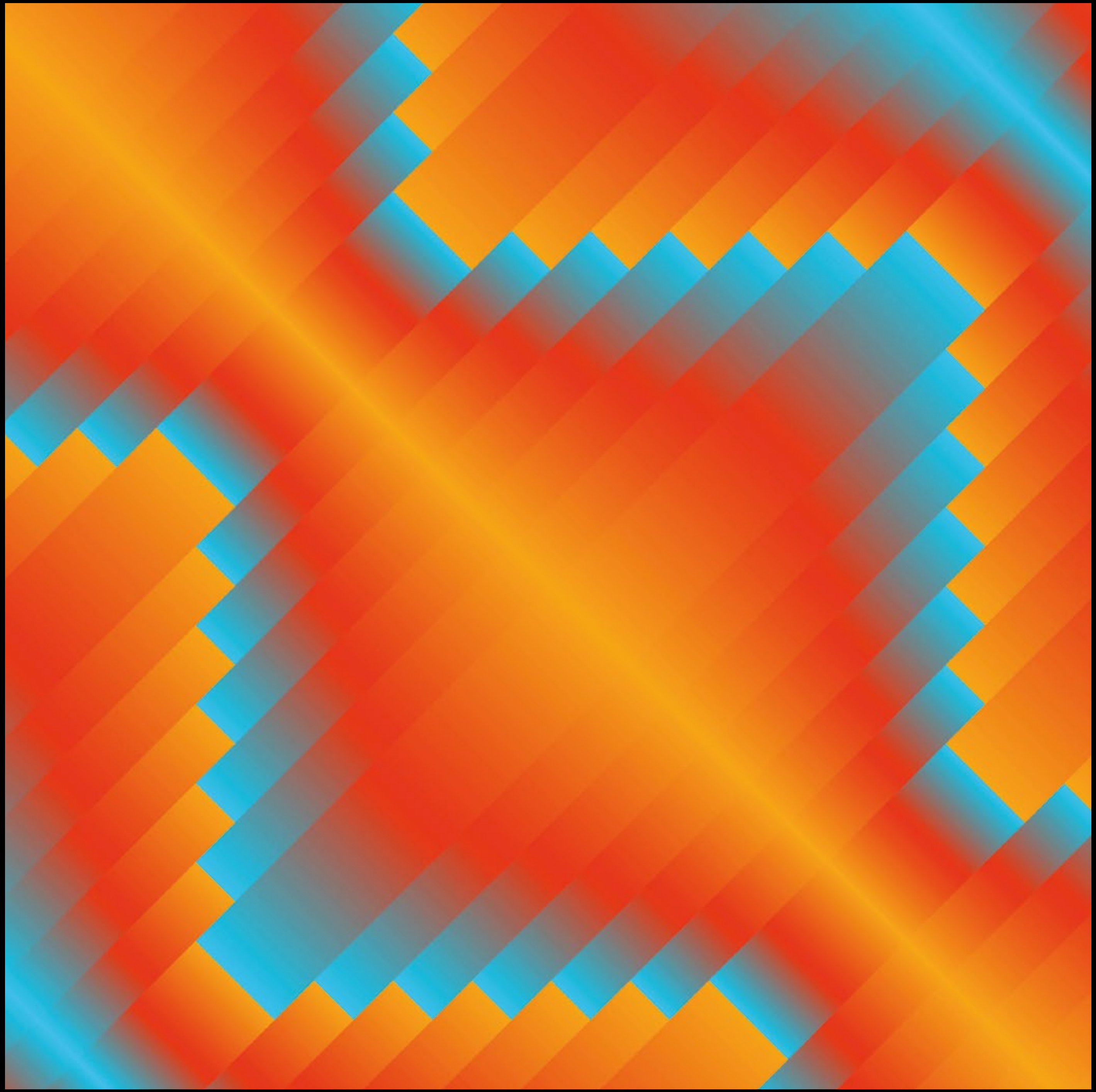
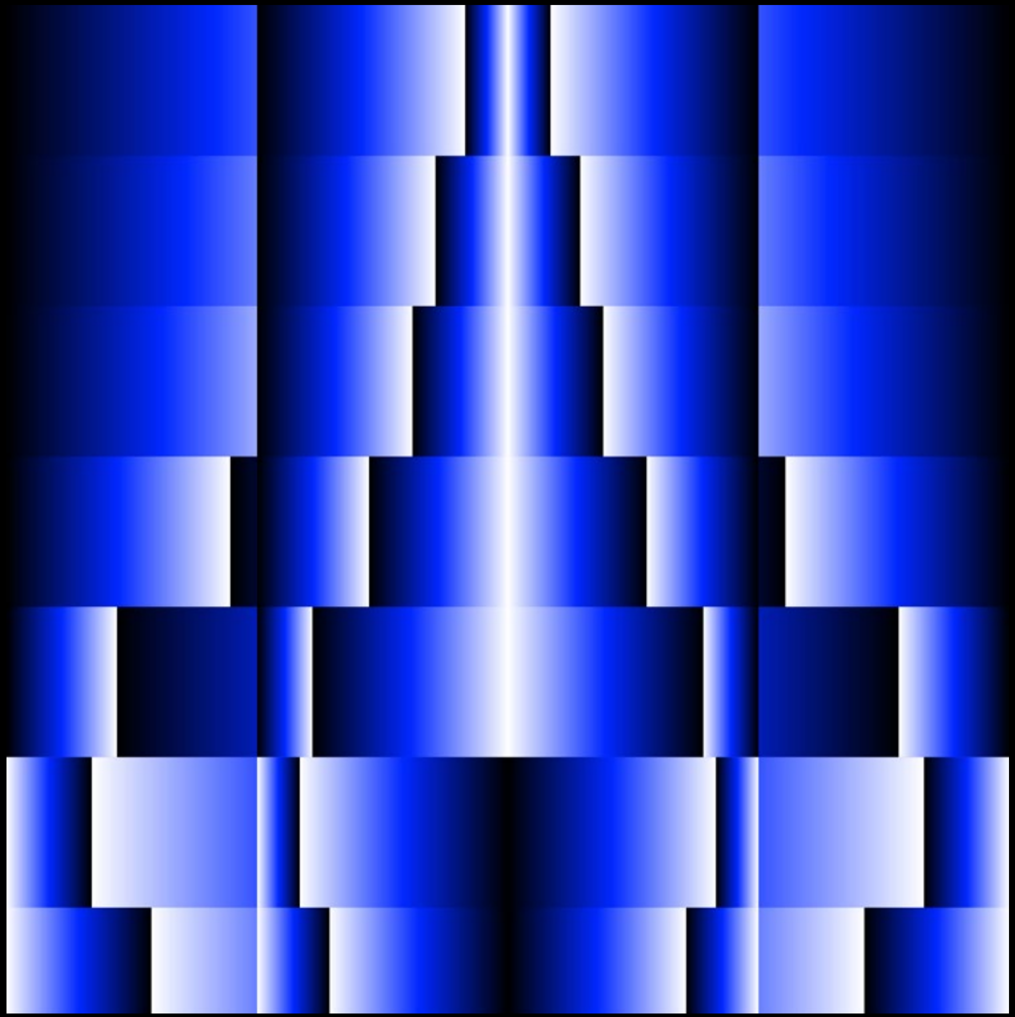


TOGETHER, BEYOND.

2025 INTEGRATED
ANNUAL REPORT

elica

Index.
2025 integrated annual report.



Introduction.

Index.
Introduction.

Together, Beyond.

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

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

Together, for a responsible and innovative future.

1. Message to the Stakeholders.

Dear Stakeholders,

2025 was a decisive year for Elica. A year in which we chose to accelerate, to invest, and to radically transform the way in which we compete and create value.

In a market environment which continues to be one of the most complex of the last decade – with volumes at their lowest and unprecedented pricing pressures – we decided not to step back, but to lay the groundwork for our future.

The product innovation, new identity and projects launched over the past two years are significantly bolstering our positioning in the Cooking world. New products and the strengthening of direct distribution in Europe and North America drove growth and were tangible proof of the validity of our strategic vision.

We have delivered in 2025 growth in both divisions and an extended global presence. In Cooking, the contribution of new products doubled for the second year in a row to reach about 7% of brand revenue – a fact that testifies to the quality of our decisions and the ability of our organisation to roll them out rapidly. The success of LHOV confirms the power of our innovation and the increased recognition of our brand within the Cooking segment.

Our 28% stake in Steel represents a key step forward in our strategic evolution. This partnership enhances our presence in the premium segment and broadens our Cooking offer, enabling us to accelerate the development of integrated, high-value solutions. The transaction fits with our long-term vision and with our goal of continuing to become a leading player on the global Cooking market.

In the Motors Division, we are responding with determination to the uncertainties in the marketplace and heightened competitive pressures in Asia, including by investing in a pipeline of new applications and by gradually expanding the scope of our business into high-potential segments. Our acceleration into the Heating segment and the development of new channels demonstrate the strength of this strategy, with significant results over the medium term.

It is evident that such a radical change has had an impact on short-term margins, but transformation does not happen without investment. Today, we are bearing the cost of daring decisions that we believe are key to strengthening our competitive positioning and creating value over the medium term.

We have chosen to look beyond the short term, investing today to establish the conditions needed for growth tomorrow. We are, one step at a time, building a more robust, more innovative business that is more in touch with the market in which we operate.

We thank all of you – our shareholders, customers, suppliers, employees and all our partners – for your trust in us and your constant support. It is working together that has made this transformation possible.

With determination and confidence in the future.

Francesco Casoli | Chairperson
Giulio Cocci | Chief Executive Officer

2. Highlights.

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

460.6 mln
Revenue 2025

27.7 mln
Adjusted EBITDA

4.6 mln
Adjusted EBIT

~2,434
Employees

47.6%
Women

2 Business Unit

COOKING

MOTORS

7 factories
on 3 continents

ITALY, POLAND, MEXICO, CHINA

1,014
Patents

455
relating to cutting-edge technologies

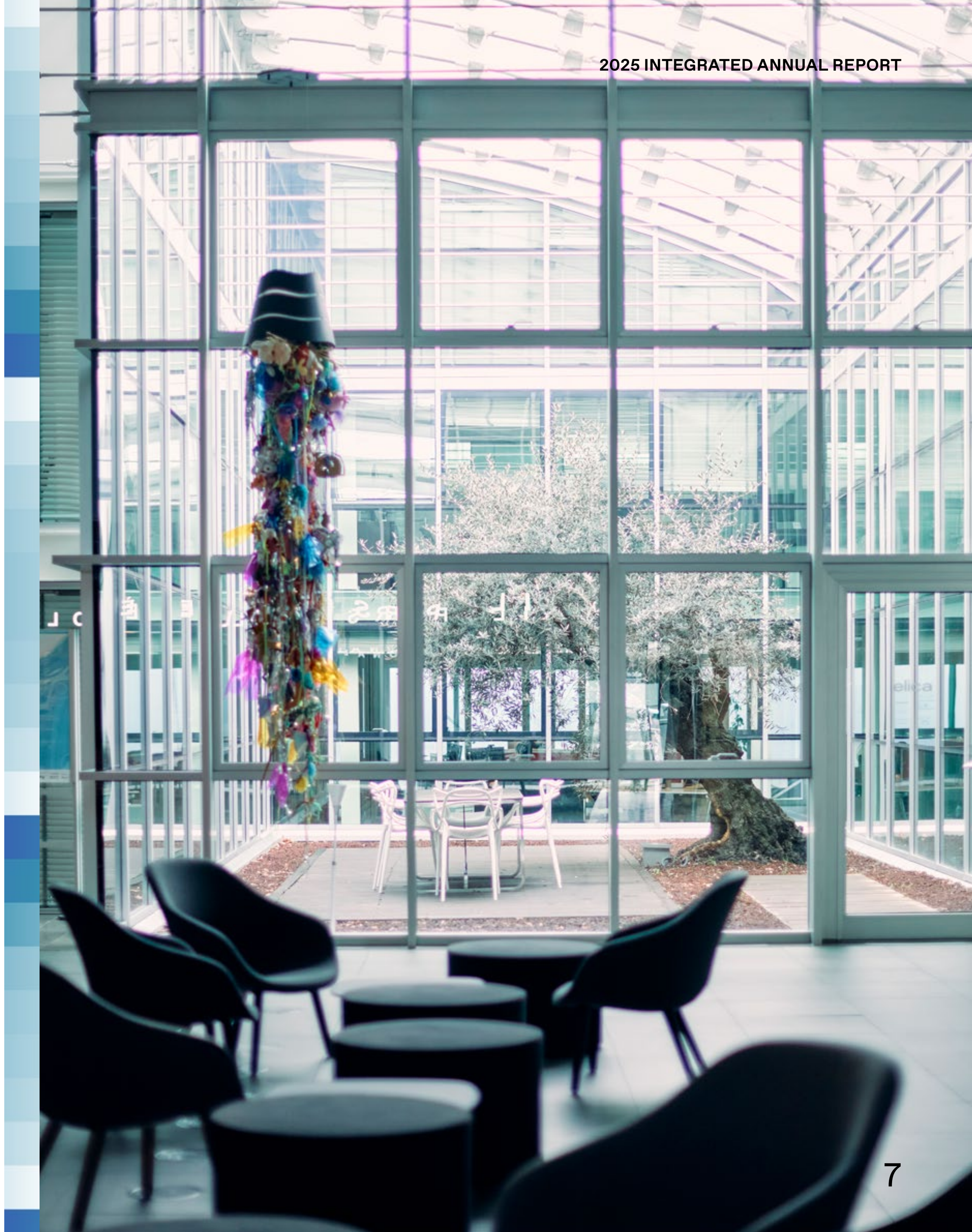
559
relating to new design solutions

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

GLOBAL LEADER
IN KITCHEN EXTRACTOR SYSTEMS.

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

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



A decade of choices that have shaped Elica's strategy

DEVELOPMENT OF AN OWN BRAND

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

LEADERSHIP IN EUROPE

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

ENTRY INTO THE EXTRACTOR HOB MARKET

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

PROFITABILITY TURNAROUND

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

COOKING TRANSFORMATION

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

ACQUISITION OF EMC

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

"BOOTS ON THE GROUND"

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

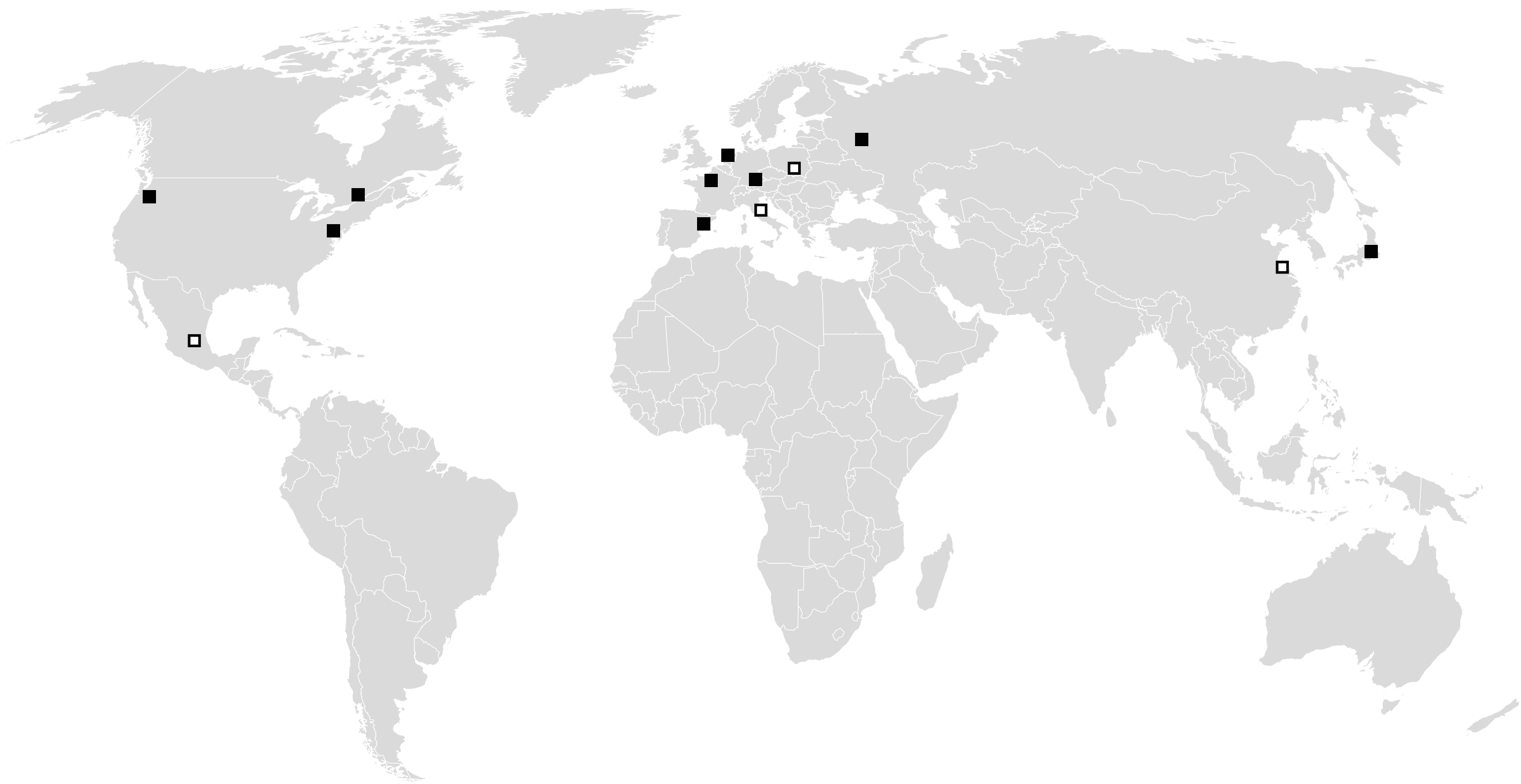
MOTORS DIVISION GROWTH

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

4. International expansion.

ITALIAN HEART, INTERNATIONAL PRESENCE.

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



■ DIRECT PRESENCE
□ PRODUCTION NETWORK

ITALY

ELICA S.P.A.
- ■ FABRIANO
- ■ MERGO

EMC FIME S.R.L.
CASTELFIDARDO

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

GERMANY

ELICA GmbH
LOHNE

FRANCE

ELICA FRANCE S.A.S.U.
PARIS

SPAIN

ELICA S.P.A.
BARCELONA

THE NETHERLANDS

ELICA NEDERLAND B.V.
HAREN, GRONINGEN

POLAND

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

MEXICO

ELICAMEX S.A. DE C.V.
QUERÉTARO

RUSSIA

ELICA TRADING LLC
ST. PETERSBURG

CANADA

A.G. INTERNATIONAL INC.
MONTREAL, QUÉBEC

JAPAN

ARIAFINA CO. LTD.
SAGAMIHARA-SHI

CHINA

ELICA HOME APPLIANCES (ZHEJIANG) CO., LTD
SHENGZHOU

USA

ELICA INC.
ISSAQUAH, WASHINGTON

ELICA NORTH AMERICA, INC.
NEW CASTLE, DELAWARE

FOCUS ON

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

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

Giulio Cocci, Elica CEO

Direct control of distribution channels also drives growth and expansion. This is why, since 2023, Elica has handled distribution directly in Canada, with the acquisition of AG International, and in the United States, with the establishment of Elica North America, Inc. The goal is to act as a single distributor of Elica brands and broaden our product offering with complementary products and brands in the Cooking segment. In this direction, we agreed an important partnership during the year with our 28% stake in Steel Srl, an Italian company specialised in the production of high-end range cookers and outdoor solutions.

The transaction strengthens the Elica Group’s foothold in the premium cooking segment, accelerating penetration into high-potential markets such as the United States and Canada, with a key product for the American market.

The new distribution strategy, expanded product range, and existing partnerships drove sales in North America from Euro 5.7 million in 2019 to Euro 24 million in 2025 (+20% vs. FY 2024).

With regard to Europe, in addition to our focus on the distribution of new cooking products, the Group is strengthening our coverage of new markets in order to tap into additional opportunities in the segment of aspiration systems in which we are already leaders.

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

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

Luca Barboni, Managing Director Cooking Division

5. Cooking and Motors: two synergistic divisions.

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

As a global producer of household cooking appliances, our approach to research and development centres around the integration of technology, performance, and user experience, with the goal of anticipating market needs and transforming innovation into true value by focusing on design, efficiency and ease-of-use. This dual soul allows Elica to harness cross-sectoral expertise, create innovation, and ensure competitive advantage by offering increasingly efficient, integrated, and future-oriented products.

Cooking division

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

COOKING DIVISION

78% of total 2025 revenues from external customers

of which

60% own brands

40% third-party brands

FOCUS ON

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

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

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

Francesco Casoli, Chairperson of Elica

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

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

Giulio Cocci, Elica CEO

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

The process of bringing the new product line to the market is having a positive impact on revenue growth, now accounting for approximately 7% of total brand revenue in the Cooking segment.

The partnership with Steel will further support growth in the Cooking segment with a complementary category of high-margin products that are fundamental to the North American market.

Motors division

EMC FIME

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

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

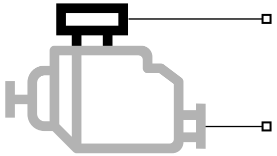
The know-how we have built over more than 40 years of doing business and managing the entire production process has enabled the Group to achieve major results in terms of both performance and energy efficiency.

MOTORS DIVISION

22%

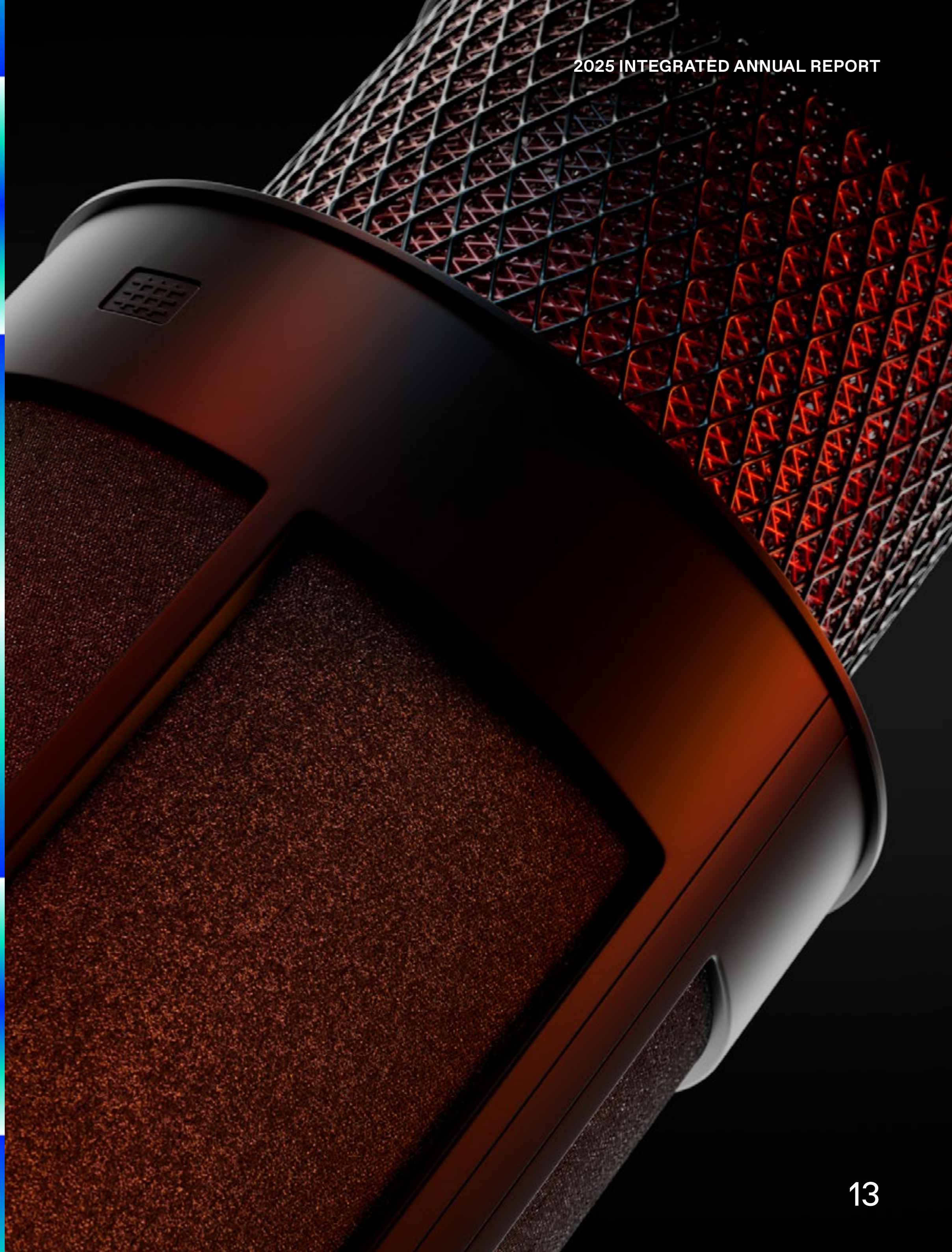
total 2025 towards external customers

TOTAL PRODUCTION



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

83% **for external customers**



FOCUS ON

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

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

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

Giulio Cocci, Elica CEO

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

This expansion means that Elica is no longer simply a leader in range hoods, but also a key, active player in the energy transition of the HVAC (Heating, Ventilation, and Air Conditioning) sector. We are now focused on optimising the use of this technology also in other applications so as to diversify and tap into new opportunities, including the development of motors for refrigeration and mechanical ventilation systems.

