fixed payments, net of any lease incentives to be received;
- variable lease payments that depend on an index or rate, initially measured using an index or rate at the commencement date;
- the amounts expected to be payable by the lessee under residual value guarantees;
- the exercise price of the purchase option, if the lessee is reasonably certain to exercise the option; and
- lease termination penalty payments, if the lease term takes into account the lessee's exercise of the lease termination option.

Lease payments due must be discounted using the lease's implicit interest rate if it can be easily determined. If this is not possible, the lessee must use its marginal financing rate, i.e. the incremental interest rate the company would have to pay to obtain financing for the same term and amount as the lease.

After initial recognition, the right-of-use asset is measured at cost:

- less accumulated depreciation and accumulated impairment; and
- adjusted for any restatement of the lease liability.

Subsequent to initial recognition, the lease liability is measured:

- by increasing the carrying amount to reflect interests on the lease liability;
- by decreasing the carrying amount to reflect lease payments made; and
- by restating the carrying amount to reflect any new lease evaluations or changes or the revision of payments due for fixed leases in substance.

In the case of lease changes that do not qualify as a separate lease, the right-of-use asset is restated (upward or downward), consistent with the change in the lease liability at the date of the change. The lease liability is restated in accordance with the new terms of the lease agreement, using the discount rate at the date of the change.

It should be noted that the Group avails itself of the exemption envisaged by IFRS 16, with reference to the lease of low-value assets (i.e. when the value of the underlying asset, if new, is roughly less than USD 5,000). In such cases, the right-of-use asset and the related lease liability are not recognised, and payments due under the lease are recognised in profit or loss.

The Group decided to take advantage of the exemption envisaged by IFRS 16 in relation to short-term leases (i.e. leases with a lease term of 12 months or less as from the commencement date).

Impairment of property, plant and equipment and intangible assets and right-of-use assets

At the end of each reporting period, property, plant and equipment, intangible assets with a finite useful life and right-of-use assets are analysed in order to identify the existence of any impairment indicators from both external and internal sources within the Group. In circumstances where the presence of such indicators is identified, the recoverable amount of these assets is estimated and any impairment is recognised in profit or loss. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use, where the latter is the present value of estimated future cash flows for that asset. In determining value in use, expected future cash flows are discounted using a discount rate that reflects the current market valuation of the cost of money relative to the investment period and the specific risks of the asset.

For an asset that does not generate largely independent cash flows, realisable value is determined in relation to the cash-generating unit to which that asset belongs. An impairment loss is recognised in profit or loss if the carrying amount of the asset, or of the related cash-generating unit to which it is allocated, is greater than its recoverable amount. If the conditions for a previously recognised impairment loss are no longer met, the carrying amount of the asset is reinstated and recognised in profit or loss, to the extent of the net book value that the asset in question would have had if the impairment loss had not been recognised and depreciation/amortisation had been charged.

Equity investments in associates and joint ventures

For equity investments in jointly controlled companies (joint ventures) and those in associates, see notes 2.3.3 "Associates" and 2.3.4 "Joint ventures" above.

Other equity investments

Equity investments in other companies are classified as available for sale and are measured at fair value, with changes in fair value recognised directly in shareholders' equity reserves, except for impairment losses, which are recognised in profit or loss.

If fair value cannot be reliably measured because these equity investments are not listed or traded in active markets, they are measured at cost less impairment losses; impairment losses are not reversed.

Other receivables and other non-current assets

Receivables and other non-current financial assets are measured at fair value upon initial recognition. The initial carrying amount is subsequently adjusted for principal repayments, any write-downs and amortisation of the difference between the repayment value and the initial carrying amount. Amortisation is carried out on the basis of the effective interest rate represented by the rate that brings the present value of expected cash flows into line with the initial carrying amount at the time of initial recognition (the amortised cost method). If there is objective evidence of impairment indicators, the asset is written-down to the discounted value of future cash flows. Impairment losses are recognised in profit or loss under "Amortisation, depreciation, accruals and impairment". Should the reasons of previous write-downs no longer apply in the following financial periods, the assets are written up to the amount that would have been determined using the amortised cost method if no impairment had occurred.

2.5.2. Current assets

Inventories

Raw materials and materials used in the production process, semi-finished products, spare parts and finished products are classified under inventories. Inventories are measured at the lower of purchase or manufacturing cost, including ancillary costs, determined using the weighted average cost method, and estimated realisable value based on market trends.

Trade receivables

Trade receivables are measured at fair value upon initial recognition. Subsequently, receivables are measured using the amortised cost method on the basis of the effective interest rate represented by the rate that makes the present value of the expected cash flows and the carrying amount equal at initial recognition. The value thus determined is reduced to the realisable value in the event of impairment.

Trade receivables are tested for impairment using the expected credit loss (ECL) model in accordance with IFRS 9.

The bad debt provision includes write-downs made to take into account objective evidence of indicators of impairment of trade receivables. The amount of the impairment, which is calculated on the basis of the latest available information and management's best estimate, is measured as the difference between the asset's carrying amount and the present value of expected future cash flows, also taking into account the ECL (Expected Credit Loss) model.

The bad debt provision is classified as a reduction of the item "Trade receivables".

Allocations to the bad debt provision are classified in the income statement under the item "Amortisation, depreciation, accruals and impairment".

Other receivables and other current assets

Other receivables and other current financial assets are measured at fair value upon initial recognition. Subsequently, these receivables are measured using the amortised cost method on the basis of the effective internal interest rate represented by the rate that makes the present value of the expected cash flows equal to the carrying amount at initial recognition. The value thus determined is reduced to the realisable value in the event of impairment.

If there is objective evidence of impairment indicators, the asset is written-down to the discounted value of future cash flows. Impairment losses are recognised in profit or loss. Should the reasons of previous write-downs no longer apply in the following financial periods, the assets are written up to the amount that would have been determined using the amortised cost method if no impairment had occurred.

Financial assets

Upon initial recognition, financial assets must be classified into one of the three categories below on the basis of the following elements:

- the entity's business model for managing financial assets;
- the contractual cash flow characteristics of the financial asset.

Financial assets are subsequently derecognised only if the transfer has resulted in the significant transfer of all risks and benefits related to the assets. On the other hand, if a significant portion of risks and benefits related to the financial assets sold has been maintained, these assets will continue to be recognised, even if the legal ownership of the assets has actually been transferred.

1. Financial assets measured at amortised cost

This category includes financial assets that meet both of the following conditions:

- the financial asset is held in accordance with a business model whose objective is to collect the contractual cash flows ("Held to Collect" business model); and
- the contractual terms of the financial asset provide for cash flows at specified dates that consist only of payments of principal and interest on the principal amount to be repaid (known as "SPPI test" passed).

Upon initial recognition, assets are measured at fair value, including transaction costs or income directly attributable to the instrument itself. Following their initial recognition, the financial assets in question are measured at amortised cost, using the effective interest rate method. The amortised cost method is not used for assets - measured at historical cost - whose short duration makes the effect of the application of the discounting logic negligible, for assets without a defined maturity or for revocable loans.

2. Financial assets measured at fair value through other comprehensive income (FVOCI)

This category includes financial assets that meet both of the following conditions:

- the financial asset is held in accordance with a business model whose objective is to collect the contractually agreed cash flows and sell the financial asset ("Hold to Collect and Sell" business model);
- the contractual terms of the financial asset provide for cash flows at specified dates that consist only of payments of principal and interest on the principal amount to be repaid (known as "SPPI test" passed).

Upon initial recognition, assets are measured at fair value, including transaction costs or income directly attributable to the instrument itself. Subsequent to initial recognition, all changes in fair value must be recognised in the Statement of Comprehensive Income, except for the recognition of gains or impairment and foreign exchange gains and losses, until the financial asset is derecognised or reclassified.

3. Financial assets at fair value through profit or loss

Financial assets other than those classified as "Financial assets measured at amortised cost" and "Financial assets measured at fair value through comprehensive income" are classified in this category.

This category includes financial assets held for trading and derivative contracts that do not qualify for hedge accounting (which are shown as assets if the fair value is positive and as liabilities if the fair value is negative).

Upon initial recognition, financial assets measured at fair value through profit or loss are recognised in profit or loss, without considering transaction costs or income directly attributable to the instrument itself. At end of the subsequent reporting periods, they are measured at fair value and the measurement effects are recognised in profit or loss.

Removal of financial assets and liabilities from the assets and liabilities of the statement of financial position

Financial assets are derecognised when one of the following conditions is met:

- the contractual right to receive cash flows from the asset has expired;
- the Group has transferred substantially all the risks and benefits related to the asset, either by assigning its rights to receive cash flows from the asset or by assuming a contractual obligation to return the cash flows received to one or more recipients under a contract that meets the requirements of IAS 39 (known as "pass through test");

the Company has neither transferred nor retained substantially all the risks and benefits related to the financial asset but has transferred control of it.

Financial liabilities are derecognised when they are extinguished and when the Group has transferred all risks and charges relating to the instrument.

Cash and cash equivalents

Cash and cash equivalents include cash on hand, demand deposits with banks, other short-term investments that are readily converted into cash (convertible to cash within 90 days) and subject to an insignificant risk of change in value. They are measured at fair value and changes in fair value are recognised in profit or loss. The bank overdraft is shown under "Current financial liabilities".

For the purposes of cash flow presentation, when preparing the statement of cash flows, short-term bank borrowings are shown under cash flows from financing activities, since they are mainly attributable to bank advances and short-term bank loans.

2.5.3. Shareholders' Equity

1. Share capital

The share capital is the subscribed and paid-up capital of the Company. Costs strictly related to the issue of new shares are classified as a reduction in share capital, net of any deferred tax effect.

2. Legal and other reserves

The legal reserve derives from the allocation of part of the Company's profit/(loss) for the year (5% each year until it reaches 20% of the share capital) and can only be used to cover losses. Other reserves include specific profit and capital reserves, the economic results of previous years for the portion not distributed or allocated to reserves, as well as the reserve generated upon first-time adoption of IFRS.

2.5.4. Non-current and current liabilities

Employee benefits

Short-term benefits are represented by wages, salaries, related social security charges, allowances in lieu of holidays and incentives paid in the form of bonuses payable in the twelve months as from the end of the reporting period. These benefits are recognised as components of the personnel costs in the period in which the working activities were provided.

Post-employment benefits are divided into two categories: defined contribution plans and defined benefit plans.

In the defined contribution plans, the contribution costs are recognised in profit or loss when they are incurred, based on their nominal value.

In the defined benefit plans, which also include post-employment benefits in accordance with Article 2120 of the Italian Civil Code ("Post-employment benefits"), the amount of the benefit to be paid to the employee is quantifiable only after the termination of the employment relationship, and is linked to one or more factors such as age, length of service and remuneration; therefore, the related liability is recognised in the statement of comprehensive income on the basis of an actuarial calculation. The liability recognised in the financial statements for the defined benefit plans corresponds to the present value of the obligation at the end of the reporting period. The obligations

for the defined benefit plans are determined annually by an independent actuary using the projected unit credit method. The present value of the defined-benefit plan is determined by discounting future cash flows at a discount rate benchmarked to the iBoxx Eurozone Corporates AA 10+ index at each measurement date.

As from 1 January 2007, the 2007 finance act and the related implementing decrees introduced amendments concerning Post-employment benefits. The amendments include the decision of employees as to the destination of their accruing Post-employment benefits. In particular, the new flows of Post-employment benefits may be allocated by the employee to selected pension funds or maintained in the company. In the case of allocation to external pension funds, the company is only required to pay a defined contribution to the chosen fund, and as from that date, the new amounts accrued become defined contribution plans not subject to actuarial measurement.

Provisions for risks and charges

Provisions are recognised when: (i) the existence of a present legal or constructive obligation arising from a past event is probable; (ii) the fulfilment of the obligation is likely to be onerous; (iii) the amount of the obligation can be reliably estimated. Provisions are recognised at the best estimate of the amount the enterprise would reasonably pay to fulfil the obligation or to transfer it to a third party. When the financial effect of time is significant and the payment dates of the obligations can be reliably estimated, the provision is discounted. The rate used to determine the present value of the liability reflects current market values and includes the additional effects related to the specific risk related to each liability. The increase in the provision related to the passage of time is recognised in profit or loss under "Net finance costs".

The funds are periodically updated to reflect changes in cost estimates, lead times and the discount rate; revisions to estimates of provisions are recognised in the same item of the income statement that previously held the provision or, when the liability is related to assets, as an offsetting entry to the asset to which it refers.

Deferred tax liabilities

See Note 2.5.7 "Other significant accounting standards and measurement bases - Taxes" below.

Financial liabilities

Financial liabilities include financial payables as well as other financial liabilities, including derivative financial instruments and liabilities for assets under finance lease agreements.

Financial liabilities are classified into the following two categories under IFRS 9: 1) financial liabilities measured at amortised cost using the effective interest rate method; 2) financial liabilities measured at fair value with changes in fair value recognised in the income statement, which are in turn classified into the two sub-categories Held for Trading and FVPL at inception.

The Group's financial liabilities fall into the first category.

Trade payables and other liabilities, income tax payables

Trade and other payables and other short- and long-term liabilities are measured at fair value upon initial recognition. The initial carrying amount is subsequently adjusted for principal repayments and amortisation of the difference between the repayment value and the initial carrying amount. Amortisation is carried out on the basis of the effective internal interest rate represented by the rate that brings the present value of cash flows related to the liability into line with the initial carrying amount at the time of initial recognition (the amortised cost method).

If there is a change in cash flows and it is possible to reliably estimate them, the value of payables is recalculated to reflect this change based on the present value of the new cash flows and the internal rate of return initially determined.

The item "Income tax payables" includes all those liabilities to the tax authorities that are payable or can be offset financially in the short term in connection with direct taxes. The same liabilities, but related to indirect taxes, are classified under "Other current liabilities".

2.5.5. Revenues and costs

Revenue recognition

Revenues are recognised on the basis of the consideration expected to be received for the goods and services provided, based on five steps: 1) identification of a contract defined as a commercial agreement between two or more parties capable of generating rights and obligations; 2) identification of the performance obligations contained in the contract; 3) calculation of the transaction price, or the amount expected for the transfer of goods and services to the customer; 4) allocation of the transaction price to each performance obligation, based on the selling prices of each obligation; 5) recognition of the revenues allocated to the performance obligation when it is fulfilled, i.e. when the customer obtains control of the goods and services.

The customer's control of the goods is normally identified with the delivery or shipment of the goods. Revenues from the rendering of services are recognised in the accounting period in which the services are rendered, by reference to the completion of the service rendered and in relation to the total services still to be rendered.

Cost recognition

Costs related to the purchase of goods are recognised when the risks and benefits of the goods are transferred; costs for services received are recognised proportionally when the service is rendered.

Finance costs

Finance costs are recognised in profit or loss in the year in which they accrued according to the effective interest method, as specified in paragraph 9 of IAS 39.

2.5.6. Earnings per share

The Company determines earnings per share in accordance with IAS 33 - Earnings per Share.

1. Earnings per share – basic

Earnings per share - basic is calculated by dividing the earnings per share of the parent company's shareholders by the weighted average number of ordinary shares outstanding during the year, excluding treasury shares.

2. Earnings per share - diluted

The diluted earnings per share is calculated by dividing the earnings per share of the parent company's shareholders by the weighted average number of ordinary shares outstanding during the year, excluding treasury shares. For the purpose of calculating diluted earnings per share, the weighted average number of shares outstanding is adjusted by assuming the exercise by all assignees of the rights potentially having a dilutive effect, while the earnings per share of the Parent Company's shareholders are adjusted to take into account any after-tax effects of the exercise of such rights.

2.5.7. Other significant accounting standards and measurement bases

Translation of items expressed in currencies other than the Euro

The financial statements are presented in Euro, which is the functional currency of the Company and Group companies. Foreign currency transactions are translated into Euro using the exchange rates in force on the date of the transaction. Foreign exchange gains and losses resulting from the closing of the transactions in question

and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss. It should be noted that foreign exchange gains and losses realised on commercial transactions are classified within the items "Other revenues and income" and "Other operating costs", respectively.

Non-monetary assets and liabilities in foreign currencies measured at cost are recognised at the exchange rate of initial recognition; when measured at fair value or at the recoverable amount or realisable value, the exchange rate at the date of determination is used.

Government grants

Operating grants are fully recognised in profit or loss when the recognition requirements are met.

The benefit of a loan from public bodies at a subsidised rate is treated as a government grant. This benefit is determined at the start of the loan as the difference between the initial carrying amount of the loan (fair value plus costs directly attributable to obtaining the loan) and the amount received, and is subsequently recognised in profit or loss in accordance with the regulations for recognising government grants.

Taxes

Current income taxes are calculated, for each company belonging to the Group, on the basis of estimated taxable income. The expected payable is recognised under the item "Income Tax Payables". Current tax payables and receivables are recognised at the amount expected to be paid/recovered to/from the tax authorities by applying the tax rates and tax regulations in force or substantially approved at the end of the reporting period and referable to the period. Current tax receivables and payables are offset if and only if *i)* the entity has an enforceable right to set off the recognised amounts; and *ii)* the entity intends either to settle the net residual amount or to realise the asset and settle the liability simultaneously.

Deferred tax assets and liabilities are calculated according to the "liability method" on temporary differences between the values of assets and liabilities in the financial statements and the corresponding values recognised for tax purposes. Deferred tax assets are recognised when their recovery is probable.

Deferred tax assets and liabilities are not recognised if they relate to the initial recognition of an asset or liability in a transaction other than a business combination that has no impact on profit or taxable income.

Deferred tax assets and deferred tax liabilities are classified as non-current assets and liabilities and are offset at the individual legal entity level if they refer to taxes that can be offset. The balance of the offset, if positive, is entered under "Deferred tax assets", if negative, under "Deferred tax liabilities". Deferred tax assets and deferred tax liabilities are offset if, and only if, *i)* the entity has a legally exercisable right to offset the current tax assets with current tax liabilities; and *ii)* the deferred tax assets and deferred tax liabilities are related to income taxes applied by the same tax jurisdiction.

Deferred tax liabilities are calculated for all temporary differences arising between the tax base of an asset or liability and its carrying amount, with the exception of goodwill and those related to temporary differences arising from undistributed reserves recognised in shareholders' equity in subsidiaries and associates, when the timing of the reversal of these temporary differences is under the Group's control and it is probable that these differences will not reverse in a foreseeable time frame. For this reason, deferred tax liabilities were allocated, for subsidiaries only, on the dividend determined at the time of approval of the draft financial statements by the respective Boards of Directors. On the other hand, for associated companies, deferred tax liabilities were allocated on the temporary difference arising between the tax base of the asset recognised in the consolidated financial statements and its carrying amount. Deferred tax assets, including those relating to previous tax losses, for the portion not offset by deferred tax liabilities, are recognised to the extent that it is probable that future taxable income will be available against which they can be recovered.

Deferred tax liabilities are determined using the tax rates that are expected to apply in the years in which the temporary differences will be realised or extinguished and that are substantially approved at the end of the reporting period.

Current and deferred taxes are recognised in profit or loss, except for those relating to items directly debited or credited to equity, in which case the tax effect is recognised directly to equity.

Other taxes other than income taxes are included in the income statement under "Other operating costs".

Dividends received

Dividends are recognised on the date the resolution is passed by the shareholders' meeting of the investee company.

Distribution of dividends

The distribution of dividends to the Company's shareholders results in a payable in the financial statements for the period in which the distribution was approved by the Company's shareholders.

2.5.8. Related parties

Related parties are defined as those that share the same parent company with INDEL B SPA, those companies that directly or indirectly control, are controlled by, or are subject to joint control by the Parent Company and those in which the Parent Company holds an interest such that it can exercise significant influence. The definition of related parties also includes key management personnel and their close family members of INDEL B SPA and its subsidiaries. Key management personnel are those who have the power and responsibility, directly or indirectly, for planning, directing, controlling the activities of the Company and include the relevant directors.

2.5.9. Use of estimates

The preparation of the financial statements requires the Directors to apply accounting standards and methods that, in certain circumstances, are based on difficult and subjective evaluations and estimates based on historical experience and assumptions that are from time to time considered reasonable and realistic depending on the relevant circumstances. The application of these estimates and assumptions affects the amounts reported in the financial statements, such as the statement of financial position, income statement and statement of cash flows, as well as the disclosures made. The actual results of items in the financial statements for which the aforementioned estimates and assumptions have been used may differ from those reported in the financial statements due to the uncertainty surrounding the assumptions and conditions on which the estimates are based.

The most significant accounting standards that require greater subjectivity by the directors in making estimates and for which a change in the conditions underlying the assumptions used could have a significant impact on the restated aggregate financial data are briefly described below.

1. Goodwill: the analysis of the recoverability of the carrying amount of goodwill is carried out at least once a year; moreover, the Group reviews the carrying amount of goodwill when facts and circumstances require such a review. The estimates and assumptions reflect the Group's state of knowledge about business developments and take into account forecasts about future market developments. With regard to the goodwill recognised in the financial statements arising from the acquisition of the Autoclima Group and the company Indel B North America, the Company carried out an impairment test at the end of the reporting period. The assumptions used in the preparation of the impairment test may not materialise within the timescales and in the manner envisaged. Therefore, the results of this test could lead to a different assessment of the actual recoverability of the carrying amount of goodwill.

It should also be noted that the estimates and assumptions reflect the Group's state of knowledge about business developments and take into account forecasts about future market developments, which remain subject to a high degree of uncertainty due to the ongoing economic difficulties in many countries. In connection with this, the directors drew up the prudential forward-looking plans.

2. Equity investments in associates: the Company carries out an annual analysis of whether there are any indicators of impairment in respect of equity investments held in associates and consolidated using the equity method. Where there are indications of impairment, an impairment test is carried out to assess the recoverability of the amounts recognised in the financial statements.
3. Depreciation of property, plant and equipment and amortisation of intangible assets: the cost of property, plant and equipment and intangible assets is depreciated/amortised on a straight-line basis over the estimated useful life of each asset. The economic useful life of property, plant and equipment and intangible

assets is determined at the time they are acquired and is based on past experience for similar assets, market conditions and advances with regard to future events that could have an impact, including changes in technology. Therefore, the actual economic life can differ from the estimated useful life. The Group assesses annually changes in technology and industry, any changes in contractual conditions and regulations in force related to the use of property, plant and equipment and intangible assets, and the recovery value to update the remaining useful life. The result of these analyses can change the amortisation/depreciation period and thus also the amortisation/depreciation charge for the year and future years.

4. Provisions for product guarantee costs: the calculation of provisions for costs related to guarantee services is affected by estimates made by management that are based on historical data. In certain special circumstances, these estimates may therefore not reflect forward-looking events that differ significantly from what has occurred in the past.
5. Valuation of receivables: trade receivables are adjusted by the relevant bad debt provision to reflect their actual recoverable amount. The determination of the amount of the write-downs made requires the directors to make subjective assessments based on the documentation and information available, including on the customer's solvency, as well as on experience and historical trends.
6. Provisions for risks: the identification of the existence or non-existence of a current (legal or implicit) obligation is sometimes difficult to determine. The directors assess these phenomena on a case-by-case basis, together with an estimate of the amount of economic resources required to fulfil the obligation. When the directors consider that the occurrence of a liability is only possible, the risks are disclosed in the appropriate information section on commitments and risks, without giving rise to any provision.
7. Recovery of deferred tax assets: deferred tax assets are recognised with reference to income components with deferred tax deductibility, for an amount whose recovery in future years is deemed by the Directors to be highly probable. If it is found in the future that the Group is unable to recover all or part of the deferred tax assets recognised in the financial statements, the relevant adjustment will be recognised in profit or loss.

2.6. Typology and procedures for the management of financial risks

The Group's business is exposed to a number of financial risks that can affect its financial position, the results of the operations and of the cash flows.

The main types of such risks are set out below:

- market risk, arising from exposure to fluctuations in exchange rates and interest rates and to changes in the price of certain materials used to supply products;
- credit risk, arising from the possibility that one or more counterparties may become insolvent;
- liquidity risk, arising from the Group's failure to obtain the required financial resources to meet short-term financial commitments.

The operational management of the aforementioned risks is divided among the various organisational units to which the individual types of risk are functionally assigned.

Moreover, the main financial risks are reported and discussed at the Parent Company level in order to create the conditions for hedging and insuring them as well for assessing any residual risk.

The significance of the Group's exposure to the various financial risk categories identified is discussed below.

Market risk

- **Currency risk**

The exposure to the risk of changes in exchange rates arises from the Group's business activities carried out in currencies other than the euro. Revenues and costs denominated in foreign currencies can be affected by exchange rate fluctuations with an impact on trade margins (economic risk), just as trade payables and receivables in foreign currencies can be affected by the conversion rates used, with an impact on the economic result (transaction risk). Finally, exchange rate fluctuations are also reflected in the consolidated results and on shareholders' equity since the financial statements of some companies included in the consolidation area are prepared in currencies other than the Euro and subsequently translated (translation risk).

The main exchange ratio to which the Group is exposed is the Euro/US Dollar (USD) ratio, with reference mainly to cash held in USD and purchases and sales made in USD. Another exchange ratio to which the Group is exposed is the Euro/Brazilian real ratio, with reference to the value of the equity investment in the associate Elber.

With reference to the currency risk, a sensitivity analysis was carried out to determine the effect on the income statement and shareholders' equity that would result from a 10% appreciation/depreciation of the Euro against

the US dollar, while keeping other variables unchanged. The analysis was carried out considering cash and cash equivalents as well as trade receivables and trade payables at the end of each financial year.

The table below shows the results of the analysis carried out:

Impact on profit and shareholders' equity, net of tax effect		
(in thousands of Euro)	USD	
Sensitivity analysis	-10%	+10%
Financial year ended 31/12/2023	150	(123)
Financial year ended 31/12/2022	921	(753)

Note: the positive sign indicates a higher profit and an increase in shareholders' equity; the negative sign indicates a lower profit and a decrease in shareholders' equity; the negative percentage sign an appreciation, the positive percentage sign a depreciation of the dollar.

- **Interest rate risk**

The interest rate risk derives from the possible increase in net finance costs as a result of unfavourable changes in market rates on floating-rate financial positions, which expose the Group to a "cash flow" risk arising from interest rate volatility.

The interest rate risk to which the Group is exposed mainly derives from outstanding mortgages and bank loans.

Fixed-rate payables expose the Group to fair value risk in relation to changes in the fair value of the payable related to market changes in reference rates.

In view of the expected trend of the economic situation, the Group's decision during the financial period was mainly oriented towards the use of fixed-rate financial indebtedness, in order to limit the cash flow risk related to variable-rate indebtedness.

It should be noted that the Group does not use interest rate derivatives ("Interest Rate Swaps") to hedge interest rate risk.

With reference to the interest rate risk, a sensitivity analysis was carried out to determine the effect on the income statement and shareholders' equity that would result from a hypothetical increase and decrease of 50 bps with respect to those actually recorded during the three-year period under review, while keeping other variables unchanged. The analysis was carried out considering cash and cash equivalents, as well as short and medium/long-term mortgages and loans.

The table below shows the results of the analysis carried out:

(in thousands of Euro)	Impact on profit and shareholders' equity, net of tax effect		Impact on shareholders' equity, net of tax effect	
	-50 bps	+50 bps	-50 bps	+50 bps
Sensitivity analysis				
Financial year ended 31/12/2023	(94)	94	(94)	94
Financial year ended 31/12/2022	(63)	63	(63)	63

Note: the positive sign indicates a higher profit and an increase in shareholders' equity; the negative sign indicates a lower profit and a decrease in shareholders' equity.

- **Price risk**

The Group's production costs are affected by the price trends of the main raw materials used such as, in particular, metals and plastics. The price of such materials varies depending on a number of factors, many of which are beyond the Group's control and difficult to predict.

With reference to the purchases made by the Group on the Chinese market and denominated in USD or Euro, the Group is also exposed to a price risk due to the development of the exchange rate with the local currency; the price of products purchased in USD or Euro can vary based on the exchange rate of the local currency (Renminbi) against the US dollar and the Euro, respectively, in accordance with customary commercial practices in the Chinese market.

The Group's strategy is to reduce the risk of price increases of goods or raw materials by entering into fixed-price supply contracts on the one hand and by contractually renegotiating the prices charged to After Market customers (Automotive dealers and installers and Hospitality and Leisure time customers) on the other hand, while the OEM component of revenues shows a greater rigidity of contractual price conditions.

Despite the increasing global difficulties, the Group has always been able to source and purchase sufficient raw materials and semi-finished products to meet its requirements, maintain its quality standards and fulfil all orders from its customers. With respect to the year ended 31 December 2023, the Group has not adopted any form of volatility risk hedging for raw material costs.

- **Credit risk**

Credit risk is the risk that the Group will suffer a financial loss as a result of a third party defaulting on a payment obligation.

With reference to counterparty risk, cash and cash equivalents are held at primary banking and financial institutions, while the risk related to normal commercial transactions is monitored by the Group's management with the aim of minimising the counterparty risk, which is mainly related to payment extensions granted in relation to the sale of products and services, based on historical information on the insolvency rates of the counterparties themselves. The strategies to manage this risk consist in selecting its customers also on the basis of solvency criteria, in using internal procedures to assess their creditworthiness, and, to a certain extent, in insuring its receivables and using letters of credit to guarantee the successful completion of collections.

Specifically, the information obtained when creating personal data is used for the purpose of assigning specific commercial credit lines and requesting specific insurance to cover the credit line. The credit lines and insured amounts are then periodically monitored and, if necessary, updated to reflect the most recent information obtained.

After this allocation and monitoring phase, in order to contain the risk and reduce days of payment, sales orders received are analysed to determine whether they exceed the allocated credit limit and/or whether they are overdue. Finally, a payment reminder system is initiated on a periodic basis in case of exposures past due by more than 30 days.

The impact of the top 10 customers on the Group's total trade receivables as at 31 December 2023 was 41% (45% as at 31 December 2022).

The following table shows the analysis of past due and not impaired trade receivables as at 31 December 2023 and 2022:

(in thousands of Euro)	Breakdown of trade receivables by maturity				
	31/12/2023	Falling due	Past due within 90 days	Past due from 90 to 180 days	Past due for more than 180 days
Trade receivables before provision	39,961	37,079	2,589	74	219
Bad debt provision	(788)	(84)	(544)	(47)	(113)
Total trade receivables	39,173	36,995	2,045	27	106

The decrease in receivables is mainly due to the reduction in collection days.

Breakdown of trade receivables by maturity

(in thousands of Euro)	31/12/2022	Falling due	Past due within 90 days	Past due from 90 to 180 days	Past due for more than 180 days
Trade receivables before provision	45,283	40,074	4,477	357	375
Bad debt provision	(723)	(75)	(151)	(267)	(230)
Total trade receivables	44,560	39,999	4,326	90	145

- Liquidity risk**

Liquidity risk, or funding risk, is the risk that the Group may have difficulty in obtaining the funds necessary to meet its obligations under financial instruments.

The prudent management of liquidity risk in the Group's normal course of business requires the maintenance of an adequate level of cash and cash equivalents and the availability of an adequate level of credit facilities. The following tables summarise the credit lines as at 31 December 2023 and 2022, showing the amount granted, the amount drawn and the amount available:

	31/12/2023			31/12/2022		
(in thousands of Euro)	Line amount	Use	Available amount	Line amount	Use	Available amount
Rimini Banca	100		100	100	-	100
BPER Banca	40		40	40	-	40
Banco BPM	50		50	50	-	50
Intesa San Paolo	500		500	500	-	500
Unicredit	100		100	100	(32)	68
Banca d'Alba	1,000		1,000	1,000	(2)	998
Current accounts	1,790	-	1,790	1,790	(34)	1,756
Rimini Banca	1,600		1,600	1,600	-	1,600
Cariparma/Credit Agricole	1,500		1,500	1,500	-	1,500

BPER Banca	550		550	550	-	550
Banco BPM	950		950	950	-	950
Intesa San Paolo	4,000	(1,520)	2,480	3,850	(939)	2,911
Banca d'Alba	2,500	(892)	1,608	2,500	(804)	1,696
Unicredit	1,400	(596)	804	1,400	(479)	921
Advances on invoices subject to collection	12,500	(3,008)	9,492	12,350	(2,222)	10,128
Factoring	-	-	-	-	-	-
Total	14,290	(3,008)	11,282	14,140	(2,256)	11,884

The following tables include an analysis of liabilities by maturity. The various maturities are based on the period between the end of the reporting period and the contractual expiry date of the obligations. The amounts shown in the tables are contractual amounts and are not discounted. The table does not show the disbursements related to tax payables that will be paid to the tax authorities on the basis of the deadlines set by the regulations in force.

(in thousands of Euro)		Expected disbursements			
	31/12/2023	Within 1 year	Between 1 and 5 years	Beyond 5 years	Total
Financial liabilities	41,954	27,278	14,734	835	42,847
Trade payables	33,018	33,018	-	-	33,018
Other liabilities	10,261	10,261	-	-	10,261
Total	85,233	70,557	14,734	857	86,126

In 2023, the parent company took out new credit lines to replace those that had expired or were due to expire, and to obtain fixed interest rates that were more favourable than variable interest rates, given the instability of the financial market. It is also important for the Group to maintain an adequate level of liquidity to provide financial stability over the next one to two financial years to support further investment in business growth.

(in thousands of Euro)	31/12/2022	Expected disbursements			
		Within 1 year	Between 1 and 5 years	Beyond 5 years	Total
Financial liabilities	45,777	22,180	30,699	849	53,728
Trade payables	40,068	40,068	-	-	40,068
Other liabilities	9,648	9,522	126	-	9,648
Total	95,493	71,770	30,825	849	103,444

It is specified that there are sufficient credit lines, liquidity and receivables, together with the Company's and the Group's ability to generate operating cash flows, to meet the above exposure, with special reference to commitments maturing "within 1 year".

Capital risk management

The Group also monitors capital on the basis of the Gearing Ratio defined as the ratio between (i) Net Financial Indebtedness (as defined below) and (ii) the sum of consolidated shareholders' equity and Net Financial Indebtedness.

The following table shows the Gearing Ratio as at 31 December 2023 and 2022:

(in thousands of Euro)	31/12/2023	31/12/2022
Net financial indebtedness (A)	7,451	28,455
Shareholders' equity (B)	126,631	120,910
Total capital (C)=(A)+(B)	134,082	149,365
Gearing ratio (A)/(C)	5.6%	19.1%

For information on the method of calculating Net Financial Indebtedness, please refer to Note 2.8.17 "Net Financial Indebtedness".

To complete the disclosure on financial risks, the following is a reconciliation between the classes of financial assets and liabilities as identified in the statement of financial position and the types of financial assets and liabilities identified on the basis of the requirements of the international accounting standard - IFRS 7 - adopted in these Consolidated Financial Statements.

(in thousands of Euro)	Amortised cost	Fair value recognised in OCI	Fair value recognised in profit or loss	31/12/2023
Statement of financial position assets				
Non-current financial assets	13			13
Other receivables and other non-current assets	275			275
Deferred tax assets	1,603			1,603
Other equity investments	-		66	66
Trade receivables	39,173			39,173
Cash and cash equivalents	34,380			34,380
Other receivables and other current assets	5,036			5,036
Total	80,604	-	66	80,670
Statement of financial position liabilities				
Non-current financial liabilities	15,451			15,451
Current financial liabilities	26,503			26,503
Trade payables	33,018		-	33,018
Other current liabilities	10,153			10,153
Total	85,125	-	-	85,125

(in thousands of Euro)	Amortised cost	Fair value recognised in OCI	Fair value recognised in profit or loss	31/12/2022
Statement of financial position assets				
Non-current financial assets	13			13
Other receivables and other non-current assets	462			462
Deferred tax assets	1,381			1,381
Other equity investments	-		66	66
Trade receivables	44,560			44,560
Cash and cash equivalents	17,322			17,322
Other receivables and other current assets	14,729			14,729
Total	78,467	-	66	78,533

Statement of financial position liabilities				
Non-current financial liabilities	24,132			24,132
Current financial liabilities	21,645			21,645
Trade payables	40,068		-	40,068
Other current liabilities	9,522			9,522
Total	95,367	-	-	95,367

It should be noted that the fair value of financial assets and liabilities approximates the carrying amount.

Fair value

In relation to assets and liabilities recognised in the statement of financial position, IFRS 13 requires that such values be classified on the basis of a hierarchical level that reflects the importance of the inputs used when determining the fair value.

A classification of the fair values of financial instruments based on the following hierarchical levels is shown below:

1. Level 1: Fair value determined on the basis of inputs represented by quoted prices (unadjusted) in active markets for identical financial instruments. Therefore, Level 1 focuses on determining the following elements:
 - the principal market for the asset or liability or, in the absence of a principal market, the most advantageous market for the asset or liability;
 - the entity's ability to enter into a transaction with the asset or liability at that market price on the measurement date.
2. Level 2: Fair values determined using valuation techniques with reference to observable variables in active markets. The inputs for this level include:
 - quoted prices for similar assets or liabilities in active markets;
 - quoted prices for identical or similar assets or liabilities in markets that are not active;

- inputs other than quoted prices that are observable for the asset or liability, for example interest rates and yield curves observable at commonly quoted intervals, implied volatilities and credit spreads;
- inputs corroborated by the market.

3. Level 3: Fair value determined using valuation techniques with reference to unobservable market variables.

A Level 3 fair value was used to measure the items measured at fair value shown in the table above.

2.7. Segment reporting

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 regularly reviewed by the entity's chief operating decision maker (for Indel B SPA the Chief Executive Officer) to make decisions about resources to be allocated to the segment and assess its performance;

for which discrete financial information is available.

The Group identified only one operating segment. In particular, the management information prepared and made available to the Chief Executive Officer for the above purposes considers the business activities carried out by the Group as a whole; consequently, no segment information is presented in the financial statements.

In the financial years ended 31 December 2023 and 2022, there was also no concentration of revenues of individual customers exceeding 10%. In the financial years ended 31 December 2023 and 2022, there was also no concentration of revenues of individual customers exceeding 10%; for more details, see paragraph "2.9.1 Revenues from sales".

2.8. Notes to the statement of financial position

2.8.1. Intangible assets

The changes in this item can be broken down as follows:

(in thousands of Euro)	Goodwill	Development costs	Patents and know-how	Concessions, licences, trademarks and similar rights	Other intangible assets	Intangible assets in progress and payments on account	Total
Net values as at 01/01/2022	8,527	640	40	3,709	8,175	255	21,346
Historical cost as at 01/01/2022	8,527	4,577	98	6,052	12,580	255	32,089
Increases	-	130	-	48	-	120	298
Decreases	-	-	(19)	-	-	(114)	(133)
Foreign exchange translation differences	-	-	-	-	-	-	-
Other changes including reclassifications	(400)	136	-	-	-	(136)	(400)
Historical cost as at 31/12/2022	8,127	4,843	79	6,100	12,580	126	31,855
Accumulated amortisation as at 01/01/2022	-	(3,937)	(58)	(2,343)	(4,405)	-	(10,743)
Amortisation	-	(387)	(2)	(312)	(1,028)	-	(1,729)
Decreases	-	-	7	-	-	-	7
Foreign exchange translation differences	-	-	-	-	-	-	-
Other changes including reclassifications	-	-	-	-	-	-	-
Accumulated amortisation as at 31/12/2022	-	(4,324)	(53)	(2,655)	(5,433)	-	(12,465)
Net values as at 31/12/2022	8,127	519	26	3,443	7,146	126	19,386
Historical cost as at 01/01/2023	8,127	4,843	79	6,100	12,580	126	31,855
Increases	-	100	-	163	-	98	361
Decreases	-	-	-	-	-	-	-
Foreign exchange translation differences	-	-	-	(2)	-	-	(2)
Other changes including reclassifications	(980)	139	-	-	-	(133)	(975)
Historical cost as at 31/12/2023	7,146	5,081	79	6,261	12,580	91	31,237
Accumulated amortisation as at 01/01/2023	-	(4,324)	(53)	(2,655)	(5,433)	-	(12,468)

Amortisation	-	(277)	(2)	(323)	(432)	-	(1,034)
Decreases	-	-	-	-	-	-	-
Foreign exchange translation differences	-	-	-	1	1	-	2
Other changes including reclassifications	-	-	-	-	-	-	-
Accumulated amortisation as at 31/12/2023	-	(4,601)	(55)	(2,977)	(5,864)	-	(13,498)
Net values as at 31/12/2023	7,146	480	24	3,284	6,715	91	17,739

The item "Other changes including reclassifications" includes the write-down of goodwill of Euro 980 thousand recognised for the subsidiary Indel B North America following the Impairment test carried out in the annual financial statements.

