

indelB
Group

2022

ANNUAL
REPORT

At 31 December 2022

INDEX

1.	Company Data	04
2.	Corporate Bodies	05
3.	Report on operations of the Consolidated and Separate Financial Statements at 31 December 2022	06
4.	Consolidated Non-Financial Statement pursuant to D. Lgs. 254/2016	63
5.	Independent auditors' report on consolidated Non-Financial Statement (Original Italian version)	164
6.	Consolidated Financial Statement at 31 December 2022	167
7.	Certification of the Consolidated Financial Statements pursuant to Article 81b of Consob Regulation No. 11971 of May 14, 1999, as amended and supplemented (Original Italian version)	271
8.	External auditors' report on the Consolidated Financial Statements (Original Italian version)	272
9.	Separate Financial Statement at 31 December 2022	279
10.	Certification of the Separate Financial Statements pursuant to Article 81b of Consob Regulation No. 11971 of May 14, 1999, as amended and supplemented (Original Italian version)	381
11.	External auditors' report on the Separate Financial Statements (Original Italian version)	382
12.	Report of the Board of Statutory Auditors to the Shareholders' Meeting of Indel B S.p.A. (Original Italian version)	387



2022

REPORT
ON OPERATIONS
OF THE CONSOLIDATED AND
SEPARATE FINANCIAL
STATEMENTS

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
	Graziano Verdi ^{(1) (2) (3) (5)}
	Fernanda Pelati ^{(1) (2) (3) (5)}

Board of Statutory Auditors

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

Supervisory Body

Chairman	Marco Genghini
	Emmanuel Perakis
	Massimiliano Nardini

Financial Reporting Officer

Mirco Manganello

Independent Auditors

PricewaterhouseCoopers S.p.A.

(*) Composition of committees as at 31 December 2022

(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 2022, the Indel B Group achieved a consolidated net profit of Euro 12,189 thousand, after amortisation, depreciation, provisions and write-downs totalling Euro 8,447 thousand and provisions for current taxes of Euro 5,339 thousand. 2022 was unprecedented in the history of this Company. There challenges were many, but Indel B was even more impressive in its solidity, organisation and ability to manage the complexity of sudden and unexpected changes. That is why we can be proud of the results the company achieved last year, when we felt an even greater responsibility to act quickly and decisively to safeguard the Group's profitability. Careful and effective management enabled Indel B to limit the negative impact of increased material and logistics costs as well as the sharp rise in inflation. Despite this, Indel B was able to maintain its competitive position.

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 - Sector differentiation

The Group is a major global player in the mobile refrigeration sector 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 sector 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 "frigolatte" (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.

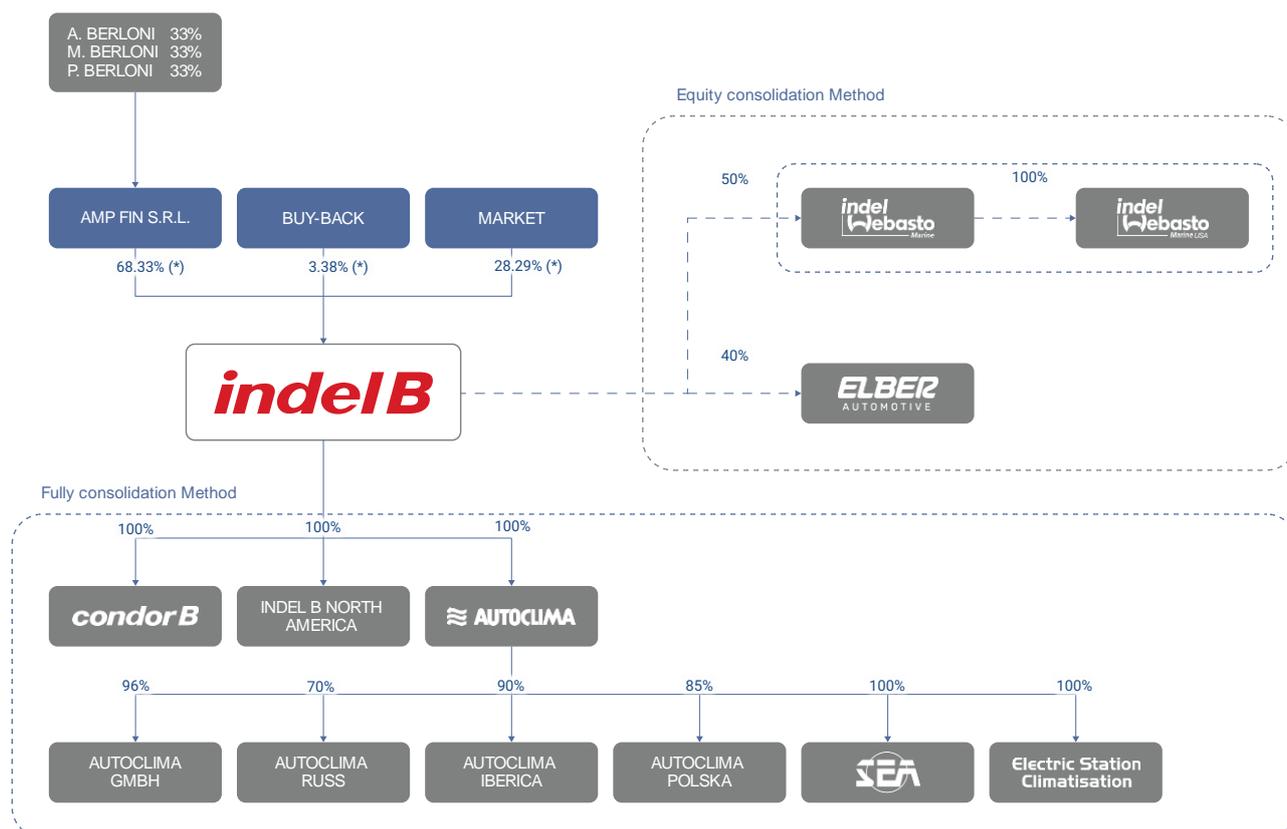
The Group's coverage of these market sectors is shown in the diagram below together with the relevant sales channel:



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. In Brazil, through its associate Elber for the production of mini-fridges and refrigeration systems for the automotive, cooling appliances and leisure sector. 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 2022.

Group Structure



Notes: ESC was acquired on 18 January 2021 - SEA S.r.l. was acquired on 10 May 2021
 (*) data updated to 31 December 2022

3. Economic framework

Macroeconomic scenario

2022 was a very complex year, with many macroeconomic and geopolitical factors affecting the Group's business performance. The global economy is facing new challenges on the geopolitical front: in a world still reeling from the economic crisis caused by the COVID-19 pandemic, the aftermath of the war between Russia and Ukraine and the related uncertainty continue to weigh on the economic activity. This will contribute to a slowdown in global real Gross Domestic Product (GDP) growth in 2023, which is expected to be 1.3% in 2023, compared to an average growth of 2.7% over the last 10 years and 3.1% in 2022. In particular, one of the most notable factors in the global macroeconomic scenario is the price growth rate, which has not been this high in advanced countries for decades. Consider that average inflation in OECD countries is expected to be 9.4% in 2022, almost six times higher than the 1.6% average for 2013-2019. Inflation weighs on the economic outlook because it translates into higher production costs for companies, a reduction in real income for households and because it forces central banks to adopt restrictive monetary policies thereby slowing down economic activity in order to achieve their statutory objectives (generally identified as a 2% inflation rate over the medium term).

The main challenge for the European and global economy in recent months has been the tensions in the energy market. We have witnessed a sharp rise in energy prices, mainly related to the countermeasures taken by the Russian Federation in response to the economic sanctions imposed by Western countries following the invasion of Ukraine, and to the change in the supply policies of energy raw materials by European countries. Oil and natural gas prices can be used as a benchmark to observe changes in energy prices: from the beginning of 2019 to the end of November 2022, prices increased by 54% and 392% respectively, despite the recent declines. The decline in recent months is mainly due to the fall in demand and the mild weather this autumn, which allowed stocks to be replenished in many European countries and reduced expectations of possible supply/demand imbalances.

Rising benchmark interest rates, economic uncertainty and the end of some bond purchase programmes by the European Central Bank (such as the PEPP[1]) led to an increase in the interest rates paid on public debt, as shown by the analysis of yields on 10-year Italian government bonds. This increase will have an impact on future public debt issues, increasing pressure on public finances and on the sustainability of the debt itself, which stands at around 150% of GDP. Specifically, it is estimated that for every one percentage point increase in interest rates on government bonds, persistent and uniform across the maturity curve, interest expenditure would increase by Euro 3 billion over the next 12 months (and by Euro 39.4 billion over the next 5 years). In addition to the rise in energy

prices, the increase in the general price level is also linked to the problems along the value chains that have characterised the global economy since the acute phase of the pandemic in 2020.

Italy

Italy's real GDP is forecast to grow by 3.8% in 2022 and 0.6% in 2023, while inflation is expected to fall from 8.2% in 2022 to 7.1% in 2023. Consumption is expected to remain stable in 2023 and exports, although slowing down, will again make a positive net contribution to growth. Investment will grow, but we expect a slowdown due to a weaker and more uncertain economic environment and higher interest rates; the RRP will play a key role in keeping GDP on a growth path.

Eurozone

For the Eurozone, the IMF expects growth of 0.7% in 2023. Germany's growth will be close to zero in 2023, while France's GDP is expected to grow by 0.7%. In the other EU countries, growth is expected to be more widespread. Interest rates are also expected to remain stable for the remainder of 2023, following the sharp increases called for by the ECB in the first half of the year. On the other hand, the UK's GDP is expected to shrink by 0.56% in 2023 due to a shortage of raw materials and overdependence on energy.

United States

The US economy, which ended 2022 with a GDP growth of 2%, will slow to 1.4% in 2023. Here, too, interest rates are expected to remain stable and inflation to fall after the Fed's strong growth in 2022 and in the first few months of 2023.

BRICS

In 2023, the BRICS (*Brazil, Russia, India, China and South Africa*) will account for more than 40% of the world's population. In terms of world GDP, we are talking about more than 24%.

As for Russia, which closed 2022 with a contraction of 2.2%, forecasts are improving for the current year (+0.3% in 2023) although they remain very uncertain due to the unpredictability of the evolution of the conflict with Ukraine.

In China, growth slowed in 2022, but the recent reopening after the COVID should lead to a faster-than-expected recovery. The IMF estimates that growth will reach +5.2% in 2023. On the last day of the World Economic Forum in Davos in January 2023, IMF Managing Director Kristalina Georgieva pointed to some positive signs coming from the Chinese economy, despite the fact that last year it grew slower than the world average for the first time in decades.

Brazil's development in 2022 was lower than in 2021, with GDP growth falling from 5% to 3%. According to IMF estimates, growth in 2023 is expected to be 2.1% year-on-year.

Supply chain

2022 began by confirming what was already predictable from the last quarter of 2020. Turnover increased in all markets in which the company operates.

At the same time, there have been increases in the cost of the main raw materials on the world markets, continuing difficulties in the availability of various materials and components, and relative delivery times. This led to a sharp rise in inflation to which central banks responded by raising interest rates very quickly.

The most complex situation was undoubtedly in the field of electronic components and, in particular, microprocessors. Fortunately, from July 2022 to the present, raw material and logistics costs have gradually returned to values closer to those of the pre-COVID period.

Business performance

In particular, the Automotive market, which is the most relevant for the Indel B Group, benefited from the positive cycle affecting both the European and US markets, recording an increase of 27.9% and showing a profit of Euro 138.1 million compared to Euro 108.0 million in the same period of 2021.

The market in Italy is also growing, in particular due to the acquisition of SEA in May 2021, which contributes approximately Euro 10.6 million.

The Cooling Appliances market showed a significant increase in revenue of 38.6% with a profit of Euro 11.6 million, mainly due to an increase in revenue in the Professional section as a result of orders for milk cooling tanks.

The Hospitality market fully recovered from the effects of the Covid-19 pandemic and recorded an increase of 28.7%, from Euro 12.2 million in 2021 to Euro 15.8 million in 2022, even exceeding the revenue achieved in 2019 (pre-pandemic). Double digit growth in both the Cruise sector (+44.2%) and the Hotel sector (+23.8%).

The Leisure market grew from Euro 28.7 million in 2021 to Euro 31.0 million in 2022, an increase of 8.3%, mainly due to the RV market, also thanks to the greater penetration by the companies of the Autoclima group. On the other hand, the Marine sector was stable.

The only sector that recorded a decrease in 2022 compared to 2021 was Components & Spare parts, which recorded a decrease of 11.5%, mainly due to a decrease in the sale of spare parts.

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 2022 and 2021.

(in thousands of Euro)	31/12/2022	%	31/12/2021	%	Chg	% chg
Revenues	223,373	98.2%	185,814	98.7%	37,559	20.2%
Other Revenues and income	4,069	1.8%	2,486	1.3%	1,583	63.7%
Total revenues	227,442	100.0%	188,300	100.0%	39,142	20.8%
Purchases and consumption of raw materials, semi-finished and finished products	(122,282)	-53.8%	(100,298)	-53.3%	(21,984)	21.9%
Costs for services	(38,746)	-17.0%	(30,500)	-16.2%	(8,246)	27.0%
Personnel costs	(36,771)	-16.2%	(33,417)	-17.7%	(3,354)	10.0%
Other operating costs	(2,527)	-1.1%	(1,660)	-0.9%	(867)	52.2%
Portion of the result of equity investments measured using the equity method	739	0.3%	12,344	6.6%	(11,605)	-94.0%
Amortisation, depreciation, provisions and write-downs	(8,447)	-3.7%	(5,957)	-3.2%	(2,490)	41.8%
EBIT	19,408	8.5%	28,812	15.3%	(9,404)	-32.6%
Finance income	878	0.4%	1,667	0.9%	(789)	-47.3%
Finance costs	(2,770)	-1.2%	(1,449)	-0.8%	(1,321)	91.2%
Income (costs) from equity investments	12	0.0%	2,368	1.3%	(2,356)	-99.5%
Pre-tax profit (loss)	17,528	7.7%	31,398	16.7%	(13,870)	-44.2%
Income tax	(5,339)	-2.3%	(7,060)	-3.7%	1,721	-24.4%
Profit/(loss) for the year	12,189	5.4%	24,338	12.9%	(12,149)	-49.9%
Minority profit (loss) for the year	141	0.1%	91	0.0%	50	54.9%
Group profit/(loss) for the year	12,048	5.3%	24,247	12.9%	(12,199)	-50.3%
Basic and diluted earnings per share (in Euro)	2.31		4.25			

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)	31/12/2022	%	31/12/2021	%	Chg	% chg
Revenues	227,442	100.1%	188,300	100.3%	39,142	20.8%
Other non-recurring revenues and income (1)	(334)	-0.1%	(548)	-0.3%	214	-39.1%
Total Adjusted revenues	227,108	100.0%	187,752	100.0%	39,356	21.0%

(1) For the year ended 31 December 2021, other non-recurring revenues and income mainly refer to a non-repayable loan disbursement. 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)	31/12/2022	%	31/12/2021	%	Chg	% chg
Profit/(loss) for the year	12,189	5.4%	24,338	13.0%	(12,149)	-49.9%
Income tax	5,339	2.4%	7,060	3.8%	(1,721)	-24.4%
Net finance (income)/costs	1,892	0.8%	(218)	-0.1%	2,110	-967.9%
(Income)/costs from equity investments	(12)	0.0%	(2,368)	-1.3%	2,356	-99.5%
Amortisation, depreciation, provisions and write-downs	8,447	3.7%	5,957	3.2%	2,490	41.8%
EBITDA	27,855	12.3%	34,770	18.5%	(6,915)	-19.9%
Non-recurring (income)/costs (2)	2,783	1.2%	(8,953)	-4.8%	11,736	-131.1%
Adjusted EBITDA	30,638	13.5%	25,817	13.8%	4,821	18.7%

(2) For the year ended 31 December 2021, non-recurring extraordinary income/costs is determined by the sum of non-recurring income, mainly related to the sale of the associate Guangdong for Euro 9,065 thousand and a non-repayable loan disbursement, net of non-recurring costs of Euro 659 thousand. 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.

(in thousands of Euro)	31/12/2022	%	31/12/2021	%	Chg	% chg
EBIT	19,408	8.5%	28,814	15.3%	(9,406)	-32.6%
Non-recurring (income)/costs (3)	4,333	1.9%	(8,953)	-4.8%	13,286	-148.4%
Adjusted EBIT	23,741	10.5%	19,861	10.6%	3,880	19.5%

(3) Please refer to Note (2) on Adjusted EBITDA. Non-recurring costs also include 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.

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 2022, "Total revenues" increased by Euro 39,142 thousand (20.8%), from Euro 188,300 thousand in 2021 to Euro 227,442 thousand in 2022. This trend is due to the increase in "Revenues" of Euro 37,559 thousand and to the increase in "Other revenues and income" Euro 1,583 thousand. With reference to the latter, it should be noted that in the year ended 31 December 2021, they included non-recurring income of Euro 548 thousand, while in the year ended 31 December 2022, such non-recurring income amounted to Euro 334 thousand. Net of this non-recurring income, "Total revenues" would have increased by Euro 39,356 thousand (21.0%) from Euro 187,752 thousand in the year ended 31 December 2021 to Euro 227,108 thousand in 2022.

Revenues from sales

The table below provides a breakdown of the item "Revenues from sales" for the financial years ended 31 December 2022 and 2021:

(in thousands of Euro)	31/12/2022	%	31/12/2021	%	Chg	% chg
Revenues from product sales	219,880	96.7%	183,691	97.6%	36,189	19.7%
Sundry revenues	3,493	1.5%	2,123	1.1%	1,370	64.5%
Revenues from sales	223,373	98.2%	185,814	98.7%	37,559	20.2%

During 2022, "Revenues from sales" increased by Euro 37,559 thousand (20.2%), from Euro 185,814 thousand in the year ended 31 December 2021 to Euro 223,373 thousand in the year 2022.

"Revenues from product sales" increased by Euro 36,189 thousand from Euro 183,691 thousand in the year ended 31 December 2021 to Euro 219,880 thousand in 2022, with growth in all countries, mainly in Europe, including Italy, and the USA.

"Sundry revenues" increased by Euro 1,370 thousand from Euro 2,123 thousand in the year ended 31 December 2021 to Euro 3,493 thousand in 2022, mainly due to higher revenues from the charge-back of transport costs on sales.

In the financial years ended 31 December 2022 and 2021, 96.7% and 97.6%, 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 2022 and 2021.

(in thousands of Euro)	31/12/2022	%	31/12/2021	%	Chg	% chg
Automotive	138,093	62.8%	107,986	58.8%	30,107	27.9%
Hospitality	15,772	7.2%	12,252	6.7%	3,520	28.7%
Leisure time	31,031	14.1%	28,652	15.6%	2,379	8.3%
Cooling Appliances	11,566	5.3%	8,342	4.5%	3,224	38.6%
Components and spare parts	23,418	10.7%	26,459	14.4%	(3,041)	-11.5%
Revenues from product sales	219,880	100.0%	183,691	100.0%	36,189	19.7%

As shown in the table above, 62.8% of the Group's "Revenues from product sales" in 2022 is achieved through sales on the Automotive market.

The increase in "Revenues from product sales" recorded in 2022 is mainly due to the combined effect of the following factors:

1. the increase of Euro 30,107 thousand (27.9%) in "Revenues from product sales" recorded in the Automotive market, from Euro 107,986 thousand for the year ended 31 December 2021 to Euro 138,093 thousand for the year ended 31 December 2022;
2. the increase of Euro 3,520 thousand (28.7%) in "Revenues from product sales" recorded in the Hospitality market, from Euro 12,252 thousand for the year ended 31 December 2021 to Euro 15,772 thousand for the year ended 31 December 2022;
3. the increase of Euro 2,379 thousand (8.3%) in "Revenues from product sales" recorded in the Leisure time market, from Euro 28,652 thousand for the year ended 31 December 2021 to Euro 31,031 thousand for the year ended 31 December 2022;

4. the increase of Euro 3,224 thousand (38.6%) in "Revenues from product sales" recorded in the Cooling Appliances market, from Euro 8,342 thousand for the year ended 31 December 2021 to Euro 11,566 thousand for the year ended 31 December 2022;
5. the decrease of Euro 3,041 thousand (-11.5%) in "Revenues from product sales" recorded in the Components & spare parts market, from Euro 26,459 thousand for the year ended 31 December 2021 to Euro 23,418 thousand for the year ended 31 December 2022;

the increase recorded in 2022 compared to the year ended 31 December 2021 in "Revenues from product sales" in the Automotive sector is due to the positive market cycle in both Europe and North America. The market in Italy is also growing, in particular due to the acquisition of SEA in May 2021, which contributes approximately Euro 10.6 million.

The Hospitality sector fully recovered from the effects of the Covid-19 pandemic and, in 2022, increased by 28.7% recognising revenues of Euro 15.8 million, even exceeding the revenues achieved in 2019 (pre-pandemic).

The Leisure Time market is also growing mainly due to the increase in the RV market, also thanks to greater penetration by the companies of the Autoclima group. On the other hand, the Marine sector was stable.

"Revenues from product sales" in the Cooling Appliances sector increased significantly in 2022, mainly due to the development of new orders in the Professional section.

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 2022 and 2021.

(in thousands of Euro)	31/12/2022	%	31/12/2021	%	Chg	% chg
Europe (excluding Italy)	112,640	51.2%	91,749	49.9%	20,891	22.8%
Italy	61,103	27.8%	54,361	29.6%	6,742	12.4%
The Americas	41,114	18.7%	33,142	18.0%	7,972	24.1%
Rest of the world	5,023	2.3%	4,439	2.4%	584	13.2%
Revenues from product sales	219,880	100.0%	183,691	100.0%	36,189	19.7%

As shown in the table above, in 2022, approximately 72% of the Group's "Revenues from product sales" were achieved outside Italy, and over 21% outside Europe.

In 2022, the incidence of each area did not change significantly compared to the total. In particular, the percentage of Revenues from Europe increased from 49.9% in 2021 to 51.2% in 2022.

The increase in the absolute value of "Revenues from product sales" recorded in 2022 is mainly due:

1. for Euro 20,891 thousand to Europe (excluding Italy), whose revenues increased from Euro 91,749 thousand for the year ended 31 December 2021 to Euro 112,640 thousand for the year ended 31 December 2022;
2. for Euro 6,742 thousand to Italy, whose revenues increased from Euro 54,361 thousand for the year ended 31 December 2021 to Euro 61,103 thousand for the year ended 31 December 2022;
3. for Euro 7,972 thousand to the Americas, whose revenues increased from Euro 33,142 thousand for the year ended 31 December 2021 to Euro 41,114 thousand for the year ended 31 December 2022;
4. for Euro 584 thousand to the increase in sales recorded in the Rest of the World, whose revenues increased from Euro 4,439 thousand for the year ended 31 December 2021 to Euro 5,023 thousand for the year ended 31 December 2022;

The increase of Euro 20,891 thousand in "Revenues from product sales" in Europe (excluding Italy) is generalised across all markets, with particular reference to the growth of the Automotive and Cooling Appliances markets.

The increase of Euro 6,742 thousand in "Revenues from product sales" in Italy is mainly due to the performance of the Automotive market, which grew significantly also thanks to the contribution of the new company SEA acquired in May 2021.

The increase of Euro 7,972 thousand in "Revenues from product sales" recorded in the Americas is almost exclusively due to the growth of the Automotive market.

The increase of Euro 584 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 Automotive.

Other revenues and income

The table below provides a breakdown of the item "Other revenues and income" for the financial years ended 31 December 2022 and 2021:

(in thousands of Euro)	31/12/2022	%	31/12/2021	%	Chg	% chg
Government grants	150	0.1%	339	0.2%	(189)	-55.8%
Foreign currency gains	1,952	0.9%	790	0.4%	1,162	147.1%
Compensation, damages and other income	1,967	0.9%	1,357	0.7%	610	45.0%
Other revenues and income	4,069	1.8%	2,486	1.3%	1,583	63.7%

In 2022, "Other revenues and income" increased by Euro 1,583 thousand, from Euro 2,486 thousand in 2021 to Euro 4,069 thousand in 2022. This trend is mainly due to foreign exchange gains from purchase and sale transactions in US dollars. This value is to be read with foreign exchange losses of Euro 1,789 thousand as at 31 December 2022 and Euro 809 thousand as at 31 December 2021.

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 2022 and 2021:

(in thousands of Euro)	31/12/2022	%	31/12/2021	%	Chg	% chg
Purchases of raw materials, consumables and goods	129,316	56.9%	107,498	57.1%	21,818	20.3%
Change in inventories	(7,034)	-3.1%	(7,200)	-3.8%	166	-2.3%
Total	122,282	53.8%	100,298	53.3%	21,984	21.9%

During 2022, "Purchases and consumption of raw materials, semi-finished and finished products" increased by Euro 21,984 thousand (21.9%), from Euro 100,298 thousand in the year ended 31 December 2021 to Euro 122,282 thousand in the year ended 31 December 2022, mainly due to the increase in volumes commented above.

As a percentage of "Total Revenues", "Purchases and consumption of raw materials, semi-finished and finished products" (including change in inventories) increased slightly in 2022 from 53.3% for the year ended 31 December 2021 to 53.8% for the year ended 31 December 2022, due to both the different revenue mix compared to the previous year and the increase in the cost of components.

Costs for services

The table below provides a breakdown of the item "Costs for services" for the financial years ended 31 December 2022 and 2021:

(in thousands of Euro)	31/12/2022	%	31/12/2021	%	Chg	% chg
Transport	25,268	11.1%	18,789	10.0%	6,479	34.5%
Consultancy	2,286	1.0%	2,217	1.2%	69	3.1%
Maintenance	1,655	0.7%	1,477	0.8%	178	12.1%
Fees to directors and statutory auditors	888	0.4%	881	0.5%	7	0.8%
Exhibitions, trade fairs and advertising	1,105	0.5%	716	0.4%	389	54.3%
Insurance companies	1,144	0.5%	1,032	0.5%	112	10.9%
Utilities	1,396	0.6%	1,090	0.6%	306	28.1%
Premiums and commissions	653	0.3%	576	0.3%	77	13.4%
Outsourced work	822	0.4%	1,200	0.6%	(378)	-31.5%
Travel expenses	581	0.3%	384	0.2%	197	51.3%
Customer service costs	710	0.3%	233	0.1%	477	204.7%
Quality certification costs	267	0.1%	423	0.2%	(156)	-36.9%
Costs for leased assets	189	0.1%	143	0.1%	46	32.2%
Other costs	1,782	0.8%	1,339	0.7%	443	33.1%
Total	38,746	17.0%	30,500	16.2%	8,246	27.0%

In 2022, "Costs for services" increased by Euro 8,246 thousand (27.0%), from Euro 30,500 thousand in the year ended 31 December 2021 to Euro 38,746 thousand in the year ended 31 December 2022. This increase is almost entirely due to transport costs for imports from China.

As a percentage of "Total revenues", "Costs for Services" increased in 2022 from 16.2% for the year ended 31 December 2021 to 17.0% for the year ended 31 December 2022.

Personnel costs

The table below provides a breakdown of the item "Personnel costs" for the financial years ended 31 December 2022 and 2021:

(in thousands of Euro)	31/12/2022	%	31/12/2021	%	Chg	% chg
Wages and salaries	24,096	10.6%	22,172	11.8%	1,924	8.7%
Social security costs	7,518	3.3%	6,895	3.7%	623	9.0%
Temporary work	2,724	1.2%	2,476	1.3%	248	10.0%
Provisions for personnel	1,756	0.8%	1,427	0.8%	329	23.1%
Other costs	677	0.3%	447	0.2%	230	51.5%
Total	36,771	16.2%	33,417	17.7%	3,354	10.0%

The table below shows the average number of employees (FTE) of the Company, broken down by category, for the years ended 31 December 2022 and 2021.

(In units)	31/12/2022	31/12/2021
	Average	Average
Executives	13	13
Middle Managers	21	23
White-collar workers	175	172
Blue-collar workers	552	504
Temporary workers	104	32
Total	865	744

In 2022, "Personnel Costs" increased by Euro 3,354 thousand (10.0%), from Euro 33,417 thousand in the year ended 31 December 2021 to Euro 36,771 thousand in the year ended 31 December 2022, due to the increase in the average number of employees from 744 in 2021 to 865 in 2022, mainly to handle the increase in turnover.

As a percentage of "Total revenues", "Personnel costs" decreased by 1.5 percentage points from 17.7% for the year ended 31 December 2021 to 16.2% for the year ended 31 December 2022.

Other operating costs

The table below provides a breakdown of the item "Other operating costs" for the financial years ended 31 December 2022 and 2021:

(in thousands of Euro)	31/12/2022	%	31/12/2021	%	Chg	% chg
Foreign exchange losses	1,789	0.8%	810	0.4%	979	120.9%
Taxation	302	0.1%	300	0.2%	2	0.7%
Losses on receivables	-	-	140	0.1%	(140)	-100.0%
Other operating costs	436	0.2%	410	0.2%	26	6.3%
Total	2,527	1.1%	1,660	0.9%	867	52.2%

In 2022, "Other operating costs" increased by Euro 867 thousand (52.2%). This trend is basically due to the increase of Euro 979 thousand in foreign exchange losses, which amounted to Euro 1,789 thousand for 2022 and Euro 810 thousand for 2021, 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 2022 and 2021.

(in thousands of Euro)	31/12/2022	%	31/12/2021	%	Chg	% chg
Indel Webasto Marine	2,873	1.3%	1,879	1.0%	994	52.9%
Guangdong Indel B China	-	-	9,065	4.8%	(9,065)	-100.0%
Elber Industria de Refrigeracao Ltda	(2,134)	-0.9%	1,400	0.7%	(3,534)	-252.4%
Total	739	0.3%	12,344	6.6%	(11,605)	-94.0%

During 2022, the "Portion of results of consolidated equity investments using the equity method" decreased by Euro 11,605 thousand from Euro 12,344 thousand in the year ended 31 December 2021 to Euro 739 thousand in the year ended 31 December 2022. This was mainly due to the combined effect of the capital gain on the sale of the equity investment in the Chinese company Guangdong Iceco in 2021 for an exit value of RMB 90,000,000 equivalent to approximately Euro 11,719 thousand, and the effect of the write-down of the equity investment in the Brazilian company Elber Industria de Refrigeracao in 2022 of Euro 2.6 million.



EBITDA and Adjusted EBITDA

As a result of the above comments, EBITDA decreased by Euro 6,915 thousand (-19.9%) during the year, from Euro 34,770 thousand in the year ended 31 December 2021 to Euro 27,855 thousand in the year ended 31 December 2022. This effect is therefore due to the fact that in the year under review, the Group recorded an increase in "Total revenues" of Euro 39,142 thousand (20.8%), from Euro 188,300 thousand in 2021 to Euro 227,442 thousand in 2022, as well as a decrease in the portion of the result of equity investments measured using the equity method of Euro 11,605 (-94.0%) from Euro 12,344 thousand in the financial year ended 31 December 2021 to Euro 739 thousand in the financial year ended 31 December 2022. In percentage terms, the ratio of EBITDA to "Total revenues" decreased from 18.5% for the year ended 31 December 2021 to 12.2% for the year ended 31 December 2022. EBITDA net of non-recurring items increased by Euro 4,821 thousand (18.7%), from Euro 25,817 thousand in the year ended 31 December 2021 to Euro 30,638 thousand in the year ended 31 December 2022. In percentage terms, the ratio of Adjusted EBITDA to Adjusted Total revenues was 13.5% for the year ended 31 December 2022 and 13.8% for the year ended 31 December 2021.

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 2022 and 2021.

(in thousands of Euro)	31/12/2022	%	31/12/2021	%	Chg	% chg
Depreciation of property, plant and equipment	3,577	1.6%	3,040	1.6%	537	17.7%
Amortisation of intangible assets	1,729	0.8%	1,973	1.0%	(244)	-12.4%
Depreciation of right of use	751	0.3%	720	0.4%	31	4.3%
Write-down of receivables and other assets	606	0.3%	148	0.1%	458	309.5%
Provisions for risks and charges	1,784	0.8%	76	0.0%	1,708	2247.4%
Total	8,447	3.7%	5,957	3.2%	2,490	41.8%

During 2022, the costs for "Amortisation, depreciation, provisions and write-downs" increased by Euro 2,490 thousand (41.8%), from Euro 5,957 thousand in the year ended 31 December 2021 to Euro 8,447 thousand in the year ended 31 December 2022, both due to an increase of Euro 1,708 thousand in the provision for risks and charges, which includes a provision of Euro 300 thousand following a product recall campaign initiated by the customer Iveco due to a defective component (the campaign is also covered by insurance for the portion not set aside), a provision, out of an abundance of caution and prudence, of Euro 1 million on the subsidiary Autoclima

S.p.A. for possible violations following the restrictive measures introduced by European regulations on transactions with Russian counterparties, and a provision of Euro 150 thousand for the dispute of the company ESC, and due to the write-down of goodwill recorded against the elimination of the investment in Indel B North America of Euro 400 thousand. The increase of Euro 537 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 3.2% to 3.7% as at 31 December 2022.

EBIT and Adjusted EBIT

In 2022, "EBIT" increased by Euro 9,404 thousand (32.6%), from Euro 28,812 thousand in the year ended 31 December 2021 to Euro 19,408 thousand in the year ended 31 December 2022. This trend is due to the decrease of Euro 6,915 thousand in EBITDA and to the increase of Euro 2,490 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 23,741 thousand in 2022, showing an increase of Euro 3,882 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 2022 and 2021:

(in thousands of Euro)	31/12/2022	%	31/12/2021	%	Chg	% chg
Interest income	275	0.1%	152	0.1%	123	80.9%
Other finance income	603	0.3%	1,515	0.8%	(912)	-60.2%
Total finance income	878	0.4%	1,667	0.9%	(789)	-47.3%
Interest expenses on current accounts, mortgages, loans and rights of use	(564)	-0.2%	(904)	-0.5%	340	-37.6%
Bank charges and other finance costs	(2,206)	-1.0%	(545)	-0.3%	(1,661)	304.8%
Total finance costs	(2,770)	-1.2%	(1,449)	-0.8%	(1,321)	91.2%
Total	(1,892)	-0.8%	218	0.1%	(2,110)	-967.9%

Net finance income decreased by Euro 789 thousand (-47.3%) from Euro 1,667 thousand in 2021 to Euro 878 thousand in 2022. In 2021, "Other finance income" includes foreign exchange gains related to the earn-out payable for the acquisition of the company Elber Industria de Refrigeracao, which is denominated in Brazilian Real, due to the significant devaluation of this currency during the period. In 2022, the payable was paid in full and, owing to the revaluation of the Brazilian Real during the year, a financial foreign exchange loss was recorded, which was the main driver of the increase in the item "Bank charges and other finance costs" shown above.

The item "Interest expenses on current accounts, mortgages and loans" decreases since it no longer includes interest related to the earn-out payable for the acquisition of Elber Indústria de Refrigeração.

Income from equity investments

The table below provides a breakdown of the item "Income from equity investments" for the financial years ended 31 December 2022 and 2021:

(in thousands of Euro)	31/12/2022	31/12/2021
Income from equity investments	12	2,368
Total	12	2,368

This item refers to the positive difference of Euro 12 thousand deriving from the sale of 2% of the equity investment in Autoclima GMBH. In 2021, the balance consisted mainly of the income, amounting to Euro 2,356 thousand, deriving from the recognition of the acquisition of the company Electric Station Climatisation, acquired by Autoclima Spa on 18 January 2021.