6. Expansion through targeted and synergistic M&A.

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

Specifically:

COOKING DIVISION

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

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

TRANSFORMATION AND SUSTAINABLE GROWTH

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

PROFITABILITY TURNAROUND

2021-2023

FOCUS

COST REDUCTION
Change the Profitability profile of Elica Group

ACTIONS

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

DRIVING TRANSFORMATION

2024-2026

FOCUS

BUSINESS TRANSFORMATION
Building Long-Term Growth Fundamentals

ACTIONS

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

ACCELERATING GROWTH

2027-2030

FOCUS

GROWTH
Exploit Opportunities & Value Creation

ACTIONS

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

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

7. People-centred in all we do.

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

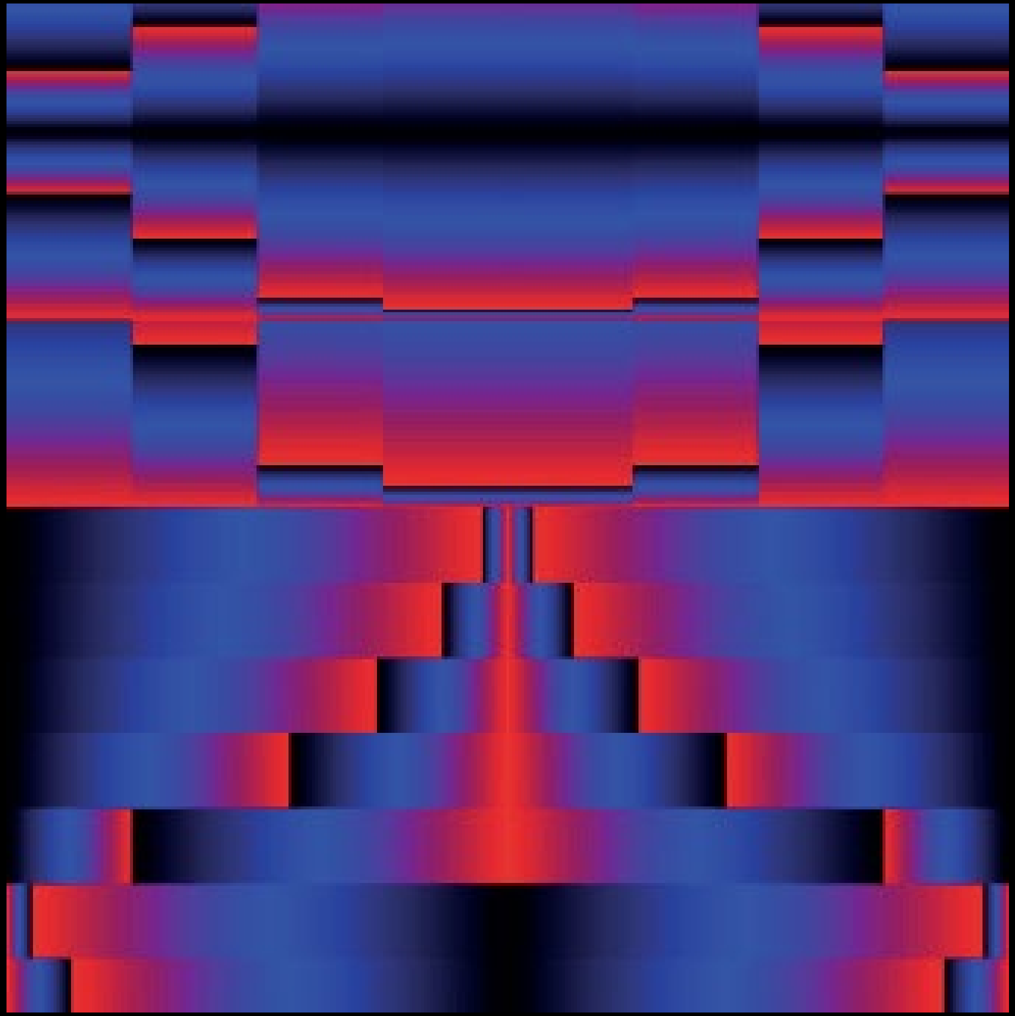
Everything we do is centred on the human being, with home appliances capable of bringing the best performance to every kitchen, and through commitments that involve action, choices and goals that make our journey a human one before a professional one.

F
E C

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

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

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



A. 2025 Directors' Report

DECEMBER 31, 2025

Index.
Directors' Report.

A.1. The Elica Group today.

Elica, a market player for over 50 years, is the leading global manufacturer of kitchen aspiration systems, thanks to the production of range hoods and extractor hobs. It is also the leading European manufacturer of electric motors for home appliances and heating boilers. Chaired by Francesco Casoli and led by Giulio Cocci, the Group has seven plants, including in Italy, Poland, Mexico and China and employs approx. 2,500 people. A meticulous care for design and a judicious choice of high-quality materials and cutting-edge technology to guarantee maximum efficiency and low energy consumption make the Elica Group the prominent market figure it is today. This has enabled the Group to revolutionise the traditional image of kitchen extractor systems: they are no longer seen as a simple accessory but as a design element that improves the quality of life.

A.2. 2025 Economic overview and Outlook for 2026[1].

A.2.1. International developments

In a constantly evolving global landscape marked by continuing uncertainty, the global economy has continued to post modest yet resilient growth. In 2025, global growth settled at 2.7%, in line with the previous year, supported by increasing investment in advanced technologies, particularly in areas related to artificial intelligence, but held back by heightened uncertainty in terms of economic policy and by ongoing trade tensions. After a 2024 marked by a slowdown in global trade, by the long wave of rising interest rates, and by tensions on the energy markets inherited from the previous two years, 2025 showed signs of a gradual return to stability. The gradual reduction of inflation (towards 3.2%), the adjustment of the commodities markets, the temporary acceleration of international trade in response to the impending new tariffs in the U.S., and the progressively more favourable lending conditions all contributed to maintaining international growth at moderate levels[2].

For 2025-2027, the International Monetary Fund has forecast growth in the range of 3.1%–3.3%, with inflation gradually returning towards 3.5%–4% and downside risks should AI productivity be lower than expected or should geopolitical tensions trigger further volatility in the markets and in commodity prices[3].

For 2026, growth is expected to slow slightly, to around 2.6%, in line with an end to the effects of front loading seen in 2025 and with the full effect of U.S. tariffs, which have brought average tariff levels to all-time highs (with a peak of 28% in the spring of 2025 before stabilising at around 17%). In 2027, economic activity is expected to stabilise at slightly higher levels, at around 2.7%, driven by a gradual improvement in international trade and by the continuation of less restrictive lending conditions[4].

In terms of prices, global inflation has continued to decline in 2026, supported by the normalisation of the energy markets and by the cooling of demand for goods, although with some variation between the advanced and emerging economies.

With regard to commodities, the average Brent price is expected to fall year on year due to lower demand and more ample supply, whereas gold, after the sharp increase posted in 2025, is expected to remain stable over 2026–2027, reflecting a more prudent stance by investors and the ongoing geopolitical uncertainty. Agriculture prices remain stable over the medium term, but with potential upward pressures from extreme climate events.

After the 3.4%[5] expansion in 2025, global trade is expected to slow to 2.2% in 2026, before recovering to 2.7% in 2027. Having remained high despite the temporary US-China agreement, the US-Mexico-Canada Agreement (USMCA), and the elimination of certain agriculture tariffs, tariffs will continue to affect the geographic distribution of trade and the costs of global value chains, favouring greater diversity in exports and increasing competitive pressures on systems with a greater dependence on the U.S. market.

Growth forecasts remain subject to a diverse range of risks. An intensification of the conflicts in Ukraine and the Middle East could lead to new shocks in terms of energy, logistics, and consumer confidence and have a negative impact on global growth. For financial markets, a sudden repricing of risk could be seen in the

1. Sources: IMF, *World Economic Outlook* (Oct. 2025; Jan. 2026); : World Bank, *Global Economic Prospects, January 2026*; *Economic Bulletin* No. 1/2026 (Jan. 2026)
2. World Bank, *Global Economic Prospects, January 2026*
3. IMF, *World Economic Outlook* (Oct. 2025; Jan. 2026)
4. World Bank, *Global Economic Prospects, January 2026*
5. Trade growth of 4.1% in 2025 and of 2.6% in 2026 according to the IMF, *World Economic Outlook* (Jan. 2026)

cost of capital and in demand, while extreme climate events and water stress could impact food safety and lead to higher food prices, particularly in lower-income countries. At the same time, the reduction of official development assistance (ODA) may increase the macro-financial vulnerability of many economies and could heighten the risk of instabilities[6].

Looking to Europe, a comparison with 2024 points to a landscape of slow but continuing improvement. In 2025, GDP for the area grew slightly, driven by a recovery in the service sector and by more favourable lending conditions. This was offset by a manufacturing sector faced with ongoing challenges due to relatively high energy costs and a competitive climate being put to the test by the reorganisation of global supply chains and by heightened competition from outside the EU (particularly China). Inflation has settled at around 2% and is expected to remain stable over the medium-term, having surpassed that threshold significantly in 2024. Credit tensions, too, have lessened, with a cost of financing remaining essentially stable and the demand for long-term loans recovering slightly. The European Central Bank has also confirmed a pause in monetary policy moves in a landscape of continuing high levels of uncertainty[7].

Growth for the area is expected to remain modest (at around 1.3% in 2026 and 1.4% in 2027), reflecting the persistent weakness of manufacturing and the slowing of international trade, especially in terms of lower levels of trade with the United States and more restrictive budgets than in the past. Although critical issues remain over the medium term, such as the persistent competitiveness of China in high-tech and energy-related sectors, the delayed effects of US tariffs on the volumes of imports and exports and on margins, as well as the heightened sensitivity to natural gas and other energy prices, gradual recovery is expected in the eurozone in 2027 as international uncertainty lessens and foreign demand improves[8].

In Italy, GDP returned to slight growth in the second half of 2025, closing at +0.7%[9] according to ISTAT's figures, supported by investments (favoured in part by tax incentives, improved lending conditions, and the execution of NRRP-related projects) and by the positive contribution of exports, although to varied effect from one sector to another. Household consumption remained modest, with the propensity to save surpassing pre-pandemic levels. Inflation has fallen below the average for the eurozone, settling at around 1–1.5% at the end of 2025 as a result of falling energy prices.

6. World Bank, *Global Economic Prospects, January 2026*
7. World Bank, *Global Economic Prospects, January 2026*
8. IMF, *World Economic Outlook* (gen. 2026); *Economic Bulletin* no. 1/2026 (Jan. 2026)
9. ISTAT: *Q4 2025 Preliminary GDP Estimate*

Forecasts by the Bank of Italy point to growth of around 0.6–0.7% for 2026, with inflation at around 1.4–2.0% and a gradual strengthening expected for 2027–2028 with the completion of public-sector investments and the further normalisation of global value chains. Consumption is expected to recovery slowly, but risks remain over the medium term due to uncertainties surrounding international trade, tariffs, and competition from outside the EU in the most exposed manufacturing segments[10].

A.2.2 The market for extractor systems and motors

Global demand in the target market of the Elica Group closed 2025 with a further drop in volumes compared to 2024.

Starting with Cooking, which accounts for 78% of the Group's sales, the European kitchen hoods market, after already declining consecutively for more than three years, saw 2025 close broadly in line with 2024. Markets in western Europe, where Elica's market share is greatest, such as Italy, France and Germany, experienced a decline of around 4%, whereas markets in eastern Europe recorded growth of around 3%.

The American market also showed no signs of recovery, posting a further year-on-year drop of around 4% in volumes, particularly in the U.S. and mainly concentrated in the second half of 2025, which saw a decline of 10% compared to the same period of the previous year.

The market for aspirating hobs, on the other hand, again in 2025 posted growth of approximately 15% over the previous year, but this is a category where volumes are much lower than those of the kitchen hoods market (ratio of approximately 1:10).

10. IMF, *World Economic Outlook* (Jan. 2026); *Economic Bulletin* no. 1/2026 (Jan. 2026)

The market landscape in 2025, with continuing high levels of inflation and a scarce propensity for consumer spending, again saw a strong impulse in marketing and increasingly aggressive competition, which had a negative impact on average market prices.

Again in 2025, the Heating market, which is the core of our Motors division, posted a contraction, impacted, once again, by a slowing of household demand and by regulatory uncertainty related to the energy transition.

In this landscape, the Group closed 2025 with revenue growth in both divisions, with our geographic penetration broadening and with our most extensive product ranges in both Cooking and Motors. The Cooking segment has accelerated and consolidated the path which is transforming its way of competing on the market. The product innovation, new identity and projects launched over the past two years are significantly bolstering the Group's positioning in the Cooking world; the new products and the new distribution have been the engine of growth and behind the solidity of Elica's vision. This is borne out by the Cooking segment, in which the contribution from new products doubled for the second consecutive year to 7% of brand sales. We are moving in the right direction and the direct distribution spend in North America and Europe will further drive growth.

In the Motors Division, whose revenue also grew, the Group is responding to aggressive Asian competition with a pipeline of new applications under development that will see us enter high-potential segments, gradually expanding the scope of the business and whose results shall emerge by 2027.

For 2026, the market outlook for the sector is for a challenging year with ongoing uncertainty, driven by geopolitical tensions and by increasingly aggressive competition. This instability is leading to heightened uncertainty which, in turn, is driving consumers to hold off on or renounce major purchases. Therefore, on the whole, the market in 2026 is expected to remain stable compared to the prior year.

A.3. Currency markets.

In 2025, the Euro at average exchange rates weakened against the Polish Zloty and the Russian Ruble, while strengthening against all other currencies.

	Average 2025	Average 2024		12/31/2025	12/31/2024	
EUR	1.00	1.00	0.00%	1.00	1.00	0.00%
USD	1.13	1.08	4.63%	1.18	1.04	13.46%
PLN	4.24	4.31	(1.62%)	4.22	4.28	(1.40%)
RUB	94.48	100.79	(6.26%)	93.42	114.80	(18.62%)
CNY	8.12	7.79	4.24%	8.23	7.58	8.58%
MXN	21.67	19.83	9.28%	21.12	21.55	(2.00%)
CAD	1.58	1.48	6.76%	1.61	1.49	8.05%
JPY	169.04	163.85	3.17%	184.09	163.06	12.90%

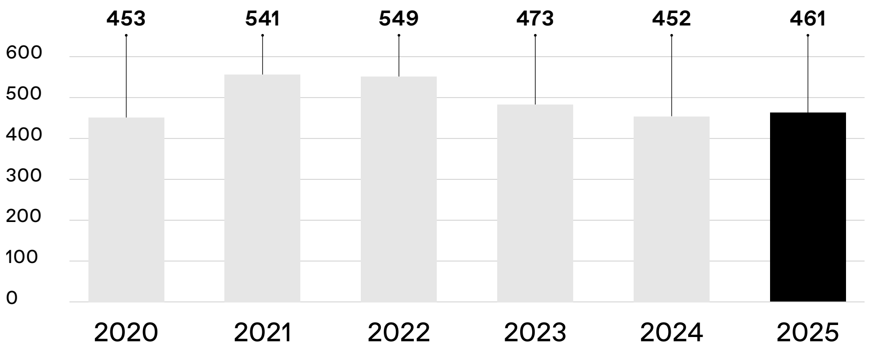
Source: ECB data

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

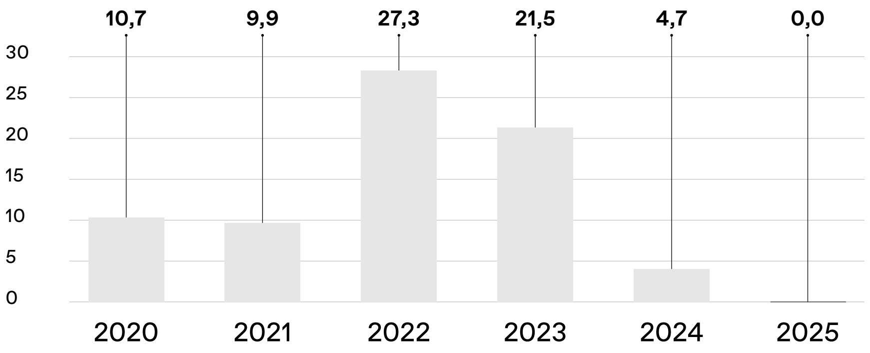
A.4. The Elica Group: Operating results and performance.

A.4.1. Financial highlights

REVENUES / NET SALES (M€)

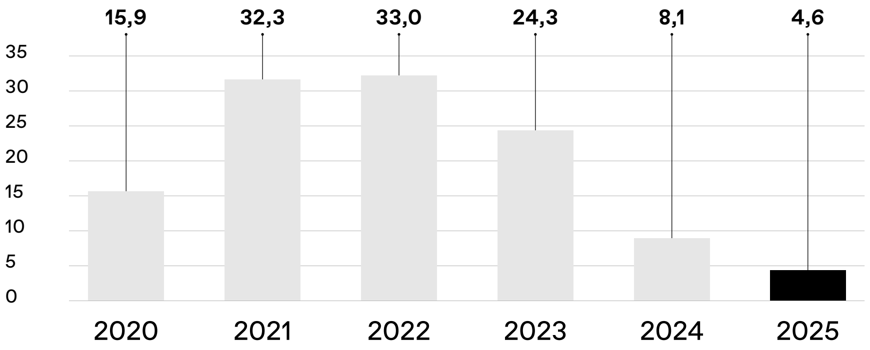


EBIT (M€)



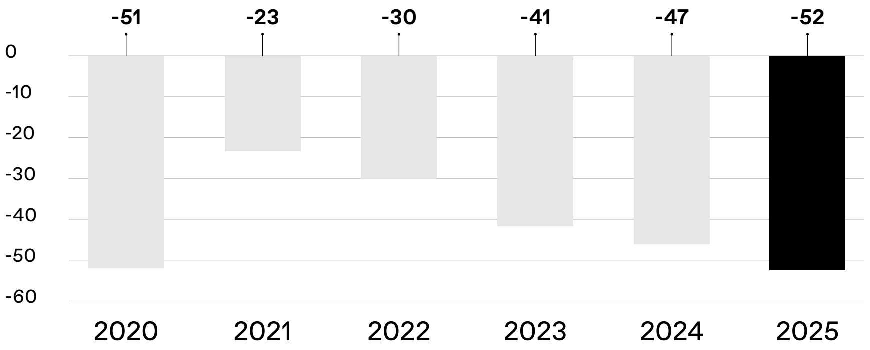
EBIT ADJUSTED

(M€)



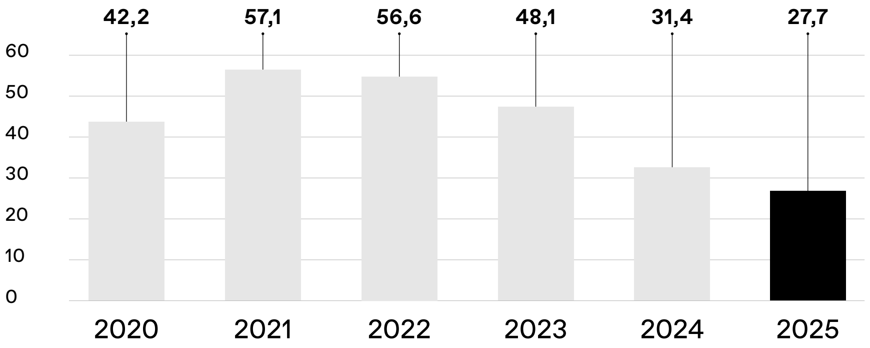
ADJ CASH / (NET DEBT)

(M€)



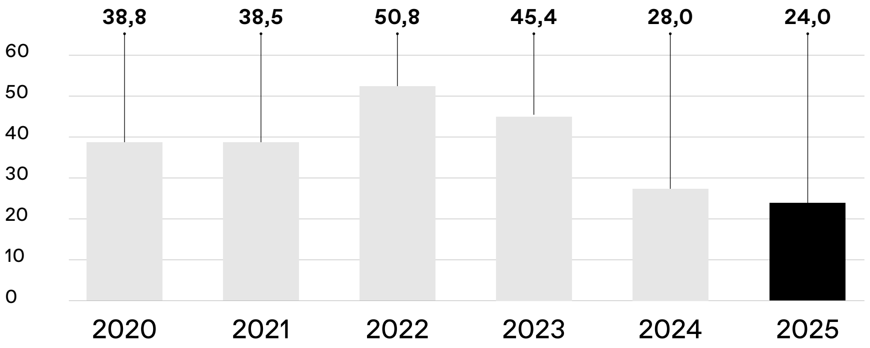
EBITDA ADJUSTED

(M€)



EBITDA

(M€)



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

A.4.2.1. ELICA GROUP OPERATING PERFORMANCE[11]

In Euro thousands	2025	% revenue	2024	% revenue	Changes %
Revenue	460,560		452.092		1.9%
Adjusted EBITDA	**27,719**	**6.0%**	**31.418**	**6.9%**	**-11.8%**
EBITDA	23,952	5.2%	27.979	6.2%	-14.4%
Adjusted EBIT	**4,601**	**1.0%**	**8.111**	**1.8%**	**-43.3%**
EBIT	(27)	0.0%	4.672	1.0%	-100.6%
Net financial expense	(8,755)	-1.9%	2.864	0.6%	-405.7%
Income taxes	447	0.1%	1.790	0.4%	-75.0%
Profit from continuing operations	(8,335)	-1.8%	9.326	2.1%	-189.4%
Adjusted profit for the year	**(4,818)**	**-1.0%**	**2.594**	**0.6%**	**-285.7%**
Profit for the year	(8,335)	-1.8%	9.326	2.1%	-189.4%
Adjusted profit attributable to the owners of the parent	**(6,439)**	**-1.4%**	**1.135**	**0.3%**	**-667.3%**
Profit attributable to the owners of the parent	(9,955)	-2.2%	7.868	1.7%	-226.5%
Basic earnings per Share (Euro/cents) at closing date	(16.99)		13,23		-228.5%
Diluted earnings per Share (Euro/cents) at reporting date	(16.99)		13,23		-228.5%

In 2025, the Group returned to growth in an environment of continued weakness in demand and heightened competitive pressures, while continuing with efforts to transform our Cooking business.

In 2025, Elica reports consolidated revenue of Euro 460.6 million, an increase of 1.9% over 2024 (+2.6% at constant exchange rates and scope) on growth in both divisions and expanded geographic penetration, as well as with our most extensive product range in both Cooking and Motors. Growth in the Cooking segment was driven by both brand revenue in Europe and America and by new OEM projects. Again in the fourth quarter, the growth emerging at the beginning of the year continued, with revenue of Euro 111.1 million, up (+0.5%, +1.7% at constant exchange rates and scope) on the same period in 2024.

11. The Elica Group utilises some alternative performance measures, which are not identified as accounting measures within IFRS, for management`s view on the performance of the Group. Therefore, the criteria applied by the Group may not be uniform with the criteria adopted by other groups and these values may not be comparable with that determined by such groups. These alternative performance measures exclusively concern historical data of the Group and are determined in accordance with those established by the Alternative Performance Measure Guidelines issued by ESMA/2015/1415 and adopted by CONSOB with communication No. 92543 of December 3, 2015. These indicators refer to the performance for the accounting period of the present Financial Report and of the comparative periods and not to the expected performance of the Group and must not be considered as replacement of the indicators required by the accounting standards (IFRS). Please refer to section A.5.2.3. for both the definition of alternative performance indicators used in this Financial Report and their reconciliations with the consolidated financial statements items.

Despite the continuing drop in demand due to the uncertainty brought about by the economic slowdown and ongoing geopolitical tensions, the year-on-year increase in sales may be attributed to the development strategy focused on broadening our offer, ensuring greater market coverage, and developing new product lines in collaboration with leading industry players, all with the goal of strengthening our competitive positioning and generating sustainable revenue growth over the coming years. These dynamics have significantly impacted both the Cooking and Motor segments.

The Cooking division, which accounts for approximately 78% of total revenues, saw an increase in sales to Euro 357.5 million (Euro 353.1 million in 2024). This improvement has been driven both by constant growth in direct distribution in North America (+23% compared to the same period of the previous year) and by the EMEA market.

In Europe, the Cooking segment has accelerated and consolidated the path which is transforming how to compete on the market. Our new products and new distribution have been the drivers of growth and proof of the validity of the Group's vision, with the contribution of new products doubling for the second straight year and now accounting for 7% of brand revenue.

Performance in Europe has been supported by the OEM channel, which in total, including the American segment, went from Euro 145.4 million in 2024 to Euro 148.3 million in 2025, for growth of 2.0% over 2024.