Investments mainly concern:

- development costs, for an amount of Euro 100 thousand, with reference to specific projects that involved R&D activities aimed at i) the technical design and experimental study of a new solution that guarantees the end user a compressor minibar that is more efficient in terms of functionality and consumption; ii) the technical design and experimental study of a new evaporator system that is easy to install; iii) the study, design and development of a new range of refrigerators that stand out in terms of appearance, aesthetics and shapes; iv) the study and development of new design-construction and technological solutions for applications in recreational vehicles; v) the study and development of new design-building and technological solutions for applications in the nautical environment;
- concessions, licences, trademarks and similar rights of Euro 163 thousand mainly with reference to the purchase of Oracle licences by the Parent Company;
- intangible assets in progress and payments on account of Euro 98 thousand, relating to the registration of new European patents and for the development of specific projects that involved R&D activities aimed at the technical design and experimental study of new product solutions not yet completed in 2023.

Goodwill as at 31 December 2023 amounted to Euro 7,146 thousand and referred entirely to the subsidiary Autoclima and its subsidiaries; as the goodwill of Euro 980 thousand referred to the American company Indel B North America, as mentioned above, was entirely written down in 2023 following an impairment test performed by an independent third-party consultant. Goodwill is regarded as an intangible asset with an indefinite useful life and is therefore not amortised, but is tested for impairment at least annually to determine whether the carrying amount has been impaired. For the 2023 financial statements, impairment tests were carried out on goodwill

recorded by reference to the cash-generating unit to which it can be allocated. The Cash-generating units are identified with the legal entities acquired.

This method allows the most effective check of goodwill and future investment plans and provides a homogeneous analysis of the information disclosed to the market.

The purpose of impairment testing is to determine whether the carrying amount of an asset exceeds its estimated recoverable amount.

The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use.

The fair value is defined as the amount for which an asset can be exchanged in an ordinary transaction between market participants, less the costs to sell.

The value in use is the present value of the estimated future cash inflows and outflows that will result from the continuous use of the asset and its final disposal.

The value in use used in the impairment test of the goodwill of the Autoclima Group and the subsidiary Indel B North America is based on the operating cash flows derived from the economic and financial projections based on the 2024-2028 plans received from the board of directors of the respective companies and approved by the Board of Directors of Indel B on 12 April 2024.

The impairment tests on the business plans of the two companies were carried out by independent experts by comparing:

- the value of Net Invested Capital - NIC (including goodwill and other intangibles, if any) recognised in the Group's consolidated financial statements at the end of the reporting period and allocated to the identified CGUs (Carrying Amount);
- The recoverable amount of each CGU identified in terms of value in use, for which goodwill is allocated, resulting from the application of the Unlevered Discounted Cash Flow Method to the expected cash flows.

In accordance with International Accounting Standards and current best practice, the Recoverable Amount in terms of Value in Use has been estimated using the Discounted Cash Flow ("DCF") method.

The Value in Use, determined as the Enterprise Value, was obtained by summing:

- the present value of the discounted Unlevered Free Cash Flows for the explicit projection period 2024-2028 for the identified CGUs;
- the present value of the Terminal Value calculated after the last explicit projection year (2028).

To determine the Terminal Value required to estimate the Enterprise Value, we considered the value of the cash flows generated under the assumption of continuity at the end of the explicit projection period (2028). The terminal value was estimated by applying a perpetuity considering the long-term sustainable average normal cash flow, the discount rate and a perpetual growth rate. In particular, the normalised cash flow was calculated using EBITDA and amortisation equal to those of 2028. The Terminal Value was estimated using a growth rate equal to the expected long-term inflation estimates for the reference countries (source IMF, October 2023).

The discount rate used for discounting the cash flows is the post-tax WACC (Weighted Average Cost of Capital) as at 31 December 2023.

The WACC calculated for the Autoclima CGU is 10.8%, the g-rate is 1.9%.

The WACC calculated for the North America CGU is 13.1%, the g-rate is 2.1%.

The Company, with the support of the appointed independent expert, carried out sensitivity analyses on the results of the financial year described above.

The results of the impairment test on the Autoclima CGU did not indicate any need for write-downs, given the extensive cover resulting from the financial year and the sensitivity analyses carried out.

In relation to the goodwill recognised in the Indel B NA CGU, based on the impairment test and the related sensitivity analyses, carried out with the support of the appointed independent expert, the Directors considered that an impairment loss of Euro 980 thousand should be recognised as the difference between the Net Invested Capital as determined above and the estimated Enterprise Value of approximately Euro 1.3 million.

It should also be noted that for those CGUs where the value in use was lower than the net invested capital, the Directors, with the support of the independent expert, also assessed the fair value, estimated using the transaction method. The estimated fair value was substantially equal to or less than the Value in Use; therefore, the Directors carried out the write-down as described above.

As at 31 December 2023 and 2022, intangible assets were not encumbered or secured.

2.8.2. Property, plant and equipment

The changes in this item can be broken down as follows:

(in thousands of Euro)	Land	Buildings and leasehold improvements	Plant and machinery	Fixtures and fittings, tools and equipment	Other assets	Property, plant and equipment in progress and payments on account	Total
Net values as at 01/01/2022	4,068	20,383	8,862	916	1,196	2,746	38,170
Historical cost as at 01/01/2022	4,068	25,122	23,254	4,893	7,129	2,746	67,212
Increases	-	401	1,168	586	765	2,173	5,093
Decreases	(4)	-	(76)	(1)	(277)	(11)	(369)
Foreign exchange translation differences	15	28	1	6	(2)	-	48
Other changes including reclassifications	-	1,541	668	128	105	(2,822)	(380)
Historical cost as at 31/12/2022	4,079	27,092	25,015	5,612	7,720	2,086	71,604
Accumulated depreciation as at 01/01/2022	-	(4,739)	(14,392)	(3,977)	(5,933)	-	(29,041)
Depreciation	-	(861)	(1,801)	(453)	(462)	-	(3,577)
Decreases	-	-	76	-	259	-	335
Foreign exchange translation differences	-	(7)	-	(2)	(4)	-	(13)
Other changes including reclassifications	-	362	-	-	-	-	362
Accumulated depreciation as at 31/12/2022	-	(5,245)	(16,117)	(4,432)	(6,140)	-	(31,934)
Net values as at 31/12/2022	4,079	21,847	8,898	1,180	1,580	2,086	39,670
Historical cost as at 01/01/2023	4,079	27,092	25,015	5,612	7,720	2,086	71,604
Increases	234	82	1,491	414	494	5,631	8,346
Decreases	-	-	(15)	(10)	(221)	(56)	(302)
Foreign exchange translation differences	(8)	(17)	-	(17)	1	-	(41)
Other changes including reclassifications	-	1,468	473	140	4	(2,041)	43
Historical cost as at 31/12/2023	4,305	28,625	26,964	6,139	7,998	5,620	79,650
Accumulated depreciation as at 01/01/2023	-	(5,245)	(16,117)	(4,432)	(6,140)	-	(31,934)

Depreciation	-	(868)	(1,940)	(513)	(489)	-	(3,811)
Decreases	-	-	3	9	155	-	167
Foreign exchange translation differences	-	6	(1)	9	1	-	15
Other changes including reclassifications	-	-	14	-	(1)	-	13
Accumulated depreciation as at 31/12/2023	-	(6,107)	(18,041)	(4,927)	(6,475)	-	(35,551)
Net values as at 31/12/2023	4,305	22,517	8,923	1,211	1,523	5,620	44,100

The investments in property, plant and equipment made by the Group in 2023, totalling Euro 8,346 thousand, mainly related to:

- land of Euro 234 thousand, mainly with reference to the purchase of new building land by the subsidiary Autoclima;
- buildings and leasehold improvements of Euro 82 thousand mainly relating to the expansion of the already operational production area located in Via Montefeltro 118/C, in the hamlet of Secchiano, municipality of Novafeltria, and the construction of a new mobile tunnel also in this area;
- of Euro 1,491 thousand, mainly referring to: i) new plants relating to the new buildings at Secchiano and at the company canteen adjacent to the main factory; ii) purchase of vertical warehouses; iii) purchase of new moulds for production; iv) improvements to production lines; v) improvements to generic plants and new heating systems;
- fixtures and fittings, tools and equipment of Euro 414 thousand, mainly referring to the purchase of equipment for laboratory and workshop tests and trials, and various equipment for assembly lines;
- other assets of Euro 494 thousand, mainly referring to i) the purchase of internal means of transport; ii) the purchase of IT services; iii) the purchase of PCs and printers; iv) the purchase of a fixing station;
- property, plant and equipment in progress and payments on account of Euro 5,631 thousand, mainly referring to the expansion of two new areas adjacent to the already operational production area located in via Montefeltro, 118 Secchiano (RN), a new line, also in this production area, and the construction of new production moulds.

As at 31 December 2023, no property was encumbered by a mortgage.

2.8.3. Right of use

This item can be broken down as follows:

(in thousands of Euro)	31/12/2023	31/12/2022
Right-of-use assets		
Land and buildings	2,744	3,301
Plant and machinery	-	-
Other assets	221	226
Total	2,965	3,527
Of which:		
Historical cost	5,988	5,847
Accumulated depreciation	(3,023)	(2,320)
Right-of-use payables		
Right-of-use payables - current	625	642
Right-of-use payables - non-current	2,441	2,987
Total	3,066	3,629

The impact of IFRS 16 on EBITDA as at 31 December 2023 is positive by Euro 783 thousand, the impact on EBIT is positive by Euro 70 thousand, and the impact on pre-tax profit is negative by Euro 20 thousand.

Changes in this item are broken down as follows:

(in thousands of Euro)	Buildings and leasehold improvements - Right of use	Plant and machinery - Right of use	Other assets - Right of use	Total
Historical cost as at 01/01/2022	4,130	1,106	370	5,606
Increases	459		70	529
Decreases	(208)		(27)	(235)
Foreign exchange translation differences	(2)			(2)
Other changes including reclassifications (*)	(51)			(51)
Historical cost as at 01/01/2023	4,328	1,106	413	5,847

Increases			111	111
Decreases			(43)	(43)
Foreign exchange translation differences	6			6
Other changes including reclassifications (*)	67			67
Historical cost as at 31/12/2023	4,401	1,106	481	5,988
Accumulated depreciation as at 01/01/2022	(746)	(995)	(100)	(1,841)
Depreciation	(516)	(111)	(124)	(751)
Decreases	92		37	129
Foreign exchange translation differences	3			3
Other changes including reclassifications (*)	140			140
Accumulated depreciation as at 01/01/2023	(1,027)	(1,106)	(187)	(2,320)
Depreciation	(543)		(123)	(666)
Decreases			36	36
Foreign exchange translation differences	(20)			(20)
Other changes including reclassifications (*)	(67)		14	(53)
Accumulated depreciation as at 31/12/2023	(1,657)	(1,106)	(260)	(3,023)
Net values as at 31/12/2023	2,744	-	221	2,965

This item represents the discounted value of future lease payments relating to multi-year operating leases outstanding as at 31 December 2023, as required by IFRS 16 effective from 1 January 2019.

2.8.4. Equity investments measured using the equity method

The changes in this item can be broken down as follows:

(in thousands of Euro)	Jointly controlled entities	Associates	Total
Values as at 1 January 2022	5,669	8,041	13,710
Investments/Divestments			
Dividends	(1,500)	(462)	(1,962)
Net result	2,873	(2,134)	739
Foreign exchange translation differences	132	1,406	1,538
Values as at 31 December 2022	7,174	6,851	14,024
Investments/Divestments			
Dividends	(1,100)	(234)	(1,334)
Net result	2,761	682	3,443
Write-down following impairment test		(3,200)	(3,200)
Foreign exchange translation differences	(153)	724	571
Values as at 31 December 2023	8,682	4,823	13,505

As at 31 December 2023, the category "Jointly controlled entities" refers to the 50% equity investment in Indel Webasto Marine S.r.l. (hereinafter "Indel Webasto Marine"). The foreign exchange translation difference is related to the subsidiary by the Indel Webasto Marine USA.

As at 31 December 2023, the category "Associates" refers to the 40% stake held in the company Elber Industria de Refrigeracao Ltda (hereinafter referred to as "Elber") for Euro 4,816 thousand (Euro 6,850 as at 31 December 2022).

The Directors considered the presence of any impairment indicators and identified an impairment indicator with reference to the associate Elber, owing to the results in terms of margins, although good, were lower than expected, and therefore carried out an impairment test.

The Impairment test was carried out by comparing:

- the carrying amount of the equity investment;
- the recoverable amount of the equity investment, identified in terms of Value in Use, resulting from the application of the Unlevered Discounted Cash Flow ("UDCF") Method to the expected cash flows.

The recoverable amount of the equity investment (Equity Value) was estimated in terms of Value in Use. In particular, the following elements were considered:

- present value of Unlevered Free Cash Flows for the explicit forecast period (2024-2028);

- present value of the Terminal Value calculated after the last explicit projection year (2028);
- value of the Net Financial Position of Elber as at 31 December 2023.

To determine the Enterprise Value, we considered the value of the cash flows generated based on the 2024-2028 plan received by the Board of Directors, and approved by the Board of Directors of Indel B on 12 April 2024, under the assumption of continuity at the end of the explicit projection period (2028). The terminal value was estimated by applying a perpetuity considering the long-term sustainable average normal cash flow, the discount rate and a perpetual growth rate. In particular, Indel B calculated the normalised cash flow using EBITDA and amortisation equal to those of 2028. The Terminal Value was calculated using a perpetual growth rate (growth rate or "g") equal to the expected long-term inflation estimates for the reference countries (source IMF, October 2023).

The estimated WACC for the Elber equity investment is 17.5% and the g-rate is 3%.

The impairment test carried out showed the need for a write-down. Against a carrying amount of the equity investment of Euro 8,016 thousand, the impairment test returned an Equity Value of Euro 4,791 thousand.

Therefore, the Directors decided write down the carrying amount of the equity investment in the amount of Euro 3.2 million.

It should also be noted that the Directors, with the support of the independent expert, also measured the fair value of the equity investment, estimated using the transaction method. The estimated fair value was substantially equal to or less than the Value in Use; therefore, the Directors carried out the write-down as described above.

- **Indel Webasto Marine (consolidated financial statements)**

(in thousands of Euro)	Indel Webasto Marine (consolidated financial statements)	
	31/12/2023	31/12/2022
Non-current assets	753	830
Current assets	22,381	20,800
Of which cash and cash equivalents	7,340	2,921
Total assets	23,134	21,630
Total shareholders' equity	19,341	16,301
Non-current liabilities	764	1,090
Of which financial	129	510
Current liabilities	3,029	4,239

Of which financial	614	812
Total liabilities and SE	23,134	21,630

(in thousands of Euro)	Indel Webasto Marine (consolidated financial statements)	
	31/12/2023	31/12/2022
Total revenues	35,456	40,200
Amortisation, depreciation, provisions and write-downs	(177)	(205)
Net finance (income)/costs	6	148
Income tax	(2,187)	(2,318)
Profit/(loss) for the year	5,554	6,176
Other comprehensive income (expense)	(153)	132
Total profit for the year	5,401	6,308
Dividends distributed to Indel B	1,100	1,500

- **Elber**

(in thousands of Euro)	Elber	
	31/12/2023	31/12/2022
Non-current assets	36,025	33,636
Current assets	14,084	11,315
Of which cash and cash equivalents	2,062	1,202
Total assets	50,109	44,950
Total shareholders' equity	37,832	34,799
Non-current liabilities	5,186	4,608
Of which financial	582	491
Current liabilities	7,091	5,543
Of which financial	2,873	2,379
Total liabilities and SE	50,109	44,950

(in thousands of Euro)	Elber	
	31/12/2023	31/12/2022
Total revenues	21,015	18,630
Amortisation, depreciation, provisions and write-downs	(540)	(806)
Net finance (income)/costs	95	(48)
Income tax	(664)	(379)
Profit/(loss) for the year	1,814	1,296
Other comprehensive income (expense)	724	1,406
Total profit for the year	2,538	2,702
Dividends distributed to Indel B	234	462

Note that the item "Other comprehensive income components" includes the change in the translation reserve related to the associate, its significance in 2022 depends on the significant revaluation of the Brazilian currency during 2022.

Other equity investments

This item, amounting to Euro 66 thousand as at 31 December 2023 (Euro 66 thousand as at 31 December 2022), refers to the value of the 3.5% equity investment held in Bartech System Int USA.

2.8.5. Other receivables and other assets (non-current and current)

This item can be broken down as follows:

(in thousands of Euro)	31/12/2023	31/12/2022	Chg	% chg
Tax receivables due beyond 12 months	82	144	(62)	-43%
Other non-current assets	193	318	(125)	-39%
Other receivables and other non-current assets	275	462	(187)	-40%
Tax receivables	4,381	6,656	(2,275)	-34%
Receivables from social security institutions	108	155	(47)	-30%
Accrued income and prepaid expenses	441	399	42	11%

Other current assets	106	7,519	(7,413)	-99%
Other receivables and other current assets	5,036	14,729	(9,693)	-66%

The item "Other current assets" as at 31 December 2022 included the receivable for the sale of the equity investment in Guangdong Iceco Enterprise recorded from the purchaser Xinyu Yuanxing Ent. China equal to Euro 7,187 thousand, this receivable was collected for Euro 6,283 thousand on 28 June 2023.

The item "Current tax receivables" refers to VAT receivables amounting to Euro 4,381 thousand as at 31 December 2023, which will be used by offsetting tax payables.

2.8.6. Inventories

This item can be broken down as follows:

(in thousands of Euro)	31/12/2023	31/12/2022	Chg	% chg
Raw materials and consumables	33,920	36,439	(2,519)	-7%
Work in progress and semi-finished goods	2,980	3,028	(48)	-2%
Finished products and goods for resale	26,939	31,913	(4,974)	-16%
Provision for inventory obsolescence	(2,589)	(2,275)	(314)	14%
Total	61,250	69,105	(7,855)	-11%

The item "Inventories" as at 31 December 2023 decreased significantly compared to 31 December 2022, mainly due to the impact of prudent supply policies on inventory management as well as the decrease in very high logistics costs in the previous year.

Autoclima, following the introduction of the new information system, codified the inventories of semi-finished products and raw materials in line with the criteria adopted by the parent company. For better presentation and comparability, the figure as at 31 December 2022 was restated.

The following table shows the changes in the provision for inventory obsolescence for the years ended 31 December 2023 and 2022:

(in thousands of Euro)	Provision for inventory obsolescence
Values as at 01 January 2022	1,861
Allocations	406
Uses/Releases	-

Foreign exchange translation differences	8
Values as at 31 December 2022	2,275
Allocations	335
Uses/Releases	(12)
Foreign exchange translation differences	(9)
Values as at 31 December 2023	2,589

2.8.7. Trade receivables

This item can be broken down as follows:

(in thousands of Euro)	31/12/2023	31/12/2022
Gross trade receivables	39,961	45,283
Bad debt provision	(788)	(723)
Total	39,173	44,560

The item "Trade receivables" decreased compared to 31 December 2022 due to the decrease in average collection days from 73 in 2022 to 65 in 2023.

Trade receivables not past due amounted to Euro 36,995 thousand as at 31 December 2023 (Euro 39,999 thousand as at 31 December 2022).

The value of past due trade receivables net of the related bad debt provision amounted to Euro 2,178 thousand as at 31 December 2023 (Euro 4,561 thousand as at 31 December 2022). The analysis of receivables by maturity is shown in Note 2.6 "Typology and procedures for the management of financial risks".

Changes in the bad debt provision for the years under review are shown below:

(in thousands of Euro)	Bad debt provision
Values as at 01/01/2022	580
Allocations	206
Uses/Releases	(62)
Values as at 31/12/2022	724

Allocations	119
Uses/Releases	(55)
Values as at 31/12/2023	788

Receivables were written off using the bad debt provision when the likelihood of recovery is considered to be remote.

The carrying amount of trade receivables (net of bad debt provision) as at 31 December 2023 and 2022 is deemed to be more or less in line with their fair value.

The maximum exposure to credit risk at the end of each reporting period is the fair value of trade receivables.

For evidence of the receivables by maturity date, see Note 2.5 "Typology and procedures for the management of financial risks".

With regard to the company Autoclima S.p.A., it should be noted that it opted for the voluntary collaboration procedure pursuant to Art. 7 of Italian Decree Law no. 193 of 22 October 2017, converted with amendments by Italian Law no. 225 of 1 December 2017, and on 2 October 2017 it paid the total amount of Euro 262 thousand for taxes, interest and penalties to the tax authorities.

This adhesion is related to transactions carried out by Autoclima in the years prior to its acquisition by the Group, which led to a depletion of its assets in favour of former shareholders.

During 2017, the current Directors of Autoclima deemed it necessary to request from the former shareholders the return of the amount subtracted by them and therefore recognised the corresponding receivable in the financial statements for a total amount of Euro 541 thousand, equal to the sum of the amounts received by them without reason for approximately Euro 439 thousand, plus penalties and non-deductible VAT for a total of approximately Euro 101 thousand.

During 2018, the Company also integrated the voluntary collaboration procedure pursuant to Art. 7 of Italian Decree Law no. 193 of 22 October 2017, converted with amendments by Italian Law no. 225 of 1 December 2017, and paid the total amount of Euro 252 thousand for taxes, interest and penalties on 23 October 2018 and 8 November 2018. This amount was repaid in full by the former members in November 2018 and March 2019.

This integration refers to the same transactions carried out by Autoclima in previous years that led to a depletion of its assets in favour of former shareholders and that had already been highlighted in the 2017 financial statements.

The Directors had decided to prudentially set aside the entire amount of the receivable to a bad debt provision, which has been fully used to date, thus closing the related receivable.

On 30 June 2022, the Court of Asti dismissed Autoclima's claims in this case. The judge considered that the other party was not punishable because of the intermediation of parties without taking into account the final beneficiary

of the payments made, as evidenced by the available documentation.

The Directors of the subsidiary, together with their lawyers, considered not to appeal to the second instance.

2.8.8. Cash and cash equivalents

This item can be broken down as follows:

(in thousands of Euro)	31/12/2023	31/12/2022
Bank and postal deposits	34,362	17,310
Cheques, cash at bank and in hand	17	12
Total	34,379	17,322

Bank and postal deposits include available funds deposited on current accounts with leading banking and financial institutions.

The following table shows the Group's cash and cash equivalents by currency as at 31 December 2023 and 2022:

(in thousands of Euro)	31/12/2023	31/12/2022
EUR	29,974	9,676
USD	4,310	7,594
Other currencies	95	52
Total	34,379	17,322

It should be noted that, as at 31 December 2023, there are time deposit accounts in the amount of Euro 16 million with a maximum duration of three months, which were not present in 2022.

Please refer to the analysis of the statement of cash flows for a better understanding of the changes related to this item.

2.8.9. Shareholders' equity

The main components of shareholders' equity are as follows:

(in thousands of Euro)	31/12/2023	31/12/2022
Share capital	5,842	5,842
Share premium reserve	23,334	23,887
Legal reserve	1,168	1,168
Other reserves	85,852	77,965
Profit/(loss) for the year	10,435	12,048
Total	126,631	120,910
Minority interests in share capital and reserves	290	189
Minority interests in profit/(loss) for the year	181	141
Total	127,101	121,240

Share capital

The Company's share capital of Euro 5,842 thousand as at 31 December 2023 (Euro 5,842 thousand as at 31 December 2022) is fully subscribed and paid-up and consists of 5,842,000 thousand ordinary shares with a nominal value of Euro 1.00 each.

Share premium reserve

The share premium reserve amounted to Euro 23,334 thousand and resulted from the IPO transaction and the share capital increases of September and November 2017. The decrease in the reserve as at 31 December 2023 compared to 31 December 2022 is due to the treasury shares purchased by the Company during the year. As at 31 December 2023, the Company held 220,711 shares at a value of Euro 4,754 thousand.

With reference to the share capital increase operations, the first increase was subscribed and paid for Euro 1,000,000 plus a share premium of Euro 20,839 thousand by Qualified Investors as part of the institutional placement aimed at listing the Company's shares on the EXM.

A further 100,000 shares were subscribed in September 2017 by the former shareholders of Autoclima S.p.A.

The issue price of the New Shares was set at Euro 25 per share, of which Euro 1.00 to be allocated to share capital and Euro 24.00 as share premium (Euro 2,400 thousand) in line with the criteria already used to determine the share price at the end of the listing process. This price was quantified in compliance with the proxy granted by the Shareholders' Meeting to the Board of Directors, which provided for the possibility of offering newly issued shares to third parties, even after the closing of the listing process, provided that the price in line with the market trend and in case not lower than the IPO offer price, which was set at Euro 23 per share.

Similarly, the share capital increase of November 2017 is related to the agreement with an institutional investor concerning the issue, in favour of the latter, of 160,000 new Indel B S.p.A. shares deriving from the share capital increase approved by resolutions passed at the Shareholders' Meetings of 7 March and 6 September 2018 at a subscription price of Euro 31.3 per share, of which Euro 1.00 is to be allocated to share capital and Euro 30.3 as a share premium (Euro 4,849 thousand), for a total value of Euro 5,008,000 (including share premium).

Legal reserve

The "Legal reserve" is related to the Parent Company and consists of provisions made pursuant to Article 2430 of the Italian Civil Code, as described in the section of the accounting standards of this document.

This reserve amounted to Euro 1,168 thousand as at 31 December 2023 (Euro 1,168 thousand as at 31 December 2022).

Other reserves

Other reserves, which totalled Euro 85,852 thousand as at 31 December 2023, mainly include the reserve for exchange-rate differences in the foreign currency financial statements of consolidated companies, the extraordinary reserve, the reserve for actuarial gains and losses, the economic results of previous years for the portion not distributed or allocated to the legal reserve, as well as the reserve generated upon first-time adoption of IFRS.

Reconciliation of the Group's Shareholders' equity and Profit/(loss) for the year with the Parent Company's comparative figures

(in thousands of Euro)	31/12/2023		31/12/2022	
	Shareholders' equity	Profit/(loss) for the year	Shareholders' equity	Profit/(loss) for the year
Shareholders' equity and Profit/(loss) as reported in the Parent Company's Financial Statements	101,035	4,915	101,205	11,608
Effect of consolidation of subsidiaries	70,968	7,035	63,603	2,543
Effect of elimination of equity investment values	(35,540)	-	(35,540)	-
Elimination of intra-group dividends	(9,362)	(1,334)	(8,028)	(1,962)
Minority interests	(470)	(181)	(330)	(141)
Group Shareholders' equity and Profit/(loss)	126,631	10,435	120,910	12,048

2.8.10. Provisions for risks and charges

The "Provisions for risks and charges" amounted to Euro 4,191 thousand as at 31 December 2023 (Euro 2,951 thousand as at 31 December 2022).

Changes in the provisions for risks and charges for the years ended 31 December 2023 and 2022 are shown below:

(in thousands of Euro)	Provision for agents' leaving indemnities	Product guarantee fund	Other provisions	Provisions for risks and charges
Values as at 01 January 2022	230	424	1,255	1,909
Allocations	13	622	1,368	2,003
Finance costs	2	-	-	2
Actuarial (gains)/losses	(15)	-	-	(15)
Other changes including reclassifications		(1)		(1)
Uses/Releases	-	(153)	(795)	(947)
Values as at 31 December 2022	230	892	1,828	2,951
Allocations	15	1,872	51	1,938
Finance costs	7	-	-	7
Actuarial (gains)/losses	(5)	-	-	(5)
Other changes including reclassifications		1		1
Uses/Releases	-	(700)		(700)
Values as at 31 December 2023	247	2,065	1,879	4,191

The provision for agents' leaving indemnities represents a reasonable forecast of the charges that would be borne by the company in the event of termination of the agency relationship. This provision was measured, with regard to one-firm agents, using the actuarial method of measuring the unit credit projection carried out by independent actuaries in accordance with IAS 19, and with regard to multi-firm agents by applying the actuarial method set forth in IAS 37. The economic and demographic assumptions used for the purposes of the actuarial valuations of the provision for one-firm agents under IAS 19 are detailed below:

	2023	2022
Annual technical discounting rate	3.17%	3.77%
Annual inflation rate	-	-

The product guarantee fund represents the estimated future costs to be incurred for work on products sold and covered by the guarantee. This fund was calculated on the basis of historical information regarding the nature, frequency and average cost of repairs under guarantee. The average guarantee period for products sold and covered by a guarantee is approximately two years.

The provision of Euro 1,872 thousand is broken down as follows:

- Euro 912 thousand was set aside as a result of the generic calculation that is based, as described above, on historical information regarding the nature, frequency and average cost of repairs under guarantee;
- Euro 840 thousand was set aside by the Parent company as a result of a defect reported by the DAF customer in relation to an electronic component in some refrigerators, which is still being resolved between the parties;
- Euro 120 thousand was set aside in anticipation of the conclusion of the recall campaign initiated by the customer Iveco in 2022.

In any case, it should be noted that the Company has always taken out insurance policies with leading international companies, capable of covering any claims such as those that occurred in the last two financial years with the aforementioned customers.

The subsidiary Autoclima S.p.A. markets its products (equipment or components for vehicle air-conditioning and refrigeration) in Russia operating through its Russian subsidiary Autoclima Russia LLC which, in turn, resells these products to other Russian companies outside the Indel B Group. The recently introduced and evolving European regulations impose specific restrictive measures on business transactions with certain counterparties located in Russia and Belarus. The violation of these restrictive measures results in the imposition of administrative fines. Identifying counterparties with whom transactions are not permitted is not always straightforward, as it involves checking not only the direct counterparty to the transaction, but also parties linked to it through direct or indirect investment relationships, which may also be on the lists of parties with which transactions are restricted. Therefore, the risk cannot be excluded that Autoclima Russia, operating in good faith and despite the adoption of specific procedures and controls to mitigate this risk, may be punished for having carried out (in the first period of application of these measures: financial year 2022 and the first months of 2023) transactions with parties subject to the aforementioned restrictive measures (transactions that would, in any case, be of an extremely small amount given the average unit value of transactions carried out by this company). For this reason, as at 31 December 2022, out of an abundance of caution and prudence, a provision of Euro 1 million was set aside to cover the costs that the company may have to bear if such violations are actually discovered by the competent authorities and the company is consequently subject to penalties in this respect. No adjustment to this provision was required in the consolidated financial statements as at 31 December 2023. Finally, it should be noted that there are currently no ongoing investigations or proceedings.

On 21 March 2023, the French company Electric Station Climatisation S.A.S. ("ESC"), part of the Autoclima Group, was served with proceedings brought before the Commercial Chamber of the Court of Strasbourg by the customer Soframe - Société Française de Matériel ("Soframe") and Lohr Industries ("Lohr"), the first hearing of

which, originally set for 4 July 2023, was postponed to 9 January 2024, then further postponed to June 2024 in order to allow the parties time to consider a possible out-of-court settlement. The proceedings concern Soframe's and Lohr's challenge of alleged defects and malfunctions in air-conditioning systems designed, manufactured, installed and sold by Electric Station Climatisation S.A.S. under a contract for the supply of military vehicles to the Saudi Arabian National Guard, prior to the acquisition of the company by the Indel B Group. Although the proceedings had not yet started, owing to the counterparty's request (which was in any case considered insubstantial and specious), the Group immediately took steps to assess the risk profiles on the French company and the Indel B Group after consulting its experts and lawyers. The Directors believe, also on the basis of the advice from their lawyers, that they have valid reasons to support their defence and that currently the chances of a negative outcome are between possible and remote, especially with reference to the contested amounts. It should also be noted that, pursuant to the ESC purchase agreement, there are certain contractual guarantees that can be activated in the event of a negative outcome of the proceedings; last but not least, the risk for the Group would in any case be limited to the investment in the French company. Based on these assumptions, the Directors decided not to allocate any liabilities in the sub-consolidated financial statements of the Autoclima Group, except for a provision for legal expenses of Euro 150 thousand, already allocated in the financial statements for the year ended 31 December 2022.

As at 31 December 2023, the item "Other provisions" also included the provision of Euro 51 thousand following the final settlement of the "Long Term Incentive Plan 2021-2023" for certain strategic executives.

The following changes occurred during 2022:

- it was used in the amount of Euro 460 thousand following the reversal of the R&D tax credit for 2016 - 2017 - 2018;
- an amount of Euro 334 thousand was released following the presentation of the Motion to Settle to the Tax Authorities, as the conditions to benefit from the amnesty relating to penalties and interest were met, and its finalisation took place with the full transfer of the amounts related to the R&D tax credit for 2016 - 2017 - 2018;
- a provision for legal expenses of Euro 150 thousand was set aside in connection with the dispute, relating to the subsidiary ESC, described above;
- a provision of Euro 1 million was set aside out of an abundance of caution and prudence, as described above, to cover possible risks arising from sales in the Russian market.

Notice of settlement of the registration fee and reclassification by the Tax Authorities of the deed of 8 September 2017

As previously announced, on 30 November 2017, the Company was served with a notice of settlement of the registration fee in relation to the transaction for the purchase of the entire equity investment in Autoclima Spa, which was finalised on 8 September 2017.

The Tax Authorities have essentially reclassified the deed of "transfer of shares" as a deed of "transfer of business", through an unacceptable interpretation and application of Article 20 of Italian Presidential Decree no. 131 of 26 April 1986. The reclassification of the deed is related only to the registration fee. Following this reclassification, the Tax Authorities served the transferors of the shares and the Company with the above-mentioned notice and demanded a registration fee of Euro 1,536 thousand, plus interest, to be paid jointly and severally by the parties. The Company immediately lodged an appeal with the Provincial Tax Commission of Pesaro against the notice of settlement, together with a request for suspension of the deed. The appeal based its main objections on the incorrect/unlawful application of Art. 20 of Italian Presidential Decree no. 131/1986, which wrongly considers the legal effects of a transfer of shares tantamount to those of a business transfer. Moreover, the 2018 Budget Law amended the text of Art. 20 by clarifying the scope of the regulations and specifying, as the Ministerial Report well points out, that a transfer of shares, whether in full or in part, cannot be reclassified pursuant to Art. 20 as a transfer of business. The Provincial Tax Commission of Pesaro, with judgement no. 408/2018 filed on 4 July 2018, upheld the company's appeal on the assumption of the interpretation - with retroactive effect - of the renewed provisions of the aforementioned Art. 20.

Pending the proceedings, Art. 1, para. 1084, of Italian Law no. 145 of 30 December 2018 (2019 Budget Law), textually stated that: "Article 1, paragraph 87, letter a), of Italian Law no. 205 of 27 December 2017 constitutes an authentic interpretation of Article 20, paragraph 1, of the consolidation act referred to in Italian Presidential Decree no. 131 of 26 April 1986". Therefore, the 2019 Budget Law (Art. 1, para. 1084), overcoming the orientation of legitimacy that had been formed in the meantime, established, without leaving any room for uncertainty, the authentic interpretation and, therefore, the retroactivity of the amendments already made by the 2018 Budget Law to Art. 20 of Italian Presidential Decree no. 131/86 on reclassification for the purposes of registration fees.

Notwithstanding the renewed regulations, the Tax Authorities appealed against the judgement in first instance, in a nutshell, on the sole ground that it was vitiated by a "vizio in giudicando" in that, "in the case in point, the CTP decided to apply a supervening regulation (not similar to those to which the "favor rei" principle applies) in a case of obvious inapplicability and, moreover, in the absence of factual assumptions", placing itself "in contrast both with the principles of succession of laws in time (known as the "tempus regit actum" principle Art. 11 of the prel. prov. of the Italian Civil Code) and with the principles of non-retroactivity of tax regulations (Art. 14 of the Italian Civil Code)".

In May 2022, the Provincial Department of Pesaro-Urbino, after requesting a specific opinion from DRE Marche, ordered the rejection of the request for self-help of the notice of settlement issued, submitted by the company pending the dispute proceedings, considering that the new provisions of Art. 20 of Italian Presidential Decree no. 131/1986, the retroactive effect of which was finally recognised, as we have always maintained, do not entail the supervening illegitimacy of the contested deed on the assumption that the enforcement deed would remain "consistent even with the new wording of Art. 20 of the T.U.R. and therefore immune from any defect of legitimacy".

The arguments put forward by the Provincial Department of Pesaro-Urbino are in clear contrast with the position now adopted by the Constitutional Court, which, in its judgement no. 158 filed on 21 July 2020, declared unfounded the questions of constitutionality raised by the Court of Cassation (by order no. 23549/2019) and confirmed that Article 20 of Italian Presidential Decree no. 131/1986 can be applied, even retroactively, only in relation to the individual deed to be registered, thus putting an end to the dispute over the interpretation of this regulation, which can therefore be considered settled in all respects.

In April 2023, a further request for reviewing the reconsideration already filed was sent to the same Provincial Department of Pesaro-Urbino, which represents the almost unambiguous position of the Supreme Court following the above-mentioned judgement of the Constitutional Court. This request has not yet been answered.

Therefore, as things stand, Indel B will be obliged to continue the litigation procedure before the Regional Tax Commission of Ancona in the Marche region, where the case is still pending, (since it has decided not to use the easy settlement of pending tax disputes pursuant to Italian Law no. 197/2022) considering that the tax authorities' action was specious, as already sanctioned by the Provincial Tax Commission of Pesaro, which upheld the company's appeal with a judgement based on the same considerations subsequently expressed by the Constitutional Court.

Other actual and/or potential disputes

As things stand, there are no other pending tax disputes.

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On 6 August 2018, a tax audit was initiated in the Brazilian associate, which led to the Brazilian tax authority's allegation of non-payment of IPI, the tax on industrial products, in previous years. It is not yet possible to predict the outcome of the audit; however, as the audit mostly refers to a period prior to the date of acquisition of 40% by Indel B, even if the audit were to result in liabilities for the associate, these would be almost fully indemnified by the seller and contractual guarantees are provided for this.

In confirmation of the above, it should be noted that the associate, considering the risk of loss to be probable, allocated a specific provision as at 31 December 2018 and, at the same time, recorded a receivable from the majority shareholder, as well as seller, for an amount equal to the part that will be indemnified by the same.

In the light of the above, no further risk should be deemed to exist in relation to the above-mentioned tax credits.

2.8.11. Employee benefits

Changes in "Employee benefits" for the years ended 31 December 2023 and 2022 are shown below:

(in thousands of Euro)	Employee benefits
Values as at 01 January 2022	1,749
Finance costs	53
Actuarial (gains)/losses	(274)
Uses/Releases	(90)
Values as at 31 December 2022	1,438
Finance costs	94
Actuarial (gains)/losses	70
Uses/Releases	(96)
Values as at 31 December 2023	1,506

This item is entirely related to "Post-employment benefits", governed by Article 2120 of the Italian Civil Code, which includes the estimate of the obligation related to the amount to be paid to employees upon termination of employment as benefit. The benefit is calculated on the basis of the salary paid in respect of the employment relationship, revalued up to the time of its termination. As a result of the legislative changes introduced as at 1 January 2007, the accruing post-employment benefits are allocated either to pension funds or to the treasury fund set up with INPS, depending on the choice made by each employee. This implies that the liability relating to the accrued post-employment benefits accrued prior to 1 January 2007 continues to represent a defined benefit plan to be measured according to actuarial techniques, while a portion of the accruing post-employment benefits is classified as a defined contribution plan as the company's obligation ends with the payment of contributions to the pension fund or INPS.