Income tax

The table below provides a breakdown of the item "Income tax" for the financial years ended 31 December 2022 and 2021.

(in thousands of Euro)	31/12/2022	%	31/12/2021	%	Chg	% chg
Current taxes (IRES, IRAP)	6,248	2.7%	7,587	4.0%	(1,339)	-17.6%
Deferred tax assets/liabilities	(909)	-0.4%	(516)	-0.3%	(393)	76.2%
Taxes related to previous years	-	-	(11)	0.0%	11	-100.0%
Total	5,339	2.3%	7,060	3.7%	(1,721)	-24.4%

The table below shows the reconciliation between theoretical and effective taxes for the years ended 31 December 2022 and 2021.

(in thousands of Euro)	31/12/2022	%	31/12/2021	%
Pre-tax profit (loss)	17,528		31,398	
Theoretical income tax (IRES)	4,207	24.0%	7,536	24.0%
IRAP	1,140	6.5%	950	3.0%
Tax effect of permanent differences and other differences	(8)	-0.0%	(1,426)	-4.5%
Taxes	5,339		7,060	
Effective tax rate		30.5%		22.5%

"Income taxes" decreased by Euro 1,721 thousand, from Euro 7,060 thousand in the year ended 31 December 2021 to Euro 5,339 thousand in the year ended 31 December 2022. It should be noted that this decrease was mainly due to the taxation in 2021 on the capital gain recognised on the sale of the equity investment in Guangdong Iceco.

As a percentage of "Pre-tax profit (loss)", the ratio increased from 22.5% for the year ended 31 December 2021 to 30.5% for the year ended 31 December 2022.

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

In 2022, Profit/(loss) for the year increased by Euro 12,149 thousand (-49.9%), from Euro 24,338 thousand in the year ended 31 December 2021 to Euro 12,189 thousand in the year ended 31 December 2022. This change is mainly due to an increase in sales revenue, offset by a decrease in the portion of the result of equity investments measured using the equity method.

As a percentage of "Total revenues", there was a decrease of 7.5 percentage points from 12.9% for the year ended 31 December 2021 to 5.4% for the year ended 31 December 2022.

Net of the non-recurring items discussed above, the "Profit/(loss) for the year" would have increased by Euro 585 thousand, from Euro 15,751 thousand in the year ended 31 December 2021 to Euro 16,336 thousand in the year ended 31 December 2022. The ratio to Adjusted Total revenues would have decreased from 8.4% for the year ended 31 December 2021 to 7.2% for the year ended 31 December 2022.



COOLING APPLIANCES

Indel B's specialised team and manufacturing excellence result in products that strike the right balance between quality and affordability for the home and Restaurant & Catering market.

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 2022 and 2021.

(in thousands of Euro)	31/12/2022	31/12/2021	Chg	% chg
Uses				
Net fixed assets (*)	70,413	77,678	(7,265)	-9.4%
Net working capital (*)	79,282	48,754	30,528	62.6%
Net invested capital (*)	149,695	126,432	23,263	18.4%
Sources				
Shareholders' equity	121,240	113,681	7,559	6.6%
Net financial indebtedness (*)	28,455	12,751	15,704	123.2%
Total sources of funds	149,695	126,432	23,263	18.4%

(*) 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 2022 and 2021 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)	31/12/2022	31/12/2021	Chg	% chg
Goodwill	8,127	8,527	(400)	-4.7%
Intangible assets	11,260	12,818	(1,558)	-12.2%
Property, plant and equipment	39,670	38,170	1,500	3.9%
Right of use	3,526	3,765	(239)	-6.3%
Equity investments measured using the equity method	14,024	13,710	314	2.3%
Non-current financial assets	13	13	-	-
Provisions for risks and charges	(2,951)	(1,909)	(1,042)	54.6%
Employee benefits	(1,438)	(1,749)	311	-17.8%
Other non-current assets and liabilities (*)	(1,818)	4,333	(6,151)	-142.0%
Total net fixed assets	70,413	77,678	(7,265)	-9.4%

(*) 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 8,127 thousand as at 31 December 2022 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 2022, the goodwill generated by the acquisition of Indel B North America was written down by Euro 400 thousand following an impairment test.

The item "Intangible assets" of Euro 11,260 thousand as at 31 December 2022 (Euro 12,818 thousand as at 31 December 2021) 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 amounting to Euro 4,060 thousand; (II) know-how and customer list, the value of which resulted from the Purchase Price Allocation process related to the acquisitions of Clima Motive and Autoclima during 2018, amounting to Euro 3,259 thousand and for the acquisition of SEA during 2021, amounting to Euro 6,975; (III) development costs related to specific projects, in particular: (I) the development of milk storage refrigerators for specific manufacturers of automatic espresso machines, (II) the development of refrigerators (with compressor or thermoelectric refrigeration system) and different locking systems for the "Hospitality" market, (III) the development of refrigerators for the ambulance and

van markets, (IV) the development of refrigerators and freezers for the Leisure Time market with a focus on the Marine segment, and (V) development of new types of parking air conditioning for trucks.

The item "Property, plant and equipment" of Euro 39,670 thousand as at 31 December 2021 (Euro 38,170 thousand as at 31 December 2021) 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 21,846 thousand as at 31 December 2022 (Euro 20,382 thousand as at 31 December 2021); (II) plant and machinery of Euro 8,898 thousand as at 31 December 2022 (Euro 8,862 thousand as at 31 December 2021); and (III) land of Euro 4,079 thousand as at 31 December 2022 (Euro 4,068 thousand as at 31 December 2021).

The item "Right of Use" as at 31 December 2022 amounts to Euro 3,526 thousand and refers to the adoption of IFRS 16.

The item "Equity investments measured using the equity method" of Euro 14,024 thousand as at 31 December 2022 (Euro 13,710 thousand as at 31 December 2021), includes the investments: (I) in the company Indel Webasto Marine, jointly controlled with the company Webasto Thermo & Comfort SE of Euro 7,174 thousand; and (II) in the associate Elber Industria de Refrigeracao of Euro 6,850 thousand, the equity investment of which was acquired during 2017.

The item "Provisions for risks and charges" of Euro 2,951 thousand as at 31 December 2022 (Euro 1,909 thousand as at 31 December 2021) includes: (i) the provision for agents' leaving indemnities of Euro 230 thousand as at 31 December 2022 (unchanged from 31 December 2021); (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 300 thousand as a result of a product recall campaign initiated by the customer Iveco due to a defective component (the campaign is also covered by insurance for the portion not accrued) totalling Euro 892 thousand as at 31 December 2022 (Euro 424 thousand as at 31 December 2021); and (iii) other provisions for risks and charges amounting to Euro 1,829 thousand as at 31 December 2022 (Euro 1,255 thousand as at 31 December 2021), whose changes in the period mainly refer to: (i) the allocation of Euro 218 thousand to the provision for charges related to the three-year LTIP concerning strategic executives; (ii) the provision 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, 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") the first hearing of which will be held on 4 July 2023, 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; (iii) a provision, 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; (iv) use of Euro 461 thousand following the reversal of the R&D tax credit for 2016 - 2017 - 2018;

and (v) release of Euro 334 thousand following the presentation of the Motion to Settle to the Tax Authorities, as the conditions to benefit from the amnesty on 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 item "Employee benefits" of Euro 1,438 thousand as at 31 December 2022 (Euro 1,749 thousand as at 31 December 2021) 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 -1,818 thousand as at 31 December 2022 (assets Euro 4,333 thousand as at 31 December 2021), 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. It should also be noted that the receivable from the purchaser Xinyu Yuanxing Ent. China for the sale of the equity investment in Guangdong Iceco Enterprise amounting to Euro 7,187 thousand was reclassified to "Other current assets" as it is due by June 2023.

Net working capital

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

(in thousands of Euro)	31/12/2022	31/12/2021	Chg	% chg
Inventories	69,105	57,066	12,039	21.1%
Trade receivables	44,560	36,863	7,697	20.9%
Income tax receivables	1,151	88	1,063	1208.0%
Trade payables	(40,068)	(39,313)	(755)	1.9%
Income tax payables	(673)	(4,277)	3,604	-84.3%
Other current assets and liabilities (*)	5,207	(1,673)	6,880	-411.2%
Total net fixed assets	79,282	48,754	30,528	62.6%

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

During 2022, net working capital increased by Euro 30,528 thousand mainly due to the combined effect of: (i) an increase in the item Inventories of Euro 12,039 thousand; (ii) an increase in the item Trade receivables of Euro

7,697 due to the increase in turnover; (iii) a decrease in the item Income tax payables of Euro 3,604; (iv) an increase in assets of the item Other current assets and liabilities of Euro 6,880.

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

The item "Inventories" of Euro 69,105 thousand as at 31 December 2022 (Euro 57,066 thousand as at 31 December 2021) mainly includes the value at the end of the reporting period of stock of: (i) finished products and goods for resale of Euro 28,462 thousand as at 31 December 2022 (Euro 22,959 thousand as at 31 December 2021); and (ii) raw materials and consumables used by the Group to carry out its production activities of Euro 33,641 thousand as at 31 December 2022 (Euro 27,430 thousand as at 31 December 2021). The increase in Inventories is mainly due to the increase in turnover and the procurement of stock due to the difficulty in finding components on the market.

The table below shows the inventory turnover ratio and average inventory days as at and for the years ended 31 December 2022 and 2021.

(in thousands of Euro)	31/12/2022	31/12/2021
Annual turnover ratio (1)	1.9	1.9
Average inventory days (2)	218.0	171.0

(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 44,560 thousand as at 31 December 2022 (Euro 36,863 thousand as at 31 December 2021) includes the value at the end of the reporting period of the Group's receivables from: (i) customers of Euro 42,128 thousand as at 31 December 2022 (Euro 33,189 thousand as at 31 December 2021); and (ii) related parties of Euro 2,432 thousand as at 31 December 2022 (Euro 3,674 thousand as at 31 December 2021).

The table below summarises the breakdown of trade receivables by maturity as at 31 December 2022 and 2021, showing the coverage of the bad debt provision.

(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

(in thousands of Euro)

Breakdown of trade receivables by maturity

	31/12/2021	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	37,442	33,843	2,892	206	502
Bad debt provision	(579)	(71)	(81)	(120)	(308)
Total trade receivables	36,863	33,772	2,811	86	194

Trade receivables past due and/or in litigation not covered by the provision amounted to Euro 4,561 thousand as at 31 December 2022 (10.2% of total trade receivables) and Euro 3,091 thousand as at 31 December 2021 (8.4% 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 2022 and 2021.

(in thousands of Euro)	31/12/2022	31/12/2021
Average number of days to collect trade receivables (1)	94	71

(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 2022 and 2021.

(in thousands of Euro)	31/12/2022	31/12/2021
Receivables from the first customer as a percentage of total trade receivables	7%	8%
Receivables from the top five customers as a percentage of total trade receivables	29%	28%
Receivables from the top ten customers as a percentage of total trade receivables	45%	46%

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 40,068 thousand as at 31 December 2022 (Euro 39,313 thousand as at 31 December 2021) 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 2022 and 2021.

(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

(in thousands of Euro)	Breakdown of trade payables by maturity				
	31/12/2021	Falling due	Past due within 90 days	Past due between 90 and 180 days	Past due for more than 180 days
Trade payables	39,313	38,528	756	2	27
Total	39,313	38,528	756	2	27

The table below summarises the average payment days for trade payables as at 31 December 2022 and 2021.

(in thousands of Euro)	31/12/2022	31/12/2021
Average payment days of trade payables (1)	117	109

(1) 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 2022 and 2021.

(in thousands of Euro)	31/12/2022	31/12/2021
Payables to the first supplier as a percentage of total trade payables	10%	20%
Payables to the top five suppliers as a percentage of total trade payables	32%	43%
Payables to the top ten suppliers as a percentage of total trade payables	44%	53%

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 one 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 5,207 thousand as at **31 December 2022** (Euro -1,673 thousand as at 31 December 2021) mainly includes: (i) tax receivables, relating to receivables from the tax authorities for VAT; (ii) other current receivables related for Euro 7,094 thousand to the receivable for the sale of the Chinese company Guangdong Iceco; (iii) 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 5,085 thousand as at 31 December 2022 (Euro 4,725 thousand as at 31 December 2021).

Net financial indebtedness

The table below shows the breakdown of net financial indebtedness of the Group as at 31 December 2022 and 2021, determined in accordance with CONSOB Communication of 28 July 2006 and in compliance with ESMA Recommendations/2013/319.

(in thousands of Euro)	31/12/2022	31/12/2021
A. Cash and cash equivalents	17,322	24,187
B. Cash equivalents	-	-
C. Other current financial assets	-	-
D. Liquidity (A)+(B)+(C)	17,322	24,187

E. Current financial payable (including debt instruments, but excluding the current portion of non-current financial payable)	(1,920)	(6,961)
F. Current portion of the non-current financial payable	(19,725)	(10,417)
G. Current financial indebtedness (E)+(F)	(21,645)	(17,378)
H. Net current financial indebtedness (G)+(D)	(4,323)	6,809
I. Non-current financial payable (excluding the current portion and debt instruments)	(24,132)	(19,559)
J. Debt instruments	-	-
K. Other trade payables and other non-current payables	-	-
G. Non-current financial indebtedness (I)+(J)+(K)	(24,132)	(19,559)
M. Total financial indebtedness (H)+(L)	(28,455)	(12,750)

As at 31 December 2022, 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.

Bank payables increased in 2022; the group took out new loans of approximately Euro 29.5 million. This was necessary to finance the company's growth in turnover and working capital, as well as to finance the payment of the Earn Out to the Brazilian shareholder of Elber Indústria de Refrigeração for Euro 6.9 million, the payment of a dividend amount of Euro 1.00 per share compared to Euro 0.52 in the previous year, and finally to finance the construction of the new factory of the associate Indel Webasto Marine Srl, the new company canteen and the expansion of Indel B's production plant in the municipality of Novafeltria.

Other current and non-current financial payables 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 3,629 thousand, the payable to the Ministry of Euro 797 thousand and the payable for SIMEST loans of Euro 481 thousand. It should be noted that there is no longer any payable related to the earn-out on the associate Elber Industria de Refrigeracao, as it was fully disbursed during the first half of 2022 (this payable was denominated in Brazilian Real).

It should be noted that as at 31 December 2022, 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 7,594 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 2022 does not include the receivable for the sale of the equity investment in Guangdong Iceco Enterprise of Euro 7,214 thousand, as it has been reclassified to the item "Other receivables and other current assets", due by June 2023. On the other hand, as at 31 December 2021, the receivable was recorded under "Other receivables and other non-current assets".

The Group's net financial indebtedness as at 31 December 2022 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)	31/12/2022	%	31/12/2021	%	Chg	% chg
Revenues	151,835	97.8%	125,410	98.3%	26,425	21.1%
Other Revenues and income	3,443	2.2%	2,159	1.7%	1,284	59.5%
Total revenues	155,278	100.0%	127,569	100.0%	27,709	21.7%
Purchases and consumption of raw materials, semi-finished and finished products	(83,282)	-53.6%	(68,098)	-53.4%	(15,184)	22.3%
Costs for services	(30,582)	-19.7%	(23,458)	-18.4%	(7,124)	30.4%
Personnel costs	(22,045)	-14.2%	(19,962)	-15.6%	(2,083)	10.4%
Other operating costs	(1,267)	-0.8%	(841)	-0.7%	(426)	50.7%
Amortisation, depreciation, provisions and write-downs	(3,777)	-2.4%	(2,949)	-2.3%	(828)	28.1%
EBIT	14,325	9.2%	12,261	9.6%	2,064	16.8%
Finance income	965	0.6%	1,741	1.3%	(776)	-44.6%
Finance costs	(2,590)	-1.6%	(1,316)	-1.0%	(1,274)	96.9%
Income (costs) from equity investments	2,704	1.7%	12,236	9.6%	(9,532)	-77.9%
Pre-tax profit (loss)	15,404	9.9%	24,922	19.5%	(9,518)	-38.2%
Income tax	(3,796)	-2.4%	(5,939)	-4.7%	2,143	-36.1%
Profit/(loss) for the year	11,608	7.5%	18,983	14.9%	(7,375)	-38.9%

(in thousands of Euro)	31/12/2022	31/12/2021	Chg	% chg
Group profit/(loss) for the year	11,608	18,983	(7,375)	-38.9%
Income tax	3,796	5,939	(2,143)	-36.1%
Net finance (income)/costs	1,625	(425)	2,050	-482.4%
(Income)/costs from equity investments	(2,704)	(12,236)	9,532	-77.9%
Amortisation, depreciation, provisions and write-downs	3,777	2,949	828	28.1%
EBITDA (A)	18,102	15,209	2,893	19.0%
Total revenues (B)	155,278	127,569	27,709	21.7%
EBITDA margin (A)/(B)	11.7%	11.9%	0.0%	0.0%
Non-recurring (income)/costs	(96)	(13)	(83)	642.2%
Adjusted EBITDA	18,006	15,197	2,809	18.5%

(in thousands of Euro)	31/12/2022	%	31/12/2021	%	Chg	% chg
EBIT	14,325	9.2%	12,261	9.6%	2,064	16.8%
Non-recurring (income)/costs	(96)	-0.1%	(13)	0.0%	(83)	642.2%
Adjusted EBIT	14,229	9.2%	12,248	9.6%	1,981	16.2%

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

In 2022, Profit/(loss) for the year increased by Euro 7,375 thousand (-38.9%), from Euro 18,983 thousand in the year ended 31 December 2021 to Euro 11,608 thousand in the year ended 31 December 2022.

Net of the non-recurring items, the Profit/(loss) for the year would have decreased by Euro 261 thousand, from Euro 11,706 thousand in the year ended 31 December 2021 to Euro 11,446 thousand in the year ended 31 December 2022 (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 2022 and 2021.

(in thousands of Euro)	31/12/2022	31/12/2021
Uses		
Net fixed assets	70,237	76,407
Net working capital	56,626	31,444
Net invested capital	126,863	107,851
Sources		
Shareholders' equity	101,205	95,995
Net financial indebtedness	25,658	11,856
Total sources of funds	126,863	107,851

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

(in thousands of Euro)	31/12/2022	31/12/2021	Chg	% chg
Goodwill	-	-	-	0.0%
Intangible assets	350	599	(249)	-41.6%
Property, plant and equipment	22,805	21,380	1,425	6.7%
Right of use	2,778	2,742	36	1.3%
Equity investments measured using the equity method	42,645	42,645	-	0.0%
Non-current financial assets	2,500	3,500	(1,000)	-28.6%
Provisions for risks and charges	(1,457)	(1,681)	224	-13.3%
Employee benefits	(631)	(787)	156	-19.8%
Other non-current assets and liabilities (*)	1,247	8,009	(6,761)	-84.4%
Total net fixed assets	70,237	76,407	(6,170)	-8.1%

(in thousands of Euro)	31/12/2022	31/12/2021	Chg	% chg
Inventories	47,981	40,444	7,537	18.6%
Trade receivables	32,160	25,153	7,007	27.9%
Income tax receivables	1,106	-	1,106	-
Trade payables	(31,086)	(30,236)	(850)	2.8%
Income tax payables	(129)	(3,906)	3,777	-96.7%
Other current assets and liabilities (*)	6,594	(11)	6,605	-60045.5%
Total net working capital	56,626	31,444	25,182	80.1%

(in thousands of Euro)	31/12/2022	31/12/2021
A. Cash and cash equivalents	15,315	19,446
B. Cash equivalents	-	-
C. Other current financial assets	1,502	1,460
D. Liquidity (A)+(B)+(C)	16,817	20,906
E. Current financial payable (including debt instruments, but excluding the current portion of non-current financial payable)	(759)	(6,196)
F. Current portion of the non-current financial payable	(19,154)	(9,414)
G. Current financial indebtedness (E)+(F)	(19,913)	(15,610)
H. Net current financial indebtedness (G)+(D)	(3,096)	5,296
I. Non-current financial payable (excluding the current portion and debt instruments)	(22,562)	(17,151)
J. Debt instruments	-	-
K. Other trade payables and other non-current payables	-	-
G. Non-current financial indebtedness (I)+(J)+(K)	(22,562)	(17,151)
M. Total financial indebtedness (H)+(L)	(25,658)	(11,855)

6. Significant events after the reporting period

After 31 December 2022 and up to the date of approval of these financial statements, no events have occurred that could have a material impact on the Group's results.

At the end of January, the whole of the Montefeltro region was hit by heavy snowfall, which damaged the roof of one of the parent company's production plants, forcing it to temporarily suspend its activities; the full resumption of production at this plant is currently underway, as is the quantification of the damage suffered, in agreement with the insurance company.

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 was set for 4 July 2023.

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 as at 31 December 2022 of the Autoclima Group, except for a provision for legal expenses of Euro 150 thousand.

Apart from the above, no significant events occurred after the reporting period.

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 S.r.l. 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 31/12/2022	921	(753)
Financial year ended 31/12/2021	577	(472)

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 2022, 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 31/12/2022	(63)	63	(63)	63
Financial year ended 31/12/2021	(104)	104	(104)	104

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.

However, the Group is considering implementing an action plan in the coming years to further reduce these risks and meet the needs of its stakeholders.

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 190 thousand as at 31 December 2021, Euro 130 thousand were capitalised as at 31 December 2022.

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 2022 and 2021.

(in thousands of Euro)	31/12/2022	%	31/12/2021	%
Intangible assets	298	5.5%	433	6.8%
Property, plant and equipment	5,093	94.5%	5,970	93.2%
Total	5,391	100.0%	6,403	100.0%

During 2022, the Group invested a total of Euro 5,391 thousand in intangible assets and property, plant and equipment, of which Euro 298 thousand related to investments in intangible assets and Euro 5,093 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 2022 and 2021.

(in thousands of Euro)	31/12/2022	%	31/12/2021	%
Development costs	130	43.6%	190	43.9%
Concessions, licences, trademarks and similar rights	48	15.8%	35	7.9%
Patents and know-how	-	-	-	0.0%
Other intangible assets	-	-	4	0.9%
Intangible assets in progress and payments on account	120	40.6%	205	47.3%
Total	298	100.00%	433	100.0%

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

- Financial year ended 31/12/2022**

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.

- Financial year ended 31/12/2021**

The Group's investments in intangible assets during the year ended 31 December 2021 amounted to a total of Euro 433 thousand and are mainly related to: (i) development costs of Euro 190 thousand; (ii) intangible assets in progress and payments on account of Euro 205 thousand.

Investments of Euro 35 thousand in concessions, licences, trademarks and similar rights mainly concern the purchase of software licences.

Investments of Euro 205 thousand in intangible assets in progress and payments on account are partly related to the implementation of the new ERP for Autoclima.

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 2022 and 2021.

(in thousands of Euro)	31/12/2022	%	31/12/2021	%
Land	-	-	314	5.3%
Buildings and leasehold improvements	401	7.9%	77	1.3%
Plant and machinery	1,168	22.9%	2,026	33.9%
Fixtures and fittings, tools and equipment	586	11.5%	417	7.0%
Other assets	765	15.0%	401	6.7%
Property, plant and equipment in progress and payments on account	2,173	42.6%	2,735	45.8%
Total	5,093	100.0%	5,970	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 31/12/2022**

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.

- **Financial year ended 31/12/2021**

Investments in property, plant and equipment made by the Group during the year ended 31 December 2021 totalled Euro 5,970 thousand and are related to: (i) land of Euro 314 thousand; (ii) buildings and leasehold improvements of Euro 77 thousand; (iii) plant and machinery of Euro 2,026 thousand, (iv) fixtures and fittings, tools and equipment of Euro 417 thousand, (v) other assets of Euro 401 thousand; and (vi) property, plant and equipment in progress and payments on account of Euro 2,735 thousand.

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

- land of Euro 314 thousand with reference to the purchase of Land Secchiano 2 - located in Via Montefeltro, 118, 47863 Secchiano RN;
- buildings and leasehold improvements of Euro 77 thousand, mainly referring to the expansion and integration of the new production area located in Via Romagna, 18 Secchiano (RN);
- plant and machinery of Euro 2,026 thousand, mainly referring to (i) no. 2 palletising lines; (ii) the purchase of new moulds for production; (iii) the purchase of thermoforming machinery; and (iv) the purchase of new equipment mainly for the new production area;

-
- fixtures and fittings, tools and equipment of Euro 417 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 401 thousand, mainly referring to (i) the purchase of new workbenches for the plant located in Secchiano (RN); (ii) the purchase of IT services and server farms for the new production area; (iii) the purchase of PCs and printers; (iv) the purchase of work vehicles and internal transport vehicles for warehouse maintenance;
 - property, plant and equipment in progress of Euro 2,735 thousand, mainly referring to the new production area located in via Romagna, 18 Secchiano (RN); and to the advance on the purchase of vertical warehouses for the Sant'Agata (RN) production site.

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

During 2022, the Company purchased 35,959 treasury shares for a value of Euro 843 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, other geopolitical tensions, rising interest rates that still show no sign of reversing, and inflation that remains at significant levels, in 2022 turnover increased in almost all the markets in which the Group operates. In some cases, these improvements were very significant, especially in the Automotive (AM and OEM) markets, while the Leisure, Hospitality and Cooling Appliances markets were good.

For this reason, although these negative conditions may continue to affect the Group in the short term, 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 Leisure, Hospitality and Cooling Appliances markets, in particular.

It will therefore be important to continue to monitor the situation throughout 2023 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 stable sales, 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, 28 April 2023

Chairman of the Board of Directors

Antonio Berloni



2022

CONSOLIDATED NON-FINANCIAL STATEMENT

pursuant to Italian Legislative Decree 254/2016

1. Introduction	03
1.1. Methodology	03
1.2. Business Model	05
1.3. Materiality	13
2. Environment	18
3. Social	45
4. Human Resources	50
5. Combating Active and Passive Corruption	90
6. EU Taxonomy Regulation 2020/852	95
7. Correlation Table	97

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 the Indel B Group (hereinafter also referred to as the 'Group') in accordance with the provisions of Italian Legislative Decree 254 of 30 December 2016, as amended and supplemented.

In March 2019, Indel B Spa acquired 100% of the US company Commercial Product Inc., a distributor in the automotive after-market sector 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 2022 approximately \$3.8 million turnover and nine employees), only the human resources aspect will be considered in this document, integrating it within the parent company Indel B.

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 2022 within the 2022 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:
 - Autoclima GMBH;
 - Autoclima Russ;
 - Autoclima Iberica;
 - Autoclima Polska.
 - SEA S.r.l.
 - Electric Station Climatisation S.A.

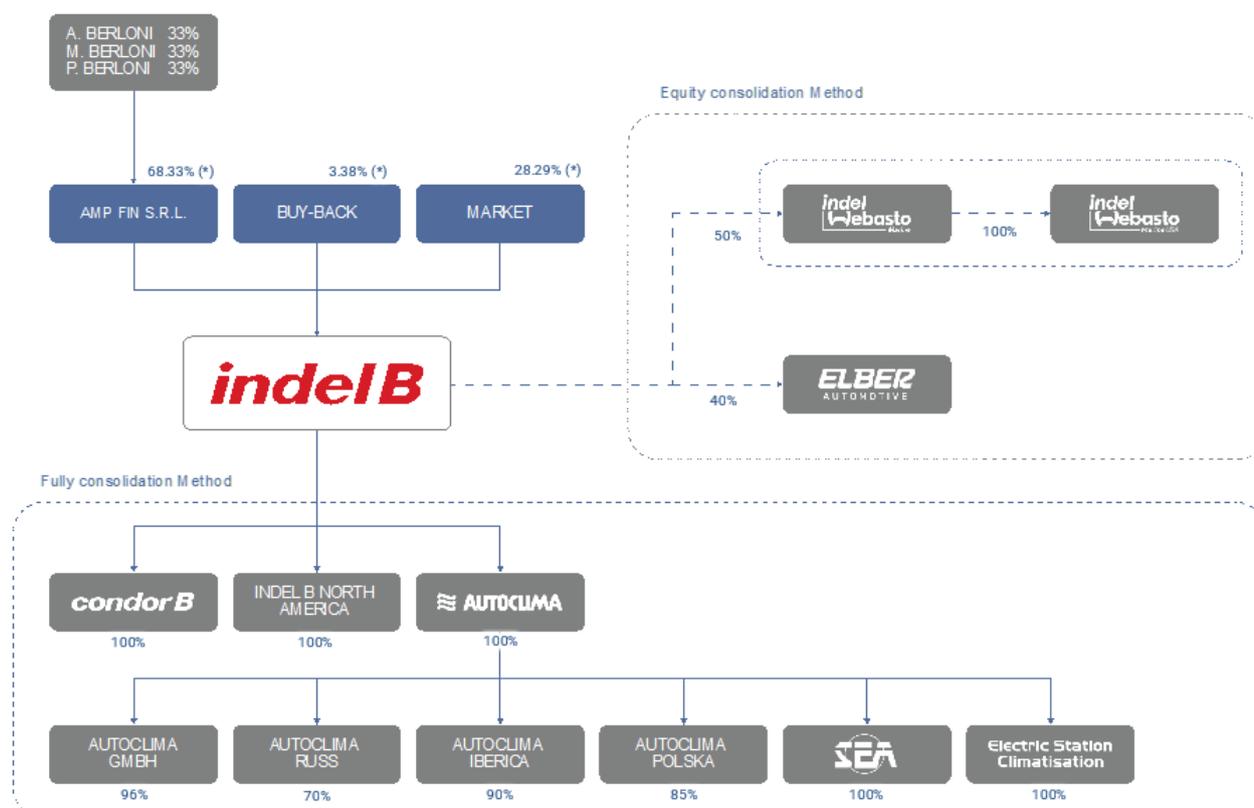
¹ Please refer to the description of the business model on page 7 for further information on the Group companies and their production sites.

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, results and impact.

The following graph shows the structure of the Indel B Group as at 31 December 2022. To date, Indel B's buy-back activity on the traded shares is suspended.



Notes: ESC was acquired on 18 January 2021 - SEA S.r.l. was acquired on 10 May 2021

(*) data updated at 31 December 2022

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 elaborated 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.

2022 is the fifth 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) 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 28 April 2023.

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]

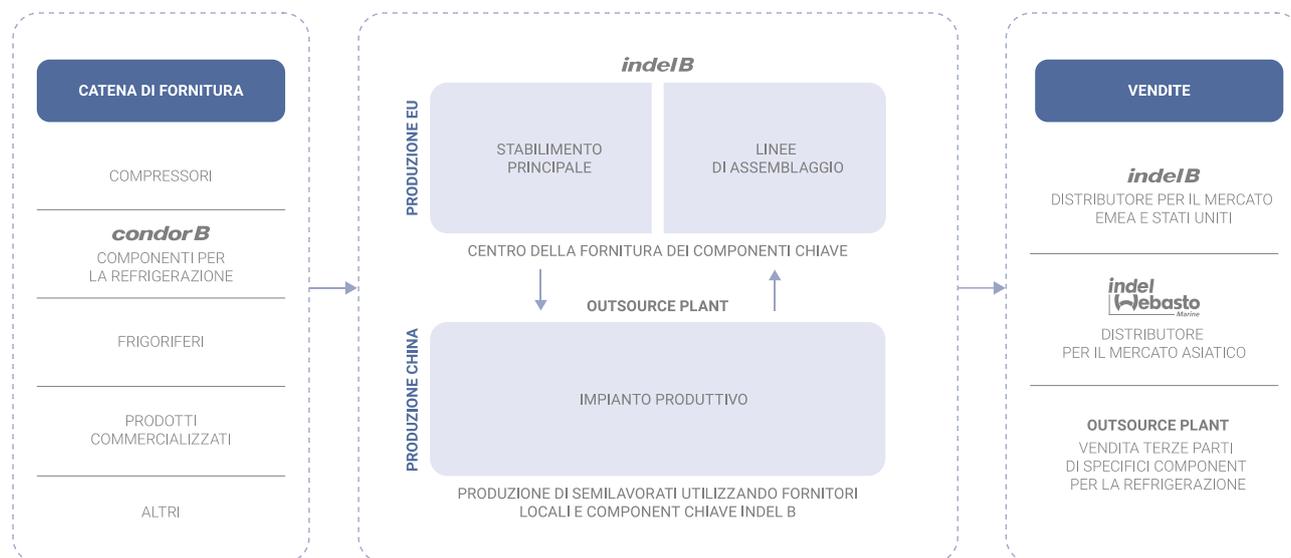
The parent company Indel B was founded in 1967, initially operating in production and marketing in the hotel and mobile refrigeration sector, later expanding into other markets. More specifically, Indel B is divided into two product macro-sectors:

- **Horeca:** for the management of major clients in the hotel and nautical sector, 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, Volto 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 eco-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 sector, 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.

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 and midibuses, ambulances, mobile clinics, industrial vehicles, trams and trains, etc. An important step in the company's history occurred first with the construction of the

² The Indel B Group consists of two factories in Sant'Agata Feltria (RN), home to the companies Indel B SpA and Condor B Srl, and one factory in Cambiano (TO), home to the company Autoclima SpA. The latter also has two depots, 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.

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, thus reducing the level of risk from interference between the various company departments. The company Autoclima 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:

- Autoclima Deutschland GmbH 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 2022 and the date of approval of this Statement that could have a material impact on the Group's results.

The entire Montefeltro area was hit by heavy snowfall at the end of January that caused damage to the roof of one of the Parent Company's production plants, which was forced to temporarily suspend its activities. The production activities of this plant are currently being fully resumed, as well as the quantification of the damage suffered in agreement with the insurance company.

On 21 March 2023, the company Electric Station Climatisation S.A.S. ('ESC') under French law, and part of the Autoclima Group, was notified of legal proceedings before the Commercial Chamber of the Strasbourg Court brought by the client Soframe - Société Française de Matériel ('Soframe') and Lohr Industries ('Lohr'), whose first hearing has been set for 4 July 2023. For further details please refer to the section in the Notes to the Consolidated Financial Statements, 2.14 'Significant Events Occurring After the Close of the 2022 Financial Year'.

Autoclima finalised 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.

The shareholding in the Chinese company Guangdong Iceco (identified in the previous diagram as 'China Production') 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 of the aforementioned company in 2021, some production destined for the European market was transferred to Italy, with obvious benefits in relation to sustainability and environmental responsibility. This transfer also allowed a reduction in 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 sector. The two companies have joined forces to produce high-quality galley equipment for the marine industry. 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.

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 sector. Indel B intends to indirectly develop the Brazilian and South American markets with the aim of achieving, by relying on the Indel B Group's technological know-how and business relationships consolidated over 50 years of global presence, a leading position in a market with high growth potential such as Latin America.

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.

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

The Group is very committed to research and development: research activities are carried out at the main production site in Sant'Agata Feltria to study new products, as well as the development of each new product line 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 allows a high level of innovation and, consequently, a strong competitive positioning, 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 particularly relevant, as it allows the Group to improve and enhance its knowledge of its network, to increase the positive impacts and mitigate the negative ones 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.