The Motors division, which accounts for approximately 22% of total revenue, grew 4.1% on the previous year to Euro 103.1 million (Euro 99 million in 2024), with both the Heating and Ventilation segments continuing to expand on the same period of the previous year again in Q4 2025. The division outperformed the market as a whole, which remained in negative territory in the heating segment due to changes in regulatory incentives and the lack of clarity in European legislation in relation to the energy transition, as a result of increases in share with the leading customers and a pipeline supported by the development of new product lines for applications we do not currently serve.

Adjusted EBITDA amounts to Euro 27.7 million (Euro 31.4 million in 2024) for a margin of 6.0%. This is slightly lower than the 6.9% margin of the previous year. The margin contraction reflects an environment which still features significant promotional pressure and a negative price-mix. The Capex focused on the transformation of the Cooking Division and the full execution of activities to support the brand and distribution also impacted the margins for the quarter.

Adjusted EBIT amounts to Euro 4.6 million, down from the Euro 8.1 million of 2024, with a margin on revenues of 1.0% (1.8% at December 31, 2024).

This figure confirms the solidity of operating margins in a landscape in which margins have been impacted not only by an unfavourable price mix in a highly promotional environment, but also by investments to support our transformation into a cooking brand company as is typical during the overhaul of an offering and of channels.

The Group has, in fact, undertaken a process of transforming our ***Cooking*** segment through significant investment both in the expansion and completion of our new product range and in distribution in America and Europe, all within a market and geopolitical landscape that remain challenging. The flexibility of our production footprint has had a positive impact on margins on higher production volumes, thanks to more agile production processes that are able to mitigate and adapt to changes in demand. At the same time, it is important to maintain focus on controlling costs and investment without sacrificing the Group's plans for growth.

The impact of financing came to a net expense of Euro 8.8 million (vs. net financial income of Euro 2.9 million in 2024), reflecting the trend in interest rates for the year on both the variable portion of debt and on new line of credit obtained with the Club Deal of May 9, 2024, which has been fully utilised since mid-2025.

Net of these factors, the significant change in this item is mainly attributable to non-ordinary factors in both years. Financial expenses also include costs connected with the agreement reached with the Italian tax agency on the 2015-2016 R&D credit for Euro 0.2 million an a write-down of the Indian shareholding Elica PB Whirlpool Kitchen Appliance Private Limited for Euro 0.8 million (mainly related to the devaluation of the local currency), unlike in 2024 when the valuation of this shareholding contributed financial income of about Euro 10.0 million.

The Adjusted Net Result is a loss of Euro 4.8 million, compared to a profit of Euro 2.6 million in 2024.

The Adjusted result attributed to the owners of the parent is a loss of Euro 6.4 million, compared to a profit of Euro 1.1 million in 2024.

The profit attributable to non-controlling interests was approximately Euro 1.6 million.

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

In Euro thousands	Cooking	Motors	Eliminations and other adjustments	Elica Group 2025	Cooking	Motors	Eliminations and other adjustments	Elica Group 2024
Revenue - third parties	357,503	103,057	0	460,560	353,086	99,006	0	452,092
Inter-segment revenues	1,789	24,271	(26,061)	0	(913)	25,195	(24,283)	0
Revenue	**359,292**	**127,329**	**(26,061)**	**460,560**	**352,173**	**124,202**	**(24,283)**	**452,092**
Operating profit	**(7,549)**	**7,522**	**0**	**(27)**	**(3,227)**	**7,898**	**0**	**4,671**

A.4.2.2 ELICA GROUP EQUITY AND FINANCIAL PERFORMANCE

In Euro thousands	12/31/2025	12/31/2024
Trade receivables	39,353	34,831
Inventories	86,671	86,059
Trade payables	(129,198)	(112,793)
Managerial Working Capital	**(3,174)**	**8,097**
% annualised revenue	*-0.7%*	*1.8%*
Other net assets/liabilities	(5,251)	(5,796)
Net Working Capital	**(8,425)**	**2,301**

At December 31, 2025, managerial working capital (MWC) settled at a negative Euro 3.2 million, with an annualised impact on revenue of -0.7%, a significant improvement over the +1.8% reported at December 31, 2024. The overall decrease of Euro 11.3 million in MWC compared to the previous year reflects a significant strengthening of working capital management and the Group's focus in 2025 on the main levers of working capital, including effective collection efforts of trade receivables, and consequent improvement in average collection times, as well as a targeted optimisation of inventories and structured management of vendor relations, including with the continuation and expansion of the supply chain finance (SCF) programme, as described in greater detail under paragraph B.6.5.29 of the Explanatory Notes.

In Euro thousands	12/31/2025	12/31/2024	Changes
Cash and cash equivalents	59,084	40,761	18,323
Bank loans and borrowings (current)	(44,565)	(46,202)	1,637
Bank loans and borrowings (non current)	(66,711)	(41,326)	(25,385)
Adjusted Net Financial Position	**(52,192)**	**(46,767)**	**(5,425)**
Lease liabilities (current)	(4,027)	(3,817)	(210)
Lease liabilities (non-current)	(12,061)	(6,386)	(5,675)
Adjusted Net Financial Position - Including the effects of IFRS 16	**(68,280)**	**(56,970)**	**(11,310)**
Other payables for purchase of investments	(998)	(551)	(447)
Impact on amortized cost on financing	(534)	453	(987)
Net financial position	**(69,812)**	**(57,068)**	**(12,744)**

The Adjusted Net Financial Position at December 31, 2025, came to a net debt balance of Euro 52.2 million, determined by excluding the effect of IFRS 16 for Euro -16.1 million, the impact of the measurement at amortised cost of bank loans for Euro -0.5 million, and the contribution of other liabilities related to the acquisitions of new companies or of additional stakes in existing subsidiaries for Euro 1,0 million.

The financial leverage, calculated based on adjusted EBITDA, came to 1.9x, compared to 1.5x in 2024. Despite this slight increase, it remains at fully sustainable levels and confirms the financial solidity of the Group.

We highlight the following key events affecting the movement in the net financial position at December 31, 2025 compared to the end of 2024:

- the change in the opening NFP, due mainly to execution of the buy-back programme last year for approximately Euro 5.0 million, as well as to additional purchases of treasury shares in 2025 for Euro 1.3 million;
- the absorption of cash related to corporate transactions, including the acquisition of 100% of Elica Home Appliance (Zhejiang), the transaction that resulted in acquiring a 28% stake in Steel S.r.l., the definition of a settlement with the Italian tax agency regarding research and development credits, and the initial payment of a new leasing agreement entered into by the Motors division of Elica Group Polska;
- the collection of dividends from the Japanese subsidiary Ariafina, against the payment to shareholders by Elica S.p.A. of a unit dividend of Euro 0.04 per share (July 9, 2025), for a total outlay of Euro 2.4 million;
- the positive contribution of operating free cash flow, supported by solid working capital management and the selective planning of investments in fixed assets, focused on supporting innovation and product development projects while preserving a balanced financial profile.

The Group generated operating cash of approximately Euro 14.3 million, compared to Euro 14.1 million at December 31, 2024. The percentage on revenue remains stable at 3.1% from December 31, 2024 to December 31, 2025.

In Euro thousands	Cooking	Motors	Eliminations and other adjustments	Elica Group
Non-current assets	133,847	54,375	0	188,222
Operating Working Capital	(730)	(2,444)	(0)	(3,174)
Other net allocated assets	14,092	(2,337)	0	11,755
Capital Employed	**147,209**	**49,594**	**0**	**196,803**
Net financial debt				(69,812)
Equity				(126,991)
Source of funds				**(196,803)**

A.4.2.3 ALTERNATIVE PERFORMANCE MEASURES

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

A.4.2.3.1. ALTERNATIVE PERFORMANCE MEASURES - DEFINITIONS

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

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

Adjusted EBITDA is EBITDA net of the relative adjustment items.

Adjusted EBIT is EBIT net of the relative adjustment items.

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

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

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

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

The earnings per share for 2025 and 2024 was calculated by dividing the Profit attributable to the Group, as defined in the Consolidated Income Statement, by the number of outstanding shares at the respective reporting dates. The number of shares outstanding at period-end differs from that at December 31, 2024 due to the execution of the treasury share buy-back plan.

The earnings (loss) per share so calculated does not match the earnings (loss) per share as per the consolidated Income Statement, which is calculated as per IAS 33, based on the average weighted number of shares outstanding.

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

Net Working Capital is the amount of Managerial Working Capital and Other net receivables/payables. Other net assets/liabilities comprise the current portion of Other assets and Tax Assets, net of the current portion of Provisions for risks and charges, Other payables and Tax payables, as presented in the Consolidated Statement of Financial Position.

The Adjusted Net Financial Position is the sum of Cash and Cash equivalents, less Current and Non-current bank loans and borrowings at their nominal value, excluding the impact of the amortised cost as per IFRS 9 on Bank loans and borrowings, as reported in the Statement of Financial Position.

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

The Net Financial Debt is the sum of the Adjusted Net Financial Position - Including IFRS 16 Impact, the impact of the amortised cost as per IFRS 9 on Bank loans and borrowings, as reported in the Statement of Financial Position, and of the liabilities included among other payables arising in relation to the acquisition of the new companies, belonging to the consolidation scope or of additional shares in existing subsidiaries. The result coincides with the Consob definition of the Net Financial Position.

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

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

A.4.2.3.2. ALTERNATIVE PERFORMANCE MEASURES - RECONCILIATIONS

In Euro thousands	2025	2024	Changes
Operating profit -EBIT	**(27)**	**4.672**	**(4.699)**
(Impairment losses on property, plant and equipment and Intangible assets)	1,142	303	839
(Amortisation & Depreciation)	22,838	23,004	(166)
EBITDA	**23,953**	**27,979**	**(4,026)**
Cooking production reorganisation		**4**	**(4)**
Services		4	(4)
Realised and unrealised M&A's	**275**	**238**	**37**
Services	275	238	37
Other reorganisations and Rightsizing	**2,663**	**1,238**	**1,425**
Other operating revenues	(58)		(58)
Changes in finished/semi-finished products	569		569
Raw materials and consumables	238		238
Services	520	155	365
Personnel expenses	406	564	(158)
Other operating expenses and accruals	225		225
Restructuring charges	762	519	243
New Cooking Vision	**34**	**1,159**	**(1,125)**
Raw materials and consumables	4	111	(107)
Services	(2)	1,042	(1,044)
Other operating expenses and accruals	32		32
Disposal of equity interest in Elica PB WKA pvt Ltd		**301**	**(301)**
Services		208	(208)
Other operating expenses and accruals		93	(93)
Others	**795**	**499**	**296**
Services	497	484	13
Other operating expenses and accruals	298	15	283
EBITDA adjustment items	**3,767**	**3,439**	**328**
Adjusted EBITDA	**27,720**	**31,418**	**(3,698)**

In Euro thousands	2025	2024	Changes
EBIT	**(27)**	**4,672**	**(4,699)**
EBITDA adjustment items	**3,767**	**3,439**	**328**
Other reorganisations and Rightsizing	**861**		**861**
(Amortisation)			0
(Impairment losses on Intangible assets)	861		861
EBIT adjustment items	**4,628**	**3,439**	**1,189**
Adjusted EBIT	**4,601**	**8,111**	**(3,510)**

In Euro thousands	2025	2024	Changes
Profit for the year	**(8,335)**	**9,325**	**(17,661)**
EBIT adjustment items	4,628	3,439	1,189
Gain/(loss) on sale of subsidiaries		(10,846)	**10,846**
Income taxes on adjusted items	**(1,111)**	**675**	**(1,786)**
Adjusted profit for the year	**(4,818)**	**2,593**	**(7,412)**
(Profit attributable to non-controlling interests)	**(1,620)**	**(1,458)**	**(162)**
(Adjustments to non-controlling interests)	**(1)**	**(0)**	**(1)**
Adjusted profit attributable to the owners of the parent	**(6,439)**	**1,135**	**(7,574)**

In Euro thousands	2025	2024
Profit attributable to owners of the Parent (in Euro thousands)	(9,955)	7,868
Outstanding shares at year-end	58,586,369	59,476,676
Earnings per share (Euro/cents)	**(16.99)**	**13.23**

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

In Euro thousands	12/31/2025	12/31/2024
Other current assets	21,496	17,988
Tax assets	5,515	3,918
Provisions for risks and charges	(4,033)	(4,919)
Other current liabilities	(26,014)	(21,974)
Tax liabilities	(2,215)	(809)
Other net assets/liabilities	**(5,251)**	**(5,796)**

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

In Euro thousands	Cooking	Motors	Eliminations and other adjustments	Elica Group
Deferred tax assets	27,994	2,074	-	30,068
Other non-current receivables and other assets	4,216	67	-	4,283
Other current assets	17,420	4,076	-	21,496
Tax assets (current)	5,200	315	-	5,515
Derivative assets (current)	180	3,346	-	3,526
Derivative assets (non-current)	1,281	7	-	1,289
Other allocated assets	**56,290**	**9,886**	-	**66,176**
Deferred tax liabilities	(4,701)	(4,246)	-	(8,946)
Other current liabilities – excluding purchase of investments	(19,458)	(5,558)	-	(25,016)
Tax liabilities (current)	(1,817)	(399)	-	(2,215)
Derivative liabilities (current)	(557)	(52)	-	(609)
Employee benefits	(5,782)	(1,478)	-	(7,261)
Provision for risks and charges (non-current)	(5,884)	(403)	-	(6,287)
Provision for risks and charges (current)	(3,946)	(87)	-	(4,033)
Other allocated liabilities	**(42,199)**	**(12,222)**	-	**(54,421)**
Other net allocated assets	**14,092**	**(2,337)**	-	**11,755**

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

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

In Euro thousands	2025	2024	25vs24
Revenue	249,820	245,273	1.85%
EBITDA	**(1,170)**	**2,111**	**-155.42%**
% revenue	-0.47%	0.86%	
EBIT	**(8,900)**	**(5,528)**	**61.00%**
% revenue	-3.56%	-2.25%	
Net financial expense	(6,345)	5,708	-211.16%
% revenue	-2.54%	2.33%	
Fair value losses on marketable financial assets	(3,257)	0	-
% revenue	-1.30%	0.00%	
Net exchange rate gains/(losses)	(2,253)	(681)	230.84%
% revenue	-0.90%	-0.28%	
Profit/(loss) for the year	**(9,971)**	**11,486**	**-186.81%**
% revenue	-3.99%	4.68%	

In 2025, Elica's revenues amounted to Euro 250 million.

Company revenues were up 1.85% on the previous year. The slight improvement, despite a still weak demand environment and high levels of competitive pressure, was driven by the EMEA market and the new projects pursued on the OEM channel, while own-brand sales benefited from the launch of the new product range, while the business transformation in the Cooking world simultaneously continued with the contribution of new products doubling for the second consecutive year.

EBITDA for 2025, amounting to a loss of Euro 1.2 million, decreased from 2024 (profit of Euro 2.1 million) due to weak demand and ongoing price pressures, as mentioned previously. Margins were impacted in the same way, standing at -0.47% as compared to 0.86% for the previous year. EBIT was a loss of Euro 8.9 million (loss of Euro 5.5 million in 2024), with a margin on revenues of -3.56% (-2.25% in 2024).

As typical of a phase of offer and channel renewal, margins were affected by an unfavourable price/mix in a highly promotional environment and investments to support the transformation into a Cooking Brand Company. As much as the decline in margins is evident, the mitigation from the flexibility provided by the new European production footprint and Management's continued focus on controlling SG&A expenses has been significant.

The impact of financing came to a net expense of Euro 3.9 million (vs. net financial income of Euro 5.7 million in 2024), reflecting the trend in interest rates for the year on both the variable portion of debt and on new line of credit obtained with the Club Deal of May 9, 2024, which has been fully utilised since mid-2025.

Net of these factors, the significant change in this item is mainly attributable to non-ordinary factors in both years. Financial expenses also include costs connected with the agreement reached with the Italian tax agency on the 2015-2016 R&D credit for Euro 0.2 million an a write-down of the Indian shareholding Elica PB Whirlpool Kitchen Appliances Private Limited for Euro 0.8 million (mainly related to the devaluation of the local currency), unlike in 2024 when the valuation of this shareholding contributed financial income of about Euro 10.0 million (in 2024, the transaction for the sale of 4.78% of the share capital of the Indian investee company resulted in the recognition of financial income of approximately Euro 7.7 million and the impact of approximately Euro 3.1 million resulting from the valuation of the remaining 1.59% stake at the reporting date).

A.5.2 Elica S.p.A. Financial Position and Performance[12]

In Euro thousands	12/31/2025	12/31/2024
Trade receivables	12,368	7,685
Trade receivables - subsidiaries	19,547	22,951
Inventories	27,356	30,082
Trade payables	(54,956)	(46,435)
Trade payables to group companies	(20,008)	(12,467)
Managerial Working Capital	**(15,693)**	**1,816**
% revenue	-6.28%	0.74%
Other net assets/liabilities	(654)	746
Net Working Capital	**(16,347)**	**2,562**
% revenue	-6.54%	1.04%

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In Euro thousands	12/31/2025	12/31/2024	Changes
Cash and cash equivalents	**40,258**	**21,702**	**18,556**
Financial assets with group companies (current)	41,481	32,473	9,008
Loans and borrowings from group companies (current)	(23,851)	(22,585)	(1,266)
Bank loans and borrowings (current)	(44,444)	(46,082)	1,638
Current loans and borrowings	**(26,814)**	**(36,194)**	**9,380**
Bank loans and borrowings (non current)	(66,591)	(41,086)	(25,505)
Non-current loans and borrowings	**(66,591)**	**(41,086)**	**(25,505)**
Adjusted Net Financial Position	**(53,147)**	**(55,578)**	**2,431**
Lease liabilities (current)	(730)	(906)	176
Lease liabilities (non-current)	(670)	(1,179)	509
Adjusted Net Financial Position - Including the effects of IFRS 16	**(54,547)**	**(57,663)**	**3,116**
Other payables for purchase of investments	(998)	(551)	(447)
Impact on amortized cost on financing	(534)	453	(987)
Net financial position	**(56,079)**	**(57,761)**	**3,417**

Managerial Working Capital as a percentage of revenues stood at -6.28% as of December 31, 2025, compared to 0.74% as of December 31, 2024, showing a significant improvement in working capital management. The movement is mainly attributable to an increase in trade payables, both third parties and Group companies, as well as a reduction in inventories and receivables from subsidiaries. The latter effect was also aided by stricter control of the timing of settling intercompany trade items, consistent with the financial guidelines set by the parent company.

The Net Financial Debt at December 31, 2025 was Euro 56.1 million, compared to Euro 57.8 million at December 31, 2024, improving Euro 1.7 million.

The main impacts on the change in net financial position compared to the end of 2024 were from:

- the change in the opening NFP, due mainly to execution of the buy-back programme last year for approximately Euro 5.0 million, as well as to additional purchases of treasury shares in 2025 for Euro 1.3 million;

- the absorption of cash related to corporate transactions, including the acquisition of 100% of Elica Home Appliance (Zhejiang), the transaction that resulted in acquiring a 28% stake in Steel S.r.l., the definition of a settlement with the Italian tax agency regarding research and development credits, and the initial payment of a new leasing agreement entered into by the Motors division of Elica Group Polska; the collection of dividends from the Japanese subsidiary Ariafina, against the payment to shareholders by Elica S.p.A. of a unit dividend of Euro 0.04 per share (July 9, 2025), for a total outlay of Euro 2.4 million;
- the positive contribution of operating free cash flow, supported by solid working capital management and the selective planning of investments in fixed assets, focused on supporting innovation and product development projects while preserving a balanced financial profile.

A.5.3. Alternative performance measures - Definitions

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

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

EBIT is the operating profit as reported in the Income Statement.

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

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

Net Working Capital is the amount of Managerial Working Capital and Other net receivables/payables. Other net assets/liabilities comprise the current portion of Other assets and Tax Assets, net of the current portion of Provisions for risks and charges, Other payables and Tax payables, as presented in the Consolidated Statement of Financial Position.

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

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

The Net Financial Debt is the sum of the Adjusted Net Financial Position - Including IFRS 16 Impact, the impact of the amortised cost as per IFRS 9 on Bank loans and borrowings, as reported in the Statement of Financial Position, and of the liabilities included among other payables arising in relation to the acquisition of the new companies, belonging to the consolidation scope or of additional shares in existing subsidiaries. The result coincides with the Consob definition of the Net Financial Position.

A.5.4. Alternative performance measures - Reconciliations

In Euro thousands	2025	2024
Operating profit - EBIT	**(8,900)**	**(5,528)**
(Amortisation & Depreciation)	7,562	7,336
(Impairment losses on property, plant and equipment and intangible assets)	168	303
EBITDA	**(1,170)**	**2,111**

Financial income and expense are detailed in the table below.

In Euro thousands	2025	2024
Financial income	2,148	14,624
Financial expense	(6,080)	(6,700)
Net interest expense	**(3,932)**	**(7,924)**

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

In Euro thousands	12/31/2025	12/31/2024
Other current assets	9,821	9,445
Tax assets (current)	2,947	2,155
Provision for risks and charges (current)	(2,362)	(2,215)
Other current liabilities	(11,060)	(8,639)
Tax liabilities (current)	0	0
Other net assets/liabilities	**(654)**	**746**

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

Situation at December 31, 2024 and December 31, 2025.

	12/31/2025		12/31/2024	
In Euro thousands	Profit/(loss) for the year	Equity	Profit/(loss) for the year	Equity
Parent's separate financial statements	**(9,971)**	**98,586**	**11,486**	**112,215**
Elimination of the effect of intercompany transactions net of tax effect:				
Unrealised gains on non-current assets	568	(1,900)	634	(2,468)
Unrealised gains on sale of goods	218	(964)	(411)	(1,178)
Tax effect	(188)	687	(53)	875
Dividends received from consolidated companies	(5,790)	(5,790)	(6,420)	(6,420)
Other	1,056	(132)	731	(894)
Share of profit/(loss) from investments	**0**	**0**	**0**	**0**
Carrying amount of consolidated companies	**3,296**	**(102,416)**	**(104)**	**(103,706)**
Equity and profit of the subsidiaries consolidated on a line-by-line basis	**2,975**	**108,007**	**3,967**	**109,167**
Allocation of differences to assets of consolidated companies and related amortisation/depreciation:				
Goodwill arising on consolidation	0	23,640	0	24,081
Intangible assets and property, plant and equipment	(499)	7,273	(504)	7,909
Consolidated financial statements	**(8,335)**	**126,991**	**9,326**	**139,581**
Attributable to the owners of the parent	**(9,955)**	**120,715**	**7,868**	**133,479**
Attributable to non-controlling interests	**1,620**	**6,276**	**1,458**	**6,102**

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

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

Source: Italian Stock Exchange

The graph shows (in black) the performance of the Elica S.p.A. share price in 2025 in comparison to the average of other companies listed on the Euronext STAR Milan segment, with the performance of the FTSE Italia STAR index indicated (in purple).

2025 continued to be a challenging market environment for Italian small and mid-caps, featuring low volumes overall and marked sensitivity to the key macroeconomic drivers, including real growth trends, economic growth prospects and the persistent international geopolitical risk. Although the macro picture gradually improved compared to the previous year, end demand in the major markets remained cautious and activity in the equity markets fluctuated throughout the year.

Against the FTSE Italia STAR index, as presented in the comparative chart, the Elica share showed weaker relative dynamics in the first half of the year, followed by a phase of gradual stabilisation in the second half of the year. This performance reflects, in part, the cyclical nature of the sector and the competitive environment for household durables, which continued to be affected by subdued demand and intense market competition, accompanied by an increase in promotional activities, affecting volumes and operating margins.

On January 2, 2025, the official Elica share price was Euro 1.69; the last price available during the period (December 31, 2025) was Euro 1.665, corresponding to an annual performance of -1.48%. During the same period, the FTSE Italia STAR index increased 9.34%.

Volume analysis indicates more trading activity in the first half of the year than in the second half. During 2025, average weekly volumes stood at 165,993 shares, with a median of 126,820 shares. The weekly average for the first half of 2025 was 186,368 shares, higher than the second half’s average of 146,374 shares, confirming a gradual normalisation of trading in the final part of the year. The weeks of increased activity were concentrated at specific disclosure windows. Overall, trading levels are consistent with the typical profile of the STAR segment and with investor interest predominantly concentrated around major corporate events.

Also during 2025, the Group continued its financial communication and dialogue activities with investors and analysts on a regular basis, through periodic conference calls when presenting results and through meetings with the financial community, held both virtually and in person, in line with best practices on the STAR segment.

The Group participated in the Mid Cap Conference of Mediobanca in January, the Star Conference in Milan in March, and Intermonte SIM's European Midcap Conference in Paris in June, in addition to Intermonte SIM's Eccellenze del Made in Italy in October, Intesa San Paolo's conference in Paris in October and the Intermonte SIM's European Midcap virtual conference in November. In addition to the physical meetings, the company held several calls with investors. Elica participated in 5 virtual conferences in 2025, in addition to on-demand one-on-ones and four results conferences, meeting with 40 funds and 45 managers (meeting a number of managers multiple times, in addition to financial analysts).