The provision reflects the effects of discounting in accordance with IAS 19.

The economic and demographic assumptions used for the purposes of the actuarial valuations:

	31/12/2023	31/12/2022
Discounting rate	3.17%	3.77%
Inflation rate	2.00%	5.9% for 2023, 2.3% for 2024, 2.0% as from 2025
Rate of increase of Post-employment benefits	3.00%	5.93% for 2023, 3.33% for 2024, 3.0% as from 2025

A sensitivity analysis, as at 31 December 2023, of the key actuarial assumptions used in the calculation model, is shown below, using the base scenario described in the table above and increasing and decreasing the average annual discount rate, the average annual inflation rate and the annual turnover rate, by one-half, one-quarter and one percentage point, respectively. The liability values thus obtained can be summarised in the table below:

(in thousands of Euro)	Annual discounting rate		Annual inflation rate		Annual turnover rate	
	+0.50%	-0.50%	+0.25%	-0.25%	+1.00%	-1.00%
Past Service Liability	1,435	1,582	1,525	1,487	1,506	1,507

There are no defined benefit plan assets.

2.8.12. Financial liabilities (non-current and current)

A breakdown of current and non-current financial liabilities as at 31 December 2023 and 2022 is provided below:

(in thousands of Euro)	Balance as at 31/12/2023		Balance as at 31/12/2022	
	Current portion	Non-current portion	Current portion	Non-current portion
Bank mortgage and loans	24,342	12,157	19,725	20,017
Loan of the Ministry of Economic Development and SIMEST	275	853	150	1,128
Other financial liabilities	329	-		
Right-of-use payables	625	2,441	642	2,987
Advances on current accounts	932	-	1,128	-
Total	26,503	15,451	21,645	24,132

The item "Right-of-use payables" refers to the financial payable mainly related to long-term lease agreements for the buildings in which certain branches of the Parent Company and its subsidiaries are located. The liability was recognised in accordance with the provisions of the new IFRS 16 effective as from 1 January 2019, and is determined as the present value of the future lease payments discounted at a marginal interest rate that has been determined to be between 1% and 3% based on the expected duration of each contract.

The item "Advances on current accounts" refers to current account overdrafts.

The following table provides a breakdown of bank mortgages and loans, including the loan granted by the Ministry of Economic Development and the loan disbursed in 2021 by SIMEST, outstanding as at 31 December 2023 and 2022:

(in thousands of Euro)	Maturity	31/12/2023	of which current portion	31/12/2022	of which current portion
Rimini Banca - ICCREA	2025/2026	6,102	2,893	3,144	1,250
Cariparma/Credit Agricole	2024/2025	5,051	3,423	7,764	3,780
Intesa San Paolo	2026	5,245	2,006	1,409	370
Unicredit	2025	2,273	1,817	4,080	1,807
Monte Paschi di Siena	2025	3,524	2,344	6,221	2,698
BPER	2025	4,030	2,682	6,694	2,664
Banco BPM	2023	7,000	7,000	5,000	5,000
Banco Desio	2023/2025	3,274	2,177	5,430	2,156
Ministry of Development	2027	647	154	797	150
SIMEST loan	2025/2027	480	121	481	1
Total		37,627	24,617	41,020	19,875

The following table provides a breakdown of bank mortgages and loans, including the loan granted by the Ministry of Economic Development, outstanding as at 31 December 2023 by maturity dates:

(in thousands of Euro)	Residual payable as at 31/12/2023	2024	2025	2026	2027
Rimini Banca - ICCREA	6,102	2,893	2,334	876	-
Cariparma/Credit Agricole	5,051	3,423	1,628	-	-
Intesa San Paolo	5,245	2,006	2,077	1,162	-
Unicredit	2,273	1,817	456	-	-
Monte Paschi di Siena	3,524	2,344	1,180	-	-
BPER	4,030	2,682	1,348	-	-
Banco BPM	7,000	7,000	-	-	-
Banco Desio	3,274	2,177	1,097	-	-
Ministry of Development	647	154	159	164	169
SIMEST loan	480	120	120	120	120
Total	37,627	24,617	10,399	2,322	289

Loans outstanding as at 31 December 2023

1. Loan agreement with BPM

On 3 April 2023, the Parent Company entered into a loan agreement of Euro 7,000 thousand (the "BPM 2 Loan"). The BPM 2 loan has a duration of 18 months, with repayment of 4 interest-only instalments, the first of which expired on 30 June 2023, and 3 principal and interest payments, the first of which will expire on 30 June 2024.

2. Loan agreement with Banco Desio

On 21 February 2022, the Parent Company took out a Loan of Euro 6,500 thousand (the "Banco Desio Loan"). The Banco Desio loan has a duration of 3 years, with repayment in 6 half-yearly instalments.

3. Loan agreement with BPER Banca

On 30 April 2020, the Parent Company took out an unsecured loan with BPER Banca S.p.A. of Euro 5,000 thousand (the "BPER Banca Loan").

The BPER Banca loan has a duration of five years with repayment in 20 quarterly instalments.

On 31 March 2022, the Parent Company took out an additional loan with BPER Banca of Euro 5,000 thousand (the "BPER Banca 2 Loan"). The BPER Banca loan has a duration of 3 years with repayment in 6 half-yearly instalments.

4. Loan agreement with Banca Intesa Mediocredito

On 28 February 2018, the Parent Company took out a loan with Mediocredito Italiano S.p.A. of Euro 5,500 thousand (the "Banca Intesa Mediocredito Loan").

The Banca Intesa Mediocredito loan has a duration of 5 years, with repayment in 20 quarterly instalments.

5. Loan agreement with Crédit Agricole Cariparma

On 24 July 2018, Indel B S.p.A. took out an unsecured loan with Crédit Agricole Cariparma of Euro 3,000 thousand (the "Crédit Agricole Loan").

The Crédit Agricole loan has a duration of 5 years, with repayment in 10 half-yearly instalments.

On 29 November 2019, Indel B S.p.A. took out an additional unsecured loan with Crédit Agricole of Euro 5,000 thousand (the "Crédit Agricole 2 Loan").

The Crédit Agricole 2 loan has a duration of five years with repayment in 60 monthly instalments.

It also provides for the calculation and disclosure of certain financial covenants:

- NFP/EBITDA
- EBITDA/Net Finance Costs

These covenants have been met for 2023.

On 29 June 2022, Indel B S.p.A. took out an additional loan with Crédit Agricole of Euro 6,000 thousand (the "Crédit Agricole 3 Loan"). The Crédit Agricole loan has a duration of 3 years with repayment in 12 quarterly instalments.

6. Loan agreement with Intesa San Paolo

On 31 May 2023, Indel B S.p.A. entered into a loan agreement of Euro

5,000 thousand.

The Intesa San Paolo loan has a duration of 3 years, with repayment of 1 interest-only instalment, which expired on 30 June 2023, and quarterly instalments, the first of which expired on 29 September 2023.

It also provides for the calculation and disclosure of certain financial covenants on the annual consolidated financial statements:

- NFP/EBITDA
- EBITDA/Finance Costs

These covenants have been met for 2023.

7. Loan agreement with Monte dei Paschi di Siena

On 24 February 2022, Indel B S.p.A. took out a loan agreement of Euro 7,000 thousand (the "Monte Paschi Siena 2 Loan").

The Monte Paschi Siena 2 loan has a duration of 3 years with repayment in half-yearly instalments.

It also provides for the calculation and disclosure of certain financial covenants:

- NFP/EBITDA
- Net Finance Costs/EBITDA

These covenants have been met for 2023.

8. [Loan agreement with Riviera Banca Credito Cooperativo Di Rimini E Gradara - Soc.Coop.](#)

On 12 May 2020, Indel B S.p.A. took out a loan of Euro 5,000 thousand with Riviera Banca Credito Cooperativo di Rimini e Gradara Società Cooperativa (the "Rimini Banca Loan").

The Rimini Banca loan has a duration of 5 years with repayment in 8 half-yearly instalments.

On 25 May 2023, Indel B S.p.A. entered into a loan agreement of Euro 5,000 thousand. The Riviera Banca loan has a duration of 38 months, with repayment of 1 interest-only instalment, which expired on 30 June 2023, and 6 half-yearly instalments, the first of which expired on 31 December 2023.

9. [Loan agreement with Unicredit](#)

On 09 January 2020, a loan of Euro 9,000 thousand with a duration of 5 years and a fixed interest rate (the "Unicredit Loan") was taken out by Indel B S.p.A.

It also provides for the calculation and disclosure of certain financial covenants:

- NFP/EBITDA
- EBITDA/Net Finance Costs

These covenants have been met for 2023.

10. [Loan of the Ministry of Economic Development](#)

On 27 November 2013, the parent company received - through Decree no. 02260 of the Ministry of Economic Development, as amended - subsidies relating to the programme concerning the study and development of an innovative high-efficiency thermoelectric refrigerator for a total of Euro 2,787 thousand, of which Euro 1,692 thousand as a subsidised loan (the "Ministry Loan") and Euro 1,095 thousand as a grant.

During 2015, the parent company obtained the first disbursement of the Ministry Loan of Euro 1,523 thousand, as well as the first disbursement of the grant of Euro 917 thousand. During 2016, the Parent Company received the

remaining portion of the Ministry Loan of Euro 169 thousand, as well as the remaining portion of the grant of Euro 178 thousand.

The Ministerial Loan is to be repaid in 10 deferred annual instalments, including principal and interest, from 27 November 2018 to 27 November 2027, the first instalment of which is to run from the end of the grace period. Interest for the grace period is paid annually; any interest on arrears is equal to the current official reference rate plus 3%.

The subsidies relating to the Ministry Loan may be cancelled, in whole or in part, in the event of failure to repay the interest-only instalment for more than one year, or the loan instalments granted, or as a result of the termination of the loan agreement, with the consequent obligation for the Parent Company to return the benefit already disbursed, plus interest equal to the official reference rate in force, increased by 5%.

At the end of the reporting period, the Company had complied with its instalment plan.

11. Simest 35360 loan

On 27 April 2021, Loan Agreement with SIMEST, Operation no. 35360, was finalised, pursuant to the provisions of Art. 6, paragraph 2, letter c) of Italian Decree Law no. 112 of 25 June 2008, converted with amendments by Italian Law no. 133 of 6 August 2008, and CIPE Resolution no. 112 of 6 November 2009, and by Italian Decree Law no. 18 of 17 March 2020, converted by Italian Law no. 27 of 24 April 2020, which was disbursed on 19 May 2021, for the amount of Euro 800 thousand including the disbursement of the portion from the availability of the revolving fund established by Italian Law no. 394 of 29 July 1981, and the disbursement of the "non-repayable" portion of Euro 320 thousand, envisaged by Italian Decree Law no. 34 of 19 May 2020 (known as "Rilancio" Decree) to be used for the improvement and preservation of its capital strength in order to increase its competitiveness on foreign markets.

The payment to SIMEST of the principal amount of Euro 480 thousand, together with interest, shall be made as follows: the principal amount of Euro 480 thousand, in eight half-yearly instalments, each of equal amount, at the due dates of 30 June and 31 December of each year, commencing on 30 June 2024 and ending on 31 December 2027 and, the interest on the above-mentioned principal amount, at the half-yearly due dates of 30 June and 31 December of each year, commencing on 31 December 2021 and ending on 31 December 2027 in arrears, at the effective rate of 0.55% per year.

Moreover, a certified copy of the approved financial statements for the second full financial year following the date of disbursement (2023 financial statements) and the relevant VAT return must be submitted to SIMEST within 30 days following the filing date in order to verify whether the following objectives have been achieved:

- maintain or exceed at the end of the Grace Period the entry level of capital strength, which according to the financial statements for the year ended 31 December 2019 is 1.18;
- maintain or exceed at the end of the Grace Period the percentage of foreign entry turnover resulting from the VAT return as at 31 December 2019 equal to 83.33% (rows VE30, VE34 for the foreign turnover value and VE50 for the total turnover).

12. Simest 44366 loan

On 30 April 2021, Loan Agreement with SIMEST, Operation no. 44366, was finalised, pursuant to the provisions of Art. 6, paragraph 2, letter c) of Italian Decree Law no. 112 of 25 June 2008, converted with amendments by Italian Law no. 133 of 6 August 2008, and CIPE Resolution no. 112 of 6 November 2009, and by Italian Decree Law no. 18 of 17 March 2020, converted by Italian Law no. 27 of 24 April 2020, which was disbursed on 14 May 2021, for the amount of Euro 3.7 thousand, including the disbursement of the portion from the availability of the revolving fund established by Italian Law no. 394 of 29 July 1981, and the disbursement of the "non-repayable" portion of Euro 1.5 thousand, envisaged by Italian Decree Law no. 34 of 19 May 2020 (known as "Rilancio" Decree) to be used for participating in fairs and exhibitions in foreign countries or in international trade fairs in Italy.

The principal amount of Euro 2.2 thousand, together with interest, shall be paid as follows: the principal amount of Euro 2.2 thousand, in six half-yearly instalments, each of equal amount, at the due dates of 30 April and 31 October of each year, commencing on 31 October 2022 and ending on 30 April 2025 and, the interest at the half-yearly due dates of 30 April and 31 October of each year, commencing on 31 October 2021 and ending on 30 April 2025 in arrears, at the rate of 0.55%.

On 24 June 2022, an amount of Euro 2 thousand was repaid due to a recalculation required in the reporting of expenses.

It should be noted that the Parent Company and the subsidiary Condor B benefited from the suspension of certain loan instalments pursuant to Article 11 of Italian Decree Law no. 61, dated 1 June 2023, in response to the floods that hit Emilia-Romagna in May 2023.

The information required by IAS 7 is presented in the table below:

	Current financial payables		Non-current financial payables		Total
	Current financial payables	Current financial payables for leases and Ministry Loan	Non-current financial payables	Non-current financial payables for leases and Ministry Loan	
31/12/2022	20,853	792	20,017	4,115	45,777
Cash flows	(20,204)	(811)	17,000	84	(3,931)
Acquisitions					-
Other changes/reclassifications	24,954	919	(24,860)	(905)	108
31/12/2023	25,603	900	12,157	3,294	41,954

Net cash flows include outflows for period repayments and inflows related to obtaining new loans.

2.8.13. Deferred tax liabilities/deferred tax assets

Changes in "Deferred tax liabilities and deferred tax assets" for the years ended 31 December 2023 and 2022 are shown below:

(in thousands of Euro)	Balance as at 31 December 2022	Provisions/releases through profit or loss	Provisions/releases to equity	Balance as at 31 December 2023
Property, plant and equipment	507	12	-	519
Intangible assets	30	(7)	-	23
Provisions for risks and charges	437	317	-	754
Bad debt provision	50	(5)	-	45
Inventories	647	25	-	672
Employee benefits	14	-	15	29
Additional charges on loans	1	-	-	1
On IFRS 16	406	(113)		293
Other	586	(184)	-	402
Total deferred tax assets	2,678	45	15	2,738

Offsetting pursuant to IAS 12	(891)	43	6	(842)
Total deferred tax assets	1,787	88	21	1,896
Property, plant and equipment	1,360	(43)	-	1,317
Intangible assets	2,964	(182)	-	2,782
Inventories	(0)	-	-	(0)
Provisions for risks and charges	9	-	2	11
Employee benefits	13	(1)	(0)	12
Foreign currency gains	91	(66)	-	25
On IFRS 16	404	(111)		293
Other	58	9	-	67
Total deferred tax liabilities	4,899	(394)	2	4,507
Offsetting pursuant to IAS 12	(891)	43	6	(842)
Total deferred tax liabilities	4,008	(351)	8	3,665
Net deferred tax assets	(2,221)	439	13	(1,768)

In accordance with IAS 12, deferred tax assets and deferred tax liabilities are offset only if the entity has a legally exercisable right to offset the current tax assets with current tax liabilities and the deferred tax assets and deferred tax liabilities are related to income taxes applied by the same tax jurisdiction. Deferred taxes on temporary differences arising from undistributed reserves recognised in shareholders' equity in subsidiaries not included in the financial statements, as defined in section "2.5.7. Other significant accounting standards and measurement bases", amounts to Euro 543 thousand.

The Group expects to have future taxable income to absorb the deferred tax assets recognised.

2.8.14. Trade payables

This item can be broken down as follows:

(in thousands of Euro)	31/12/2023	31/12/2022
Trade payables	33,018	40,068
Total	33,018	40,068

Trade payables of Euro 33,018 thousand as at 31 December 2023 (Euro 40,068 thousand as at 31 December 2022), mainly refer to purchases of goods and services and provisions for invoices to be received. Trade payables decreased compared to the previous year; this decrease was mainly due to lower logistics costs.

The carrying amount of trade payables as at 31 December 2023 and 2022 is deemed to be a reasonable approximation of their fair value.

2.8.15. Income tax receivables and payables

Income tax receivables of Euro 1,643 thousand as at 31 December 2023 (Euro 1,151 thousand as at 31 December 2022) represent the net credit balance of the Group's position with the Tax Authorities due to current taxes (IRES and IRAP).

Income tax payables of Euro 469 thousand as at 31 December 2023 (Euro 673 thousand as at 31 December 2022) represent the net debit balance of the Group's position with the Tax Authorities due to current taxes (IRES and IRAP).

2.8.16. Other liabilities (non-current and current)

This item can be broken down as follows:

(in thousands of Euro)	31/12/2023	31/12/2022
Payables to employees	5,201	5,085
Advances from customers	929	774
Payables to social security institutions	1,719	1,645
Tax payables	1,446	1,248
Other current payables	858	770
Total	10,153	9,522

The item "Payables to employees" mainly includes payables to employees for wages and salaries to be paid, for holidays accrued but not taken at the end of the reporting period, and for production bonuses.

The item "Advances from customers" mainly includes advances received from customers for the purchase of moulds for the production of customised refrigerators.

The item "Tax payables" mainly includes payables to the tax authorities for withholding taxes on employee income.

The item "Other current payables" mainly includes payables for services and accrued expenses and deferred income.

2.8.17. Net financial indebtedness

The following table shows the breakdown of the Group's net financial indebtedness as at 31 December 2023 and 31 December 2022 restated, determined in accordance with the new ESMA Guidelines of 4 March 2021 (Consob Warning Notice no. 5/21 to Consob Communication DEM/606429 3 of 28 July 2006).

(in thousands of Euro)	31/12/2023	31/12/2022
A. Cash and cash equivalents	18,379	17,322
B. Cash equivalents	16,000	-
C. Other current financial assets	124	-
D. Liquidity (A)+(B)+(C)	34,503	17,322
E. Current financial payable (including debt instruments, but excluding the current portion of non-current financial payable)	(2,161)	(1,920)
F. Current portion of the non-current financial payable	(24,342)	(19,725)
G. Current financial indebtedness (E)+(F)	(26,503)	(21,645)
H. Net current financial indebtedness (G)+(D)	8,000	(4,323)
I. Non-current financial payable (excluding the current portion and debt instruments)	(15,451)	(24,132)
J. Debt instruments	-	-
K. Other trade payables and other non-current payables	-	-
L. Non-current financial indebtedness (I)+(J)+(K)	(15,451)	(24,132)
M. Total financial indebtedness (H)+(L)	(7,451)	(28,455)

The financial indebtedness of the group is mainly expressed in fixed interest rates. Consequently, it is not exposed to the risks related to interest rate fluctuations. The financial payable includes liabilities related to lease contracts reclassified according to IFRS 16, the current portion of which amounted to Euro 625 thousand and the non-current portion to Euro 2,441 thousand.

In 2023, new loans of approximately Euro 17,000 thousand were taken out, mainly to finance mainly the expansion of the Parent Company production plant located in the municipality of Novafeltria.

Moreover, the receivable for the sale of the equity investment in Guangdong Iceco Enterprise recognised in favour of the purchaser Xinyu Yuanxing Ent was collected in the amount of Euro 6,283 thousand in 2023.

The improvement in the net financial position is also due to management decisions on operations (reduction of working capital, reduction of component and transport costs). An adequate level of liquidity was also maintained to provide financial stability over the next financial years to support further investment in business growth.

With regard to the changes in net financial indebtedness, please refer to the information shown in the Consolidated Cash Flow Statement.

2.9. Notes to the income statement

2.9.1. Revenues from sales

A breakdown of the item "Revenues from sales" for the financial years ended 31 December 2023 and 2022 is shown below:

(in thousands of Euro)	31/12/2023	31/12/2022
Revenues from product sales	218,566	219,880
Sundry revenues	2,591	3,493
Revenues from sales	221,157	223,373

The item "Sundry revenues" mainly includes revenues from the sale of moulds and charge-backs of transport costs.

The breakdown of "Revenues from product sales" by geographical area is shown below:

(in thousands of Euro)	31/12/2023	31/12/2022
Europe (excluding Italy)	118,786	112,640
Italy	56,265	61,103
The Americas	37,759	41,114
Rest of the world	5,755	5,023
Revenues from product sales	218,566	219,880

For more details on the revenue trend, please refer to the detailed description in the Report on Operations.

2.9.2. Other revenues and income

A breakdown of the item "Other revenues and income" for the financial years ended 31 December 2023 and 2022 is shown below:

(in thousands of Euro)	31/12/2023	31/12/2022
Government grants	214	150

Foreign currency gains	1,275	1,952
Other income	3,875	1,967
Other revenues and income	5,364	4,069

Government grants for the financial year ended 31 December 2023 of Euro 214 thousand mainly refer to the disbursement of grants for tax credit related to assets purchased, for tax credit related to electricity consumption and gas consumption.

The item "Other income" mainly includes: I) rental income; II) cheap construction; III) royalties; IV) current damages; V) recovery of expenses for the current year.

It should be noted, in particular, that in 2023 an extraordinary income of Euro 1,685 thousand was recorded from insurance related to damages caused by the heavy snowfall that occurred in January 2023. Following checks and assessments, the damage caused by the bad weather was fully reimbursed by the insurance company.

2.9.3. Purchases and consumption of raw materials, semi-finished and finished products

A breakdown of the item "Purchases and consumption of raw materials, semi-finished and finished products" for the financial years ended 31 December 2023 and 2022 is shown below:

(in thousands of Euro)	31/12/2023	31/12/2022
Purchases of raw materials, consumables and goods and change in inventories of raw materials	129,358	129,316
Change in inventories of finished and semi-finished products	3,895	(7,034)
Total	133,253	122,282

The increase in this item is mainly due to the impact of the change in inventories, which were valued higher as at 31 December 2022, in particular as a result of higher transport costs.

2.9.4. Costs for services

A breakdown of the item "Costs for services" for the financial years ended 31 December 2023 and 2022 is shown below:

(in thousands of Euro)	31/12/2023	%	31/12/2022	%	Chg	% chg
Transport	11,356	5.0%	25,268	11.1%	(13,912)	-55.1%
Consultancy	2,484	1.1%	2,286	1.0%	198	8.7%

Maintenance	1,672	0.7%	1,655	0.7%	17	1.0%
Fees to directors and statutory auditors	932	0.4%	888	0.4%	44	5.0%
Exhibitions, trade fairs and advertising	1,136	0.5%	1,105	0.5%	31	2.8%
Insurance companies	1,492	0.7%	1,144	0.5%	348	30.4%
Utilities	1,304	0.6%	1,396	0.6%	(92)	-6.6%
Premiums and commissions	605	0.3%	653	0.3%	(48)	-7.4%
Outsourced work	843	0.4%	822	0.4%	21	2.6%
Travel expenses	732	0.3%	581	0.3%	151	26.0%
Customer service costs	805	0.4%	710	0.3%	95	13.4%
Quality certification costs	416	0.2%	267	0.1%	149	55.8%
Costs for leased assets	201	0.1%	189	0.1%	12	6.3%
Other costs	2,386	1.1%	1,782	0.8%	604	33.9%
Total	26,364	11.6%	38,746	17.0%	(12,382)	-32.0%

As at 31 December 2023, costs for services mainly include:

- lower transport costs; 2022 was characterised by a major inflationary period and major disruptions in global logistics;
- higher costs related to insurance policies to cover potential claims on products and industrial sites;
- higher costs for technical support related to the defect experienced by the DAF customer, for more details, see paragraph 2.8.10. "Provisions for risks and charges";
- higher costs related to two new collaborations with financial intermediaries, reclassified under other costs in the table above;
- increased costs for travel, exhibitions and holidays due to the resumption of trade fairs that had been suspended as a result of the Covid-19 pandemic during the previous years and the company's increased investment in new advertising campaigns.

2.9.5. Personnel costs

A breakdown of the item "Personnel costs" for the financial years ended 31 December 2023 and 2022 is shown below:

(in thousands of Euro)	31/12/2023	31/12/2022
Wages and salaries	26,357	24,096
Social security costs	8,153	7,518
Temporary work	2,243	2,724
Provisions for personnel	1,611	1,756
Other costs	788	677
Total	39,152	36,771

The increase in labour costs is mainly related to the new national labour agreement, which came into force in June 2023 and provides for significant wage increases, especially for the lower income brackets.

The table below shows the average number of employees of the Company, broken down by category, for the years ended 31 December 2023 and 2022:

(In Units)	31/12/2023 Average	31/12/2022 Average
Executives	16	13
Middle Managers	23	21
White-collar workers	183	175
Blue-collar workers	621	552
Temporary workers	55	82
Total	897	843

The average number of employees remained largely unchanged from the previous year.

2.9.6. Other operating costs

The breakdown of the item "Other operating costs" for the financial years ended 31 December 2023 and 2022 is shown below:

(in thousands of Euro)	31/12/2023	31/12/2022
Foreign exchange losses	1,585	1,789
Taxation	338	302
Losses on receivables	40	-

Other operating costs	1,500	436
Total	3,463	2,527

The item "Foreign exchange losses" mainly refers to the adjustment of foreign currency items.

The item "Other operating costs" mainly refers to costs incurred by the Parent Company to cope with the state of emergency created following the heavy snowfall in January 2023.

2.9.7. Portion of the result of equity investments measured using the equity method

The breakdown of the item "Portion of results of equity investments measured using the equity method" for the financial years ended 31 December 2023 and 2022 is shown below:

(in thousands of Euro)	31/12/2023	31/12/2022
Indel Webasto Marine	2,761	2,873
Elber Industria de Refrigeracao Ltda	(2,518)	(2,134)
Total	243	739

This item refers to the portion of the Group's net result achieved by Indel Webasto Marine and Elber Industria de Refrigeracao.

It should be noted that the result of Elber Industria de Refrigeracao, includes the write-down of the equity investment of Euro 3,200 thousand and the portion of the positive result for the year of Euro 726 thousand, plus other minor adjustments.

2.9.8. Amortisation, depreciation, provisions and write-downs

The breakdown of the item "Amortisation, depreciation, provisions and write-downs" for the financial years ended 31 December 2023 and 2022 is shown below:

(in thousands of Euro)	31/12/2023	31/12/2022
Depreciation of property, plant and equipment	3,811	3,577
Amortisation of intangible assets	1,034	1,729
Depreciation of right of use	666	751

Write-down of receivables and other assets	1,099	606
Provisions for risks and charges	1,887	1,784
Total	8,497	8,447

The value of depreciation and amortisation is in line with the previous year, with the only significant change being in intangible assets, which decreased as the amortisation of the know-how recorded following the acquisition of Autoclima was completed in the previous year.

The write-down of receivables and other assets includes the write-down of goodwill related to Indel B North America, as a result of the Impairment Test.

With regard to the increase in the provision for risks and charges, please refer to the related note in section 2.8.10 "Provisions for risks and charges".

2.9.9. Finance income and costs

The breakdown of the item "Net finance (income)/costs" for the financial years ended 31 December 2023 and 2022 is shown below:

(in thousands of Euro)	31/12/2023	31/12/2022
Interest income	319	275
Other finance income	495	603
Total finance income	814	878
Interest expenses on current accounts, mortgages, loans and rights of use	(975)	(564)
Bank charges and other finance costs	(954)	(2,206)
Total finance costs	(1,929)	(2,770)
Total	(1,115)	(1,892)

The item "Interest income" includes interest recognised on the receivable from the sale of the stake in Guangdong ICECO Enterprise and bank interest income on term deposits.

The item "Other finance income" mainly includes financial exchange rate gains, which decreased compared to last year.

The item "Interest expenses on current accounts, mortgages and loans" increased due to increases in interest rates on new loans.

The decrease in the item "Bank charges and other finance costs" is mainly due to the foreign exchange losses realised on the payment of the earn-out payable, related to the acquisition of the associate Elber, which took place in 2022.

2.9.10. Income from equity investments

The breakdown of the item "Income from equity investments" for the financial years ended 31 December 2023 and 2022 is shown below:

(in thousands of Euro)	31/12/2023	31/12/2022
Income from equity investments	12	12
Total	12	12

In 2023, this item refers to the capital gain, equal to Euro 12 thousand, deriving from the additional sale of 2% of the equity investment in IndelB GMBH as in 2022.

2.9.11. Income tax

The breakdown of the item "Income tax" for the financial years ended 31 December 2023 and 2022 is shown below:

(in thousands of Euro)	31/12/2023	31/12/2022
Current taxes (IRES, IRAP)	4,841	6,248
Deferred tax assets/liabilities	(438)	(909)
Taxes related to previous years	(86)	-
Total	4,316	5,339

The following table shows the reconciliation of the theoretical tax rate with the actual impact on the result:

(in thousands of Euro)	31/12/2023	%	31/12/2022	%
Pre-tax profit (loss)	14,932		17,528	
Theoretical income tax (IRES)	3,584	24.0%	4,207	24.0%
IRAP	966	6.5%	1,140	6.5%
Tax effect of permanent differences and other differences	(234)	(1.6%)	(8)	(0.0%)
Taxes	4,316		5,339	
Effective tax rate		28.9%		30.5%

The effective tax rates net of the result of equity investments consolidated using the equity method are approximately 28.9% in 2023 and 30.5% in 2022.

2.10. Earnings per share

The following table shows the calculation of earnings per share for the years ended 31 December 2023 and 2022:

(in thousands of Euro)	31/12/2023	31/12/2022
Profit/(loss) for the year (in thousands of Euro)	10,435	12,048
Average number of ordinary shares (in thousands)	5,632	5,206
Basic and diluted earnings per share (in Euro)	1.85	2.31

The shares making up the share capital are ordinary shares and there are no obligations regarding the distribution of preferred dividends or other preferred forms of allocation of results between shares. Moreover, there are no outstanding instruments with a potentially dilutive effect on the result attributable to the shareholders of the Parent Company.

As at 31 December 2023, the parent company held 220,711 shares at a value of Euro 4,754 thousand.

2.11. Significant non-recurring events and transactions

For the sake of completeness, information on the impact of non-recurring events and transactions on the Group's economic and financial results is presented below.

Non-recurring events and transactions are identified primarily by the nature of the transactions. In particular, non-recurring costs/income include events that by their nature do not occur continuously in the normal course of business.

The effects of non-recurring events and transactions for the financial year ended 31 December 2023 are as follows:

(in thousands of Euro)	As at 31 December 2023	
	Shareholders' equity	Profit/(loss) for the year
Book value (a)	126,631	10,616
Costs	404	404
Write-down of equity investment in Elber	3,200	3,200
Write-down of goodwill Indel B North America	980	980
Total effects (b)	4,584	4,584
Financial statement notional value (a) - (b)	131,215	15,200

The amount of Euro 404 thousand (Euro 560 thousand gross of the tax effect) refers to non-recurring costs incurred in relation to:

- Extraordinary consultancy of Euro 379 thousand (Euro 526 thousand gross of the related tax effect) incurred mainly by the subsidiary Autoclima for the implementation of the new ERP and for the management of sales in the Russian market in compliance with the new regulations in force related to the current conflict.
- Provision for the Executives' Collective National Labour Agreement accrued in personnel costs and contributions of Euro 25 thousand (Euro 34 thousand gross of the tax effect).

The amount of Euro 3,200 thousand (Euro 3,200 thousand gross of the related tax effect) refers to the write-down of the equity investment in the company Elber Indústria de Refrigeração Ltda as a result of the Impairment Test.

The amount of Euro 980 thousand (Euro 980 thousand gross of the related tax effect) refers to the write-down of the goodwill related to Indel B North America as a result of the Impairment test.

It should be noted that the amounts of the insurance income related to the damage caused by the heavy snowfall in January 2023 and the related costs incurred do not appear in the statement as they are of the opposite amount.

The effects of non-recurring events and transactions for the financial year ended 31 December 2022 are as follows:

(in thousands of Euro)	As at 31 December 2022	
	Shareholders' equity	Profit/(loss) for the year
Book value (a)	120,910	12,189
Other extraordinary revenues and income	(334)	(334)
Write-down of equity investment in Elber	2,600	2,600
Write-down of goodwill Indel B North America	400	400
Costs	1,482	1,482
Total effects (b)	4,148	4,148
Financial statement notional value (a) - (b)	125,058	16,337

The amount of Euro 334 thousand (Euro 334 thousand gross of the related tax effect) to the release following the presentation of the Motion to Settle to the Tax Authorities, concerning the R&D tax credit for 2016 - 2017 - 2018.

The amount of Euro 2,600 thousand (Euro 2,600 thousand gross of the related tax effect) refers to the write-down of the equity investment in the company Elber Indústria de Refrigeração Ltda as a result of the Impairment Test in the half-year financial statements.

The amount of Euro 400 thousand (Euro 400 thousand gross of the related tax effect) refers to the write-down of the goodwill recognised in the financial statements against the equity investment in the subsidiary Indel B North America as a result of the Impairment test in the half-year financial statements.

The amount of Euro 1,482 thousand (Euro 1,667 thousand gross of the tax effect) refers to non-recurring costs incurred in relation to:

- Extraordinary consultancy of Euro 47 thousand (Euro 65 gross of the related tax effect) incurred mainly to explore potential acquisitions;
- Expenses incurred in relation to the Covid-19 health emergency of Euro 28 thousand (Euro 39 thousand gross of the related tax effect);
- Recognition of a Provision for legal costs of Euro 109 thousand (Euro 150 thousand gross of the related tax effect) following the serving of proceedings brought before the Commercial Chamber of the Court of Strasbourg by the customer Soframe - Société Française de Matériel ("Soframe") and Lohr Industries ("Lohr")
- Recognition of a provision of Euro 1 million to cover possible risks arising from sales in the Russian market.
- Consultancy costs of Euro 181 thousand (Euro 250 gross of the related tax effect) incurred mainly for the implementation of Autoclima's new ERP.

2.12. Other information

2.12.1. Commitments and guarantees

The Group's main commitments are shown below:

1. Investment commitments

Investment commitments amounted to a total of Euro 6,819 thousand and referred mainly to the expansion of the production area in Secchiano, a new plant of the Autoclima subsidiary and new plant and machinery.

2. Sureties issued in favour of third parties

In 2023, the following sureties are still outstanding:

- on 23 January 2020, to cover outstanding disputes, for advance VAT refund relating to the third quarter of 2019 in favour of the Tax Authorities of Pesaro and Urbino a sine-die policy of Euro 717 thousand.
- on 06 December 2019, to cover outstanding disputes, for advance VAT refund in favour of the Tax Authorities of Pesaro and Urbino a sine-die policy of Euro 621 thousand.

2.12.2. Dividends

On 31 May 2023, the Shareholders' Meeting resolved to distribute a dividend in the amount of Euro 0.80 per share for a total of Euro 4,514 thousand. These dividends were paid in full in June 2023.

2.12.3. Contingent liabilities

There are no contingent liabilities that have not been reflected in the financial statements.

2.12.4. Remuneration to members of the boards of directors and statutory auditors

The remuneration of the Company's directors and of the members of the Board of Statutory Auditors, including those who also perform these functions in other companies included in the consolidation area, amounted to Euro 617 thousand and Euro 86 thousand for the year ended 31 December 2023 (Euro 741 thousand and Euro 77 thousand for the year ended 31 December 2022, respectively).

2.12.5. Fees to independent auditors

(in Euro)		31/12/2023	31/12/2022
External audit	PricewaterhouseCoopers S.p.A.	111	154
Other services	PricewaterhouseCoopers S.p.A.	20	18
	PricewaterhouseCoopers S.p.A. network	-	-
Total		131	172

2.13. Transactions with related parties

The Group's transactions with related parties (hereinafter, "Related Party Transactions") are mainly of commercial and financial and are carried out on an arm's length basis.

The Group has transactions with the following related parties:

- the company Amp. Fin. S.r.l. (the "Parent Company");
- the company Indel Webasto Marine S.r.l. (the "Jointly controlled entity") and the company Elber Industria de Refrigeracao Ltda (the "Associates");
- key management personnel ("Top Management");
- other parties in which the Group holds an interest through the Parent company and/or members of Top Management (the "Other related parties").

Subsidiaries

The Group has no relations with the parent company for the financial years ended 31 December 2023 and 2022.

Jointly controlled entities and associates

The following table shows the statement of financial position and income statement balances related to the Group's transactions with jointly controlled entities and associates for the years ended 31 December 2023 and 2022, with an indication of the impact on the relevant item in the financial statements:

(in thousands of Euro)	Inventories		Trade receivables		Other receivables and other current assets		Trade payables		Other current liabilities	
	31/12/2023	31/12/2022	31/12/2023	31/12/2022	31/12/2023	31/12/2022	31/12/2023	31/12/2022	31/12/2023	31/12/2022
Indel Webasto Marine	-	-	912	1,565	-	-	(22)	(43)	(18)	(7)
Elber	-	-	-	-	-	-	-	-	-	-
Total	-	-	912	1,565	-	-	(22)	(43)	(18)	(7)
% weight on financial statement item	0.0%	0.0%	2.3%	3.5%	0.0%	0.0%	-0.1%	-0.1%	-0.2%	-0.1%

(in thousands of Euro)	Revenues from sales		Other revenues and income		Costs for the purchase of raw materials, semi-finished and finished products		Costs for services		Income and Costs from equity investments	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Indel Webasto Marine	9,862	14,285	539	489	(149)	(160)	0	(2)	1,100	1,500
Elber	1	2	-	-	-	-	-	-	234	462
Total	9,862	14,287	539	489	(149)	(160)	0	(2)	1,334	1,962
% weight on financial statement item	4.5%	6.4%	10.0%	12.0%	0.1%	0.1%	0.0%	0.0%	-120.9%	-104.4%

1. Indel Webasto Marine S.r.l.

Revenues from sales and trade receivables from the jointly controlled entity Indel Webasto Marine are related to the sale of finished products (mainly refrigerators) mainly for the "Leisure Time" market, which includes pleasure boating and recreational vehicles.

Other revenues and income are mainly related to the provision of administrative services by the Company and to rents for the production plants located in Secchiano di Novafeltria.

Purchases and consumption of raw materials, semi-finished and finished products and trade payables refer to the purchase of components used in the production of refrigerators and ice makers. Costs for services are related to the technical support to the reworking of refrigerators.

2. Elber Indústria de Refrigeração Ltda

As at 6 June 2017, Elber Industria de Refrigeraçao became an associate of the Parent Company following the Company's acquisition of a 40% stake in the capital. There are no significant transactions except for finance income related to dividends distributed by the associate.