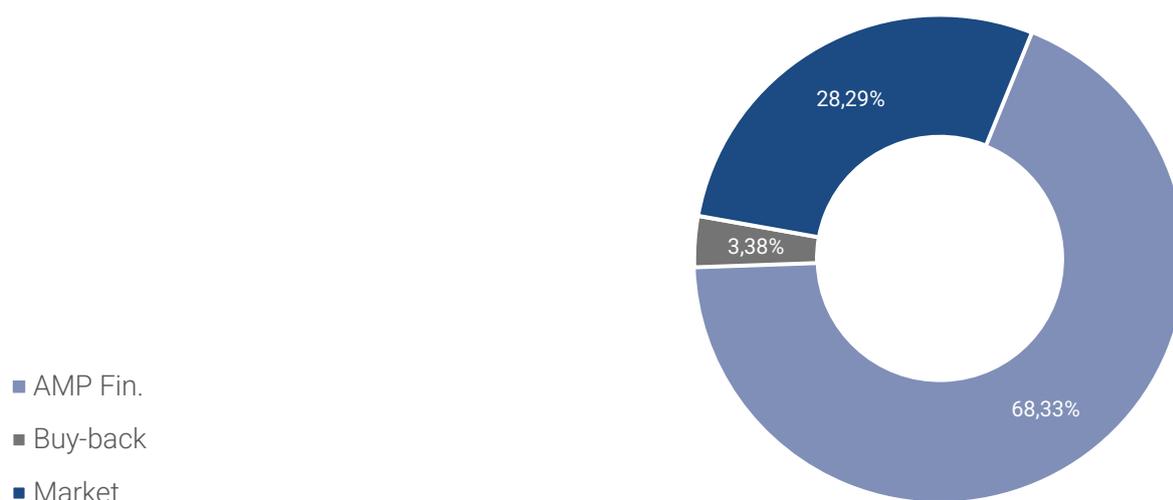
- **Investors and Shareholders**

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 850 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 31/12/2022 is € 5,842,000.00.

In light of the results of the 'Shareholders' Register', the shareholding structure as at 31.12.2022, 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 wants 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.

The 'person' is always placed at the centre of the Indel B organisation.

Employees are involved in the company's management and 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 is structured into four divisions: Automotive, Hospitality, Leisure and Cooling, with a significant commercial presence in the After Market sector.

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 continued 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 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 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 higher education institutions, 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"> • Workplace 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; 	<p>The Parent Company Indel B and its subsidiary Autoclima have issued a policy for the adoption of the 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 the Initial Environmental Analysis,</p>

	<ul style="list-style-type: none"> Reducing environmental impacts 	<ul style="list-style-type: none"> 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>which is the basis of the management system and mapping the relevant environmental aspects.</p> <p>The existing risks are managed and mitigated through the use of this system; 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>
Social aspects	<ul style="list-style-type: none"> Responsible supply chain management Product quality and safety 	<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> <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>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>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 possible to meet customer expectations and 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>

	<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>
<p>Human Resources</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: 'Workplace 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 workplace 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>
<p>Respect for human rights</p>	<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 joint venture 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 equipped 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>

<p>Combating Active and Passive Corruption</p>	<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), where the Group has entered into joint ventures with local companies. This risk mainly relates to corruption between private individuals, since the Group does not usually operate with public companies.</p>	<p>The Management, Organisation and Control Model adopted by the Parent Company identifies 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>
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To achieve its objectives and mitigate existing risks, the Group has formally issued policies within its certified corporate management systems, which include:

- Environment 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 the companies 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]

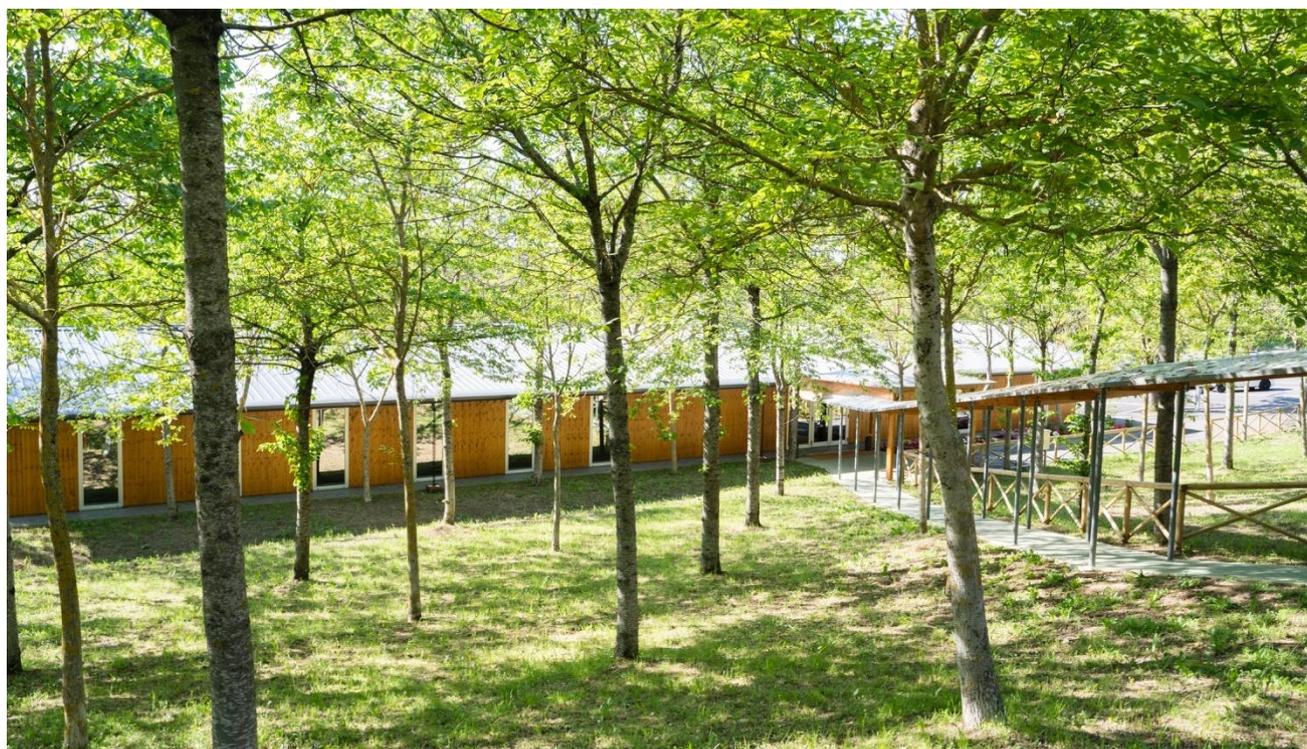
The main production site of Indel B is at Via Sarsinate 27 in the municipality of Sant'Agata Feltria (Rimini). Other small production or storage sites can be found in the municipality of Sant'Agata Feltria at Via dei Ronchi, Via Sartini and Strada di Maiano. A new production site at Via Montefeltro 118, 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.

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.

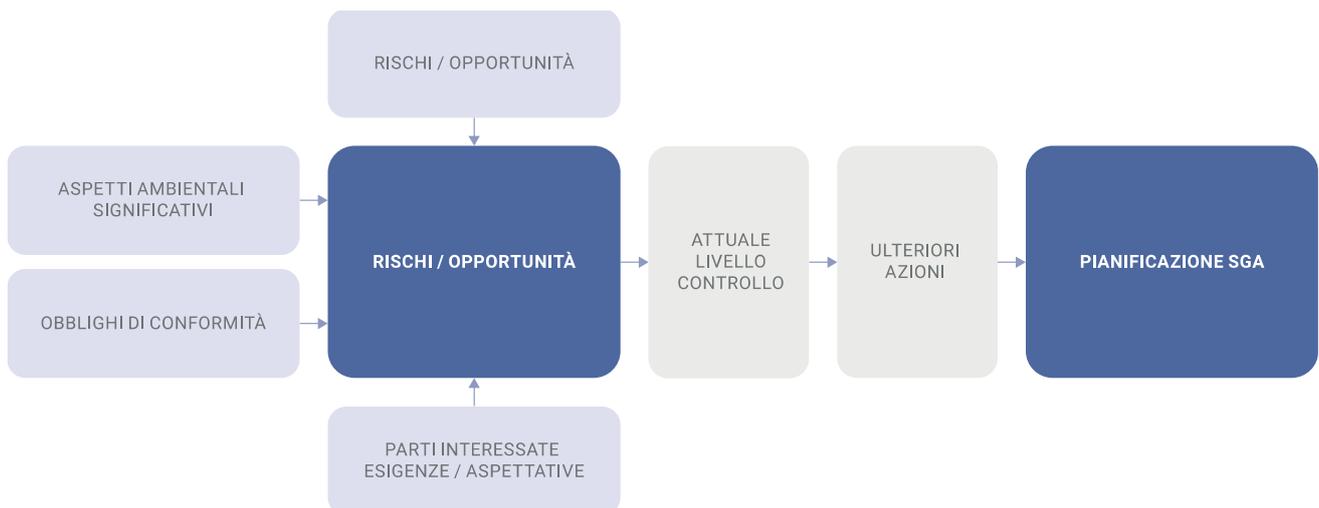
The Environmental Management System and the main production site at Via Sarsinate are certified according to UNI EN ISO 14001:2015 by DNV. The certification was renewed in October 2020, and is valid for three years.

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 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, Provisions: the aspect is regulated by national/regional laws or by provisions 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 2021. 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	3	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 fuel gas due to plant breakage		A		Workplace heating	4	1	0	2	1	0	0	16
Spillage 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
Fuel consumption	N			Workplace heating	4	1	1	2	0	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 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 continuous improvement of 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 exogenous for the Group, are not currently included in the risk management models adopted by Indel B, in consideration of the fact that, given the type of production activity, product and measures already implemented by the Group in previous years, they are not expected to have a significant impact to date.

However, the Group is nevertheless considering implementing an action plan in the coming years aimed at further reducing these risks and meeting the needs of its stakeholders.

General Overview of the Indel B Sant'Agata Feltria Site

Area History

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 over, 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 mainly by a mixed, predominantly clayey complex, known as 'scaly clay' (c), and of 'greyish clayey marls, sandy-white in the lower part, sometimes with intercalation of molasse' (Ms2). The hamlet of Petrella Guidi stands on a 'limonitic-sideritic manganisiferous concretion' (cfs) immersed in the mixed complex, while the settlements of Sapigno and Maiano rise in the Mg2 zone ('thinly stratified, microcrystalline chinks 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).

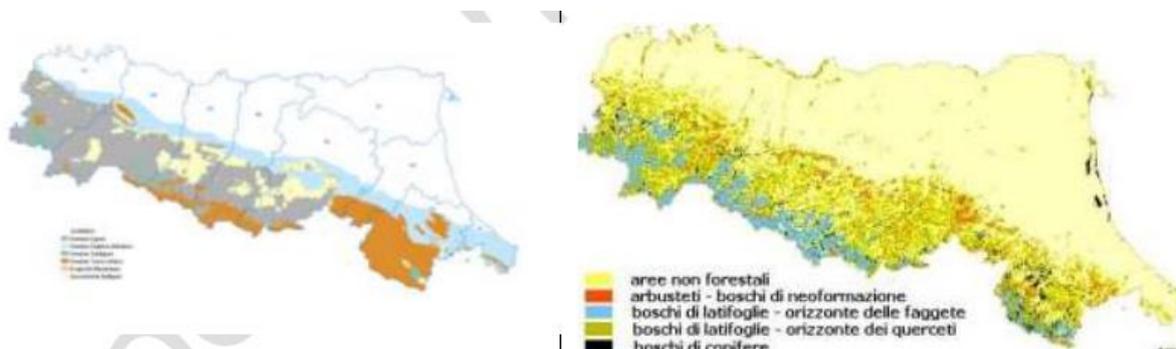
Hydrography

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, canal, 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,

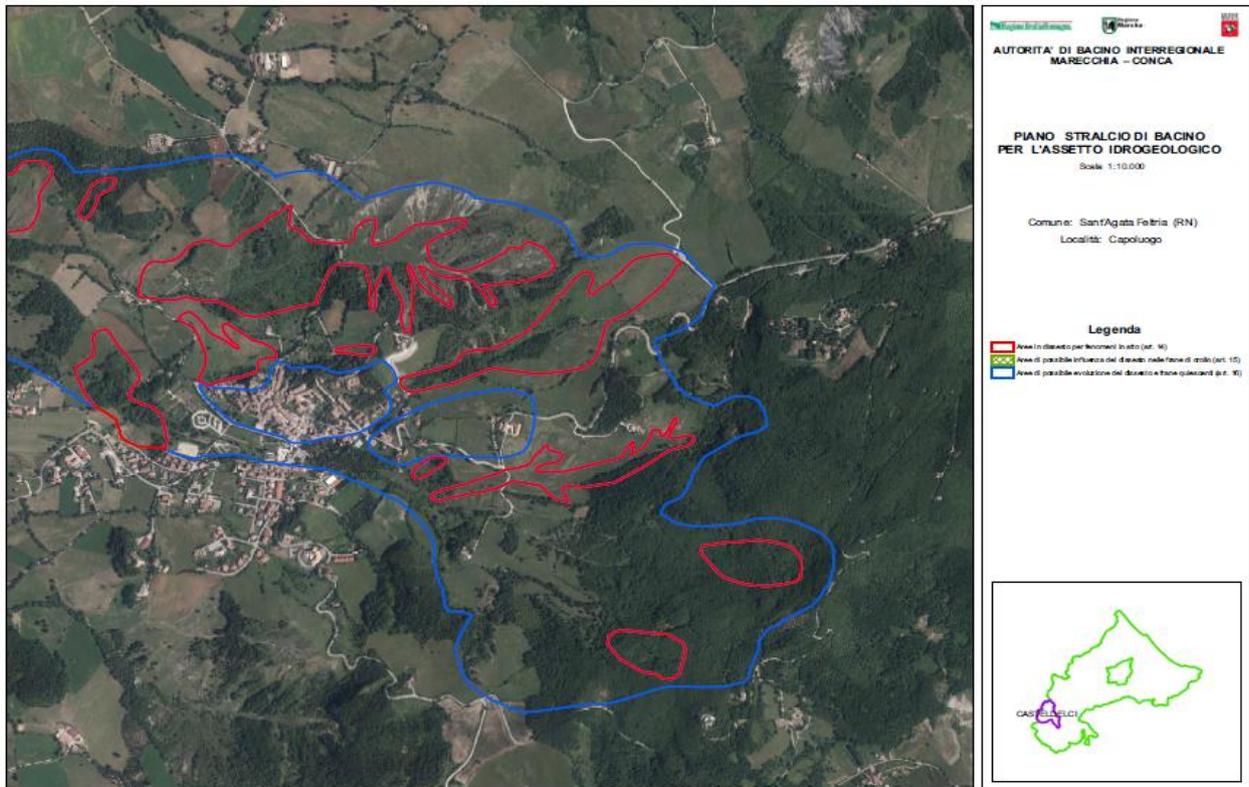
flows into the Marecchia River at an altitude of 351 m a.s.l.: the Avezzane canal, which also forms near Pereto at 653 m a.s.l., instead flows into the Senatello canal as far as Cicognaia, marking the boundary with the Tuscan exclave of Badia Tedalda at an altitude of 415 m above sea level before it 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 on the right).



Source: Emilia Romagna Region Website



Source: Emilia Romagna Region Website

The area under examination is occupied by deposits belonging to the 'Umbro-Marchigiano-Romagnola Succession' represented by the Ghioli di Letto formation, consisting of silty-marly clays, alternating in the lower part with siltitic sandstones and in the upper part with bituminous pelites and carbonate levels. The 'Marecchia Valley Outcrops' consist of variously coloured clays (polychrome clays and argillites; sandstones and siltstones and marly limestones appear subordinately), the Monte Morello Formation (calcareous marly turbidites represented by alternating whitish-grey marly limestone in medium to very thick layers, brown calcarenites and marls, hazelnut clayey marls, blackish-grey) by the Monte Senario Formation (coarse to very coarse greenish-grey re-sedimented sandstones in medium to very thick layers) and finally by the Monte Fumaiolo Formation (greenish-yellow calcareous sandstone that transition laterally and upwards to weakly arenaceous marls). The covering deposits consist of heterometric material, represented by pelitic fractions, sands and silty sands, and rocky boulders. The morphological profiles in the area are characterised by steep escarpments and rigid shapes at the arenaceous plate of Monte Ercole, and by undulations and counter-slopes in the areas occupied by the predominantly clayey soils.

Interventions

The Sant'Agata landslide was included in the 1999 Extraordinary Plan. During the preliminary geological analyses for the PRG, detailed elements emerged that made it possible to better define the limits of the perimeter areas 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. C.N.R. 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 constraints of the P.P.A.R. 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.

It is the seat of the Union of Municipalities of the Marecchia Valley, including 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, there is the particularity of having 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

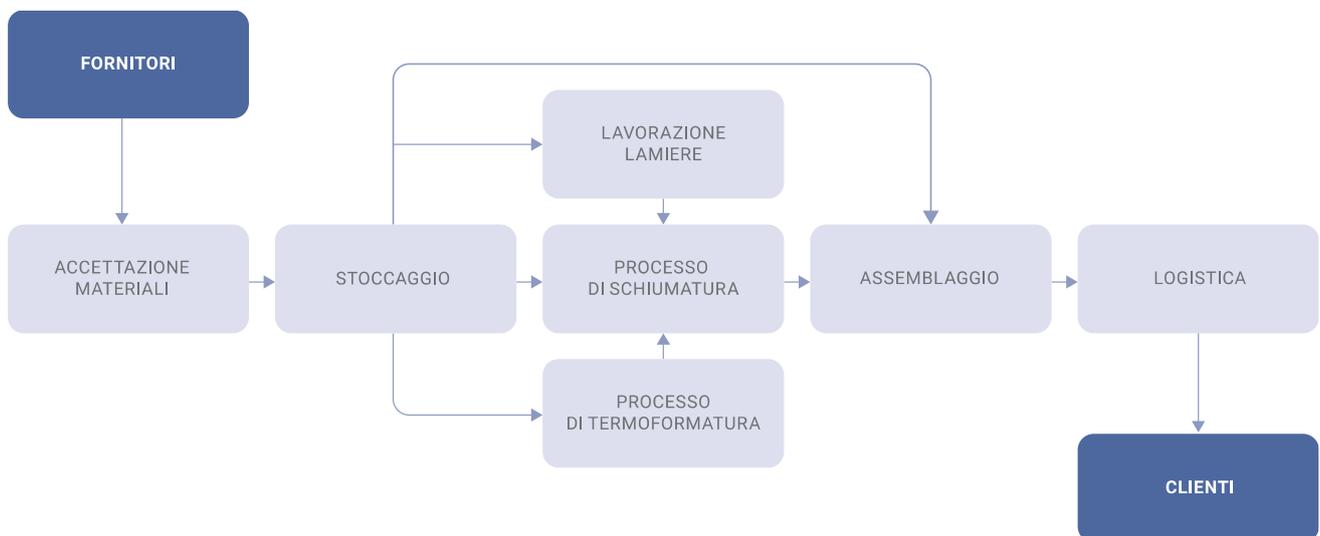
two kilometres) of its course passed under the Tiberius Bridge and then flowed into the sea via the canal port. Between 1924 and 1930, an artificial riverbed was instead built to prevent flooding. As a result of this diversion, the current mouth is located near San Giuliano Mare and Rivabella.

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 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: 1950 kW
- generator 2: 1266 kW
- generator 3: 100 kW

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

FY 2022	UoM	Indel B	Condor B ⁴	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 ⁵	l	33,340.00	18,599.08	23,073.00	413.5	-
• 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	-

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.

• of which from renewable sources ⁶	MWh	1,049.86	125.91	77.14	-	-
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Maintenance is entrusted to certified companies. A 55.68 KWp PV system is installed on the roof of the Thermoforming department

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

FY 2021	UoM	Indel B	Condor B ⁷	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 ⁸	l	33,349.16	250.91	21,730.00	-	13,400.00
• Petrol	l	599.82	212.64	-	790.85	-

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 2021, 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.

• 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 ⁹	MWh	578.54	76.78	41.94	-	-

Y 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

FY 2020	UoM	Indel B	Condor B	Autoclima	UoM	Indel B	Condor B	Autoclima	Group
• Natural gas	m3	84,344.00	61,738.00	76,449.00	GJ	2,977.60	2,158.95	2,698.88	7,835.43
• LPG	l	10,751.00	4,300.00	0.00	GJ	280.27	112.10	0.00	392.37
• Diesel	l	20,060.33	312.49	16,114.00	GJ	718.21	11.19	576.92	1,306.31
• Petrol	l	454.27	139.52	0.00	GJ	14.59	4.48	0.00	19.07
• Electricity	MWh	1,787.85	291.50	387.90	GJ	6,436.26	1,049.40	1,396.44	8,882.10
• of which from non-renewable sources	MWh	1,153.16	188.02	349.11	GJ	4,151.39	676.86	1,256.80	6,085.04

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).

• of which from renewable sources	MWh	634.69	103.48	38.79	GJ	2,284.87	372.54	139.64	2,797.05
• Total energy	-	-	-	-	GJ	10,426.92	3,336.12	4,672.24	18,435.28

Below is a calculation of the ratio of total energy consumed by the Group to hours worked in the period 2020-2022 in GJ per hour.

FY 2022

Total energy consumed / Hours worked = 0.0175

FY 2021

Total energy consumed / Hours worked = 0.0239

FY 2020

Total energy consumed / Hours worked = 0.0211

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.

It should further be noted that an additional photovoltaic system has been installed, but not yet connected, on the extension of the production plant located in Secchiano, called Secchiano 3, for 110 kW of power.

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 emissions¹⁰

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

¹⁰ 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.

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

FY 2020	UoM	Indel B	Condor B	Autoclima	Group
• Direct (Scope 1) CO2 emissions	tCO2eq	239.72	129.30	48.45	417.47
• Natural gas	tCO2eq	166.58	120.78	5.33	292.69
• LPG	tCO2eq	18.38	7.35	0.00	25.73
• Diesel	tCO2eq	53.68	0.84	43.12	97.65
• Petrol	tCO2eq	1.07	0.33	0.00	1.40
• Indirect (Scope 2) CO2 emissions	tCO2eq	493.98	80.54	107.18	681.70
• Electricity	tCO2eq	493.98	80.54	107.18	681.70
• Total energy consumed	tCO2eq	733.70	209.84	155.63	1,099.17

It should be noted that electricity and related costs have increased exponentially worldwide. 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 301-3];

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 source¹¹

FY 2022	UoM	Indel B ¹²	Condor B	Autoclima	SEA	ESC	Group
Groundwater	m ³	-	-	12,023.00	-	-	12,023.00
Public aqueduct or water supplied by water service management companies ¹³	m ³	2,755.36	470.00	1,336.00	94.00	339.00	4,494.36
Total water withdrawn	m³	2,755.36	470.00	13,359.00	94.00	339.00	17,017.36

FY 2021	UoM	Indel B ¹⁴	Condor B	Autoclima	SEA	ESC	Group
Groundwater	m ³	-	-	11,230.00	-	-	11,230.00
Public aqueduct or water supplied by water service management companies ¹⁵	m ³	2,408.14	466.00	1,236.00	0.40	382.00	4,492.54
Total water withdrawn	m³	2,408.14	466.00	12,466.00	0.40	382.00	15,722.54

FY 2020	UoM	Indel B	Condor B	Autoclima	Group
Groundwater	m ³	-	-	12,520.00	12,520.00
Public aqueduct or water supplied by water service management companies	m ³	2,216.72	394.00	1,221.00	3,831.72
Total water withdrawn	m³	2,216.72	394.00	13,741.00	16,351.72

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.

¹¹ The figure does not include Indel B North America and Autoclima's foreign subsidiaries.

¹² 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.

¹³ 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.

¹⁴ 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.

¹⁵ 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 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 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
150102	Polystyrene	Non-hazardous	Thermoforming Department	Recovery
160304	Condensation water	Non-hazardous	Plants	Recovery
140601*	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.

The disclosure requirement on waste generated, waste for disposal and waste not for disposal, with an indication of recovery and disposal operations, was introduced for the first time in the 2021 reporting, following the update of the GRI Standard (GRI 306). For this reason, the data for 2020 are not available.

Total weight of waste by type and disposal method¹⁶

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

¹⁶ The figure does not include Indel B North America and Autoclima's foreign subsidiaries.

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

FY 2020	UoM	Indel B		Condor B		Autoclima	
		Disposal	Recovery	Disposal	Recovery	Disposal	Recovery
Hazardous waste	Kg	13,329	12,500	0	0	301	356
Non-hazardous waste	Kg	217	578,205	1,240	32,797	0	91,120
Total waste weight	Kg	13,546	590,705	1,240	32,797	301	91,476

FY 2020	UoM	Group	
		Disposal	Recovery
Hazardous waste	Kg	13,630	12,856
Non-hazardous waste	Kg	1,457	702,122
Total waste weight	Kg	15,087	714,978

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 area¹⁷

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	113	8	27	8	6	162
(mln €) Total value of supplies non-EU	8	-	3	1	1	13

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	162
(mln €) Total value of supplies from EU	113	7	22	4	6	151
(mln €) Total value of supplies non-EU	6	-	4	1	1	11

FY 2020	Indel B	Condor B	Autoclima	Total
No. of suppliers	982	230	391	1,603
EU Suppliers	922	230	348	1,500
Non-EU Suppliers	60	-	43	103
(mln €) Total value of supplies	73	5	21	99
(mln €) Total value of supplies from EU	69	5	19	93
(mln €) Total value of supplies non-EU	4	-	2	6

¹⁷ 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 will be operational from early 2023. 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 2022.

a) Percentage of purchases from local suppliers¹⁸, understood as the percentage of goods and locally purchased services

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%

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 2020	Indel B	Condor B	Autoclima	Group
(mln €) Total goods and services purchased	73	5	21	99
(mln €) Goods and services purchased from local suppliers	30	5	12	47
(%) Goods and services purchased from local suppliers	41%	96%	47%	47%

¹⁸ Local suppliers are defined as Italian companies operating in the national territory.

Condor B confirms the trend of the previous year, which highlights the procurement of goods and services from purely Italian suppliers. Autoclima also confirms the trend of previous years.

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	-

FY 2020	Indel B	Condor B	Autoclima
	No.	No.	No.
New suppliers	177	22	33

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 screening and rationalisation, in the specific case of Indel B. Compared to the years analysed, 2022 was the year with the greatest increase in new suppliers for both Indel B and Condor B. This is the result of a more thorough scouting operation than in the past. For Autoclima, the increase in suppliers does not reflect any strategy of diversification of the supplier portfolio. The trend can be attributed on the one hand to the inclusion of new suppliers in connection with the development of new products, and on the other hand to the mix of purchases, which in turn depends on the mix of sales.

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 middle 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. 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 two 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 compliance by 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 2022. 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.

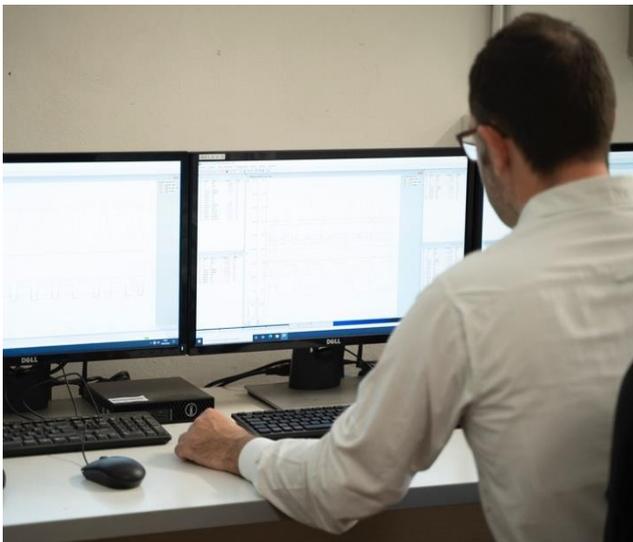


In Italy, training is partially or fully financed through the use of specific inter-professional funds (Fondimpresa and Fondirigenti).

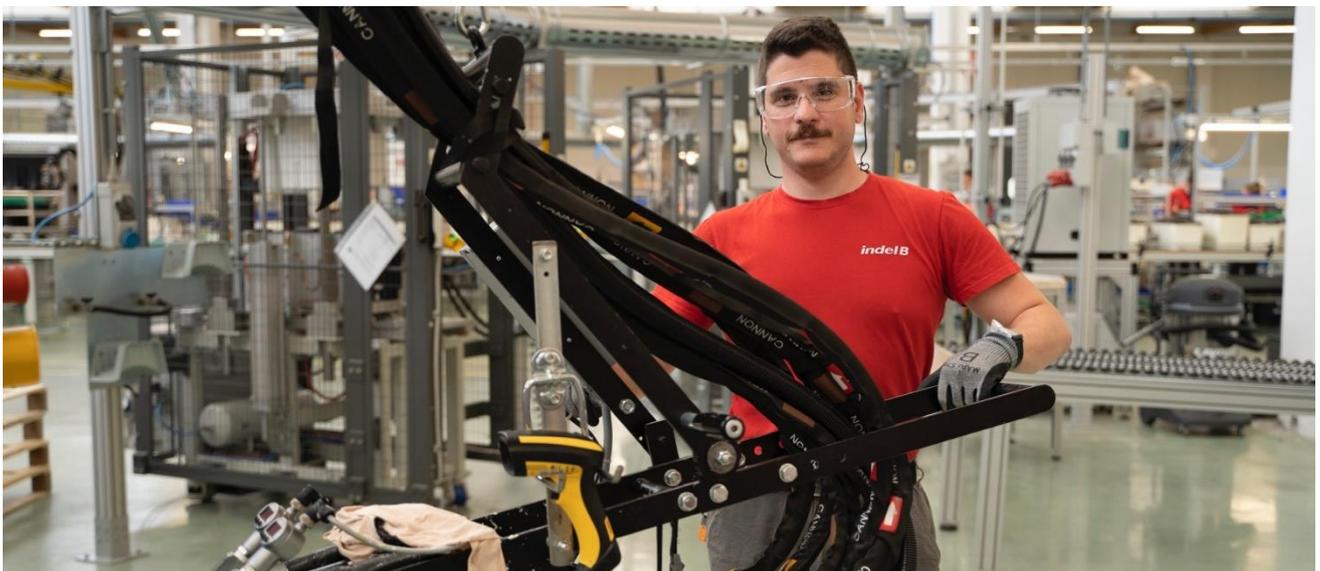
There was a consistent increase in orders and sales in 2022, in continuity with 2021. The company made use of temporary workers with fixed-term contracts in 2022.

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 has an 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.



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 31.12.2022	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

No. as at 31.12.2020	Indel B			Condor B			Autoclima			Group		
	Men	Wome n	Total	Men	Wome n	Total	Men	Wome n	Total	Men	Wome n	Total
Permanent	236	134	370	43	17	60	109	25	134	388	176	564
Fixed-term	44	25	69	1	1	2	-	2	2	45	28	73
Total	370	159	439	44	18	62	109	27	136	433	204	637

The company Condor B used temporary workers to cope with production peaks. This has been necessary in recent years as turnover and orders have grown steadily. 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.

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

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

During 2020, 15 temporary employment contracts were activated for Condor B, of which 12 men and 3 women.

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

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

No. as at 31.12.2020	Indel B			Condor B			Autoclima			Group		
	Men	Wome n	Total	Men	Wome n	Total	Men	Wome n	Total	Men	Wome n	Total
Full-Time	278	144	422	42	16	58	109	22	131	429	182	611
Part-time	1	15	16	1	2	3	-	5	5	2	22	24
Total	279	159	438	43	18	61	109	27	136	431	204	635

After a decrease in the workforce of Indel B due to the lockdown period in 2020, it increased in the following years 2021 and 2022, following the turnover trend.

Condor B's workforce increased to meet market requirements and at the same time to supply the Parent Company Indel B.

Autoclima's workforce decreased during the lockdown period, following the turnover trend.

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

Specifically, for the year 2022 these amounted to 577 for Indel B (including Indel B North America), 75 for Condor B, 132 for Autoclima, 23 for SEA and 42 for ESC.

Number and percentage of individuals within the organisation's governing bodies, distinguished by gender, age group and other diversity indicators where relevant (including minority or vulnerable groups)
 19

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

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%

¹⁹ The figure does not include Indel B North America and Autoclima's foreign subsidiaries.

Number of individuals by age group

No. as at 31.12.2020	<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 31.12.2020	<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 31.12.2022	<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									
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	Total	Men	Women	Total	Men	Women	Total	
Members of the governing bodies of Condor B	-	-	-	100%	-	-	60%	-	-	40%

Number of individuals by age group

No. as at 31.12.2020	<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 31.12.2020	<30			30 - 50			>50			
	Men	Women	Total	Men	Women	Total	Men	Women	Total	
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			
	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 31.12.2020	<30			30 - 50			>50		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Members of the governing bodies of Autoclima	-	-	-	5	-	5	4	-	4

Percentage of individuals by age group

% as at 31.12.2020	<30		30 - 50		>50	
	Men	Women	Men	Women	Men	Women
Members of the governing	-	-	100%	-	100%	-

bodies of
Autoclima

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 31.12.2022	<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
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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 31.12.2022	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 - Autoclima

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 – Autoclina

% 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%

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 31.12.2020	Indel B	Condor B	Autoclima	Group
Executives	6	-	2	8
Middle Managers	10	-	5	15
White-collar workers	67	5	71	143
Blue-collar workers	355	56	58	469
Total	438	61	136	635

Number of employees by age group - Indel B

No. as at 31.12.2020	<30			30 - 50			>50		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Executives	-	-	-	2	-	2	4	-	4
Middle Managers	-	-	-	5	1	6	4	-	4
White-collar workers	4	4	8	31	17	48	4	7	11
Blue-collar workers	66	24	90	110	74	184	49	32	81
Total	70	28	98	148	92	240	61	39	100

Number of employees by age group - Condor B

No. as at 31.12.2020	<30			30 - 50			>50		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Executives	-	-	-	-	-	-	-	-	-
Middle Managers	-	-	-	-	-	-	-	-	-
White-collar workers	-	-	-	4	-	4	1	-	1
Blue-collar workers	5	2	7	20	7	27	13	9	22
Total	5	2	7	24	7	31	14	9	23

Number of employees by age group - Autoclima

No. as at 31.12.2020	<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	1	4	31	15	46	12	9	21
Blue-collar workers	15	-	15	24	1	25	17	1	18
Total	18	1	19	58	16	74	33	10	43

Number of employees by gender and qualification - Indel B Group

No. as at 31.12.2020	Group		
	Men	Women	Total
Executives	8	-	8
Middle Managers	14	1	15
White-collar workers	90	53	143
Blue-collar workers	319	150	469
Total	431	204	635

Percentage of employees by age group – Indel B

% as at 31.12.2020	<30		30 - 50		>50	
	Men	Women	Men	Women	Men	Women
Executives	-	-	100%	0%	100%	0%
Middle Managers	-	-	83.3%	16.7%	60.5%	39.5%
White-collar workers	50%	50%	64.6%	35.4%	36.4%	63.6%
Blue-collar workers	73.3%	26.7%	59.8%	40.2%	60.5%	39.5%
Total	71.4%	28.6%	61.7%	38.3%	61%	39%

Percentage of employees by age group – Condor B

% as at 31.12.2020	<30		30 - 50		>50	
	Men	Women	Men	Women	Men	Women
Executives	-	-	-	-	-	-
Middle Managers	-	-	-	-	-	-
White-collar workers	-	-	100%	0%	100%	0%
Blue-collar workers	71.4%	28.6%	74.1%	25.9%	59.1%	40.9%
Total	71.4%	28.6%	77.4%	22.6%	60.9%	39.1%

Percentage of employees by age group – Autoclima

% as at 31.12.2020	<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%	25%	67.4%	32.6%	57.1%	42.9%
Blue-collar workers	100%	0%	96%	4%	94.4%	5.6%
Total	94.7%	5.3%	78.4%	21.6%	76.7%	23.3%

In line with the year 2021, the prevailing age group of the employees of Indel B, Condor B and Autoclima is 30 to 50 years for 2022 as well; this is due to the fact that these companies have developed considerably over the last fifteen years.