At the end of FY 2025, the market capitalisation of Elica S.p.A. was approximately Euro 105 million, reflecting the stock's performance during the year and industry conditions. The share capital consists of 63,322,800 ordinary voting shares, with no changes during the year. The ownership structure at December 31, 2025 is shown in the Corporate Governance and Shareholder Ownership Report, available on the company website[13].

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

A.7. Significant events in 2025.

On February 13, 2025, the Board of Directors of Elica S.p.A. approved the additional periodic disclosure for the fourth quarter of 2024, prepared according to IFRS and the 2024 preliminary consolidated results.

On March 25, 2025, the Board of Directors of Elica S.p.A. approved the consolidated results at December 31, 2024 and the statutory financial statements at December 31, 2024, prepared in accordance with IFRS, in addition to the Directors' Report.

On April 29, 2025, the Extraordinary Shareholders' Meeting of Elica S.p.A. approved the amendment of Article 26 of the By-Laws, which provides for the possible appointment of a Corporate Sustainability Reporting Officer, in accordance with Article 154-bis, paragraph 5-ter of the CFA, as introduced by Legislative Decree No. 125/2024 transposing EU Directive 2464/2022 (Corporate Sustainability Reporting Directive, CSRD) into the Italian legal system.

The Shareholders' Meeting, meeting in ordinary session on the same date, then approved the 2024 Annual Accounts of Elica S.p.A., the Directors' Report, the Non-Financial Report and viewed the Board of Statutory Auditors' Report and the Independent Auditors' Report. The Shareholders' Meeting also noted the consolidated results for 2024 and approved the proposed amendment to the Shareholders' Meeting Regulation.

The Shareholders' Meeting also approved the distribution of a dividend of a unitary amount of Euro 0.04 for each of the 63,322,800 ordinary shares outstanding, net of the treasury shares held at the coupon date and gross of statutory withholdings. The dividend was paid on July 9, 2025, with July 7, 2025 as the date of coupon No. (13) and July 8, 2025 as the record date. On the same day, the Shareholders' Meeting approved the Annual Report on the remuneration policy and remuneration paid for the year 2025 and granted authorisation to purchase treasury shares and undertake disposals thereof, subject to revocation of the previous authorisation to the extent not utilised, within the scope of the purchase of ordinary company shares up to a maximum of 20% of the share capital, therefore 12,664,560 ordinary shares, which runs for a period of 18 months from the date of the Shareholders' Meeting resolution, while the authorisation to utilise such shares is without time limit.

Finally, the Shareholders' Meeting updated the Shareholders' Meeting Regulation to reflect recent changes in the By-Laws regarding the conduct of Shareholders' and Board meetings. The updated regulation was made available on the Company's website.

On July 9, 2025, a dividend was paid out of a unitary amount of Euro 0.04 for each of the 63,322,800 ordinary shares outstanding, net of the treasury shares held at the coupon date and gross of statutory withholdings.

On July 14, 2025, the authorisations were obtained from the relevant Chinese authorities, and the administrative formalities for Elica's acquisition of the remaining 0.56% share of Elica Home Appliances (Zhejiang) Co., LTD (a Chinese subsidiary of Elica S.p.A.) from FUJI Industrial Co., LTD ("Fuji") were completed. Elica currently holds 100% of Elica Home Appliances Putian and at the end of July, in line with the contractual provisions, paid the first tranche of the consideration to Fuji.

The transaction forms part of the project to transform the Chinese company into a strategic sourcing and production hub exclusively serving the Group companies, in implementation of the development plan for the EMEA Cooking business and the direct expansion in the North American market, which remain investment priorities for the three-year period 2025-2027.

On July 24, 2025, Elica S.p.A. signed a settlement agreement with the Tax Agency for approximately Euro 1.1 million, following the presentation of an agreed settlement petition concerning the 2015 and 2016 tax periods, regarding the findings in terms of the Research and Development tax credit.

On July 30, 2025, Elica signed a preliminary agreement to undertake a 28% stake in Steel S.r.l., an Italian company specialising in the production of range cookers and high-end outdoor solutions, with a progressive further acquisition mechanism upon the occurrence of certain conditions. The transaction strengthens the Elica Group's foothold in the premium cooking segment, accelerating penetration into high-potential markets such as the United States and Canada.

On November 6, 2025, Elica S.p.A. signed the deed to purchase 28% of the share capital of Steel S.r.l., following completion of the legal and contractual formalities stipulated in the preliminary agreement.

On December 31, 2025, following the purchases made and the result of the rights offer on the shares subject to withdrawal, Elica held a total of 4,736,431 treasury shares, or 7.5% of the share capital.

A.8. Outlook[14].

At the end of FY 2025 and looking ahead to FY 2026, the Elica Group's environment is expected to see continued uncertainty, although showing signs of gradual stabilisation from the preceding years.

In the Cooking segment, the Group's key priority of transforming into a Cooking Brand Company is confirmed, through expanding its product offering and ensuring strong market share by better controlling the direct distribution channels and thereby progressively improving the offer positioning, alongside the contribution of the new products (whose weight has already doubled by 2025 to 7% of own brand channel sales). These actions are to ensure the greater resilience of the segment, even in a market environment that remains selective.

In the Motors segment, the Group now has a solid pipeline, thanks in part to the new product lines currently under development that will allow entry into new application areas in which the Group is not currently present. The initial contribution to revenues from the development of these products with Top Players will emerge in 2027. The segment will also continue to benefit from opportunities through developing high-efficiency technology solutions and energy transition processes, although in a competitive environment that remains challenging and influenced by the price dynamics.

Against this backdrop, the Group will focus on operational and financial discipline, continuing its selective investments in innovation, the brand and sustainability, so as to consolidate its competitive position and create the conditions to progressively drive profitability over the medium term, in line with its long-term industrial vision.

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

A.9. The environment and personnel.

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

A.10. Research and development.

Reference should be made to Notes B.6.5.14 and B.6.5.18 for further details on Group research and development.

Elica S.p.A. development activities are a central part of the company’s operations: resources have devoted substantial efforts to developing, producing and offering customers innovative products both in terms of design and the utilisation of materials and technological solutions.

It should be noted that during the year, the company incurred industrial research and basic research costs, with the aim of both an expansion of the product range, particularly in the Cooking sector, and concerning product, organisational, process and structural improvements.

Total research and development costs incurred amounted to Euro 6,910 thousand.

For further details on the Parent’s activities, reference should be made to Note D.6.4.16 and D.6.4.18.2.

A.11. Essential intangible resources.

Essential intangible resources are those resources without physical substance on which the enterprise's business model fundamentally depends and which are a source of value creation.

The Elica Group, in defining these resources, relies on the main conceptual frameworks such as the International Integrated Reporting Framework, the World Intangible Capital Initiative (WICI) Intangible Reporting Framework, as well as CSRD Recital 32, according to which intangible resources are the "information regarding the skills, skills and experience of employees, their loyalty to the enterprise and their motivation to improve its processes", and to "information about the quality of relationships between the enterprise and its stakeholders, including customers, suppliers and communities affected by the enterprise's activities".

In the value creation process, the Group considers capital that represents essential intangible resources, such as intellectual capital, human capital and social-relational capital.

In particular, intellectual capital, understood as organisational capital and knowledge value, helps develop the Group's distinctive features and thus create value, cross-cutting with human capital and social and relational capital. Indeed, the strategic pillar of product innovation, unique design, together with commercial strength have driven growth and enabled the Group's leadership position to strengthen.

For more information on the assets recorded in the Consolidated Statement of Financial Position, see paragraphs B.6.5.15 to B.6.5.18 of the Notes to the Consolidated Financial Statements. Regarding research and development activities, see notes B.6.5.14 and B.6.5.18 for details related to the Group and notes D.6.4.16 and D.6.4.18.2. for details related to the Parent Company's activities.

With reference to human capital, understood as organisational capital and knowledge value, its quality is crucial to the Group's growth and, consequently, to nurturing value creation over time. People, with their wealth of knowledge, skills developed and established over time, managerial skills, commitment, loyalty, and sense of belonging, are a central element of all business activities, to be protected and given rights.

The well-being and growth, both personal and professional, of people are among the Group's primary goals. Training is considered a fundamental lever in the development of resources and the entire organisation, and is encouraged through training programmes in partnership with the academic world.

For more information on employees, see the "Social Information" section of the Consolidated Sustainability Statement.

Finally, in relation to social-relational capital, such as institutions and relationships between or within communities, stakeholder groups, and other networks, as well as the ability to share information in order to increase individual and collective well-being, it has over the years enabled the Group to gain increasing market share and become a true global player in its target market. The Group's proximity and market presence have enabled it with its brands to become a global market leader.

For more information regarding the relationship between the Group and its stakeholders, including customers and suppliers, see the "General Information", "Social Information" and "Governance Information" sections of the Consolidated Sustainability Statement.

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

Analysis on financial risk factors

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

The main guidelines for the Group's risk policy management are as follows:

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

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

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

The process for the management of the financial risks is structured on the basis of appropriate procedures and controls, based on the correct segregation of conclusion, settlement, registration and reporting of results.

We examine in detail the risks to which the Group and the parent are exposed. In the notes, we report all the relative figures.

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

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

The amount of the currency risk, defined in advance by management of the Group on the basis of the budget for the reporting period, is gradually hedged over the acquisition process of the orders, up to the amount of the orders corresponding to budget projections or emerging during the year.

The hedge is entered into through agreements with third party lenders for forward contracts for the purchase and sale of foreign currency. Although these transactions are carried out without any speculative or trading purpose, consistent with strategic policies focused on prudent cash flow management, foreign exchange derivatives are not designated in hedge accounting and are recognised at fair value through the income statement.

In addition to the aforementioned transaction risks, the Group is exposed to translation risk. The assets and liabilities of consolidated companies whose currency differs from the Euro may be translated into Euro with carrying amounts that vary according to different exchange rates, with recognition in the translation reserve under equity.

The Group monitors this exposure, against which there were no hedging operations at the reporting date; in addition, given the Parent's control over its subsidiaries, governance over the respective foreign currency transactions is greatly simplified.

The Group is subject to market risk deriving from price fluctuations in commodities used in the production process. The raw materials purchased by the Group (including copper and aluminium) are affected by the trends of the principal markets. The Group regularly evaluates its exposure to the risk of changes in the price of commodities and manages this risk through fixing the prices through hedging contracts with financial counterparties and through contracts with its suppliers.

In particular, between the end and the beginning of the year, on the basis of the production budget for the year, the prices and quantities were fixed through both channels described above. Operating in this manner, the Group covers the standard cost of the raw materials contained in the budget from possible increases in commodity prices, achieving the operating profit target.

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

Further to market risks, the Group is exposed to credit risk. This concerns the exposure to potential losses deriving from the non-compliance with obligations by trading partners. This risk derives in particular from economic-financial factors related to a potential solvency crisis of one or more counterparties.

The Group follows the Credit Policy (related to the Financial Risk Policy) which governs credit management and the reduction of the related risk, partly through insurance policies with leading international insurance companies.

Liquidity risk is also managed and represents the risk related to the unavailability of financial resources necessary to meet short-term commitments assumed by the Group and its own financial needs.

The principal factors which determine the liquidity of the Group are, on the one hand, the resources generated and absorbed by the operating and investment activities and on the other the due dates and the renewal of the payable or liquidity of the financial commitments and also market conditions. These factors are monitored constantly in order to guarantee a correct equilibrium of the financial resources.

Climate Change Risk Analysis

In accordance with suggestions published by ESMA, the Group considers climate change aspects in its estimates and assumptions where appropriate. This assessment encompasses a wide range of potential impacts on the Group from both "acute" physical risks and those related to long-term climate change and transition risks. It has also considered the impacts that the Group may have on climate change.

The Group considers that its products and its business model, which is based on the production and sale of kitchen hoods and extractor hobs, in addition to the manufacture and sale of motors for domestic ventilation, will remain sustainable in a low-carbon economy. Targets relating to the transition towards alternative energy sources and climate change mitigation are pursued through initiatives designed to improve the energy efficiency of the Group's operations. In addition, the Group monitors and reports the main greenhouse gas emissions generated along its value chain.

In this regard, the Group, although its business is not classified as activities having a significant impact on climate change, has been conducting an Organisation GHG Inventory since 2023, following the methodology of the ISO 14064-1 Standard, and has embarked on a path to reduce the climate-changing gases in line with European climate neutrality goals by 2050.

In fact, although market signals are not clear or consistent regarding the transition to a low-carbon economy, Elica understands that investors would consider at least some of the impact of transition risks in their evaluations, such as a market which increasingly looks toward the production of lower-carbon products and more stringent building energy efficiency requirements. In both the cooking and heating and ventilation segments, a shift will emerge toward solutions that promote the more efficient use of raw materials and energy, such as the increasing use of recycled plastics in the cooking segment and renewable sources such as hydrogen in the heating segment, for which the Group already has the international certification of compliance in the motors manufacturing business as of 2022.

From an energy viewpoint, in 2025, Elica used energy from renewable sources certified with Guarantee of Origin at all its Italian sites and the Polish facility. There are also three photovoltaic plants operating at the Italian sites, enabling the Group to achieve an electricity mix consisting of 100% renewable energy already by 2023.

Although given the nature of its activities and business model, the Group does not have significant exposures to environmental risks, particularly those related to climate change, climate issues increase the level of uncertainty in the estimates and assumptions underlying various elements of the financial statements.

Management is carefully monitoring developments in this area in its strategic and risk management analyses, especially in terms of new climate-related rules and regulations and best practices, so as to reflect these elements in the decision-making processes. The analysis of climate-related impacts, where relevant and reliably measurable, has focused on the useful life of assets, measurement of the recoverable value of non-financial assets such as goodwill and expected losses on receivables, fair-value measurements, and actual and contingent liabilities.

Regarding the assessment of the residual value and expected useful life of the Group's assets, climate-related issues that may have an impact on the future use of these or their potential obsolescence, such as extreme weather events occurring with greater frequency or intensity, the changing consumer demand, or changes in relevant regulations were examined that may limit the use of certain assets or require significant investment.

Regarding the first point, there is a risk that "extreme" physical events could strike Group plants or those of supply chain operators in the medium to long term, creating structural damage to plants and/or the assets therein. However, the geographical distribution of the Group's assets is not particularly affected by the above physical events, particularly those of a "chronic" nature, as is that of the major players in its value chain. However, to the extent that the Group considers that it is not currently exposed to business continuity risk,

it has planned investments over time to strengthen the resilience of its production and logistics infrastructure and has Business Continuity procedures and adaptive solutions in place to mitigate these risks, with the aim of having ready recovery strategies for managing facilities, processes and people. In this regard, the structured maintenance of production facilities and assets, investment in technological modernisation, and initiatives to strengthen workplace health and safety safeguards are carried out, with the aim of improving operational reliability for all production and business locations and reducing the risk of accident events for employees and third parties who access them.

In addition to the aforementioned prevention and mitigation actions, an insurance plan to cover any damages caused by the physical impacts of climate change, including natural disasters and adverse weather conditions, has also been drawn up.

In parallel, the Group ensures that it maintains the necessary controls over the value chain through initiatives to monitor and analyse the sustainability reporting of its major customers and suppliers, such as submitting periodic questionnaires and audits to them, aimed at preventing negative reputational impacts and identifying severe climate risks and related mitigation and/or adaptation solutions.

Regarding the other points, the Group has assessed how the estimated value in the use of assets could also be impacted in different ways by transition risks and, in particular, by the rapid evolution of the regulatory framework or by changes in the demand for the Group's products, especially with respect to their sustainability characteristics. The Group considers that it is not currently exposed to severe climate risks, as there are currently no climate-related regulations that could limit the use of the assets or require significant investment. The reasons for such are outlined below.

The Group's production lines are used for wide ranges of article codes, given that we have no dedicated production lines. As a result, a need to change the energy ratings or type of materials of certain products does not result in an inability to use a given line in the future. This showed that the expected useful life of non-current assets and the residual values estimated in accordance with IAS 16 Property, Plant and Equipment is considered reasonable.

We consider also the process of removing obsolete products from inventory, a critical process (included among the company's top risks) that is subject to constant monitoring when measuring the inventory obsolescence provision. Regulatory requirements related to energy conservation are considered in the process of assessing the recoverable value of inventories, with appropriate advance notice of the regulations coming into effect, as well as market expectations in terms of energy efficiency and the recyclability of products sold. The technical department of the Elica Group also assesses the product energy labelling process, in terms of both the requirements for sale and compliance with laws and regulations that are currently or soon to be in effect. In light of the above, we have noted no critical issues in the measurement of inventories.

Finally, the recoverability of the intangible assets recorded in the financial statements and the estimated future cash flows for the analysis of the recoverable value of goodwill were verified by the Group, not detecting any particular indicators of impairment. In fact, the risk of Climate Change is leading, on the one hand, to an evolution of the energy categories of household appliances and of the energy sources powering them, and, on the other hand, to increasingly stringent end-of-life management (EEE) and eco-design regulations to improve durability and information transparency of products throughout their life cycle.

For these reasons, the Group has put in place structures to step up the activities of the Research and Development Department, which, in collaboration with the Legal and Risk Management Department, pursues investments in product innovation, energy efficiency and materials sustainability in order to protect commercial competitiveness and compliance with the relative regulations.

Having completed in 2024 the project to use polymers with up to 30% recycled content, in 2025 the Group extended its commitment to the selection and use of lower-emission raw materials and the reengineering of specific products, aimed at reducing the weight of the most relevant raw materials and optimising energy performance, in accordance with the new provisions introduced by the “Energy Label” legislation.

Finally, all information currently held at the legal department was considered to exclude the existence of contingent liabilities related to possible litigation, environmental damages, additional taxes or penalties related to environmental requirements, contracts that may become onerous, restructuring to achieve climate-related goals, or possible legal and regulatory restrictions on the future use of assets and sale of products. We have therefore decided not to set aside provisions or recognise contingent liabilities.

In terms of business conduct, with particular attention to supply chain sustainability, anti-corruption and transparency, the Group adopts a Code of Ethics, which establishes behavioural guidelines for all employees and collaborators to ensure compliance with the principles of integrity, correctness and transparency in all company activities and to prevent sanctions, fines, increases in operating expenses and reputational damage.

In addition, through the presence of special organisational functions that carry out monitoring and oversight activities as part of their duties, and the periodic updating of policies such as the Anticorruption and Whistleblowing policies or the Supplier Code of Conduct, the Group seeks to raise employee awareness against unlawful behaviour and to ensure transparency in business transactions and relationships with suppliers and partners.

Non-compliance with anti-corruption or data protection laws (e.g. GDPR) could also result in fines and sanctions; furthermore, violations of human rights and ethical standards have the potential to negatively impact the Group's reputation. In response to these risks, Elica has established data protection oversights and specific governance policies and procedures and is committed to promoting corporate culture through training activities.

Based on these considerations, in accordance with IAS 36 Impairment of Assets, the Group has assessed that there are no indications that non-financial assets have lost value due to climate risk or measures to implement the Paris Agreement. Similarly, in accordance with IAS 13 Fair Value and IAS 37 Provisions, Contingent Liabilities and Contingent Assets, the Group has assessed that there is no evidence that the assets or liabilities recognised in the financial statements will see changes in the determination of fair value or that there are contingent liabilities not described herein. Although the Group has concluded that no single climate assumption is a key assumption in the 2025 goodwill impairment tests, expectations regarding possible impacts that climate risks could have on measurements have been considered in the cash flow projections, and given the continuing evolution and relevance of the matter, it will continue to monitor for such possible risks. For further details, see paragraphs B.6.2.4.5 Going Concern and B.6.5.17 Impairment test in the Notes.

It should be noted that, following the publication on December 16, 2022 in the EU Official Journal of the EU Directive 2022/2464 ("CSRD Directive") on corporate sustainability reporting ("Corporate Sustainability Reporting Directive") as part of the European Green Deal and transposed in Italy by Legislative Decree No. September 6, 2024, No. 125, the Group has put in place a Corporate Sustainability Team (consisting of members of the CFO, Statutory Reporting & Compliance and Internal Audit & Risk Compliance functions) which cooperates with the BU Sustainability Managers and operates within an organisational structure that provides for the more integrated involvement of the various business functions, as well as the support of a leading consulting firm.

Elica is particularly committed to a process of continuous improvement of ESG practices, sustainability reporting and compliance with relevant regulations, preparing from the 2024 financial year the first consolidated sustainability statement pursuant to Decree No. 125/2024 and the new European Sustainability Reporting Standard (ESRS) principles.

Analysis on geopolitical risk and the changing regulatory environment

In compliance with the disclosure requirements of IAS 1.25-26, the Company reevaluated the main risks and uncertainties arising from the current geopolitical, macroeconomic, and market environment, assessing their potential impacts on the Company's business continuity, financial performance, and relevant assumptions used in the business estimation processes.

The geopolitical environment continues to feature instability and uncertainty, with potential effects on sales performance in certain geographic areas, procurement costs, logistics flows and commodity volatility.

During FY2025, the international macroeconomic environment remained characterised by a high degree of uncertainty, including the evolution of trade policies adopted by certain non-EU countries. In particular, the introduction and maintenance of import duties by the United States on specific categories of goods continues to be a concern for companies operating in global markets.

These measures, aimed at protecting U.S. domestic industry, may result in indirect effects on demand dynamics, supply costs and product competitiveness in the relative markets. The potential impact affects both direct exports to the U.S. market and international supply chains if duties affect components, semi-finished products or raw materials used in production processes.

The Company constantly monitors developments in international trade and customs regulations, carefully assessing the possible economic and financial fallout from the application of U.S. duties. As of the reporting date, there were no effects that would compromise the company's ability to continue as a going concern, while any impacts on margins were manageable within the framework of ordinary pricing and cost efficiency policies.

A particular focus will be placed in 2026 on the renewal of the Mexico-USA agreements included in the United States-Mexico-Canada Agreement (USMCA), which could have impacts on the trade flows of the Mexican group company to the U.S. market.

In addition, the continuation of conflicts in Ukraine and the Middle East could lead to new supply shocks, disruptions in trade routes, and increases in energy and commodity prices, with impacts on global prices, supply chains, and financial conditions, especially in terms of commodity cost increases and disruptions in strategic sea routes. Similarly, the Bank of Italy reports that trade and geopolitical tensions are factors that continue to weigh on confidence, investment dynamics and international trade, in a European context of moderate growth and gradually easing inflation. The World Bank confirms that rising international geopolitical tensions may amplify commodity price volatility, supply shocks and higher costs along global value chains.

In light of this scenario, the Company takes into account in its analysis of financial risks in accordance with IFRS 7, credit risk to the CIS area and liquidity and exchange rate risk arising from commercial transactions with the Russian subsidiary, although the Elica Group's business in these areas is limited (the Group continues to operate in Russia through its wholly-owned subsidiary Elica Trading LLC, which is responsible for the distribution of the Group's products in the Russian territory; the Russian trading company does not hold significant fixed assets and turnover in the Russian market is approximately 2.7% of consolidated revenues). As per IFRS 9, continuous oversight is maintained on customer solvency, insurance coverage, and possible triggers for significant credit risk (SICR) increases, also in light of the operational complexity of the Russian area and the limitations related to the sanctions environment.

In application of IAS 2 and IAS 36, Management reevaluated the possible effects of price increases and the volatility of raw materials (metals, specialty copper, recycled plastics, electronic components), as well as risks of international supply disruptions, on the valuation of inventories and the impairment tests of the industrial CGUs. Macroeconomic information - including the forecast of a slowdown in global trade in 2026 highlighted by the IMF and signs of competitive pressure noted by the Bank of Italy for the European manufacturing sector - was incorporated into the forecast scenarios used in the tests under IAS 36, including sensitivities on margins, volumes and procurement costs.

The Group also reviewed its hedging policies in accordance with IFRS 9 (Hedge Accounting), monitoring EUR/RUB exchange rate risk and volatility risk on energy and commodity prices, given that the World Bank reports significant uncertainty related to geopolitical risks and global trade tensions for 2026.

Consistent with that outlined in last year's Directors' Report, the Company maintains an active cross-functional task force to monitor geopolitical risks, consisting of the Internal Audit & Risk Compliance, Purchasing, Finance, Legal, Logistics and Commercial functions, in line with Enterprise Risk Management (ERM) practices and the disclosure requirements of IAS 1.31-133. This task force periodically updates the internal Board committee with Control, Risks and Sustainability responsibility and oversees: the operational stability of the Russian subsidiary, compliance with the export sanctions constraints, continuity of logistics flows, the evolution of raw material and derivative costs, liquidity, credit and foreign exchange risks and the adequacy of insurance coverage.

Management is closely monitoring developments in this area in its strategic and risk management analyses, as these dynamics increase the level of uncertainty in the estimates and assumptions underlying various elements of the financial statements.

Macroeconomic stress scenarios have, in addition, been integrated into the economic and financial forecasts, as required by IAS 1.26 and the IAS 36 impairment testing framework, considering: volatility in energy markets, potential freight rate rises and disruptions in the Red Sea, possible impacts on European demand for household appliances and related competitive dynamics, and on the profitability of the Cooking and Motors CGUs, also with a view to compliance with rapidly evolving environmental and industry regulations (as better described in the section "Climate Change Risk Analysis"). These analyses indicate that, at present, there is no elements to raise significant doubts upon the going concern, as defined by IAS 1.25.