Other related parties

The following table shows the statement of financial position and income statement balances related to the Company's transactions with other related parties for the years ended 31 December 2023 and 2022, with an indication of the impact on the relevant item in the financial statements:

(in thousands of Euro)	Right of use		Other receivables and other non-current assets		Trade receivables		Non-current financial liabilities		Trade payables		Current financial liabilities	
	31/12/2023	31/12/2022	31/12/2023	31/12/2022	31/12/2023	31/12/2022	31/12/2023	31/12/2022	31/12/2023	31/12/2022	31/12/2023	31/12/2022
Indel Webasto Marine USA	-	-	-	-	333	719	-	-	-	(1)	-	-
Berloni Immobiliare	-	-	-	-	17	17	-	-	(10)	(10)	-	-
Immobiliare Sant'Ag	1,489	1,254	-	36	-	-	(1,385)	(1,178)	-	-	(169)	(118)
AMP Immobiliare	-	411	50	14	-	-	-	(376)	-	-	-	(48)
Iterby Project Srl	-	-	-	-	1	3	-	-	-	(6)	-	-
Iterby Italiana Mobili	-	-	-	-	128	128	-	-	-	-	-	-
Società Agricola Berloni	-	-	-	-	-	-	-	-	-	(80)	-	-
Total	1,489	1,665	50	50	479	867	(1,385)	(1,554)	(10)	(97)	(169)	(166)
% weight on financial statement item	50.2%	47.2%	18.3%	10.8%	1.2%	1.9%	-9.0%	-6.4%	0.0%	-0.2%	-0.6%	-0.8%

(in thousands of Euro)	Revenues from sales		Costs for the purchase of raw materials, semi-finished and finished products		Costs for services		Other operating costs		Amortisation, depreciation, provisions and write-downs		Finance (income)/costs	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Indel Webasto Marine USA	5,336	7,366	-	-	-	-	-	-	-	-	0	-
Immobiliare Sant'Ag	-	-	-	-	-	-	(1)	(1)	(176)	(125)	(5)	(29)
AMP Immobiliare	-	-	-	-	-	-	(0)	-	-	(51)	(30)	(10)
Iterby Project Srl	8	8	-	(9)	-	-	-	-	-	-	-	-
Società Agricola Berloni	-	-	-	-	(55)	(69)	-	-	-	-	-	-
Total	5,344	7,374	-	(9)	(55)	(69)	(1)	(1)	(176)	(176)	(35)	(39)
% weight on financial statement item	2.4%	3.3%	0.0%	0.0%	0.2%	0.2%	0.0%	0.0%	2.1%	2.4%	3.2%	2.1%

1. Indel Webasto Marine USA

Revenues from sales with Indel Webasto Marine USA mainly refer to the sale of products in the United States of America for the markets of pleasure boating and recreational vehicles.

2. Berloni Immobiliare S.r.l./AMP.FIN S.r.l./Immobiliare Sant'Agata/AMP Immobiliare

The right of use, financial liabilities, and finance costs in place refer to rentals paid for the lease of properties and the production plants incorporated therein, mainly factories, warehouses and buildings located in Sant'Agata Feltria.

It should be noted that the contract with Berloni Immobiliare was replaced with the companies Immobiliare Sant'Agata and AMP Immobiliare, the new owners of the properties leased to Indel B Spa.

3. Other transactions

Transactions carried out into with Iterby Project S.r.l. and Iterby Italiana Mobili S.r.l. mainly refer to trade relations relating to the purchase and sale of components such as sheet metal supports for furniture and the purchase of wood products used in the production of wine cellars.

The transactions carried out with Società Agricola Berloni mainly refer to periodic green maintenance services provided by the latter in areas owned by the Company.

Top management

The transactions entered into with the Top Management during the financial years ended 31 December 2023 and 2022 essentially correspond to the relevant fees and remuneration, including social security charges.

The total amount of fees and related charges of the Company's Board of Directors was Euro 741 thousand in 2023 (Euro 741 thousand in 2022).

The total amount of fees to strategic executives was Euro 2,163 thousand in 2023 (Euro 2,163 thousand in 2022).

The Fees of the Top Management are related to the Directors, the members of the Control and Risk Committee, the Remuneration Committee and the Strategic executives.

(in thousands of Euro)		31/12/2023	31/12/2022
Fees for the office	Directors' fees including charges	561	555
	Variable Directors' Fees	181	186
Non-monetary benefits	home insurance benefit including charges	39	40
Bonuses and other incentives	variable bonus including charges	615	536
	LTIP	51	218
Other fees	Fixed salaries and attendance fees including charges	1,403	1,369
Total		2,850	2,904

2.14. Significant events after the 2023 reporting period

No events have occurred between 31 December 2023 and the date of approval of this Statement that could have a material impact on the Group's results.

2.15. Information pursuant to Art. 1, paragraph 125, of Italian Law no. 124 of 4 August 2017

2.15.1. Paragraph 125 – Contributions, subsidies, economic benefits received

During the year, the Group received subsidies, contributions, paid assignments and in any case economic benefits pursuant to Italian Law no. 124/2017, Art. 1, paragraph 125, totalling Euro 804 thousand.

The following table provides data on the payers, the amount received and a brief description of the reasons for the benefit:

(in Euro)

Beneficiary company	Disbursing subject	Contribution received	Reason
INDEL B SPA	TAX AUTHORITIES	3,000	Tax deduction for energy redevelopment expenses (Italian Decree Law no. 63/2013)
INDEL B SPA	TAX AUTHORITIES	2,351	Tax deduction for energy redevelopment expenses (Italian Decree Law no. 63/2013)
INDEL B SPA	TAX AUTHORITIES	82,821	IRES tax saving due to IRAP deduction Italian Decree Law no. 185/2008-Italian Decree Law no. 201/2012 (base 2022 tax period of Euro 345,086)
INDEL B SPA	TAX AUTHORITIES	164,798	IRES tax saving due to Italian Law no. 208/15 et seq. (super-hyper amortisation) (base 2022 tax period of Euro 686,659)
INDEL B SPA	TAX AUTHORITIES	224,124	IRES tax saving due to ACE facilities (base 2022 of return Euro 925,519)
INDEL B SPA	TAX AUTHORITIES	53,670	Recognition of tax credit for non-energy-intensive enterprises (first quarter of 2023) - Art. 1, para. 3, of Italian Law no. 197" of 29 December 2022 tax code 7011
INDEL B SPA	TAX AUTHORITIES	25,516	Recognition of tax credit for companies other than those with high natural gas consumption (first quarter of 2023) - Art. 1, para. 5, of Italian Law no. 197" of 29 December 2022; tax code 7013
INDEL B SPA	TAX AUTHORITIES	8,745	Recognition of tax credit in favour of non-energy-intensive companies (second quarter 2023) - Art. 4, para. 3, Italian Decree Law no. 34 of 30 March 2023, converted into Italian Law no. 56 on 26 May 2023 " tax code 7016
INDEL B SPA	TAX AUTHORITIES	1,415	Recognition of tax credit for companies other than those with high natural gas consumption (second quarter 2023) - Art. 4, para. 5, Italian Decree Law no. 34 of 30 March 2023, converted into Italian Law no. 56 on 26 May 2023 " tax code 7018
INDEL B SPA	TAX AUTHORITIES	3,437	Tax credit 6% Italian Law no. 160/2019 for non-4.0 property, plant and equipment of Euro 17,186.00 to be used in 5 instalments of Euro 3,437.35 each (instalment 3/5)
INDEL B SPA	TAX AUTHORITIES	1,332	Tax credit 6% Italian Law no. 160/2019 for non-4.0 property, plant and equipment of Euro 6,660.00 to be used in 5 instalments of Euro 1,332.00 each (instalment 2/5)
INDEL B SPA	TAX AUTHORITIES	33,454	Tax credit 10% Italian Law no. 178/2020 for non-4.0 property, plant and equipment of Euro 100,361.00 to be used in 3 instalments of Euro 33,453.67 each (instalment 2/3)
INDEL B SPA	TAX AUTHORITIES	10,167	Tax credit 50% Italian Law no. 178/2020 for non-4.0 property, plant and equipment of Euro 30,500.00 to be used in 3 instalments of Euro 10,166.67 each (instalment 2/3)
INDEL B SPA	TAX AUTHORITIES	4,333	Tax credit 10% Italian Law no. 178/2020 for non-4.0 property, plant and equipment of Euro 13,000.00 to be used in 3 instalments of Euro 4,333.33 each (instalment 1/3)
INDEL B SPA	INPS	26,283	Permanent hiring incentive Italian Law no. 205/2017
INDEL B SPA	INPS	78,556	Tax exemption Italian Law no. 178/2020

INDEL B SPA	FONDOIMPRESA	20,351	Personal training grant from Fondoimpresa
INDEL B SPA	FONDIRIGENTI	2,767	Personal training grant from Fondirigenti
INDEL B SPA	TAX AUTHORITIES	27,656	Tax Credits on Electricity Consumption Dec 22 tax code 6995 (Art. 1 of Italian Decree Law no. 176 of 18 November 2022)
INDEL B SPA	TAX AUTHORITIES	31,841	Tax Credits on Electricity Consumption Oct. Nov 22 tax code 6985 (Art. 1, para. 3, of Italian Decree Law no. 144 of 23 September 2022)
INDEL B SPA	TAX AUTHORITIES	7,827	Tax Credits on gas consumption Dec 22 tax code 6996 (Art. 1 of Italian Decree Law no. 176 of 18 November 2022)
INDEL B SPA	TAX AUTHORITIES	3,678	Tax Credits on Gas Consumption Oct. Nov 22 tax code 6986 (Art. 1, para. 4 of Italian Decree Law no. 144 of 23 September 2022)
INDEL B SPA	TAX AUTHORITIES	1,810	Tax Credits on Electricity Consumption 3rd quarter 22 tax code 6970 (Art. 6, para. 3 of Italian Decree Law no. 115 of 9 August 2022)
AUTOCLIMA SPA	TAX AUTHORITIES	694	Tax credit for investments in capital goods pursuant to Italian Law no. 160/2016
AUTOCLIMA SPA	TAX AUTHORITIES	1,565	Tax credit for innovation activities carried out in 2020
AUTOCLIMA SPA	TAX AUTHORITIES	5,234	Tax credit for innovation activities carried out in 2021
AUTOCLIMA SPA	TAX AUTHORITIES	26,189	Tax credit for the containment of energy costs in 2023
AUTOCLIMA SPA	TAX AUTHORITIES	25,493	IRES savings due to super and hyper amortisation
AUTOCLIMA SPA	INPS	1,718	Incentive to promote outplacement of the unemployed
AUTOCLIMA SPA	INPS	14,373	Exemption from contributions for permanent hiring of young people from 1 January 2021
AUTOCLIMA SPA	INPS	3,160	Exemption from contributions for permanent hiring of young people from 1 January 2023 to 31 December 2023
CONDOR B	TAX AUTHORITIES	5,793	IRES tax saving due to IRAP deduction Italian Decree Law no. 185/2008-Italian Decree Law no. 201/2012 (2022 tax period on Euro 24,137)
CONDOR B	TAX AUTHORITIES	5,886	IRES tax saving due to Italian Law no. 208/15 et seq. (super-amortisation) (2022 tax period on Euro 24,525)
CONDOR B	TAX AUTHORITIES	7,231	IRES tax savings due to ACE facilities (2022 tax period on Euro 32,870)
CONDOR B	TAX AUTHORITIES	25,527	Tax credit for the purchase of energy Italian Law no. 34/2023
CONDOR B	TAX AUTHORITIES	9,003	Tax credit Italian Law no. 178/2020
CONDOR B	INPS	2,663	Permanent hiring incentive Italian Law no. 205/2017

CONDOR B	INPS	17,026	Tax exemption Italian Law no. 178/2020
Total		971,487	

In addition to what is indicated in the table above, it should be noted that the company INDEL B SPA paid the instalments of the subsidised loans listed below during 2023:

- sixth instalment of Euro 173,884.46 (including interest) of the subsidised loan obtained from the Ministry of Economic Development (Grant Decree no. 02260 of 27 November 2013) disbursed in 2015 and 2016 for a total amount of Euro 1,691,967;
- second and third instalment of Euro 235.77= (including interest) of the subsidised loan of Euro 2,250= disbursed by SIMEST in 2021 from the availability of the revolving fund established by Italian Law no. 394 of 29 July 1981, for Participating in trade fairs, exhibitions and system missions in foreign markets and/or international trade fairs/events in Italy, Circular no. 4/394/2020. Aid measure number (EC) SA57891;
- two instalments only by way of interest of Euro 2,636.16= on the subsidised loan of Euro 480,000.00= disbursed by SIMEST in 2021 from the availability of the revolving fund established by Italian Law no. 394 of 29 July 1981, for improving and safeguarding the capital strength of the exporting companies ref. Circular no. 3/394/2020 Aid measure number (EC) SA57891.

Moreover, the company recognised the following tax credits for investments in new capital goods in 2023, the first instalment of which will be used in 2024.

TAX AUTHORITIES	4,412.70	Tax credit 6% Italian Law no. 178/2020 for non-4.0 property, plant and equipment to be used in 3 instalments of Euro 1,470.90 each	TAX AUTHORITIES
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Single electronic format XBRL

Directive 2013/50/EU - amending Directive 2004/109/EC (known as "Transparency Directive") - initially established that as from 1 January 2020 (the deadline was then postponed by one year), all Consolidated Annual Financial Reports must be prepared in a single electronic reporting format. The task of developing regulatory technical standards to specify this format was given to the European Securities and Markets Authority (ESMA), which published the European Single Electronic Format (ESEF).

The new format is a combination of xHTML (eXtensible HyperText Markup Language), for presenting financial reports in a human-readable format, and XBRL (eXtensible Business Reporting Language) markup, with the aim

of facilitating the accessibility, analysis and comparability of consolidated financial statements prepared in accordance with International Financial Reporting Standards (IFRS).

iXBRL is an open standard that allows a single document to provide structured and at the same time human (as well as machine) readable data. This is done by adding "tags" to the document, i.e. elements that allow the information in the consolidated financial statements to be transcoded into an electronic format in the same way as a barcode is read.

In this sense, iXBRL aims to prepare consolidated financial statements in a format that provides the structured data required by regulators and analysts, while allowing drafters to retain full control over layout and presentation. The Company enlisted the services of Deloitte Business Solution srl S.B. for the preparation of this electronic format adopted as from the consolidated financial statements for 2020.

Attestazione del bilancio consolidato ai sensi dell'art. 81-ter del Regolamento Consob n.11971 del 14 maggio 1999 e successive modifiche e integrazioni

1. I sottoscritti Luca Bora, Amministratore Delegato, e Mirco Manganello, in qualità di Dirigente Preposto alla redazione dei documenti contabili societari di Indel B S.p.A., attestano, tenuto anche conto di quanto previsto dall'art.154-bis, commi 3 e 4, del decreto legislativo 24 febbraio 1998, n. 58:

- l'adeguatezza in relazione alle caratteristiche dell'impresa e
- l'effettiva applicazione delle procedure amministrative e contabili per la formazione del bilancio consolidato nel corso dell'esercizio 2023.

2. Si attesta, inoltre, che:

2.1 il bilancio consolidato:

a) è redatto in conformità ai principi contabili internazionali applicabili riconosciuti nella Comunità europea ai sensi del regolamento (CE) n. 1606/2002 del Parlamento europeo e del Consiglio, del 19 luglio 2002;

b) corrisponde alle risultanze dei libri e delle scritture contabili;

c) a quanto consta è idoneo a fornire una rappresentazione veritiera e corretta della situazione patrimoniale, economica e finanziaria dell'emittente e dell'insieme delle imprese incluse nel consolidamento.

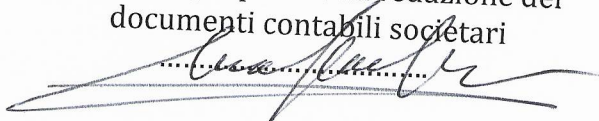
3.1 La relazione sulla gestione comprende un'analisi attendibile dell'andamento e del risultato della gestione, nonché della situazione dell'emittente e dell'insieme delle imprese incluse nel consolidamento, unitamente alla descrizione dei principali rischi e incertezze cui sono esposti.

Sant' Agata Feltria 24/04/2024

Amministratore Delegato



Dirigente preposto alla redazione dei
documenti contabili societari



Relazione della società di revisione indipendente

ai sensi dell'articolo 14 del DLgs 27 gennaio 2010, n. 39 e dell'articolo 10 del Regolamento (UE) n. 537/2014

Agli azionisti della
Indel B SpA

Relazione sulla revisione contabile del bilancio consolidato

Giudizio

Abbiamo svolto la revisione contabile del bilancio consolidato del gruppo Indel B (il "Gruppo Indel B" o il "Gruppo") costituito dalla situazione patrimoniale-finanziaria consolidata al 31 dicembre 2023, dal conto economico consolidato, dal conto economico complessivo consolidato, dal prospetto delle variazioni del patrimonio netto consolidato, dal rendiconto finanziario consolidato per l'esercizio chiuso a tale data e dalle note esplicative al bilancio che includono le informazioni rilevanti sui principi contabili applicati.

A nostro giudizio, il bilancio consolidato fornisce una rappresentazione veritiera e corretta della situazione patrimoniale e finanziaria del Gruppo al 31 dicembre 2023, del risultato economico e dei flussi di cassa per l'esercizio chiuso a tale data in conformità agli International Financial Reporting Standards adottati dall'Unione Europea nonché ai provvedimenti emanati in attuazione dell'articolo 9 del DLgs n. 38/2005.

Elementi alla base del giudizio

Abbiamo svolto la revisione contabile in conformità ai principi di revisione internazionali (ISA Italia). Le nostre responsabilità ai sensi di tali principi sono ulteriormente descritte nella sezione *Responsabilità della società di revisione per la revisione contabile del bilancio consolidato* della presente relazione. Siamo indipendenti rispetto alla società Indel B SpA (la "Società") in conformità alle norme e ai principi in materia di etica e di indipendenza applicabili nell'ordinamento italiano alla revisione contabile del bilancio. Riteniamo di aver acquisito elementi probativi sufficienti e appropriati su cui basare il nostro giudizio.

Aspetti chiave della revisione contabile

Gli aspetti chiave della revisione contabile sono quegli aspetti che, secondo il nostro giudizio professionale, sono stati maggiormente significativi nell'ambito della revisione contabile del bilancio consolidato dell'esercizio in esame. Tali aspetti sono stati da noi affrontati nell'ambito della revisione contabile e nella formazione del nostro giudizio sul bilancio consolidato nel suo complesso; pertanto, su tali aspetti non esprimiamo un giudizio separato.

PricewaterhouseCoopers SpA

Sede legale: **Milano** 20145 Piazza Tre Torri 2 Tel. 02 77851 Fax 02 7785240 Capitale Sociale Euro 6.890.000,00 i.v. C.F. e P.IVA e Reg. Imprese Milano Monza Brianza Lodi 12979880155 Iscritta al n° 119644 del Registro dei Revisori Legali - Altri Uffici: **Ancona** 60131 Via Sandro Totti 1 Tel. 071 2132311 - **Bari** 70122 Via Abate Gimma 72 Tel. 080 5640211 - **Bergamo** 24121 Largo Belotti 5 Tel. 035 229691 - **Bologna** 40124 Via Luigi Carlo Farini 12 Tel. 051 6186211 - **Brescia** 25121 Viale Duca d'Aosta 28 Tel. 030 3697501 - **Catania** 95129 Corso Italia 302 Tel. 095 7532311 - **Firenze** 50121 Viale Gramsci 15 Tel. 055 2482811 - **Genova** 16121 Piazza Piccapietra 9 Tel. 010 29041 - **Napoli** 80121 Via dei Mille 16 Tel. 081 36181 - **Padova** 35138 Via Vicenza 4 Tel. 049 873481 - **Palermo** 90141 Via Marchese Ugo 60 Tel. 091 349737 - **Parma** 43121 Viale Tanara 20/A Tel. 0521 275911 - **Pescara** 65127 Piazza Ettore Troilo 8 Tel. 085 4545711 - **Roma** 00154 Largo Fochetti 29 Tel. 06 570251 - **Torino** 10122 Corso Palestro 10 Tel. 011 556771 - **Trento** 38122 Viale della Costituzione 33 Tel. 0461 237004 - **Treviso** 31100 Viale Felissent 90 Tel. 0422 696911 - **Trieste** 34125 Via Cesare Battisti 18 Tel. 040 3480781 - **Udine** 33100 Via Poscolle 43 Tel. 0432 25789 - **Varese** 21100 Via Albuzzi 43 Tel. 0332 285039 - **Verona** 37135 Via Francia 21/C Tel. 045 8263001 - **Vicenza** 36100 Piazza Pontelandolfo 9 Tel. 0444 393311

Aspetti chiave

Procedure di revisione in risposta agli aspetti chiave

Recuperabilità dell'avviamento

I criteri di valutazione relativi all'avviamento sono descritti nel paragrafo 2.5 "Criteri applicati nella valutazione delle voci di bilancio" e nel paragrafo 2.8.1 "Attività immateriali" delle note esplicative al bilancio consolidato.

Il bilancio consolidato della Indel B SpA al 31 dicembre 2023 comprende la voce "Avviamento", che ammonta a circa Euro 7,1 milioni, pari a circa il 3% del totale attivo patrimoniale.

Tale avviamento si riferisce alle unità generatrici di flussi finanziari (*Cash Generating Unit* o "*CGU*") rappresentate dal Gruppo Autoclima per circa Euro 7,1 milioni e da Indel B North America, il cui valore è stato interamente svalutato nell'esercizio.

La Direzione della Società ha effettuato, ai sensi del principio contabile IAS 36, la verifica della presenza di eventuali perdite di valore mediante il confronto tra il valore di bilancio delle attività nette attribuibili alle *CGU* e il loro valore recuperabile, rappresentato dal maggior valore tra il *fair value* al netto dei costi di vendita ed il valore d'uso ("*impairment test*"). Quest'ultimo è stato determinato mediante l'attualizzazione dei flussi di cassa futuri previsti dal piano 2024-2028, così come approvato dagli amministratori in data 12 aprile 2024, nonché del valore terminale.

Lo svolgimento dell'*impairment test* descritto sopra è caratterizzato da un elevato grado di giudizio e soggettività, con particolare riferimento alla:

- determinazione dei flussi di cassa operativi attesi e dei tassi di crescita di lungo termine, che devono tener conto di fattori macroeconomici, prospettive future e risultati passati registrati dalla *CGU*;
- identificazione delle assunzioni tecniche da utilizzare per la costruzione del tasso di

Con riferimento a tale aspetto chiave, le nostre procedure di revisione hanno incluso:

- un'attività di comprensione e valutazione della procedura di individuazione dell'eventuale perdita di valore adottata dalla Direzione;
- la verifica delle metodologie di stima adottate ai fini del monitoraggio e della misurazione della recuperabilità dell'avviamento;
- l'analisi di ragionevolezza delle considerazioni effettuate dalla Direzione in merito alle *CGU* individuate e all'allocazione dell'avviamento alle stesse, verificandone la coerenza con la struttura organizzativa del Gruppo Indel B, con i meccanismi decisionali interni e con la reportistica gestionale;
- l'analisi delle principali assunzioni contenute nei piani economico-finanziari, verificandone la ragionevolezza in considerazione dei risultati conseguiti nell'esercizio 2023, dei dati storici e con quanto desumibile da fonti esterne, nonché delle evoluzioni di mercato attese;
- un'analisi retrospettica confrontando le stime formulate negli esercizi precedenti con i dati consuntivati, al fine di validare la capacità della Direzione di formulare stime attendibili;
- la valutazione del lavoro svolto dagli esperti che hanno supportato gli amministratori ai fini della predisposizione dell'*impairment test*;
- l'analisi, con il supporto degli esperti della rete PwC nell'ambito di valutazioni d'impresa, della metodologia e del modello valutativo utilizzato dalla Direzione per la predisposizione degli *impairment test*, inclusa la ragionevolezza dei tassi di

attualizzazione dei flussi di cui al punto precedente.

Per le ragioni sopra esposte, abbiamo considerato la recuperabilità del valore dell'avviamento un aspetto chiave della revisione del bilancio consolidato.

attualizzazione, dei tassi di crescita e delle relative analisi di sensitività;

- la verifica della corretta determinazione dei valori di bilancio delle attività e passività attribuibili alle *CGU*, incluso l'avviamento allocato, utilizzati per il confronto con il valore d'uso;
- la verifica della completezza e dell'adeguatezza dell'informativa riportata nelle note esplicative.

Valutazione delle partecipazioni contabilizzate con il metodo del patrimonio netto

I criteri di valutazione relativi alla valutazione delle partecipazioni contabilizzate con il metodo del patrimonio netto sono descritti nel paragrafo 2.5 "Criteri applicati nella valutazione delle voci di bilancio" e nel paragrafo 2.8.4 "Partecipazioni valutate con il metodo del patrimonio netto" delle note esplicative al bilancio consolidato.

Il valore delle partecipazioni valutate con il metodo del patrimonio netto al 31 dicembre 2023 ammonta a circa Euro 13,5 milioni, pari al 6% del totale attivo patrimoniale.

Con riferimento a tale voce di bilancio, gli amministratori hanno svolto, ai sensi del principio contabile IAS 36, un'analisi volta a individuare la presenza di eventuali indicatori di perdite di valore e, ove applicabile nelle circostanze, hanno svolto un test di *impairment* (di seguito "*impairment test*"). L'*impairment test* ha avuto l'obiettivo di identificare eventuali perdite di valore mediante il confronto tra il valore di bilancio della partecipazione assoggettata a verifica con il valore recuperabile, rappresentato dal maggiore tra il *fair value*, al netto dei costi di dismissione, e il valore d'uso. Quest'ultimo è stato stimato mediante il metodo di attualizzazione dei flussi di cassa attesi ("*Discounted Cash Flow*"), nonché del valore terminale.

Con riferimento a tale aspetto chiave, le nostre procedure di revisione hanno incluso:

- lo svolgimento di adeguate procedure di revisione sulle informazioni contabili fornite dalle società partecipate, a supporto della valutazione nel bilancio consolidato;
- la comprensione e la valutazione dell'analisi svolta dalla Società al fine di individuare la presenza di indicatori di perdite di valore e, ove applicabile, la comprensione della procedura di valutazione dell'eventuale perdita di valore adottata dalla Direzione;
- la verifica delle metodologie di stima adottate ai fini del monitoraggio e della misurazione della recuperabilità del valore delle partecipazioni contabilizzate con il metodo del patrimonio netto;
- la valutazione del lavoro svolto dagli esperti che hanno supportato gli amministratori ai fini della predisposizione dell'*impairment test*;
- l'analisi di ragionevolezza delle assunzioni utilizzate dagli amministratori per la costruzione dei flussi di cassa e per la determinazione del valore d'uso;

La stima di cui sopra si è basata sui flussi di cassa

futuri previsti dal piano 2024-2028, così come approvato dagli amministratori in data 12 aprile 2024.

Lo svolgimento dell'*impairment test* è caratterizzato da un elevato grado di giudizio e soggettività, con particolare riferimento alla:

- determinazione dei flussi di cassa operativi attesi e dei tassi di crescita di lungo termine, che devono tener conto di fattori macroeconomici, prospettive future e risultati passati registrati dalle società partecipate;
- identificazione delle assunzioni tecniche da utilizzare per la costruzione del tasso di attualizzazione dei flussi di cui al punto precedente.

Per le ragioni sopra esposte, abbiamo considerato la recuperabilità del valore delle partecipazioni contabilizzate con il metodo del patrimonio netto un aspetto chiave della revisione del bilancio consolidato.

- il confronto delle assunzioni del *management* con i dati storici e quanto desumibile da fonti esterne;
- un'analisi retrospettica confrontando le stime formulate negli esercizi precedenti con i dati consuntivati, al fine di validare la capacità della Direzione di formulare stime attendibili;
- l'analisi, con il supporto degli esperti della rete PwC nell'ambito di valutazioni d'impresa, della metodologia e del modello valutativo utilizzato dalla Direzione per la predisposizione del *test di impairment*, inclusa la ragionevolezza dei tassi di attualizzazione, dei tassi di crescita e delle relative analisi di sensitività;
- la verifica della completezza e adeguatezza dell'informativa fornita nelle note esplicative relativamente all'*impairment test*.

Responsabilità degli amministratori e del collegio sindacale per il bilancio consolidato

Gli amministratori sono responsabili per la redazione del bilancio consolidato che fornisca una rappresentazione veritiera e corretta in conformità agli International Financial Reporting Standards adottati dall'Unione Europea nonché ai provvedimenti emanati in attuazione dell'articolo 9 del DLgs n. 38/2005 e, nei termini previsti dalla legge, per quella parte del controllo interno dagli stessi ritenuta necessaria per consentire la redazione di un bilancio che non contenga errori significativi dovuti a frodi o a comportamenti o eventi non intenzionali.

Gli amministratori sono responsabili per la valutazione della capacità del Gruppo di continuare a operare come un'entità in funzionamento e, nella redazione del bilancio consolidato, per l'appropriatezza dell'utilizzo del presupposto della continuità aziendale, nonché per una adeguata informativa in materia. Gli amministratori utilizzano il presupposto della continuità aziendale nella redazione del bilancio consolidato a meno che abbiano valutato che sussistono le condizioni per la liquidazione della capogruppo Indel B SpA o per l'interruzione dell'attività o non abbiano alternative realistiche a tali scelte.

Il collegio sindacale ha la responsabilità della vigilanza, nei termini previsti dalla legge, sul processo di predisposizione dell'informativa finanziaria del Gruppo.

Responsabilità della società di revisione per la revisione contabile del bilancio consolidato

I nostri obiettivi sono l'acquisizione di una ragionevole sicurezza che il bilancio consolidato nel suo complesso non contenga errori significativi, dovuti a frodi o a comportamenti o eventi non intenzionali, e l'emissione di una relazione di revisione che includa il nostro giudizio. Per ragionevole sicurezza si intende un livello elevato di sicurezza che, tuttavia, non fornisce la garanzia che una revisione contabile svolta in conformità ai principi di revisione internazionali (ISA Italia) individui sempre un errore significativo, qualora esistente. Gli errori possono derivare da frodi o da comportamenti o eventi non intenzionali e sono considerati significativi qualora ci si possa ragionevolmente attendere che essi, singolarmente o nel loro insieme, siano in grado di influenzare le decisioni economiche prese dagli utilizzatori sulla base del bilancio consolidato.

Nell'ambito della revisione contabile svolta in conformità ai principi di revisione internazionali (ISA Italia), abbiamo esercitato il giudizio professionale e abbiamo mantenuto lo scetticismo professionale per tutta la durata della revisione contabile. Inoltre:

- abbiamo identificato e valutato i rischi di errori significativi nel bilancio consolidato, dovuti a frodi o a comportamenti o eventi non intenzionali; abbiamo definito e svolto procedure di revisione in risposta a tali rischi; abbiamo acquisito elementi probativi sufficienti e appropriati su cui basare il nostro giudizio. Il rischio di non individuare un errore significativo dovuto a frodi è più elevato rispetto al rischio di non individuare un errore significativo derivante da comportamenti o eventi non intenzionali, poiché la frode può implicare l'esistenza di collusioni, falsificazioni, omissioni intenzionali, rappresentazioni fuorvianti o forzature del controllo interno;
- abbiamo acquisito una comprensione del controllo interno rilevante ai fini della revisione contabile allo scopo di definire procedure di revisione appropriate nelle circostanze e non per esprimere un giudizio sull'efficacia del controllo interno del Gruppo;
- abbiamo valutato l'appropriatezza dei principi contabili utilizzati nonché la ragionevolezza delle stime contabili effettuate dagli amministratori, inclusa la relativa informativa;
- siamo giunti a una conclusione sull'appropriatezza dell'utilizzo da parte degli amministratori del presupposto della continuità aziendale e, in base agli elementi probativi acquisiti, sull'eventuale esistenza di un'incertezza significativa riguardo a eventi o circostanze che possono far sorgere dubbi significativi sulla capacità del Gruppo di continuare a operare come un'entità in funzionamento. In presenza di un'incertezza significativa, siamo tenuti a richiamare l'attenzione nella relazione di revisione sulla relativa informativa di bilancio ovvero, qualora tale informativa sia inadeguata, a riflettere tale circostanza nella formulazione del nostro giudizio. Le nostre conclusioni sono basate sugli elementi probativi acquisiti fino alla data della presente relazione. Tuttavia, eventi o circostanze successivi possono comportare che il Gruppo cessi di operare come un'entità in funzionamento;
- abbiamo valutato la presentazione, la struttura e il contenuto del bilancio consolidato nel suo complesso, inclusa l'informativa, e se il bilancio consolidato rappresenti le operazioni e gli eventi sottostanti in modo da fornire una corretta rappresentazione;
- abbiamo acquisito elementi probativi sufficienti e appropriati sulle informazioni finanziarie delle imprese o delle differenti attività economiche svolte all'interno del Gruppo per esprimere un giudizio sul bilancio consolidato. Siamo responsabili della direzione, della supervisione e dello svolgimento dell'incarico di revisione contabile del Gruppo. Siamo gli unici responsabili del giudizio di revisione sul bilancio consolidato.

Abbiamo comunicato ai responsabili delle attività di governance, identificati a un livello appropriato come richiesto dagli ISA Italia, tra gli altri aspetti, la portata e la tempistica pianificate per la revisione contabile e i risultati significativi emersi, incluse le eventuali carenze significative nel controllo interno identificate nel corso della revisione contabile.

Abbiamo fornito ai responsabili delle attività di governance anche una dichiarazione sul fatto che abbiamo rispettato le norme e i principi in materia di etica e di indipendenza applicabili nell'ordinamento italiano e abbiamo comunicato loro ogni situazione che possa ragionevolmente avere un effetto sulla nostra indipendenza e, ove applicabile, le azioni intraprese per eliminare i relativi rischi o le misure di salvaguardia applicate.

Tra gli aspetti comunicati ai responsabili delle attività di governance, abbiamo identificato quelli che sono stati più rilevanti nell'ambito della revisione contabile del bilancio consolidato dell'esercizio in esame, che hanno costituito quindi gli aspetti chiave della revisione. Abbiamo descritto tali aspetti nella relazione di revisione.

Altre informazioni comunicate ai sensi dell'articolo 10 del Regolamento (UE) 537/2014

L'assemblea degli azionisti della Indel B SpA ci ha conferito in data 7 marzo 2017 l'incarico di revisione legale del bilancio d'esercizio e consolidato della Società per gli esercizi dal 31 dicembre 2017 al 31 dicembre 2025.

Dichiariamo che non sono stati prestati servizi diversi dalla revisione contabile vietati ai sensi dell'articolo 5, paragrafo 1, del Regolamento (UE) 537/2014 e che siamo rimasti indipendenti rispetto alla Società nell'esecuzione della revisione legale.

Confermiamo che il giudizio sul bilancio consolidato espresso nella presente relazione è in linea con quanto indicato nella relazione aggiuntiva destinata al collegio sindacale, nella sua funzione di comitato per il controllo interno e la revisione contabile, predisposta ai sensi dell'articolo 11 del citato Regolamento.

Relazione su altre disposizioni di legge e regolamentari

Giudizio sulla conformità alle disposizioni del Regolamento Delegato (UE) 2019/815

Gli amministratori della Indel B SpA sono responsabili per l'applicazione delle disposizioni del Regolamento Delegato (UE) 2019/815 della Commissione Europea in materia di norme tecniche di regolamentazione relative alla specificazione del formato elettronico unico di comunicazione (ESEF - *European Single Electronic Format*) (nel seguito "Regolamento Delegato") al bilancio consolidato al 31 dicembre 2023, da includere nella relazione finanziaria annuale.

Abbiamo svolto le procedure indicate nel principio di revisione (SA Italia) n. 700B al fine di esprimere un giudizio sulla conformità del bilancio consolidato alle disposizioni del Regolamento Delegato.

A nostro giudizio, il bilancio consolidato al 31 dicembre 2023 è stato predisposto nel formato XHTML ed è stato marcato, in tutti gli aspetti significativi, in conformità alle disposizioni del Regolamento Delegato.

Alcune informazioni contenute nelle note esplicative al bilancio consolidato quando estratte dal formato XHTML in un'istanza XBRL, a causa di taluni limiti tecnici, potrebbero non essere riprodotte in maniera identica rispetto alle corrispondenti informazioni visualizzabili nel bilancio consolidato in formato XHTML.

Giudizio ai sensi dell'articolo 14, comma 2, lettera e), del DLgs 39/10 e dell'articolo 123-bis, comma 4, del DLgs 58/1998

Gli amministratori della Indel B SpA sono responsabili per la predisposizione della relazione sulla gestione e della relazione sul governo societario e gli assetti proprietari del Gruppo Indel B al 31 dicembre 2023, incluse la loro coerenza con il relativo bilancio consolidato e la loro conformità alle norme di legge.

Abbiamo svolto le procedure indicate nel principio di revisione (SA Italia) n. 720B al fine di esprimere un giudizio sulla coerenza della relazione sulla gestione e di alcune specifiche informazioni contenute nella relazione sul governo societario e gli assetti proprietari indicate nell'articolo 123-bis, comma 4, del DLgs 58/1998, con il bilancio consolidato del Gruppo Indel B al 31 dicembre 2023 e sulla conformità delle stesse alle norme di legge, nonché di rilasciare una dichiarazione su eventuali errori significativi.

A nostro giudizio, la relazione sulla gestione e alcune specifiche informazioni contenute nella relazione sul governo societario e gli assetti proprietari sopra richiamate sono coerenti con il bilancio consolidato del Gruppo Indel B al 31 dicembre 2023 e sono redatte in conformità alle norme di legge.

Con riferimento alla dichiarazione di cui all'articolo 14, comma 2, lettera e), del DLgs 39/2010, rilasciata sulla base delle conoscenze e della comprensione dell'impresa e del relativo contesto acquisite nel corso dell'attività di revisione, non abbiamo nulla da riportare.

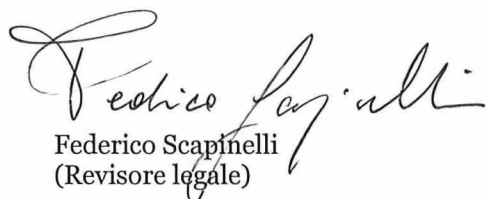
Dichiarazione ai sensi dell'articolo 4 del Regolamento Consob di attuazione del DLgs 30 dicembre 2016, n. 254

Gli amministratori della Indel B SpA sono responsabili per la predisposizione della dichiarazione non finanziaria ai sensi del DLgs 30 dicembre 2016, n. 254. Abbiamo verificato l'avvenuta approvazione da parte degli amministratori della dichiarazione non finanziaria.

Ai sensi dell'articolo 3, comma 10, del DLgs 30 dicembre 2016, n. 254, tale dichiarazione è oggetto di separata attestazione di conformità da parte nostra.

Bologna, 24 aprile 2024

PricewaterhouseCoopers SpA



Federico Scapinelli
(Revisore legale)

indelB

CON

SEPARATE FINANCIAL STATEMENTS

AS AT 31 DECEMBER 2023

SEPARATE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2023

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1. Financial statements of Indel B s.p.a.