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

**Ratio of basic salary of women to men²⁰,
by employee category²¹**

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	-	-

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	-	-

FY 2020	Indel B	Condor B	Autoclima
Executives	-	-	-
Middle Managers	0.76	-	-
White-collar workers	0.88	-	0.97
Blue-collar workers	0.96	0.91	0.85

²⁰ 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.

²¹ The figure does not include Indel B North America and Autoclima's foreign subsidiaries.

**Ratio of women's remuneration to men's²²
by employee category²³**

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	-	-

FY 2020	Indel B	Condor B	Autoclima
Executives	-	-	-
Middle Managers	0.63	-	-
White-collar workers	0.87	-	0.93
Blue-collar workers	0.96	0.91	0.83

²² The percentage of the remuneration of women to men was calculated by comparing the average remuneration of women to the average remuneration of men.

²³ 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 area²⁴

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

Incoming employees

No. as at 31.12.2020	Indel B			Condor B			Autoclima			Group		
	Men	Wome n	Total	Men	Wome n	Total	Men	Wome n	Total	Men	Wome n	Total
<30	24	14	38	2	-	2	-	-	-	26	14	40
30-50	30	25	55	5	2	7	1	2	3	36	29	65
>50	8	3	11	1	1	2	-	1	1	9	5	14
Total	62	42	104	8	3	11	1	3	4	71	48	119

²⁴ The figure does not include Autoclima's foreign subsidiaries.

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%

Incoming turnover rate

No. as at 31.12.2020	Indel B			Condor B			Autoclima			Group		
	Men	Women	Total	Men	Women	Total	Men	Women	Total	Men	Women	Total
Total	12%	15%	13%	7%	12%	8%	16%	24%	17%	19%	17%	19%



Total number and turnover rate of employees leaving during the reporting period, by age group, gender and region²⁵

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

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	-	-	-	-	-	-	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

Incoming employees

No. as at 31.12.2020	Indel B			Condor B			Autoclima			Group		
	Men	Wome n	Total	Men	Wome n	Total	Men	Wome n	Total	Men	Wome n	Total
<30	11	10	21	-	1	1	2	1	3	12	12	24
30-50	15	11	26	2	2	4	2	-	2	19	13	32
>50	10	3	13	2	-	2	4	-	4	16	3	19
Total	36	24	60	4	3	7	8	1	9	48	28	76

²⁵ The figure does not include Autoclima's foreign subsidiaries

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%

Outgoing turnover rate

No. as at 31.12.2020	Indel B			Condor B			Autoclima			Group		
	Men	Women	Total	Men	Women	Total	Men	Women	Total	Men	Women	Total
Total	13%	15%	14%	9%	17%	11%	7%	4%	7%	10%	14%	12%

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 category²⁶

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 workplace health and safety have been defined in line with current regulations and focused on all company staff, with a special focus on new hires.

Indel B training on environmental issues

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

no. of training hours FY 2020	Men	Women	Total
Executives	-	-	-
Middle Managers	-	-	-
White-collar workers	0.4	-	0.4
Blue-collar workers	0.1	-	0.1
Total	0.5	-	0.5

²⁶ The figure does not include Autoclima's foreign subsidiaries.

Indel B technical training

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

no. of training hours FY 2020	Men	Women	Total
Executives	-	-	-
Middle Managers	2.0	2.0	4.0
White-collar workers	1.5	-	1.5
Blue-collar workers	1.4	0.4	1.8
Total	4.9	2.4	7.3

Compulsory training for Indel B interns

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 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

no. of training hours FY 2020	Men	Women	Total
Executives	-	-	-
Middle Managers	-	-	-
White-collar workers	-	-	-
Blue-collar workers	5.1	4.9	10.0
Total	5.1	4.9	10.0

Autoclima training on environmental issues

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 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

no. of training hours FY 2020	Men	Women	Total
Executives	-	-	-
Middle Managers	-	-	-
White-collar workers	1.0	-	1.0
Blue-collar workers	2.5	-	2.5
Total	3.5	-	3.5

Autoclíma 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

no. of training hours FY 2020	Men	Women	Total
Executives	8.0	-	8.0
Middle Managers	4.8	-	4.8
White-collar workers	0.6	1.0	1.6
Blue-collar workers	0.6	-	0.6
Total	14.0	1.0	15.0

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 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 carry out any new staff training in 2022; it is worth mentioning that a new sales manager was hired in the first quarter of 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, which is therefore 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 occupational illnesses, various workplace safety and 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 2023, 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 2022 ²⁷	Indel B	Condor B	Autoclima	SEA	ESC	Group
Number of deaths as a result of workplace injuries	-	-	-	-	-	-
Number of workplace injuries with severe consequences (excluding deaths)	-	-	-	-	-	-
Number of recordable workplace injuries	29	1	1	-	-	31
• 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 workplace injuries	-	-	-	-	-	-
Rate of workplace injuries with severe consequences (excluding deaths)	-	-	-	-	-	-
Rate of recordable workplace 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 occupational diseases	-	-	-	-	-	-
Work-related deaths	-	-	-	-	-	-

FY 2021 ²⁸	Indel B	Condor B	Autoclima	SEA	ESC	Group
Number of deaths as a result of workplace injuries	-	-	-	-	-	-
Number of workplace injuries with severe consequences (excluding deaths)	-	-	-	-	-	-
Number of recordable workplace injuries	22	1	2	-	1	26

²⁷ The figure does not include Autoclima's foreign subsidiaries. It should be noted that Indel B North America had no injuries during 2021.

²⁸ The figure does not include Autoclima's foreign subsidiaries. It should be noted that Indel B North America had no injuries during 2021.

• 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 workplace injuries	-	-	-	-	-	-
Rate of workplace injuries with severe consequences (excluding deaths)	-	-	-	-	-	-
Rate of recordable workplace 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 occupational diseases	-	-	-	-	-	-
Work-related deaths	-	-	-	-	-	-

FY 2020	Indel B	Condor B	Autoclima	Group
Number of deaths as a result of workplace injuries	-	-	-	-
Number of workplace injuries with serious consequences (excluding deaths)	5	-	-	5
Number of recordable workplace injuries	13	-	-	13
• commuting	4	-	-	4
• at work	9	-	-	9
Hours worked	594,640	89,990	189,706	874,336
Rate of deaths due to workplace injuries	-	-	-	-
Rate of workplace injuries with severe consequences (excluding deaths)	1.68%	-	-	1.14%
Rate of recordable workplace injuries	4.37%	-	-	2.97%

FY 2020	Indel B	Condor B	Autoclima	Group
Total number of injuries (commuting/at work)	18	-	1	19
• commuting	3	-	-	3
• at work	15	-	1	16

Cases of occupational diseases	-	-	-	-
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 workplace accidents low, but above all to decrease their average severity. During 2022, Indel B had only one occupational disease complaint that was not accepted by the insurer.

Indel B and Autoclima carried out several training activities during the three-year period 2020-2022 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 category²⁹

Indel B Health and Safety Training

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

²⁹ The figure does not include Autoclima's foreign subsidiaries.

no. of training hours FY 2020	Men	Women	Total
Executives	4.0	-	4.0
Middle Managers	1.0	-	1.0
White-collar workers	1.7	3.0	4.7
Blue-collar workers	4.2	1.8	6.0
Total	10.9	4.8	15.7

Condor B Health and Safety Training

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

no. of training hours FY 2020	Men	Women	Total
Executives	-	-	-
Middle Managers	-	-	-
White-collar workers	-	-	-
Blue-collar workers	0.5	-	0.5

Total	0.5	-	0.5
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Autoclimate Health and Safety Training

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

no. of training hours FY 2020	Men	Women	Total
Executives	-	-	-
Middle Managers	-	-	-
White-collar workers	0.6	-	0.6
Blue-collar workers	0.4	-	0.4
Total	1.0	-	1.0

SEA Health and Safety Training

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 2022.

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 without prejudice 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.

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 considered to be of primary importance, 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;

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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;
 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 2020/2022.

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

2022

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

2021

Members of the governing body who have been notified of anti-corruption policies/procedures	10	100%
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2020

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 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
no. of training hours FY 2020	Men	Women	Total
Executives	-	-	-
Middle Managers	-	-	-
White-collar workers	-	-	-
Blue-collar workers	-	-	-
Total	-	-	-

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 and 2022, with a small test to verify learning at the end of the course. No training could be provided in 2020 due to the pandemic and the resulting restrictive measures by the competent authorities for the suspension of in-person training activities. The adequate information procedure is adopted for new employees, which includes the delivery of an explanatory circular, 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 2022 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 2022, the Group recognised € 5,932 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	146,593	5,242	15,404	168,044	5,339	3,796
Condor B SpA	8,734	2,721	1,262	9,891	171	358
Autoclima SpA	31,656	11,446	3,212	41,354	724	874
SEA Srl	10,669	515	1,562	7,270	291	447
Total Italy	197,652	19,924	21,440	226,559	7,079	5,479
USA						
Indel B North America Inc.	3,698	-	81	2,870	-	87
Total USA	3,698	-	81	2,870	-	87
Germany						
Autoclima GMBH	4,293	63	355	1,233	25	103
Total Germany	4,293	63	355	1,233	25	103
Russia						
Autoclima Russia	2,681	-	444	1,137	150	88
Total Russia	2,681	-	444	1,137	150	88

Spain

Autoclima Iberica	1,513	11	68	746	25	6
Total Spain	1,513	11	68	746	25	6

Poland

Autoclima Polska	2,676	-	175	601	45	53
Total Poland	2,676	-	175	601	45	53

France

Electric Station Climatisation	11,477	45	257	5,745	131	68
Total France	11,477	45	257	5,745	131	68

6. EU Taxonomy Regulation 2020/852

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

The 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, for which non-financial companies were required to report the share of economic activities eligible under the Taxonomy, as of 1 January 2023, in relation to data for the financial year 2022, non-financial companies are required to report, in addition to the share of eligible activities, also the proportion of activities which are aligned.

To understand whether eligible assets can also be considered aligned, two types of criteria must be verified:

- the technical screening criteria described in the Delegated Acts that ascertain whether the activities under consideration make a substantial contribution to climate change adaptation and mitigation;
- the DNSH (Do No Significant Harm) criteria which ascertain whether the activities under consideration do not cause significant harm to any of the other environmental objectives.

In addition to these specific technical requirements related to environmental objectives, the Regulation also requires compliance with Social Minimum Safeguards.

Therefore, in order to comply with the regulatory requirements, the Indel B Group conducted an eligibility analysis of its economic activities, also assessing the consistency with the NACE codes in the delegated acts of the technical screening criteria. In the light of this analysis, the Indel B group found no turnover from products or services associated with economic activities considered environmentally sustainable under Articles 3 and 9 of the Regulation with reference to the first two environmental objectives, while it did find some capital expenditure (or CapEx) relating to the purchase of products deriving from economic activities aligned with the taxonomy and individual measures that enable the target activities to achieve low carbon emissions or greenhouse gas reductions: in particular, this includes certain CapEx related to the activity '4.1 Electricity generation using solar photovoltaic technology' and connected to the purchase of a photovoltaic system for a portion of the plant located in Secchiano di Novafeltria.

Subsequently, specific technical screening criteria were evaluated for each identified eligible activity in order to assess its relative alignment.

The results of these evaluations are briefly illustrated in the table below, which shows the percentages of eligibility and alignment with respect to the indicators set out in the Regulation.

	Total in euros (million) ¹⁾	Percentage of eligible activities (%)*	Percentage of aligned activities (%)*	Percentage of economic activities not eligible for the taxonomy (%)*
Turnover	223	-%	-%	100%
CapEx	5	0.01%	-%	99.99%
OpEx	200	-%	-%	100%

*) The % are calculated in relation to the total

1) The values are taken from consolidated balance sheet data

In addition, in the near future the Group will evaluate further eligibility cases where possible in order to identify best practices for future reporting in terms of both eligibility and alignment.

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			<ul style="list-style-type: none"> 3-1 Process to determine material topics 3-2 List of material topics 	
Policies and Risks			<ul style="list-style-type: none"> 102-15 Key impacts, risks and opportunities 	
	Environment	GRI 3 Material Topics	<ul style="list-style-type: none"> 3-3 Management of material topics 	

Environment	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's 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's 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's 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's business, its performance, results and impact.
	Reducing environmental impacts	GRI 306 Effluents and 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's business, its performance, results and impact.

Social		GRI 103 Management Approach	<ul style="list-style-type: none"> • 103-1; • 103-2 The management approach and its components 	
		GRI 102 General Disclosure	<ul style="list-style-type: none"> • 102-9 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 2022.
	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 103 Management Approach	<ul style="list-style-type: none"> • 103-1; • 103-2 The management approach and its components 	
		GRI 102 General Disclosure	<ul style="list-style-type: none"> • 102-8 Information on employees and other workers 	
			<ul style="list-style-type: none"> • 102-41 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's business, its performance, results and impact.
			<ul style="list-style-type: none"> • 401-2 Employee benefits 	
	Management of workers' health and safety	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 subsidiary Autoclima, however they are not significant and not such as to compromise the understanding of the company's 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's business, its performance, results and impact.
		GRI 403 Occupational Health and Safety		<ul style="list-style-type: none"> • 403-9 Work-related injuries
			<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's business, its performance, results and impact.

Respect for human rights	Respect for human rights	GRI 103 Management Approach	<ul style="list-style-type: none"> • 103-1; • 103-2 The management approach and its components 	
	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 103 Management Approach	<ul style="list-style-type: none"> • 103-1; • 103-2 The management approach and its components 	
	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 • 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 • 207-2 Tax governance, control and risk management • 207-3 Stakeholder engagement and management of concerns related to tax • 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 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, il "Decreto") e dell'articolo 5 del Regolamento CONSOB 20267/2018, siamo stati incaricati di effettuare l'esame limitato ("*limited assurance engagement*") della dichiarazione consolidata di carattere non finanziario della Indel B SpA (di seguito, la "Società") e sue controllate (di seguito il "Gruppo Indel B" o il "Gruppo") relativa all'esercizio chiuso al 31 dicembre 2022, predisposta ai sensi dell'articolo 4 del Decreto e approvata dal Consiglio di Amministrazione in data 28 aprile 2023 (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" definiti nel 2016 e 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 del *Code of Ethics for Professional Accountants* emesso dall'*International Ethics Standards Board for Accountants*, basato su principi fondamentali di integrità, obiettività, competenza e diligenza professionale, riservatezza e comportamento professionale. La nostra società di revisione applica l'*International Standard on Quality Control 1 (ISQC Italia 1)* e, di conseguenza, mantiene 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 ed 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 ed i dati e le informazioni inclusi nel bilancio consolidato del Gruppo;
4. comprensione dei seguenti aspetti:
 - a. modello aziendale di gestione e organizzazione dell'attività del Gruppo, con riferimento alla gestione dei temi indicati nell'articolo 3 del Decreto;
 - b. politiche praticate dall'impresa connesse ai temi indicati nell'articolo 3 del Decreto, risultati conseguiti e relativi indicatori fondamentali di prestazione;
 - c. 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 2022 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.

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, 29 aprile 2023

PricewaterhouseCoopers SpA



Federico Scapinelli
(Revisore legale)



2022

CONSOLIDATED
FINANCIAL STATEMENTS

As at 31 December 2022

CONSOLIDATED FINANCIAL STATEMENTS AS AT 31 DECEMBER 2022

1. Consolidated financial statements of the Indel B S.p.A. group	03
1.1. Consolidated statement of financial position	03
1.2. Consolidated income statement	05
1.3. Statement of comprehensive income	06
1.4. Statement of changes in consolidated shareholders' equity	07
1.5. Consolidated statement of cash flows	09
2. Explanatory notes to the consolidated financial statements	11
2.1. General information	11
2.2. Summary of adopted accounting standards	11
2.3. Consolidation principles	14
2.4. Consolidation area	17
2.5. Measurement bases of financial statement items	18
2.6. Typology and procedures for the management of financial risks	39
2.7. Segment reporting	48
2.8. Notes to the statement of financial position	49
2.9. Notes to the income statement	86
2.10. Earnings per share	92
2.11. Significant non-recurring events and transactions	93
2.12. Other information	95
2.13. Transactions with related parties	97
2.14. Significant events after the 2022 reporting period	101
2.15. Information pursuant to Italian Law no. 124/2017	102

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	2022	Of which related parties	% weight	2021	Of which related parties	% weight
ASSETS							
• Non-current assets							
Goodwill	2.8.1	8,127	-		8,527	-	
Other intangible assets	2.8.1	11,260	-		12,818	-	
Property, plant and equipment	2.8.2	39,670	-		38,170	-	
Right of use	2.8.3	3,527	1,665	47%	3,765	1,840	49%
Equity investments measured using the equity method	2.8.4	14,024	-		13,710	-	
Other equity investments	2.8.4	66	-		66	-	
Non-current financial assets		13	-		13	-	
Other receivables and other non-current assets	2.8.5	462	50	11%	7,464	50	1%
Deferred tax assets	2.8.13	1,381	-		1,001	-	
Total non-current assets		78,530	1,715	2%	85,534	1,890	2%
• Current assets							
Inventories	2.8.6	69,105	-		57,066	-	
Trade receivables	2.8.7	44,560	2,432	5%	36,863	3,674	10%
Cash and cash equivalents	2.8.8	17,322	-		24,187	-	
Income tax receivables	2.8.15	1,151	-		88	-	
Other receivables and other current assets	2.8.5	14,729	-		7,714	-	

Total current assets		146,867	2,432	2%	125,918	3,674	3%
Total assets		225,397	4,147	2%	211,452	5,564	3%
SHAREHOLDERS' EQUITY AND LIABILITIES							
• Shareholders' Equity							
Share capital		5,842	-		5,842	-	
Reserves		103,020	-		83,423	-	
Profit/(loss) for the year		12,048	-		24,247	-	
Total shareholders' equity	2.8.9	120,910	-		113,512	-	
• Minority interests							
Minority interests in share capital and reserves		189	-		78	-	
Minority interests in profit/(loss) for the year		141	-		91	-	
Total minority interests		330	-		169	-	
• Non-current liabilities							
Provisions for risks and charges	2.8.10	2,951	-		1,909	-	
Employee benefits	2.8.11	1,438	-		1,749	-	
Non-current financial liabilities	2.8.12	24,132	1,554	6%	19,559	1,720	9%
Deferred tax liabilities	2.8.13	3,602	-		4,058	-	
Other non-current liabilities	2.8.16	126	-		141	-	
Total non-current liabilities		32,249	1,554	5%	27,416	1,720	6%
• Current liabilities							
Trade payables	2.8.14	40,068	97	0%	39,313	52	0%
Income tax payables	2.8.15	673	-		4,277	-	
Current financial liabilities	2.8.12	21,645	166	1%	17,378	162	1%
Derivative financial instruments		-	-		-	-	
Other current liabilities	2.8.16	9,522	7	0%	9,387	7	0%
Total current liabilities		71,908	270	0%	70,355	221	0%
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		225,397	1,824	1%	211,452	1,941	1%

1.2. Consolidated income statement

(in thousands of Euro)	Notes	31/12/2022	Of which related parties	% weight	31/12/2021	Of which related parties	% weight
Revenues	2.9.1	223,373	21,661	10%	185,814	22,395	12%
Other Revenues and income	2.9.2	4,069	489	12%	2,486	384	15%
Total revenues		227,442	22,150		188,300	22,779	
Purchases and consumption of raw materials, semi-finished and finished products	2.9.3	(122,282)	(169)	0%	(100,298)	(16,564)	17%
Costs for services	2.9.4	(38,746)	(71)	0%	(30,500)	(126)	0%
Personnel costs	2.9.5	(36,771)			(33,417)		
Other operating costs	2.9.6	(2,527)	(1)	0%	(1,660)	(1)	0%
Portion of the result of equity investments measured using the equity method	2.9.7	739			12,344		
Amortisation, depreciation, provisions and write-downs	2.9.8	(8,447)	(176)	2%	(5,957)	(176)	3%
EBIT		19,408	21,733		28,812	5,912	
Finance income	2.9.9	878			1,667		
Finance costs	2.9.9	(2,770)	(39)	1%	(1,449)	(42)	3%
Income (costs) from equity investments	2.9.10	12			2,368		
Pre-tax profit (loss)		17,528	21,694		31,398	5,870	
Income tax	2.9.11	(5,339)			(7,060)		
Profit/(loss) for the year		12,189	21,694		24,338	5,870	
Minority profit (loss) for the year		141			91		
Group profit/(loss) for the year		12,048	21,694		24,247	5,870	
Basic and diluted earnings per share (in Euro)		2.31			4.25		

1.3. Statement of comprehensive income

(in thousands of Euro)	31/12/2022	31/12/2021
Profit/(loss) for the year (A)	12,189	24,338
Actuarial gains/(losses) on employee benefits and provision for agents' leaving indemnities	293	64
Tax effect - Actuarial gains/(losses) on employee benefits and provision for agents' leaving indemnities	(70)	(15)
Total items that will not be subsequently reclassified to the income statement (B1)	223	49
Foreign exchange translation differences	1,648	486
Total items that will be subsequently reclassified to the income statement (B2)	1,648	486
Total other comprehensive income components, net of the tax effect (B)=(B1)+(B2)	1,871	535
Total profit for the year (A)+(B)	14,060	24,873
of which pertaining to the Group	13,911	24,777
of which pertaining to third parties	149	96
Basic and diluted earnings per share (in Euro)	2.70	4.36

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 01/01/2021	2.8.9	5,842	80,643	6,188	92,673	64	92,737
Allocation of previous year's profit/(loss)			6,188	(6,188)	-		-
• Transactions with shareholders:							
Distribution of dividends			(2,971)		(2,971)		(2,971)
Share capital increase		-	-		-		-
Purchase of treasury shares			(958)		(958)		(958)
Change in the consolidation area			(10)		(10)	10	
Total transactions with shareholders		-	(3,939)	-	(3,939)	10	(3,929)
• Comprehensive income for the year:							
Profit/(loss) for the year				24,247	24,247	91	24,338
Actuarial gains/(losses) on employee benefits and provision for agents' leaving indemnities, net of tax effect			49		49		49
Translation difference from measurement of equity investments			481		481	5	486
Total comprehensive income for the year		-	530	24,247	24,777	96	24,873
Balance as at 31/12/2021	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/third-party translation reserve			(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

1.5. Consolidated statement of cash flows

(in thousands of Euro)	Notes	31/12/2022	31/12/2021
• Operating activities			
Pre-tax profit (loss)		17,528	31,398
Adjustments for:			
Depreciation of property, plant and equipment and amortisation of intangible assets	2.9.8	6,057	5,732
Bad debt provisions	2.9.8	206	148
Provisions for risks and charges	2.9.8	2,003	292
Provision/(Releases) for inventory obsolescence	2.9.8	406	362
Portion of the result of equity investments measured using the equity method	2.9.7	(739)	(12,344)
Net finance (income)/costs	2.9.9	1,892	(218)
Income from equity investments		(12)	(2,368)
Net exchange rate differences		(163)	18
Other non-monetary components		66	
Cash flows from operations before changes in working capital		27,244	23,020
Cash flow provided by/(used in) changes in working capital		(22,620)	(14,734)
- Trade receivables and other assets	2.8.7 2.8.5	(9,142)	(9,077)
- Inventories	2.8.6	(12,445)	(17,772)
- Trade payables and other liabilities	2.8.14 2.8.15 2.8.16	(1,033)	12,115
Taxes paid	2.8.15	(7,667)	(2,387)
Net finance costs paid		(382)	(228)
Use of provisions		(765)	(575)
Realised net exchange rate differences		(1,121)	469
Cash flow provided by/(used in) operating activities (A)		(5,311)	5,565
• Investment activities			
Net investments in property, plant and equipment and intangible assets	2.8.1	(5,231)	(10,116)
Net investments in equity investments	2.8.4	12	

Change in financial receivables			
Cash flows for the year for acquisitions of subsidiaries			(7,291)
Cash flows for the year for transfers of subsidiaries			15
Divestments by associates	2.8.4		5,203
Dividends collected		1,962	1,619
Cash flow provided by/(used in) investing activities (B)		(3,257)	(10,571)
• Financing activities			
Taking out mortgages and loans	2.8.12	29,500	482
Repayment of mortgages and loans	2.8.12	(15,423)	(14,810)
Dividends paid	2.8.9	(5,658)	(2,971)
Purchase of treasury shares	2.8.9	(843)	(958)
Other changes in financial liabilities	2.8.12	(5,567)	4207
Cash flow provided by/(used in) financing activities (C)		2,009	(14,050)
Increase/(decrease) in cash and cash equivalents (A)+(B)+(C)		(6,559)	(19,055)
Cash and cash equivalents at beginning of the year	2.8.8	24,187	43,094
Net effect of translating cash and cash equivalents denominated in foreign currencies		(306)	149
Cash and cash equivalents at end of the year	2.8.8	17,322	24,187

2. Explanatory notes to the 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 sector, which covers the "Automotive" and "Leisure time" segments and in the refrigeration sector, which covers the "Hospitality" segment. The Group is also active in the mobile air-conditioning sector, with particular reference to the Automotive market represented by commercial vehicles, minibuses, ambulances, agricultural and earthmoving equipment, and in the "Cooling Appliances" sector, which mainly includes wine cellars for storing wine and small refrigerators for storing milk.

As at 31 December 2022, 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, 3.38% is treasury shares and 28.29% is free float on the EXM market of Borsa Italiana.

This document was approved by the Board of Directors of the Company on 28 April 2023.

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".

Like 2021, 2022 was characterised by an unstable macroeconomic scenario due to the consequences of the war between Russia and Ukraine, the increase in the main raw materials and logistics costs and the rise in inflation and interest rates, which affected the Group's operations. In this context, despite the various difficulties caused by the conflict between Russia and Ukraine and its repercussions, such as the sharp increase in logistics costs and the difficult availability of many raw materials and components, especially electronic ones (microchips, control units, etc.), the Group managed, thanks to adequate planning and organisation, not to interrupt production cycles and related supplies to customers; it should be emphasised that thanks to its adaptability, flexibility and responsiveness, 2022 proved to be the best year in terms of turnover and results ever recorded by the Indel B Group.

2.2.2. Accounting standards

Accounting standards, amendments and interpretations effective from 2022

The accounting standards and policies adopted for the preparation of the Consolidated Financial Statements as at 31 December 2022 are consistent with those used for the preparation of the Financial Report as at 31 December 2021, to which reference is made for further information.

The amendments and interpretations to the accounting standards effective from 1 January 2022 are set out below:

- Amendments to IAS 16 Property, Plant and Equipment, the amendments concerned the issue of Proceeds before Intended Use.
- Amendments to IAS 37 Onerous Contracts - Cost of Fulfilling a Contract, the amendments clarify the nature of costs directly related to the contract: they can either be incremental costs of fulfilling that contract or an allocation of other costs directly relates to fulfilling contracts.
- Amendments to IFRS 3 Reference to the Conceptual Framework, the amendments update a reference to the Conceptual Framework for Financial Reporting without changing its accounting requirements for business combinations.
- Annual Improvements to IFRSs 2018-2020 Cycle, the amendments concerned the following standards: (i) IFRS 1 - First-time Adoption of International Financial Reporting Standards, relating to the first-time adoption of IFRSs by a subsidiary/associate/joint venture that becomes a first-time adopter after its parent/participant in relation to the measurement of the translation reserve at the date of transition to IFRSs; (ii) IFRS 9 - Financial Instruments, clarifying which fees are to be included in the 10% test to assess whether the change to the contractual terms of a financial liability is materially different from that of the original financial liability, (iii) IAS 41 - Agriculture, in relation to the exclusion of taxation cash flows when measuring the fair value of a biological asset; (iv) IFRS 16 - Leases, the amendments refer to Illustrative Example 13 accompanying IFRS 16, which removes potential confusion regarding the treatment of lease incentives.

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.

Accounting standards, amendments and interpretations not yet applicable and not early adopted by the Company

Interpretations or amendments that - whether approved or not and not yet effective at the time of writing - are summarised in the table below:

Accounting standard	Approved by the EU	Expected effective date
<ul style="list-style-type: none"> IFRS 17 Insurance Contracts (issued on 18 May 2017); including Amendments to IFRS 17 (issued on 25 June 2020) Amendments to IFRS 17 Insurance contracts: Initial Application of IFRS 17 and IFRS 9 – Comparative Information (issued on 9 December 2021) Amendments to IAS 1: Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of Accounting policies (issued on 12 February 2021) Amendments to IAS 8 Accounting policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates (issued on 12 February 2021) Amendments to IAS 12 Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction (issued on 7 May 2021) 	Yes	Financial years beginning on or after 1 January 2023
<ul style="list-style-type: none"> Amendments to IFRS 16 Leases: Lease Liability in a Sale and Leaseback (issued on 22 September 2022) 	No	Financial years beginning on or after 1 January 2024
<ul style="list-style-type: none"> Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current (issued on 23 January 2020 - Deferral of Effective Date 15 July 2020); and Non-current Liabilities with Covenants (issued on 31 October 2022) 	No	Financial years beginning on or after 1 January 2024

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 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 2022 and 31 December 2021 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 period, 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.

Currency	as at 31/12/2022		as at 31/12/2021	
	Actual	Average	Actual	Average
BRL	5.6386	5.4399	6.3101	6.3779
PLN	4.6808	4.6861	4.5969	4.5652
RUB	75.6553	72.1509	85.3004	87.1527
USD	1.0666	1.0530	1.1326	1.1827

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 2022 and 2021 is shown below:

Company name	Registered Office	Currency	Share capital as at 31/12/2022 (in currency units)	% held	
				31/12/2022	31/12/2021
<ul style="list-style-type: none"> Parent Company: 					
INDEL B S.p.A.	Italy	EUR	5,842,000		
<ul style="list-style-type: none"> 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%
Autoclima GMBH (*)	Germany	EUR	100,000	96.0%	98.0%
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%
<ul style="list-style-type: none"> 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 Autoclima GMBH to the General Manager of the company was completed during the year.

(**) It should be noted that Electric Station Climatisation was purchased on 18 January 2021, but was consolidated as from 1 January 2021.

(***) It should be noted that SEA Srl was purchased on 10 May 2021, but was consolidated as from 1 May 2021.

(****) 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 2022, 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; and
- 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 above 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.

Derivative financial instruments

Derivative financial instruments are recognised in accordance with the provisions of IFRS 9.

At the signing date of the contract, derivative financial instruments are initially recognised at fair value, either as financial assets measured at fair value through profit or loss when the fair value is positive, or as financial liabilities measured at fair value through profit or loss when the fair value is negative.

If financial instruments are not recognised as hedging instruments, changes in fair value recognised after initial recognition are treated as components of profit or loss for the year. However, if the derivatives qualify for hedge accounting, subsequent changes in fair value are recognised according to specific criteria, illustrated below.

A derivative financial instrument is classified as a hedge if the relationship between the hedging instrument and the hedged item is formally documented, including the risk management objectives, the strategy for undertaking the hedge, and the methods that will be used to assess its prospective and retrospective effectiveness. The effectiveness of each hedge is assessed both when the derivative instrument is taken out and during its life, and in particular at the end of each reporting period or interim reporting date. Generally, a hedge is considered highly "effective" if, both at the beginning and during its life, changes in fair value in case of fair value hedges or in expected future cash flows in case of cash flow hedges of the hedged item are substantially offset by changes in fair value of the hedging instrument.

IFRS 9 provides for the possibility of designating the following three hedging relationships:

- fair value hedge: when the hedge concerns changes in fair value of recognised assets and liabilities, both changes in the fair value of the hedging instrument and changes in the hedged item are recognised in profit or loss.
- cash flow hedge: in the case of cash flow hedges designed to neutralise the risk of changes in cash flows originating from the future performance of obligations contractually defined at the end of the reporting period, changes in the fair value of the derivative instrument recorded subsequent to initial recognition are recognised, limited only to the effective portion, in the statement of comprehensive income and therefore in a shareholders' equity reserve called "Reserve for cash flow hedges". When the economic effects of the

hedged item materialise, the portion recognised in the statement of comprehensive income is recorded in the income statement. If the hedge is not fully effective, the change in fair value of the hedging instrument attributable to the ineffective portion of the hedge is recognised immediately in profit or loss.

- Hedge of a net investment in a foreign operation (net investment hedge).

If the effectiveness of the hedge is not confirmed, hedge accounting is discontinued at that time and the hedging derivative contract is reclassified to either financial assets measured at fair value through profit or loss or financial liabilities measured at fair value through profit or loss.

The hedging relationship also ceases when:

- the derivative expires, is sold, terminated or exercised;
- the hedged item is sold, expires or is reimbursed;
- it is no longer highly probable that the hedged future transaction will occur.

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.

Assets held for sale

Assets held for sale include non-current assets (or disposal groups) whose carrying amount will be recovered primarily through sale rather than through continued use.

This condition is met only when the sale is highly probable, the asset (or group of assets) is available for immediate sale in its present condition, and a commitment has been made to sell, which is expected to occur within twelve months from the date of classification under this item.

Assets held for sale are measured at the lower of their net book value and fair value less costs to sell.

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 taxes 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, 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. 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.

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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 sometime 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.
8. Valuation of derivative financial instruments: the fair value of unlisted financial assets, such as derivative financial instruments, is measured through commonly used financial valuation techniques that require basic assumptions and estimates. These assumptions might not occur within the timescales and in the manner envisaged. Therefore, the estimates of these derivative instruments could diverge from the final figures.

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 31/12/2022	921	(753)
Financial year ended 31/12/2021	577	(472)

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 year 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 31/12/2022	(63)	63	(63)	63
Financial year ended 31/12/2021	(104)	104	(104)	104

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 2022, 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. Specifically, 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.

The impact of the top 10 customers on the Group's total trade receivables as at 31 December 2022 was 45% (46% as at 31 December 2021).

The following table shows the analysis of past due and not impaired trade receivables as at 31 December 2022 and 2021:

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

The increase in receivables is mainly due to the increase in turnover.

Breakdown of trade receivables by maturity

(in thousands of Euro)	31/12/2021	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	37,443	33,843	2,892	206	502
Bad debt provision	(580)	(71)	(81)	(120)	(308)
Total trade receivables	36,863	33,772	2,811	86	194

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 2022 and 2021, showing the amount granted, the amount drawn and the amount available:

(in thousands of Euro)	31/12/2022			31/12/2021		
	Line amount	Use	Available amount	Line amount	Use	Available amount
Credito Valtellinese	-	-	-	220	-	220
Rimini Banca	100	-	100	100	-	100
BPER Banca	40	-	40	40	-	40

Banco BPM	50	-	50	-	-	-
Intesa San Paolo	500	-	500	500	-	500
Unicredit	100	(32)	68	100	-	100
Banca d'Alba	1,000	(2)	998	1,000	-	1,000
Current accounts	1,790	(34)	1,756	1,960	-	1,960
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	-	-	-
Credito Valtellinese	-	-	-	3,000	-	3,000
Intesa San Paolo	3850	-939	2911	3850	-1945	1905
Banca d'Alba	2,500	(804)	1,696	2,500	(1,127)	1,373
Unicredit	1,400	(479)	921	1,400	(1,118)	282
Advances on invoices subject to collection	12,350	(2,222)	10,128	14,400	(4,190)	10,210
Factoring	-	-	-	-	-	-
Total	14,140	(2,256)	11,884	16,360	(4,190)	12,170

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)	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

In 2022, 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 still favourable in view of their expected growth (also due to rising inflation in the various markets). 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)	31/12/2021	Expected disbursements			
		Within 1 year	Between 1 and 5 years	Beyond 5 years	Total
Financial liabilities	36,937	23,141	37,253	1,164	61,558
Trade payables	39,313	39,313	-	-	39,313
Other liabilities	9,528	9,528	-	-	9,528
Total	85,778	71,824	37,253	1,164	110,241

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 2022 and 2021:

(in thousands of Euro)	31/12/2022	31/12/2021
Net financial indebtedness (A)	28,455	12,750
Shareholders' equity (B)	120,910	113,512
Total capital (C)=(A)+(B)	149,365	126,262
Gearing ratio (A)/(C)	19.1%	10.1%

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	31/12/2022
• 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

(in thousands of Euro)	Amortised cost	Fair value recognised in OCI	Fair value recognised in profit or loss	31/12/2021
<ul style="list-style-type: none"> Statement of Financial Position Assets 				
Non-current financial assets	13			13
Other receivables and other non-current assets	7,464			7,464
Deferred tax assets	1,001			1,001
Other equity investments	-		66	66
Trade receivables	36,863			36,863
Cash and cash equivalents	24,187			24,187
Other receivables and other current assets	7,714			7,714
Total	77,243		66	77,309
<ul style="list-style-type: none"> Statement of Financial Position Liabilities 				
Non-current financial liabilities	19,559			19,559
Current financial liabilities	17,378			17,378
Trade payables	39,313		-	39,313
Other current liabilities	9,387			9,387
Total	85,637	-	-	85,637

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 Board of Directors) to make decisions about resources to be allocated to the segment and assess its performance; and
- 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 Board of Directors 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 2022 and 2021, there was also no concentration of revenues of individual customers exceeding 10%.