From the analyses carried out, in accordance with IAS 1.25 and 1.26, the Group in preparing these financial statements has taken into account the existing and expected effects of the current macro-economic and geopolitical uncertainties on its business by finding no events or circumstances which, taken individually or as a whole, may cast significant doubt on the company's ability to continue as a going concern. For further details, see paragraphs B.6.2.4.5 Going Concern and B.6.5.17 Impairment test in the Notes.

Cyber Security Risk Analysis

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

The most significant is the risk of cyber attacks and security control failures, which constitute a constant threat to the Group and are therefore carefully monitored. Specifically, the Group constantly assesses its cyber risk profile, taking action when necessary to proactively manage cyber defences. The impacts analysed include:

- data loss;
- unauthorised access;
- the installation of malware;
- privacy violations;
- interruption of business;
- reputational harm.

Mitigation efforts made by the Group concern:

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

During 2025, the regulatory framework for information systems and digital security was further strengthened, partly as a result of new European legislation such as the Cyber Resilience Act, changes to the Cybersecurity Act, and the operational launch of the nationally transposed NIS2 Directive, the Data Act, and the AI Act. These provisions require a structured approach to ICT governance, cyber risk management and digital operational resilience.

These elements were considered in the Group's periodic risk analysis.

A.13. Company bodies.

MEMBERS OF THE BOARD OF DIRECTORS

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

MEMBERS OF THE BOARD OF STATUTORY AUDITORS

Giovanni Frezzotti	**Chairperson**, born in Jesi (AN) on 22/02/1944, appointed by resolution of 29/04/2021.
Paolo Massinissa Magini	**Statutory Auditor**,born in Fabriano (AN) on 26/04/1960, appointed by resolution of 29/04/2024.
Simona Romagnoli	**Statutory Auditor**, born in Jesi (AN) on 02/04/1971, appointed by resolution of 29/04/2021.
Monica Nicolini	**Alternate Auditor**, born Pesaro on 16/04/1963, appointed by resolution of 29/04/2024.
Leandro Tiranti	**Alternate Auditor**, born in Sassoferrato (AN), on 04/05/1966, appointed by resolution of 29/04/2021.

INTERNAL COMMITTEES

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

INDEPENDENT AUDIT FIRM

EY S.p.A.

INVESTOR RELATIONS MANAGER

Francesca Cocco – Lerxi Consulting – Investor Relations

Tel: +39 (0)732 610 4205

E-mail: investor-relations@elica.com

CORPORATE FINANCIAL REPORTING MANAGER

Emilio Silvi

CORPORATE CONSOLIDATED SUSTAINABILITY REPORTING MANAGER

Stefania Santarelli

REGISTERED OFFICE AND COMPANY DATA

Elica S.p.A.

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

Share Capital: Euro 12.664.560,00

Tax Code and Company Registration No.: 00096570429

Ancona REA n. 63006 – VAT No. 00096570429

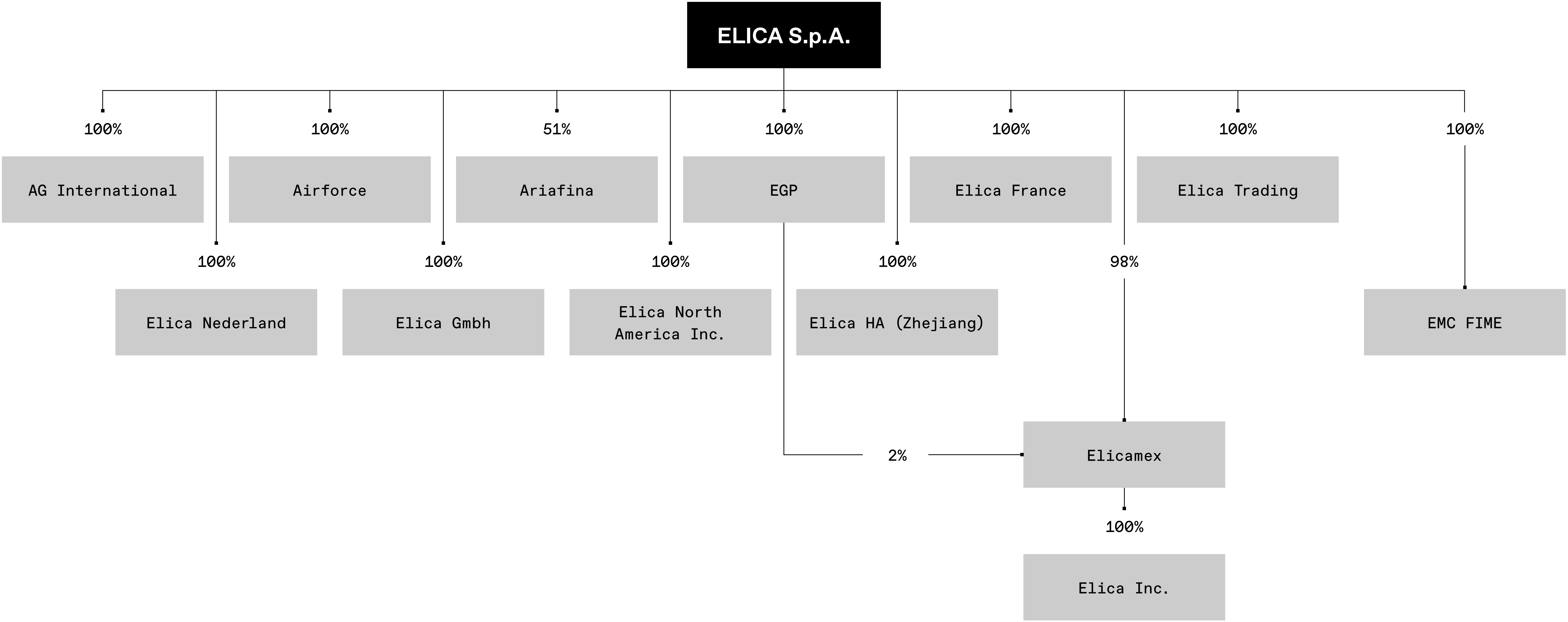
SECONDARY OFFICES AND LOCAL UNITS DI ELICA S.P.A.

Local Unit An/5 Mergo (An) Via Montirone 10 Cap 60030

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

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

A.14. Elica Group structure and consolidation scope.



Parent Company

Elica[15] S.p.A. - Fabriano (Ancona, Italy) is the parent of the Group (in short Elica). The company produces and sells products for cooking, especially range hoods for household use and extractor hobs.

Subsidiaries

Elica Group Polska Sp.zo.o – Wroclaw – (Poland) (in short Elica Group Polska). This wholly-owned company has been operational since September 2005 in the production and sale of electric motors and from December 2006 in the production and sale of exhaust hoods for domestic use;
Elicamex S.A. de C.V. – Queretaro (Mexico) (in short Elicamex). This company was incorporated at the beginning of 2006 and is wholly-owned (the parent owns 98% directly and 2% through Elica Group Polska). The Group intends to concentrate production for the American markets with this company in Mexico and reap the benefits of optimising operations and logistics.

Ariafina CO., LTD – Sagamihara-Shi (Japan) (in short Ariafina). Incorporated in September 2002 as an equal Joint Venture with Fuji Industrial of Tokyo, the Japanese range hood market leader, Elica S.p.A. acquired control in May 2006 (51% holding) to provide further impetus to the development of the important Japanese market, where high-quality products are sold.
Airforce S.p.A. – Fabriano (Ancona, Italy) (in short Airforce). Manufactures high quality kitchen range hoods and cooktops that are highly customisable and unique, thereby positioning itself in a specific niche market and allowing it to satisfy the most specific of customer needs, distancing itself from the mass market. Experience, design, flexibility and made-in-Fabriano innovation fit perfectly into the Elica Group's development and growth strategy. At December 31, 2022, following the acquisition of a 40% stake from minority interests in 2022, Elica S.p.A. now owns 100% of this company.

Elica Inc – Chicago, Illinois (United States), offices in Issaqua, Washington (United States). This company aims to develop the Group's brands in the US market by carrying out marketing and trade marketing with resident staff. The company is a wholly-owned subsidiary of ELICAMEX S.A. de C.V.
Elica Home Appliances (Zhejiang) Co., LTD – Shengzhou (Cina) (Putian, for short), a Chinese firm in which a 100% stake is held. Putian is one of the main players in the Chinese hood market and the principal company developing Western-style hoods. The production site is located in Shengzhou, a major Chinese industrial district for the production of cooking appliances. In July 2025, Elica acquired the remaining 0.56% stake in Elica Home Appliances from Fuji Industrial Co., Ltd, thus obtaining full control.

Elica Trading LLC – St. Petersburg (Russian Federation) (in short Elica Trading), a Russian company held 100%, incorporated on June 28, 2011 and selling Elica Group products on the Russian market.
Elica France S.A.S. - Paris (France) (in short Elica France), a wholly-owned French company incorporated in 2014 and selling Elica Group products on the French market.
Elica GmbH – Löhne (Germany), a German company wholly-owned by Elica S.p.A. and incorporated in 2017 and selling Elica Group products on the German market.

EMC Fime S.r.l. – Castelfidardo (AN-Italia), an Italian company 100% held by Elica S.p.A.. On July 2, 2021, the closing took place, by which Elica S.p.A. acquired from third parties the two companies E.M.C. S.r.l. and C.P.S. S.r.l. In the second half of 2021, the company C.P.S. was merged by incorporation into E.M.C. S.r.l., which at the same time changed its name to EMC Fime S.r.l. The transfer of Elica's Motors division to this subsidiary was effective as of January 1, 2022.
Elica North America Inc. (formerly Southeast Appliance Inc. [SEA]) - wholly-owned by Elica S.p.A. and based on Orlando, Florida (USA), was incorporated in 2023 in partnership with ILVE. This is the Elica Group's first direct product distributor within the scope of the "Boots on the Ground" project by which the Group intends to strengthen its presence in the United States and to redefine its standards of excellence.
AG International Inc., the distribution company for the Elica and Kobe brands in Canada based in Montreal, Quebec, a wholly-owned subsidiary of Elica S.p.A. following the closing, on November 2, 2023, of the agreement to acquire the entirety of the company's share capital from third parties.
Elica Nederland – Haren, Groningen (Netherlands), Dutch distributor of ventilation systems with over 20 years of experience in the industry, a wholly-owned subsidiary acquired by Elica S.p.A. on December 4, 2024. The Netherlands is a major European market for extractor hobs, so the opening of direct distribution in the region has enabled Elica to strengthen its presence in Europe.

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

Changes in the consolidation scope

The only change in the consolidation scope is the acquisition by Elica S.p.A. of the remaining 0.56% stake in Elica Home Appliances (Zhejiang) Co., LTD, previously held by Fuji Industrial Co., LTD. Following the transaction, which was finalised at the end of July, Elica wholly-owns the share capital of the Chinese subsidiary.

A.14.1. Related party transactions

COMPLIANCE WITH ARTICLE 5, PARAGRAPH 8, CONSOB REGULATION 17221 OF 12.03.2010 REGARDING TRANSACTIONS WITH SUBSIDIARIES, ASSOCIATES AND OTHER RELATED PARTIES

In 2025, transactions with subsidiaries and associates were undertaken by the parent company and other related parties by the parent company and other Group companies.

All transactions were conducted on an arm's length basis in the ordinary course of business.

There are no particular issues to highlight in accordance with Article 5, paragraph 8 of Consob Regulation 17221 of 12.03.2010[16].

For information regarding related parties, in addition to the transactions discussed above, refer to note B.6.8. of the consolidated financial statements and note D.6.7 of the financial statements of the parent company below.

In the subsequent note B.6.12, disclosure on management and coordination is also provided as per Article 2497-bis of the Civil Code.

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

A.15. International Accounting Standards.

The Consolidated Financial Statements of the Elica Group and the Financial Statements of Elica S.p.A. as at and for the year ended December 31, 2025 have been prepared in accordance with the IFRS issued by the International Accounting Standards Board (IASB) and endorsed by the European Commission and in accordance with Article 9 of Legislative Decree No. 38/2005.

The accounting policies utilised for the preparation of these financial statements are consistent with those utilised for the preparation of the separate financial statements as at and for the year ended December 31, 2024.

The Consolidated Financial Statements are presented in thousands of Euro and all the amounts are rounded to the nearest thousand, unless otherwise specified. The tables in the Individual Financial Statements are presented in Euro, while the notes are presented in Euro thousands with all amounts rounded to the nearest thousand, unless otherwise specified.

A.16. Corporate Governance and Ownership Structure Report.

In accordance with Article 123-***bis*** of Legislative Decree 58/1998, with Article 89-***bis*** of Consob Resolution No.11971/1999 and successive amendments and integrations, Elica S.p.A. provides complete disclosure on the Corporate Governance system adopted, in line with the recommendations of the Corporate Governance Code (January 2020 edition), in the Annual Corporate Governance Report, available on the Company website[17].

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

17. https://corporate.elica.com/it/governance/assemblea-degli-azionisti.

A.17. Remuneration Report.

In accordance with Article 123-***ter*** of Legislative Decree no. 58/1998 and Article 84-***quater*** of Consob Resolution no. 11971/1999 and subsequent amendments, Elica S.p.A. prepares a remuneration report in accordance with Attachment 3A, Table 7-***bis*** of the same Consob Resolution no. 11971/1999 and subsequent amendments. This report is available on the Company's website[18].

18. https://corporate.elica.com/it/governance/assemblea-degli-azionisti.

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

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

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

A.19. Obligations in accordance with Article 70, paragraph 8 and Article 71, paragraph 1-bis of the “Issuers’ Regulation”.

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

A.20. Consolidated Sustainability Statement.

DECEMBER 31, 2025

General disclosures (ESRS 2).

Methodological note

The Sustainability Statement (or "Statement") provides the reader with clear, accurate, transparent and understandable information on the impacts generated by the Elica Group in the environmental and social spheres, in addition to impacts pertaining to personnel, respect for human rights and the fight against corruption caused directly or indirectly by the Company, or to which the Company has contributed. The document offers an accurate understanding of the main risks associated with the Group's business activities, in addition to the results achieved and the performances in the area of sustainability.

As an organisation already subject to the non-financial reporting obligation under Legislative Decree No. 125/2024, the Elica Group complies with the new requirements set out in Directive (EU) 2022/2464 ("CSRD Directive") starting from the 2024 financial year. Elica has successfully completed a process of continuous improvement of ESG practices, sustainability reporting and compliance with relevant regulations. A Corporate Sustainability Team was therefore appointed, comprising representatives from the CFO, Statutory Reporting & Compliance and Internal Audit & Risk Compliance functions. Together with the BU Sustainability Managers and with the support of an external consultancy firm, the team commenced the process of complying with the requirements of the Directive, thereby reinforcing the Group's commitment to its stakeholders and to ensuring transparency and accountability in the management of its business.

[BP-1] GENERAL BASIS FOR PREPARATION OF THE SUSTAINABILITY STATEMENTS

(5.a, b) This Consolidated Sustainability Statement (hereinafter also the "Statement") has been prepared in accordance with the European Sustainability Reporting Standards (ESRS), as defined by EFRAG to meet the regulatory requirements of the EU under the CSRD. The qualitative and quantitative data and information contained within this document refer to the fiscal year ending December 31, 2025. The reporting scope coincides with that of the 2025 Consolidated Financial Statements of the Elica Group, i.e. it includes the data for the Parent Company (Elica S.p.A.) and the fully consolidated companies for non-financial reporting.

(5.c) The information provided in this Statement has been prepared to include relevant disclosures on the impacts, risks and opportunities connected to the Group through its direct and indirect business relationships across the upstream and/or downstream value chain.

(5.d) In this document, Elica has not omitted sensitive information, and therefore we believe that the global relevance of this report is not compromised.

(5.e) In addition, there were no situations in the year that necessitated exemption from disclosure of "impending developments or matters in the course of negotiation" in accordance with Article 19-*bis*, paragraph 3, and Article 29-*bis*, paragraph 3, of Directive 2013/34/EU.

[BP-2] DISCLOSURES IN RELATION TO SPECIFIC CIRCUMSTANCES

DEFINITION OF SHORT-, MEDIUM-, AND LONG-TERM TIME HORIZONS

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

The time horizons, as defined by the standard, are as follows:

- Short term: the reporting period in the financial statements (i.e. one year);
- Medium term: from the end of the short-term reporting period up to five years;
- Long term: more than five years.

VALUE CHAIN ESTIMATION

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

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

SOURCES OF ESTIMATION AND OUTCOME UNCERTAINTY

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

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

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

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

Due to the above, and there not being errors in direct measures of activities, nor numerical errors in emission factors, the organisation uses a qualitative method to assess the uncertainty associated with the factors used. For the reporting year 2025, the degree of uncertainty was assessed to be low, and therefore acceptable.

The data used with the emission factors were quantified on the basis of physical data that had been sampled, estimated, or converted from economic data, and, when no physical data was available, from economic data. The emission factors used considered all of the main GHGs (i.e. CO_2, CH_4, N_2O, HFCs, PFC, SF_6, and other fluorinated gases), and were converted into CO_2 equivalent (CO_2e) units using the conversion factors set out in Assessment Report 6 (AR6) by the Intergovernmental Panel on Climate Change (IPCC), the most authoritative institution on climate change.

For all Group locations, data are estimated for:

- Category 7 - Employee commuting: distances travelled in own or company cars between each employee's residence and workplace were estimated. If the means of transport had been made available by the company (e.g. company buses), the distances were extracted from data made available by the suppliers carrying out the relevant services. This is the only externally sourced data used in the reporting of the entire inventory.
- Category 11 - Use of sold products: where it was not possible to identify products' annual energy consumption (AEC - Annual Energy Consumption, available for products with Energy Label), a weighted average figure was calculated based on the quantities sold of products with precise AEC data.
- Category 12 - End-of-life treatment of sold products: where net weights were not available, a weighted average weight derived from the existing precise data was assigned.

For commercial locations, the total working hours were also determined by adopting a calculation criterion based on the conventional assumption of eight hours of activity for each working day.

As regards the other data estimated for trading companies, the following should be noted:

- Waste: since precise data in kg of waste generated was not available, an estimate was made. The methodology took into account the total undifferentiated waste (the only type of waste attributable to the activities carried out by the company) produced at the Elicamex plant (the only plant required to classify this type of waste) divided by the square metreage of this plant and then related to the square metreage of the individual trading companies.
- Energy consumption: the quantities for electricity and natural gas were collected through analysis of bills and invoices issued by the suppliers of the respective utilities, converting the economic data into physical data where necessary.

CHANGES IN PREPARATION OR PRESENTATION OF SUSTAINABILITY INFORMATION

REPORTING ERRORS IN PRIOR PERIODS

(13/14) Below are the methodological changes and the resulting adjustments to the quantitative information that have been introduced in this document compared with the 2024 reporting year.

With regard to social information, during 2025 the calculation methodology for indicators S18 Collective Bargaining Coverage and Social Dialogue and S116 Pay Metrics was refined to ensure greater accuracy and consistency of the information. The methodological updates are detailed below:

- **Calculation method for S18 Collective Bargaining Coverage**: with respect to the indicator relating to the percentage of employees covered by employee representatives, the Group has revised the reference perimeter used compared with the previous reporting period. In 2024, the calculation was based on the number of employees enrolled in a trade union. Starting from the current reporting year, all employees working in entities or sites where formally established employee representative bodies are present are included, regardless of individual union membership. This methodological change ensures a more accurate and consistent representation of the actual coverage of social dialogue within the Group, as it reflects the collective protection effectively provided by formal representation structures, irrespective of individual affiliation.
- **Calculation method for S116 Pay Metrics**: for the purpose of calculating the pay gap and total remuneration, annual compensation is determined by including the following components: fixed salary, benefits, production bonuses, MBO and LTI attributable to the reporting year. Items linked to attendance or absences such as overtime, use of permits/leave, furlough schemes, sick leave and holidays are excluded. In 2024, the calculation of total remuneration considered MBO and LTI amounts effectively payable; starting from the current reporting year, the MBO and LTI portions attributable to the period are considered instead. *MBO attributable to the period* refers to variable compensation accrued during the year based on the assigned targets, regardless of actual payment, while *LTI attributable to the period* refers to the annual portion of the total plan value, determined by allocating the fair value over the vesting period.

Furthermore, in 2024, for the purpose of calculating metrics requiring reference to the average gross hourly wage, the Group considered the value of hours actually worked during the reference period; for 2025, it has adopted the definition of contractual working hours, meaning the hours established in the employment contract. This methodological change ensures a more accurate and consistent representation of the average gross hourly wage, as it reflects the theoretical values of both remuneration and contractual hours.

Following the methodological updates described above, the table below presents the revised comparative data (restatement) for the 2024 reporting year:

ESRS	Indicator	Page table	Declared value (previous)	Restated value	Explanation
	Collective bargaining coverage and social dialogue				
S1-8	Employees covered by labor representatives	110	757	2,149	Methodological change
	% employees covered by labor representatives		30.80%	87.40%	
	Remuneration metrics (pay gap and total remuneration)				
S1-16	Gender Pay Gap	116	20%	29%	Methodological change
	Total annual remuneration for the person with the highest salary in the enterprise		€ 1,096,560	€ 1,346,560	
	Median annual total compensation of employees (excluding the person with the highest salary)		€ 20,145	€ 19,233	
	Annual pay ratio		54	70	

For further details on the calculation methods used, please refer to the relevant sections S18 Collective Bargaining Coverage and Social Dialogue and S116 Pay Metrics (pay gap and total remuneration) within the Social Information section.

To ensure greater accuracy and consistency of disclosures, in 2025 the methodology used to calculate the indicator relating to the gender pay gap and total remuneration was refined. Further details are provided in section S1-16 Remuneration Metrics (Pay Gap and Total Remuneration). The methodology used to calculate the indicator relating to social dialogue was also refined, as described in section S1-8 Collective Bargaining Coverage and Social Dialogue.

With regard to environmental data, the restatement relates specifically to the topics listed below, for which new information and/or corrections resulted in a revision of the values reported for 2024:

- ESRS E1-5: TOTAL ENERGY CONSUMPTION
- ESRS E1-5: ENERGY CONSUMPTION FROM ACTIVITIES IN HIGH CLIMATE IMPACT SECTORS
- ESRS E5-4: RESOURCE USE AND CIRCULAR ECONOMY
- ESRS E1-6: GROSS SCOPES 1, 2, 3 AND TOTAL GHG EMISSIONS

These changes do not affect the Group's commitment to transparency and continuous improvement. The main reasons for the restatement of data include:

Correction of material errors arising from

- incorrect and/or incomplete entries;
- double counting of data;
- calculation errors (incorrect formulae);

Methodological updates, including:

- **Calculation methodology for emissions in Category 11 "Use of sold products".** For these emissions, instead of multiplying the precise figure of emissions generated by the products sold in the base year by the number of years (12) corresponding to their average useful life, the base year figure was projected into the future using the projected emissions from the *Bloomberg New Energy Outlook 2025*: *Public Benchmark Dataset* report. This report considers global scenarios for emissions related to electricity use, based on past time series and future trends consistent with the goals of the Paris Agreement. Adopting this methodology, integrated with expected market developments, allows for more realistic estimates.