1.1. Statement of financial position

(in Euro)

Financial year ended 31 December

	Notes	2023	Of which related parties	% weight	2022	Of which related parties	% weight
ASSETS							
Non-current assets							
Intangible assets	2.6.1	374,927	-	-	350,044	-	-
Property, plant and equipment	2.6.2	26,911,328	-	-	22,804,928	-	-
Right of use	2.6.3	2,400,170	2,277,360	95%	2,778,257	2,595,615	93%
Equity investments	2.6.4	38,815,226	38,815,226	100%	42,645,226	42,645,226	100%
Other equity investments	2.6.5	66,042	-	-	66,042	-	-
Non-current financial assets	2.6.6	2,042,987	2,042,987	100%	2,500,000	2,500,000	100%
Other receivables and other non-current assets	2.6.7	171,823	50,398	29%	369,907	50,398	14%
Deferred tax assets	2.6.8	1,191,254	-	-	930,236	-	-
Total non-current assets		71,973,757	43,185,971	60%	72,444,640	47,791,239	66%
Current assets							
Inventories	2.6.9	39,416,758	-	-	47,981,248	-	-
Trade receivables	2.6.10	25,126,193	2,248,760	9%	32,159,566	3,782,860	12%
Cash and cash equivalents	2.6.11	31,533,800	-	-	15,315,119	-	-
Income tax receivables	2.6.17	1,335,665	-	-	1,106,162	-	-
Current financial assets	2.6.6	1,549,353	1,425,339	92%	1,502,398	1,502,398	100%
Other receivables and other current assets	2.6.7	3,877,489	-	-	12,849,976	-	-
Total current assets		102,839,258	3,674,099	4%	110,914,469	5,285,258	5%
Total assets		174,813,015	8,044,844	5%	183,359,109	10,431,271	6%

SHAREHOLDERS' EQUITY AND LIABILITIES

Shareholders' Equity

Share capital		5,842,000	-	-	5,842,000	-	-
Reserves		90,277,925	-	-	83,755,396	-	-
Profit/(loss) for the year		4,914,687	-	-	11,607,604	-	-
Total shareholders' equity	2.6.12	101,034,612	-	-	101,205,000	-	-

Minority interests

Non-current liabilities

Provisions for risks and charges	2.6.13	2,590,618	-	-	1,457,212		-
Employee benefits	2.6.14	634,333	-	-	631,193		-
Non-current financial liabilities	2.6.15	14,456,539	2,064,401	14%	22,562,728	2,377,920	11%
Other non-current liabilities	2.6.18	92,126	-	-	118,788		-
Total non-current liabilities		17,773,616	2,064,401	12%	24,769,921	2,377,920	10%

Current liabilities

Trade payables	2.6.16	24,868,350	1,358,043	5%	31,085,838	1,937,724	6%
Income tax payables	2.6.17	-	-	-	129,030	-	-
Current financial liabilities	2.6.15	24,835,783	325,157	1%	19,913,689	312,272	2%
Other current liabilities	2.6.18	6,300,654	423,344	7%	6,255,631	443,735	7%
Total current liabilities		56,004,787	2,106,544	4%	57,384,188	2,693,731	5%
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		174,813,015	4,170,945	2%	183,359,109	5,071,651	3%

1.2. Income statement

(in Euro)

Financial year ended 31 December

	Notes	2023	Of which related parties	% weight	2022	Of which related parties	% weight
Revenues	2.7.1	143,920,861	18,841,625	13%	151,834,934	27,143,725	18%
Other Revenues and income	2.7.2	4,994,543	978,640	20%	3,442,716	823,738	24%
Total revenues		148,915,404			155,277,650		
Purchases and consumption of raw materials, semi-finished and finished products	2.7.3	(91,075,747)	(5,506,847)	6%	(83,282,302)	(5,357,665)	6%
Costs for services	2.7.4	(17,540,072)	(356,559)	2%	(30,582,483)	(859,977)	3%
Personnel costs	2.7.5	(22,912,565)	(2,171,437)	9%	(22,044,525)	(2,126,349)	10%
Other operating costs	2.7.6	(2,473,139)	(15,782)	1%	(1,266,792)	(537)	0%
Amortisation, depreciation, provisions and write-downs	2.7.7	(8,821,239)	(317,861)	4%	(3,777,081)	(276,704)	7%
EBIT		6,092,642			14,324,467		
Finance income	2.7.8	921,858	129,620	14%	964,629	99,557	10%
Finance costs	2.7.8	(1,698,379)	(52,418)	3%	(2,589,817)	(53,945)	2%
Income (costs) from equity investments	2.7.9	1,985,748	1,985,748	100%	2,703,978	2,703,978	100%
Pre-tax profit (loss)		7,301,869			15,403,257		
Income tax	2.7.10	(2,387,182)			(3,795,653)		
Profit/(loss) for the year		4,914,687			11,607,604		
<i>Basic and diluted earnings per share (in Euro)</i>	2.8	<i>0.87</i>			<i>2.23</i>		

1.3. Statement of comprehensive income

(in Euro)	Financial year ended 31 December	
	2023	2022
Profit/(loss) for the year (A)	4,914,687	11,607,604
Actuarial gains/(losses) on employee benefits and provision for agents' leaving indemnities	(24,422)	136,313
Tax effect - Actuarial gains/(losses) on employee benefits and provision for agents' leaving indemnities	5,681	(33,317)
Total items that will not be subsequently reclassified to the income statement	(18,741)	102,996
Total other comprehensive income components, net of the tax effect (B)	(18,741)	102,996
Total profit for the year (A)+(B)	4,895,947	11,710,600
Basic and diluted earnings per share (in Euro)	0.87	2.23

1.4. Statement of changes in shareholders' equity

(in thousands of Euro)	Notes	Share capital	Reserves	Profit/(loss) for the year	Total shareholders' equity
Balance as at 01 January 2022	2.6.12	5,842	71,170	18,983	95,995
Allocation of previous year's profit/(loss)		-	18,983	(18,983)	-
Transactions with shareholders:					
Distribution of dividends		-	(5,658)	-	(5,658)
Share capital increase		-	-	-	-
Purchase of treasury shares		-	(843)	-	(843)
Change in the consolidation area		-	-	-	-
Total transactions with shareholders		-	(6,501)	-	(6,501)
Comprehensive income for the year:					
Profit/(loss) for the year		-	-	11,608	11,608
Actuarial gains/(losses) on employee benefits and provision for agents' leaving indemnities, net of tax effect		-	103	-	103
Translation difference from measurement of equity investments using the equity method		-	-	-	-
Total comprehensive income for the year		-	103	11,608	11,711
Balance as at 31 December 2022	2.6.12	5,842	83,755	11,608	101,205
Allocation of previous year's profit/(loss)		-	11,608	(11,608)	-
Transactions with shareholders:					
Distribution of dividends		-	(4,514)	-	(4,514)
Share capital increase		-	-	-	-
Purchase of treasury shares		-	(553)	-	(553)
Change in the consolidation area		-	-	-	-
Total transactions with shareholders		-	(5,067)	-	(5,067)
Comprehensive income for the year:					
Profit/(loss) for the year		-	-	4,915	4,915
Actuarial gains/(losses) on employee benefits and provision for agents' leaving indemnities, net of tax effect		-	(19)	-	(19)
Translation difference from measurement of equity investments using the equity method		-	-	-	-
Total comprehensive income for the year		-	(19)	4,915	4,896
Balance as at 31 December 2023	2.6.12	5,842	90,278	4,915	101,035

1.5. Statement of cash flows

(in Euro)	Notes	Financial year ended 31 December	
		2023	2022
Operating activities			
Pre-tax profit (loss)		7,302	15,404
<i>Adjustments for:</i>			
Depreciation of property, plant and equipment and amortisation of intangible assets	2.6.1 2.6.2	3,147	3,116
Bad debt provisions	2.6.10	50	78
Provisions for risks and charges	2.6.13	1,832	738
Provision/(Releases) for inventory obsolescence	2.6.9	100	180
Provision for write-downs of equity investments	2.6.4 2.6.5	3,830	-
Net finance (income)/costs	2.7.8	(1,209)	(1,079)
Net exchange rate differences		308	(275)
Other non-monetary components		(39)	(334)
Cash flows from operations before changes in working capital		15,321	17,828
Cash flow provided by/(used in) changes in working capital		17,680	(16,758)
- Trade receivables and other assets	2.6.7 2.6.8 2.6.10	15,641	(8,315)
- Inventories	2.6.9	8,464	(7,717)
- Trade payables and other liabilities	2.6.16 2.6.17	(6,425)	(726)
Taxes paid		(2,222)	(5,893)
Net finance costs paid		(748)	(327)
Use of provisions		(726)	(660)
Realised net exchange rate differences		(606)	(798)
Cash flow provided by/(used in) operating activities (A)		28,699	(6,608)

Investment activities			
Net investments in property, plant and equipment and intangible assets	2.6.1 2.6.2	(6,906)	(4,328)
Change in financial receivables		(47)	(42)
Dividends collected	2.7.9	1,986	2,704
Cash flow provided by/(used in) investing activities (B)		(4,967)	(1,666)
Financing activities			
Taking out mortgages and loans	2.6.15	17,000	29,500
Repayment of mortgages and loans	2.6.15	(19,942)	(14,419)
Dividends paid	2.6.12	(4,514)	(5,658)
Purchase of treasury shares	2.6.12	(552)	(843)
Other changes in financial assets	2.6.6	457	1,000
Changes in liabilities for right of use	2.6.15	(363)	166
Other changes in financial liabilities	2.6.15	508	(5,297)
Cash flow provided by/(used in) financing activities (C)		(7,406)	4,449
Increase/(decrease) in cash and cash equivalents (A)+(B)+(C)		16,326	(3,825)
Cash and cash equivalents at beginning of the year	2.6.11	15,315	19,446
Net effect of translating cash and cash equivalents denominated in foreign currencies		(106)	(306)
Cash and cash equivalents at end of the year	2.6.11	31,534	15,315

2. Explanatory notes to the financial statements

2.1. General information

INDEL B S.p.A. (hereinafter referred to as "INDEL B" or the "Company") is a company established and domiciled in Italy, with its registered and administrative office in Sant'Agata Feltria, Via Sarsinate 27, and organised under the laws of the Italian Republic.

The Company operates in the mobile refrigeration market applicable to the "Automotive" segments, which includes the production of a wide range of products such as mobile refrigerators, vehicle air conditioning systems for minibuses, industrial vehicles as well as special vehicles (e.g. ambulances, mobile clinics, civil defence vehicles, medicine transport vehicles, trams and trains) and refrigeration systems for the transport of foodstuffs at controlled temperatures. These systems are intended for large manufacturers, processing companies/body-builders as well as multi-sector distributors in the "Leisure time" and in the "Hospitality" refrigeration market. The company is also active in the "parking" air-conditioning market for industrial vehicles and in the "Cooling Appliances" market, which mainly include wine cellars for storing wine and small refrigerators for storing milk.

As at 31 December 2023, 68.33% of the share capital of the Company of Euro 5,842,000 was held by Amp. Fin. S.r.l., with registered office in Pesaro, 3.78% is treasury shares and 27.89% is free float on the MTA market of Borsa Italiana.

This document was approved by the Board of Directors of the Company on 12 April 2024 and was audited by PricewaterhouseCoopers S.p.A.

2.2. Summary of the adopted accounting standards

The main accounting policies and standards applied in the preparation of the Financial Statements are set out below.

2.2.1. Basis of preparation

The Financial Statements were prepared in accordance with EU-IFRS, i.e. all the "International Financial Reporting Standards", all the "International Accounting Standards" (IAS) and all the interpretations of the "International Reporting Interpretations Committee" (IFRIC), previously known as the "Standard Interpretations Committee" (SIC), which, at the end of the reporting period, were approved by the European Union in accordance with the procedure envisaged by Regulation (EC) no. 1606/2002 of the European Parliament and European Council of 19 July 2002. The IFRSs were applied consistently to all periods presented.

The Financial Statements were prepared on a going concern basis.

The Financial Statements were drawn up in Euro, the Company's functional currency. The amounts reported in the statement of financial position, income statement and statement of comprehensive income are expressed in Euro, while the amounts reported in the statement of cash flows, statement of changes in shareholders' equity and in the detailed tables included in the explanatory notes are expressed in thousands of Euro, unless otherwise indicated. The financial statements and related classification criteria adopted by the Company as part of the options envisaged by IAS 1 - Presentation of Financial Statements are shown below:

- The statement of financial position was prepared by classifying assets and liabilities on a "current/non-current" basis;
- The income statement was prepared separately from the statement of comprehensive income, and was prepared by classifying operating costs by nature;
- The statement of comprehensive income includes, in addition to the result for the year, other changes in shareholders' equity items attributable to transactions not carried out with the Company's shareholders;
- The statement of cash flows was prepared by presenting cash flows generated by operating activities according to the "indirect method".

2.2.2. Accounting standards

The accounting standards and policies adopted for the preparation of the Separate Financial Statements as at 31 December 2023 are consistent with those used for the preparation of the Consolidated Financial Statements as at 31 December 2023, for which reference is made for further information to paragraph "2.2.2 Accounting standards" of the Notes to the Consolidated Financial Statements.

Accounting standards, amendments and interpretations not yet applicable and not early adopted by the Company

The international standards that have been endorsed by the EU - not mandatory for IFRS 2023 financial statements, but mandatory for financial statements beginning on or after 1 January 2024 - are set out below:

- amendments to IAS 1 - Presentation of financial statements:
 - Classification of Liabilities as Current or Non-Current;
 - Classification of Liabilities as Current or Non-Current - deferral of effective date;
 - Non-current Liabilities with Covenants;
- amendments to IFRS 16: Liability in a Sale and Leaseback (amendments to IFRS 16 Leases).

Amendments to IAS 1

In January 2020, the IASB issued amendments to IAS 1 that clarify how an entity should classify liabilities as current or non-current.

These changes are expected to have a significant impact on many entities with more liabilities classified as current, particularly those with loan covenants. The amendments are mandatory for financial statements beginning on or after 1 January 2023.

On 31 October 2022, the IASB published Non-current Liabilities with Covenants (Amendments to IAS 1) to clarify how conditions that an entity must meet within 12 months after the reporting period affect the classification of a liability.

The amendments to IAS 1 specify that covenants to be complied with after the reporting period do not affect the classification of debt as current or non-current at the end of the reporting period. On the other hand, the amendments require a company to provide information on these covenants in the notes to the financial statements. The amendments are effective for financial years beginning on or after 1 January 2024.

Amendments to IFRS 16: Liability in a Sale and Leaseback (amendments to IFRS 16 Leases).

The International Accounting Standards Board (Board) issued in 2020 the Exposure Draft called Lease Liability in a Sale and Leaseback. This document specifies the method by which a selling lessee initially measures the right-of-use asset and lease liability deriving from a sale and leaseback transaction and how the lessor-seller subsequently measures that liability.

In 2021, the Board reviewed the feedback received on the Exposure Draft. At its meeting in September 2021, the Interpretations Committee discussed the project and discussed the direction of the project considering this feedback. In September 2022, the IASB amended IFRS 16. The amendments add paragraph 102A to IFRS 16. This paragraph requires the seller-lessee to determine the "lease payments" or "revised lease payments" so that no amount of profit or loss is recognised in respect of the right of use retained by the seller-lessee. The paragraph does not prescribe any particular method for achieving this result.

As things stand, the Company is analysing these standards and considering whether their adoption will have a significant impact on the financial statements.

New standards and amendments issued by the IASB but not yet endorsed by the EU

The amendments to international standards issued by the IASB for which the endorsement process has not yet been completed are listed below:

- amendments to IAS 7 - Statement of Cash Flows and IFRS 7 - Financial Instruments: Disclosures: Supplier Finance Arrangements (issued on 25 May 2023);
- amendments to IAS 21 - The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability (issued on 15 August 2023).

It is expected that the amendments to IAS 21 can be endorsed before the planned effective date of 1 January 2025, while the amendments to IAS 7 and IFRS 7 are unlikely to be endorsed before the planned effective date of 1 January 2024.

2.3. Measurement bases of financial statement items

The measurement bases adopted in the preparation of the Financial Statements as at 31 December 2023 are consistent with those used in the preparation of the Consolidated Financial Statements, to which reference is made, except for the measurement bases set out below.

2.3.1. Equity investments in subsidiaries, jointly controlled entities and associates

The equity investments in subsidiaries, jointly controlled entities and associates are recognised at acquisition or establishment cost. If there is any indication of impairment, recoverable amount is tested by comparing the carrying amount with the higher of the value in use, determined by discounting the future cash flows, where possible, of the equity investment, and the hypothetical sales value, determined on the basis of recent transactions or market multiples. The portion of losses in excess of the carrying amount is recognised in a special provision under liabilities to the extent that the company deems there to be a legal or implicit obligations to cover losses and in any case within the limits of shareholders' equity. If the subsequent performance of the impaired investee shows an improvement such that the reasons for the impairment no longer apply, the equity investments are revalued within the limits of the impairment losses recognised in prior years. Dividends from subsidiaries and associates are recognised in profit or loss in the year in which they are approved.

2.3.2. Related parties

Related parties are defined as those that share the same parent company with INDEL B, those companies that directly or indirectly control, are controlled by, or are subject to joint control by the Company and those in which the Company holds an interest such that it can exercise significant influence. The definition of related parties also includes key management personnel and their close family members of INDEL B. Key management personnel are those who have the power and responsibility, directly or indirectly, for planning, directing, controlling the activities of the Company and include the relevant directors.

2.3.3. Use of estimates

The preparation of the financial statements requires the directors to apply accounting standards and methods that, in certain circumstances, are based on difficult and subjective evaluations and estimates based on historical experience and assumptions that are from time to time considered reasonable and realistic depending on the relevant circumstances. The application of these estimates and assumptions affects the amounts reported in the financial statements, such as the statement of financial position, income statement and statement of cash flows, as well as the disclosures made. The actual results of items in the financial statements for which the aforementioned estimates and assumptions have been used may differ from those reported in the financial statements due to the uncertainty surrounding the assumptions and conditions on which the estimates are based. The most significant accounting standards that require greater subjectivity by the directors in making estimates and for which a change in the conditions underlying the assumptions used could have a significant impact on the financial data presented are briefly described below.

- Equity investments in subsidiaries, jointly controlled entities and associates: the Company carries out an annual analysis of whether there are any indicators of impairment in respect of equity investments held in subsidiaries, jointly controlled entities and associates. Where there are indications of impairment, an

impairment test is carried out to assess the recoverability of the amounts recognised in the financial statements.

- Depreciation of property, plant and equipment and amortisation of intangible assets: the cost of property, plant and equipment and intangible assets is depreciated/amortised on a straight-line basis over the estimated useful life of each asset. The economic useful life of property, plant and equipment and intangible assets is determined at the time they are acquired and is based on past experience for similar assets, market conditions and advances with regard to future events that could have an impact, including changes in technology. Therefore, the actual economic life can differ from the estimated useful life. The Company assesses annually changes in technology and industry, any changes in contractual conditions and regulations in force related to the use of property, plant and equipment and intangible assets, and the recovery value to update the remaining useful life. The result of these analyses can change the amortisation/depreciation period and thus also the amortisation/depreciation charge for the year and future years.
- Provisions for product guarantee costs: the calculation of provisions for costs related to guarantee services is affected by estimates made by management that are based on historical data. In certain special circumstances, these estimates may therefore not reflect forward-looking events that differ significantly from what has occurred in the past.
- Valuation of receivables: trade receivables are adjusted by the relevant bad debt provision to reflect their actual recoverable amount. The determination of the amount of the write-downs made requires the directors to make subjective assessments based on the documentation and information available, including on the customer's solvency, as well as on experience and historical trends.
- Provisions for risks: the identification of the existence or non-existence of a current (legal or implicit) obligation is sometimes difficult to determine. The directors assess these phenomena on a case-by-case basis, together with an estimate of the amount of economic resources required to fulfil the obligation. When the directors consider that the occurrence of a liability is only possible, the risks are disclosed in the appropriate information section on commitments and risks, without giving rise to any provision.
- Recovery of deferred tax assets: deferred tax assets are recognised with reference to income components with deferred tax deductibility, for an amount whose recovery in future years is deemed by the Directors to be highly probable. If it is found in the future that the Company is unable to recover all or part of the deferred tax assets recognised in the financial statements, the relevant adjustment will be recognised in profit or loss.

2.4. Typology and procedures for the management of financial risks

The Company's business is exposed to a number of financial risks that can affect its financial position, the results of the operations and of the cash flows.

The main types of such risks are set out below:

- market risk, arising from exposure to fluctuations in exchange rates and interest rates and to changes in the price of certain materials used to supply products;
- credit risk, arising from the possibility that one or more counterparties may become insolvent;
- liquidity risk, arising from the Company's failure to obtain the required financial resources to meet short-term financial commitments.

The operational management of the aforementioned risks is divided among the various organisational units to which the individual types of risk are functionally assigned.

Moreover, the main financial risks are reported and discussed in order to create the conditions for hedging and insuring them as well for assessing any residual risk.

The significance of the Company's exposure to the various financial risk categories identified is discussed below.

Market risk

- **Currency risk**

The exposure to the risk of changes in exchange rates arises from the Company's business activities carried out in currencies other than the euro. Revenues and costs denominated in foreign currencies can be affected by exchange rate fluctuations with an impact on trade margins (economic risk), just as trade payables and receivables in foreign currencies can be affected by the conversion rates used, with an impact on the economic result (transaction risk).

The main exchange ratio to which the Company is exposed is the Euro/US Dollar (USD) ratio, with reference mainly to cash held in USD and purchases and sales made in USD.

With reference to the currency risk, a sensitivity analysis was carried out to determine the effect on the income statement and shareholders' equity that would result from a 10% appreciation/depreciation of the Euro against the US dollar, while keeping other variables unchanged. The analysis was carried out considering cash and cash equivalents as well as trade receivables and trade payables at the end of the financial year.

As at 31 December 2023, the Company had not used derivative financial instruments to hedge currency risk.

The table below shows the results of the analysis carried out:

Currency risk	Impact on profit and shareholders' equity, net of tax effect	
(in thousands of Euro)	USD	
Sensitivity analysis	-10%	+10%
Financial year ended 31 December 2023	202	(165)
Financial year ended 31 December 2022	928	(759)

Note: the positive sign indicates a higher profit and an increase in shareholders' equity; the negative sign indicates a lower profit and a decrease in shareholders' equity; the negative percentage sign an appreciation, the positive percentage sign a depreciation of the dollar.

- **Interest rate risk**

The interest rate risk derives from the possible increase in net finance costs as a result of unfavourable changes in market rates on floating-rate financial positions, which expose the Company to a "cash flow" risk arising from interest rate volatility.

The interest rate risk to which the Company is exposed mainly derives from outstanding mortgages and bank loans.

Fixed-rate payables expose the Company to fair value risk in relation to changes in the fair value of the payable related to market changes in reference rates.

In order to limit the cash flow risk related to variable-rate indebtedness, the Company's decision during the financial period was mainly oriented towards the use of fixed-rate financial indebtedness. Furthermore, in 2023, since the Company had cash and cash equivalents, it invested them in time deposits with an average duration of three months at fixed interest rates in order to maximise financial management.

It should be noted that the Company does not use interest rate derivatives ("Interest Rate Swaps") to hedge interest rate risk.

- **Price risk**

The Company's production costs are affected by the price trends of the main raw materials used such as, in particular, metals and plastics. The price of such materials varies depending on a number of factors, many of which are beyond the Company's control and difficult to predict.

With reference to the purchases made by the Company on the Chinese market and denominated in USD or Euro, it is also exposed to a price risk due to the development of the exchange rate with the local currency; the price of products purchased in USD or Euro can vary based on the exchange rate of the local currency (Renminbi) against the US dollar and the Euro, respectively, in accordance with customary commercial practices in the Chinese market.

The Company's strategy is to reduce the risk of price increases of goods or raw materials by entering into fixed-price supply contracts on the one hand and by contractually renegotiating the prices charged to After Market customers (Automotive dealers and installers and Hospitality and Leisure time customers) on the other hand, while the OEM component of revenues shows a greater rigidity of contractual price conditions.

The company was able to source and purchase raw materials and semi-finished products in sufficient quantities to meet its requirements and maintain its quality standards. With respect to the year ended 31 December 2023, the Company has not adopted any form of volatility risk hedging for raw material costs.

- **Credit risk**

Credit risk is the risk that the Company will suffer a financial loss as a result of a third party defaulting on a payment obligation.

With reference to counterparty risk, cash and cash equivalents are held at primary banking and financial institutions, while the risk related to normal commercial transactions is monitored by the Company's management with the aim of minimising the counterparty risk, which is mainly related to payment extensions granted in relation to the sale of products and services, based on historical information on the insolvency rates of the counterparties themselves. The strategies to manage this risk consist in selecting its customers also on the basis of solvency criteria, in using internal procedures to assess their creditworthiness, and, to a certain extent, in insuring its receivables and using letters of credit to guarantee the successful completion of collections.

Specifically, the information obtained when creating personal data is used for the purpose of assigning specific commercial credit lines and requesting specific insurance to cover the credit line. The credit lines and insured amounts are then periodically monitored and, if necessary, updated to reflect the most recent information obtained.

After this allocation and monitoring phase, in order to contain the risk and reduce days of payment, sales orders received are analysed to determine whether they exceed the allocated credit limit and/or whether they are overdue. Finally, a payment reminder system is initiated on a periodic basis in case of exposures past due by more than 30 days.

The impact of the top 10 customers on the Company's total trade receivables as at 31 December 2023 was 57% (62% as at 31 December 2022). The following table shows the analysis of past due and not impaired trade receivables as at 31 December 2023 and 2022:

Trade receivables by maturity		Breakdown of trade receivables by maturity			
(in thousands of Euro)	31 December 2023	Falling due	Past due within 90 days	Past due from 90 to 180 days	Past due for more than 180 days
Trade receivables before provision	25,500	23,089	1,742	34	635
Bad debt provision	(374)	-	(364)	(10)	-
Total trade receivables	25,126	23,089	1,378	24	635

The decrease in receivables follows the trend of turnover in 2023.

Most of the past due items are related to positions past due within 90 days.

Past due items for more than 180 days include Euro 510 thousand in receivables from the subsidiary Indel B North America (position fully collected in the first two months of 2024), while the remaining balance is due to other related parties. For further details, see paragraph "2.11. Transactions with related parties."

		Breakdown of trade receivables by maturity			
(in thousands of Euro)	31 December 2022	Falling due	Past due within 90 days	Past due from 90 to 180 days	Past due for more than 180 days
Trade receivables before provision	32,500	29,732	2,343	214	211
Bad debt provision	(340)	-	(40)	(214)	(86)
Total trade receivables	32,160	29,732	2,303	-	125

- **Liquidity risk**

Liquidity risk, or funding risk, is the risk that the Company may have difficulty in obtaining the funds necessary to meet its obligations under financial instruments.

The prudent management of liquidity risk in the normal course of business requires the maintenance of an adequate level of cash and cash equivalents and the availability of an adequate level of credit facilities. The following tables summarise the credit lines as at 31 December 2023 and 2022, showing the amount granted, the amount drawn and the amount available:

As at 31 December 2023

(in thousands of Euro)	Credit lines		
	Line amount	Use	Available amount
Banco BPM	50	-	50
Riviera Banca	50	-	50
BPER Banca	25	-	25
Current accounts	125	-	125

As at 31 December 2023

(in thousands of Euro)	Other cash and cash equivalents		
	Line amount	Use	Available amount
Banco BPM	950	-	950
Riviera Banca	1,000	-	1,000
BPER Banca	300	-	300
Crédit Agricole	1,500	-	1,500
Advances on invoices subject to collection	3,750	-	3,750
Factoring	-	-	-
Total	3,750	-	3,750

As at 31 December 2022

	Credit lines		
(in thousands of Euro)	Line amount	Use	Available amount
Banco BPM	50	-	50
Riviera Banca	50	-	50
BPER Banca	25	-	25
Current accounts	125	-	125

As at 31 December 2022

	Other cash and cash equivalents		
(in thousands of Euro)	Line amount	Use	Available amount
Banco BPM	950	-	950
Riviera Banca	1,000	-	1,000
BPER Banca	300	-	300
Crédit Agricole	1,500	-	1,500
Advances on invoices subject to collection	3,750	-	3,750
Factoring	-	-	-
Total	3,750	-	3,750

The following tables include an analysis of liabilities by maturity. The various maturities are based on the period between the end of the reporting period and the contractual expiry date of the obligations. The amounts shown in the tables are contractual amounts and are not discounted. The table does not show the disbursements related to tax payables that will be paid to the tax authorities on the basis of the deadlines set by the regulations in force.

(in thousands of Euro)	Balance as at 31 December 2023	Expected disbursements			
		Within 1 year	Between 1 and 5 years	Beyond 5 years	Total
Financial liabilities	39,293	25,591	14,021	835	40,446
Trade payables	24,868	24,868	-	-	24,868
Other liabilities	6,393	6,393	-	-	6,393
Total	70,554	56,852	14,021	835	71,707

In 2023, the Company took out new credit lines to replace those that had expired or were due to expire. It is important for the Company to maintain an adequate level of liquidity to provide financial stability over the next one to two financial years to support further investment in business growth.

(in thousands of Euro)	Balance as at 31 December 2022	Expected disbursements			
		Within 1 year	Between 1 and 5 years	Within 1 year	Total
Financial liabilities	42,475	20,448	29,178	802	50,429
Trade payables	31,086	31,086	-	-	31,086
Other liabilities	6,375	6,375	-	-	6,375
Total	79,936	57,909	29,178	802	87,890

It is specified that there are sufficient credit lines, liquidity and receivables, together with the Company's ability to generate operating cash flows, to meet the above exposure, with special reference to commitments maturing "within 1 year".

Capital risk management

The Company also monitors capital on the basis of the Gearing Ratio defined as the ratio between (i) Net Financial Indebtedness (as defined below) and (ii) the sum of shareholders' equity and Net Financial Indebtedness.

The following table shows the Gearing Ratio as at 31 December 2023 and 2022:

(in thousands of Euro)	As at 31 December	
	2023	2022
Net financial indebtedness (A)	6,210	25,658
Shareholders' equity (B)	101,035	101,205
Total capital (C)=(A)+(B)	107,245	126,863
Gearing ratio (A)/(C)	5.8%	20.2%

For information on the method of calculating Net Financial Indebtedness, please refer to Note 2.6.19 "Net Financial Indebtedness".

To complete the disclosure on financial risks, the following is a reconciliation between the classes of financial assets and liabilities as identified in the statement of financial position and the types of financial assets and liabilities identified on the basis of the requirements of the international accounting standard - IFRS 7 - adopted in these Financial Statements.

(in thousands of Euro)	Amortised cost	Fair value recognised in OCI	Fair value recognised in profit or loss	31 December 2023
Statement of financial position assets				
Non-current financial assets	2,043	-	-	2,043
Other receivables and other non-current assets	172	-	-	172
Deferred tax assets	1,191	-	-	1,191
Current financial assets	1,549	-	-	1,549
Other equity investments	-	-	66	66
Trade receivables	25,126	-	-	25,126
Cash and cash equivalents	31,534	-	-	31,534
Other receivables and other current assets	3,877	-	-	3,877
Total	65,492	-	66	65,558
Statement of financial position liabilities				
Non-current financial liabilities	14,457	-	-	14,457
Current financial liabilities	24,836	-	-	24,836
Trade payables	24,868	-	-	24,868
Other current liabilities	6,301	-	-	6,301
Total	70,462	-	-	70,462

	Amortised cost	Fair value recognised in OCI	Fair value recognised in profit or loss	31 December 2022
(in thousands of Euro)				
Statement of financial position assets				
Non-current financial assets	2,500	-	-	2,500
Other receivables and other non-current assets	370	-	-	370
Deferred tax assets	930	-	-	930
Current financial assets	1,502	-	-	1,502
Other equity investments	-	-	66	66
Trade receivables	32,160	-	-	32,160
Cash and cash equivalents	15,315	-	-	15,315
Other receivables and other current assets	12,850	-	-	12,850
Total	65,627	-	66	65,693
Statement of financial position liabilities				
Non-current financial liabilities	22,562	-	-	22,562
Current financial liabilities	19,913	-	-	19,913
Trade payables	31,086	-	-	31,086
Other current liabilities	6,256	-	-	6,256
Total	79,817	-	-	79,817

It should be noted that the fair value of financial assets and liabilities approximates the carrying amount.

Fair value

In relation to assets and liabilities recognised in the statement of financial position, IFRS 13 requires that such values be classified on the basis of a hierarchical level that reflects the importance of the inputs used when determining the fair value.

A classification of the fair values of financial instruments based on the following hierarchical levels is shown below:

1. Level 1: Fair value determined on the basis of inputs represented by quoted prices (unadjusted) in active markets for identical financial instruments. Therefore, Level 1 focuses on determining the following elements:

-
- the principal market for the asset or liability or, in the absence of a principal market, the most advantageous market for the asset or liability;
 - the entity's ability to enter into a transaction with the asset or liability at that market price on the measurement date.
2. Level 2: Fair values determined using valuation techniques with reference to observable variables in active markets. The inputs for this level include:
- quoted prices for similar assets or liabilities in active markets;
 - quoted prices for identical or similar assets or liabilities in markets that are not active;
 - inputs other than quoted prices that are observable for the asset or liability, for example interest rates and yield curves observable at commonly quoted intervals, implied volatilities and credit spreads;
 - inputs corroborated by the market.
3. Level 3: Fair value determined using valuation techniques with reference to unobservable market variables.

A Level 3 fair value was used to measure the items measured at fair value shown in the table above.

2.5. Segment reporting

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 regularly reviewed by the entity's chief operating decision maker (for INDEL B the Chief Executive Officer) to make decisions about resources to be allocated to the segment and assess its performance;
- for which discrete financial information is available.

The Company identified only one operating segment. In particular, the management information prepared and made available to the Chief Executive Officer for the above purposes considers the business activities carried out by the Company as a whole; consequently, no segment information is presented in the financial statements.

In the financial year ended 31 December 2023, as in the financial year ended 31 December 2022, there was also no concentration of revenues of individual customers exceeding 10%.

For more details, see Paragraph "2.7.1. Revenues from sales."

2.6. Notes to the statement of financial position

2.6.1. Intangible assets

The following table shows the breakdown and changes in intangible assets for the years ended 31 December 2023 and 2022:

(in thousands of Euro)	Development costs	Patents and know-how	Concessions, licences, trademarks and similar rights	Other intangible assets	Intangible assets in progress and payments on account	Total
Net values as at 01 January 2022	474	29	53	40	3	599
Historical cost as at 01 January 2022	2,669	57	801	47	3	3,577
Increases	-	-	22	-	22	44
Decreases	-	-	-	-	(3)	(3)
Other changes including reclassifications	-	-	-	-	-	-
Historical cost as at 31 December 2022	2,669	57	823	47	22	3,618
Accumulated amortisation as at 01 January 2022	(2,195)	(28)	(748)	(7)	-	(2,978)
Amortisation	(242)	(2)	(36)	(9)	-	(289)
Decreases	-	-	-	-	-	-
Other changes including reclassifications	-	-	-	-	-	-
Accumulated amortisation as at 31 December 2022	(2,437)	(30)	(784)	(16)	-	(3,267)
Net values as at 31 December 2022	232	27	38	31	22	350
Historical cost as at 01 January 2023	2,669	57	823	47	22	3,618
Increases	98	-	160	-	18	276

Decreases	-	-	-	-	-	-
Other changes including reclassifications	-	-	-	-	-	-
Historical cost as at 31 December 2023	2,767	57	983	47	40	3,894
Accumulated amortisation as at 01 January 2023	(2,437)	(30)	(784)	(16)	-	(3,267)
Amortisation	(165)	(2)	(75)	(9)	-	(251)
Decreases	-	-	-	-	-	-
Other changes including reclassifications	-	-	-	-	-	-
Accumulated amortisation as at 31 December 2023	(2,602)	(32)	(859)	(25)	-	(3,518)
Net values as at 31 December 2023	165	23	125	22	40	375

The investments in intangible assets made by the Company in the 2023 financial year, totalling Euro 276 thousand, mainly related to:

- development costs, for an amount of Euro 98 thousand, with reference to specific projects that involved R&D activities aimed at i) the technical design and experimental study of a new solution that guarantees the end user a compressor minibar that is more efficient in terms of functionality and consumption; ii) the technical design and experimental study of a new evaporator system that is easy to install; iii) the study, design and development of a new range of refrigerators that stand out in terms of appearance, aesthetics and shapes; iv) the study and development of new design-construction and technological solutions for applications in recreational vehicles; v) the study and development of new design-building and technological solutions for applications in the nautical environment;
- concessions, licences, trademarks and similar rights of Euro 160 thousand mainly with reference to the purchase of Oracle licenses;
- intangible assets in progress and payments on account of Euro 18 thousand, relating to the filing of new European patents.

As at 31 December 2023, intangible assets were not encumbered or secured and there were no indications of impairment. Therefore, no impairment test was necessary.

2.6.2. Property, plant and equipment

The following table shows the breakdown and changes in "Property, plant and equipment" for the years ended 31 December 2023 and 2022:

(in thousands of Euro)	Land	Buildings and leasehold improvements	Plant and machinery	Fixtures and fittings, tools and equipment	Other assets	Property, plant and equipment in progress and payments on account	Total
Net values as at 01 January 2022	1,874	8,297	7,497	465	641	2,606	21,380
Historical cost as at 01 January 2022	1,874	11,540	16,956	1,689	2,182	2,606	36,847
Increases	-	385	1,042	234	216	1,903	3,780
Decreases	(4)	-	(76)	(1)	(20)	-	(101)
Other changes including reclassifications	-	1,903	598	-	105	(2,606)	-
Historical cost as at 31 December 2022	1,870	13,828	18,520	1,922	2,483	1,903	40,526
Accumulated depreciation as at 01 January 2022	-	(3,243)	(9,459)	(1,224)	(1,541)	-	(15,467)
Depreciation	-	(443)	(1,458)	(225)	(216)	-	(2,342)
Decreases	-	-	76	-	14	-	90
Other changes including reclassifications	-	-	-	-	-	-	-
Accumulated depreciation as at 31 December 2022	-	(3,686)	(10,841)	(1,449)	(1,743)	-	(17,719)
Net values as at 31 December 2022	1,870	10,140	7,679	473	740	1,903	22,805
Historical cost as at 01 January 2023	1,870	13,828	18,520	1,922	2,483	1,903	40,526
Increases	-	57	1,011	151	65	5,303	6,587
Decreases	-	-	(3)	(2)	(6)	-	(11)
Other changes including reclassifications	-	1,468	429	-	-	(1,897)	-
Historical cost as at 31 December 2023	1,870	15,353	19,957	2,071	2,542	5,309	47,102
Accumulated depreciation as at 01 January 2023	-	(3,686)	(10,841)	(1,449)	(1,743)	-	(17,719)
Depreciation	-	(461)	(1,579)	(222)	(219)	-	(2,481)
Decreases	-	-	3	2	6	-	11
Other changes including reclassifications	-	-	-	-	-	-	-
Accumulated depreciation as at 31 December 2023	-	(4,147)	(12,417)	(1,669)	(1,956)	-	(20,189)
Net values as at 31 December 2023	1,870	11,204	7,540	402	586	5,309	26,911

The investments in property, plant and equipment made by the Company in 2023, totalling Euro 6,587 thousand, mainly related to:

- buildings and leasehold improvements of Euro 57 thousand mainly relating to the expansion of the already operational production area located in Via Montefeltro 118/C, in the hamlet of Secchiano, municipality of Novafeltria, and the construction of a new mobile tunnel also in this area;
- plant and machinery of Euro 1,011 thousand, mainly referring to *i)* new plants relating to the new buildings at Secchiano; *ii)* purchase of vertical warehouses; *iii)* purchase of new moulds for production; *iv)* improvements to production lines; *v)* improvements to generic plants;
- fixtures and fittings, tools and equipment of Euro 151 thousand, mainly referring to the purchase of equipment for laboratory and workshop tests and trials, and various equipment for assembly lines;
- other assets of Euro 65 thousand, mainly referring to *i)* the purchase of internal means of transport; *ii)* the purchase of IT services; *iii)* the purchase of PCs and printers; *iv)* the purchase of a fixing station;
- property, plant and equipment in progress and payments on account of Euro 5,303 thousand, mainly referring to the expansion of two new areas adjacent to the already operational production area located in via Montefeltro, 118 Secchiano (RN), and a new line, also in this production area.

As at 31 December 2023, no property was encumbered by a mortgage.

2.6.3. Right of use

This item can be broken down as follows:

(in thousands of Euro)	As at 31 December	
	2023	2022
Right-of-use assets		
Land and buildings	2,278	2,596
Plant and machinery	-	-
Other assets	122	183
Total	2,400	2,778

Of which:		
Historical cost	4,855	4,855
Accumulated depreciation	(2,454)	(2,077)
Right-of-use payables		
Right-of-use payables - current	383	401
Right-of-use payables - non-current	2,110	2,455
Total	2,493	2,856

The impact of IFRS 16 on EBITDA as at 31 December 2023 is positive by Euro 452 thousand, the impact on EBIT is positive by Euro 39 thousand, and the impact on pre-tax profit is negative by Euro 15 thousand.