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	Develop ment 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 01/01/2021	8,527	852	46	4,003	2,345	136	15,910
Historical cost as at 01/01/2021	8,527	4,339	98	5,822	5,556	136	24,478
Electric Station Climatisation historical cost 01/01/2021		4		196			200
SEA historical cost 01/05/2021					2		2
Increases	-	190	1	35	4	205	435
Decreases	-	-	-	-	-	-	-
Foreign exchange translation differences	-	-	-	-	-	-	-
Other changes including reclassifications	-	44	-	-	7,018	(85)	6,977
Historical cost as at 31/12/2021	8,527	4,577	98	6,052	12,580	255	32,089
Accumulated amortisation as at 01/01/2021	-	(3,487)	(52)	(1,819)	(3,211)	-	(8,569)
Accumulated amortisation as at 01/01/2021 Electric Station Climatisation		(4)		(195)			(199)
Accumulated amortisation as at 01/05/2021 SEA					(2)		(2)
Amortisation	-	(446)	(6)	(329)	(1,193)	-	(1,974)
Decreases	-			-	-	-	

Foreign exchange translation differences	-	-	-	-	-	-	-
Other changes including reclassifications	-	-	-	-	-	-	-
Accumulated amortisation as at 31/12/2021	-	(3,937)	(58)	(2,343)	(4,405)	-	(10,743)
Net values as at 31/12/2021	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 31/12/2021	-	(4,324)	(53)	(2,655)	(5,433)	-	(12,468)
Net values as at 31/12/2022	8,127	519	26	3,443	7,146	126	19,386

The item "Other changes including reclassifications" includes the write-down of goodwill of Euro 400 thousand recognised for the subsidiary Indel B North America following the Impairment test carried out in the half-year financial statements.

Investments mainly concern:

- development costs, with reference to specific projects that involved *i*) R&D activities aimed at the technical design and experimental study of new product solutions designed to expand the company's supply potential in the nautical market; *ii*) R&D activities aimed at the technical design and experimental study of new product solutions designed to expand the supply potential of the company's products in the market for industrial, special and automotive vehicles; *iii*) study and development of new product solutions for the creation of wine cellars with innovative technical-functional features; *iv*) study and development of new design-construction and technological solutions for new refrigerators intended for applications in recreational vehicles (caravans and campers); *v*) study and development of new products, conceived with

innovative design-construction solutions for hotels, hotel rooms, offices, clinics and furniture (HORECA sector);

- concessions, licences, trademarks and similar rights referring to the purchase of software licences relating to production and the technical office;
- intangible assets in progress and payments on account of Euro 120 thousand, with reference to maintenance on third-party assets and the remainder relating to payments on account 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 2022.

Goodwill as at 31 December 2022 amounted to Euro 8,127 thousand. 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 2022 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 orderly 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 goodwill recognised in the statement of financial position refers to the subsidiary Autoclima and its subsidiaries of Euro 7,147 thousand and the US company Indel B North America of Euro 980 thousand acquired in March 2019. The Autoclima Group and the US subsidiary represent the two CGUs to which the respective goodwill has been allocated.

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 Medium-term business plan approved by the respective Boards of Directors in March and April 2023, with an explicit horizon until 2027.

The impairment tests on the business plans of the two companies were carried out by Deloitte & Touche by comparing the two companies:

- 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 2023 - 2027 for the identified CGUs;
- the present value of the Terminal Value calculated after the last explicit projection year (2027);

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 (2027). 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 2027. The Terminal Value was estimated using a growth rate equal to the expected long-term inflation estimates for the reference countries (source IMF, October 2022).

The discount rate used for discounting the cash flows is the post-tax WACC (Weighted Average Cost of Capital) as at 31 December 2022.

The WACC calculated for the Autoclima CGU is 10.9%, the g-rate is 2.1%.

The WACC calculated for the North America CGU is 11.4%, the g-rate is 2.0%.

No impairment loss was found during the impairment test as the recoverable amount of both CGUs to which goodwill was allocated was higher than their net invested capital including the value of goodwill and other recognised intangibles. It should be noted that in the half-year financial statements, the impairment test on the Indel B NA CGU had shown the need to recognise an impairment loss of approximately Euro 400 thousand.

The sensitivity analyses carried out with reference to the WACC and the "g" rate did not reveal any critical issues.

It should be noted that after carrying out the impairment test, the directors of the subsidiary Autoclima S.p.A. decided, out of an abundance of caution and prudence, to set aside a provision of Euro 1 million 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. Considering that the result of the impairment test shows an Enterprise Value significantly higher than the value of the NIC recorded in the financial statements of Autoclima S.p.A., with a cover of Euro 14.7 million, and given the limited incidence of sales to Russian customers with respect to the total (approximately 1%), it was not deemed appropriate to repeat the test.

As at 31 December 2022 and 2021, 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 01/01/2021	3,737	20,904	7,691	772	997	675	34,775
Historical cost as at 01/01/2021	3,737	25,001	19,821	4,191	5,579	675	59,004
Electric Station Climatisation historical cost 01/01/2021			960		1,115		2,075
SEA historical cost 01/05/2021			8	409	280		697
Increases	314	77	2,026	417	401	2,736	5,971
Decreases	-	-	(198)	(144)	(246)	-	(588)
Foreign exchange translation differences	17	36	-			-	53
Other changes including reclassifications	-	8	637	20	-	(665)	-
Historical cost as at 31/12/2021	4,068	25,122	23,254	4,893	7,129	2,746	67,212
Accumulated depreciation as at 01/01/2021	-	(4,097)	(12,130)	(3,419)	(4,582)	-	(24,228)
Accumulated depreciation as at 01/01/2021 Electric Station Climatisation			(882)		(844)		(1,726)
Accumulated depreciation as at 01/05/2021 SEA			(6)	(337)	(212)		(555)

Depreciation	-	(634)	(1,572)	(364)	(469)	-	(3,039)
Decreases	-	-	198	132	174	-	536
Foreign exchange translation differences	-	(8)	-	11	-	-	3
Other changes including reclassifications	-	-	-	-	-	-	-
Accumulated depreciation as at 31/12/2021	-	(4,739)	(14,392)	(3,977)	(5,933)	-	(29,041)
Net values as at 31/12/2021	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

The investments in property, plant and equipment made by the Group in 2022, totalling Euro 5,093 thousand, mainly related to:

- 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) improvements to production lines; v) improvements to generic plants;
- fixtures and fittings, tools and equipment of Euro 586 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 765 thousand, mainly referring to i) the purchase of new forklifts; ii) the purchase of 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 and payments on account 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).

As at 31 December 2022, 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)	31/12/2022	31/12/2021
• Right-of-use assets		
Land and buildings	3,301	3,384
Plant and machinery	-	111
Other assets	226	270
Total	3,527	3,765
• Of which:		
Historical cost	5,847	5,606
Accumulated depreciation	(2,320)	(1,841)

- Right-of-use payables

Right-of-use payables - current	642	584
Right-of-use payables - non-current	2,987	3,180
Total	3,629	3,764

The impact of IFRS 16 on EBITDA as at 31 December 2022 is positive by Euro 758 thousand, the impact on EBIT is negative by Euro 43 thousand, and the impact on pre-tax profit is negative by Euro 146 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
Impact of IFRS 16 as at 01/01/2021	2,726	1,106	51	3,883
Electric Station Climatisation historical cost 01/01/2021	1,006	-	21	1,027
SEA historical cost 01/05/2021	398	-	-	398
Increases			324	324
Decreases			(26)	(26)
Foreign exchange translation differences				-
Other changes including reclassifications (*)				-
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 31/12/2022	4,328	1,106	413	5,847
Accumulated depreciation as at 01/01/2021	(289)	(827)	(32)	(1,148)
Accumulated depreciation as at 01/01/2021 Electric Station Climatisation				-
Accumulated depreciation as at 01/05/2021 SEA				-
Depreciation	(457)	(168)	(94)	(719)

Decreases			26	26
Foreign exchange translation differences				-
Other changes including reclassifications (*)				-
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 31/12/2022	(1,027)	(1,106)	(187)	(2,320)
Net values as at 31/12/2022	3,301	-	226	3,527

This item represents the discounted value of future lease payments relating to multi-year operating leases outstanding as at 31 December 2022, 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 2021	5,099	7,838	12,937
Investments/Divestments		(1,178)	(1,178)
Dividends	(1,500)	(119)	(1,619)
Net result	1,879	1,399	3,278
Foreign exchange translation differences	191	101	292
Values as at 31 December 2021	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	6,850	14,024

As at 31 December 2022, 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 2022, the category "Associates" refers to the 40% stake held in the company Elber Industria de Refrigeraçao Ltda (hereinafter referred to as "Elber") for Euro 6,850 thousand (Euro 8,041 as at 31 December 2021). This equity investment is measured at cost in the Financial Statements and using the equity method in the Consolidated Financial Statements.

In relation to the equity investment in the company Elber, it should be noted that, considering the lower than expected half-yearly performance of the associate, the Directors had already deemed it appropriate to carry out an impairment test with the help of Deloitte & Touche; this test had shown the need to record an impairment loss of approximately Euro 2.6 million, which the Directors of the Parent Company, after carefully consideration of the test results, decided to recognise in the Consolidated Financial Statements.

As at 31 December 2022, the impairment test was again updated with the help of Deloitte & Touche based on the plan for the years 2023 to 2027 received from the Chief Executive Officer of the Brazilian company; this test, also due to an improvement in performance compared to the first half of 2022, did not reveal the need to record further impairments.

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 (2023-2027);
- present value of the Terminal Value calculated after the last explicit projection year (2027);

- value of the Net Financial Position of Elber as at 31 December 2022.

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 (2027). 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 2027. 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 2022).

The estimated WACC for the Elber equity investment is 17.20%. The g-rate is 3.0%.

The following tables summarise the main financial information of jointly controlled entities and associates, as reported in their respective financial statements and adjusted to reflect the adjustments made by the Group when applying the equity method:

- **Indel Webasto Marine (consolidated financial statements)**

(in thousands of Euro)	Indel Webasto Marine (consolidated financial statements)	
	31/12/2022	31/12/2021
Non-current assets	830	939
Current assets	20,800	18,414
Of which cash and cash equivalents	2,921	3,552
Total assets	21,630	19,353
Total shareholders' equity	16,301	12,840
Non-current liabilities	1,090	847
Of which financial	510	308
Current liabilities	4,239	5,666
Of which financial	812	334
Total liabilities and SE	21,630	19,353

(in thousands of Euro)	Indel Webasto Marine (consolidated financial statements)	
	31/12/2022	31/12/2021
Total revenues	40,200	34,890
Amortisation, depreciation, provisions and write-downs	(205)	(232)
Net finance (income)/costs	148	9
Income tax	(2,318)	(1,609)
Profit/(loss) for the year	6,176	4,237
Other comprehensive income (expense)	132	191
Total profit for the year	6,308	4,428
Dividends distributed to Indel B	1,500	1,500

- **Elber**

(in thousands of Euro)	Elber	
	31/12/2022	31/12/2021
Non-current assets	30,760	29,917
Current assets	11,315	10,167
Of which cash and cash equivalents	1,202	1,376
Total assets	42,075	40,084
Total shareholders' equity	34,799	30,661
Non-current liabilities	1,733	3,335
Of which financial	491	31
Current liabilities	5,543	6,088
Of which financial	2,379	2,809
Total liabilities and SE	42,075	40,084

(in thousands of Euro)	Elber	
	31/12/2022	31/12/2021
Total revenues	18,630	18,242
Amortisation, depreciation, provisions and write-downs	(806)	(954)
Net finance (income)/costs	(48)	(86)
Income tax	(379)	(939)
Profit/(loss) for the year	1,296	2,719
Other comprehensive income (expense)	1,406	101
Total profit for the year	2,702	2,820
Dividends distributed to Indel B	462	119

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 2022 (Euro 66 thousand as at 31 December 2021), 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)	2022	2021	Chg	% chg
Tax receivables due beyond 12 months	144	57	87	153%
Other non-current assets	318	7,407	(7,089)	-96%
Other receivables and other non-current assets	462	7,464	(6,945)	-94%
Tax receivables	6,656	7,026	(370)	-5%
Receivables from social security institutions	155	90	65	72%
Accrued income and prepaid expenses	399	426	(27)	-6%
Other current assets	7,519	172	7,347	4272%
Other receivables and other current assets	14,729	7,714	7,015	91%

The item "Other current assets" mainly relates to the receivable for the sale of the equity investment in Guangdong Iceco Enterprise recorded from the purchaser Xinyu Yuanxing Ent. China in the amount of Euro 7,187 thousand, reclassified from non-current to current, as it is due by June 2023. It should be noted that this receivable is secured by a pledge on the company's shares.

The item "Current tax receivables" refers to VAT receivables amounting to Euro 6,656 thousand as at 31 December 2022, which will be used by offsetting tax payables.

2.8.6. Inventories

This item can be broken down as follows:

(in thousands of Euro)	31/12/2022	31/12/2021	Chg	% chg
Raw materials and consumables	33,641	27,430	6,211	23%
Work in progress and semi-finished goods	9,277	8,537	740	9%
Finished products and goods for resale	28,462	22,960	5,503	24%
Provision for inventory obsolescence	(2,275)	(1,861)	(414)	22%
Total	69,105	57,066	12,039	21%

The item "Inventories" as at 31 December 2022 increased compared to 31 December 2021, mainly due to the increase in sales volumes, the procurement of inventories due to the difficulty in finding certain components on the market, as well as very high raw material and logistics costs in the period under review.

The following table shows the changes in the provision for inventory obsolescence for the years ended 31 December 2022 and 2021:

(in thousands of Euro)	Provision for inventory obsolescence
Values as at 01 January 2021	1,284
Acquisition of Electric Station Climatisation values as at 01/01/2021	314
Acquisition of SEA values as at 30 April 2021	-
Allocations	362
Uses/Releases	(99)
Values as at 31 December 2021	1,861
Allocations	406
Uses/Releases	
Foreign exchange translation differences	8
Values as at 31 December 2022	2,275

2.8.7. Trade receivables

This item can be broken down as follows:

(in thousands of Euro)	31/12/2022	31/12/2021
Gross trade receivables	45,283	37,443
Bad debt provision	(723)	(580)
Total	44,560	36,863

The item "Trade receivables" increased compared to 31 December 2021 due to a significant increase in turnover.

Trade receivables not past due amounted to Euro 39,999 thousand as at 31 December 2022 (Euro 33,772 thousand as at 31 December 2021).

The value of past due trade receivables net of the related bad debt provision amounted to Euro 4,561 thousand as at 31 December 2022 (Euro 3,091 thousand as at 31 December 2021). 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 January 2021	466
Acquisition of Electric Station Climatisation values as at 01 January 2021	69
Acquisition of SEA values as at 30 April 2021	-
Allocations	79
Uses/Releases	(34)
Values as at 31 December 2021	580
Allocations	206
Uses/Releases	(62)
Values as at 31 December 2022	724

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 2022 and 2021 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.

Therefore, during 2018, the Directors deemed it appropriate to supplement the receivable recognised in the financial statements relating to the sums to be claimed from the former shareholders by the additional amount of Euro 40,000 resulting from this supplement.

Finally, the Directors have prudently set aside the entire amount of the receivable as a bad debt provision, in view of the potential difficulties in recovering this receivable, despite all reasonable steps having been taken.

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, are considering an appeal to the second instance.

2.8.8. Cash and cash equivalents

This item can be broken down as follows:

(in thousands of Euro)	31/12/2022	31/12/2021
Bank and postal deposits	17,310	24,174
Cheques, cash at bank and in hand	12	13
Total	17,322	24,187

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 2022 and 2021:

(in thousands of Euro)	31/12/2022	31/12/2021
EUR	9,676	15,328
USD	7,594	8,744
Other currencies	52	115
Total	17,322	24,187

It should be noted that there were no restricted cash and cash equivalents as at 31 December 2022 and 2021.

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)	31/12/2022	31/12/2021
Share capital	5,842	5,842
Share premium reserve	23,887	24,730
Legal reserve	1,168	1,168
Other reserves	77,965	57,525
Profit/(loss) for the year	12,048	24,247
Total	120,910	113,512
Minority interests in share capital and reserves	189	78
Minority interests in profit/(loss) for the year	141	91
Total	121,240	113,681

Share capital

The Company's share capital of Euro 5,842 thousand as at 31 December 2022 (Euro 5,842 thousand as at 31 December 2021) 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 23,887 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 2022 compared to 31 December 2021 is due to the treasury shares purchased by the Company during the year. As at 31 December 2022, the Company held 197,300 shares at a value of Euro 4,201 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 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 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 SpA 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 2022 (Euro 1,168 thousand as at 31 December 2021).

Other reserves

Other reserves, which totalled Euro 77,965 thousand as at 31 December 2022, 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 period with the Parent Company's comparative figures

(in thousands of Euro)	31/12/2022		31/12/2021	
	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	101,205	11,608	95,995	18,983
Effect of consolidation of subsidiaries	63,603	2,543	59,291	6,973
Effect of elimination of equity investment values	(35,540)	-	(35,540)	-
Elimination of intra-group dividends	(8,028)	(1,962)	(6,065)	(1,618)
Minority interests	(330)	(141)	(169)	(91)
Group Shareholders' equity and Profit/(loss)	120,910	12,048	113,512	24,247

2.8.10. Provisions for risks and charges

The "Provisions for risks and charges" amounted to Euro 2,951 thousand as at 31 December 2022 (Euro 1,909 thousand as at 31 December 2021).

Changes in the provisions for risks and charges for the years ended 31 December 2022 and 2021 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 2021	278	436	1,368	2,083
Acquisition of Electric Station Climatisation values as at 01 January 2021		52		52
Acquisition of SEA values as at 01 May 2021	-	-	-	-
Allocations	12	69	211	292
Finance costs	1	-	-	1
Actuarial (gains)/losses	-	-	-	-
Other changes including reclassifications			(197)	(197)
Uses/Releases	(61)	(133)	(187)	(322)
Values as at 31 December 2021	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

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:

	2022	2021
Annual technical discounting rate	3.77%	0.98%
Annual inflation rate	-	1.20%

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. An additional Euro 300 thousand was allocated by the Parent Company in the product guarantee fund as a result of a product recall campaign initiated by the customer Iveco due to a defective component; the campaign is also covered by insurance for the portion not accrued.

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 have carried out 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, 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.

As at 31 December 2022, the item "Other provisions" also included the provision 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 costs of Euro 150 thousand was set aside in relation to the dispute, already existing at the end of the reporting period, for which a writ of summons was served on 21 March 2023 on the French subsidiary Electric Station Climatisation S.A.S. by customers Soframe and Lohr. The dispute concerns alleged defects and malfunctions found in air-conditioning systems produced under a contract to supply military vehicles to the Saudi National Guard. See the paragraph "Significant events after the 2022 reporting period";
- 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.

Following the two Reports on findings submitted by the Tax Authorities during the financial years 2017 to 2021, the following updates are reported.

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, 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.

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, 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.

In the light of the above and after consulting their tax advisors, the Directors of the Company considered that the risk arising from the aforementioned notice of settlement can, as things stand, continue to be considered remote and, therefore, no provision was recorded in the financial statements for the same risk.

Other actual and/or potential disputes

As things stand, there are no other pending tax disputes.

However, it should be noted in this regard that, as previously reported, the Provincial Department of Rimini launched an investigation into the R&D tax credits, pursuant to art. 3 of Italian Law Decree no. 145 of 23 December 2013, as replaced by Italian Law no. 190 of 23 December 2014, accrued in 2015/2016/2017, which were fully used in the year following the year of accrual, and in respect of which the same Provincial Department expressed its opinion on their non-eligibility during the cross-examination of November 2020, as they relate to expenses that would not be eligible for the benefit.

The R&D tax credit amounts accrued in 2015 - 2016 - 2017 are as follows:

- Euro 238,903 in 2015;
- Euro 76,260 in 2016;
- Euro 188,647 in 2017.

With reference to 2015, on 21 December 2021, the company was served with a deed of collection for the amount of Euro 238,903, plus penalties and interest, which was subsequently reduced in partial self-help to Euro 197,240, plus penalties of the same amount and interest of Euro 32,272.

On 10 February 2022, the company already transferred only the unrecognised credit of Euro 197,240, without penalties and interest, having at the same time notified the Provincial Department of Rimini of its intention to comply with the amnesty pursuant to art. 5 of Italian Law Decree no. 146/2021, converted into Italian Law no. 215/2021.

On 26 January 2022, the Provincial Department of Rimini sent the company another request for documentation also in relation to the R&D tax credit accrued in 2018 of Euro 195,413, which was used in full to offset the following year.

Similarly, on 14 June 2022, the Provincial Department of Rimini notified the company with the Report on Findings in which the tax credits accrued for the 2016/2017/2018 tax years were contested in full, on the grounds "that the activities/expenses incurred are not eligible for the R&D tax credit", with certification that the entire credit already subject to recovery for 2015 had been transferred, minutes in which the company confirmed its willingness to comply with the above-mentioned amnesty, even though it considered that the credits in question were generated

by expenses the nature of which, also as a result of the assessment carried out by experts in the sector, appeared to be such as to legitimise the granting of the tax credit as falling within the cases set forth in art. 3, para. 4, Italian Decree Law no. 145/2013.

Having repeatedly expressed its willingness to do so, on 26 September 2022, the company filed a request for transfer pursuant to art. 5, paragraphs 7 through 12, of Italian Decree Law no. 146 of 21 October 2021, converted with amendments by Italian Law no. 215 of 17 December 2021, and on the same date also transferred the total amount due of Euro 430,320 (already net of the transfer made on 10 February 2022).

In the light of the above, no further risk should be deemed to exist in relation to the above-mentioned tax credits.

Elber

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 2022 and 2021 are shown below:

(in thousands of Euro)	Employee benefits
Values as at 01 January 2021	1,661
Acquisition of SEA values as at 01 May 2021	266
Finance costs	5
Actuarial (gains)/losses	(64)
Uses/Releases	(119)
Values as at 31 December 2021	1,749
Finance costs	53

Actuarial (gains)/losses	(274)
Uses/Releases	(90)
Values as at 31 December 2022	1,438

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:

	31/12/2022	31/12/2021
Discounting rate	3.77%	0.98%
Inflation rate	5.9% for 2023, 2.3% for 2024, 2.0% as from 2025	1.20%
Rate of increase of Post-employment benefits	5.93% for 2023, 3.33% for 2024, 3.0% as from 2025	2.40%

A sensitivity analysis, as at 31 December 2022, 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	1,370	1,510	1,457	1,418	1,445	1,432

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 2022 and 2021 is provided below:

(in thousands of Euro)	Balance as at 31/12/2022		Balance as at 31/12/2021	
	Current portion	Non-current portion	Current portion	Non-current portion
Bank mortgage and loans	19,725	20,017	10,417	15,100
Loan of the Ministry of Economic Development and SIMEST	150	1,128	146	1,279
Earn-Out Elber	-	-	5,702	-
Finance lease payables	-	-	34	-
Right-of-use payables	642	2,987	549	3,180
Advances on current accounts	1,128	-	530	-
Total	21,645	24,132	17,378	19,559

The item "Finance lease payables" refers to finance lease agreements relating to certain plant and machinery relating to the Group's business.

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 2022 and 2021:

(in thousands of Euro)	Maturity	31/12/2022	of which current portion	31/12/2021	of which current portion
Rimini Banca - ICCREA	2025	3,144	1,250	4,384	1,240
Cariparma/Credit Agricole	2023/2024/2025	7,764	3,780	4,533	1,800
Intesa San Paolo	2026	1,409	370	1,754	347
Unicredit	2025	4,080	1,807	6,254	2,173
Banca Intesa Mediocredito	2022	-	-	1,100	1,100
Monte Paschi di Siena	2023/2025	6,221	2,698	875	500
BPER	2025	6,694	2,663	3,769	1,249

UBI Banca	2022	-	-	335	335
Banco BPM	2023	5,000	5,000		
Banco Desio	2023/2025	5,430	2,156	2,513	1,673
Ministry of Development	2027	797	150	943	146
SIMEST loan	2025/2027	481	0.5	482	-
Total		41,020	19,875	26,942	10,563

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 2022 by maturity dates:

(in thousands of Euro)	Residual payable as at 31/12/2022	2022	2023	2024	2025	2026	2027	Beyond 2027
Rimini Banca	3,144	-	1,250	1,260	634	-	-	-
Cariparma/Credit Agricole	7,764	-	3,780	2,952	1,032	-	-	-
Intesa San Paolo	1,408	-	370	374	378	286	-	-
Unicredit	4,081	-	1,807	1,817	457	-	-	-
Monte dei Paschi di Siena	6,221	-	2,698	2,344	1,179	-	-	-
BPER	6,694	-	2,663	2,682	1,349	-	-	-
Banco BPM	5,000	-	5,000	-	-	-	-	-
Banco Desio	5,430	-	2,156	2,177	1,097	-	-	-
Ministry of Development	797	-	150	154	159	164	170	-
SIMEST loan	481	0	1	120	120	120	120	-
Total	41,020	0	19,875	13,880	6,405	570	290	-

Loans outstanding as at 31 December 2022

1. Loan agreement with BPM

On 26 April 2022, Indel B S.p.A. entered into a loan agreement of Euro 5,000 thousand (the "BPM Loan"). The BPM loan has a duration of 1 year, with repayment of 3 quarterly interest-only instalments and 1 principal and interest instalment on 31 March 2023.

2. Loan agreement with Banco Desio

On 22 April 2020, Indel B S.p.A. took out a loan of Euro 5,000 thousand with Banco di Desio e della Brianza S.p.A. The loan had a duration of 3 years, with repayment in 6 half-yearly instalments; this loan was repaid in advance on 21 February 2022. On the same date, Indel B SpA took out a new loan of Euro 6,500 thousand (the "Banco Desio 2 Loan"). The Banco Desio loan has a duration of 3 years, with repayment in 6 half-yearly instalments.

3. Loan agreement with Banca Intesa Mediocredito

On 28 February 2018, Indel B SpA 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.

4. Loan agreement with BPER Banca

On 31 January 2019, Indel B SpA took out an unsecured loan agreement of Euro 3,000 thousand with BPER Banca S.p.A (the "BPER Banca Loan").

The BPER Banca loan has a duration of 3 years, with repayment in 12 quarterly instalments.

On 30 April 2020, Indel B SpA took out an additional unsecured loan with BPER Banca S.p.A. of Euro 5,000 thousand (the "BPER Banca 2 Loan").

The BPER Banca 2 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 3 Loan"). The BPER Banca loan has a duration of 3 years with repayment in 6 half-yearly instalments.

5. Loan agreement with Crédit Agricole Cariparma

On 24 July 2018, Indel B SpA 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 2022.

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 30 April 2020, Indel B S.p.A. took out an additional loan of Euro 3,000 thousand with Intesa San Paolo S.p.A. (the "Intesa San Paolo Loan").

The Intesa San Paolo loan has a duration of 1 year with repayment in 12 monthly instalments; it was concluded during 2022.

7. Loan agreement with Monte dei Paschi di Siena

On 23 July 2018, Indel B S.p.A. took out a loan agreement of Euro 2,500 thousand (the "Monte Paschi Siena Loan").

The Monte Paschi Siena loan has a duration of 5 years with repayment in 20 quarterly instalments.

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 2022.

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 Rimini Banca loan has a duration of 5 years with repayment in 8 half-yearly instalments.

9. Loan agreement with Unicredit

On 23 February 2018, Indel B S.p.A. took out an unsecured loan of Euro 6,500 thousand with Unicredit. This loan had a duration of 5 years with repayment in 20 quarterly instalments.

On 09 January 2020, a new loan of Euro 9,000 thousand with a duration of 5 years and a fixed interest rate (the "Unicredit 2 Loan") was taken out by Indel B Spa; the day after, the previous loan with a residual amount of Euro 4,254 thousand was redeemed.

It also provides for the calculation and disclosure of certain financial covenants:

- NFP/EBITDA
- EBITDA/Net Finance Costs

These covenants have been met for 2022.

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.

The information required by IAS 7 is presented in the table below:

	Current financial payables			Non-current financial payables			Total
	Current financial payables	Earn out	Current financial payables for leases and Ministry Loan	Non-current financial payables	Earn out	Non-current financial payables for leases and Ministry Loan	
31/12/2021	10,946	5,702	730	15,100	-	4,459	36,937
Cash flows	(10,946)	(5,702)	(730)	25,890			8,512
Acquisitions							
Other changes/reclassifications	20,853		792	(20,973)	-	(344)	328
31/12/2022	20,853	-	792	20,017	-	4,115	45,777

Net cash flows include outflows for period repayments and inflows related to obtaining new loans.

Loans disbursed in the first part of 2023

1. Loan agreement with BPM

On 03 April 2023, the Parent Company entered into a loan agreement of Euro 7,000 thousand. The BPM loan has a duration of 2 years, with repayment of 4 quarterly interest-only instalments, the first of which will expire on 30 June 2023, and 3 principal and interest payments, the first of which will expire on 30 June 2024.

2.8.13. Deferred tax liabilities/deferred tax assets

Changes in "Deferred tax assets and deferred tax assets" for the years ended 31 December 2022 and 2021 are shown below:

(in thousands of Euro)	Balance as at 31/12/2021	Provisions/releases through profit or loss	Provisions/releases to equity	Balance as at 31/12/2022
Property, plant and equipment	438	12	57	507
Intangible assets	-	30	-	30
Provisions for risks and charges	240	197	-	437
Bad debt provision	53	(3)	-	50
Inventories	624	22	-	647
Employee benefits	72	-	(59)	14
Additional charges on loans	1	-	-	1
Other	395	192	(1)	586
Total deferred tax assets	1,826	449	(3)	2,272
Offsetting pursuant to IAS 12	(824)	(37)	(30)	(891)
Total deferred tax assets	1,001	412	(33)	1,381
Property, plant and equipment	1,333	(33)	60	1,360
Intangible assets	3,314	(351)	-	2,964
Inventories	(0)	-	-	(0)
Provisions for risks and charges	3	(0)	5	9
Employee benefits	1	3	9	13
Foreign currency gains	173	(81)	-	91
Other	58	-	-	58
Total deferred tax liabilities	4,882	(462)	74	4,493
Offsetting pursuant to IAS 12	(824)	(37)	(30)	(891)
Total deferred tax liabilities	4,056	(499)	44	3,602
Net deferred tax assets	(3,055)	911	(77)	(2,221)

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 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)	31/12/2022	31/12/2021
Trade payables	40,068	39,313
Total	40,068	39,313

Trade payables of Euro 40,068 thousand as at 31 December 2022 (Euro 39,313 thousand as at 31 December 2021), mainly refer to purchases of goods and services and provisions for invoices to be received. Trade payables are in line with the previous year; the slight increase is related to the increase in turnover.

The carrying amount of trade payables as at 31 December 2022 and 2021 is deemed to be a reasonable approximation of their fair value.

2.8.15. Income tax receivables and payables

Income tax receivables of Euro 1,151 thousand as at 31 December 2022 (Euro 88 thousand as at 31 December 2021) 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 673 thousand as at 31 December 2022 (Euro 4,277 thousand as at 31 December 2021) 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)	31/12/2022	31/12/2021
Payables to employees	5,085	4,725
Advances from customers	774	1,160
Payables to social security institutions	1,645	1,558
Tax payables	1,248	1,257
Other current payables	770	687
Total	9,522	9,387

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 2022 and 31 December 2021 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)	31/12/2022	31/12/2021
A. Cash and cash equivalents	17,322	24,187
B. Cash equivalents	-	-
C. Other current financial assets	-	-
D. Liquidity (A)+(B)+(C)	17,322	24,187
E. Current financial payable (including debt instruments, but excluding the current portion of non-current financial payable)	(1,920)	(6,961)
F. Current portion of the non-current financial payable	(19,725)	(10,417)
G. Current financial indebtedness (E)+(F)	(21,645)	(17,378)
H. Net current financial indebtedness (G)+(D)	(4,323)	6,809
I. Non-current financial payable (excluding the current portion and debt instruments)	(24,132)	(19,559)
J. Debt instruments	-	-
K. Other trade payables and other non-current payables	-	-
G. Non-current financial indebtedness (I)+(J)+(K)	(24,132)	(19,559)
M. Total financial indebtedness (H)+(L)	(28,455)	(12,750)

The net financial indebtedness shown in the table above does not include the receivable for the sale of the equity investment in Guangdong Iceco Enterprise of Euro 7,187 thousand recognised in the item "Other receivables and other current assets" and collectable by June 2023.

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 2022 and 2021 is shown below:

(in thousands of Euro)	31/12/2022	31/12/2021
Revenues from product sales	219,880	183,691
Sundry revenues	3,493	2,123
Revenues from sales	223,373	185,814

The item "Sundry revenues" mainly includes revenues from the sale of moulds and charge-backs of transport costs. The increase is mainly related to the higher re-invoicing of transport costs to customers.

The breakdown of "Revenues from product sales" by geographical area is shown below:

(in thousands of Euro)	31/12/2022	31/12/2021
Europe (excluding Italy)	112,640	91,749
Italy	61,103	54,361
The Americas	41,114	33,142
Rest of the world	5,023	4,439
Revenues from product sales	219,880	183,691

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 2022 and 2021 is shown below:

(in thousands of Euro)	31/12/2022	31/12/2021
Government grants	150	339
Foreign currency gains	1,952	791
Other income	1,967	1,357
Other revenues and income	4,069	2,486

Government grants for the financial year ended 31 December 2022 of Euro 150 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.

Government grants for the financial year ended 31 December 2021, amounting to Euro 339 thousand, mainly referred to the subsidised loan disbursed by Simest for the purpose of improving the company's capital strength on 19 May 2021.

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; and VI) the release of the provision relating to the tax provision following the submission of the Motion to Settle to the Tax Authorities for which reference should be made to paragraph 2.8.10. "Provisions for risks and charges".

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 2022 and 2021 is shown below:

(in thousands of Euro)	31/12/2022	31/12/2021
Purchases of raw materials, consumables and goods	129,316	107,498
Change in inventories	(7,034)	(7,200)
Total	122,282	100,298

The change is due to the significant increase in turnover.