The data for FY 2024 contained in the tables in this document and referring to the ESRSs listed above take into account all the changes described above, made following the verifications carried out. The magnitude and comparison between the restated values and the originally reported figures, as well as the reference to the pages of the document published on 28.03.2025, are provided in the tables below:

ESRS	Indicator	Page table	Declared value (previous)	Restated value	Explanation
	TOTAL COMPANY CONSUMPTION/COMPANY CONSUMPTION FOR ACTIVITIES IN SECTORS WITH HIGH CLIMATE IMPACT				
E1-5	Fuels from crude oil and petroleum products	94/95	MWH 22.29	MWH 23.88	Partial entry
	Diesel for production		MWH 0	MWH 1.58	Partial entry
	Natural gas fuels		MWH 20,614.22	MWH 20,614.68	Partial entry
	Natural gas for production		MWH 6,398.54	MWH 6,789.96	Partial entry
	Natural gas for heating		MWH 14,213.79	MWH 13,822.37	Partial entry
	GPL for production		MWH 1.89	MWH 2.35	Partial entry
	Total energy consumption from fossil sources		**MWH 26,143.00**	**MWH 26,145.04**	**Effect of the previous explanations**
	Total energy consumption		**MWH 41,809.00**	**MWH 41,811.04**	
	Energy intensity (sectors with high climate impact)				
E1-5	**Total energy consumption of activities in sectors with high climate impact (MWh)**	96	**MWH 41,809.00**	**MWH 41,811.04**	**Effect of the previous explanations**
	RESOURCE INFLOWS				
E5-4	Carpentry and Other Components	112	ton 4,046.15	ton 2,951.19	Double counting
	Miscellaneous small parts		ton 2,284.96	ton 2,079.26	

ESRS	Indicator	Page table	Declared value (previous)	Restated value	Explanation
	SCOPE 1, 2 AND 3 GHG EMISSIONS				
E1-6	Diesel for production	97	$tCO_2eq.$ 0	$tCO_2eq.$ 0.43	Partal entry/ Calculation errors (incorrect formulas in E1-5)
	LPG for production		$tCO_2eq.$ 0	$tCO_2eq.$ 0.54	
	Direct emissions - Scope 1		$tCO_2eq.$ 4,307.33	$tCO_2eq.$ 4,307.86	
	Direct emissions - Scope 1	98	$tCO_2eq.$ 4,307	$tCO_2eq.$ 4,308	
	Indirect emissions - Scope 2 location-based		$tCO_2eq.$ 9,294	$tCO_2eq.$ 9,289	
	Indirect emissions - Scope 2 market-based		$tCO_2eq.$ 1,889	$tCO_2eq.$ 1,882	
	1. Purchased goods and services		$tCO_2eq.$ 115,593	$tCO_2eq.$ 84,697	Double counting/ calculation errors due to incorrect formulas
	4. Upstream transportation and distribution		$tCO_2eq.$ 162,680	$tCO_2eq.$ 11,642	Calculation errors (incorrect formulas)
	6. Business trips		$tCO_2eq.$ 447	$tCO_2eq.$ 499	
	7. Employee commuting		$tCO_2eq.$ 1,845	$tCO_2eq.$ 1,796	
	9. Downstream transportation		$tCO_2eq.$ 12,562	$tCO_2eq.$ 12,245	
	11. Use of the sold products		$tCO_2eq.$ 649,100	$tCO_2eq.$ 574,989	Methodological change
	Direct emissions - Scope 1		**$tCO_2eq.$ 4,307**	**$tCO_2eq.$ 4,308**	**Effect of the previous explanations**
	Indirect emissions - Scope 3		**$tCO_2eq.$ 942,437**	**$tCO_2eq.$ 687,113**	
	Total emissions - location based		**$tCO_2eq.$ 956,260**	**$tCO_2eq.$ 700,932**	
	Total emissions - market based		**$tCO_2eq.$ 948,856**	**$tCO_2eq.$ 693,524**	
	INTENSITY OF EMISSIONS	99			
E1-6	Total emissions -locationb-ased ($t CO_2eq$)		$tCO_2eq.$ 956,260	$tCO_2eq.$ 700,932	Effect of the previous explanations
	Emission intensity - Location Based ($t CO_2eq/k€$)		2,115	1,550	
	Total market-based emissions ($t CO_2eq$)		$tCO_2eq.$ 948,856	$tCO_2eq.$ 693,524	
	Emission intensity - Market Based ($t CO_2eq/k€$)		2,099	1,534	

DISCLOSURES STEMMING FROM OTHER LEGISLATION OR GENERALLY ACCEPTED SUSTAINABILITY REPORTING STANDARDS AND FRAMEWORKS

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

INCORPORATION BY REFERENCE

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

[GOV-1] THE ROLE OF THE ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES

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

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

The Company has adopted a traditional governance and control model. Corporate management is entrusted to a Board of Directors, supported by an internal Board committee with advisory and proposal-making powers in the areas of Control and Risk, Sustainability, and Appointments and Remuneration. The duties and responsibilities assigned to each function remain clearly distinct, and appropriate reporting on the activities carried out by each function is ensured.

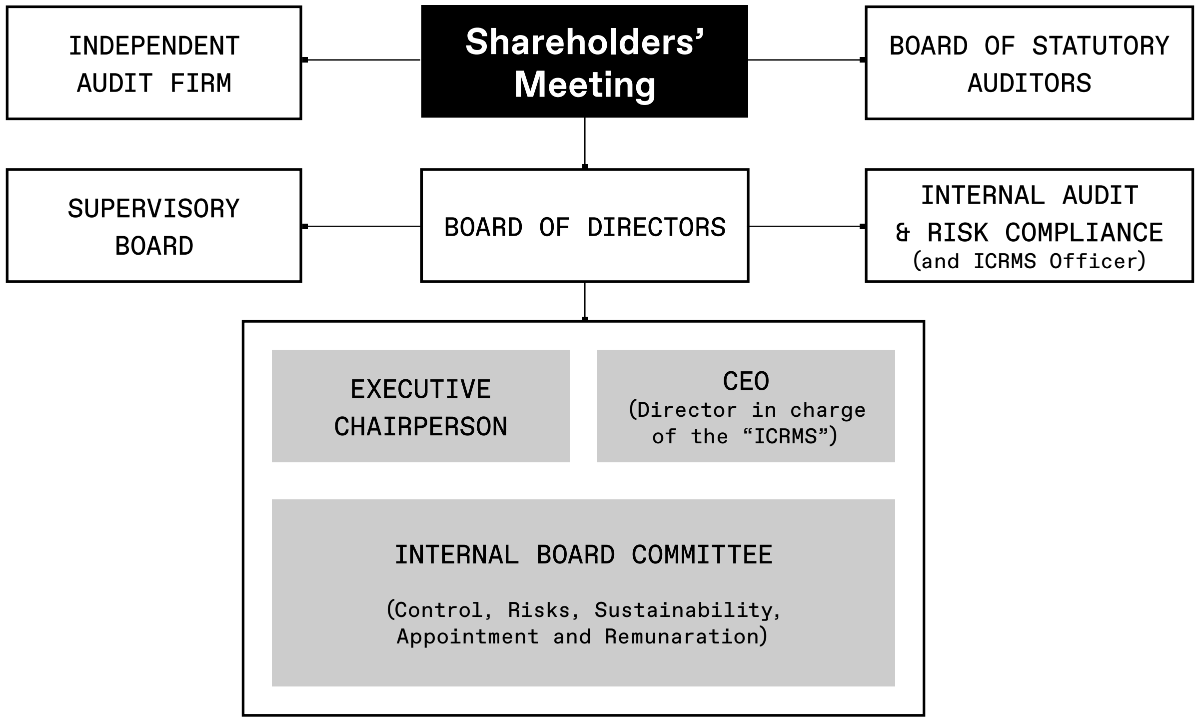
The supervisory functions are carried out by a Board of Statutory Auditors.

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

(21.a) The Company's Board of Directors is composed of Executive and Non-Executive Directors with adequate skills and professionalism. As per Article 16 of the By-Laws, the Company is administered by a Board of Directors made up of a minimum of 5 members to a maximum of 11 members including non-shareholders. The current composition of the Board of Directors was approved by the Shareholders' Meeting on April 24, 2024.

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

THE GOVERNANCE SYSTEM



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

(21.e) Specifically, the following four Board members (representing approximately 57% of BoD members) Angelo Catapano, Susanna Zucchelli, Alice Acciarri and Elio Cosimo Catania[1] declared that they meet the independence requirements under the Consolidated Finance Act and the Corporate Governance Code.

The Company's By-Laws provide that the Board of Statutory Auditors consists of three Statutory Auditors and two Alternate Auditors. It was most recently appointed at the Shareholders' Meeting of April 24, 2024.

PERCENTAGE OF ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODY MEMBERS BY GENDER (21.d)

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

(22.a-d) With the entry into force of the CSRD Directive, the Group further developed its approach to sustainability and non-financial reporting, particularly in relation to the engagement of the internal Board committee, which assists the Board of Directors in assessing and deciding on sustainability matters, with particular reference to the approval of the Sustainability Statement, stakeholder management activities, and the supervisory role of the Board of Statutory Auditors.

With a view to strengthening oversight of sustainability matters and ensuring the appropriate management of all potential impacts, risks and opportunities arising from its activities and strategies, the Group adopted a dedicated procedure during the reporting period ("Group Policy -22 Preparation of the Sustainability Statement"). This policy defines roles, responsibilities and operating methods for the management of non-financial reporting, including the collection, verification and validation of information, in line with applicable regulatory requirements and the ESRS. Further details are provided in the section GOV-5 Risk Management and Internal Controls Over Sustainability Reporting.

In line with the recent organisational restructuring, sustainability statement activities and the sharing of sustainability-related information are now managed according to the revised organisational structure. Specifically, the internal involvement of the various functions has been reviewed, together with the methods for reporting sustainability information and results to the administrative and supervisory bodies.

The decision-making structure has therefore been realigned, moving from a predominantly centralised model to a more integrated one. Under this framework, project discussions and decision-sharing initially take place during monthly meetings between Business Unit Directors and the Chief Executive Officer. Meanwhile, the Sustainability Managers of each Business Unit are actively involved in defining and adopting operational and decision-making actions, which are discussed during periodic monthly meetings with the respective Directors.

Finally, the Corporate Sustainability Team, comprising representatives from the CFO and Statutory Reporting & Compliance functions, in collaboration with the BU Sustainability Managers and Internal Audit & Risk Compliance, provides methodological guidance and oversight of controls and procedures. The team also oversees the collection, analysis and validation of data for the Sustainability Statement, with the active involvement of designated data owners across the various corporate functions and Group companies.

At scheduled quarterly meetings, the Business Unit Directors and the Sustainability Reporting Officer report to the Board of Directors or internal Board committee on ESG compliance and governance matters integrated into business processes. They also provide updates on material impacts, risks and opportunities and the related actions undertaken in response to stakeholder expectations.

In addition, the internal Board committee is informed about material IROs, the implementation and monitoring status of the due diligence procedure and related outcomes on a quarterly basis, in addition to the effectiveness of the policies, actions, metrics and targets adopted.

1. Without prejudice, insofar as it pertains to him, to the exceedance of the temporal limits established under letter (e) of Recommendation No. 7 of the Code.
2. The BoD also comprises members of the internal Board committee for Appointments and Remuneration and the Control, Risks and Sustainability Committee. The average ratio between male and female members of the Board of Directors is equal to approximately 0.7.

(23.a, b) The effectiveness of the Group's Governance mechanisms is supported by continuous training and a focus on developing the sustainability expertise of members of the administrative, management and supervisory bodies. The Company encourages the participation of members of the Board of Directors and the Board of Statutory Auditors in events dedicated to sustainability matters (such as updates on the materiality assessment and sustainability projects, etc.).

With regard to bodies responsible for sustainability matters, and in accordance with Article 154-*bis*, paragraph 5-*ter* of the CFA, Elica has appointed the Chief Financial Officer as the Corporate Sustainability Reporting Officer. This appointment was confirmed following the amendment to the By-Laws approved on April 29, 2025, which provides the option to appoint a Corporate Sustainability Reporting Officer (who has specific experience in the field and meets the good standing requirements established for directors) as a role distinct from the Corporate Reporting Officer. This appointment is subject to the favourable opinion of the supervisory body. In line with the organisational structure and responsibilities assigned within the Company, the latter role continues to be held by the Chief Financial Officer.

[GOV-2] INFORMATION PROVIDED TO AND SUSTAINABILITY MATTERS ADDRESSED BY THE UNDERTAKING'S ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES

(26.a, b) For Elica, sustainability is a topic that must be continuously discussed, particularly at the Top Management level, as it represents a fundamental component of the Group's mission. It fosters dialogue on integrating topics relevant for business and society into strategic considerations. Information relating to the adoption of due diligence, in addition to the results and effectiveness of the policies, actions, metrics and targets adopted to address them, follows the same reporting process for impacts, risks and opportunities. Further details are provided in GOV-1 of this section.

(26.c) Refer to paragraph SBM-3 for a list of relevant impacts, risks and opportunities addressed by the administrative, management and supervisory bodies during the reporting period.

[GOV-3] INTEGRATION OF SUSTAINABILITY-RELATED PERFORMANCE IN INCENTIVE SCHEMES

(29.a) The remuneration of Directors (particularly those holding executive office) and Top Management is a key incentive and control mechanism to ensure the integrity and efficacy of the corporate governance mechanisms.

The remuneration policy that has been developed targets the achievement of the Group strategy and is an essential

tool in aligning the interests of shareholders with those of management. The remuneration system is part of a wider framework to retain and motivate the most suitable personnel to ensure the Company's success. With regards to the instruments utilised, the company Remuneration Policy comprehensively outlines the remuneration policy and its implementation at the company with regards to the members of the management bodies and the Senior Executives.

The annual incentive system for short-term variable incentives (MBO), designed in line with the general principles on which the entire Policy is based, mainly enables the pursuit of the following objectives:

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

(29.e) The Policy is defined following a formalised process, which involves the Shareholders' Meeting, the Company's Board of Directors, the internal Board committee in its Appointments and Remuneration capacity, and the Human Resources Department.

As regards senior Executives, this goal is achieved also through linking a significant part of remuneration to the reaching of the pre-set performance targets, established through "management by objectives" (MBO) and Long-Term Incentive (LTI) plans.

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

- Gates: thresholds for access to the annual incentive system, calculated on the weighted average of the two performance targets. Failure to achieve the gate performance level means that no bonus is awarded;
- Target sheets: a calculation mechanism for the target bonus based on the achievement level of performance targets;
- Multipliers: a corrective mechanism that modifies final payout by a factor of +/-10% depending on the achievement of the sustainability performance target (on/off trigger mechanism).

In accordance with the provisions for the Chairperson of Board of Directors and Chief Executive Officer, Senior Executives are beneficiaries of a short-term incentive system that aligns with the Business Strategy. Specifically, the operation mechanism of the Short-Term Incentive System provided for Senior Executives involves Group targets, measured through a target bonus multiplier mechanism based on the extent to which the targets set for the Chairperson and Chief Executive Officer (Adjusted EBIT and Free Cash Flow), Division targets (Division Adjusted EBIT) and individual targets (based on the main economic KPIs managed by the role and identical for all

beneficiaries in the same function) are achieved. A +/- 10% multiplier linked to the achievement of annually established sustainability targets is applied to the final payout of the Chairperson of the Board of Directors, Chief Executive Officer, and Senior Executives, with an on/off trigger mechanism determining its application. For the current financial year, these targets are geared toward reducing the emissions impact[3] of the Polish plant. The targets thus defined are also applied at the operational level through the inclusion of specific ESG targets in the variable remuneration component (MBO) of the managerial functions with direct responsibility for enacting ESG projects, ensuring consistency between the commitments made at the strategic level and the actions actually take within the Group.

For further details on the content of the Remuneration Policy, please refer to the "Remuneration Policy and Report", approved by the Board of Directors on March 25, 2025, which is available for public consultation at www.elica.com.

DISCLOSURE REQUIREMENTS AND APPLICATION REQUIREMENTS FROM ESRS TOPICS, APPLICABLE IN CONJUNCTION WITH ESRS 2 GENERAL DISCLOSURES

ESRS 2 GOV-3 INTEGRATION OF SUSTAINABILITY-RELATED PERFORMANCE IN INCENTIVE SCHEMES

(ESRS E1 13) Within the context of this discussion, we refer to the previous paragraph GOV-3 Integration of sustainability-related performance in incentive schemes for an in-depth analysis of the regulatory requirement in question, as it already provides a comprehensive analysis of the relevant provisions and requirements.

At present the incentive systems applicable to members of the management, administrative and supervisory bodies are not linked to science-based GHG emissions reduction targets.

[GOV-4] STATEMENT ON DUE DILIGENCE

(30;32, S1-1 DP 32) In this document, Elica describes its due diligence process in relation to the ESRS disclosure requirements, as per ESRS 1, Chapter 4.

Although the ESRS do not impose specific conduct requirements in relation to due diligence, on February 13, 2025, the BoD approved a procedure with specific reference to human rights (see "Human Rights Due Diligence Procedure") and the related policy (see "Group Policy - Human Rights Policy").

Both documents take the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights (UNGP) as points of reference. Elica's Human Rights Due Diligence Procedure defines the scope, responsibilities and process of identifying, preventing and mitigating negative impacts. It integrates due diligence in decision-making processes, the monitoring and tracking of actions, and the provision of reporting mechanisms to ensure the effective management of reports, and the continuous improvement of corporate human rights practices. The supporting Human Rights Policy establishes the Group's commitment to human rights and their fundamental principles. For more information on the Human Rights Policy, please refer to the Social Information section MDR-P.

3. The reduction targets, as described below, are not defined according to Science based criteria.

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

In order to ensure health and safety in the workplace, the Group - with the exception of the company Air Force - adopts an ISO 45001-2018 certified management system. The achievement and maintenance of ISO 45001:2018 certification at operational sites where workers may be exposed to a higher risk of occupational injuries represents a fundamental step towards establishing an increasingly systematic risk management approach. The certification provides priority elements to facilitate risk identification and support informed decision-making. The Group's commitment to overseeing Occupational Health and Safety issues is also formalised in a systematic approach to monitoring injury trends, first aid, near misses, unsafe acts and objective conditions. Inspired by the principles of problem solving, where indicators exist that are not in line with the goals set or where there are critical issues at Elica sites, each individual plant creates improvement plans and takes action, establishing ad hoc working groups if necessary. Once the action taken has proved to be effective, this is shared within the Group to enable every plant to promptly introduce the same solutions in a preventive manner where necessary. The added value of this process lies in the continuous search for improvement by involving all workers in gathering ideas and suggestions regarding occupational health and safety.

In terms of environmental considerations, to date, all of Elica Group's production sites associated with significant environmental risks relating to transformation and production activities – with the exception of the Air Force facility – have adopted 14001:2015 compliant Environmental Management Systems. Every year, the Group sets goals for the achievement of ever greater sustainability in relevant business processes, so as to protect the natural environment of its production sites and promote optimal relations with local communities. In view of these goals, in addition to ensuring that its certified Environmental Management System is constantly implemented, it circulates and facilitates the understanding by its management of the procedures and contents of the Ethics Code drafted in accordance with Legislative Decree No. 231/2001 and the Group's Policies and Procedures. The environmental management systems at the certified sites provide for the rolling out of improvement plans which, on the basis of assessments of the environmental aspects and impacts associated with the processes and activities carried out, focus on the objectives of reducing waste or inefficiencies which, for the environmental topics, translate into a more responsible use of resources employed in a more significant manner in the transformation processes. The systems also employ internal auditors qualified in accordance with ISO 14001:2015 standard, who conduct planned internal audits. In addition to compliance with legislative requirements, these audits verify the appropriate level of operating conditions, the implementation of control requirements, the monitoring of indicators and objectives and the effectiveness of procedures to reduce the risk of incurring harmful events for the environment or for the containment of possible emergencies.

Finally, all Group companies with production sites (except Air Force) implement management systems certified to standard ISO 9001:2015. Each year the Group certifies all new products brought to market and re-certifies all products that have seen changes in materials and/or components to ensure that they respect health and safety standards and all Regulations, Directives and Rules applicable in the countries of sale.

The Group's commitment extends beyond the Company, actively involving the entire value chain. With reference to the control of respect for human rights within the supply chain, the Group has developed an audit process on its suppliers, with the aim of assessing and minimising risks related to ethical, social and environmental issues, alongside the adoption of its own Code of Conduct ("Elica Group Supplier Code of Conduct").

NUMBER AND % OF PARTNERS OPERATING AT SITES WITH A QUALITY, ENVIRONMENT AND SAFETY-CERTIFIED MANAGEMENT SYSTEM

	EMPLOYEES	
	no	%
Management system certified to ISO 9001:2015	2,273	94%
Management system certified to ISO 14001:2015	2,273	94%
Management system certified to ISO 45001:2018	2,273	94%

	NON-EMPLOYEES	
	no	%
Management system certified to ISO 9001:2015	139	99%
Management system certified to ISO 14001:2015	139	99%
Management system certified to ISO 45001:2018	139	99%

Note: Number and % of collaborators (employees and non-employee workers) working, at December 31, 2025, at sites with a Quality, Environment and Safety-certified Management System. Sope includes all Group companies.

[GOV-5] RISK MANAGEMENT AND INTERNAL CONTROLS OVER SUSTAINABILITY REPORTING

(36 a, b, c, d) The Group has consolidated a non-financial reporting process designed to ensure full compliance with the CSRD and the ESRS. This process is based on well-defined operating practices for data collection and processing, supported by a dedicated management system, called Talentia, which guarantees a computerised management of data flows between the Corporate Sustainability Team and the Data Owners identified in the various corporate departments and Group companies.

The Risk Management Model (Enterprise Risk Management – ERM) is integrated into the current analysis and assessment methodology. It adopts a risk-based approach that provides for the definition and periodic review of risk matrices and specific controls relating to key sustainability indicators. The organisational model for managing sustainability matters is adopted at the operational level across the Group's entities, ensuring systematic and coordinated oversight of ESG topics.

During the reporting period, this system was further strengthened through the adoption of a dedicated procedure ("Group Policy -22 Preparation of the Sustainability Statement"), which defines the roles, responsibilities and operating methods for the management of non-financial reporting, including the collection, verification and validation of information, in line with regulatory requirements and the ESRS. Specifically, reporting activities are coordinated by the Corporate Sustainability Team, comprising representatives from the CFO, Statutory Reporting & Compliance and Internal Audit & Risk Compliance functions. Together with the BU Sustainability Managers, the team oversees the collection, analysis and validation of data, supported by the active involvement of the Data Owners identified in the various company functions and Group companies. The procedure also provides for the application of the double materiality process and ensures traceability, reliability and compliance with expected timelines.

The results of risk assessment activities and internal controls are periodically reported to the administrative, management and supervisory bodies, to guarantee continuous monitoring and progressive improvement of the sustainability management system.

THE INTERNAL CONTROL AND RISK MANAGEMENT SYSTEM

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

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

- **FIRST LEVEL**: the first level of control contributes to the risk assessment process in the field of sustainability and is actively involved in data collection and – after verifying the accuracy of data – transmitting information related to indicators and/or relevant elements. In this regard, Elica's organisational model includes the following roles:
  - **Data Owner**: responsible for collecting sustainability data within their respective areas of expertise;
  - **Sustainability Focal Point**: responsible for verifying data received from designated Data Owners and aggregating it by relevant topic;
  - **Sustainability Manager**: responsible for transmitting data to central structures.

- **SECOND LEVEL**: the second level of control acts as a coordination point for activities related to sustainability reporting and is responsible for, among other things, defining and updating ESG policies, coordinating risk identification, analysis and assessment processes, and aggregating data for sustainability reporting. To this end, the Internal Audit & Risk Compliance Director (who also serves as the Company's Internal Control Officer, in the role of Risk Compliance Director), the Financial Reporting Officer (as per Law No. 262/05), the individual managers of the Company, and other control and monitoring figures with specific expertise in various areas (e.g. Health and Safety, Quality and Legal Officers) operate in close coordination, each within their respective scope of responsibility. With specific reference to risk identification, analysis and assessment processes, we note that Elica has adopted an Enterprise Risk Management Model, which integrates sustainability topics. Further details are provided in the following sections.
- **THIRD LEVEL**: independent and objective assurance (through internal audits, continuous monitoring and advisory services) provided by the Internal Audit & Risk Compliance function (in the role of Internal Auditing) regarding risk management and the reliability of reporting processes. Additionally, independent and objective assurance activities are conducted by an independent audit firm to ensure data reliability.

Although a specifically structured Internal Control System for managing sustainability data is not in place, the restatement management process was conducted with rigor, leveraging the existing controls formalized in the current operational procedure ("Group Policy-22 – Preparation of the Sustainability Reporting"). This approach ensured adequate oversight of the activities, as well as the consistency and reliability of the adjustments made, in line with the company's control and compliance standards. For further information on the restatements performed, please refer to paragraph BP-2 in the General Information section.

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

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

ELICA'S ERM MODEL AND ITS INTEGRATION WITH SUSTAINABILITY

Elica has developed and adopted a structured ERM model with the purpose of identifying and assessing potential events which could affect the achievement of the main corporate objectives defined in the Strategic/Annual Plan (including potential misstatement risks and fraudulent activities related to both financial and sustainability reporting). The objective is to ensure the identification and analysis of risks that could impact the Company, in addition to strengthening control measures for risks deemed particularly significant. It is important to highlight that: (i) the outcomes of this activity provide the Internal Audit & Risk Compliance function with essential elements to guide its activities, enabling the definition of a Risk-Based Audit Plan; (ii) the Model's components are periodically analysed and updated to ensure their alignment with best practices and consistency with evolving business contexts.

Against this backdrop, the elements comprising the Risk Management Model are integrated into the double materiality assessment process developed in compliance with the requirements of the Corporate Sustainability Reporting Directive (CSRD).

At the operational level, the Risk Management function updates the mapping and assessment of ESG risks on an annual basis, considering the short-, medium- and long-term time horizons. The risk assessment is conducted by the Risk Management function in accordance with the evaluation methodology outlined in the ERM model. For ESG risks, a materiality threshold is applied based on specific criteria defined by the methodology adopted pursuant to Law No. 262/2005. The procedure also provides that the Risk Management function identifies and assesses risks, in collaboration with the Corporate Sustainability Team and the Sustainability Managers, by referring to the list of sustainability matters outlined in ESRS 1, AR 16. The outcome of this stage results in updates to the long list of risks related the reporting period under review.