Changes in this item are broken down as follows:

(in thousands of Euro)	Buildings and leasehold improvements - Right of use	Plant and machinery - Right of use	Other assets - Right of use	Total
Net values as at 01 January 2022	2,374	110	257	2,742
Historical cost as at 01 January 2022	2,904	1,106	324	4,334
Increases	499	-	23	522
Decreases	-	-	-	-
Other changes including reclassifications	-	-	-	-
Historical cost as at 31 December 2022	3,403	1,106	347	4,856
Accumulated depreciation as at 01 January 2022	(529)	(996)	(66)	(1,592)
Depreciation	(277)	(110)	(97)	(484)
Decreases	-	-	-	-
Other changes including reclassifications	-	-	-	-
Accumulated depreciation as at 31 December 2022	(806)	(1,106)	(163)	(2,076)
Net values as at 31 December 2022	2,596	-	183	2,778
Historical cost as at 01 January 2023	3,403	1,106	347	4,856
Increases	-	-	43	43

Decreases	-	-	(44)	(44)
Other changes including reclassifications	-	-	-	-
Historical cost as at 31 December 2023	3,403	1,106	346	4,855
Accumulated depreciation as at 01 January 2023	(806)	(1,106)	(163)	(2,076)
Depreciation	(319)	-	(96)	(415)
Decreases			36	36
Other changes including reclassifications	-	-	-	-
Accumulated depreciation as at 31 December 2023	(1,125)	(1,106)	(223)	(2,454)
Net values as at 31 December 2023	2,278	-	122	2,400

This item represents the discounted value of future multi-year lease payments outstanding as at 31 December 2023, as required by IFRS 16.

2.6.4. Equity investments

This item can be broken down as follows:

(in thousands of Euro)	Financial year ended 31 December	
	2023	2022
Autoclima SpA	31,400	31,400
Elber Industria de Refrigeracao Ltda	4,854	7,054
Indel B North America	803	2,433
Condor B srl	1,707	1,707
Indel Webasto Marine srl	51	51
Total	38,815	42,645

The company Autoclima S.p.A., acquired in 2017, in turn acquired the French company Electric Station Climatisation in January 2021 for Euro 1.6 million and the Italian company SEA in May for Euro 6.8 million. In 2022, Autoclima S.p.A sold 2% of the equity investment held by Indel B Germany GmbH, and in 2023, a further 2%.

Therefore, to date, it has the following equity investments:

- 94% of Indel B Germany GmbH, based in Germany;
- 70% of Autoclima Rus LLC, based in Moscow, Russia;
- 90% of Autoclima Iberica S.L., based in Barcelona, Spain;
- 85% of Autoclima POLSKA Sp. z o.o., based in Poland;
- 100% of Electric Station Climatisation, based in France;
- 100% of SEA, based in Italy.

On 13 March 2019, Indel B S.p.A. acquired 100% of Commercial Products International Inc. which changed its name to Indel B North America Inc. on 26 June 2019.

With the support of independent experts, we tested for impairment those equity investments whose carrying amount was higher than the relevant portion of shareholders' equity. These equity investments are: Autoclima, Indel B North America and Elber Indústria de Refrigeração. The impairment test was prepared on the basis of the 2024-2028 plans received from the board of directors of the respective companies and approved by the Board of Directors of Indel B on 12 April 2024.

The Impairment test was carried out by comparing:

- the carrying amount of the equity investment;
- the recoverable amount of the equity investment, identified in terms of Value in Use, resulting from the application of the Unlevered Discounted Cash Flow ("UDCF") Method to the expected cash flows.

The recoverable amount of the equity investment (Equity Value) was estimated in terms of Value in Use. In particular, the following elements were considered:

- present value of Unlevered Free Cash Flows for the explicit forecast period (2024-2028);
- present value of the Terminal Value calculated after the last explicit projection year (2028);
- value of the Net Financial Position as at 31 December 2023.

To determine the Enterprise Value, we considered the value of the cash flows generated under the assumption of continuity at the end of the explicit projection period (2028). The terminal value was estimated by applying a perpetuity considering the long-term sustainable average normal cash flow, the discount rate and a perpetual growth rate. In particular, Indel B calculated the normalised cash flow using EBITDA and amortisation equal to those of 2028. The Terminal Value was calculated using a perpetual growth rate (growth rate or "g") equal to the expected long-term inflation estimates for the reference countries (source IMF, October 2023).

The estimated WACC was 17.5% for the Elber equity investment, 13.1% for the Indel B North America equity investment and 10.9% for the Autoclima equity investment.

The estimated G-rate was 3.0% for the Elber equity investment, 2.1% for the Indel B North America equity investment and 1.9% for the Autoclima equity investment.

The Company, with the support of the appointed independent expert, carried out sensitivity analyses on the results of the financial year described above.

In conclusion:

- In relation to the associate Elber, based on the impairment test and the related sensitivity analyses performed, the Directors estimated that a write-down of Euro 2.2 million should be recognised in the income statement, as the difference between the Equity Value (estimated at approximately Euro 4.7 million) and the carrying amount of the equity investment;
- In relation to the subsidiary Indel B North America, based on the impairment test and the related sensitivity analyses performed, the Directors estimated that a write-down of Euro 1.6 million should be recognised in the income statement, as the difference between the Equity Value (estimated at approximately Euro 1.2 million) and the carrying amount of the equity investment;
- Autoclima's impairment test and the related sensitivity has not identified any potential impairment situations.

It should be noted that for those equity investments where the value in use was lower than their carrying amount at the end of the reporting period, the Directors, with the support of the independent expert, also assessed the fair value of the investees, estimated using the transaction method. The estimated fair value was substantially equal to or less than the value in use and therefore the Directors carried out the write-downs as described above.

For further details, see paragraph "2.8.4 Equity investments measured using the equity method" of the consolidated notes.

It should be noted that during 2023, the directors of the subsidiary Autoclima S.p.A. decided, out of an abundance of caution and prudence, to leave unchanged the provision of Euro 1 million, recognised in 2022, against the charges that might be imposed on the company due to the restrictive measures applicable to commercial transactions with certain counterparties located in Russia.

The following table shows the breakdown and changes in "Equity Investments":

(in thousands of Euro)	Subsidiaries	Associates and jointly controlled entities	Total
Values as at 1 January 2022	35,540	7,105	42,645
Investments/Divestments	-	-	-
Dividends	-	-	-
Net result	-	-	-
Write-down of equity investment	-	-	-
Foreign exchange translation differences	-	-	-
Values as at 31 December 2022	35,540	7,105	42,645
Investments/Divestments	-	-	-
Dividends	-	-	-
Net result	-	-	-
Write-down of equity investment	(1,630)	(2,200)	(3,830)
Foreign exchange translation differences	-	-	-
Values as at 31 December 2023	33,910	4,905	38,815

The following table summarises the main information on the equity investments held by the Company:

Company name	Registered Office	Currency	Share capital as at 31 December 2023 (in currency units)	Shareholders' equity as at 31 December 2023 (in currency units)	Profit/Loss as at 31 December 2023 (in currency units)	% held	
						As at 31 December 2023	As at 31 December 2022
Equity investments in subsidiaries							
Condor B S.r.l.	Italy	EUR	728,000	6,004,266	260,448	100.0%	100.0%
Autoclima SpA	Italy	EUR	2,750,000	28,450,931	2,756,754	100.0%	100.0%
Indel B North America	United States	USD	10,133	907,348	(639,188)	100.0%	100.0%
Equity investments in associates and jointly controlled entities							
Indel Webasto Marine S.r.l.	Italy	EUR	101,490	9,962,739	4,582,035	50.0%	50.0%
Elber Industria de Refrigeracao Ltda	Brazil	BRL	6,896,810	39,588,990	9,796,724	40.0%	40.0%

The following tables summarise the main financial information of jointly controlled entities and associates, as reported in their respective financial statements.

(in thousands of Euro)

As at 31 December

	2023	2022
1. Indel Webasto Marine (consolidated financial statements)		
Non-current assets	753	830
Current assets	22,381	20,800
<i>Of which cash and cash equivalents</i>	<i>7,340</i>	<i>2,921</i>
Total assets	23,134	21,630
• Total shareholders' equity	19,341	16,301
Non-current liabilities	764	1,090
<i>Of which financial</i>	<i>129</i>	<i>510</i>
Current liabilities	3,029	4,239
<i>Of which financial</i>	<i>614</i>	<i>812</i>
Total liabilities and SE	23,134	21,630

Total revenues	35,456	40,200
Amortisation, depreciation, provisions and write-downs	(177)	(205)
Net finance (income)/costs	6	148
Income tax	(2,187)	(2,318)
Profit/(loss) for the year	5,554	6,176
Other comprehensive income (expense)	(153)	132
Total profit for the year	5,401	6,308
Dividends distributed to Indel B	1,100	1,500

(in thousands of Euro)

As at 31 December

	2023	2022
2. Elber Indústria de Refrigeração		
Non-current assets	5,226	4,275
Current assets	14,084	11,315
<i>Of which cash and cash equivalents</i>	2,062	1,202
Total assets	19,310	15,590
• Total shareholders' equity	7,384	5,797
Non-current liabilities	4,835	4,250
<i>Of which financial</i>	582	491
Current liabilities	7,091	5,543
<i>Of which financial</i>	2,873	2,379
Total liabilities and SE	19,309	15,590
Total revenues	21,015	18,630
Amortisation, depreciation, provisions and write-downs	(463)	(806)
Net finance (income)/costs	95	(48)
Income tax	(690)	(379)
Profit/(loss) for the year	1,814	1,296
Other comprehensive income (expense)	696	1,406
Total profit for the year	2,510	2,702
Dividends distributed to Indel B	234	462

2.6.5. Other equity investments

This item, amounting to Euro 66 thousand as at 31 December 2023 (Euro 66 thousand as at 31 December 2022), refers to the value of the 3.5% equity investment held in Bartech System Int USA.

2.6.6. Financial assets (non-current and current)

As at 31 December 2023, current financial assets of Euro 1,549 thousand mainly concerns a loan granted to the subsidiary Indel B North America of Euro 425 thousand, which was disbursed to meet currency requirements and a loan granted to the subsidiary Autoclima of approximately Euro 1,000 thousand, which was disbursed to meet two new acquisitions in 2021.

As at 31 December 2023, non-current financial assets of Euro 2,043 thousand mainly concerns the non-current portion of the loan granted to the subsidiary Indel B North America of approximately Euro 543 thousand, and the non-current portion of the loan granted to the subsidiary Autoclima of approximately Euro 1,500 thousand.

As at 31 December 2022, current financial assets of Euro 1,502 thousand concerns a loan granted to the subsidiary Indel B North America of Euro 502 thousand, which was disbursed to meet currency requirements and a loan granted to the subsidiary Autoclima of approximately Euro 1,000 thousand, which was disbursed to meet two new acquisitions in 2021.

As at 31 December 2022, the item non-current financial assets of Euro 2,500 thousand is the non-current portion of the loan granted to the subsidiary Autoclima.

The carrying amount of non-current and current financial assets as at 31 December 2023 and 2022 is deemed to be a reasonable approximation of their fair value.

2.6.7. Other receivables and other assets (non-current and current)

This item can be broken down as follows:

(in thousands of Euro)	As at 31 December	
	2023	2022
Tax receivables	54	126
Other non-current assets	60	60
Non-current accrued income and prepaid expenses	58	184
Other receivables beyond one year	-	-
Other receivables and other non-current assets	172	370
Tax receivables	3,498	5,363

Other current assets	37	7,218
Receivables from social security institutions	47	84
Accrued income and prepaid expenses	295	185
Other receivables and other current assets	3,877	12,850

The item "Other non-current assets" refers for Euro 50 thousand to security deposits related to lease contracts; for further details, please refer to section 2.11 "Transactions with Related Parties".

The item "Other current assets" as at 31 December 2022 includes Euro 7,094 thousand for the receivable for the sale of the equity investment in the Chinese company Guangdong Iceco, which was sold in June 2021.

This receivable was collected on 28 June 2023 in the amount of Euro 6,283 thousand.

The item "Current tax receivables" refers to VAT receivables amounting to Euro 3,477 thousand, which will be used by offsetting tax payables, the remainder being subject to refund claims.

2.6.8. Deferred tax assets

Changes in "Deferred tax assets" for the years ended 31 December 2023 and 2022 are shown below:

(in thousands of Euro)	Balance as at 31 December 2022	Provisions/releases through profit or loss	Provisions/releases to equity	Balance as at 31 December 2023
Deferred tax assets				
Property, plant and equipment	221	11	-	232
Intangible assets	-	-	-	-
Provisions for risks and charges	470	311	-	781
Bad debt provision	25	-		25
Inventories	387	24	-	411
Employee benefits	-	-	-	-
Additional charges on loans	-	-	-	-
Other	72	(72)	-	-
Total deferred tax assets	1,175	274	-	1,449
Deferred tax liabilities				
Property, plant and equipment	75	-	-	75
Intangible assets	-	-	-	-
Inventories	-	-	-	-
Provisions for risks and charges	9	-	(1)	8

Employee benefits	16	-	(6)	10
Foreign currency gains	13	(64)	-	19
Other	60	84	-	144
Total deferred tax liabilities	245	20	(7)	258
Net deferred tax assets	930	254	7	1,191

In accordance with IAS 12, deferred tax assets and deferred tax liabilities are offset only if the entity has a legally exercisable right to offset the current tax assets with current tax liabilities and the deferred tax assets and deferred tax liabilities are related to income taxes applied by the same tax jurisdiction.

The Company expects to have future taxable income to absorb the deferred tax assets recognised.

2.6.9. Inventories

This item can be broken down as follows:

(in thousands of Euro)	As at 31 December	
	2023	2022
Raw materials and consumables	23,440	26,515
Work in progress and semi-finished goods	1,927	2,003
Finished products and goods for resale	15,050	20,363
Provision for inventory obsolescence	(1,000)	(900)
Other receivables and other non-current assets	39,417	47,981

Inventories as at 31 December 2023 decreased compared to the same period of the previous year.

This decrease was due to both lower logistics and component costs incurred in 2023, and lower purchases related to the reduction in volumes and turnover.

The following table shows the changes in the provision for inventory obsolescence for the years ended 31 December 2023 and 2022:

(in thousands of Euro)	Provision for inventory obsolescence
Values as at 01 January 2022	720
Allocations	180
Uses/Releases	-
Values as at 31 December 2022	900
Allocations	100
Uses/Releases	-
Values as at 31 December 2023	1,000

2.6.10. Trade receivables

This item can be broken down as follows:

(in thousands of Euro)	As at 31 December	
	2023	2022
Gross trade receivables	25,500	32,500
Bad debt provision	(374)	(340)
Total	25,126	32,160

The item "Trade Receivables" decreased compared to 31 December 2022 due to the decline in sales, which mainly affected the Leisure and Cooling Appliance markets that had experienced strong growth in the post-Covid years.

Trade receivables not past due amounted to Euro 23,089 thousand as at 31 December 2023 (Euro 29,732 thousand as at 31 December 2022).

The value of past due trade receivables net of the related bad debt provision amounted to Euro 2,037 thousand as at 31 December 2023 (Euro 2,428 thousand as at 31 December 2022). The analysis of receivables by maturity is shown in Note 2.4 "Typology and procedures for the management of financial risks".

Changes in the bad debt provision for the years ended 31 December 2023 and 2022 are shown below:

(in thousands of Euro)	Bad debt provision
Values as at 01 January 2022	266
Allocations	78
Uses/Releases	(4)
Values as at 31 December 2022	340
Allocations	50
Uses/Releases	(16)
Values as at 31 December 2023	374

Receivables were written off using the bad debt provision when the likelihood of recovery is considered to be remote.

The carrying amount of trade receivables (net of bad debt provision) as at 31 December 2023 and 2022 is deemed to be a reasonable approximation of their fair value.

The maximum exposure to credit risk at the end of each reporting period is the fair value of trade receivables.

2.6.11. Cash and cash equivalents

This item can be broken down as follows:

(in thousands of Euro)	As at 31 December	
	2023	2022
Bank and postal deposits	31,526	15,306
Cheques, cash at bank and in hand	8	9
Total	31,534	15,315

Bank and postal deposits include available funds deposited on current accounts with leading banking and financial institutions.

The following table shows the Company's cash and cash equivalents by currency as at 31 December 2023 and 2022:

(in thousands of Euro)	As at 31 December	
	2023	2022
EUR	27,674	7,877
USD	3,856	7,435
Other currencies	4	3
Total	31,534	15,315

It should be noted that as at 31 December 2023, there were 3-month restricted cash and cash equivalents of Euro 16,000 thousand, which were not present as at 31 December 2022. As mentioned above, the aim is to optimise the financial yield on one's cash and cash equivalents.

Please refer to the analysis of the statement of cash flows for a better understanding of the changes related to this item.

2.6.12. Shareholders' equity

The main components of shareholders' equity are as follows:

(in thousands of Euro)	As at 31 December	
	2023	2022
Share capital	5,842	5,842
Share premium reserve	23,334	23,887
Legal reserve	1,168	1,168
Other reserves	65,776	58,700
Profit/(loss) for the year	4,915	11,608
Total	101,035	101,205

Availability and use of shareholders' equity

The shareholders' equity items are broken down depending on their origin, possibility of use, possibility of distribution and the actual use in the 3 previous financial years (Article 2427, first paragraph, no. 7-bis, of the Italian Civil Code)

	Amount	Origin/nature	Possibility of use	Amount available	Summary of uses in the previous three financial years	
					to cover losses	for other reasons
Share capital	5,842		B	5,842		
Legal reserve	1,168		A, B	1,168		
Other reserves						
Share premium reserve	23,334		A, B, C, D	23,334		
Other reserves	65,776		A, B, C, D	65,776		13,142
Total	96,120			89,110		13,142
Non-distributable portion				7,010		
Remaining distributable portion				89,110		

Key: A: for share capital increase; B: to cover losses; C: for distribution to shareholders; D: for other statutory requirements; E: other

Share capital

The Company's share capital of Euro 5,842 thousand as at 31 December 2023 (Euro 5,842 thousand as at 31 December 2022) is fully subscribed and paid-up and consists of 5,842,000 thousand ordinary shares with a nominal value of Euro 1.00 each.

Share premium reserve

The share premium reserve as at 31 December 2023 amounted to Euro 23,334 and resulted from the IPO transaction and the share capital increases of September and November 2017. The decrease in the reserve as at 31 December 2023 compared to 31 December 2022 is due to the treasury shares purchased by the Company during the year. As at 31 December 2023, the Company held 220,711 shares at a value of Euro 4,754 thousand.

For the sake of clarity, with reference to the share capital increase operations, the first increase was subscribed and paid for Euro 1,000,000 in 2017 plus a share premium of Euro 20,839 thousand by Qualified Investors as part of the institutional placement aimed at listing the Company's shares on the MTA.

A further 100,000 shares were subscribed in September 2017 by the former shareholders of Autoclima SpA.

The issue price of the New Shares was set at Euro 25 per share, of which Euro 1.00 to be allocated to share capital and Euro 24.00 as share premium (Euro 2,400 thousand) in line with the criteria already used to determine the share price at the end of the listing process. This price was quantified in compliance with the proxy granted by the

Shareholders' Meeting, which provided for the possibility of offering newly issued shares to third parties, even after the closing of the listing process, provided that the price was not lower than the IPO offer price, which was set at Euro 23 per share.

The share capital increase of November 2017 is related to the agreement with an institutional investor concerning the issue, in favour of the latter, of 160,000 new Indel B shares deriving from the share capital increase approved by resolutions passed at the Shareholders' Meetings of 7 March and 6 September 2017 at a subscription price of Euro 31.3 per share, of which Euro 1.00 is to be allocated to share capital and Euro 30.3 as a share premium (Euro 4,849 thousand), for a total value of Euro 5,008,000 (including share premium).

Legal reserve

The "Legal Reserve" consists of provisions made pursuant to Art. 2430 of the Italian Civil Code, as described in the section of the accounting standards of this document.

This reserve amounted to Euro 1,168 thousand as at 31 December 2023 (Euro 1,168 thousand as at 31 December 2022).

Other reserves

Other reserves, which totalled Euro 65,776 thousand as at 31 December 2023 (Euro 58,700 thousand as at 31 December 2022), mainly included the extraordinary reserve, the reserve for actuarial gains and losses, specific profit and capital reserves, the economic results of previous years for the portion not distributed or allocated to the legal reserve, as well as the reserve generated upon first-time adoption of IFRS.

2.6.13. Provisions for risks and charges

The "Provisions for risks and charges" amounted to Euro 2,591 thousand as at 31 December 2023 (Euro 1,457 thousand as at 31 December 2022).

Changes in the provisions for risks and charges for the years ended 31 December 2023 and 2022 are shown below:

(in thousands of Euro)	Provision for agents' leaving indemnities	Product guarantee fund	Other provisions	Provisions for risks and charges
Values as at 01 January 2022	209	280	1,192	1,681
Allocations	8	574	156	738
Finance costs	2	-	-	2
Actuarial (gains)/losses	(15)	-	-	(15)

Uses/Releases	-	(154)	(795)	(949)
Other changes including reclassifications	-	-	-	-
Values as at 31 December 2022	204	700	553	1,457
Allocations	12	1,785	35	1,832
Finance costs	7	-	-	7
Actuarial (gains)/losses	(5)	-	-	(5)
Uses/Releases	-	(700)	-	(700)
Other changes including reclassifications	-	-	-	-
Values as at 31 December 2023	218	1,785	588	2,591

The provision for agents' leaving indemnities represents a reasonable forecast of the charges that would be borne by the company in the event of termination of the agency relationship. This provision was measured, with regard to one-firm agents, using the actuarial method of measuring the unit credit projection carried out by independent actuaries in accordance with IAS 19, and with regard to multi-firm agents by applying the actuarial method set forth in IAS 37. The economic and demographic assumptions used for the purposes of the actuarial valuations of the provision for one-firm agents under IAS 19 are detailed below:

	2023	2022
Annual technical discounting rate	3.17%	3.77%

The product guarantee fund represents the estimated future costs to be incurred for work on products sold and covered by the guarantee. This fund was calculated on the basis of historical information regarding the nature, frequency and average cost of repairs under guarantee. The average guarantee period for products sold and covered by a guarantee is approximately two years.

The provision of Euro 1,785 thousand is broken down as follows:

- Euro 825 thousand was set aside as a result of the generic calculation that is based, as described above, on historical information regarding the nature, frequency and average cost of repairs under guarantee;
- Euro 840 thousand was set aside as a result of a defect reported by the DAF customer in relation to an electronic component in some refrigerators, which is still being resolved between the parties;

- Euro 120 thousand was set aside in anticipation of the conclusion of the recall campaign initiated by the customer Iveco in 2022.

In any case, it should be noted that the Company has always taken out insurance policies with leading international companies, capable of covering any claims such as those that occurred in the last two financial years with the aforementioned customers.

As at 31 December 2023, the item "Other provisions" mainly included the provision of Euro 35 thousand following the three-year final settlement of the "Long Term Incentive Plan 2021-2023" for strategic executives.

The following changes occurred during 2022:

- it was used in the amount of Euro 461 thousand following the reversal of the R&D tax credit for 2016 - 2017 - 2018;
- an amount of Euro 334 thousand was released following the presentation of the Motion to Settle to the Tax Authorities, as the conditions to benefit from the amnesty relating to penalties and interest were met, and its finalisation took place with the full transfer of the amounts related to the R&D tax credit for 2016 - 2017 - 2018.

The following updates in the relations with the Tax Authorities should also be noted.

Notice of settlement of the registration fee and reclassification by the Tax Authorities of the deed of 8 September 2017

As previously announced, on 30 November 2017, the Company was served with a notice of settlement of the registration fee in relation to the transaction for the purchase of the entire equity investment in Autoclima Spa, which was finalised on 8 September 2017.

The Tax Authorities have essentially reclassified the deed of "transfer of shares" as a deed of "transfer of business", through an unacceptable interpretation and application of Article 20 of Italian Presidential Decree no. 131 of 26 April 1986. The reclassification of the deed is related only to the registration fee. Following this reclassification, the Tax Authorities served the transferors of the shares and the Company with the above-mentioned notice and demanded a registration fee of Euro 1,536 thousand, plus interest, to be paid jointly and severally by the parties. The Company immediately lodged an appeal with the Provincial Tax Commission of Pesaro against the notice of settlement, together with a request for suspension of the deed. The appeal based its main objections on the incorrect/unlawful application of Art. 20 of Italian Presidential Decree no. 131/1986, which wrongly considers the legal effects of a transfer of shares tantamount to those of a business transfer. Moreover, the 2018 Budget Law amended the text of Art. 20 by clarifying the scope of the regulations and specifying, as the Ministerial Report well points out, that a transfer of shares, whether in full or in part, cannot be reclassified pursuant to Art. 20 as a

transfer of business. The Provincial Tax Commission of Pesaro, with judgement no. 408/2018 filed on 4 July 2018, upheld the company's appeal on the assumption of the interpretation - with retroactive effect - of the renewed provisions of the aforementioned Art. 20.

Pending the proceedings, Art. 1, para. 1084, of Italian Law no. 145 of 30 December 2018 (2019 Budget Law), textually stated that: "Article 1, paragraph 87, letter a), of Italian Law no. 205 of 27 December 2017 constitutes an authentic interpretation of Article 20, paragraph 1, of the consolidation act referred to in Italian Presidential Decree no. 131 of 26 April 1986". Therefore, the 2019 Budget Law (Art. 1, para. 1084), overcoming the orientation of legitimacy that had been formed in the meantime, established, without leaving any room for uncertainty, the authentic interpretation and, therefore, the retroactivity of the amendments already made by the 2018 Budget Law to Art. 20 of Italian Presidential Decree no. 131/86 on reclassification for the purposes of registration fees.

Notwithstanding the renewed regulations, the Tax Authorities appealed against the judgement in first instance, in a nutshell, on the sole ground that it was vitiated by a "vizio in giudicando" in that, "in the case in point, the CTP decided to apply a supervening regulation (not similar to those to which the "favor rei" principle applies) in a case of obvious inapplicability and, moreover, in the absence of factual assumptions", placing itself "in contrast both with the principles of succession of laws in time (known as the "tempus regit actum" principle Art. 11 of the prel. prov. of the Italian Civil Code) and with the principles of non-retroactivity of tax regulations (Art. 14 of the Italian Civil Code)".

In May 2022, the Provincial Department of Pesaro-Urbino, after requesting a specific opinion from DRE Marche, ordered the rejection of the request for self-help of the notice of settlement issued, submitted by the company pending the dispute proceedings, considering that the new provisions of Art. 20 of Italian Presidential Decree no. 131/1986, the retroactive effect of which was finally recognised, as we have always maintained, do not entail the supervening illegitimacy of the contested deed on the assumption that the enforcement deed would remain "consistent even with the new wording of Art. 20 of the T.U.R. and therefore immune from any defect of legitimacy".

The arguments put forward by the Provincial Department of Pesaro-Urbino are in clear contrast with the position now adopted by the Constitutional Court, which, in its judgement no. 158 filed on 21 July 2020, declared unfounded the questions of constitutionality raised by the Court of Cassation (by order no. 23549/2019) and confirmed that Article 20 of Italian Presidential Decree no. 131/1986 can be applied, even retroactively, only in relation to the individual deed to be registered, thus putting an end to the dispute over the interpretation of this regulation, which can therefore be considered settled in all respects.

In April 2023, a further request for reviewing the reconsideration already filed was sent to the same Provincial Department of Pesaro-Urbino, which represents the almost unambiguous position of the Supreme Court following the above-mentioned judgement of the Constitutional Court. This request has not yet been answered.

Therefore, as things stand, Indel B will be obliged to continue the litigation procedure before the Regional Tax Commission of Ancona in the Marche region, where the case is still pending, (since it has decided not to use the easy settlement of pending tax disputes pursuant to Italian Law no. 197/2022) considering that the tax authorities' action was specious, as already sanctioned by the Provincial Tax Commission of Pesaro, which upheld the company's appeal with a judgement based on the same considerations subsequently expressed by the Constitutional Court.

2.6.14. Employee benefits

Changes in "Employee benefits" for the years ended 31 December 2023 and 2022 are shown below:

(in thousands of Euro)	Employee benefits
Values as at 01 January 2022	787
Finance costs	7
Actuarial (gains)/losses	(121)
Uses/Releases	(42)
Values as at 31 December 2022	631
Finance costs	23
Actuarial (gains)/losses	29
Uses/Releases	(49)
Values as at 31 December 2023	634

This item is entirely related to "Post-employment benefits", governed by Art. 2120 of the Italian Civil Code, which includes the estimate of the obligation related to the amount to be paid to employees upon termination of employment as benefit. The benefit is calculated on the basis of the salary paid in respect of the employment relationship, revalued up to the time of its termination. As a result of the legislative changes introduced as at 1 January 2007, the accruing post-employment benefits are allocated either to pension funds or to the treasury fund set up with INPS, depending on the choice made by each employee. This implies that the liability relating to the accrued post-employment benefits accrued prior to 1 January 2007 continues to represent a defined benefit plan to be measured according to actuarial techniques, while a portion of the accruing post-employment benefits is classified as a defined contribution plan as the company's obligation ends with the payment of contributions to the pension fund or INPS.

The provision reflects the effects of discounting in accordance with IAS 19.

The economic and demographic assumptions used for the purposes of the actuarial valuations:

	2023	2022
Discounting rate	3.17%	3.77%
Inflation rate	2.00%	5.9% for 2023, 2.3% for 2024, 2.0% as from 2025
Rate of increase of Post-employment benefits	3.00%	5.9% for 2023, 2.3% for 2024, 2.0% as from 2025

A sensitivity analysis, as at 31 December 2023, of the key actuarial assumptions used in the calculation model, is shown below, using the base scenario described in the table above and increasing and decreasing the average annual discount rate, the average annual inflation rate and the annual turnover rate, by one-half, one-quarter and one percentage point, respectively. The liability values thus obtained can be summarised in the table below:

(in thousands of Euro)	Annual discounting rate		Annual inflation rate		Annual turnover rate	
	+0.50%	-0.50%	+0.25%	-0.25%	+1.00%	-1.00%
Past Service Liability	606	665	643	626	637	632

There are no defined benefit plan assets.

2.6.15. Financial liabilities (non-current and current)

A breakdown of current and non-current financial liabilities as at 31 December 2023 and 2022 is provided below:

(in thousands of Euro)	As at 31 December 2023		As at 31 December 2022	
	Current portion	Non-current portion	Current portion	Non-current portion
Current and non-current financial liabilities				
Bank mortgage and loans	23,868	11,494	19,154	18,978
Loan of the Ministry of Economic Development	154	493	150	647
Simest loans	120	360	-	481
Other financial liabilities	311	-	208	-
Right-of-use payables	383	2,110	401	2,455
Total	24,836	14,457	19,913	22,562

The item "Right-of-use payables" refers to the financial payable mainly related to long-term lease contracts for buildings. The liability was recognised in accordance with the provisions of the new IFRS 16, which became effective on 1 January 2019, and is determined as the present value of future lease payments, discounted at a marginal interest rate based on the expected contractual term of each contract.

The carrying amount of non-current and current financial liabilities as at 31 December 2023 and 2022 is deemed to be a reasonable approximation of their fair value.

The table below provides a breakdown of bank mortgages and loans outstanding as at 31 December 2023 and 2022:

(in thousands of Euro)	Maturity	2023	of which current portion	2022	of which current portion
Banco BPM	2023	-	-	5,000	5,000
Banco BPM 2	2024	7,000	7,000	-	-
Banco Desio	2025	3,274	2,177	5,430	2,156
BPER Banca	2025	1,517	1,010	2,520	1,002
BPER Banca 2	2025	2,513	1,672	4,174	1,661
Crédit Agricole	2024	300	300	600	600
Crédit Agricole 2	2025	1,094	1,010	1,932	1,006
Crédit Agricole 3	2025	3,557	2,013	5,032	1,974
Intesa San Paolo	2026	4,208	1,632	-	-
Monte Paschi Siena	2023	-	-	375	375
Monte Paschi Siena 2	2025	3,524	2,344	5,846	2,323
Riviera Banca	2025	1,894	1,260	3,144	1,250
Riviera Banca 2	2026	4,208	1,633	-	-
Unicredit	2025	2,273	1,817	4,080	1,807
Ministry loan	2027	647	154	797	150
SIMEST 35360	2027	480	120	480	-
SIMEST 44366	2025	0	0	1	0
Total		36,489	24,142	39,411	19,304

The following table provides a breakdown of bank mortgages and loans, including the loan granted by the Ministry of Economic Development, outstanding as at 31 December 2023 by maturity dates.

It should also be noted that all of the Company's outstanding loans are at fixed interest rates.

(in thousands of Euro)	Residual debt as at 31 December 2023	2024	2025	2026	2027	2028	Beyond 2029
Banco BPM 2	2024	7,000	-	-	-	-	-
Banco Desio	2025	2,177	1,097	-	-	-	-
BPER Banca	2025	1,010	508	-	-	-	-
BPER Banca 2	2025	1,672	841	-	-	-	-
Crédit Agricole	2024	300	-	-	-	-	-
Crédit Agricole 2	2025	1,010	85	-	-	-	-
Crédit Agricole 3	2025	2,013	1,544	-	-	-	-
Intesa San Paolo	2026	1,632	1,700	876	-	-	-
Monte Paschi Siena 2	2025	2,344	1,179	-	-	-	-
Riviera Banca	2025	1,260	634	-	-	-	-
Riviera Banca 2	2026	1,633	1,699	876	-	-	-
Unicredit	2025	1,817	455	-	-	-	-
Ministry loan	2027	154	159	164	170	-	-
SIMEST 35360	2027	120	120	120	120	-	-
SIMEST 44366	2025	0	0	-	-	-	-
Total	36,489	24,142	10,021	2,036	290	-	-

Loans outstanding as at 31 December 2023

1. Loan agreement with BPM

On 3 April 2023, Indel B SpA entered into a loan agreement of Euro 7,000 thousand (the "BPM 2 Loan"). The BPM 2 loan has a duration of 18 months, with repayment of 4 interest-only instalments, the first of which expired on 30 June 2023, and 3 principal and interest payments, the first of which will expire on 30 June 2024.

2. [Loan agreement with Banco Desio](#)

On 21 February 2022, Indel B SpA took out a Loan of Euro 6,500 thousand (the "Banco Desio Loan"). The Banco Desio loan has a duration of 3 years, with repayment in 6 half-yearly instalments.

3. [Loan agreement with BPER Banca](#)

On 30 April 2020, Indel B SpA took out an unsecured loan with BPER Banca S.p.A. of Euro 5,000 thousand (the "BPER Banca Loan").

The BPER Banca loan has a duration of five years with repayment in 20 quarterly instalments.

On 31 March 2022, Indel B SpA took out an additional loan with BPER Banca of Euro 5,000 thousand (the "BPER Banca 2 Loan"). The BPER Banca loan has a duration of 3 years with repayment in 6 half-yearly instalments.

4. [Loan agreement with Banca Intesa Mediocredito](#)

On 28 February 2018, Indel B SpA took out a loan with Mediocredito Italiano S.p.A. of Euro 5,500 thousand (the "Banca Intesa Mediocredito Loan").

The Banca Intesa Mediocredito loan has a duration of 5 years, with repayment in 20 quarterly instalments.

5. [Loan agreement with Crédit Agricole Cariparma](#)

On 24 July 2018, Indel B SpA took out an unsecured loan with Crédit Agricole Cariparma of Euro 3,000 thousand (the "Crédit Agricole Loan").

The Crédit Agricole loan has a duration of 5 years, with repayment in 10 half-yearly instalments.

On 29 November 2019, Indel B SpA took out an additional unsecured loan with Crédit Agricole of Euro 5,000 thousand (the "Crédit Agricole 2 Loan").

The Crédit Agricole 2 loan has a duration of five years with repayment in 60 monthly instalments.

It also provides for the calculation and disclosure of certain financial covenants:

- NFP/EBITDA
- EBITDA/Net Finance Costs

These covenants have been met for 2023.

On 29 June 2022, Indel B SpA took out an additional loan with Crédit Agricole of Euro 6,000 thousand (the "Crédit Agricole 3 Loan"). The Crédit Agricole loan has a duration of 3 years with repayment in 12 quarterly instalments.

6. [Loan agreement with Intesa San Paolo](#)

On 31 May 2023, Indel B SpA entered into a loan agreement of Euro 5,000 thousand.

The Intesa San Paolo loan has a duration of 3 years, with repayment of 1 interest-only instalment, which expired on 30 June 2023, and quarterly instalments, the first of which expired on 29 September 2023.

It also provides for the calculation and disclosure of certain financial covenants on the annual consolidated financial statements:

- NFP/EBITDA
- EBITDA/Finance Costs

These covenants have been met for 2023.

7. [Loan agreement with Monte dei Paschi di Siena](#)

On 24 February 2022, Indel B S.p.A. took out a loan agreement of Euro 7,000 thousand (the "Monte Paschi Siena 2 Loan").

The Monte Paschi Siena 2 loan has a duration of 3 years with repayment in half-yearly instalments.

It also provides for the calculation and disclosure of certain financial covenants:

- NFP/EBITDA
- Net Finance Costs/EBITDA

These covenants have been met for 2023.

8. Loan agreement with RivieraBanca Credito Cooperativo Di Rimini E Gradara - Soc.Coop.

On 12 May 2020, Indel B SpA took out a loan of Euro 5,000 thousand with Riviera Banca Credito Cooperativo di Rimini e Gradara Società Cooperativa (the "Rimini Banca Loan").

The Riviera Banca loan has a duration of 5 years with repayment in 8 half-yearly instalments.

On 25 May 2023, Indel B SpA entered into a loan agreement of Euro 5,000 thousand. The Riviera Banca loan has a duration of 38 months, with repayment of 1 interest-only instalment, which expired on 30 June 2023, and 6 half-yearly instalments, the first of which expired on 31 December 2023.

9. Loan agreement with Unicredit

On 09 January 2020, a loan of Euro 9,000 thousand with a duration of 5 years and a fixed interest rate (the "Unicredit Loan") was taken out by Indel B SpA.

It also provides for the calculation and disclosure of certain financial covenants:

- NFP/EBITDA
- EBITDA/Net Finance Costs

These covenants have been met for 2023.

10. Loan of the Ministry of Economic Development

On 27 November 2013, Indel B S.p.A. received - through Decree no. 02260 of the Ministry of Economic Development, as amended - subsidies relating to the programme concerning the study and development of an innovative high-efficiency thermoelectric refrigerator for a total of Euro 2,787 thousand, of which Euro 1,692 thousand as a subsidised loan (the "Ministry Loan") and Euro 1,095 thousand as a grant.

During 2015, Indel B S.p.A. obtained the first disbursement of the Ministry Loan of Euro 1,523 thousand, as well as the first disbursement of the grant of Euro 917 thousand. During 2016, INDEL B S.p.A. received the remaining portion of the Ministry Loan of Euro 169 thousand, as well as the remaining portion of the grant of Euro 178 thousand.

The Ministerial Loan is to be repaid in 10 deferred annual instalments, including principal and interest, from 27 November 2018 to 27 November 2027, the first instalment of which is to run from the end of the grace period. Interest for the grace period is paid annually; any interest on arrears is equal to the current official reference rate plus 3%.

The subsidies relating to the Ministry Loan may be cancelled, in whole or in part, in the event of failure to repay the interest-only instalment for more than one year, or the loan instalments granted, or as a result of the termination of the loan agreement, with the consequent obligation for INDEL B S.p.A. to return the benefit already disbursed, plus interest equal to the official reference rate in force, increased by 5%.