2.9.4. Costs for services

A breakdown of the item "Costs for services" for the financial years ended 31 December 2022 and 2021 is shown below:

(in thousands of Euro)	31/12/2022	%	31/12/2021	%	Chg	% chg
Transport	25,268	11.1%	18,789	10.0%	6,479	34.5%
Consultancy	2,286	1.0%	2,217	1.2%	69	3.1%
Maintenance	1,655	0.7%	1,477	0.8%	178	12.1%
Fees to directors and statutory auditors	888	0.4%	881	0.5%	7	0.8%
Exhibitions, trade fairs and advertising	1,105	0.5%	716	0.4%	389	54.3%
Insurance companies	1,144	0.5%	1,032	0.5%	112	10.9%
Utilities	1,396	0.6%	1,090	0.6%	306	28.1%
Premiums and commissions	653	0.3%	576	0.3%	77	13.4%
Outsourced work	822	0.4%	1,200	0.6%	(378)	-31.5%
Travel expenses	581	0.3%	384	0.2%	197	51.3%
Customer service costs	710	0.3%	233	0.1%	477	204.7%
Quality certification costs	267	0.1%	423	0.2%	(156)	-36.9%
Costs for leased assets	189	0.1%	143	0.1%	46	32.2%
Other costs	1,782	0.8%	1,339	0.7%	443	33.1%
Total	38,746	17.0%	30,500	16.4%	8,246	27.0%

As at 31 December 2022, costs for services mainly include:

- higher transport costs related to both revenue growth and the inflationary period that affected world logistics;
- increased utilities related to both the new production plant and the increased production;

increased costs for travel, exhibitions and holidays due to the slight resumption of trade fairs that had been suspended as a result of the Covid-19 pandemic during 2020 and partially in 2021, 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 2022 and 2021 is shown below:

(in thousands of Euro)	31/12/2022	31/12/2021
Wages and salaries	24,096	22,172
Social security costs	7,518	6,895
Temporary work	2,724	2,476
Provisions for personnel	1,756	1,427
Other costs	677	447
Total	36,771	33,417

The increase in labour costs is mainly related to the growth in the company's workforce, which is necessary to cope with the increase in sales.

The following table shows the average number of employees of the Group, broken down by category, for the years ended 31 December 2022 and 2021:

(In Units)	31/12/2022 Average	31/12/2021 Average
Executives	13	13
Middle Managers	21	23
White-collar workers	175	172
Blue-collar workers	552	504
Temporary workers	104	32
Total	865	744

The increase in the number of employees is due to the growth in turnover and production volumes.

2.9.6. Other operating costs

The breakdown of the item "Other operating costs" for the financial years ended 31 December 2022 and 2021 is shown below:

(in thousands of Euro)	31/12/2022	31/12/2021
Foreign exchange losses	1,789	810
Taxation	302	300
Losses on receivables	-	140
Other operating costs	436	410
Total	2,527	1,660

The item "Foreign exchange losses" mainly refers to the adjustment of foreign currency items.

The item "Other operating costs" mainly refers to the purchase of new technology tools such as tablets for production and access points.

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 2022 and 2021 is shown below:

(in thousands of Euro)	31/12/2022	31/12/2021
Indel Webasto Marine	2,873	1,879
Guangdong Indel B China	-	9,065
Elber Industria de Refrigeracao Ltda	(2,134)	1,400
Total	739	12,344

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 2,600 thousand and the portion of the positive result for the period of Euro 518 thousand. With regard to the equity investment in Guangdong Iceco China, which was sold in the first half of 2021, the portion of the net result corresponds to the capital gain realised on the sale of the shares.

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 2022 and 2021 is shown below:

(in thousands of Euro)	31/12/2022	31/12/2021
Depreciation of property, plant and equipment	3,577	3,040
Amortisation of intangible assets	1,729	1,973
Depreciation of right of use	751	720
Write-down of receivables and other assets	606	148
Provisions for risks and charges	1,784	76
Total	8,447	5,957

The increase in amortisation/depreciation is mainly due to the investments made during the year.

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 2022 and 2021 is shown below:

(in thousands of Euro)	31/12/2022	31/12/2021
Interest income	275	152
Other finance income	603	1,515
Total finance income	878	1,667
Interest expenses on current accounts, mortgages, loans and rights of use	(564)	(904)
Bank charges and other finance costs	(2,206)	(545)
Total finance costs	(2,770)	(1,449)
Total	(1,892)	218

The item "Interest income" includes interest recognised on the receivable from the sale of the stake in Guangdong ICECO Enterprise.

The item "Other finance income" mainly includes financial exchange rate gains, which decreased compared to last year, which included the adjustment related to the earn-out debt determined in Brazilian Real is no longer present.

The item "Interest expenses on current accounts, mortgages and loans" decreases since it no longer includes interest related to the earn-out payable for the acquisition of Elber Indústria de Refrigeração.

The increase in "Finance costs" is due to financial foreign exchange losses realised on the payment of the earn-out payable 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 2022 and 2021 is shown below:

(in thousands of Euro)	31/12/2022	31/12/2021
Income from equity investments	12	2,368
Total	12	2,368

In 2021, this item referred to the positive difference of Euro 2,356 thousand resulting from the recognition of the acquisition of the new company Electric Station Climatization, acquired by Autoclima Spa on 18 January 2021, and the capital gain of Euro 12 thousand from the sale of the 2% equity investment in Autoclima GMBH.

In 2022, this item refers to the capital gain, equal to Euro 12 thousand, deriving from the additional sale of 2% of the equity investment in Autoclima GMBH.

2.9.11. Income tax

The breakdown of the item "Income tax" for the financial years ended 31 December 2022 and 2021 is shown below:

(in thousands of Euro)	31/12/2022	31/12/2021
Current taxes (IRES, IRAP)	6,248	7,587
Deferred tax assets/liabilities	(909)	(516)
Taxes related to previous years	-	(11)
Total	5,339	7,060

The following table shows the reconciliation of the theoretical tax rate with the actual impact on the result:

(in thousands of Euro)	31/12/2022	%	31/12/2021	%
Pre-tax profit (loss)	17,528		31,398	
Theoretical income tax (IRES)	4,207	24.0%	7,536	24.0%

IRAP	1,140	6.5%	950	3.0%
Tax effect of permanent differences and other differences	(8)	(0.0%)	(1,426)	(4.5%)
Taxes	5,339		7,060	
Effective tax rate		30.5%		22.5%

The effective tax rates net of the result of equity investments consolidated using the equity method are approximately 30.5% in 2022 and 22.5% in 2021.

2.10. Earnings per share

The following table shows the calculation of earnings per share for the years ended 31 December 2022 and 2021:

(in thousands of Euro)	31/12/2022	31/12/2021
Profit/(loss) for the year (in thousands of Euro)	12,048	24,247
Average number of ordinary shares (in thousands)	5,206	5,700
Basic and diluted earnings per share (in Euro)	2.31	4.25

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 2022, the Parent company held 197,300 treasury shares at a value of Euro 4,201 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 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.

The effects of non-recurring events and transactions for the financial year ended 31 December 2021 are as follows:

(in thousands of Euro)	As at 31 December 2021	
	Shareholders' equity	Profit/(loss) for the year
Book value (a)	113,512	24,338
Collection of extraordinary receivable	(6,265)	(6,265)
Release of provisions	(2,368)	(2,368)
Operating grants	(232)	(232)
Write-down of equity investment in Elber	(197)	(197)
Costs	474	474
Total effects (b)	(8,588)	(8,588)
Financial statement notional value (a) - (b)	104,924	15,750

The amount of Euro 6,265 thousand (Euro 9,064 thousand gross of the related tax effect) refers to the recognition of the capital gain from the sale of the equity investment in Guangdong Iceco.

The amount of Euro 232 thousand (Euro 322 thousand gross of the related tax effect) refers to a non-repayable loan received from the SIMEST institute for participation in a call for tenders relating to the capitalisation of highly exporting companies.

The amount of Euro 474 thousand (Euro 659 thousand gross of the tax effect) refers to non-recurring costs incurred in relation to:

- Extraordinary consultancy of Euro 291 thousand (Euro 403 gross of the related tax effect) incurred mainly to explore potential acquisitions;
- Expenses incurred in relation to the Covid-19 health emergency of Euro 38 thousand (Euro 53 thousand gross of the related tax effect);

- Costs incurred to incentivise the departure of certain employees of the newly acquired company Electric Station Climatisation, amounting to Euro 61 thousand (Euro 85 thousand gross of the tax effect).

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 302 thousand and referred mainly to plant and machinery.

2. Sureties issued in favour of third parties

There are no new sureties in 2021 and 2022.

In 2022, the following sureties are still outstanding:

- on 10 January 2020, for advance VAT refund relating to the third quarter of 2019 in favour of the Regional Tax Authority Department of Emilia Romagna, due on 09 January 2023 of Euro 717 thousand;
- 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 21 April 2022, the Company resolved to distribute a dividend of Euro 1.00 per share for a total of Euro 5,658 thousand. These dividends were paid in full during the year.

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 741 thousand and Euro 77 thousand for the year ended 31 December 2022 (Euro 719 thousand and Euro 77 thousand for the year ended 31 December 2021, respectively).

2.12.5. Fees to independent auditors

(in Euro)		31/12/2022	31/12/2021
External audit	PricewaterhouseCoopers S.p.A.	154	153
	PricewaterhouseCoopers S.p.A. network	-	-
Other services	PricewaterhouseCoopers S.p.A.	18	110
	PricewaterhouseCoopers S.p.A. network	-	-
Total		172	263

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 2022 and 2021.

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 2022 and 2021, 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	
	31/12/2022	31/12/2021	31/12/2022	31/12/2021	31/12/2022	31/12/2021	31/12/2022	31/12/2021	31/12/2022	31/12/2021
Indel Webasto Marine	-	-	1,565	3,016	-	-	(43)	(42)	(7)	(7)
Elber	-	-	-	-	-	-	-	-	-	-
Total	-	-	1,565	3,016	-	-	(43)	(42)	(7)	(7)
% weight on financial statement item	0.0%	0.0%	3.5%	8.2%	0.0%	0.0%	-0.1%	-0.1%	-0.1%	-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	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
Indel Webasto Marine	14,285	14,288	489	361	(160)	(225)	(2)	(5)	1,500	1,500
Guangdong	-	348	-	23	-	(16,351)	-	(66)	-	-
Elber	2	-	-	-	-	-	-	-	462	119
Total	14,287	14,636	489	384	(160)	(16,576)	(2)	(71)	1,962	1,619
% weight on financial statement item	6.4%	7.9%	12.0%	15.4%	0.1%	16.5%	0.0%	0.2%	-104.4%	62.6%

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 Sant'Agata Feltria, Via Dei Ronchi, 7 and 11 and in Via Sarsinate 52, and the warehouses located at Via Dei Ronchi 9 and 11 and 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 technical support to the reworking of refrigerators.

2. Guangdong Iceco Enterprise Co. Ltd

The revenues and costs achieved the company Guangdong until the date of disposal of the equity investment in 2021 were recognised.

Revenues from sales and trade receivables from Guangdong Iceco China were mainly related to the sale of components for the production of refrigerators (with different solutions) and semi-finished products procured by the Company - which operates as a central purchasing unit - from third-party suppliers in order to achieve economies of scale in negotiating the procurement price and to ensure an adequate level of quality.

Other revenues and income from the associate Guangdong Iceco included chargebacks for damages due to the non-compliance of the quality specifications of the products received, as identified during quality control.

The item "Purchases and consumption of raw materials, semi-finished and finished products" from Guangdong Iceco referred to the purchase of finished products (mainly refrigerators) and semi-finished products.

3. 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 in the 2021 financial statements there was a financial payable of Euro 5.7 million owed to the selling shareholder of Elber, relating to the Earn-out on the income results of the associate itself in 2021; this payable was discharged in 2022.

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 2022 and 2021, 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	
	31/12/2022	31/12/2021	31/12/2022	31/12/2021	31/12/2022	31/12/2021	31/12/2022	31/12/2021	31/12/2022	31/12/2021	31/12/2022	31/12/2021
Indel Webasto Marine USA	-	-	-	-	719	512	-	-	(1)	-	-	-
Berloni Immobiliare	-	-	-	-	17	17	-	-	(10)	(10)	-	-
Immobiliare Sant'Ag	1,254	1,379	36	36	-	-	(1,178)	(1,296)	-	-	(118)	(115)
AMP Immobiliare	411	461	14	14	-	-	(376)	(424)	-	-	(48)	(47)
Iterby Project Srl	-	-	-	-	3	1	-	-	(6)	-	-	-
Iterby Italiana Mobili	-	-	-	-	128	128	-	-	-	-	-	-
Società Agricola Berloni	-	-	-	-	-	-	-	-	(80)	(39)	-	-
Total	1,665	1,840	50	50	867	658	(1,554)	(1,720)	(97)	(49)	(166)	(162)
% weight on financial statement item	47.2%	48.9%	10.8%	0.7%	1.9%	1.8%	-6.4%	-8.8%	-0.2%	-0.1%	-0.8%	-0.9%

(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	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
Indel Webasto Marine USA	7,366	7,753		20	-	-	-	-	-	-	-	-
Immobiliare Sant'Ag	-	-	-	-	-	-	(1)	(1)	(125)	(125)	(29)	(31)
AMP Immobiliare	-	-	-	-	-	-	-	-	(51)	(51)	(10)	(11)
Iterby Project Srl	8	6	(9)	(8)	-	-	-	-	-	-	-	-
Società Agricola Berloni	-	-	-	-	(69)	(55)	-	-	-	-	-	-
Total	7,374	7,759	(9)	12	(69)	(55)	(1)	(1)	(176)	(176)	(39)	(42)
% weight on financial statement item	3.3%	4.2%	0.0%	0.0%	0.2%	0.2%	0.0%	0.1%	2.4%	3.0%	2.1%	-1.6%

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 entered 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 2022 and 2021 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 2022 (Euro 719 thousand in 2021).

The total amount of fees to strategic executives was Euro 2,163 thousand in 2022 (Euro 2,106 thousand in 2021).

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)		31/12/2022	31/12/2021
Fees for the office	Directors' fees including charges	555	558
	Variable Directors' Fees	186	161
Non-monetary benefits	home insurance benefit including charges	40	39
Bonuses and other incentives	variable bonus including charges	536	526
	LTIP	218	212
Other fees	Fixed salaries and attendance fees including charges	1,369	1,329
Total		2,904	2,825

2.14. Significant events after the 2022 reporting period

After 31 December 2022 and up to the date of approval of these financial statements, no events have occurred that could have a material impact on the Group's results.

At the end of January, the whole of the Montefeltro region was hit by heavy snowfall, which damaged the roof of one of the parent company's production plants, forcing it to temporarily suspend its activities; the full resumption of production at this plant is currently underway, as is the quantification of the damage suffered, in agreement with the insurance company.

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 was set for 4 July 2023.

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 as at 31 December 2022 of the Autoclima Group, except for a provision for legal expenses of Euro 150 thousand.

Apart from the above, no significant events occurred after the reporting period.

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	43,669	IRES tax saving due to Irap deduction Italian Decree Law no. 185/2008-Italian Decree Law no. 201/2012 (base 2021 tax period of Euro 181,954)
• INDEL B SPA	TAX AUTHORITIES	106,617	IRES tax saving due to Italian Law no. 208/15 et seq. (super-hyper amortisation) (base 2021 tax period of Euro 444,237)
• INDEL B SPA	TAX AUTHORITIES	180,116	IRES tax saving due to ACE facilities (base 2021 of return Euro 750,484)
• 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
• 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
• 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
• 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
• INDEL B SPA	TAX AUTHORITIES	2,608	Recognition of tax credits for methane gas consumption 2nd quarter 2022- (art. 4 of Italian Decree Law no. 21 of 21 March 2022)
• INDEL B SPA	TAX AUTHORITIES	10,530	Recognition of Tax Credits for Energy 2nd quarter 2022 (art. 3 of Italian Decree Law no. 21 of 21 March 2022)
• INDEL B SPA	TAX AUTHORITIES	908	Recognition of tax credits for methane gas consumption 3rd quarter 2022 (art. 6, para. 4, of Italian Decree Law no. 115 of 9 August 2022)
• INDEL B SPA	TAX AUTHORITIES	27,656	Recognition of Tax Credits on Electricity Consumption Dec 22 (art. 1 of Italian Decree Law no. 176 of 18 November 2022)
• INDEL B SPA	TAX AUTHORITIES	31,841	Recognition of Tax Credits on Electricity Consumption Oct. Nov 22 (art. 1, para. 3, of Italian Decree Law no. 144 of 23 September 2022)
• INDEL B SPA	TAX AUTHORITIES	7,827	Recognition of Tax Credits on gas consumption Dec 22 (art. 1 of Italian Decree Law no. 176 of 18 November 2022)
• INDEL B SPA	TAX AUTHORITIES	3,678	Recognition of Tax Credits on Gas Consumption Oct. Nov 22 (art. 1, para. 4 of Italian Decree Law no. 144 of 23 September 2022)
• INDEL B SPA	TAX AUTHORITIES	1,810	Recognition of Tax Credits on Electricity Consumption 3rd quarter 2022 (art. 6, para. 3 of Italian Decree Law no. 115 of 9 August 2022)
• INDEL B SPA	INPS	37,523	Permanent hiring incentive Italian Law no. 205/2017
• INDEL B SPA	INPS	88,605	Tax exemption Italian Law no. 178/2020
• INDEL B SPA	FONDOIMPRESA	13,382	Personal training grant from Fondoimpresa
• INDEL B SPA	FONDIRIGENTI	12,500	Personal training grant from Fondirigenti

• AUTOCLIMA SPA	TAX AUTHORITIES	12,188	TAX CREDIT FOR INVESTMENTS IN CAPITAL GOODS ITALIAN LAW NO. 160/2019 ITALIAN LAW NO. 178/2020
• AUTOCLIMA SPA	TAX AUTHORITIES	34,102	tax credit for 4.0 training expenses pursuant to Italian Law no. 205/2017
• AUTOCLIMA SPA	TAX AUTHORITIES	39,733	tax credit for the containment of energy costs
• AUTOCLIMA SPA	TAX AUTHORITIES	28,883	IRES savings due to super hyper amortisation
• AUTOCLIMA SPA	FONDIMPRESA	3,600	Personal training grant from Fondoimpresa
• CONDOR B	TAX AUTHORITIES	2,410	IRES tax saving due to Irap deduction Italian Decree Law no. 185/2008-Italian Decree Law no. 201/2012 (2021 tax period on Euro 10,040)
• CONDOR B	TAX AUTHORITIES	5,909	IRES tax saving due to Italian Law no. 208/15 et seq. (super-amortisation) (2021 tax period on Euro 24,620)
• CONDOR B	TAX AUTHORITIES	15,969	IRES tax savings due to ACE facilities (2021 tax period on Euro 66,539)
• CONDOR B	TAX AUTHORITIES	5,560	tax credit for the purchase of energy Italian Law no. 175 of 17/11/22
• CONDOR B	TAX AUTHORITIES	6,999	tax credit for the purchase of gas Italian Law no. 175 of 17/11/22
• CONDOR B	INPS	6,319	Permanent hiring incentive Italian Law no. 205/2017
• CONDOR B	INPS	19,399	tax exemption Italian Decree Law no. 104/2020
Total		804,082	

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 2022:

- fifth instalment of Euro 173,884.45 (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;
- first instalment of Euro 117.93 (including interest) of the subsidised loan of Euro 2,250 disbursed 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.

On 24 June 2022, the Parent company made a partial repayment of Euro 1,029.04 of the 1st instalment of Euro 1,500 disbursed by SIMEST in 2021, of the non-repayable contribution grant ref. Italian Decree Law no. 34 of 19 May 2020 "Rilancio" Decree (Participating 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 and a partial repayment of Euro 1,404.04 of the 1st tranche of the Subsidised Loan of Euro 2,250.00 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; as it was established during the reporting phase that some expenses were incurred on dates not eligible for reporting.

Moreover, the Parent company recognised the following tax credits for investments in new capital goods in 2022, the first instalment of which will be used in 2023.

<ul style="list-style-type: none"> TAX AUTHORITIES 	13,000.00	Tax credit 10% Italian Law no. 178/2020 for non-4.0 property, plant and equipment to be used in 3 instalments of Euro 4,333.33 each	On an accrual basis
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It is acknowledged that during the year under review, the Company did not formalise any acts granting subsidies, contributions, grants and economic benefits to natural persons and public and private entities.

Single electronic format XBRL

Directive 2013/50/EU - amending Directive 2004/109/EC (the "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 2022.

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;

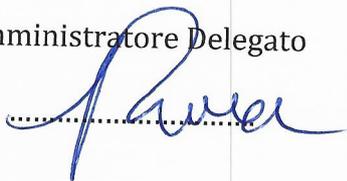
b) corrisponde alle risultanze dei libri e delle scritture contabili;

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.

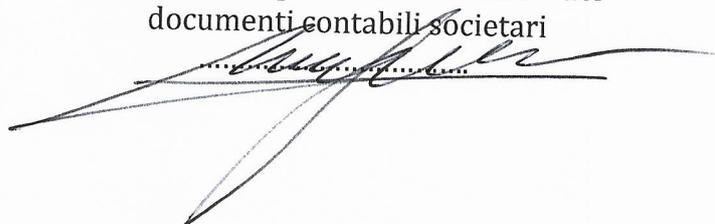
3.1 La relazione sulla gestione comprende un'analisi attendibile dell'andamento e del risultato della gestione, nonché della situazione dell'emittente e dell'insieme delle imprese incluse nel consolidamento, unitamente alla descrizione dei principali rischi e incertezze cui sono esposti.

Sant' Agata Feltria 28/04/2023

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 della Indel B SpA (di seguito, la “Società”) e sue società controllate (di seguito, il “Gruppo Indel B” o il “Gruppo”), costituito dalla situazione patrimoniale-finanziaria consolidata al 31 dicembre 2022, dal conto economico consolidato, dal conto economico complessivo consolidato, dal prospetto delle variazioni del patrimonio netto consolidato e dal rendiconto finanziario consolidato per l’esercizio chiuso a tale data e dalle note esplicative al bilancio che includono anche la sintesi dei più significativi principi contabili applicati.

A nostro giudizio, il bilancio consolidato fornisce una rappresentazione veritiera e corretta della situazione patrimoniale e finanziaria del Gruppo Indel B al 31 dicembre 2022, 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 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 ed 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

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Recuperabilità dell'avviamento

(Si vedano la Nota 2.5 - "Criteri applicati nella valutazione delle voci di bilancio" e la Nota 2.8.1 - "Attività immateriali" delle note esplicative al bilancio consolidato)

Il bilancio consolidato della Indel B SpA al 31 dicembre 2022 comprende la voce "Avviamento", che ammonta a circa Euro 8,1 milioni, pari a circa il 3,6% 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 per circa Euro 1 milione.

La Direzione della Società effettua, con frequenza almeno annuale, la verifica della presenza di eventuali perdite di valore mediante il confronto tra il valore di bilancio delle attività nette della CGU ed 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"). Il valore d'uso è determinato mediante l'attualizzazione dei flussi di cassa futuri previsti dal piano 2023-2027, così come redatto dagli Amministratori, nonché del valore terminale.

Lo svolgimento dell'*impairment test* descritto sopra è caratterizzato da un elevato grado di giudizio ed incertezza, con particolare riferimento alla:

- determinazione dei flussi di cassa operativi attesi, 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 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.

L'approccio di revisione ha previsto 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 del Gruppo Indel B.

Le procedure di revisione svolte hanno, altresì, riguardato l'analisi delle principali assunzioni contenute nei piani economico-finanziari, verificandone la ragionevolezza in considerazione dei risultati conseguiti nell'esercizio 2022, nonché delle evoluzioni di mercato attese, tenendo anche in considerazione, ove applicabili, gli eventuali effetti derivanti dal conflitto russo-ucraino.

Abbiamo quindi valutato il lavoro svolto dagli esperti che hanno supportato gli Amministratori ai fini della predisposizione dell'*impairment test*.

Abbiamo altresì analizzato, con il supporto degli esperti della rete PwC nell'ambito di valutazioni d'impresa, la metodologia ed il modello valutativo utilizzato dalla Direzione per la predisposizione degli *impairment test*, inclusa la ragionevolezza dei tassi di attualizzazione e delle relative analisi di sensitività.

Abbiamo inoltre verificato la 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.

Infine, abbiamo verificato la completezza e l'adeguatezza dell'informativa riportata nelle note esplicative.

Valutazione delle partecipazioni contabilizzate con il metodo del patrimonio netto

(Si vedano la Nota 2.5 - “Criteri applicati nella valutazione delle voci di bilancio” e la Nota 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 2022 ammonta a circa Euro 14 milioni, pari al 6,2% del totale attivo patrimoniale.

Con riferimento a tale voce di bilancio, gli Amministratori hanno svolto un’analisi volta ad individuare la presenza di eventuali indicatori di perdite di valore e, ove applicabile nelle circostanze, 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, ed il valore d’uso. Quest’ultimo è stato stimato mediante il metodo di attualizzazione dei flussi di cassa attesi (“*Discounted Cash Flow*”). La stima di cui sopra si basa sui dati previsionali, così come redatti dagli Amministratori delle società partecipate.

Lo svolgimento dell’*impairment test* è caratterizzato da un elevato grado di giudizio ed incertezza, con particolare riferimento alla:

- determinazione dei flussi di cassa operativi attesi, 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.

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 dell’analisi svolta dalla Società al fine di individuare la presenza di indicatori di perdite di valore;
- la comprensione dei processi adottati dagli Amministratori delle società partecipate nella predisposizione dei flussi di cassa attesi;
- 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;
- il confronto delle assunzioni del *management* con i dati storici e quanto desumibile da fonti esterne;
- 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 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 Indel B di continuare ad 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 Indel B.

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 ed 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 ad 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 ad 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 ad 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 2022, 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 2022 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 n° 39/2010 e dell'articolo 123-bis, comma 4, del DLgs n° 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 2022, 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 n° 58/1998, con il bilancio consolidato del Gruppo Indel B al 31 dicembre 2022 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 2022 e sono redatte in conformità alle norme di legge.

Con riferimento alla dichiarazione di cui all'articolo 14, comma 2, lettera e), del DLgs n° 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, 29 aprile 2023

PricewaterhouseCoopers SpA

A handwritten signature in black ink that reads 'Federico Scapinelli'.

Federico Scapinelli
(Revisore legale)

indelB

2022

SEPARATE FINANCIAL
STATEMENTS

As at 31 December 2022

SEPARATE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2022

1. Financial statements of Indel B s.p.a.	03
1.1. Statement of financial position	03
1.2. Income statement	05
1.3. Statement of comprehensive income	06
1.4. Statement of changes in shareholders' equity	07
1.5. Statement of cash flows	08
2. Explanatory notes to the financial statements	10
2.1. General information	10
2.2. Summary of adopted accounting standards	11
2.3. Measurement bases of financial statement items	14
2.4. Typology and procedures for the management of financial risks	35
2.5. Segment reporting	44
2.6. Notes to the statement of financial position	45
2.7. Notes to the income statement	81
2.8. Earnings per share	88
2.9. Significant non-recurring events and transactions	88
2.10. Other information	91
2.11. Transactions with related parties	92
2.12. Significant events after the 2022 reporting period	98
2.13. Information pursuant to Art. 1, paragraph 125, of Italian Law no. 124 of 4 August	99
2.14. Proposal for allocation of the result for the period of the separate financial statements of Indel B	102

1. Financial statements of Indel B s.p.a.

1.1. Statement of financial position

		(in Euro)					
		Financial year ended 31 December					
	Notes	2022	Of which related parties	% weight	2021	Of which related parties	% weight
ASSETS							
• Non-current assets							
Intangible assets	2.6.1	350,044	-	-	599,237	-	-
Property, plant and equipment	2.6.2	22,804,928	-	-	21,380,005	-	-
Right of use	2.6.3	2,778,257	2,595,615	93%	2,741,525	2,373,000	87%
Equity investments	2.6.4	42,645,226	-	-	42,645,226	-	-
Other equity investments	2.6.5	66,042	-	-	66,042	-	-
Non-current financial assets	2.6.6	2,500,000	2,500,000	100%	3,500,000	3,500,000	100%
Other receivables and other non-current assets	2.6.7	369,907	50,398	14%	7,397,323	50,434	1%
Deferred tax assets	2.6.8	930,236	-	-	679,052	-	-
Total non-current assets		72,444,640	5,146,013	7%	79,008,410	5,923,434	7%
• Current assets							
Inventories	2.6.9	47,981,248	-	-	40,444,279	-	-
Trade receivables	2.6.10	32,159,566	3,782,860	12%	25,152,854	3,961,407	16%
Cash and cash equivalents	2.6.11	15,315,119	-	-	19,445,874	-	-
Income tax receivables	2.6.17	1,106,162	-	-	-	-	-
Current financial assets	2.6.6	1,502,398	1,502,398	100%	1,459,878	459,878	32%
Other receivables and other current assets	2.6.7	12,849,976	-	0%	6,172,249	-	-
Total current assets		110,914,469	5,285,258	5%	92,675,134	4,421,285	5%
Total assets		183,359,109	10,431,271	6%	171,683,544	10,344,719	6%

SHAREHOLDERS' EQUITY AND LIABILITIES

- Shareholders' Equity

Share capital		5,842,000	-	-	5,842,000	-	-
Reserves		83,755,396	-	-	71,169,984	-	-
Profit/(loss) for the year		11,607,604	-	-	18,983,096	-	-
Total shareholders' equity	2.6.12	101,205,000	-	-	95,995,080	-	-

Minority interests

- Non-current liabilities

Provisions for risks and charges	2.6.13	1,457,212		-	1,680,920	-	-
Employee benefits	2.6.14	631,193		-	786,993	-	-
Non-current financial liabilities	2.6.15	22,562,728	2,377,920	11%	17,150,980	2,213,822	13%
Other non-current liabilities	2.6.18	118,788		-	134,172	-	-
Total non-current liabilities		24,769,921	2,377,920	10%	19,753,065	2,213,822	11%

- Current liabilities

Trade payables	2.6.16	31,085,838	1,937,724	6%	30,235,544	954,095	3%
Income tax payables	2.6.17	129,030	-	-	3,906,068	-	-
Current financial liabilities	2.6.15	19,913,689	312,272	2%	15,610,612	215,327	1%
Other current liabilities	2.6.18	6,255,631	7,145	0%	6,183,175	6,882	0%
Total current liabilities		57,384,188	2,257,141	4%	55,935,399	1,176,304	2%
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		183,359,109	4,635,061	3%	171,683,544	3,390,126	2%

1.2. Income statement

(in Euro)

Financial year ended 31 December

	Notes	2022	Of which related parties	% weight	2021	Of which related parties	% weight
Revenues	2.7.1	151,834,934	27,143,725	18%	125,410,164	25,732,076	21%
Other Revenues and income	2.7.2	3,442,716	823,738	24%	2,159,364	580,055	27%
Total revenues		155,277,650	27,967,463		127,569,528	26,312,131	
Purchases and consumption of raw materials, semi-finished and finished products	2.7.3	(83,282,302)	(5,357,665)	6%	(68,098,050)	(20,407,154)	30%
Costs for services	2.7.4	(30,582,483)	(859,977)	3%	(23,457,724)	(929,382)	4%
Personnel costs	2.7.5	(22,044,525)	-	-	(19,962,187)	-	-
Other operating costs	2.7.6	(1,266,792)	(537)	0%	(841,442)	(1,363)	0%
Amortisation, depreciation, provisions and write-downs	2.7.7	(3,777,081)	(276,704)	7%	(2,949,187)	(235,154)	8%
EBIT		14,324,467	21,472,580		12,260,938	4,739,078	
Finance income	2.7.8	964,629	99,557	10%	1,740,896	79,936	5%
Finance costs	2.7.8	(2,589,817)	(53,945)	2%	(1,315,576)	(54,327)	4%
Income (costs) from equity investments	2.7.9	2,703,978	2,703,978	100%	12,235,802	2,202,180	18%
Pre-tax profit (loss)		15,403,257	24,223,698		24,922,060	6,966,867	
Income tax	2.7.10	(3,795,653)			(5,938,964)		
Profit/(loss) for the year		11,607,604	24,223,698		18,983,096	6,966,867	
<i>Basic and diluted earnings per share (in Euro)</i>	2.8	2.23			3.33		

1.3. Statement of comprehensive income

(in Euro)	Financial year ended 31 December	
	2022	2021
Profit/(loss) for the year (A)	11,607,604	18,983,096
Actuarial gains (losses) on employee benefits and provision for agents' leaving indemnities	136,313	48,156
Tax effect - Actuarial gains (losses) on employee benefits and provision for agents' leaving indemnities	(33,317)	(11,568)
Total items that will not be subsequently reclassified to the income statement	102,996	36,588
Total other comprehensive income components, net of the tax effect (B)	102,996	36,588
Total profit for the year (A)+(B)	11,710,600	19,019,684
<i>Basic and diluted earnings per share (in Euro)</i>	2.23	3.33

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 2021	2.6.12	5,842	75,975	(912)	80,905
Allocation of previous year's profit/(loss)		-	(912)	912	-
• Transactions with shareholders:					
Distribution of dividends		-	(2,971)	-	(2,971)
Share capital increase		-	-	-	-
Purchase of treasury shares		-	(958)	-	(958)
Change in the consolidation area		-	-	-	-
Total transactions with shareholders		-	(3,929)	-	(3,929)
• Comprehensive income for the year:					
Profit/(loss) for the year		-	-	18,983	18,983
Actuarial gains/(losses) on employee benefits and provision for agents' leaving indemnities, net of tax effect		-	36	-	36
Translation difference from measurement of equity investments using the equity method		-	-	-	-
Total comprehensive income for the year		-	36	18,983	19,019
Balance as at 31 December 2021	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

1.5. Statement of cash flows

(in Euro)	Notes	Financial year ended 31 December	
		2022	2021
• Operating activities			
Pre-tax profit (loss)		15,404	24,922
<i>Adjustments for:</i>			
Depreciation of property, plant and equipment and amortisation of intangible assets	2.6.1 2.6.2	3,116	2,848
Bad debt provisions	2.6.10	78	34
Provisions for risks and charges	2.6.13	738	216
Provision/(Releases) for inventory obsolescence	2.6.9	180	20
Provision for write-downs of equity investments	2.6.4 2.6.5	-	-
Net finance (income)/costs	2.7.8	(1,079)	(426)
Income from disposal of equity investment	2.7.9	-	(12,235)
Net exchange rate differences		(275)	(137)
Other non-monetary components		(334)	30
Cash flows from operations before changes in working capital		17,828	15,272
Cash flow provided by/(used in) changes in working capital		(16,758)	(14,686)
- Trade receivables and other assets	2.6.8 2.6.10	(8,315)	(9,780)
- Inventories	2.6.9	(7,717)	(15,531)
- Trade payables and other liabilities	2.6.16 2.6.17	(726)	10,625
Taxes paid		(5,893)	(872)
Net finance costs paid		(327)	(205)
Use of provisions		(660)	(337)
Realised net exchange rate differences		(798)	570
Cash flow provided by/(used in) operating activities (A)		(6,608)	(258)

- Investment activities

Net investments in property, plant and equipment and intangible assets	2.6.1 2.6.2	(4,328)	(5,627)
Net investments in equity investments	2.6.4 2.6.5	-	1
Change in financial receivables		(42)	(1,291)
Cash flows for the year for acquisitions of subsidiaries		-	-
Divestments by associates	2.6.4 2.6.5		5,203
Dividends collected	2.7.9	2,704	2,202
Cash flow provided by/(used in) investing activities (B)		(1,666)	488

- Financing activities

Taking out mortgages and loans	2.6.15	29,500	482
Repayment of mortgages and loans	2.6.15	(14,419)	(13,436)
Dividends paid	2.6.12	(5,658)	(2,971)
Purchase of treasury shares	2.6.12	(843)	(958)
Other changes in financial assets	2.6.6	1,000	(3,500)
Other changes in financial liabilities	2.6.15	(5,131)	4,372
Cash flow provided by/(used in) financing activities (C)		4,449	(16,011)
Increase/(decrease) in cash and cash equivalents (A)+(B)+(C)		(3,825)	(15,781)
Cash and cash equivalents at beginning of the year	2.6.11	19,446	35,078
Net effect of translating cash and cash equivalents denominated in foreign currencies		(306)	149
Cash and cash equivalents at end of the year	2.6.11	15,315	19,446

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 sector 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 sectors. The company is also active in the "parking" air-conditioning sector for industrial vehicles and in the "Cooling Appliances" sector, which mainly include wine cellars for storing wine and small refrigerators for storing milk.