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

The main sustainability-related risks identified are those linked to climate change, including physical risks affecting production facilities and potential disruptions to suppliers' operations. Additional risks include the introduction of new, more stringent ESG requirements by customers, risks relating to safety and maintenance at the Group's offices and sites, and risks connected with players along the value chain. For each of these risks, Elica has implemented a mitigation strategy that also includes, as for the aforementioned risks, the adoption of formal policies and specific procedures, establishing clear and consistent guidelines for risk management, the definition of roles and responsibilities to ensure that each risk is monitored and managed by designated, qualified company figures, and the implementation of technological and operational support systems that facilitate real-time risk control and management. Control procedures are structured to ensure that business processes comply with internal and external regulations through the effective Segregation of Duties (SOD), thereby preventing conflicts of interest and enhancing the reliability of controls. In addition, periodic risk assessments through audits and continuous monitoring allow for the timely identification of vulnerabilities and the adoption of corrective actions.

The Enterprise Risk Management Model applied by Elica includes integration with sustainability topics from the outset. Elica developed a methodology that generates inputs for the analysis of risks for ERM purposes and the identification of risks and opportunities that are financially material as part of the same evaluation exercise, given the potential synergies between the financial materiality assessment – required by the CSRD's double materiality assessment process – and the risk identification, analysis and evaluation activities carried out as part of the Risk Assessment process, ensuring a consistent, co-ordinated approach to managing ESG risks.

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

[SBM-1] STRATEGY, BUSINESS MODEL AND VALUE CHAIN

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

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

Over 50 years old, Elica has established itself as a global leader in aspiration systems for kitchens and a European leader in the production of electric motors for home appliances and boilers, serving markets in the United States, China, Japan, Germany, France, Italy, Canada, Russia, Spain, Mexico, Poland and the Netherlands. Further details on the breakdown of employees are provided in section S1-6 of the Social Information section.

(40 e, f, g) Specific sustainability targets are not currently defined for significant groups of products or services, categories of customers, or geographical areas. In 2025, the global economic landscape maintained moderate growth, supported by easing inflation and progressively more stable financial conditions, against a backdrop of ongoing geopolitical uncertainty. As a result, the Group faced weak demand and a contraction in market volumes. In the Cooking segment, the European market remained stable, with declines in Western Europe and slight growth in Eastern Europe, while the United States recorded a further contraction. During 2025, this segment continued to experience strong promotional activity and increasingly aggressive competition, which also negatively impacted the average market price. Meanwhile, in the Heating segment, demand continued to suffer due to regulatory uncertainty surrounding the energy transition.

Despite these challenges, the Group consolidated its position through targeted strategies, including the geographical expansion of its distribution network and the broadening of its product range, resulting in its most comprehensive Cooking and Motors portfolio to date. Sustainability targets have not yet been formalised, though the Group continues to be committed to the integration of ESG criteria within its strategy. In addition to pursuing product solutions that ensure efficiency and control environmental impact, and in line with the trajectories associated with the introduction of new energy efficiency classes under the Energy Labelling Regulation, particular attention is focused on the energy transition in the Heating sector, where the decline of the gas boiler market and the growth of the heat pump market highlight the growing demand for low environmental impact solutions. Sustainability in considered in the definition of corporate strategies, orienting investments at more efficient products (such as hydrogen and the development of the heat pump segment), and more careful management of competitiveness in a market increasingly oriented to green solutions.

DESCRIPTION OF THE BUSINESS MODEL AND VALUE CHAIN

(42 a, b, c) Upstream, activities include the production and procurement of raw materials, grouped into the following process phases:

- **extraction of resources and processing for refinement**: extraction and processing of (ferrous and nonferrous) minerals and metals, followed by their refinement into raw materials; extraction and refinement of oil and natural gas for the production of plastic materials; preparation and mixing of raw materials for glass manufacturing; cutting and cleaning of plants to obtain logs for wood and paper production; packaging and labelling for distribution and sale.

- **transformation and production of industrial materials**: preparation of metals for blast furnace activities and finishing to obtain steel and aluminium sheets; polymerisation and granulation of plastic materials; melting and finishing of glass sheets in the desired sizes; mechanical and chemical processing for the production of packaging materials; processing of recycled fibres for packaging production; chemical synthesis of substances for powder coatings; packaging and labelling for distribution and sale.
- **transport from sub-suppliers to suppliers**: transport of raw materials from primary suppliers to suppliers responsible for producing semi-finished goods.
- **production of semi-finished goods**: processing of raw materials to manufacture Elica product components (electrical/electronic components, metal semi-finished products, small parts, plastic/glass components, filtering materials, etc.); quality and safety analysis; packaging and labelling for distribution and sale.
- **inbound logistics:** transport of products and semi-finished products, in addition to packaging materials, from suppliers to Elica warehouses.

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

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

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

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

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

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

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

In addition, with regard to upstream value chain activities, in order to provide the most accurate possible mapping, and considering that a significant portion of impacts in the supply chain are either directly linked to or influenced by Elica, assessments were conducted based on Tier 3, Tier 2 and Tier 1 suppliers. Among Tier 1 suppliers, with support from the Procurement Office, the most relevant suppliers (those accounting for at least 80% of procurement expenses) were identified and their supply categories organised into clusters (semi-finished products, components, packaging, software and technology, finished products and services).

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

[SBM-2] INTERESTS AND VIEWS OF STAKEHOLDERS

(45.a i, ii, iii, iv, v, b) Elica has an ongoing commitment to gaining a thorough understanding of the interests and views of its stakeholders, in order to ensure that communication and engagement activities are more targeted and aligned with the strategic sustainability and transparency targets outlined by the CSRD (ref. IRO 1, par. 53 b, iii). The mapping and grouping of stakeholders, in addition to their dedicated engagement channels, are outlined in the table below.

Category	Sub-categories	Type of stakeholder	Communication, listening & engagement channels
Shareholders and Governance	Shareholders	User	- Shareholders’ Meeting - Roadshows - Consolidated Financial Statements - Sustainability Reporting
Management	Board of Directors, CEO, General Management, Control, Risks and Sustainability Committee (CRSC), Supervisory Board	User	- Business Review - Board meetings - Board Committee meetings - Communications with the Supervisory Board - Internal Audit Report
Workers	Group employees, workers along the upstream and downstream value chain (e.g. self-employed workers, workers supplied by third parties, workers employed by suppliers, logistics workers, etc.) and future potential employees.	Affected	- Group Policies and Company Procedures - Corporate organisational communications - Target allocation process and performance evaluation (PM) - Development of training plans - Corporate rewards process (MBO) - Corporate Intranet and Information Systems - Vittoria RMS Portal - “Suggestions” and “EHS Cards” system - Internal audits - Company welfare - Elica Group Supplier Code of Conduct - Second-party audits - Whistleblowing mechanism - Student involvement in workshops and project work and curricular internships - Career days - Curricular internships
Trade unions	General Workers’ Representative Bodies (RSU), employee health and safety representatives (RLS), and local representatives of the relevant labour organisations	User	- Periodic meetings and discussion boards - Regular safety meetings
Customers and consumers	B2B/B2C customers, end consumers (B2C)	Affected	- Direct contact (events, dedicated company meetings) - Trade fairs and sector events - Showtrailers - Institutional press releases - Advertising campaigns - Technical assistance service survey - Elica website - Catalogues - Quality contact persons and product quality performance reporting - Complaint management - SAT call centre - SAT survey
Suppliers and partners	Suppliers of sub-suppliers of products and services	Affected	- Direct contact with purchasing staff, technical and economic bids - Sector events - Technical discussions

Category	Sub-categories	Type of stakeholder	Communication, listening & engagement channels
Investors and financial operators	Investment funds, stock market operators, banks and credit institutions, financial analysts	User	- Consolidated Financial Statements - Roadshows - Shareholders' Meeting - Press releases - Negotiations - Survey on ESG topics - Sustainability Reporting - Stock ratings
Certification bodies	Verification bodies, UNI EN ISO 9001-14001-45001 certifications	User	- Direct contact and webinars - Management review - On-site inspections/audits - Reporting and implementation of requirements and improvement action - Sustainability Reporting
National and international standardisation bodies	National and international legislative bodies, standards bodies and verification of mandatory product standards (e.g. VDE, CCC, UL etc.)	User	- Observatories and publication of legislative measures - Respect for compliance deadlines - On-site checks
Planet and global community	Future generations and nature	Affected	- Sustainability Reporting - Pre-/during-/post-event communication system - Recovery/restoration operating procedures - Press releases on sustainability initiatives - Global and local research (e.g., EIA, ICA, use of proxies) - Listening to issues raised by Non-Governmental Organisations
Legislative bodies, local institutions and regional governments	EU Community, country, Regions/Provinces, health and environmental authorities, labour law enforcement bodies, police forces etc.	User	- Communications and circulars, control reports
Local communities	Municipalities where production sites and HQs are located	Affected	- Press releases - Pre-/during-/post-event communication system - Recovery/restoration operating procedures - Events for social engagement and land recovery/enhancement (FEC-ETS events)
Media	Press, magazines and trade media	User	- Direct contact and interviews - Press releases - Publications - Pre-/during-/post-event communications
Trade associations	Confindustria, AIDAF, associations with which Group companies carry out joint activities	User	- Direct contact, press releases
Insurance companies	Insurance companies for specific risks	User	- Direct contacts (e.g. audits) to share information on risk management
Science hubs, universities and research and development centres	Universities and Technical Institutes, Development and Innovation Agencies (e.g. SMAU)	Affected	- Joint development of protocols/projects - Meetings on specific topics and business presentations
ESG Rating Agencies	National and international industry agencies that issue ESG ratings (e.g. Sustainalytics, Moody's, MSCI, Ecovadis, CDP etc.)	User	- Public documents (e.g. Sustainability Reporting) - Joint activities for the issue of “solicited” ratings - Sharing of policies and sustainability practices

(45.b) Though there is currently no structured process of direct stakeholder engagement as an input for the redefinition of corporate strategy, all the engagement methods adopted in the current reporting year are presented in the above table.

As part of the double materiality process for the 2025 financial year, Elica incorporated the results of the stakeholder engagement activities conducted in 2024 into the organisational context analysis phase[4]. This contribution supported the identification of material sustainability matters, ensuring that the updated assessments reflected the expectations and needs expressed by key stakeholders, while using the prior year's survey as a valid and coherent point of reference within the changing market environment. In addition, to evaluate IROs as part of the Materiality Assessment, Elica once again involved the Corporate Sustainability Team (CST) and Sustainability Managers in materiality impact workshops. Meanwhile, as part of the annual risk assessment process and in collaboration with the CST and the Sustainability Managers, the Risk Management function updated the risks and opportunities map for financial materiality purposes, including a specific analysis and related assessment over short-, medium- and long-term time horizons.

(45. c i, ii, iii) The results obtained helped drive decisions when identifying actions and targets and continue to be considered valid for 2025, in light of the absence of significant changes in the internal and external landscape and the continuity of stakeholder expectations. However, decisions were mainly based on the internal analysis aimed at preventing or mitigating negative, actual and potential impacts related to business activities and relationships. These actions and operational plans were developed with the involvement of the relevant corporate functions.

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

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

4. During 2024, the impact materiality assessment included the involvement of specific stakeholder categories through an online questionnaire (Shareholders and Governance, Management, Suppliers and Partners, Customers and Consumers, Workers, Local Communities, Investors and Financial Operators, Certification Bodies, Media, Insurance Companies, Scientific Clusters, Universities and Research and Development Centres).

[SBM-3] MATERIAL IMPACTS, RISKS AND OPPORTUNITIES AND THEIR INTERACTION WITH STRATEGY AND BUSINESS MODEL

(48. g) The sustainability reporting regulations required Elica to adopt a more in-depth approach to identifying material topics. In line with the previous year, the Group adopted a double materiality assessment process, examining materiality from both an impact (inside-out) and a financial (outside-in) perspective, in accordance with the requirements of the regulatory framework in force. Updates to the assessment led to the identification of new impacts and risks, which are outlined in the table below.

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

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

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

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

IMPACT	DESCRIPTION	Type of contribution	Actual/Potential	Positive/Negative	Value chain	Time horizon	Impacted stakeholder
Climate change impacts related to production in the value chain	Emission of climate-altering gases linked to the use of non-renewable energy sources by the Group's suppliers in material production activities. Climate-altering emissions contribute to climate change, generating a global impact.	Elica contributes to causing the impact	Current	Negative	Upstream	Short-term	**- Planet and global communities**
Climate change impacts related to production in own operations	Emission of climate-altering gases linked to the use of non-renewable energy sources by the Elica Group in production activities and the operation of its various facilities. Climate-altering emissions contribute to climate change, generating global impacts.	Elica causes the impact	Current	Negative	Own operations	Short-term	**- Planet and global communities - Local communities**
Climate change impacts related to upstream and downstream transport	Emission of climate-altering gases linked to the use of fossil fuels for transportation (by land, sea and air) of semi-finished products to the Group's facilities and final products to (B2B and B2C) customers.	Elica contributes to causing the impact	Current	Negative	Upstream / Own operations / Downstream	Short-term	**- Planet and global communities**
Environmental impacts related to raw materials supply and waste production	The use of raw materials (such as metals) purchased by the Group involves extraction and production processes that can generate significant amounts of waste. If not managed responsibly, this process could have substantial negative impacts on the environment and affected regions.	Elica is directly related to causing the impact	Current	Negative	Upstream	Short-term	**- Local communities**
Impacts caused by the production of manufacturing waste	The generation of significant quantities of waste during Elica's production processes (e.g. moulding offcuts, mechanical blanking or laser cutting, die-casting swarf or residues) could have negative impacts on local communities and the environment.	Elica causes the impact	Current	Negative	Own operations	Short-term	**- Planet and global communities**
Work-related injuries	Operational and manual activities (e.g. use of machinery and heavy vehicles, manual handling, repetitive tasks, etc.) could lead to serious workplace injuries, negatively impacting Elica's workforce in terms of health and safety.	Elica causes the impact	Potential	Negative	Own operations	Short-term	**- Workers - Local communities**
Lack of employee skill development	An inadequate level of employee skill development for both managerial (e.g. soft skills, leadership) and operational tasks (e.g. design, compliance with industry regulations) due to inadequate technical training, including training provided to operators at production sites and along production lines (e.g. for the use of machinery) could negatively impact employees' professional growth.	Elica causes the impact	Potential	Negative	Own operations	Medium-term	**- Workers - Local communities - Customers**
Violations of own workers' human rights	Potential violations of workers' rights due to inadequate working conditions (e.g. working hours, wages, freedom of association, collective bargaining, work-life balance, etc.).	Elica causes the impact	Potential	Negative	Own operations	Short-term	**- Workers - Local communities - Shareholders**
Protection of the values of diversity, inclusion and equal opportunities	Ensuring gender equality, fair working conditions and equal pay for work of equal value fosters a more equitable and motivating work environment, enhancing employee satisfaction.	Elica causes the impact	Current	Positive	Own operations	Short-term	**- Workers - Local communities**

IMPACT	DESCRIPTION	Type of contribution	Actual/Potential	Positive/Negative	Value chain	Time horizon	Impacted stakeholder
Failure to create a safe working environment	The failure to adopt adequate measures to ensure a safe and respectful work environment, leading to inappropriate behaviour and violations of employee rights. This could negatively impact organisational well-being, reducing employees' sense of belonging and motivation.	Elica causes the impact	Potential	Negative	Own operations	Short-term	**- Workers - Local communities**
Compliance with other labour rights of own workers	Adhering to the principles of the International Labour Organization (ILO), which prohibit child labour and forced or compulsory labour, along with safeguarding privacy and adopting the HR Due Diligence process, strengthens the Group's commitment to human rights and the promotion of ethical practices within its operations, contributing to the well-being of its workforce.	Elica causes the impact	Current	Positive	Own operations	Short-term	**- Workers - Local communities**
Violation of human rights in the value chain	The adoption of inadequate working conditions within the value chain (e.g. lack of secure employment, insufficient wages, non-compliance with health and safety standards set by national and international regulations, etc.) and violations of the principles of equal treatment and opportunity could lead to breaches of employee rights, negatively impacting their well-being and the quality of the working environment.	Elica is directly related to causing the impact	Potential	Negative	Upstream / Downstream	Short-term	**- Workers - Local communities**
Impacts on rights to freedom from forced and child labour in the value chain	The occurrence of forced labour and/or child labour exploitation within the value chain could have negative impacts, perpetuating poverty and hindering economic and human development.	Elica is directly related to causing the impact	Potential	Negative	Upstream / Downstream	Short-term	**- Workers - Local communities**
Prevention of consumer health and safety issues	The adoption of continuous quality and product safety controls, along with ensuring transparent labelling, helps prevent safety hazards and/or harm to consumer health.	Elica causes the impact	Current	Positive	Upstream / Own operations / Downstream	Short-term	**- Customers and consumers**
Violation of customer privacy	Potential breaches of customers' and consumers' personal data, linked to possible cyberattacks on corporate systems, could negatively impact customers and affected individuals.	Elica causes the impact	Potential	Negative	Own operations / Downstream	Short-term	**- Customers and consumers**
Sustainable supply chain management	The adoption of sustainable supply chain management practices (e.g. an approval process based on dedicated ESG Surveys, adherence to the Supplier Code of Conduct, and period audits) generates positive impacts on people and the economy.	Elica causes the impact	Current	Positive	Own operations	Short-term	**- Workers - Suppliers and partners**
Failure to comply with payment practices	Potential non-compliance with internal payment practices with regard to suppliers, which could negatively impact their ability to continue operations.	Elica causes the impact	Potential	Negative	Own operations	Short-term	**- Workers - Suppliers and partners**

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

RISK	DESCRIPTION	Dependencies compared to impacts	Dependencies on natural or social resources	Value chain	Time horizon
Physical climate risks for Group activities	Risk of acute climate events (e.g. floods, extreme precipitation, landslides, earthquakes, etc.) could impact, hinder or disrupt the Group's activities due to structural damage and/or limited access to company sites, leading to economic repercussions on operations (higher costs and/or lower sales).	Climate change impacts related to production in the value chain; Climate change impacts related to production in own operations; Climate change impacts related to upstream and downstream transport	**Natural resources:** - Atmosphere - Energy **Business relations** **Social resources:** - Planet and global communities - Local communities - Customers and end-users	Downstream	**Short-term / Medium-term Long-term**
Interruption of operations or damage to infrastructures or supplier production sites deriving from climate events	Risk that acute and chronic climate events (e.g. droughts, floods, variability in weather patterns, rising temperatures) could lead to the unavailability of raw materials and/or semi-finished products, resulting in negative effects such as lower sales revenues and/or higher operating costs.	Climate change impacts related to production in the value chain; Climate change impacts related to production in own operations; Climate change impacts related to upstream and downstream transport	**Natural resources:** - Atmosphere - Energy **Business relations** **Social resources:** - Planet and global communities - Local communities - Customers and end-users	Upstream	**Long-term**
Credit rating erosion due to difficulties in satisfying ESG performance expectations	Risk related to the deterioration of Elica's credit rating due to challenges in meeting and/or failing to achieve expected climate-related performance targets. This risk arises particularly from the increasing importance of ESG factors, which may lead banks to incorporate new ESG-related KPIs into their credit rating models and lending assessments. Failure to meet the expected performance targets could result in: (i) an increase in financing costs; (ii) suspension, revocation and/or reduction of existing credit lines.	Climate change impacts related to production in the value chain; Climate change impacts related to production in own operations; Climate change impacts related to upstream and downstream transport; Greater energy efficiency of products	**Natural resources:** - Atmosphere - Energy **Social resources:** - Investors and financial operators	Own Operation	**Medium-term / Long-term**
New and more stringent Elica product ESG requirements from customers	Risk that Elica's customers could demand stricter product sustainability requirements (e.g. lower energy consumption during product use), leading to extra costs for compliance and/or potential loss of market share in the event of delayed adaptation.	Increased product energy efficiency	**Social resources:** - Customers and end-users	Downstream	**Short-term / Medium-term Long-term**
Injuries at Elica sites and production sites	Injury risk for employees or third parties at Elica's sites and facilities. This risk specifically concerns injuries occurring at production plants and offices.	Work-related injuries	**Social resources:** - Workers	Own Operation	**Short-term / Medium-term Long-term**
Deficiencies in maintenance activities and machinery downtime	Inadequate planning and execution of maintenance activities, and machinery downtime, potentially resulting in equipment failure and/or production interruptions.	-	**Social resources:** - Workers	Downstream	**Short-term / Medium-term Long-term**
Non-compliance with GDPR legislation	Risk of non-compliance with applicable personal data protection regulations (e.g. EU Regulation No. 2016/679), particularly concerning employees, potentially leading to legal and reputational consequences.	Compliance with other labour rights of own workers	-	Own Operation	**Short-term / Medium-term Long-term**

RISK	DESCRIPTION	Dependencies compared to impacts	Dependencies on natural or social resources	Value chain	Time horizon
Scandals and/or sustainability issues for Elica or other players along the value chain	Risk that Elica and/or its business partners could be subject to scandals and/or allegations relating to its employees (e.g. worker exploitation, inadequate wages or other breaches of labour standards). This risk could have a significant impact on the Group's reputation.	Work-related injuries; Protection of the human rights of Elica's workforce; Protection of diversity, inclusion and equal opportunities; Creation of a safe working environment; Respect for other rights of Elica's workforce related to work	**Business relations** **Social resources:** - Planet and global communities - Local communities - Customers and end-users - Media	Upstream / Downstream	**Short-term / Medium-term Long-term**
Injuries at Elica sites and production sites	Injury risk for third parties at Elica's sites and facilities. This risk specifically concerns injuries occurring at production plants and offices.	Violation of human rights in the value chain	-	Upstream/ Own Operation	**Short-term / Medium-term Long-term**
Scandals and/or sustainability issues for Elica or other players along the value chain	Risk that Elica and/or its business partners could be subject to scandals and/or allegations relating to labour issues (e.g. worker exploitation, inadequate wages or other breaches of labour standards). This risk could have a significant impact on the Group's reputation.	Human rights violations along the value chain; Impacts on rights to freedom from forced and child labour in the value chain	**Business relations** **Social resources:** - Planet and global communities - Local communities - Customers and end-users - Media	Upstream / Downstream	**Short-term / Medium-term Long-term**
Non-compliance with GDPR legislation	Risk of non-compliance with applicable personal data protection regulations (e.g. EU Regulation No. 2016/679), particularly concerning customers and end consumers, potentially leading to legal and reputational consequences.	Violation of customer privacy	-	Downstream	**Short-term / Medium-term Long-term**
Business ethics and compliance	Risk that violations of policies, procedures, the Ethics Code or the 231 Model could expose the Company to regulatory sanctions, damage its corporate reputation and negatively impact operational performance and business results.	Lack of protection for whistleblowers; Adoption of corrupt conduct	-	Upstream / Downstream	**Short-term / Medium-term Long-term**
Scandals and/or sustainability issues for Elica or other players along the value chain	Risk that Elica and/or its business partners could be subject to scandals and/or allegations relating to business conduct (e.g. corruption, failure to protect whistleblowers, interruption of supply services/ non-payment/delays, unfair commercial practices, aggressive debt collection practices). This risk could have a significant impact on the Group's reputation.	Healthy corporate culture; Failure to protect whistleblowers; Sustainable supply chain management; Appropriate supplier payment practices; Adoption of corrupt conduct	**Business relations** **Social resources:** - Planet and global communities - Local communities - Customers and end-users - Media	Upstream / Downstream	**Short-term / Medium-term Long-term**
Risk of fraud and corruption	**Risk that management, employees or third-parties (e.g. public officials) could commit fraud for personal gain at the Company's expense, leading to inefficiencies in management. The areas/processes most vulnerable to fraud risk include: (i) cash handling; (ii) supplier management; (iii) expense reports; (iv) discount policies; (v) employee payments; (vi) inventory movements.**	**Adoption of corrupt practices**	-	**Upstream / Downstream**	**Short-term / Medium-term Long-term**

(48. d) We note that no significant financial effects occurred concerning the identified material risks in the current reporting year. However, the Group is already equipped with a structured set of prevention and mitigation measures for the identified physical climate, social and governance risks. These include insurance coverage against physical climate-related risks and policies covering work-related injuries and work-related ill health, in addition to operational and infrastructure safeguards designed to strengthen business resilience. Given the sector in which the Group operates, its approach to climate change mitigation focuses primarily on developing product solutions that improve efficiency and reduce environmental impact. This product focus is complemented by circular economy projects, including the increased use of recycled components and the reduction of the weight and consumption of critical materials, also in response to specific customer requirements and emerging regulatory developments. In the Heating/Motors segment, the Group continues to develop solutions based on alternative energy sources, including hydrogen-compatible motors, in line with the certifications already obtained. With regard to social and governance risks, the Group maintains active training programmes and strengthens internal controls relating to health and safety, plant maintenance, personal data protection (GDPR) and ethical compliance. These measures are accompanied by periodic audits, 231 training programmes, whistleblowing systems and internal controls across the supply chain. For more details on the financial impacts of climate risks, see “A.12. Exposure to Risks and Uncertainties and Financial Risk Factors” in the dedicated section “Climate Change Risk Analysis” of the 2025 Annual Financial Report.

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

THE GROUP’S DOUBLE MATERIALITY

[IRO-1] - DESCRIPTION OF THE PROCESSES TO IDENTIFY AND ASSESS MATERIAL IMPACTS, RISKS AND OPPORTUNITIES

The process adopted to identify and assess impacts, risks and opportunities (IROs) is based on the double materiality approach, as required by the CSRD regulation and supported by EFRAG IG 1: “Materiality Assessment Implementation Guidance”.