At the end of the reporting period, the Company had complied with its instalment plan.

11. Simest 35360 loan

On 27 April 2021, Loan Agreement with SIMEST, Operation no. 35360, was finalised, pursuant to the provisions of Art. 6, paragraph 2, letter c) of Italian Decree Law no. 112 of 25 June 2008, converted with amendments by Italian Law no. 133 of 6 August 2008, and CIPE Resolution no. 112 of 6 November 2009, and by Italian Decree Law no. 18 of 17 March 2020, converted by Italian Law no. 27 of 24 April 2020, which was disbursed on 19 May 2021, for the amount of Euro 800 thousand including the disbursement of the portion from the availability of the revolving fund established by Italian Law no. 394 of 29 July 1981, and the disbursement of the "non-repayable" portion of Euro 320 thousand, envisaged by Italian Decree Law no. 34 of 19 May 2020 (known as "Rilancio" Decree) to be used for the improvement and preservation of its capital strength in order to increase its competitiveness on foreign markets.

The payment to SIMEST of the principal amount of Euro 480 thousand, together with interest, shall be made as follows: the principal amount of Euro 480 thousand, in eight half-yearly instalments, each of equal amount, at the due dates of 30 June and 31 December of each year, commencing on 30 June 2024 and ending on 31 December 2027 and, the interest on the above-mentioned principal amount, at the half-yearly due dates of 30 June and 31 December of each year, commencing on 31 December 2021 and ending on 31 December 2027 in arrears, at the effective rate of 0.55% per year.

Moreover, a certified copy of the approved financial statements for the second full financial year following the date of disbursement (2023 financial statements) and the relevant VAT return must be submitted to SIMEST within 30 days following the filing date in order to verify whether the following objectives have been achieved:

- maintain or exceed at the end of the Grace Period the entry level of capital strength, which according to the financial statements for the year ended 31 December 2019 is 1.18;
- maintain or exceed at the end of the Grace Period the percentage of foreign entry turnover resulting from the VAT return as at 31 December 2019 equal to 83.33% (rows VE30, VE34 for the foreign turnover value and VE50 for the total turnover).

12. Simest 44366 loan

On 30 April 2021, Loan Agreement with SIMEST, Operation no. 44366, was finalised, pursuant to the provisions of Art. 6, paragraph 2, letter c) of Italian Decree Law no. 112 of 25 June 2008, converted with amendments by Italian Law no. 133 of 6 August 2008, and CIPE Resolution no. 112 of 6 November 2009, and by Italian Decree Law no. 18 of 17 March 2020, converted by Italian Law no. 27 of 24 April 2020, which was disbursed on 14 May 2021, for the amount of Euro 3.7 thousand, including the disbursement of the portion from the availability of the revolving fund established by Italian Law no. 394 of 29 July 1981, and the disbursement of the "non-repayable" portion of Euro 1.5 thousand, envisaged by Italian Decree Law no. 34 of 19 May 2020 (known as "Rilancio" Decree) to be used for participating in fairs and exhibitions in foreign countries or in international trade fairs in Italy.

The principal amount of Euro 2.2 thousand, together with interest, shall be paid as follows: the principal amount of Euro 2.2 thousand, in six half-yearly instalments, each of equal amount, at the due dates of 30 April and 31 October of each year, commencing on 31 October 2022 and ending on 30 April 2025 and, the interest at the half-yearly due dates of 30 April and 31 October of each year, commencing on 31 October 2021 and ending on 30 April 2025 in arrears, at the rate of 0.55%.

On 24 June 2022, an amount of Euro 2 thousand was repaid due to a recalculation required in the reporting of expenses.

It should be noted that Indel B SpA benefited from the suspension of certain loan instalments pursuant to Article 11 of Italian Decree Law no. 61, dated 1 June 2023, in response to the floods that hit Emilia-Romagna in May 2023.

The information required by IAS 7 is presented in the table below:

	Current financial payables			Non-current financial payables			Total
	Current financial payables	Current financial payables for leases and Ministry Loan	SIMEST current financial payables	Non-current financial payables	Non-current financial payables for leases and Ministry Loan	SIMEST non-current financial payables	
31 December 2022	19,154	759	-	18,978	3,103	481	42,476
Cash flows	(19,772)	(568)	-	17,000	43	-	(3,504)
Acquisitions	-	-	-	-	-	-	-
Other changes/reclassifications	24,486	657	120	(24,484)	(542)	(121)	323
31 December 2023	23,868	848	120	11,494	2,603	360	39,293

Net cash flows include outflows for period repayments and inflows related to obtaining new loans.

2.6.16. Trade payables

This item can be broken down as follows:

(in thousands of Euro)	As at 31 December	
	2023	2022
Trade payables	24,868	31,086
Total	24,868	31,086

Trade payables of Euro 24,868 thousand as at 31 December 2023 (Euro 31,086 thousand as at 31 December 2022), mainly refer to purchases of goods and services and provisions for invoices to be received.

The carrying amount of trade payables as at 31 December 2023 and 2022 is deemed to be a reasonable approximation of their fair value.

2.6.17. Income tax receivables and payables

Income tax receivables of Euro 1,336 thousand as at 31 December 2023 represent the net credit balance of the Company's position with the Tax Authorities due to higher advance payments of current taxes paid (IRES and IRAP).

Income tax receivables of Euro 1,106 thousand as at 31 December 2022 represent the net credit balance of the Company's position with the Tax Authorities due to higher advance payments of current taxes paid (IRES).

Income tax payables of Euro 129 thousand as at 31 December 2022 represent the net debit balance of the Company's position with the Tax Authorities due to lower advance payments of current taxes paid (IRAP).

2.6.18. Other liabilities (non-current and current)

This item can be broken down as follows:

(in thousands of Euro)	As at 31 December	
	2023	2022
Other non-current liabilities	92	119
Payables to employees	3,499	3,567
Advances from customers	736	715
Payables to social security institutions	960	969
Tax payables	725	629
Other current payables	381	376
Other current liabilities	6,301	6,256

The item "Other non-current liabilities" refers to the tax credit on fixed assets for the years 2024-2030.

The item "Payables to employees" mainly includes payables to employees for wages and salaries to be paid, for holidays accrued but not taken at the end of the reporting period, and for production bonuses.

The item "Advances from customers" includes: *i)* advances on future shipments, *ii)* purchase of moulds and research and development costs for the production of customised refrigerators.

The item "Payables to social security institutions" mainly includes the payable for employee contributions.

The item "Tax payables" mainly includes payables to the Tax Authorities for withholding taxes on employee income.

2.6.19. Net financial indebtedness

The following table shows the breakdown of net financial indebtedness as at 31 December 2023 and 31 December 2022, determined in accordance with the new ESMA Guidelines of 4 March 2021 (Consob Warning Notice no. 5/21 to Consob Communication DEM/606429 3 of 28 July 2006).

(in thousands of Euro)	As at 31 December	
	2023	2022
A. Cash and cash equivalents	15,534	15,315
B. Cash equivalents	16,000	-
C. Other current financial assets	1,549	1,502
D. Liquidity (A)+(B)+(C)	33,083	16,817
E. Current financial payable (including debt instruments, but excluding the current portion of non-current financial payable)	(968)	(759)
F. Current portion of the non-current financial payable	(23,868)	(19,154)
G. Current financial indebtedness (E)+(F)	(24,836)	(19,913)
H. Net current financial indebtedness (G)+(D)	8,247	(3,096)
I. Non-current financial payable (excluding the current portion and debt instruments)	(14,457)	(22,562)
J. Debt instruments	-	-

K. Other trade payables and other non-current payables	-	-
L. Non-current financial indebtedness (I)+(J)+(K)	(14,457)	(22,562)
M. Total financial indebtedness (H)+(L)	(6,210)	(25,658)

Indel B's financial indebtedness is mainly expressed in fixed rates. Consequently, it is not exposed to the risks related to interest rate fluctuations. The financial payable includes liabilities related to lease contracts reclassified according to IFRS 16, the current portion of which amounted to Euro 383 thousand and the non-current portion to Euro 2,110 thousand.

In 2023, new loans of approximately Euro 17,000 thousand were taken out, mainly to finance mainly the expansion of the Indel B production plant located in the municipality of Novafeltria.

Moreover, the receivable for the sale of the equity investment in Guangdong Iceco Enterprise recognised in favour of the purchaser Xinyu Yuanxing Ent was collected in the amount of Euro 6,283 thousand in 2023. China

In addition to the above, the improvement in the net financial position is also due to management decisions on operations (reduction of working capital, reduction of component and transport costs). An adequate level of liquidity was also maintained to provide financial stability over the next financial years to support further investment in business growth.

Net financial indebtedness as at 31 December 2023 and 31 December 2022 does not include positions with related parties. As at 31 December 2022, the receivable for the sale of the equity investment in Guangdong Iceco Enterprise was recognised under "Other receivables and other current assets".

2.7. Notes to the income statement

2.7.1. Revenues from sales

A breakdown of the item "Revenues from sales" for the financial years ended 31 December 2023 and 2022 is shown below:

(in thousands of Euro)	Financial year ended 31 December	
	2023	2022
Revenues from product sales	142,775	149,113
Sundry revenues	1,146	2,722
Revenues from sales	143,921	151,835

The item "Sundry revenues" mainly includes revenues from the sale of moulds and charge-backs of transport costs.

The breakdown of "Revenues from product sales" by geographical area is shown below:

(in thousands of Euro)	Financial year ended 31 December	
	2023	2022
Europe (excluding Italy)	78,628	74,728
Italy	24,192	31,300
The Americas	35,537	39,142
Rest of the world	4,418	3,943
Revenues from product sales	142,775	149,113

For more details on the revenue trend, please refer to the detailed description in the Report on Operations.

2.7.2. Other revenues and income

A breakdown of the item "Other revenues and income" for the financial years ended 31 December 2023 and 2022 is shown below:

(in thousands of Euro)	Financial year ended 31 December	
	2023	2022
Government grants	135	134
Foreign currency gains	861	1,252
Compensation, damages and other income	3,999	2,057
Other revenues and income	4,995	3,443

Government grants for the financial year ended 31 December 2023 of Euro 135 thousand mainly refer to the disbursement of grants, for tax credit related to electricity consumption and gas consumption.

Government grants for the financial year ended 31 December 2022 of Euro 134 thousand mainly refer to the disbursement of grants for tax credit related to assets purchased, for tax credit related to electricity consumption and gas consumption.

The item "Other income" mainly includes: i) rental income; ii) cheap construction; iii) royalties; iv) current damages; v) recovery of expenses for the current year.

It should be noted, in particular, that in 2023 an extraordinary income of Euro 1,685 thousand was recorded from insurance related to damages caused by the heavy snowfall that occurred in January 2023. Following checks and assessments, the damage caused by the bad weather was fully reimbursed by the insurance company.

2.7.3. Purchases and consumption of raw materials, semi-finished and finished products

A breakdown of the item "Purchases and consumption of raw materials, semi-finished and finished products" for the financial years ended 31 December 2023 and 2022 is shown below:

(in thousands of Euro)	Financial year ended 31 December	
	2023	2022
Purchases of raw materials, consumables and goods and change in inventories of raw materials	85,593	86,666
Change in inventories of finished and semi-finished products	5,483	(3,384)
Total	91,076	83,282

The increase in this item is mainly due to the impact of the change in inventories, which were valued higher as at 31 December 2022, in particular as a result of higher transport costs.

2.7.4. Costs for services

A breakdown of the item "Costs for services" for the financial years ended 31 December 2023 and 2022 is shown below:

(in thousands of Euro)	Financial year ended 31 December	
	2023	2022
Transport	8,505	22,118
Insurance companies	1,015	738
Consultancy	1,192	1,151
Utilities	776	769
Premiums and commissions	434	493
Customer service costs	814	583
Outsourced work	527	989
Maintenance	1,104	988
Travel expenses	289	186
Fees to directors and statutory auditors	415	400
Costs for leased assets	63	53
Exhibitions, trade fairs and advertising	662	725
Quality certification costs	389	231
Other costs	1,355	1,158
Total	17,540	30,582

As at 31 December 2023, costs for services mainly include:

- lower transport costs, in that 2022 was characterised by a major inflationary period and major disruptions in global logistics;
- higher costs related to insurance policies to cover potential claims on products and industrial sites;
- higher costs for technical support related to the defect experienced by the DAF customer, for more details, see paragraph 2.6.13. "Provisions for risks and charges";

- the increase in other costs included higher costs related to two new collaborations, those with Equita and Alatra, as financial intermediaries.

2.7.5. Personnel costs

A breakdown of the item "Personnel costs" for the financial years ended 31 December 2023 and 2022 is shown below:

(in thousands of Euro)	Financial year ended 31 December	
	2023	2022
Wages and salaries	15,343	14,153
Social security costs	4,675	4,417
Temporary work	1,282	1,713
Provisions for personnel	1,133	1,311
Other costs	480	451
Total	22,913	22,045

The following table shows the average number of employees of the Company, broken down by category, for the years ended 31 December 2023 and 2022:

(In Units)	Financial year ended 31 December	
	2023	2022
Executives	7	7
Middle Managers	11	9
White-collar workers	71	70
Blue-collar workers	432	381
Temporary workers	46	63
Total	567	530

2.7.6. Other operating costs

The breakdown of the item "Other operating costs" for the financial years ended 31 December 2023 and 2022 is shown below:

(In Units)	Financial year ended 31 December	
	2023	2022
Foreign exchange losses	1,169	977
Taxation	120	98
Losses on receivables	-	-
Other operating costs	1,184	192
Total	2,473	1,267

The item "Foreign exchange losses" refers to the dollar adjustment of financial statement items.

The item "Other operating costs" mainly refers to costs incurred to cope with the state of emergency created following the heavy snowfall in January 2023.

2.7.7. Amortisation, depreciation, provisions and write-downs

The breakdown of the item "Amortisation, depreciation, provisions and write-downs" for the financial years ended 31 December 2023 and 2022 is shown below:

(In Units)	Financial year ended 31 December	
	2023	2022
Depreciation of property, plant and equipment	2,480	2,342
Amortisation of intangible assets	251	289
Depreciation of right of use	413	484
Write-down of equity investment	3,830	-
Provisions for risks and charges	1,847	660
Total	8,821	3,775

As regards the item "Write-down of equity investments", see paragraph 2.6.4 "Equity investments".

As regards the item "Provisions for risks and charges", see paragraph 2.6.13 "Provisions for risks and charges".

2.7.8. Finance income and costs

The breakdown of the items "Finance income" and "Finance costs" for the financial years ended 31 December 2023 and 2022 is shown below:

(in thousands of Euro)	Financial year ended 31 December	
	2023	2022
Interest income	448	374
Other finance income	473	591
Total finance income	921	965
Interest expenses on current accounts, mortgages, loans and rights of use	(834)	(459)
Bank charges and other finance costs	(864)	(2,131)
Total finance costs	(1,698)	(2,590)
Total	(777)	(1,625)

The item "Interest income" includes both interest recognised on loans to the subsidiaries Indel B North America and Autoclima and bank interest income on term deposits.

The item "Other finance income" mainly includes financial exchange rate gains.

The item "Interest expenses on current accounts, mortgages and loans" no longer includes interest on the earn-out payable for the purchase of the subsidiary Elber, but is affected by interest rate increases on new loans.

The decrease in the item "Bank charges and other finance costs" is mainly due to the foreign exchange losses realised on the payment of the earn-out payable in 2022.

2.7.9. Income from equity investments

The breakdown of the item "Income from equity investments" for the financial years ended 31 December 2023 and 2022 is shown below:

(in thousands of Euro)	Financial year ended 31 December	
	2023	2022
Dividends	1,986	2,704
Total	1,986	2,704

As at 31 December 2023, we find:

- dividends distributed by Indel Webasto Marine of Euro 1,100 thousand, by Autoclima Spa of Euro 385 thousand, by Elber Indústria de Refrigeração of Euro 234 thousand and by CondorB Srl of Euro 267 thousand.

As at 31 December 2022, we find:

- dividends distributed by Indel Webasto Marine of Euro 1,500 thousand, by Autoclima Spa of Euro 523 thousand, by Elber Indústria de Refrigeração of Euro 462 thousand and by CondorB Srl of Euro 219 thousand.

2.7.10. Income tax

The breakdown of the item "Income tax" for the financial years ended 31 December 2023 and 2022 is shown below:

(in thousands of Euro)	Financial year ended 31 December	
	2023	2022
Current taxes (IRES, IRAP)	2,734	4,091
Deferred tax assets/liabilities	(256)	(284)
Taxes related to previous years	(91)	(11)
Total	2,387	3,796

The following table shows the reconciliation of the theoretical tax rate with the actual impact on the result:

(in thousands of Euro)	Financial year ended 31 December			
	2023	%	2022	%
Pre-tax profit (loss)	7,302	-	15,404	-
Theoretical income tax (IRES)	1,752	24.0%	3,697	24.0%
IRAP	658	9.0%	811	5.3%
Tax effect of permanent differences and other differences	(23)	(0.3%)	(712)	-4.6%
Taxes	2,387	-	3,796	-
Effective tax rate	-	32.7%	-	24.7%

The increase in the tax rate shown in 2023 compared to the previous year is mainly due to the presence of non-deductible costs, mainly related to the write-down of the equity investment in the company Elber Indústria de Refrigeração amounting to Euro 2,200 thousand and the write-down of the equity investment in the company Indel B North America amounting to Euro 1,630 thousand.

2.8. Earnings per share

The following table shows the calculation of earnings per share for the years ended 31 December 2023 and 2022:

(in thousands of Euro)	FY	
	2023	2022
Profit/(loss) for the year (in thousands of Euro)	4,915	11,608
Average number of ordinary shares (in thousands)	5,632	5,206
Basic and diluted earnings per share (in Euro)	0.87	2.23

The shares making up the share capital are ordinary shares and there are no obligations regarding the distribution of preferred dividends or other preferred forms of allocation of results between shares.

2.9. Significant non-recurring events and transactions

For the sake of completeness, information on the impact of non-recurring events and transactions on the Company's economic and financial results is presented below.

Non-recurring events and transactions are identified primarily by the nature of the transactions. In particular, non-recurring costs/income include events that by their nature do not occur continuously in the normal course of business.

The effects of non-recurring events and transactions for the financial year ended 31 December 2023 are as follows:

(in thousands of Euro)	As at 31 December 2023	
	Shareholders' equity	Profit/(loss) for the year
Book value (a)	101,035	4,915
Revenues	-	-
Costs	3,870	3,870
Total effects (b)	3,870	3,870
Financial statement notional value (a) - (b)	104,905	8,785

The amount of Euro 3,870 thousand (Euro 3,885 thousand gross of the tax effect) refers to non-recurring costs incurred.

Non-recurring costs were incurred in relation to:

- extraordinary consultancy of Euro 15 thousand (Euro 21 thousand gross of the related tax effect) for the management of sales in the Russian market in compliance with the new regulations in force related to the current conflict;
- extraordinary costs incurred of Euro 25 thousand (Euro 35 thousand gross of the related tax effect) in favour of certain strategic executives;
- Write-down following the impairment test of Euro 3,830 thousand (Euro 3,830 thousand gross of the related tax effect) of the equity investment in the company Elber Indústria de Refrigeração equal to Euro 2,200 thousand and the write-down of the equity investment in the company Indel B North America equal to Euro 1,630 thousand. For further details, see section 2.6.4 "Equity Investments".

It should be noted that the amounts of the insurance income related to the damage caused by the heavy snowfall in January 2023 and the related costs incurred do not appear in the statement as they are of the opposite amount.

The effects of non-recurring events and transactions for the financial year ended 31 December 2022 are as follows:

(in thousands of Euro)	As at 31 December 2022	
	Shareholders' equity	Profit/(loss) for the year
Book value (a)	101,205	11,608
Revenues	(334)	(334)
Costs	172	172
Total effects (b)	(162)	(162)
Financial statement notional value (a) - (b)	101,043	11,446

The amount of Euro 162 thousand (Euro 96 thousand gross of the tax effect) refers to non-recurring revenues and costs incurred.

Non-recurring revenues were incurred in relation to:

- release of Euro 334 thousand following the presentation of the Motion to Settle to the Tax Authorities, concerning the R&D tax credit for 2016 - 2017 - 2018.

Non-recurring costs were incurred in relation to:

- extraordinary consultancy of Euro 54 thousand (Euro 75 gross of the related tax effect) mainly for potential acquisitions;
- expenses incurred in relation to the Covid 19 health emergency for prevention of Euro 5 thousand (Euro 7 thousand gross of the related tax effect);
- Extraordinary costs incurred of Euro 113 thousand (Euro 156 thousand gross of the related tax effect) in favour of certain strategic executives.

2.10. Other information

2.10.1. Commitments and guarantees

The Company's main commitments are shown below:

1. Investment commitments

As at 31 December 2023, investment commitments amounted to a total of Euro 5,748 thousand and referred mainly to the expansion of the production area in Secchiano.

2. Sureties issued in favour of third parties

In 2023, the following sureties are still outstanding:

- on 23 January 2020, to cover outstanding disputes, for advance VAT refund relating to the third quarter of 2019 in favour of the Tax Authorities of Pesaro and Urbino a sine-die policy of Euro 717 thousand.
- on 06 December 2019, to cover outstanding disputes, for advance VAT refund in favour of the Tax Authorities of Pesaro and Urbino a sine-die policy of Euro 621 thousand.

2.10.2. Dividends

On 31 May 2023, the Shareholders' Meeting resolved to distribute a dividend in the amount of Euro 0.80 per share for a total of Euro 4,514 thousand. These dividends were paid in full in June.

2.10.3. Contingent liabilities

There are no contingent liabilities that have not been reflected in the financial statements.

2.10.4. Remuneration to members of the boards of directors and statutory auditors

The following table summarises the remuneration due to the Company's directors and members of the Board of Statutory Auditors for the financial years ended 31 December 2023 and 2022:

(in thousands of Euro)	Financial year ended 31 December	
	2023	2022
Board of directors	503	498
Board of Statutory Auditors	50	52
Total	553	550

2.10.5. Fees to independent auditors

The following table summarises the fees payable to the independent auditors PricewaterhouseCoopers S.p.A. for audit and non-audit services rendered by the same independent auditors or entities belonging to its network for the financial years ended 31 December 2023 and 2022:

(in thousands of Euro)		Financial year ended 31 December	
		2023	2022
External audit	PricewaterhouseCoopers S.p.A.	99	96
	PricewaterhouseCoopers S.p.A. network	-	-
Other services	PricewaterhouseCoopers S.p.A.	20	18
	PricewaterhouseCoopers S.p.A. network	-	-
Total		119	114

2.11. Transactions with related parties

Indel B's transactions with related parties (hereinafter, "Related Party Transactions") are mainly of commercial and financial and are carried out on an arm's length basis.

Indel B has transactions with the following related parties:

- the company Amp. Fin. S.r.l. (the "Parent Company");
- the companies Autoclima S.p.A., Condor B S.r.l., Indel B Germany GMBH, Autoclima Russ, Autoclima Iberica SL, Autoclima Polska and Indel B North America Inc (the "Subsidiaries");
- the company Indel Webasto Marine S.r.l. (the "Jointly controlled entity") and the company Elber Industria de Refrigeracao Ltda (the "Associates");
- key management personnel ("Top Management");
- other parties in which Indel B holds an interest through the Parent company and/or members of Top Management (the "Other related parties").

Subsidiaries

The following table shows the statement of financial position and income statement balances related to the Company's transactions with its subsidiaries for the years ended 31 December 2023 and 2022, with an indication of the impact on the relevant item in the financial statements:

(in thousands of Euro)	Right of use		Non-current financial assets		Trade receivables		Current financial assets		Non-current financial liabilities		Trade payables		Other current liabilities	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Condor B Srl	788	931	-	-	39	144	-	-	(679)	(824)	(408)	(941)	(156)	(146)
Autoclima SpA	-	-	1,500	2,500	50	167	1,000	1,000	-	-	(364)	(831)	-	-
Indel B Germany GMBH	-	-	-	-	36	19	-	-	-	-	-	(4)	-	-
Autoclima Russ	-	-	-	-	-	-	-	-	-	-	-	-	-	-
ESC	-	-	-	-	102	108	-	-	-	-	(42)	(6)	-	-
SEA	-	-	-	-	0	4	-	-	-	-	-	-	-	-
Autoclima Iberica	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Autoclima Polska	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Indel B NA	-	-	543	-	664	956	425	502	-	-	(513)	-	-	-
Total	788	931	2,043	2,500	891	1,398	1,425	1,502	(679)	(824)	(1,327)	(1,782)	(156)	(146)
% weight on financial statement item	32.8%	33.5%	100.0%	100.0%	3.5%	4.4%	92.0%	100.0%	4.7%	3.7%	5.3%	5.7%	2.5%	2.3%

(in thousands of Euro)	Revenues from sales		Other revenues and income		Costs for the purchase of raw materials, semi-finished and finished products		Costs for services		Other operating costs		Amortisation, depreciation, provisions and write-downs		Finance income and costs		Income from equity investments	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Condor B Srl	206	241	206	206	(1,598)	(1,819)	(25)	(654)	-	-	(142)	(101)	(17)	(15)	267	219
Autoclima SpA	711	855	191	166	(3,299)	(3,439)	(89)	(107)	-	-	-	-	65	85	385	523
Indel B Germany GMBH	870	1,227	22	17	-	-	(9)	(20)	-	-	-	-	-	-	-	-
Autoclima Russ	-	2	-	-	-	-	-	(2)	-	-	-	-	-	-	-	-
ESC	777	467	13	-	-	-	(42)	(7)	-	-	-	-	-	-	-	-
SEA	2	2	5	5	-	-	-	-	-	-	-	-	-	-	-	-
Autoclima Iberica	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Autoclima Polska	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Indel B NA	1,296	2,930	4	4	(514)	(3)	(137)	-	-	-	-	-	65	14	-	-
Total	3,862	5,724	441	398	(5,411)	(5,261)	(302)	(790)	-	-	(142)	(101)	113	84	652	742
% weight on financial statement item	2.7%	3.8%	8.8%	11.5%	5.9%	6.3%	1.7%	2.6%	0.0%	0.0%	1.6%	2.7%	-14.6%	-5.2%	32.8%	27.4%

Other revenues and income and trade receivables from the subsidiary Condor B are mainly related to the provision of administrative services.

Purchases and consumption of raw materials, semi-finished and finished products and trade payables to the subsidiary Condor B are mainly related to the purchase of components for the production of refrigerators.

Revenues from sales and trade receivables from the subsidiary Autoclima are mainly related to the sale of air-conditioning products.

Costs for the purchase of raw materials and consumables from Autoclima are related to the purchase of air conditioners mainly for the "Automotive" market.

Revenues from sales and trade receivables from the subsidiary Indel B North America are mainly related to the sale of Automotive products on the After Market.

Jointly controlled entities and associates

The following table shows the statement of financial position and income statement balances related to the Company's transactions with jointly controlled entities and associates for the years ended 31 December 2023 and 2022, with an indication of the impact on the relevant item in the financial statements:

(in thousands of Euro)	Inventories		Trade receivables		Other receivables and other current assets		Trade payables		Other current liabilities	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Indel Webasto Marine	-	-	900	1,538	-	-	(22)	(32)	(18)	(7)
Elber	-	-	-	-	-	-	-	-	-	-
Total	-	-	900	1,538	-	-	(22)	(32)	(18)	(7)
% weight on financial statement item	-	-	3.6%	4.8%	-	-	0.1%	0.1%	0.3%	0.1%

(in thousands of Euro)	Revenues from sales		Other revenues and income		Costs for the purchase of raw materials, semi-finished and finished products		Costs for services		Other operating costs		Finance income and costs		Income from equity investments	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Indel Webasto Marine	9,639	14,051	539	427	(97)	(88)	-	-	(14)	-	-	-	1,100	1,500
Elber	1	2	-	-	-	-	-	-	-	-	-	-	234	462
Total	9,640	14,052	539	427	(97)	(88)	-	-	(14)	-	-	-	1,334	1,962
% weight on financial statement item	6.7%	9.3%	10.8%	12.4%	0.1%	0.1%	-	-	0.6%	0.0%	-	-	67.2%	72.6%

3. Indel Webasto Marine S.r.l.

Revenues from sales and trade receivables from the jointly controlled entity Indel Webasto Marine are related to the sale of finished products (mainly refrigerators) mainly for the "Leisure Time" market, which includes pleasure boating and recreational vehicles.

Other revenues and income are mainly related to the provision of administrative services by Indel B and to rents for the new production plant located in Secchiano di Novafeltria. Purchases and consumption of raw materials, semi-finished and finished products and trade payables refer to the purchase of components used in the production of refrigerators and ice makers. Costs for services are related to the reworking of refrigerators.

Income from equity investments refers to the distribution of dividends in favour of Indel B for Euro 1,100 thousand as at 31 December 2023 (Euro 1,500 thousand as at 31 December 2022) distributed by Indel Webasto Marine.

4. Elber Indústria de Refrigeração Ltda

As at 6 June 2017, Elber Industria de Refrigeraçao became an associate of the Parent Company following the Company's acquisition of a 40% stake in the capital. It should be noted that, during 2022, the financial debt

recognised in the financial statements towards the selling shareholder of Elber Indústria de Refrigeração related to the deferred price projection that is dependent on the income results of the associate itself in the period 2021 was paid.

Other related parties

The following table shows the statement of financial position and income statement balances related to the Company's transactions with other related parties for the years ended 31 December 2023 and 2022, with an indication of the impact on the relevant item in the financial statements:

(in thousands of Euro)	Right of use		Non-current financial assets		Other receivables and other non-current assets		Trade receivables		Other receivables and other current assets		Non-current financial liabilities		Trade payables		Current financial liabilities	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Indel Webasto Marine USA	-	-	-	-	-	-	333	719	-	-	-	-	-	(1)	-	-
B Holding SpA	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Berloni Immobiliare	-	-	-	-	-	-	17	17	-	-	-	-	(10)	(10)	-	-
Immobiliare Sant'Ag	1,489	1,254	-	-	-	36	-	-	-	-	(1,385)	(1,178)	-	-	(169)	(118)
AMP Immobiliare	-	411	-	-	50	14	-	-	-	-	-	(376)	-	-	-	(48)
Iterby Project Srl	-	-	-	-	-	-	-	1	-	-	-	-	-	(32)	-	-
Iterby Italiana Mobili	-	-	-	-	-	-	108	108	-	-	-	-	-	-	-	-
Società Agricola Berloni	-	-	-	-	-	-	-	-	-	-	-	-	-	(80)	-	-
Total	1,489	1,665	-	-	50	50	458	845	-	-	(1,385)	(1,554)	(10)	(123)	(169)	(166)
% weight on financial statement item	62.0%	59.9%	0.0%	0.0%	29.3%	13.6%	1.8%	2.6%	0.0%	0.0%	9.6%	6.9%	0.0%	0.4%	0.7%	0.8%

(in thousands of Euro)	Revenues from sales		Other revenues and income		Costs for the purchase of raw materials, semi-finished and finished products		Costs for services		Other operating costs		Amortisation, depreciation, provisions and write-downs		Finance (income)/costs	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Indel Webasto Marine USA	5,336	7,366	-	-	-	-	-	-	-	-	-	-	-	-
B Holding SpA	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Berloni Immobiliare	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Immobiliare Sant'Ag	-	-	-	-	-	-	-	-	(1)	(1)	(176)	(125)	(5)	(29)
AMP Immobiliare	-	-	-	-	-	-	-	-	(0)	-	-	(51)	(30)	(10)
Iterby Project Srl	4	2	-	-	-	(9)	-	-	-	-	-	-	-	-
Iterby Italiana Mobili	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Società Agricola Berloni	-	-	-	-	-	-	(55)	(69)	-	-	-	-	-	-
Total	5,340	7,368	-	-	-	(9)	(55)	(69)	(1)	(1)	(176)	(176)	(35)	(39)
% weight on financial statement item	3.7%	4.9%	-	-	-	0.0%	0.3%	0.2%	0.0%	0.0%	2.0%	4.7%	4.5%	2.4%

Transactions with other related parties are mainly commercial and consist mainly of: 1. purchase and sale of finished and semi-finished products; and 2. provision of services.

1. Indel Webasto Marine USA

Revenues from sales with Indel Webasto Marine USA mainly refer to the sale of products in the United States of America for the markets of pleasure boating and recreational vehicles.

2. Berloni Immobiliare S.r.l./AMP.FIN S.r.l./Immobiliare Sant'Agata/AMP Immobiliare

On 31 October 2019 and 19 November 2019, AMP.FIN S.r.l. established two real estate management limited liability companies called AMP.IMMOBILIARE SRL and IMMOBILIARE SANT'AGATA SRL, holding 100% of the share capital, respectively.

AMP.FIN SRL does not carry out management and coordination activities in relation to the two new subsidiaries.

The two companies are managed by the Sole Director, Paolo Berloni.

On 19 December 2019, AMP.IMMOBILIARE SRL purchased from BERLONI IMMOBILIARE SRL land and buildings located in the municipality of S. Agata Feltria;

On 19 December 2019, IMMOBILIARE SANT'AGATA SRL purchased from BERLONI IMMOBILIARE SRL industrial buildings (partly mortgaged) located in the municipality of S. Agata Feltria.

With regard to the buildings described above, originally leased to the Company by Berloni Immobiliare S.r.l., following their sale and purchase by Immobiliare Sant'Agata S.r.l. and Amp.Immobiliare S.r.l., new lease agreements were signed between the latter and the Company, effective as from 1 January 2020.

In particular, the lease contracts with Amp.Immobiliare S.r.l. and Immobiliare Sant'Agata S.r.l., with a duration of 6 years + 6, envisage an annual rent of approx. Euro 31 thousand for the industrial part, approx. Euro 25.8 thousand for the residential part, and approx. Euro 144 thousand for the industrial part of Immobiliare Sant'Agata S.r.l., respectively.

The rents set are in line with the OMI database of AE's real estate prices and are identical to those already paid by the Company to Berloni Immobiliare.

It should be noted that on 1 March 2023 the company Immobiliare Sant'Agata was merged by the company AMP immobiliare; therefore, the merging company AMP Immobiliare assumed the rights and obligations of the merged company Immobiliare Sant'Agata and continued all relations.

3. Other transactions

Transactions entered into with IBK Project S.r.l. mainly refer to trade relations relating to the purchase and sale of components such as sheet metal supports for furniture and the purchase of wood products used in the production of wine cellars.

The transactions carried out with Società Agricola Berloni mainly refer to periodic green maintenance services provided by the latter in areas owned by the Company.

Top management

The transactions entered into with the Top Management during the financial years ended 31 December 2023 and 2022 essentially correspond to the relevant fees and remuneration, including social security charges.

The total amount of fees and related charges of the Company's Board of Directors was Euro 742 thousand in 2023 (Euro 741 thousand in 2022).

The total amount of fees and related charges to strategic executives was Euro 2,206 thousand in 2023 (Euro 2,282 thousand in 2022).

The Fees of the Top Management are related to the Board of Directors, the members of the Control and Risk Committee, the Remuneration Committee of the Parent Company and the Strategic executives.

(in thousands of Euro)		Financial year ended 31 December	
		2023	2022
Fees for the office	Directors' fees including charges	561	555
	Variable Directors' Fees	181	186
Non-monetary benefits	home insurance benefit including charges	34	33
Bonuses and other incentives	variable bonus including charges	403	399
	LTIP	34	156
Other fees	Fixed salaries and attendance fees including charges	993	953
Total		2,206	2,282

2.12. Significant events after the 2023 reporting period

No events have occurred between 31 December 2023 and the date of approval of this Statement that could have a material impact on the Group's results.

2.13. Information pursuant to Art. 1, paragraph 125, of Italian Law no. 124 of 4 August 2017

2.13.1. Paragraph 125 – Contributions, subsidies, economic benefits received

Pursuant to Art. 1, paragraph 125, of Italian Law no. 124 of 4 August 2017, in compliance with the transparency requirement, it is hereby reported that until 31 December 2023 the company did not receive any subsidies, contributions, remunerated assignments and in any case economic benefits from public administrations and/or from the parties referred to in the first sentence of paragraph 125 of Art. 1 of Italian Law no. 124/2017 with the exception of those indicated below:

Disbursing Subject	Contribution received	Reason	Data determination criterion
TAX AUTHORITIES	3,000.00	Tax deduction for energy redevelopment expenses (Italian Decree Law no. 63/2013)	On a cash basis
TAX AUTHORITIES	2,351.00	Tax deduction for energy redevelopment expenses (Italian Decree Law no. 63/2013)	On a cash basis
TAX AUTHORITIES	82,821.00	IRES tax saving due to IRAP deduction Italian Decree Law no. 185/2008-Italian Decree Law no. 201/2012 (base 2022 tax period of Euro 345,086)	On a cash basis
TAX AUTHORITIES	164,798.00	IRES tax saving due to Italian Law no. 208/15 et seq. (super-hyper amortisation) (base 2022 tax period of Euro 686,659)	On a cash basis
TAX AUTHORITIES	224,124.00	IRES tax saving due to ACE facilities (base 2022 of return Euro 925,519)	On a cash basis
TAX AUTHORITIES	53,669.88	Recognition of tax credit for non-energy-intensive enterprises (first quarter of 2023) - Art. 1, para. 3, of Italian Law no. 197" of 29 December 2022 tax code 7011	On a cash basis
TAX AUTHORITIES	25,516.08	Recognition of tax credit for companies other than those with high natural gas consumption (first quarter of 2023) - Art. 1, para. 5, of Italian Law no. 197" of 29 December 2022; tax code 7013	On a cash basis
TAX AUTHORITIES	8,744.79	Recognition of tax credit in favour of non-energy-intensive companies (second quarter 2023) - Art. 4, para. 3, Italian Decree Law no. 34 of 30 March 2023, converted into Italian Law no. 56 on 26 May 2023 " tax code 7016	On a cash basis
TAX AUTHORITIES	1,415.00	Recognition of tax credit for companies other than those with high natural gas consumption (second quarter 2023) - Art. 4, para. 5, Italian Decree Law no. 34 of 30 March 2023, converted into Italian Law no. 56 on 26 May 2023 " tax code 7018	On a cash basis
TAX AUTHORITIES	3,437.35	Tax credit 6% Italian Law no. 160/2019 for non-4.0 property, plant and equipment of Euro 17,186.00 to be used in 5 instalments of Euro 3,437.35 each (instalment 3/5)	On a cash basis

TAX AUTHORITIES	1,332.00	Tax credit 6% Italian Law no. 160/2019 for non-4.0 property, plant and equipment of Euro 6,660.00 to be used in 5 instalments of Euro 1,332.00 each (instalment 2/5)	On a cash basis
TAX AUTHORITIES	33,453.67	Tax credit 10% Italian Law no. 178/2020 for non-4.0 property, plant and equipment of Euro 100,361.00 to be used in 3 instalments of Euro 33,453.67 each (instalment 2/3)	On a cash basis
TAX AUTHORITIES	10,166.67	Tax credit 50% Italian Law no. 178/2020 for non-4.0 property, plant and equipment of Euro 30,500.00 to be used in 3 instalments of Euro 10,166.67 each (instalment 2/3)	On a cash basis
TAX AUTHORITIES	4,333.33	Tax credit 10% Italian Law no. 178/2020 for non-4.0 property, plant and equipment of Euro 13,000.00 to be used in 3 instalments of Euro 4,333.33 each (instalment 1/3)	-
INPS	26,282.75	Permanent hiring incentive Italian Law no. 205/2017	-
INPS	78,556.14	Tax exemption Italian Law no. 178/2020	On a cash basis
FONDOIMPRESA	20,351.00	Personal training grant from Fondoimpresa	On a cash basis
FONDIRIGENTI	2,766.99	Personal training grant from Fondirigenti	On a cash basis
TAX AUTHORITIES	27,656.48	Tax Credits on Electricity Consumption Dec 22 tax code 6995 (Art. 1 of Italian Decree Law no. 176 of 18 November 2022)	On a cash basis
TAX AUTHORITIES	31,841.09	Tax Credits on Electricity Consumption Oct. Nov 22 tax code 6985 (Art. 1, para. 3, of Italian Decree Law no. 144 of 23 September 2022)	On a cash basis
TAX AUTHORITIES	7,826.79	Tax Credits on gas consumption Dec 22 tax code 6996 (Art. 1 of Italian Decree Law no. 176 of 18 November 2022)	On a cash basis
TAX AUTHORITIES	3,677.60	Tax Credits on Gas Consumption Oct. Nov 22 tax code 6986 (Art. 1, para. 4 of Italian Decree Law no. 144 of 23 September 2022)	On a cash basis
TAX AUTHORITIES	1,810.03	Tax Credits on Electricity Consumption 3rd quarter 22 tax code 6970 (Art. 6, para. 3 of Italian Decree Law no. 115 of 9 August 2022)	On a cash basis

In addition to what is indicated in the table above, it should be noted that the company INDEL B SPA paid the instalments of the subsidised loans listed below during 2023:

- sixth instalment of Euro 173,884.46 (including interest) of the subsidised loan obtained from the Ministry of Economic Development (Grant Decree no. 02260 of 27 November 2013) disbursed in 2015 and 2016 for a total amount of Euro 1,691,967;
- second and third instalment of Euro 235,77= (including interest) of the subsidised loan of Euro 2,250= disbursed by SIMEST in 2021 from the availability of the revolving fund established by Italian Law no. 394 of 29 July 1981, for Participating in trade fairs, exhibitions and system missions in foreign markets and/or international trade fairs/events in Italy, Circular no. 4/394/2020. Aid measure number (EC) SA57891;
- two instalments only by way of interest of Euro 2,636.16= on the subsidised loan of Euro 480,000.00= disbursed by SIMEST in 2021 from the availability of the revolving fund established by Italian Law no. 394 of 29 July 1981, for improving and safeguarding the capital strength of the exporting companies ref. Circular no. 3/394/2020 Aid measure number (EC) SA57891.