As at 31 December 2022, the Company's share capital of Euro 5,842,000 was held 68.33% by Amp. Fin. S.r.l., with registered office in Pesaro, 3.38% is treasury shares and 28.29% is free float on the MTA market of Borsa Italiana.

This document was approved by the Board of Directors of the Company on 28 April 2023 and was audited by PricewaterhouseCoopers SpA.

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 Financial Statements as at 31 December 2022 are consistent with those used for the preparation of the Financial Report as at 31 December 2021, to which reference is made for further information.

The amendments and interpretations to the accounting standards effective from 1 January 2022 are set out below:

Amendments to IAS 16 Property, Plant and Equipment, the amendments concerned the issue of Proceeds before Intended Use.

- Amendments to IAS 37 Onerous Contracts - Cost of Fulfilling a Contract, the amendments clarify the nature of costs directly related to the contract: they can either be incremental costs of fulfilling that contract or an allocation of other costs directly relates to fulfilling contracts.

- Amendments to IFRS 3 Reference to the Conceptual Framework, the amendments update a reference to the Conceptual Framework for Financial Reporting without changing its accounting requirements for business combinations.

- Annual Improvements to IFRSs 2018-2020 Cycle, the amendments concerned the following standards: (i) IFRS 1 - First-time Adoption of International Financial Reporting Standards, relating to the first-time adoption of IFRSs by a subsidiary/associate/joint venture that becomes a first-time adopter after its parent/participant in relation to the measurement of the translation reserve at the date of transition to IFRSs; (ii) IFRS 9 - Financial Instruments, clarifying which fees are to be included in the 10% test to assess whether the change to the contractual terms of a financial liability is materially different from that of the original financial liability, (iii) IAS 41 - Agriculture, in relation to the exclusion of taxation cash flows when measuring the fair value of a biological asset; (iv) IFRS 16 - Leases, the amendments refer to Illustrative Example 13 accompanying IFRS 16, which removes potential confusion regarding the treatment of lease incentives.

The application of the above standards has not had a material impact on the Company's financial position, the results of the operations and of the cash flows.

Accounting standards, amendments and interpretations not yet applicable and not early adopted by the Company

Interpretations or amendments that - whether approved or not and not yet effective at the time of writing - are summarised in the table below:

Accounting standard	Approved by the EU	Expected effective date
<ul style="list-style-type: none"> IFRS 17 Insurance Contracts (issued on 18 May 2017); including Amendments to IFRS 17 (issued on 25 June 2020) Amendments to IFRS 17 Insurance contracts: Initial Application of IFRS 17 and IFRS 9 – Comparative Information (issued on 9 December 2021) Amendments to IAS 1: Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of Accounting policies (issued on 12 February 2021) Amendments to IAS 8 Accounting policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates (issued on 12 February 2021) Amendments to IAS 12 Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction (issued on 7 May 2021) 	Yes	Financial years beginning on or after 1 January 2023
<ul style="list-style-type: none"> Amendments to IFRS 16 Leases: Lease Liability in a Sale and Leaseback (issued on 22 September 2022) 	No	Financial years beginning on or after 1 January 2024
<ul style="list-style-type: none"> Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current (issued on 23 January 2020 - Deferral of Effective Date 15 July 2020); and Non-current Liabilities with Covenants (issued on 31 October 2022) 	No	Financial years beginning on or after 1 January 2024

The Company has not early adopted new standards, interpretations or amendments that have been issued but are not yet effective. The Company is also analysing these standards and considering whether their adoption will have a significant impact on the Financial Statements.

2.3. Measurement bases of financial statement items

The most significant measurement bases adopted for the preparation of the Financial Statements are indicated in the points below:

2.3.1. 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; depreciation 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 Company 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 years
Other deferred costs and research and development costs	5 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.

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%
Light constructions	10%
Plant and machinery	10%
Photovoltaic systems	9%
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%

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 Company 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; and
- 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 Company 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 above 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 Company 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 company 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. 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 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.

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.

Derivative financial instruments

Derivative financial instruments are recognised in accordance with the provisions of IFRS 9.

At the signing date of the contract, derivative financial instruments are initially recognised at fair value, either as financial assets measured at fair value through profit or loss when the fair value is positive, or as financial liabilities measured at fair value through profit or loss when the fair value is negative.

If financial instruments are not recognised as hedging instruments, changes in fair value recognised after initial recognition are treated as components of profit or loss for the year. However, if the derivatives qualify for hedge accounting, subsequent changes in fair value are recognised according to specific criteria, illustrated below.

A derivative financial instrument is classified as a hedge if the relationship between the hedging instrument and the hedged item is formally documented, including the risk management objectives, the strategy for undertaking the hedge, and the methods that will be used to assess its prospective and retrospective effectiveness. The effectiveness of each hedge is assessed both when the derivative instrument is taken out and during its life, and in particular at the end of each reporting period or interim reporting date. Generally, a hedge is considered highly "effective" if, both at the beginning and during its life, changes in fair value in case of fair value hedges or in expected future cash flows in case of cash flow hedges of the hedged item are substantially offset by changes in fair value of the hedging instrument.

IFRS 9 provides for the possibility of designating the following three hedging relationships:

- fair value hedge: when the hedge concerns changes in fair value of recognised assets and liabilities, both changes in the fair value of the hedging instrument and changes in the hedged item are recognised in profit or loss.
- cash flow hedge: in the case of cash flow hedges designed to neutralise the risk of changes in cash flows originating from the future performance of obligations contractually defined at the end of the reporting period, changes in the fair value of the derivative instrument recorded subsequent to initial recognition are recognised, limited only to the effective portion, in the statement of comprehensive income and therefore in a shareholders' equity reserve called "Reserve for cash flow hedges". When the economic effects of the hedged item materialise, the portion recognised in the statement of comprehensive income is recorded in the income statement. If the hedge is not fully effective, the change in fair value of the hedging instrument attributable to the ineffective portion of the hedge is recognised immediately in profit or loss.
- Hedge of a net investment in a foreign operation (net investment hedge).

If the effectiveness of the hedge is not confirmed, hedge accounting is discontinued at that time and the hedging derivative contract is reclassified to either financial assets measured at fair value through profit or loss or financial liabilities measured at fair value through profit or loss.

The hedging relationship also ceases when:

- the derivative expires, is sold, terminated or exercised;
- the hedged item is sold, expires or is reimbursed;
- it is no longer highly probable that the hedged future transaction will occur.

2.3.2. 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 provision for bad debts 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; and
- 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); 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. 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 Company 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 Company 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.

Assets held for sale

Assets held for sale include non-current assets (or disposal groups) whose carrying amount will be recovered primarily through sale rather than through continued use.

This condition is met only when the sale is highly probable, the asset (or group of assets) is available for immediate sale in its present condition, and a commitment has been made to sell, which is expected to occur within twelve months from the date of classification under this item.

Assets held for sale are measured at the lower of their net book value and fair value less costs to sell.

2.3.3. 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.

2.3.4. 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 2.3.7 "Other significant accounting standards and measurement bases - Taxes" below.

Current and non-current financial liabilities, 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".

2.3.5. 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.

2.3.6. 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.

2.3.7. 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 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 taxes 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, when the timing of the reversal of these temporary differences is under the Company's control and it is probable that these differences will not reverse in a foreseeable time frame. 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.

2.3.8. 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.

2.3.9. 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 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 sometime 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.
- Valuation of derivative financial instruments: the fair value of unlisted financial assets, such as derivative financial instruments, is measured through commonly used financial valuation techniques that require basic assumptions and estimates. These assumptions might not occur within the timescales and in the manner envisaged. Therefore, the estimates of these derivative instruments could diverge from the final figures.

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. Another exchange ratio to which the Company is exposed is the Euro/Brazilian Real ratio, with reference to the payment related to the residual earn-out debt for the period 2022 denominated in Brazilian currency and linked to its purchase.

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 2022, 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 (in thousands of Euro)	Impact on profit and shareholders' equity, net of tax effect	
	USD	
Sensitivity analysis	-10%	+10%
Financial year ended 31/12/2022	928	(759)
Financial year ended 31/12/2021	575	(470)

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 view of the expected trend of the economic situation and therefore the particularly low level of interest rates, the Company's decision during the financial year 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 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 2022, 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. Specifically, 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.

The impact of the top 10 customers on the Company's total trade receivables as at 31 December 2022 was 62% (66% as at 31 December 2021).

The following table shows the analysis of past due and not impaired trade receivables as at 31 December 2022 and 2021:

Trade receivables by maturity (in thousands of Euro)	Breakdown of trade receivables by maturity				
	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	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

The increase in receivables is mainly due to the increase in turnover in 2022.

Most of the past due items are related to positions past due within 90 days.

(in thousands of Euro)	Breakdown of trade receivables by maturity				
	31/12/2021	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	25,419	23,598	1,475	75	271
Bad debt provision	(266)	-	(45)	(75)	(146)
Total trade receivables	25,153	23,598	1,430	-	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 2022 and 2021, showing the amount granted, the amount drawn and the amount available:

As at 31 December 2022

(in thousands of Euro)	Credit lines		
	Line amount	Use	Available amount
Banco BPM	50	-	50
Rimini Banca	50	-	50
BPER Banca	25	-	25
Current accounts	125	-	125

As at 31 December 2022

(in thousands of Euro)	Other cash and cash equivalents		
	Line amount	Use	Available amount
Banco BPM	950	-	950
Rimini 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 2021

(in thousands of Euro)	Credit lines		
	Line amount	Use	Available amount
Credito Valtellinese	220	-	220
Rimini Banca	50	-	50
BPER Banca	25	-	25
Current accounts	295	-	295

As at 31 December 2021

(in thousands of Euro)	Other cash and cash equivalents		
	Line amount	Use	Available amount
Credito Valtellinese	3,000	-	3,000
Rimini Banca	1,000	-	1,000
BPER Banca	300	-	300
Crédit Agricole	1,500	-	1,500
Advances on invoices subject to collection	5,800	-	5,800
Factoring	-	-	-
Total	5,800	-	5,800

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 2022	Expected disbursements			Total
		Within 1 year	Between 1 and 5 years	Beyond 5 years	
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

In 2022, the 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 still favourable in view of their expected growth (also due to rising inflation in the various markets). It is also 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 2021	Expected disbursements			
		Within 1 year	Between 1 and 5 years	Within 1 year	Total
Financial liabilities	32,762	21,427	34,563	1,293	57,283
Trade payables	30,236	30,236	-	-	30,236
Other liabilities	6,317	6,317	-	-	6,317
Total	69,315	57,980	34,563	1,293	93,837

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 2022 and 2021:

(in thousands of Euro)	As at 31 December	
	2022	2021
Net financial indebtedness (A)	25,658	11,856
Shareholders' Equity (B)	101,205	95,995
Total capital (C)=(A)+(B)	126,863	107,851
Gearing ratio (A)/(C)	20.2%	11.0%

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	31/12/2022
• 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
(in thousands of Euro)	Amortised cost	Fair value recognised in OCI	Fair value recognised in profit or loss	31/12/2021
• Statement of Financial Position Assets				
Non-current financial assets	3,500	-	-	3,500
Other receivables and other non-current assets	7,397	-	-	7,397
Deferred tax assets	679	-	-	679
Current financial assets	1,460	-	-	1,460
Other equity investments	-	-	66	66
Trade receivables	25,153	-	-	25,153
Cash and cash equivalents	19,446	-	-	19,446
Other receivables and other current assets	6,172	-	-	6,172
Total	63,807	-	66	63,873

- Statement of Financial Position Liabilities

Non-current financial liabilities	17,151	-	-	17,151
Current financial liabilities	15,611	-	-	15,611
Trade payables	30,236	-	-	30,236
Other current liabilities	6,183	-	-	6,183
Total	69,180	-	-	69,180

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 Board of Directors) 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 Board of Directors 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 2022, there was also no concentration of revenues of individual customers exceeding 10%. In the financial year ended 31 December 2021, the only customer with a higher revenue concentration of 11.2% was Indel Webasto Marine Srl.

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 2022 and 2021:

(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 2021	598	31	81	-	46	756
Historical cost as at 01 January 2021	2,495	57	790	-	46	3,388
Increases	174	-	11	-	4	189
Decreases	-	-	-	-	-	-
Other changes including reclassifications	-	-	-	47	(47)	-
Historical cost as at 31 December 2021	2,669	57	801	47	3	3,577
Accumulated amortisation as at 01 January 2021	(1,897)	(26)	(709)	-	-	(2,632)
Amortisation	(298)	(2)	(39)	(7)	-	(346)
Decreases	-	-	-	-	-	-
Other changes including reclassifications	-	-	-	-	-	-
Accumulated amortisation as at 31 December 2021	(2,195)	(28)	(748)	(7)	-	(2,978)
Net values as at 31 December 2021	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

The investments in intangible assets made by the Company in the 2022 financial year, totalling Euro 44 thousand, mainly related to:

- concessions, licences, trademarks and similar rights of Euro 22 thousand, mainly referring to the purchase of software licences relating to production and the technical office and to new label printing software;
- intangible assets in progress and payments on account of Euro 22 thousand, with reference to maintenance on third-party assets.

As at 31 December 2022, 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 2022 and 2021:

(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 2021	1,560	8,649	6,709	423	659	549	18,550
Historical cost as at 01 January 2021	1,560	11,495	15,074	1,459	2,027	549	32,164
Increases	314	45	1,480	239	178	2,606	4,860
Decreases	-	-	(147)	(9)	(23)	-	(177)
Other changes including reclassifications	-	-	549	-	-	(549)	-
Historical cost as at 31 December 2021	1,874	11,540	16,956	1,689	2,182	2,606	36,847
Accumulated depreciation as at 01 January 2021	-	(2,845)	(8,365)	(1,036)	(1,368)	-	(13,614)
Depreciation	-	(398)	(1,240)	(195)	(194)	-	(2,027)
Decreases	-	-	146	7	21	-	174
Other changes including reclassifications	-	-	-	-	-	-	-
Accumulated depreciation as at 31 December 2021	-	(3,243)	(9,459)	(1,224)	(1,541)	-	(15,467)
Net values as at 31 December 2021	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

The investments in property, plant and equipment made by the Company in 2022, totalling Euro 3,780 thousand, mainly related to:

- buildings and leasehold improvements of Euro 385 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 1,042 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;
- fixtures and fittings, tools and equipment of Euro 234 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 216 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 and payments on account of Euro 1,903 thousand, mainly referring to the expansion of a new area adjacent to the already operational production area located in via Montefeltro, 118 Secchiano (RN).

As at 31 December 2022, 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	
	2022	2021
• Right-of-use assets		
Land and buildings	2,596	2,374
Plant and machinery	-	111
Other assets	182	257
Total	2,778	2,742
Of which:		
Historical cost	4,855	4,334
Accumulated depreciation	(2,077)	(1,592)
• Right-of-use payables		
Right-of-use payables - current	401	343
Right-of-use payables - non-current	2,455	2,380
Total	2,856	2,723

The impact of IFRS 16 on EBITDA as at 31 December 2022 is positive by Euro 411 thousand, the impact on EBIT is negative by Euro 74 thousand, and the impact on pre-tax profit is negative by Euro 130 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 2021	2,609	279	5	2,893
Historical cost as at 01 January 2021	2,904	1,106	26	4,036
Increases	-	-	324	324
Decreases	-	-	(26)	(26)
Other changes including reclassifications	-	-	-	-

Historical cost as at 31 December 2021	2,904	1,106	324	4,334
Accumulated depreciation as at 01 January 2021	(294)	(827)	(21)	(1,142)
Depreciation	(235)	(169)	(72)	(476)
Decreases	-	-	26	26
Other changes including reclassifications	-	-	-	-
Accumulated depreciation as at 31 December 2021	(529)	(996)	(66)	(1,592)
Net values as at 31 December 2021	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	4,855
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

This item represents the discounted value of future lease payments relating to multi-year operating leases outstanding as at 31 December 2022, 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	
	2022	2021
Autoclima SpA	31,400	31,400
Elber Industria de Refrigeracao Ltda	7,054	7,054
Indel B North America	2,433	2,433
Condor B srl	1,707	1,707
Indel Webasto Marine srl	51	51
Total	42,645	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 its 2% stake in Autoclima Deutschland GmbH.

Therefore, to date, it has the following equity investments:

- 96% of Autoclima Deutschland 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.

It should be noted that in June 2021, the sale of the investment in the associate Guangdong Iceco Enterprise Co. Ltd. for RMB 90,000,000 equivalent to approximately Euro 11,500 thousand, realising a gain in profit or loss of Euro 10,034 thousand.

With the support of Deloitte & Touche, 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 2023-2027 plans received from the board of directors of the respective companies.

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 (2023-2027);
- present value of the Terminal Value calculated after the last explicit projection year (2027);
- value of the Net Financial Position as at 31 December 2022.

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 (2027). 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, IndelB calculated the normalised cash flow using Ebitda and amortisation equal to those of 2027. 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 2022).

The estimated WACC was 17.2% for the Elber equity investment, 10.9% for the Autoclima equity investment and 11.4% for the Indel B North America equity investment.

The estimated G-rate was 3.0% for the Elber equity investment, 2.1% for the Autoclima equity investment and 2.0% for the Indel B North America equity investment.

The impairment tests and related sensitivities have not identified any potential impairment situations.

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 2021	35,540	7,392	42,932
Investments/Divestments	-	(287)	(287)
Dividends	-	-	-
Net result	-	-	-
Write-down of equity investment	-	-	-
Foreign exchange translation differences	-	-	-
Values as at 31 December 2021	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

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 2022 (in currency units)	Shareholders' equity as at 31 December 2022 (in currency units)	Profit as at 31 December 2022 (in currency units)	% held	
						As at 31 December 2022	As at 31 December 2021
<ul style="list-style-type: none"> Equity investments in subsidiaries 							
Condor B S.r.l.	Italy	EUR	728,000	6,010,817	888,643	100.0%	100.0%
Autoclima SpA	Italy	EUR	2,750,000	27,158,857	2,337,918	100.0%	100.0%
Indel B North America	United States	USD	10,133	1,549,909	2,344	100.0%	100.0%
<ul style="list-style-type: none"> Equity investments in associates and jointly controlled entities 							
Indel Webasto Marine S.r.l.	Italy	EUR	101,490	7,580,706	3,528,365	50.0%	50.0%
Elber Industria de Refrigeraçao Ltda	Brazil	BRL	6,896,810	32,684,838	7,049,386	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 and adjusted to reflect the adjustments made by the Group when applying the equity method:

(in thousands of Euro)	As at 31 December	
	2022	2021
1. Indel Webasto Marine (consolidated financial statements)		
Non-current assets	830	939
Current assets	20,800	18,414
<i>Of which cash and cash equivalents</i>	2,921	3,552
Total assets	21,630	19,353
• Total shareholders' equity	16,301	12,840
Non-current liabilities	1,090	847
<i>Of which financial</i>	510	308
Current liabilities	4,239	5,666
<i>Of which financial</i>	812	334
Total liabilities and SE	21,630	19,353
Total revenues	40,200	34,890
Amortisation, depreciation, provisions and write-downs	(205)	(232)
Net finance (income)/costs	148	9
Income tax	(2,318)	(1,609)
Profit/(loss) for the year	6,176	4,237
Other comprehensive income (expense)	132	191
Total profit for the year	6,308	4,428
Dividends distributed to Indel B	1,500	1,500
(in thousands of Euro)		
	As at 31 December	
	2022	2021
2. Elber Indústria de Refrigeração		
Non-current assets	30,760	29,917
Current assets	11,315	10,167

<i>Of which cash and cash equivalents</i>	1,202	1,376
Total assets	42,075	40,084
• Total shareholders' equity	34,799	30,661
Non-current liabilities	1,733	3,335
<i>Of which financial</i>	491	31
Current liabilities	5,543	6,088
<i>Of which financial</i>	2,379	2,809
Total liabilities and SE	42,075	40,084
Total revenues	18,630	18,242
Amortisation, depreciation, provisions and write-downs	(806)	(954)
Net finance (income)/costs	(48)	(86)
Income tax	(379)	(939)
Profit/(loss) for the year	1,296	2,719
Other comprehensive income (expense)	1,406	101
Total profit for the year	2,702	2,820
Dividends distributed to Indel B	462	119

2.6.5. Other equity investments

This item, amounting to Euro 66 thousand as at 31 December 2022 (Euro 66 thousand as at 31 December 2021), 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 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 volume growth, 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, we reclassified the non-current portion of the loan granted to the subsidiary Autoclima amounting to Euro 2,500 thousand under non-current financial assets.

We have also carried over this reclassification to the comparative balances as at 31 December 2021.

As at 31 December 2021, current financial assets of Euro 1,460 thousand concerns a loan granted to the subsidiary Indel B North America of Euro 456 thousand, to meet currency requirements and volume growth, and

a loan granted to the subsidiary Autoclima of approximately Euro 1,000 thousand, to meet two new acquisitions in 2021.

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	
	2022	2021
Tax receivables	126	48
Other non-current assets	60	60
Non-current accrued income and prepaid expenses	184	195
Other receivables beyond one year	-	7,094
Other receivables and other non-current assets	370	7,397
Tax receivables	5,363	4,835
Other current assets	7,218	1,128
Receivables from social security institutions	84	15
Accrued income and prepaid expenses	185	194
Other receivables and other current assets	12,850	6,172

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 receivables beyond one year" as at 31 December 2021 includes the receivable for the sale of the Chinese company Guangdong Iceco of Euro 7,094 thousand; for further details, please refer to section 2.6.4 "Equity investments".

This receivable as at 31 December 2022 was reclassified under "Other current assets".

The item "Current tax receivables" refers to VAT receivables amounting to Euro 5,334 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 2022 and 2021 are shown below:

(in thousands of Euro)	Balance as at 31 December 2021	Provisions/releases through profit or loss	Provisions/releases to equity	Balance as at 31 December 2022
Deferred tax assets				
Property, plant and equipment	209	12	-	221
Intangible assets	-	-	-	-
Provisions for risks and charges	273	197	-	470
Bad debt provision	25	-	-	25
Inventories	387	-	-	387
Employee benefits	13	-	(29)	(16)
Additional charges on loans	-	-	-	-
Other	87	(15)	-	72
Total deferred tax assets	994	194	(29)	1,159
Deferred tax liabilities				
Property, plant and equipment	75	-	-	75
Intangible assets	-	-	-	-
Inventories	-	-	-	-
Provisions for risks and charges	5	-	4	9
Employee benefits	-	-	-	-
Foreign currency gains	175	(90)	-	13
Other	60	-	-	60
Total deferred tax liabilities	315	(90)	4	229
Net deferred tax liabilities	679	284	(33)	930

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	
	2022	2021
Raw materials and consumables	26,515	22,289
Work in progress and semi-finished goods	2,003	2,001
Finished products and goods for resale	20,363	16,874
Provision for inventory obsolescence	(900)	(720)
Other receivables and other non-current assets	47,981	40,444

Inventories as at 31 December 2022 were up from 31 December 2021 due to the increase in volumes and the increase in the cost of raw material components.

The following table shows the changes in the provision for inventory obsolescence for the years ended 31 December 2022 and 2021:

(in thousands of Euro)	Provision for inventory obsolescence
Values as at 01 January 2021	700
Allocations	-
Uses/Releases	20
Values as at 31 December 2021	720
Allocations	180
Uses/Releases	-
Values as at 31 December 2022	900

2.6.10. Trade receivables

This item can be broken down as follows:

(in thousands of Euro)	As at 31 December	
	2022	2021
Gross trade receivables	32,500	25,419
Bad debt provision	(340)	(266)
Total	32,160	25,153

The item "Trade receivables" increased compared to 31 December 2021 due to a recovery in sales in almost all markets in which the company operates.

Trade receivables not past due amounted to Euro 29,732 thousand as at 31 December 2022 (Euro 23,598 thousand as at 31 December 2021).

The value of past due trade receivables net of the related bad debt provision amounted to Euro 2,428 thousand as at 31 December 2022 (Euro 1,555 thousand as at 31 December 2021). 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 2022 and 2021 are shown below:

(in thousands of Euro)	Bad debt provision
Values as at 01 January 2021	243
Allocations	34
Uses/Releases	(11)
Values as at 31 December 2021	266
Allocations	78
Uses/Releases	(4)
Values as at 31 December 2022	340

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 2022 and 2021 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.

For evidence of the receivables by maturity date, see Note 2.4 "Typology and procedures for the management of financial risks".

2.6.11. Cash and cash equivalents

This item can be broken down as follows:

(in thousands of Euro)	As at 31 December	
	2022	2021
Bank and postal deposits	15,306	19,439
Cheques, cash at bank and in hand	9	6
Total	15,315	19,446

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 2022 and 2021:

(in thousands of Euro)	As at 31 December	
	2022	2021
Euro	7,877	10,873
USD	7,435	8,567
Other currencies	3	6
Total	15,315	19,446

It should be noted that there were no restricted cash and cash equivalents as at 31 December 2022 and 2021.

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	
	2022	2021
Share capital	5,842	5,842
Share premium reserve	23,887	24,729
Legal reserve	1,168	1,168
Other reserves	58,700	45,273
Profit/(loss) for the year	11,608	18,983
Total	101,205	95,995

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	23,887		A, B, C, D	23,887		
Other reserves	58,700		A, B, C, D	58,700		8,628
Total	89,597			89,597		8,628
Non-distributable portion				7,010		
Remaining distributable portion				82,587		

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 2022 (Euro 5,842 thousand as at 31 December 2021) 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 2022 amounted to Euro 23,887 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 2022 compared to 31 December 2021 is due to the treasury shares purchased by the Company during the year. As at 31 December 2022, the Company held 197,300 shares at a value of Euro 4,201 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 2022 (Euro 1,168 thousand as at 31 December 2021).

Other reserves

Other reserves, which totalled Euro 58,700 thousand as at 31 December 2022 (Euro 45,273 thousand as at 31 December 2021), 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 1,457 thousand as at 31 December 2022 (Euro 1,681 thousand as at 31 December 2021).

Changes in the provisions for risks and charges for the years ended 31 December 2022 and 2021 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 2021	203	350	1,367	1,919
Allocations	6	60	149	215
Finance costs	1	-	-	1
Actuarial (gains)/losses	-	-	-	-
Uses/Releases	(1)	(130)	(127)	(258)
Other changes including reclassifications	-	-	(197)	(197)
Values as at 31 December 2021	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

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:

	2022	2021
Annual technical discounting rate	3.77%	0.98%

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.

An additional Euro 300 thousand was allocated in the product guarantee fund as a result of a product recall campaign initiated by the customer Iveco due to a defective component; the campaign is also covered by insurance for the portion not accrued.

As at 31 December 2022, the item "Other provisions" mainly included the provision of Euro 156 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 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 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, 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.

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, 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.

In the light of the above and after consulting their tax advisors, the Directors of the Company considered that the risk arising from the aforementioned notice of settlement can, as things stand, continue to be considered remote and, therefore, no provision was recorded in the financial statements for the same risk.

Other actual and/or potential disputes

As things stand, there are no other pending tax disputes.

However, it should be noted in this regard that, as previously reported, the Provincial Department of Rimini launched an investigation into the R&D tax credits, pursuant to art. 3 of Italian Law Decree no. 145 of 23 December 2013, as replaced by Italian Law no. 190 of 23 December 2014, accrued in 2015/2016/2017, which were fully used in the year following the year of accrual, and in respect of which the same Provincial Department expressed its opinion on their non-eligibility during the cross-examination of November 2020, as they relate to expenses that would not be eligible for the benefit.

The R&D tax credit amounts accrued in 2015 - 2016 - 2017 are as follows:

- Euro 238,903 in 2015;
- Euro 76,260 in 2016;
- Euro 188,647 in 2017.

With reference to 2015, on 21 December 2021, the company was served with a deed of collection for the amount of Euro 238,903, plus penalties and interest, with was subsequently reduced in partial self-help to Euro 197,240, plus penalties of the same amount and interest of Euro 32,272.

On 10 February 2022, the company already transferred only the unrecognised credit of Euro 197,240, without penalties and interest, having at the same time notified the Provincial Department of Rimini of its intention to comply with the amnesty pursuant to art. 5 of Italian Law Decree no. 146/2021, converted into Italian Law no. 215/2021.

On 26 January 2022, the Provincial Department of Rimini sent the company another request for documentation also in relation to the R&D tax credit accrued in 2018 of Euro 195,413, which was used in full to offset the following year.

Similarly, on 14 June 2022, the Provincial Department of Rimini notified the company with the Report on Findings in which the tax credits accrued for the 2016/2017/2018 tax years were contested in full, on the grounds "that the activities/expenses incurred are not eligible for the R&D tax credit", with certification that the entire credit already subject to recovery for 2015 had been transferred, minutes in which the company confirmed its willingness to comply with the above-mentioned amnesty, even though it considered that the credits in question were generated by expenses the nature of which, also as a result of the assessment carried out by experts in the sector, appeared to be such as to legitimise the granting of the tax credit as falling within the cases set forth in art. 3, para. 4, Italian Decree Law no. 145/2013.

Having repeatedly expressed its willingness to do so, on 26 September 2022, the company filed a request for transfer pursuant to art. 5, paragraphs 7 through 12, of Italian Decree Law no. 146 of 21 October 2021, converted with amendments by Italian Law no. 215 of 17 December 2021, and on the same date also transferred the total amount due of Euro 430,320 (already net of the transfer made on 10 February 2022).

In the light of the above, no further risk should be deemed to exist in relation to the above-mentioned tax credits.

2.6.14. Employee benefits

Changes in "Employee benefits" for the years ended 31 December 2022 and 2021 are shown below:

(in thousands of Euro)	Provision for inventory obsolescence
Values as at 01 January 2021	870
Finance costs	3
Actuarial (gains)/losses	(48)
Uses/Releases	(38)
Values as at 31 December 2021	787
Finance costs	7
Actuarial (gains)/losses	(121)
Uses/Releases	(42)
Values as at 31 December 2022	631

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:

	2022	2021
Discounting rate	3.77%	0.98%
Inflation rate	5.9% for 2023, 2.3% for 2024, 2.0% as from 2025	1.20%
Rate of increase of Post-employment benefits	5.9% for 2023, 2.3% for 2024, 2.0% as from 2025	2.40%

A sensitivity analysis, as at 31 December 2022, 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	601	663	641	622	637	627

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 2022 and 2021 is provided below:

(in thousands of Euro)	As at 31 December 2022		As at 31 December 2021	
	Current portion	Non-current portion	Current portion	Non-current portion
Bank mortgage and loans	19,154	18,978	9,414	13,492
Loan of the Ministry of Economic Development	150	647	146	797
Simest loans	0.2	481	-	482
Earn-Out Elber	-	-	5,702	-
Finance lease payables	-	-	33	-
Other financial liabilities	208	-	6	-
Right-of-use payables	401	2,455	310	2,380
Total	19,913	22,562	15,611	17,151

The item "Finance lease payables" refers to finance leases relating to certain plant and machinery relating to the Company's business. These leases all ended in 2022.

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 table below provides a breakdown of bank mortgages and loans outstanding as at 31 December 2022 and 2021:

(in thousands of Euro)	Maturity	2022	of which current portion	2021	of which current portion
Banco BPM	2023	5,000	5,000	-	-
Banco Desio	2023	-	-	2,513	1,672
Banco Desio 2	2025	5,430	2,156	-	-
Banca Intesa Mediocredito	2022	-	-	1,100	1,100
BPER Banca	2022	-	-	252	252
BPER Banca 2	2025	2,520	1,002	3,517	997
BPER Banca 3	2025	4,174	1,661	-	-
Crédit Agricole	2023	600	600	1,200	600
Crédit Agricole 2	2024	1,932	1,006	2,933	1,000
Crédit Agricole 3	2025	5,032	1,974	-	-
Intesa San Paolo	2022	-	-	255	255
Monte Paschi Siena	2023	375	375	875	500
Monte Paschi Siena 2	2025	5,846	2,323	-	-
Rimini Banca	2025	3,144	1,250	4,384	1,240
Unicredit	2025	4,080	1,807	5,878	1,797
Ministry loan	2027	797	150	942	146
SIMEST 35360	2027	480	-	480	-
SIMEST 44366	2025	1	0.2	2.2	0.3
Total		39,411	19,304	24,331	9,559

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 2022 by maturity dates:

(in thousands of Euro)	Residual payable as at 31/12/2022	2023	2024	2025	2026	2027	Beyond 2027
Banco BPM	5,000	5,000	-	-	-	-	-
Banco Desio 2	5,430	2,156	2,177	1,097	-	-	-
BPER Banca 2	2,520	1,002	1,010	508	-	-	-
BPER Banca 3	4,174	1,661	1,672	841	-	-	-
Crédit Agricole	600	600	-	-	-	-	-
Crédit Agricole 2	1,932	1,006	926	-	-	-	-
Crédit Agricole 3	5,032	1,974	2,026	1,032	-	-	-
Monte Paschi Siena	375	375	-	-	-	-	-
Monte Paschi Siena 2	5,846	2,323	2,344	1,179	-	-	-
Rimini Banca	3,144	1,250	1,260	634	-	-	-
Unicredit	4,080	1,807	1,817	456	-	-	-
Ministry loan	797	150	154	159	164	170	-
SIMEST 35360	480	-	120	120	120	120	-
SIMEST 44366	1	0.2	0.2	0.2	-	-	-
Total	39,411	19,304	12,580	6,952	284	290	-

Loans outstanding as at 31 December 2022

1. Loan agreement with BPM

On 26 April 2022, Indel B S.p.A. entered into a loan agreement of Euro 5,000 thousand (the "BPM Loan"). The BPM loan has a duration of 1 year, with repayment of 3 quarterly interest-only instalments and 1 principal and interest instalment on 31 March 2023.

2. Loan agreement with Banco Desio

On 22 April 2020, Indel B S.p.A. took out a loan of Euro 5,000 thousand with Banco di Desio e della Brianza S.p.A. The loan had a duration of 3 years, with repayment in 6 half-yearly instalments; this loan was repaid in advance on 21 February 2022. On the same date, Indel B SpA took out a new loan of Euro 6,500 thousand (the "Banco Desio 2 Loan"). The Banco Desio loan has a duration of 3 years, with repayment in 6 half-yearly instalments.

3. Loan agreement with Banca Intesa Mediocredito

On 28 February 2018, Indel B SpA 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.

4. Loan agreement with BPER Banca

On 31 January 2019, Indel B SpA took out an unsecured loan agreement of Euro 3,000 thousand with BPER Banca S.p.A (the "BPER Banca Loan").

The BPER Banca loan has a duration of 3 years, with repayment in 12 quarterly instalments.

This loan ended on 31 December 2022.

On 30 April 2020, Indel B SpA took out an additional unsecured loan with BPER Banca S.p.A. of Euro 5,000 thousand (the "BPER Banca 2 Loan").

The BPER Banca 2 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 3 Loan"). The BPER Banca loan has a duration of 3 years with repayment in 6 half-yearly instalments.

5. Loan agreement with Crédit Agricole Cariparma

On 24 July 2018, Indel B SpA 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 2022.

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 30 April 2020, Indel B S.p.A. took out an additional loan of Euro 3,000 thousand with Intesa San Paolo S.p.A. (the "Intesa San Paolo Loan").

The Intesa San Paolo loan has a duration of 1 year with repayment in 12 monthly instalments.

This loan ended in 2022.

7. Loan agreement with Monte dei Paschi di Siena

On 23 July 2018, Indel B S.p.A. took out a loan agreement of Euro 2,500 thousand (the "Monte Paschi Siena Loan").

The Monte Paschi Siena loan has a duration of 5 years with repayment in 20 quarterly instalments.

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 2022.

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 Rimini Banca loan has a duration of 5 years with repayment in 8 half-yearly instalments.

9. Loan agreement with Unicredit

On 23 February 2018, Indel B S.p.A. took out an unsecured loan of Euro 6,500 thousand with Unicredit. This loan had a duration of 5 years with repayment in 20 quarterly instalments.

On 09 January 2020, a new loan of Euro 9,000 thousand with a duration of 5 years and a fixed interest rate (the "Unicredit 2 Loan") was taken out by Indel B Spa; the day after, the previous loan with a residual amount of Euro 4,254 thousand was redeemed.

It also provides for the calculation and disclosure of certain financial covenants:

- NFP/EBITDA
- EBITDA/Net Finance Costs

These covenants have been met for 2022.

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, the 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 at 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.

The information required by IAS 7 is presented in the table below:

	Current financial payables				Non-current financial payables				Total
	Current financial payables	Earn out	Current financial payables for leases and Ministry Loan	SIMEST current financial payables	Non-current financial payables	Earn out	Non-current financial payables for leases and Ministry Loan	SIMEST non-current financial payables	
31 December 2021	9,414	5,702	495	-	13,492	-	3,177	482	32,762
Cash flows	(9,414)	(5,702)	(495)	-	25,561	-	-	-	9,950
Acquisitions	-	-	-	-	-	-	-	-	-
Other changes/reclassifications	19,154	-	759	-	(20,075)	-	(74)	-	(236)
31 December 2021	19,154	-	759	-	18,978	-	3,103	482	42,476

Net cash flows include outflows for period repayments and inflows related to obtaining new loans.

Loans disbursed in the first part of 2023

1. Loan agreement with BPM

On 03 April 2023, Indel B S.p.A. took out a loan agreement of Euro 7,000 thousand. The BPM loan has a duration of 2 years, with repayment of 4 quarterly interest-only instalments, the first of which will expire on 30 June 2023, and 3 principal and interest payments, the first of which will expire on 30 June 2024.

Earn-out

On 09 May 2022, the Company paid the remaining debt related to the earn-out (calculated on the basis of the EBITDA recognised in the audited financial statements for the years ended 31 December 2017, 2018, 2019, 2020 and 2021, adjusted for changes in the Net Financial Position) to be paid to the transferor of 40% of the share capital of the investee Elber Indústria de Refrigeração. For further details, see section 2.6.4 "Equity Investments". The amount paid of Euro 6,906 thousand includes exchange rate adjustments of the Brazilian Real.

2.6.16. Trade payables

This item can be broken down as follows:

(in thousands of Euro)	As at 31 December	
	2022	2021
Trade payables	31,086	30,236
Total	31,086	30,236

Trade payables of Euro 31,086 thousand as at 31 December 2022 (Euro 30,236 thousand as at 31 December 2021), 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 2022 and 2021 is deemed to be a reasonable approximation of their fair value.

2.6.17. Income tax receivables and payables

Income tax receivables of Euro 1,106 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).

Income tax payables of Euro 3,906 thousand as at 31 December 2021 represent the net debit balance of the Company's position with the Tax Authorities due to higher advance payments of current taxes paid (IRES and 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	
	2022	2021
Other non-current liabilities	119	134
Payables to employees	3,567	3,164
Advances from customers	715	1,048
Payables to social security institutions	969	923
Tax payables	629	754
Payables to shareholders for dividends	-	-
Other current payables	376	294
Other current liabilities	6,256	6,183

The item "Other non-current liabilities" refers to the tax credit on fixed assets for the years 2023-2030.

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" increased due to the transfer of previous post-employment benefits to other social security funds.

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 2022 and 31 December 2021, 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	
	2022	2021
A. Cash and cash equivalents	15,315	19,446
B. Cash equivalents	-	-
C. Other current financial assets	1,502	1,460
D. Liquidity (A)+(B)+(C)	16,817	20,906
E. Current financial payable (including debt instruments, but excluding the current portion of non-current financial payable)	(759)	(6,196)
F. Current portion of the non-current financial payable	(19,154)	(9,414)
G. Current financial indebtedness (E)+(F)	(19,913)	(15,610)
H. Net current financial indebtedness (G)+(D)	(3,096)	5,296
I. Non-current financial payable (excluding the current portion and debt instruments)	(22,562)	(17,151)
J. Debt instruments	-	-
K. Other trade payables and other non-current payables	-	-
G. Non-current financial indebtedness (I)+(J)+(K)	(22,562)	(17,151)
M. Total financial indebtedness (H)+(L)	(25,658)	(11,855)

Indel B's financial indebtedness is mainly expressed in fixed rates. Consequently, it is not exposed to the risks related to interest rate fluctuations.

Bank payables increased in 2022; new loans of approximately Euro 29.55 million were taken out. This was necessary to finance the company's growth in turnover and working capital, as well as to finance the payment of the Earn Out to the Brazilian shareholder of Elber Indústria de Refrigeração for Euro 6.9 million, the payment of a dividend amount of Euro 1.00 per share compared to Euro 0.52 in the previous year, and finally to finance the construction of the new factory of the associate Indel Webasto Marine Srl, the new company canteen and the expansion of Indel B's production plant in the municipality of Novafeltria.

It should be noted that there is no longer any payable related to the earn-out on the associate Elber Industria de Refrigeraçao, as it was fully disbursed during the first half of the year (this payable was denominated in Brazilian Real).

The Net Financial Indebtedness as at 31 December 2022 and 31 December 2021 does not include either related party positions or the receivable for the sale of the equity investment in Guangdong Iceco Enterprise. This receivable is recorded under "Other receivables and other current assets". As at 31 December 2021, the receivable was instead recorded under "Other receivables and other non-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 2022 and 2021 is shown below:

(in thousands of Euro)	Financial year ended 31 December	
	2022	2021
Revenues from product sales	149,113	124,068
Sundry revenues	2,722	1,342
Revenues from sales	151,835	125,410

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	
	2022	2021
Europe (excluding Italy)	74,728	61,047
Italy	31,300	28,991
The Americas	39,142	30,951
Rest of the world	3,943	3,079
Revenues from product sales	149,113	124,068

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 2022 and 2021 is shown below:

(in thousands of Euro)	Financial year ended 31 December	
	2022	2021
Government grants	134	337
Foreign currency gains	1,252	672
Compensation, damages and other income	2,057	1,150
Other revenues and income	3,443	2,159

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.

Government grants for the financial year ended 31 December 2021, amounting to Euro 337 thousand, mainly refer to the subsidised loan disbursed by Simest for the purpose of improving the company's capital strength on 19 May 2021.

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; and VI) the release of the provision relating to the tax provision following the submission of the Motion to Settle to the Tax Authorities for which reference should be made to paragraph 2.6.13. "Provisions for risks and charges".

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 2022 and 2021 is shown below:

(in thousands of Euro)	Financial year ended 31 December	
	2022	2021
Purchases of raw materials, consumables and goods	86,666	73,856
Change in inventories	(3,384)	(5,758)
Total	83,282	68,098

The change is mainly related to the increase in revenues, which increased compared to 31 December 2021.

2.7.4. Costs for services

A breakdown of the item "Costs for services" for the financial years ended 31 December 2022 and 2021 is shown below:

(in thousands of Euro)	Financial year ended 31 December	
	2022	2021
Transport	22,118	16,054
Insurance companies	738	684
Consultancy	1,151	1,444
Utilities	769	672
Premiums and commissions	493	352
Customer service costs	583	163
Outsourced work	989	909
Maintenance	988	854
Travel expenses	186	73
Fees to directors and statutory auditors	400	400
Costs for leased assets	53	28
Exhibitions, trade fairs and advertising	725	522
Quality certification costs	231	377
Other costs	1,158	924
Total	30,582	23,458

As at 31 December 2022, costs for services mainly include:

- higher transport costs related to both revenue growth and the inflationary period that is affecting world logistics;
- increased utilities related to increased production and related costs;
- 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 and the company's increased investment in new advertising campaigns;

- higher costs for technical support related to Iveco's campaign; for more details, see paragraph 2.6.13. "Provisions for risks and charges".

2.7.5. Personnel costs

A breakdown of the item "Personnel costs" for the financial years ended 31 December 2022 and 2021 is shown below:

(in thousands of Euro)	Financial year ended 31 December	
	2022	2021
Wages and salaries	14,153	13,157
Social security costs	4,417	3,992
Temporary work	1,713	1,553
Provisions for personnel	1,311	1,024
Other costs	451	236
Total	22,045	19,962

The following table shows the average number of employees of the Company, broken down by category, for the years ended 31 December 2022 and 2021:

(In Units)	Financial year ended 31 December	
	2022	2021
Executives	7	7
Middle Managers	9	8
White-collar workers	70	66
Blue-collar workers	381	355
Temporary workers	85	50
Total	552	486

2.7.6. Other operating costs

The breakdown of the item "Other operating costs" for the financial years ended 31 December 2022 and 2021 is shown below:

(In Units)	Financial year ended 31 December	
	2022	2021
Foreign exchange losses	977	535
Taxation	98	85
Losses on receivables	-	-
Other operating costs	192	221
Total	1,267	535

The item "Foreign exchange losses" refers to the dollar adjustment of financial statement items.

The item "Other operating costs" mainly refers to the purchase of new technology tools such as tablets for production and access points.

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 2022 and 2021 is shown below:

(In Units)	Financial year ended 31 December	
	2022	2021
Depreciation of property, plant and equipment	2,342	2,028
Amortisation of intangible assets	289	346
Depreciation of right of use	484	475
Write-down of receivables and other assets	-	-
Provisions for risks and charges	660	100
Total	3,775	2,949

2.7.8. Finance income and costs

The breakdown of the items "Finance income" and "Finance costs" for the financial years ended 31 December 2022 and 2021 is shown below:

(in thousands of Euro)	Financial year ended 31 December	
	2022	2021
Interest income	374	230
Other finance income	591	1,511
Total finance income	965	1,741
Interest expenses on current accounts, mortgages, loans and rights of use	(459)	(806)
Bank charges and other finance costs	(2,131)	(510)
Total finance costs	(2,590)	(1,316)
Total	(1,625)	425

The item "Interest income" includes interest recognised on the receivable from the sale of the stake in Guangdong ICECO Enterprise.

The item "Other finance income" mainly includes financial exchange rate gains, which decreased compared to last year as the adjustment related to the earn-out debt determined in Brazilian Real is no longer present.

The item "Interest expenses on current accounts, mortgages and loans" no longer includes interest related to the earn-out payable for the acquisition of Elber Indústria de Refrigeração.

The increase 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 2022 and 2021 is shown below:

(in thousands of Euro)	Financial year ended 31 December	
	2022	2021
Income from equity investments	-	10,034
Charges from equity investments	-	-
Dividends	2,704	2,202
Total	2,704	12,236

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.

As at 31 December 2021, we find:

- income from equity investments related to the recognition of the capital gain on the sale of the equity investment in Guangdong ICECO Enterprise; for more details see paragraph 9 "Equity investments";
- dividends distributed by Indel Webasto Marine of Euro 1,500 thousand, by Autoclima Spa of Euro 457 thousand, by Elber Indústria de Refrigeração of Euro 119 thousand and by CondorB Srl of Euro 126 thousand.

2.7.10. Income tax

The breakdown of the item "Income tax" for the financial years ended 31 December 2022 and 2021 is shown below:

(in thousands of Euro)	Financial year ended 31 December	
	2022	2021
Current taxes (IRES, IRAP)	4,091	6,086
Deferred tax assets/liabilities	(284)	(136)
Taxes related to previous years	(11)	(11)
Total	3,796	5,939

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			
	2022	%	2021	%
Pre-tax profit (loss)	15,404	-	24,922	-
Theoretical income tax (IRES)	3,697	24.0%	5,981	24.0%
IRAP	811	4.1%	683	2.7%
Tax effect of permanent differences and other differences	(712)	(4.6%)	(725)	(2.9%)
Taxes	3,796	-	5,939	-
Effective tax rate	-	24.6%	-	23.8%

In 2021, the decrease in taxes compared to the previous year is determined by income from equity investments related to the recognition of the capital gain on the sale of the equity investment in Guangdong ICECO Enterprise; for more details see paragraph 2.6.4. "Equity investments".

2.8. Earnings per share

The following table shows the calculation of earnings per share for the years ended 31 December 2022 and 2021:

(in thousands of Euro)	FY	
	2022	2021
Profit/(loss) for the year (in thousands of Euro)	11,608	18,984
Average number of ordinary shares (in thousands)	5,206	5,700
Basic and diluted earnings per share (in Euro)	2.23	3.33

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 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. For more details, see paragraph 2.6.13. "Provisions for risks and charges".

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.

The effects of non-recurring events and transactions for the financial year ended 31 December 2021 are as follows:

(in thousands of Euro)	As at 31 December 2021	
	Shareholders' equity	Profit/(loss) for the year
Book value (a)	95,995	18,983
Revenues	(7,600)	(7,600)
Costs	323	323
Total effects (b)	(7,277)	(7,277)
Financial statement notional value (a) - (b)	88,718	11,706

The amount of Euro 7,277 thousand (Euro 10,047 thousand gross of the tax effect) refers to non-recurring revenues and costs incurred.

Non-recurring revenues were incurred in relation to:

- disbursement of Euro 232 thousand (Euro 323 thousand gross of the related tax effect) relating to the Simest Capitalisation non-repayable loan;
- release of Euro 36 thousand following the conclusion of the tax assessment settlement of the Secchiano area;
- release of Euro 83 thousand to reduce the estimated risk in reference to the R&D Tax Credit Report on findings for 2015;
- release of Euro 15 thousand (Euro 20 thousand gross of the related tax effect) relating to payables to companies that no longer exist;
- recognition of the capital gain from the sale of the equity investment in Guangdong Iceco of Euro 7,234 thousand (Euro 10,034 thousand gross of the related tax effect).

Non-recurring costs were incurred in relation to:

- extraordinary consultancy of Euro 197 thousand (Euro 274 gross of the related tax effect) mainly for potential acquisitions;

- expenses incurred in relation to the Covid-19 health emergency for prevention of Euro 18 thousand (Euro 25 thousand gross of the related tax effect);
- extraordinary costs incurred of Euro 108 thousand (Euro 150 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 2022, investment commitments amounted to a total of Euro 127 thousand and referred mainly to plant and machinery.

2. Sureties issued in favour of third parties

In 2022, the following sureties are still outstanding:

- on 10 January 2020, for advance VAT refund relating to the third quarter of 2019 in favour of the Regional Tax Authority Department of Emilia Romagna, due on 09 January 2023 of Euro 717 thousand;
- 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 21 April 2022, the Company resolved to distribute a dividend of Euro 1.00 per share for a total of Euro 5,658 thousand. These dividends were paid in full during the year.

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 2022 and 2021:

(in thousands of Euro)	Financial year ended 31 December	
	2022	2021
Board of directors	498	498
Board of Statutory Auditors	52	52
Total	550	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 2022 and 2021:

(in thousands of Euro)		Financial year ended 31 December	
		2022	2021
External audit	PricewaterhouseCoopers S.p.A.	96	96
	PricewaterhouseCoopers S.p.A. network	-	-
Other services	PricewaterhouseCoopers S.p.A.	18	110
	PricewaterhouseCoopers S.p.A. network	-	-
Total		114	206

In 2021, other services is mainly related to Due Diligence costs.

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., Autoclima 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 companies Guangdong Iceco Enterprise Co. Ltd and 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 2022 and 2021, 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		Current financial assets		Non-current financial liabilities		Trade payables		Current financial liabilities	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
Condor B Srl	931	533	-	-	144	185	-	-	(824)	(494)	(941)	(758)	(146)	(56)
Autoclima SpA	-	-	2,500	3,500	167	122	1,000	-	-	-	(831)	(145)	-	-
Autoclima GMBH	-	-	-	-	19	70	-	-	-	-	(4)	-	-	-
Autoclima Russ	-	-	-	-	-	-	-	-	-	-	-	-	-	-
ESC	-	-	-	-	108	19	-	-	-	-	(6)	-	-	-
SEA	-	-	-	-	4	-	-	-	-	-	-	-	-	-
Autoclima Iberica	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Autoclima Polska	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Indel B SpA	-	-	-	-	956	(40)	502	460	-	-	-	-	-	-
Total	931	533	2,500	3,500	1,398	357	1,502	460	(824)	(494)	(1,782)	(903)	(146)	(56)
% weight on financial statement item	4.1%	19.4%	100.0%	100.0%	4.4%	1.4%	100.0%	31.5%	3.7%	2.9%	5.7%	3.0%	2.3%	0.9%

(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	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
Condor B Srl	241	395	206	188	(1,819)	(1,693)	(654)	(693)	-	-	(101)	(59)	(15)	(12)	219	127
Autoclima SpA	855	584	166	90	(3,439)	(2,245)	(107)	(94)	-	-	-	-	85	66	523	457
Autoclima GMBH	1,227	296	17	18	-	-	(20)	(18)	-	-	-	-	-	-	-	-
Autoclima Russ	2	-	-	-	-	-	(2)	-	-	-	-	-	-	-	-	-
ESC	467	99	-	-	-	(0)	(7)	(3)	-	-	-	-	-	-	-	-
SEA	2	-	5	-	-	-	-	-	-	-	-	-	-	-	-	-
Autoclima Iberica	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Autoclima Polska	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Indel B SpA	2,930	2,195	4	-	(3)	-	-	-	-	-	-	-	14	12	-	-
Total	5,724	3,569	398	295	(5,261)	(3,939)	(790)	(807)	-	-	(101)	(59)	84	66	742	584
% weight on financial statement item	3.8%	2.8%	11.5%	13.7%	6.3%	5.8%	2.6%	3.4%	-	-	2.7%	2.0%	-5.2%	15.5%	27.4%	4.8%

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 2022 and 2021, 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	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
Indel Webasto Marine	-	-	1,538	2,967	-	-	(32)	(41)	(7)	(7)
Elber	-	-	-	-	-	-	-	-	-	-
Total	-	-	1,538	2,967	-	-	(32)	(41)	(7)	(7)
% weight on financial statement item	-	-	4.8%	11.8%	-	-	0.1%	0.1%	0.1%	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	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
Indel Webasto Marine	14,051	14,061	427	242	(88)	(110)	-	-	-	-	-	-	1,500	1,500
Guangdong	-	348	-	23	-	(16,351)	-	(66)	-	-	-	-	-	-
Elber	2	-	-	-	-	-	-	-	-	-	-	-	462	119
Total	14,053	14,409	427	266	(88)	(16,461)	-	(66)	-	-	-	-	1,962	1,619
% weight on financial statement item	9.3%	11.5%	12.4%	12.3%	0.1%	24.2%	-	0.3%	-	-	-	-	72.6%	13.2%

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 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 1,500 thousand as at 31 December 2022 (Euro 1,500 thousand as at 31 December 2021) distributed by Indel Webasto Marine.

2. Guangdong Iceco Enterprise Co. Ltd

During 2021, the equity investment of the Chinese company Guangdong Iceco Enterprise Co. Ltd.; for more details, please refer to paragraph 2.6.4. "Equity Investments".

3. 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 2022 and 2021, 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	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
Indel Webasto Marine USA	-	-	-	-	-	-	719	512	-	-	-	-	(1)	-	-	-
B Holding SpA	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Berloni Immobiliare	-	-	-	-	-	-	17	17	-	-	-	-	(10)	(10)	-	-
Immobiliare Sant'Ag	1,254	1,379	-	-	36	36	-	-	-	-	(1,178)	(1,296)	-	-	(118)	(113)
AMP Immobiliare	411	461	-	-	14	14	-	-	-	-	(376)	(424)	-	-	(48)	(46)
Iterby Project Srl	-	-	-	-	-	-	1	-	-	-	-	-	(32)	-	-	-
Iterby Italiana Mobili	-	-	-	-	-	-	108	108	-	-	-	-	-	-	-	-
Società Agricola Berloni	-	-	-	-	-	-	-	-	-	-	-	-	(80)	-	-	-
Total	1,665	1,840	-	-	50	50	845	637	-	-	(1,554)	(1,720)	(123)	(10)	(166)	(159)
% weight on financial statement item	7.3%	67.1%	-	-	13.6%	0.5%	2.6%	2.5%	-	-	6.9%	10.0%	0.4%	0.0%	0.8%	1.0%

(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	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
Indel Webasto Marine USA	7,366	7,753	-	20	-	-	-	-	-	-	-	-	-	-
B Holding SpA	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Berloni Immobiliare	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Immobiliare Sant'Ag	-	-	-	-	-	-	-	-	(1)	(1)	(125)	(125)	(29)	(31)
AMP Immobiliare	-	-	-	-	-	-	-	-	-	-	(51)	(51)	(10)	(11)
Iterby Project Srl	2	1	-	-	(9)	(8)	-	-	-	-	-	-	-	-
Iterby Italiana Mobili	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Società Agricola Berloni	-	-	-	-	-	-	(69)	(55)	-	-	-	-	-	-
Total	7,368	7,754	-	20	(9)	(8)	(69)	(55)	(1)	(1)	(176)	(176)	(39)	(42)
% weight on financial statement item	4.9%	6.2%	-	0.9%	0.0%	0.0%	0.2%	0.2%	0.0%	0.1%	4.7%	6.0%	2.4%	-9.9%

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.

4. 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.

5. 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 new 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 31,000 for the industrial part, approx. Euro 25,800 for the residential part, and approx. Euro 144,000 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.

6. 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 2022 and 2021 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 2022 (Euro 719 thousand in 2021).

The total amount of fees and related charges to strategic executives was Euro 2,282 thousand in 2022 (Euro 2,156 thousand in 2021).

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	
		2022	2021
Fees for the office	Directors' fees including charges	555	558
	Variable Directors' Fees	186	161
Non-monetary benefits	home insurance benefit including charges	33	32
Bonuses and other incentives	variable bonus including charges	399	333
	LTIP	156	150
Other fees	Fixed salaries and attendance fees including charges	953	922
Total		2,282	2,156

2.12. Significant events after the 2022 reporting period

After 31 December 2022 and up to the date of approval of these financial statements, no events have occurred that could have a material impact on the Group's results.

At the end of January, the whole of the Montefeltro region was hit by heavy snowfall, which damaged the roof of one of the parent company's production plants, forcing it to temporarily suspend its activities; the full resumption of production at this plant is currently underway, as is the quantification of the damage suffered, in agreement with the insurance company.

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 during 2022 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	43,669.00	IRES tax saving due to Irap deduction Italian Decree Law no. 185/2008-Italian Decree Law no. 201/2012 (base 2021 tax period of Euro 181,954)	On a cash basis
• TAX AUTHORITIES	106,617.00	IRES tax saving due to Italian Law no. 208/15 et seq. (super-hyper amortisation) (base 2021 tax period of Euro 444,237)	On a cash basis
• TAX AUTHORITIES	180,116.00	IRES tax saving due to ACE facilities (base 2021 of return Euro 750,484)	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	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	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	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	On a cash basis
• TAX AUTHORITIES	2,607.59	Recognition of tax credits for methane gas consumption 2nd quarter 2022- (art. 4 of Italian Decree Law no. 21 of 21 March 2022)	On a cash basis

• TAX AUTHORITIES	10,530.17	Recognition of Tax Credits for Energy 2nd quarter 2022 (art. 3 of Italian Decree Law no. 21 of 21 March 2022)	On a cash basis
• TAX AUTHORITIES	908.16	Recognition of tax credits for methane gas consumption 3rd quarter 2022 (art. 6, para. 4, of Italian Decree Law no. 115 of 9 August 2022)	On a cash basis
• TAX AUTHORITIES	27,656.48	Recognition of Tax Credits on Electricity Consumption Dec 22 (art. 1 of Italian Decree Law no. 176 of 18 November 2022)	On an accrual basis
• TAX AUTHORITIES	31,841.09	Recognition of Tax Credits on Electricity Consumption Oct. Nov 22 (art. 1, para. 3 of Italian Decree Law no. 144 of 23 September 2022)	On an accrual basis
• TAX AUTHORITIES	7,826.79	Recognition of Tax Credits on gas consumption Dec 22 (art. 1 of Italian Decree Law no. 176 of 18 November 2022)	On an accrual basis
• TAX AUTHORITIES	3,677.60	Recognition of Tax Credits on Gas Consumption Oct. Nov 22 (art. 1, para. 4 of Italian Decree Law no. 144 of 23 September 2022)	On an accrual basis
• TAX AUTHORITIES	1,810.03	Recognition of Tax Credits on Electricity Consumption 3rd quarter 2022 (art. 6, para. 3 of Italian Decree Law no. 115 of 9 August 2022)	On an accrual basis
• INPS	37,522.96	Permanent hiring incentive Italian Law no. 205/2017	On a cash basis
• INPS	88,604.78	Tax exemption Italian Law no. 178/2020	On a cash basis
• FONDOIMPRESA	13,382.00	Personal training grant from Fondoimpresa	On a cash basis
• FONDIRIGENTI	12,500.00	Personal training grant from Fondirigenti	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 2022:

- fifth instalment of Euro 173,884.45 (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;
- first instalment of Euro 117.93 (including interest) of the subsidised loan of Euro 2,250 disbursed 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.

On 24 June 2022, the company made a partial repayment of Euro 1,029.04 of the 1st instalment of Euro 1,500 disbursed by SIMEST in 2021, of the non-repayable contribution grant ref. Italian Decree Law no. 34 of 19 May 2020 "Rilancio" Decree (Participating 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 and a partial repayment of Euro 1,404.04 of the 1st tranche of the Subsidised Loan of Euro 2,250.00 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; as it was established during the reporting phase that some expenses were incurred on dates not eligible for reporting.

Moreover, the company recognised the following tax credits for investments in new capital goods in 2022, the first instalment of which will be used in 2023.

• TAX AUTHORITIES	13,000.00	Tax credit 10% Italian Law no. 178/2020 for non-4.0 property, plant and equipment to be used in 3 instalments of Euro 4,333.33 each	On an accrual basis
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2.13.2. Paragraph 126 - Acts granting subsidies, contributions, economic benefits

It is acknowledged that during the year under review, the company did not formalise any acts granting subsidies, contributions, grants and economic benefits to natural persons and public and private entities.

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 2022 with a profit for the year of Euro 11,607,604, which we propose to allocate as follows:

- Euro 6,934,004 to the extraordinary reserve;
- up to a maximum of Euro 4,673,600 to distribute to the shareholders a dividend for 2022 of Euro 0.80 per share, gross of withholding taxes, with an ex-dividend date of 5 June 2023 and payment on 7 June 2023 and with a legitimization date (6 June 2023) to receive the dividend, pursuant to Article 83-terdecies of the Consolidated Law on Finance.

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 2022.

Sant'Agata Feltria, 28 April 2023
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 2022.

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.

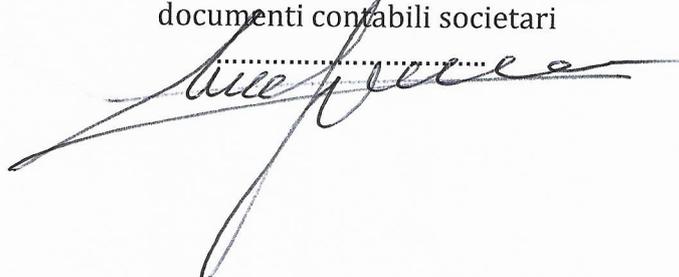
3.1 La relazione sulla gestione comprende un'analisi attendibile dell'andamento e del risultato della gestione, nonché della situazione dell'emittente, unitamente alla descrizione dei principali rischi e incertezze cui sono esposti.

Sant' Agata Feltria 28/04/2023

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) 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 (di seguito, la "Società"), costituito dalla situazione patrimoniale-finanziaria al 31 dicembre 2022, dal conto economico, dal conto economico complessivo, dal prospetto delle variazioni del patrimonio netto e dal rendiconto finanziario per l'esercizio chiuso a tale data e dalle note esplicative al bilancio che includono anche la sintesi dei più significativi principi contabili applicati.

A nostro giudizio, il bilancio d'esercizio fornisce una rappresentazione veritiera e corretta della situazione patrimoniale e finanziaria della Indel B SpA al 31 dicembre 2022, 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 ed 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

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Aspetti chiave

Procedure di revisione in risposta agli aspetti chiave

Valutazione delle partecipazioni in società controllate e collegate

(Si vedano la Nota 2.3 - “Criteri applicati nella valutazione delle voci di bilancio” e la Nota 2.6.4 - “Partecipazioni” delle note esplicative al bilancio d’esercizio)

Il valore delle partecipazioni in società controllate e collegate al 31 dicembre 2022 ammonta a circa Euro 42,6 milioni, pari al 23% del totale attivo patrimoniale.

Con riferimento a tale voce di bilancio, gli Amministratori hanno svolto un’analisi volta ad individuare la presenza di eventuali indicatori di perdite di valore e, ove applicabile, 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, ed il valore d’uso. Quest’ultimo è stato stimato mediante il metodo di attualizzazione dei flussi di cassa attesi (“*Discounted Cash Flow*”). La stima di cui sopra si basa sui dati previsionali, così come redatti dagli Amministratori delle società controllate o collegate.

Lo svolgimento dell’*impairment test* è caratterizzato da un elevato grado di giudizio ed incertezza, con particolare riferimento alla:

- determinazione dei flussi di cassa operativi attesi, che devono tener conto di fattori macroeconomici, prospettive future e risultati passati registrati dalla società controllata o collegata;
- identificazione delle assunzioni tecniche da utilizzare per la costruzione del tasso di attualizzazione dei flussi di cassa di cui al punto precedente.

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.

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 dell’analisi preliminare svolta dalla Società al fine di individuare la presenza di eventuali indicatori di perdite di valore;
- la comprensione dei processi adottati dagli Amministratori delle società controllate o collegate nella predisposizione dei flussi di cassa attesi;
- 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, tenendo anche in considerazione, ove applicabili, gli eventuali effetti derivanti dal conflitto russo-ucraino;
- il confronto delle assunzioni del *management* con i dati storici e con quanto desumibile da fonti esterne;
- 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’*impairment test*, inclusa la ragionevolezza dei tassi di attualizzazione 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 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 ad 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 ed 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 ad 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 ad 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 ad 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 2022, 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 2022 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 39/2010 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 2022, 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 n° 58/1998, con il bilancio d'esercizio della Indel B SpA al 31 dicembre 2022 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 2022 e sono redatte in conformità alle norme di legge.

Con riferimento alla dichiarazione di cui all'articolo 14, comma 2, lettera e), del DLgs n° 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, 29 aprile 2023

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, C.C.)

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 2022:

- 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, C.C.

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 e 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 2022 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 2022 il Collegio Sindacale ha:

- tenuto 5 riunioni, alle quali hanno partecipato tutti i membri in carica;
- partecipato alle 7 riunioni tenute dal Consiglio di Amministrazione;
- partecipato alle 4 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 e 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 rileva quanto segue:

- il Gruppo INDEL B – principalmente per il tramite delle società controllate AUTOCLIMA S.p.A. e AUTOCLIMA RUS LLC. – effettua vendite dei propri prodotti a società di diritto russo; tali vendite devono essere effettuate nel rispetto delle disposizioni, di fonte unionale, che impongono restrizioni di carattere soggettivo (i.e. afferenti ai soggetti nei confronti dei quali le vendite non possono essere effettuate) oppure di carattere oggettivo (i.e. afferenti ai beni che non possono essere oggetto di vendita);
- al fine di operare nel rispetto di tali disposizioni normative il Gruppo INDEL B ha posto in essere – nell'ambito del proprio sistema di controllo interno – una serie di procedure e di presidi;
- con lettera datata 12 aprile 2023 la società PricewaterhouseCoopers S.p.A. ha informato il Consiglio di Amministrazione ed il Collegio Sindacale che, nel corso dell'attività di revisione legale del bilancio consolidato di INDEL B da essa svolta, a seguito dell'effettuazione di controlli a campione sulle vendite effettuate da

AUTOCLIMA S.p.A. ed AUTOCLIMA RUS LLC. sono emerse alcune vendite che sarebbero risultate in “presunta violazione” delle disposizioni normative più sopra richiamate;

- a seguito di tale comunicazione il Consiglio di Amministrazione ha: (i) sottoposto ad attenta revisione le proprie procedure di controllo al fine di verificare l'esistenza di eventuali carenze nei presidi finalizzati ad eliminare il rischio di commettere violazioni alle richiamate disposizioni (“Rischio”); ed avendo accertato l'esistenza di alcune carenze (ii) avviato tempestivamente iniziative finalizzate a porvi rimedio, quali l'aggiornamento dell'elenco dei principali rischi identificati e, soprattutto, la istituzione, già avvenuta, di una nuova, assai stringente, procedura da applicarsi alle vendite effettuate nei confronti di AUTOCLIMA RUS LLC. e la predisposizione, in corso di attuazione, di una più ampia procedura di “export control” e di una procedura finalizzata a disciplinare l'esportazione in Russia di beni con codici TARIC attenzionati ai sensi del Regolamento delegato UE n. 66/2023 in materia di prodotti a “dual use”.

Il Collegio Sindacale:

- si è prontamente attivato ed ha mantenuto nel corso di questo periodo una interlocuzione costante e quotidiana con il Consiglio di Amministrazione di INDEL B al fine di valutare l'efficacia delle azioni da esso poste in essere per rimediare, con riferimento al Rischio, alle carenze emerse nel sistema di controllo interno e di gestione dei rischi;
- continuerà a vigilare – anche mediante costante interlocuzione con l'amministratore incaricato del sistema di Controllo Interno e dei Rischi e con il responsabile della funzione di Internal Audit – al fine di verificare che le azioni intraprese dal Consiglio di Amministrazione siano efficaci.

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 2022 l'O.d.V. si è riunito 9 volte 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 Graziano Verdi.

Il Consiglio di Amministrazione ha costituito al proprio interno:

- il Comitato per la Remunerazione, composto: da Fernanda Pelati (Presidente), Graziano Verdi e Claudia Amadori;
- il Comitato Controllo e Rischi composto da Graziano Verdi (Presidente), Fernanda Pelati e Claudia Amadori;
- il Comitato per le Operazioni con Parti Correlate, composto dagli amministratori indipendenti.

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 29 aprile 2023 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 2022 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 2022 rappresentano in modo veritiero e corretto, con riferimento rispettivamente alla Società e al Gruppo, la situazione patrimoniale e finanziaria al 31 dicembre 2022, 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 2022 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 2022.

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 2022 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 2022 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 2022 dal Collegio Sindacale

Il Collegio Sindacale nel corso dell'esercizio 2022 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 2022 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.

29 aprile 2023

Il Collegio Sindacale

Sergio Marchese (Presidente)

Emmanuel Perakis (Sindaco Effettivo)

Nicole Magnifico (Sindaco Effettivo)



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