Moreover, the company recognised the following tax credits for investments in new capital goods in 2023, the first instalment of which will be used in 2024.

TAX AUTHORITIES	4,412.70	Tax credit 6% Italian Law no. 178/2020 for non-4.0 property, plant and equipment to be used in 3 instalments of Euro 1,470.90 each	TAX AUTHORITIES
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2.13.2. Paragraph 126 - Acts granting subsidies, contributions, economic benefits

It is hereby acknowledged that, during the year under review, the company made a donation of Euro 100,000.00 to the Emilia-Romagna Region for the benefit of the populations affected by the meteorological events of May 2023 in Emilia-Romagna.

Moreover, in 2023, it granted a donation of Euro 10,000.00 to a legally recognised association to carry out its institutional activities.

2.14. Proposal for allocation of the result for the period of the separate financial statements of Indel B

The Issuer closed the financial year as at 31 December 2023 with a profit for the year of Euro 4,914,687, which we propose to allocate as follows:

- up to a maximum of Euro 4,500 to distribute to the shareholders a dividend for 2023 of Euro 0.80 per share, gross of withholding taxes, with an ex-dividend date of 3 June 2024 record date 4 June 2024 and payment on 5 June 2024 pursuant to Article 83-terdecies of the Consolidated Law on Finance.
- the remainder to the extraordinary reserve.

Single electronic format XHTML

The financial statements were prepared in XHTML format in accordance with the provisions of the Delegated Regulation. The Company enlisted the services of Deloitte & Touche for the preparation of this electronic format adopted as from these financial statements for 2023.

Sant'Agata Feltria, 12 April 2024
Chairman of the Board of directors
Antonio Berloni

Attestazione del bilancio d'esercizio ai sensi dell'art. 81-ter del Regolamento Consob n.11971 del 14 maggio 1999 e successive modifiche e integrazioni

1. I sottoscritti Luca Bora, Amministratore Delegato, e Mirco Manganello, in qualità di Dirigente Preposto alla redazione dei documenti contabili societari di Indel B S.p.A., attestano, tenuto anche conto di quanto previsto dall'art.154-bis, commi 3 e 4, del decreto legislativo 24 febbraio 1998, n. 58:

- l'adeguatezza in relazione alle caratteristiche dell'impresa e
- l'effettiva applicazione delle procedure amministrative e contabili per la formazione del bilancio di esercizio nel corso dell'esercizio 2023.

2. Si attesta, inoltre, che:

2.1 il bilancio d'esercizio:

a) è redatto in conformità ai principi contabili internazionali applicabili riconosciuti nella Comunità europea ai sensi del regolamento (CE) n. 1606/2002 del Parlamento europeo e del Consiglio, del 19 luglio 2002;

b) corrisponde alle risultanze dei libri e delle scritture contabili;

c) a quanto consta è idoneo a fornire una rappresentazione veritiera e corretta della situazione patrimoniale, economica e finanziaria dell'emittente.

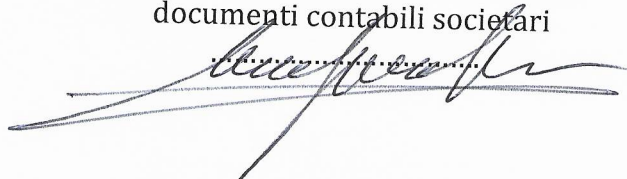
3.1 La relazione sulla gestione comprende un'analisi attendibile dell'andamento e del risultato della gestione, nonché della situazione dell'emittente, unitamente alla descrizione dei principali rischi e incertezze cui sono esposti.

Sant' Agata Feltria 24/04/2024

Amministratore Delegato



Dirigente preposto alla redazione dei documenti contabili societari



Relazione della società di revisione indipendente

ai sensi dell'articolo 14 del DLgs 27 gennaio 2010, n. 39 e dell'articolo 10 del Regolamento (UE) n. 537/2014

Agli azionisti della
Indel B SpA

Relazione sulla revisione contabile del bilancio d'esercizio

Giudizio

Abbiamo svolto la revisione contabile del bilancio d'esercizio della società Indel B SpA (la "Società"), costituito dalla situazione patrimoniale-finanziaria al 31 dicembre 2023, dal conto economico, dal conto economico complessivo, dal prospetto delle variazioni del patrimonio netto, dal rendiconto finanziario per l'esercizio chiuso a tale data e dalle note esplicative al bilancio che includono le informazioni rilevanti sui principi contabili applicati.

A nostro giudizio, il bilancio d'esercizio fornisce una rappresentazione veritiera e corretta della situazione patrimoniale e finanziaria della Società al 31 dicembre 2023, del risultato economico e dei flussi di cassa per l'esercizio chiuso a tale data in conformità agli International Financial Reporting Standards adottati dall'Unione Europea nonché ai provvedimenti emanati in attuazione dell'articolo 9 del DLgs n. 38/2005.

Elementi alla base del giudizio

Abbiamo svolto la revisione contabile in conformità ai principi di revisione internazionali (ISA Italia). Le nostre responsabilità ai sensi di tali principi sono ulteriormente descritte nella sezione *Responsabilità della società di revisione per la revisione contabile del bilancio d'esercizio* della presente relazione. Siamo indipendenti rispetto alla Società in conformità alle norme e ai principi in materia di etica e di indipendenza applicabili nell'ordinamento italiano alla revisione contabile del bilancio. Riteniamo di aver acquisito elementi probativi sufficienti e appropriati su cui basare il nostro giudizio.

Aspetti chiave della revisione contabile

Gli aspetti chiave della revisione contabile sono quegli aspetti che, secondo il nostro giudizio professionale, sono stati maggiormente significativi nell'ambito della revisione contabile del bilancio dell'esercizio in esame. Tali aspetti sono stati da noi affrontati nell'ambito della revisione contabile e nella formazione del nostro giudizio sul bilancio d'esercizio nel suo complesso; pertanto, su tali aspetti non esprimiamo un giudizio separato.

PricewaterhouseCoopers SpA

Sede legale: **Milano** 20145 Piazza Tre Torri 2 Tel. 02 77851 Fax 02 7785240 Capitale Sociale Euro 6.890.000,00 i.v. C.F. e P.IVA e Reg. Imprese Milano Monza Brianza Lodi 12979880155 Iscritta al n° 119644 del Registro dei Revisori Legali - Altri Uffici: **Ancona** 60131 Via Sandro Totti 1 Tel. 071 2132311 - **Bari** 70122 Via Abate Gimma 72 Tel. 080 5640211 - **Bergamo** 24121 Largo Belotti 5 Tel. 035 229691 - **Bologna** 40124 Via Luigi Carlo Farini 12 Tel. 051 6186211 - **Brescia** 25121 Viale Duca d'Aosta 28 Tel. 030 3697501 - **Catania** 95129 Corso Italia 302 Tel. 095 7532311 - **Firenze** 50121 Viale Gramsci 15 Tel. 055 2482811 - **Genova** 16121 Piazza Piccapietra 9 Tel. 010 29041 - **Napoli** 80121 Via dei Mille 16 Tel. 081 36181 - **Padova** 35138 Via Vicenza 4 Tel. 049 873481 - **Palermo** 90141 Via Marchese Ugo 60 Tel. 091 349737 - **Parma** 43121 Viale Tanara 20/A Tel. 0521 275911 - **Pescara** 65127 Piazza Ettore Troilo 8 Tel. 085 4545711 - **Roma** 00154 Largo Fochetti 29 Tel. 06 570251 - **Torino** 10122 Corso Palestro 10 Tel. 011 556771 - **Trento** 38122 Viale della Costituzione 33 Tel. 0461 237004 - **Treviso** 31100 Viale Felissent 90 Tel. 0422 696911 - **Trieste** 34125 Via Cesare Battisti 18 Tel. 040 3480781 - **Udine** 33100 Via Poscolle 43 Tel. 0432 25789 - **Varese** 21100 Via Albuzzi 43 Tel. 0332 285039 - **Verona** 37135 Via Francia 21/C Tel. 045 8263001 - **Vicenza** 36100 Piazza Pontelandolfo 9 Tel. 0444 393311

Aspetti chiave

Procedure di revisione in risposta agli aspetti chiave

Valutazione delle partecipazioni in società controllate e collegate

I criteri di valutazione relativi alla valutazione delle partecipazioni in società controllate e collegate sono descritti nel paragrafo 2.3 “Criteri applicati nella valutazione delle voci di bilancio” e nel paragrafo 2.6.4 “Partecipazioni” delle note esplicative al bilancio d’esercizio.

Il valore delle partecipazioni in società controllate e collegate al 31 dicembre 2023 ammonta a circa Euro 38,8 milioni, pari al 22% del totale attivo patrimoniale.

Con riferimento a tale voce di bilancio, gli amministratori hanno svolto, ai sensi del principio contabile IAS 36, un’analisi volta ad individuare la presenza di eventuali indicatori di perdite di valore e, ove applicabile, hanno svolto un *test di impairment* (di seguito anche “*impairment test*”). L’*impairment test* ha avuto l’obiettivo di identificare eventuali perdite di valore, mediante il confronto tra il valore di bilancio della partecipazione assoggettata a verifica ed il valore recuperabile, rappresentato dal maggiore tra il *fair value*, al netto dei costi di dismissione, e il valore d’uso. Quest’ultimo è stato stimato mediante il metodo di attualizzazione dei flussi di cassa attesi (“*Discounted Cash Flow*”), nonché del valore terminale. La stima di cui sopra si è basata sui flussi di cassa futuri previsti dal piano 2024-2028, così come approvato dagli amministratori in data 12 aprile 2024.

Lo svolgimento dell’*impairment test* è caratterizzato da un elevato grado di giudizio e soggettività, con particolare riferimento alla:

- determinazione dei flussi di cassa operativi attesi e dei tassi di crescita di lungo termine, che devono tener conto di fattori macroeconomici, prospettive future e risultati passati registrati dalla società controllata o collegata;

Con riferimento a tale aspetto chiave, le nostre procedure di revisione hanno incluso:

- lo svolgimento di adeguate procedure di revisione sulle informazioni contabili fornite dalle società partecipate, a supporto della valutazione nel bilancio d’esercizio;
- la comprensione e la valutazione dell’analisi preliminare svolta dalla Società al fine di individuare la presenza di eventuali indicatori di perdite di valore e, ove applicabile, la comprensione della procedura di valutazione dell’eventuale perdita di valore adottata dalla Direzione;
- la verifica delle metodologie di stima adottate ai fini del monitoraggio e della misurazione della recuperabilità del valore delle partecipazioni in società controllate e collegate;
- la valutazione del lavoro svolto dagli esperti che hanno supportato gli amministratori ai fini della predisposizione dell’*impairment test*;
- l’analisi di ragionevolezza delle assunzioni utilizzate dagli amministratori per la costruzione dei flussi di cassa e, dunque, per la determinazione del valore d’uso;
- il confronto delle assunzioni del *management* con i dati storici e con quanto desumibile da fonti esterne;
- un’analisi retrospettica confrontando le stime formulate negli esercizi precedenti con i dati consuntivati, al fine di validare la capacità della Direzione di formulare stime attendibili;

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| <ul style="list-style-type: none">• identificazione delle assunzioni tecniche da utilizzare per la costruzione del tasso di attualizzazione dei flussi di cassa di cui al punto precedente. <p>Per le ragioni sopra esposte, abbiamo considerato la recuperabilità del valore di carico delle partecipazioni in società controllate e collegate un aspetto chiave della revisione.</p> | <ul style="list-style-type: none">• l'analisi, con il supporto degli esperti della rete PwC nell'ambito di valutazioni d'impresa, della metodologia e del modello valutativo utilizzato dalla Direzione per la predisposizione dell'<i>impairment test</i>, inclusa la ragionevolezza dei tassi di attualizzazione, dei tassi di crescita e delle relative analisi di sensitività;• la verifica della completezza e adeguatezza dell'informativa fornita nelle note esplicative relativamente all'<i>impairment test</i>. |
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-

Responsabilità degli amministratori e del collegio sindacale per il bilancio d'esercizio

Gli amministratori sono responsabili per la redazione del bilancio d'esercizio che fornisca una rappresentazione veritiera e corretta in conformità agli International Financial Reporting Standards adottati dall'Unione Europea nonché ai provvedimenti emanati in attuazione dell'articolo 9 del DLgs n. 38/2005 e, nei termini previsti dalla legge, per quella parte del controllo interno dagli stessi ritenuta necessaria per consentire la redazione di un bilancio che non contenga errori significativi dovuti a frodi o a comportamenti o eventi non intenzionali.

Gli amministratori sono responsabili per la valutazione della capacità della Società di continuare a operare come un'entità in funzionamento e, nella redazione del bilancio d'esercizio, per l'appropriatezza dell'utilizzo del presupposto della continuità aziendale, nonché per una adeguata informativa in materia. Gli amministratori utilizzano il presupposto della continuità aziendale nella redazione del bilancio d'esercizio a meno che abbiano valutato che sussistono le condizioni per la liquidazione della Società o per l'interruzione dell'attività o non abbiano alternative realistiche a tali scelte.

Il collegio sindacale ha la responsabilità della vigilanza, nei termini previsti dalla legge, sul processo di predisposizione dell'informativa finanziaria della Società.

Responsabilità della società di revisione per la revisione contabile del bilancio d'esercizio

I nostri obiettivi sono l'acquisizione di una ragionevole sicurezza che il bilancio d'esercizio nel suo complesso non contenga errori significativi, dovuti a frodi o a comportamenti o eventi non intenzionali, e l'emissione di una relazione di revisione che includa il nostro giudizio. Per ragionevole sicurezza si intende un livello elevato di sicurezza che, tuttavia, non fornisce la garanzia che una revisione contabile svolta in conformità ai principi di revisione internazionali (ISA Italia) individui sempre un errore significativo, qualora esistente. Gli errori possono derivare da frodi o da comportamenti o eventi non intenzionali e sono considerati significativi qualora ci si possa ragionevolmente attendere che essi, singolarmente o nel loro insieme, siano in grado di influenzare le decisioni economiche prese dagli utilizzatori sulla base del bilancio d'esercizio.

Nell'ambito della revisione contabile svolta in conformità ai principi di revisione internazionali (ISA Italia), abbiamo esercitato il giudizio professionale e abbiamo mantenuto lo scetticismo professionale per tutta la durata della revisione contabile. Inoltre:

- abbiamo identificato e valutato i rischi di errori significativi nel bilancio d'esercizio, dovuti a frodi o a comportamenti o eventi non intenzionali; abbiamo definito e svolto procedure di revisione in risposta a tali rischi; abbiamo acquisito elementi probativi sufficienti e appropriati su cui basare il nostro giudizio. Il rischio di non individuare un errore significativo dovuto a frodi è più elevato rispetto al rischio di non individuare un errore significativo derivante da comportamenti o eventi non intenzionali, poiché la frode può implicare l'esistenza di collusioni, falsificazioni, omissioni intenzionali, rappresentazioni fuorvianti o forzature del controllo interno;
- abbiamo acquisito una comprensione del controllo interno rilevante ai fini della revisione contabile allo scopo di definire procedure di revisione appropriate nelle circostanze e non per esprimere un giudizio sull'efficacia del controllo interno della Società;
- abbiamo valutato l'appropriatezza dei principi contabili utilizzati nonché la ragionevolezza delle stime contabili effettuate dagli amministratori, inclusa la relativa informativa;
- siamo giunti a una conclusione sull'appropriatezza dell'utilizzo da parte degli amministratori del presupposto della continuità aziendale e, in base agli elementi probativi acquisiti, sull'eventuale esistenza di un'incertezza significativa riguardo a eventi o circostanze che possono far sorgere dubbi significativi sulla capacità della Società di continuare a operare come un'entità in funzionamento. In presenza di un'incertezza significativa, siamo tenuti a richiamare l'attenzione nella relazione di revisione sulla relativa informativa di bilancio ovvero, qualora tale informativa sia inadeguata, a riflettere tale circostanza nella formulazione del nostro giudizio. Le nostre conclusioni sono basate sugli elementi probativi acquisiti fino alla data della presente relazione. Tuttavia, eventi o circostanze successivi possono comportare che la Società cessi di operare come un'entità in funzionamento;
- abbiamo valutato la presentazione, la struttura e il contenuto del bilancio d'esercizio nel suo complesso, inclusa l'informativa, e se il bilancio d'esercizio rappresenti le operazioni e gli eventi sottostanti in modo da fornire una corretta rappresentazione.

Abbiamo comunicato ai responsabili delle attività di governance, identificati a un livello appropriato come richiesto dagli ISA Italia, tra gli altri aspetti, la portata e la tempistica pianificate per la revisione contabile e i risultati significativi emersi, incluse le eventuali carenze significative nel controllo interno identificate nel corso della revisione contabile.

Abbiamo fornito ai responsabili delle attività di governance anche una dichiarazione sul fatto che abbiamo rispettato le norme e i principi in materia di etica e di indipendenza applicabili nell'ordinamento italiano e abbiamo comunicato loro ogni situazione che possa ragionevolmente avere un effetto sulla nostra indipendenza e, ove applicabile, le azioni intraprese per eliminare i relativi rischi o le misure di salvaguardia applicate.

Tra gli aspetti comunicati ai responsabili delle attività di governance, abbiamo identificato quelli che sono stati più rilevanti nell'ambito della revisione contabile del bilancio dell'esercizio in esame, che hanno costituito quindi gli aspetti chiave della revisione. Abbiamo descritto tali aspetti nella relazione di revisione.

Altre informazioni comunicate ai sensi dell'articolo 10 del Regolamento (UE) 537/2014

L'assemblea degli azionisti della Indel B SpA ci ha conferito in data 7 marzo 2017 l'incarico di revisione legale del bilancio d'esercizio e consolidato della Società per gli esercizi dal 31 dicembre 2017 al 31 dicembre 2025.

Dichiariamo che non sono stati prestati servizi diversi dalla revisione contabile vietati ai sensi dell'articolo 5, paragrafo 1, del Regolamento (UE) 537/2014 e che siamo rimasti indipendenti rispetto alla Società nell'esecuzione della revisione legale.

Confermiamo che il giudizio sul bilancio d'esercizio espresso nella presente relazione è in linea con quanto indicato nella relazione aggiuntiva destinata al collegio sindacale, nella sua funzione di comitato per il controllo interno e la revisione contabile, predisposta ai sensi dell'articolo 11 del citato Regolamento.

Relazione su altre disposizioni di legge e regolamentari

Giudizio sulla conformità alle disposizioni del Regolamento Delegato (UE) 2019/815

Gli amministratori della Indel B SpA sono responsabili per l'applicazione delle disposizioni del Regolamento Delegato (UE) 2019/815 della Commissione Europea in materia di norme tecniche di regolamentazione relative alla specificazione del formato elettronico unico di comunicazione (ESEF - *European Single Electronic Format*) (nel seguito "Regolamento Delegato") al bilancio d'esercizio al 31 dicembre 2023, da includere nella relazione finanziaria annuale.

Abbiamo svolto le procedure indicate nel principio di revisione (SA Italia) n. 700B al fine di esprimere un giudizio sulla conformità del bilancio d'esercizio alle disposizioni del Regolamento Delegato.

A nostro giudizio, il bilancio d'esercizio al 31 dicembre 2023 è stato predisposto nel formato XHTML in conformità alle disposizioni del Regolamento Delegato.

Giudizio ai sensi dell'articolo 14, comma 2, lettera e), del DLgs 39/10 e dell'articolo 123-bis, comma 4, del DLgs 58/1998

Gli amministratori della Indel B SpA sono responsabili per la predisposizione della relazione sulla gestione e della relazione sul governo societario e gli assetti proprietari della Indel B SpA al 31 dicembre 2023, incluse la loro coerenza con il relativo bilancio d'esercizio e la loro conformità alle norme di legge.

Abbiamo svolto le procedure indicate nel principio di revisione (SA Italia) n. 720B al fine di esprimere un giudizio sulla coerenza della relazione sulla gestione e di alcune specifiche informazioni contenute nella relazione sul governo societario e gli assetti proprietari indicate nell'articolo 123-bis, comma 4, del DLgs 58/1998, con il bilancio d'esercizio della Indel B SpA al 31 dicembre 2023 e sulla conformità delle stesse alle norme di legge, nonché di rilasciare una dichiarazione su eventuali errori significativi.

A nostro giudizio, la relazione sulla gestione e alcune specifiche informazioni contenute nella relazione sul governo societario e gli assetti proprietari sopra richiamate sono coerenti con il bilancio d'esercizio della Indel B SpA al 31 dicembre 2023 e sono redatte in conformità alle norme di legge.



Con riferimento alla dichiarazione di cui all'articolo 14, comma 2, lettera e), del DLgs 39/2010, rilasciata sulla base delle conoscenze e della comprensione dell'impresa e del relativo contesto acquisite nel corso dell'attività di revisione, non abbiamo nulla da riportare.

Bologna, 24 aprile 2024

PricewaterhouseCoopers SpA



Federico Scapinelli
(Revisore legale)

Relazione del Collegio Sindacale all'Assemblea degli Azionisti di

INDEL B S.p.A.

(ai sensi dell'articolo 153 del D. Lgs. n. 58/1998 e dell'articolo 2429, comma 2, Codice Civile)

Signori Azionisti,

il Collegio Sindacale è chiamato a riferire all'Assemblea dei Soci di INDEL B S.p.A. ("INDEL B" o "Società"), convocata per l'approvazione del Bilancio al 31 dicembre 2023:

- sull'attività di vigilanza posta in essere;
- sulle omissioni e sui fatti censurabili eventualmente rilevati ai sensi dell'articolo 153 del Decreto Legislativo 24 febbraio 1998 n. 58 ("TUF") e dell'articolo 2429, comma 2, del Codice Civile.

Nel corso dell'esercizio il Collegio Sindacale ha svolto i propri compiti nel rispetto delle norme contenute nel Codice Civile e nel TUF e delle norme di comportamento emanate dal Consiglio Nazionale dei Dottori Commercialisti e degli Esperti Contabili.

Il Collegio Sindacale ha, quindi, vigilato:

- i) sull'osservanza della legge e dello statuto sociale ("Statuto");
- ii) sul rispetto dei principi di corretta amministrazione;
- iii) sull'adeguatezza dell'assetto organizzativo;
- iv) sull'adeguatezza e sul funzionamento del sistema di controllo interno;
- v) sull'adeguatezza del sistema amministrativo-contabile e sull'attività di revisione legale, compresa quella relativa al bilancio d'esercizio, al bilancio consolidato ed alle relative relazioni;
- vi) sulle modalità di concreta attuazione delle regole di governo societario previste dal Codice di Corporate Governance, ai cui principi ed alle cui raccomandazioni la Società aderisce e si conforma;
- vii) sull'adeguatezza delle disposizioni impartite alle società controllate ex articolo 114, comma 2, del TUF;
- viii) sulle operazioni con parti correlate.

Nel corso dell'esercizio 2023 il Collegio Sindacale ha acquisito le informazioni strumentali allo svolgimento dei compiti di vigilanza ad esso attribuiti mediante uno scambio di flussi informativi con il Consiglio di Amministrazione, i responsabili di alcune funzioni aziendali e gli altri organi e soggetti cui sono attribuite funzioni di controllo e vigilanza.

Nel corso dell'esercizio 2023 il Collegio Sindacale ha:

- tenuto 6 riunioni, alle quali hanno partecipato tutti i membri in carica;
- partecipato alle 10 riunioni tenute dal Consiglio di Amministrazione;
- partecipato alle 5 riunioni tenute dal Comitato Controllo e Rischi;
- partecipato alle 2 riunioni tenute dal Comitato per la Remunerazione;
- partecipato all'Assemblea dei Soci;
- tenuto riunioni con i responsabili della Società di Revisione, ai sensi dell'art. 150, comma 3, del TUF, nel corso delle quali sono stati scambiati i dati e le informazioni rilevanti per l'espletamento dei rispettivi compiti;
- incontrato il responsabile della Funzione di *Internal Audit*;
- incontrato e avuto scambi informativi con l'Organismo di Vigilanza nominato ai sensi del D.Lgs. n. 231/2001;
- incontrato il Dirigente Preposto alla redazione dei documenti contabili societari;
- raccolto i documenti e le informazioni ritenuti rilevanti dagli amministratori esecutivi e dalle altre funzioni aziendali;
- scambiato informazioni con il sindaco unico della società controllante.

Premesso quanto sopra, di seguito si forniscono le informazioni, richiamate, tra le altre, nella Comunicazione Consob n. 1025664 del 6 aprile 2001 e successive modifiche ed integrazioni.

1. Osservanza della legge e dello Statuto e rispetto dei principi di corretta amministrazione

Il Collegio Sindacale ha vigilato sull'osservanza della legge, dello Statuto e delle disposizioni emanate dalle Autorità di Vigilanza e Controllo e sul rispetto dei principi di corretta amministrazione.

Tale vigilanza è avvenuta tramite:

- osservazioni dirette;
- raccolta di informazioni dai responsabili delle funzioni aziendali;
- incontri con il Comitato Controllo e Rischi e con i responsabili della società di revisione ai fini del reciproco scambio di dati e informazioni rilevanti.

In particolare, per quanto concerne i processi deliberativi del Consiglio di Amministrazione, il Collegio Sindacale ha accertato, anche mediante la partecipazione alle riunioni consiliari, la conformità alla legge ed allo Statuto delle scelte gestionali operate dagli Amministratori ed ha verificato che le relative delibere non fossero in contrasto con

l'interesse della Società e fossero supportate da adeguati processi di informazione, analisi e verifica.

Inoltre il Collegio Sindacale ha verificato che le operazioni di maggior rilievo economico, finanziario e patrimoniale effettuate dalla Società non risultano manifestamente imprudenti o azzardate, in potenziale conflitto di interessi, in contrasto con le delibere assunte dall'assemblea o tali da compromettere l'integrità del patrimonio sociale.

2. Adeguatezza dell'assetto organizzativo

Il Collegio Sindacale ha vigilato sull'adeguatezza della struttura organizzativa della Società e sul relativo funzionamento, mediante raccolta di informazioni dalle strutture preposte ed incontri con i responsabili della revisione interna ed esterna.

A tale riguardo non ha osservazioni particolari da riferire.

3. Adeguatezza e funzionamento del sistema di controllo interno e di gestione dei rischi

Il Collegio Sindacale ha vigilato sull'adeguatezza del sistema di controllo interno e di gestione dei rischi della Società. A tal fine il Collegio Sindacale:

- ha vigilato sull'attività svolta dal responsabile della funzione di *internal audit* ed al riguardo dà atto che la struttura di *internal audit* risulta dotata delle necessarie competenze rispetto alle mansioni ad essa attribuite;
- dà atto che la Società dispone di un sistema di gestione dei rischi in conformità a quanto stabilito dal vigente Codice di Corporate Governance.

Ciò premesso il Collegio Sindacale – con riferimento alle restrizioni normative di carattere soggettivo ed oggettivo che caratterizzano le vendite del Gruppo INDEL B, principalmente per il tramite delle società controllate AUTOCLIMA S.p.A. e AUTOCLIMA RUS LLC., a società di diritto russo – osserva che le procedure di controllo ed i presidi introdotti nell'ambito del sistema di controllo interno appaiono efficaci ed idonee ad eliminare il rischio di commettere violazioni alle richiamate restrizioni.

Nell'ambito della verifica dell'adeguatezza del sistema di controllo interno rispetto al D. Lgs. n. 231/2001 il Collegio Sindacale rileva che la Società ha adottato un Modello Organizzativo finalizzato a prevenire la commissione dei reati che possono determinare la responsabilità della Società.

Il Modello Organizzativo è soggetto a revisioni periodiche, sia per tenere conto dell'esperienza operativa sia per tener conto delle modifiche normative che dispongono l'inclusione di ulteriori fattispecie quali reati-presupposto.

L'Organismo di Vigilanza ("O.d.V.") – composto da Marco Genghini (Presidente), Massimiliano Nardini ed Emmanuil Perakis – ha vigilato sul funzionamento e sull'osservanza del Modello Organizzativo.

Nel 2023 l'O.d.V. si è riunito 8 volte (con sei sopralluoghi e due incontri per la stesura delle proprie relazioni) e ha mantenuto un costante flusso informativo con il Collegio Sindacale.

4. Adeguatezza del sistema amministrativo-contabile

Il Collegio Sindacale ha vigilato sull'adeguatezza del sistema amministrativo-contabile e sulla relativa affidabilità a rappresentare correttamente i fatti di gestione, mediante l'ottenimento di informazioni dai responsabili delle funzioni aziendali competenti, l'esame di documenti aziendali e l'analisi dei risultati del lavoro svolto dalla società di revisione PricewaterhouseCoopers S.p.A.

Il Collegio Sindacale ha altresì preso atto delle attestazioni rilasciate dall'Amministratore Delegato e dal Dirigente Preposto alla redazione dei documenti contabili societari del Gruppo – il quale ha la responsabilità del sistema di controllo interno in materia di informativa finanziaria e definisce le procedure amministrative e contabili finalizzate a garantire adeguati controlli nella predisposizione della documentazione contabile periodica e di ogni altra comunicazione finanziaria – in merito all'adeguatezza ed all'effettiva applicazione delle procedure amministrative e contabili per la formazione del bilancio d'esercizio e consolidato.

Il Collegio Sindacale ritiene che, alla luce dell'attività di vigilanza svolta e per quanto di propria competenza, il sistema amministrativo-contabile sia, nel suo complesso, adeguato.

5. Modalità di attuazione delle regole di governo societario previste dal Codice di Corporate Governance

La Società aderisce ai principi ed alle raccomandazioni contenute nel Codice di Corporate Governance elaborato, su iniziativa di Borsa Italiana, dal Comitato per la Corporate Governance.

Nell'ambito del Consiglio di Amministrazione della Società si riscontra la presenza di 2 amministratori non esecutivi e indipendenti: Fernanda Pelati e Giovanni Diana.

Il Consiglio di Amministrazione ha costituito al proprio interno:

- il Comitato per la Remunerazione, composto: da Fernanda Pelati (Presidente), Giovanni Diana e Claudia Amadori;
- il Comitato Controllo e Rischi composto da Giovanni Diana (Presidente), Fernanda Pelati e Claudia Amadori;

- il Comitato per le Operazioni con Parti Correlate, composto Fernanda Pelati (Presidente) e Giovanni Diana.

Per ulteriori approfondimenti sulla Corporate Governance della Società si fa rinvio alla Relazione predisposta e approvata dagli Amministratori.

Il Consiglio di Amministrazione ha valutato l'effettiva indipendenza degli amministratori non esecutivi. Tale valutazione è stata effettuata anche dal Collegio Sindacale.

Il Collegio Sindacale ha, inoltre, effettuato la verifica dell'indipendenza dei propri membri. Tale verifica è stata effettuata ai sensi dell'articolo 148, comma 3, del TUF e delle raccomandazioni contenute al riguardo nel Codice di Corporate Governance.

In conclusione il Collegio Sindacale esprime una valutazione positiva sul sistema di Corporate Governance della Società.

6. Adeguatezza delle disposizioni impartite alle società controllate

Il Collegio Sindacale ha vigilato sull'adeguatezza delle disposizioni impartite dalla Società alle proprie controllate – ai sensi dell'articolo 114, comma 2, del TUF – e le ritiene idonee al fine di adempiere agli obblighi di comunicazione previsti dalla legge.

7. Eventuale esistenza di operazioni atipiche e/o inusuali, comprese quelle infragruppo o con parti correlate e valutazione dell'adeguatezza delle informazioni fornite dagli amministratori

Le informazioni acquisite dal Collegio Sindacale non hanno evidenziato l'esistenza di operazioni atipiche e/o inusuali perfezionate con parti terze, con società del Gruppo o con parti correlate.

Al riguardo si dà atto che la Società ha adottato una procedura per le Operazioni con Parti Correlate in conformità alle previsioni dell'articolo 2391-bis del Codice Civile e del Regolamento OPC (adottato dalla Consob con la delibera n. 17221 del 12 marzo 2010 e successivamente modificato con le delibere n. 17389 del 23 giugno 2010 n. 19925 del 22 marzo 2017, n. 19974 del 27 aprile 2017 e n. 21624 del 10 dicembre 2020). Tale procedura definisce le linee guida ed i criteri per l'identificazione delle operazioni con parti correlate e individua ruoli, responsabilità e modalità operative volte a garantire, per tali operazioni, un'adeguata trasparenza informativa e la necessaria correttezza procedurale e sostanziale.

Ciò premesso, si rileva che, come adeguatamente illustrato dagli Amministratori nella Nota Integrativa e nella Relazione sulla Gestione al bilancio consolidato, che include anche quella al bilancio separato, la Società ha effettuato operazioni con parti correlate, le quali sono state effettuate a condizioni di mercato, rientrano nella normale operatività della Società e rispondono all'interesse di quest'ultima.

8. Relazioni della società di revisione

L'incarico di revisione legale dei conti e di revisione del bilancio di esercizio e consolidato è stato conferito a PricewaterhouseCoopers S.p.A.

PricewaterhouseCoopers S.p.A. ha rilasciato in data 24 aprile 2024 le relazioni ai sensi dell'articolo 14 del D. Lgs. n. 39/2010.

Tali relazioni non contengono rilievi e/o richiami di informativa e attestano che:

- il bilancio di esercizio della Società e il bilancio consolidato del Gruppo al 31 dicembre 2023 sono conformi agli *International Financial Reporting Standards* (IFRS) adottati dall'Unione Europea nonché ai provvedimenti emanati in attuazione dell'articolo 9 del D. Lgs. n. 38 del 2005;
- il bilancio di esercizio della Società e il bilancio consolidato del Gruppo al 31 dicembre 2023 rappresentano in modo veritiero e corretto, con riferimento rispettivamente alla Società e al Gruppo, la situazione patrimoniale e finanziaria al 31 dicembre 2023, il risultato economico d'esercizio e consolidato e i flussi di cassa per l'esercizio chiuso a tale data;
- la relazione sulla gestione è coerente con il bilancio d'esercizio della Società e con il bilancio consolidato del Gruppo al 31 dicembre 2023 ed è conforme a quanto richiesto dalle norme applicabili;
- le informazioni di cui all'articolo 123-bis del TUF in materia di governo societario e assetti proprietari presentate nella relazione sul governo societario sono coerenti con il bilancio d'esercizio della Società e con il bilancio consolidato del Gruppo al 31 dicembre 2023.

Con riferimento alla dichiarazione di carattere non finanziario ("DNF") disciplinata dal Decreto Legislativo 30 dicembre 2016 n. 254 e dal Regolamento Consob adottato con delibera n. 20267 del 19 gennaio 2018, il Collegio Sindacale ha vigilato sul rispetto delle disposizioni di legge previste in materia e sull'adeguatezza del sistema organizzativo, amministrativo, di rendicontazione e controllo predisposto dalla Società al fine di consentire una corretta e completa rappresentazione, nella DNF, dell'attività d'impresa, dei suoi risultati e dei suoi impatti con riguardo ai temi di natura non finanziaria. A tal fine il Collegio Sindacale ha vigilato sull'adeguatezza delle procedure, dei processi e delle strutture che presiedono alla produzione, rendicontazione, misurazione e rappresentazione dei risultati e delle informazioni di carattere non finanziario.

9. Indicazione di eventuali ulteriori incarichi supplementari conferiti alla società di revisione e/o a soggetti legati alla società incaricata della revisione da rapporti continuativi e dei relativi costi

Nel corso del 2023 la Società non ha conferito incarichi di questo tipo.

10. Indicazioni su eventuali denunce ex art. 2408 del Codice Civile ed esposti

Nel corso del 2023 non sono state presentate al Collegio Sindacale denunce ai sensi dell'articolo 2408 del Codice Civile.

Il Collegio Sindacale non è a conoscenza di esposti dei quali riferire nella presente relazione.

11. Pareri rilasciati ai sensi di legge nel corso dell'esercizio 2023 dal Collegio Sindacale

Il Collegio Sindacale nel corso dell'esercizio 2023 non ha rilasciato pareri.

12. Riunioni tenute con la società di revisione

Il Collegio Sindacale ha accertato, tramite informazioni assunte dalla società di revisione PricewaterhouseCoopers S.p.A., l'osservanza dei principi contabili IAS/IFRS, nonché delle norme inerenti alla formazione e all'impostazione del bilancio di esercizio, del bilancio consolidato e della relazione sulla gestione (compresa l'effettuazione del c.d. "impairment test").

In occasione degli incontri con la società di revisione il Collegio Sindacale è stato informato dell'impianto metodologico adottato da quest'ultima e dell'osservanza delle disposizioni normative inerenti alla formazione e all'impostazione del bilancio d'esercizio, del bilancio consolidato e della relazione sulla gestione.

Per parte sua il Collegio Sindacale ha informato la società di revisione PricewaterhouseCoopers S.p.A. sugli esiti della propria attività di vigilanza.

13. Valutazione conclusiva in ordine agli esiti dell'attività di vigilanza svolta

In conclusione il Collegio Sindacale attesta che l'attività di vigilanza è stata svolta con la piena collaborazione degli organi societari, dei responsabili della funzione amministrativa, del Dirigente Preposto e della società di revisione.

14. Proposte all'assemblea

Il Collegio Sindacale non rileva motivi ostativi all'approvazione della proposta di bilancio al 31 dicembre 2023 formulata dal Consiglio di Amministrazione e non ha obiezioni da formulare in merito alla proposta di deliberazione presentata dal Consiglio di Amministrazione sulla destinazione del risultato di esercizio.

24 aprile 2024

Il Collegio Sindacale

Sergio Marchese (Presidente)

Emmanuil Perakis (Sindaco Effettivo)

Nicole Magnifico (Sindaco Effettivo)



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Group