This approach combines an assessment of the impacts generated by the company on people and the environment with an evaluation of risks and opportunities, incorporating analysis and evaluations of the company’s ERM that could influence financial performance.

(53. a-b-c) The Double Materiality methodology followed a process comprising several phases:

1. **Understanding the organisational context:** to identify relevant ESG-related impacts, risks and opportunities for the Elica Group, an in-depth analysis of the operational context was conducted, extending beyond the core business to include the entire value chain (both upstream and downstream) and major sustainability macro-trends. This analysis involved a benchmarking study of peer practices, based on publicly available documentation. In addition, internationally recognised sources, such Sustainalytics, S&P Global, MSCI, Euronext, the World Economic Forum, UNEP and OECD were consulted to identify key sustainability topics related to the sector. A review of the Group’s internal and external documents was carried out to assess their relevance to the ESG topics analysed. The analysis involved categorising and prioritising stakeholders, in accordance with the ESRS standard, distinguishing between User and Affected stakeholders. Finally, the value chain was mapped to analyse business relationships with suppliers – categorised into Tier 1, 2 and 3 – and the stakeholders involved.
2. **Identification of IROs**: based on the results of the contextual and ERM analysis findings, an identification process was launched for both current and potential positive and negative impacts, risks and opportunities (IROs) related to environmental, social and governance (ESG) matters. This analysis considered both the Elica Group’s direct operations and its entire value chain, upstream and downstream. This process led to

the definition of a comprehensive long list of IROs, supported by the list of topics, sub-topics, and sub-sub-topics outlined in ESRS 1 - AR 16 as a methodological reference, while also identifying dependencies on natural and social resources. For more information on the time horizons, see the General Disclosures section BP-2.

3. **IRO assessment**: the first step involved identifying the stakeholders/owners/key contacts to be engaged in the assessment process. Once the assessment parameters were defined – including the assessment dimensions: impact severity/magnitude of the financial effect associated with risks and opportunities, and the likelihood of occurrence in the short, medium and long term – the long list of impacts, risks and opportunities, along with their related sustainability topics, was submitted for assessment in accordance with the methods defined by the Group Policy – Preparation of the Sustainability Statement. For further details on the activities carried out by the Group with regard to evaluating IROs, please refer to "SBM-2 Interests and Views of Stakeholders" in this section. The double materiality findings were finally validated by the internal Board committee acting as the Control, Risks and Sustainability Committee (CRSC) and the entire Board of Directors.

In addition, on February 13, 2025, the Board of Directors approved a procedure with specific reference to human rights (see "Human Rights Due Diligence Procedure") and a policy (see "Group Policy – Human Rights Policy").

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

The assumptions adopted in the assessment of each IRO were based on available data, enabling a materiality analysis that takes the sector and the business as a whole into consideration.

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

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

(53 b.iii) Elica continues to consider stakeholder engagement activities to be relevant and appropriate for understanding the perspectives of its key stakeholders. For further details regarding the activities carried out by the Group, see "SBM-2 Interests and views of stakeholders" in this section.

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

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

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

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

Depending on the result, multiplicators were applied to the likelihood and impact values to predict the future evolution of the risk or opportunity and its financial materiality. In the aggregated results, for the purposes of the Double Materiality Assessment, risk and opportunity assessments were made on the basis of the long-term horizon.

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

(53 c.iii, d) The Group prioritises sustainability-related risks over other types of risks through the integration of Environmental, Social and Governance (ESG) concerns in its strategic guidelines and risk management systems. The use of risk assessment tools that combine traditional ERM methodologies with specific sustainability models and indicators allows for the proactive identification, assessment, and monitoring of such risks. For further information on the decision-making process and related internal control procedures, please refer to the General Disclosures section GOV 5.

(53 e) The identification, assessment and management of impacts and risks are fully integrated into the company's Enterprise Risk Management (ERM) system, ensuring a coherent and systematic approach. This integration allows the Group to align impact and risk management, along with related dependencies, with the Group's overall risk profile, enabling a unified and strategic perspective. By evaluating scenarios and identifying priorities, the process helps to define corporate strategies, support informed decision-making, and optimise risk mitigation efforts.

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

(53 g) The input parameters employed in the process of identifying and assessing impacts, risks and opportunities (IROs) related to sustainability are based on a multi-level approach. In the context analysis phase, the Group uses publicly available documents and industry standards, supported by internal analysis. The second phase, dedicated to identifying IROs, incorporates various parameters to capture the full scope of the Group's business (Cooking BU and Motors BU), along with the geographical and sector-based diversity of its operations. During the IRO assessment phase, the process focused on reducing reliance on estimates, prioritising the use of verified data and shared assumptions, in line with the EFRAG Materiality Assessment Implementation Guidance. Specific methodologies were developed for the assessment of impact materiality and risks and opportunities (financial materiality), with the thresholds outlined in previous sections.

(53 h) The analysis was conducted in line with the approach adopted last year, in compliance with the requirements of the CSRD and as governed by the "Group Policy – Preparation of the Sustainability Statement". No changes were made to the process compared with 2024, and the next review of the materiality assessment of sustainability matters will take place during 2026, thereby ensuring periodic updates consistent with changes in the market environment.

[IRO-2] DISCLOSURE REQUIREMENTS IN ESRS COVERED BY THE UNDERTAKING’S SUSTAINABILITY STATEMENT

NON-MATERIAL TOPICS

The following sections contain information relating to the non-material ESRS for the 2025 financial year. We furthermore note, for the ESRS topics considered non-material by the Group, no events occurred in relation to associated impacts, risks and opportunities. In an analysis of the last 15 years of historical data of the Group companies, no events were found to be reported in relation to these ESRS topics.

DISCLOSURE REQUIREMENT RELATED TO ESRS 2 IRO-1 - DESCRIPTION OF THE PROCESSES TO IDENTIFY AND ASSESS MATERIAL POLLUTION-RELATED IMPACTS, RISKS AND OPPORTUNITIES
(ESRS E2; 11 a-b, AR 9; ESRS 2 IRO-2, 58) The approach for determining impacts, risks and opportunities is described in the General Disclosures IRO-1. The topic of pollution in the Group’s activities was assessed considering both its financial materiality and potential impact.

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

For the assessment of its own operations, impact drivers were identified in order to identify and analyse organisational impact factors of pollution affecting environmental resources and ecosystem service supply, which might, in turn, affect dependencies and society in general.

In particular, pollution drivers regarding air, soil and living organisms and the use of harmful substances highlight how all of the Group’s production sites are in line with the provisions of Legislative Decree No. 152/2006.

Regarding the assessment of corporate activities of own operations and along the value chain, it emerged that the issue does not present risks or opportunities that are likely to materially impact Group financial performance or generate significant negative impacts such as to make it a material ESRS reporting topic.

DISCLOSURE REQUIREMENT RELATED TO ESRS 2 IRO-1 - DESCRIPTION OF THE PROCESSES TO IDENTIFY AND ASSESS MATERIAL WATER AND MARINE RESOURCES-RELATED IMPACTS, RISKS AND OPPORTUNITIES

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

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

Regarding the value chain, considering that any impacts on water and marine resources were not attributable to the use of Elica range hoods or motors downstream in the value chain, assessments focused on impacts generated upstream. In particular, impacts relating to the use of water resources derive mainly from companies involved in the extraction of minerals and the production of laminates, which make up the main raw materials for the production of range hoods and motors. The volume of water drawn, discharged and consumed in the production of these materials for Elica Group was estimated and found to be lower than the section average. Water may also be consumed in operational activities for the production and processing of glass, although this raw material is not used significantly in Elica products, in either range hoods or motors, and therefore has only a marginal impact. Except in exceptional cases, more significant water consumption events would be extemporaneous, given that systems are in place to monitor and limit withdrawals, consumption and discharges.

Subsequently, regarding own operations, further insights were elaborated. In particular, impact drivers were identified in order to identify and analyse organisational impact factors affecting environmental resources and ecosystem service suppliers, which might, in turn, affect dependencies and society in general.

These drivers take into account water withdrawals and discharges, as well as water stress at the reference site. Nonetheless, the use of water in operations is limited to use for services, and there are no production discharges.

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

DISCLOSURE REQUIREMENT RELATED TO ESRS 2 IRO-1 - DESCRIPTION OF PROCESSES TO IDENTIFY AND ASSESS MATERIAL BIODIVERSITY AND ECOSYSTEM-RELATED IMPACTS, RISKS AND OPPORTUNITIES

(ESRS E4; 17 a-d; ESRS 2 IRO-2, 58) The approach for determining impacts, risks and opportunities is described in the General Disclosures section IRO-1. The topic of biodiversity was assessed considering its potential impact and related dependencies on environmental resources and current and future generations, particularly concerning the availability of natural resources.

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

Regarding own operations, none of the plants considered in the reporting scope are located in protected zones.

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

(ESRS E4, SBM-3, 16) The Group did not identify material IROs concerning the topic of biodiversity and ecosystems, and therefore did not carry out assessments of related interactions with its own strategy and business model. However, assessments of own operations and along the value chain were carried out, and evidenced that the issue does not present risks or opportunities that are likely to materially impact Group financial performance or generate significant negative impacts such as to make it a material ESRS reporting topic.

DISCLOSURE REQUIREMENT RELATED TO ESRS 2 SBM-2 - INTERESTS AND VIEWS OF STAKEHOLDERS

(ESRS S3, 7; IRO-2, 58) The topic of affected communities was assessed considering its potential impact and related dependencies on environmental resources and current and future generations, particularly concerning the availability of natural resources.

To identify potential dependencies or moderate impacts relating to Elica's sector and its value chain, further analysis was conducted on the activities and approaches through which Elica engages in philanthropic initiatives or provides financial contributions and donations to associations operating in the areas where its operations tend to be concentrated.

It emerged that the aforementioned activities are channelled through the Fondazione Ermanno Casoli, to which the Group provides makes contributions of non-material financial impact. These activities are also not carried out in a manner that infringes upon the economic, social and cultural rights of the affected communities, or their civil rights.

At the same time, Elica conducted an assessment of its activities and/or the nature of its products (including upstream and downstream players along its value chain). This evaluation took into account the geographical location of the Group's business and that of operators along the value chain. The Group also assessed that its activities may only generate negligible impacts in terms of potential infringements of fundamental rights or significant harm to the well-being of indigenous peoples residing in the affected regions.

Although the Company recognises affected communities as key stakeholders, the analysis carried out on both its own operations and along the value chain, led to the conclusion that the issue does not present risks or opportunities that are likely to materially impact Group financial performance or generate significant impacts such as to make it a material ESRS reporting topic.

The opinions, interests and rights of these communities are continuously relevant for corporate operations. These stakeholders were engaged in the assessment stage of the Double Materiality Assessment process. For more information on the matter, see the paragraph SBM-2 in the General Disclosures section.

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

ESRS CONTENT INDEX

(IRO-2 59, 56) To identify material IROs, the Group considered, for impact materiality, all impacts assessed as material or very material, and, for financial materiality, all risks or opportunities assessed as considerably or critically material over at least one of the time horizons.

We also note that for FY 2025, Elica decided to gradually introduce certain disclosure requirements envisaged in Appendix C of ESRS 1. The disclosure requirements that the Group decided to omit, as not material, or subject to the aforementioned transitional provisions, are indicated in the table below, using respectively the expressions "Not material" and "Phase-in".

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DR	LIST OF MATERIAL ESRS TOPICS	Page reference
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S4-3	Processes to remediate negative impacts and channels for consumers and end-users to raise concerns	150
S4-4	Taking action on material impacts on consumers and end-users, and approaches to managing material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of those actions;	151
S4-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	151
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G1-1	Corporate culture and business conduct policies	154
G1-2	Management of relationships with suppliers	156
G1-3	Prevention and detection of corruption and bribery	157
G1-4	Confirmed incidents of corruption or bribery	160
G1-5	Political influence and lobbying activities	Not material
G1-6	Payment practices	160

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

Environmental information.

Climate Change (ESRS E1)

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

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

[ESRS 2 IRO-1] – DESCRIPTION OF THE PROCESSES TO IDENTIFY AND ASSESS MATERIAL CLIMATE-RELATED IMPACTS, RISKS AND OPPORTUNITIES

(ESRS E1; 20 a, AR 9 a-b) The approach taken, details of impacts, risks and opportunities, and list of material climate change IROs are presented in paragraph SBM-3 of the General Disclosures section.

The Group has analysed its operations and value chain to identify current and potential climate change impacts. Through a mapping of the value chain, the main emissions sources were identified, taking into account upstream and downstream production and processing, and input and output logistics. Actual and potential climate change impacts were assessed taking into account total Scope 1 and 2, and where possible, Scope 3 greenhouse gas (GHG) emissions. For the identification of Scope 3 categories, the GHG Protocol was used. For more information on the relevant categories, see paragraph ESRS E1-6 in this section.

(ESRS E1; 20 B; AR 11 a-d, AR15) The assessment of physical climate risks took into account own operations and the value chain, both upstream and downstream. In particular, the main climate risks were identified in high emissions scenarios, such as IPCC Representative Concentration Pathway (RCP) 8.5. Among the identified risks was global warming, with heat waves and thermal stress representing significant risks for business activities in sensitive geographical areas, including Italy, Spain, Mexico, China, USA, and Germany. The assessment was made over a long-term horizon up until 2050.

The assessment of risks to assets and activities highlighted how the latter are particularly exposed to climate change risks, with potential impacts on operations, infrastructures, and supply chains. For operating facilities, risks come from prolonged climate phenomena, such as temperature rises, and demand mitigation measures, such as air-conditioning system improvements and climate sensor monitoring. For the value chain, on the other hand, risks concern both upstream operations, with potential interruptions of the activities of suppliers in countries with high temperature risks, and downstream operations, with impacts on end markets and consumers. For each type of risk, business activities that could be exposed to climate-related hazards were analysed considering geospatial coordinates and the magnitude of the individual risk on a scale of 1 to 3.

For the identification and assessment of climate risks, high emissions climate scenarios were considered in estimating their likelihood, duration and extent for the specific geographical coordinates of Group entities. These scenarios, integrated with regional climate forecasts, made it possible to refine and make the modelling of physical risks more precise.

Finally, the analysis made it possible to identify and develop priority adaptation solutions. Among these are technical and equipment improvements, such as the optimisation of air conditioning systems, and transversal measures, such as insurance coverage and extraordinary maintenance plans. The approach reflects a conscious, proactive management of climate-related physical risks, aimed at guaranteeing the resilience of corporate activities over the long-term.

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

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

(AR15) Furthermore, in line with the suggestions issued by ESMA, these scenarios were integrated into an assessment of the likelihood, scale and duration of risks and climate opportunities, and of the exposure of assets and activities to the different climate conditions. The Group considers that its products and its business model, which is based on the production and sale of kitchen hoods and extractor hobs, in addition to the manufacture and sale of motors for domestic ventilation, will remain sustainable in a low-carbon economy. Targets relating to the transition towards alternative energy sources and climate change mitigation are pursued through initiatives designed to improve the energy efficiency of the Group’s operations. In addition, the Group monitors and reports the main greenhouse gas emissions generated along its value chain. While climate change issues and risks do not currently have a significant impact on the measurements of financial statement items, they are considered, where appropriate, in the estimates and assumptions made by the Group as they increase uncertainty levels. Management is carefully monitoring developments in this area in its strategic and risk management analyses, especially in terms of new climate-related rules and regulations and best practices, so as to reflect these elements in the decision-making processes. The analysis of climate-related impacts, where relevant and reliably measurable, has focused on the useful life of assets, measurement of the recoverable value of non-financial assets such as goodwill and expected losses on receivables, fair-value measurements, and actual and contingent liabilities.

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

[ESRS 2 SBM-3] - MATERIAL IMPACTS, RISKS AND OPPORTUNITIES AND THEIR INTERACTION WITH STRATEGY AND BUSINESS MODEL

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

(ESRS E1 19 a, b, c, AR 6-7-13) Regarding climate risks, in 2025, Elica updated its analysis of the reaction capacity of its strategy and business model to climate change, which led to the identification of priority adaptation solutions. The analysis involved all corporate production sites, in addition to major suppliers and customers along the value chain (i.e., suppliers accounting for 80% of Elica's total expenditure in 2025, and customers accounting for 80% of total revenues in the same year; for customers with more than one site per country, the one with the highest revenues was selected). This analysis was conducted using scenarios to assess the potential impacts of climate risks and define the most appropriate actions to address them.

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

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

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

[E1-1] - TRANSITION PLAN FOR CLIMATE CHANGE MITIGATION

(E1-1, 17)

Elica recognises the importance of integrating topics related to sustainability and climate change management into its corporate strategy. Against this backdrop, the Group monitors developments in the regulatory framework and market best practices relating to the climate transition, progressively assessing how these elements may be reflected in its strategic direction and decision-making processes. At the date of this statement, the Group has not adopted a formalised climate transition plan. However, matters relating to climate change impacts, risks and opportunities are taken into account within strategic analyses and risk management processes, in order to support informed and coherent decision making aligned with external developments. The Group will continue to actively monitor the climate transition, assessing the potential adoption of dedicated tools or initiatives in the medium term, in line with regulatory developments and with Elica's strategic and operational priorities.

[E1-2] - POLICIES RELATED TO CLIMATE CHANGE MITIGATION AND ADAPTATION

(ESRS 2, 62) With regard to climate change, the Group does not currently possess any policies that are fully aligned with regulatory requirements, also in light of the continuously developing regulatory framework. Elica monitors these developments on an ongoing basis and is committed to issuing a policy as soon as the regulatory landscape is consolidated.

This approach enables the Group to conduct a detailed analysis of all climate change-related aspects. The policy will provide a clear framework to guide mitigation and adaption actions, reflecting the Group's commitment to integrating sustainability considerations into its decision-making and operational processes. The dedicated policy will be formalised alongside the adoption of a comprehensive and structured Transition Plan.

[E1-3] – ACTIONS AND RESOURCES IN RELATION TO CLIMATE CHANGE POLICIES

(ESRS 2, 62) Although the Elica Group has not yet formalised science-based actions and targets relating to climate change, during 2025 it initiated several operational initiatives designed to reduce greenhouse gas emissions. These initiatives represent the Group's first concrete steps towards a climate transition, which Elica intends to further develop in the medium term.

The main actions undertaken in 2025 concerned the production site in Jelcz Laskowice, Poland, the largest facility within the Group. Specifically, a project was completed to reduce the operating pressure of auxiliary compressor systems used to generate compressed air, primarily employed in fastening processes. Energy efficiency initiatives also continued with the replacement of additional traditional lighting units with LED solutions and the adoption of automated, sensor-based lighting management systems in production areas, warehouses and offices. In addition to technical interventions, dedicated training sessions were organised for site personnel, focusing on the efficient use of energy resources and the adoption of responsible behaviours, supported by the introduction of specific procedures to monitor compliance.

[E1-4] – TARGETS RELATED TO CLIMATE CHANGE MITIGATION AND ADAPTATION

(ESRS 2, 81 a) The Group has not yet defined specific, clear, measurable, and science-based targets for climate change mitigation and climate change adaptation, although relevant aspects emerged through the double materiality assessment. Understanding the importance of the topic, the Group is, through the initiatives described above, committed to supplementing its strategy to focus on reducing its impact in terms of emissions and energy.

[E1-5] – ENERGY CONSUMPTION AND MIX

(37, 42) To assess trends and projects to improve efficiency, the consumption of energy carriers used in the processing steps is constantly monitored. Electricity used in production processes, auxiliary equipment and lighting of offices and outdoor areas, accounts for almost all primary consumption, totalling 41,224 MWh. In 2025, Elica used energy from renewable sources certified with Guarantee of Origin at all its Italian sites and the Polish facility. In addition, three photovoltaic systems are now in active use on the Group's Italian sites, which, in 2025, generated a total of 1,106.33 MWh. Thanks to these choices, in 2025 the Group's electricity mix included approximately 36.84% renewable energy. All of the sectors included in the Group's scope are classified as high climate impact sectors, as they are classifiable under C in Annex I of Regulation (EC) No. 1893/2006 of the European Parliament and of the Council (as defined in Commission Delegated Regulation (EU) 2022/1288).

(MDR-M 77 a) Energy consumed means the value expressed in MWh of energy consumed within the organisation, including both energy purchased from external sources and self-generated energy. For electricity and fuels, consumption derives from data collected from suppliers, invoices and consumption monitoring software.

All the values reported in this paragraph and in the related tables below take into account the restatements already described in the paragraph "Changes in the preparation or presentation of sustainability information".

COMPANY CONSUMPTION IN SECTORS WITH HIGH CLIMATE IMPACT

37, 38, 39, AR 34		Total company consumption	
Energy consumption and energy mix		2025	2024(*)
		MWH	
Fuels from crude oil and petroleum products		**3.39**	**23.88**
	Automotive diesel		22.29
	Diesel for production	3.39	1.58
	Automotive petrol		
	Gasoline for production		
	LPG for self-propulsion		
	LPG for production		
Natural gas fuels		**19,671.22**	**20,614.67**
	Natural gas for heating	6,445.51	6,789.96
	Natural gas for production	13,223.10	13,822.37
	GPL for heating		
	GPL for production	2.61	2.35
Electricity purchased or generated from fossil fuel sources		4,675.57	4,273.66
Heat purchased or acquired from fossil sources			
District heating		1,685.71	1,232.83
Total energy consumption from fossil sources		**26,035.89**	**26,145.04**
Share of fossil sources in total energy consumption (%)		**63.16%**	**62.53%**
Total energy consumption from nuclear sources			
Share of nuclear sources in total energy consumption (%)		**0.00%**	**0.00%**
Fuels from renewable sources		**1.30**	**2.78**
	Biofuels (Bioethanol)	1.30	2.78
Electricity purchased or obtained from renewable sources (Guarantee of Origin contracts)		14,307.31	14,818.13
Renewable energy self-produced and consumed (without using fuels)		**880.14**	**845.10**
	from a photovoltaic system	1,106.33	1,116.69
	Less energy fed into the grid produced by a photovoltaic system	226.19	271.59
Total energy consumption from renewable sources		**15,188.74**	**15,666.01**
Share of renewable sources in total energy consumption (%)		**36.84%**	**37.47%**
Total energy consumption		**41,224.63**	**41,811.04**

(*) For further information on the restatements performed, please refer to paragraph BP 2 in the General Information section.

COMPANY CONSUMPTION IN SECTORS WITH HIGH CLIMATE IMPACT

Energy consumption and energy mix		Company consumption for activities in sectors with high climate impact 2025	2024(*)
		MWH	
Fuels from crude oil and petroleum products		**3.39**	**23.88**
	Automotive diesel		22.29
	Diesel for production	3.39	1.58
	Automotive petrol		
	Gasoline for production		
	LPG for self-propulsion		
	LPG for production		
Natural gas fuels		**19,671.22**	**20,614.67**
	Natural gas for heating	6,445.51	6,789.96
	Natural gas for production	13,223.10	13,822.37
	GPL for heating		
	GPL for production	2.61	2.35
Electricity purchased or generated from fossil fuel sources		4,675.57	4,273.66
Heat purchased or acquired from fossil sources			
District heating		1,685.71	1,232.83
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Total energy consumption from nuclear sources			
Share of nuclear sources in total energy consumption (%)		**0.00%**	**0.00%**
Fuels from renewable sources		**1.30**	**2.78**
	Biofuels (Bioethanol)	1.30	2.78
Electricity purchased or obtained from renewable sources (Guarantee of Origin contracts)		14,307.31	14,818.13
Renewable energy self-produced and consumed (without using fuels)		**880.14**	**845.10**
	from a photovoltaic system	1,106.33	1,116.69
	Less energy fed into the grid produced by a photovoltaic system	226.19	271.59
Total energy consumption from renewable sources		**15,188.74**	**15,666.01**
Share of renewable sources in total energy consumption (%)		**36.84%**	**37.47%**
Total energy consumption		**41,224.63**	**41,811.04**

(*) For further information on the restatements performed, please refer to paragraph BP 2 in the General Information section.

40, AR 36, AR 37

Energy intensity (sectors with high climate impact)	2025	2024(*)
Total energy consumption of activities in sectors with high climate impact (MWh)	41,225	41,811.04
Net revenues from activities in high-impact climate sectors (k€)	460,560	€452,092
Energy intensity (MWh/€)	0.090	0.092
Δ% 2025 - 2024		-3.2%

(*) For further information on the restatements performed, please refer to paragraph BP 2 in the General Information section.

43, AR 38

Reconciliation of net revenue amounts arising from activities in high climate impact sectors with the relevant item or notes in the financial statements	2025	2024
Net revenues from activities in high-impact climate sectors (k€)	460,560	€452,092
Net revenues (other)		
Total net revenue (balance sheet k€)	460,560	€452,092

[E1-6] - SCOPE 1, 2 AND 3 GHG EMISSIONS

(ESRS E1, AR 46 h) The GHG emissions inventory for the reporting year 2025 is consistent with previous years thanks to the use of the same calculation methodologies, data sources, and reference reporting standards (GHG Protocol). In terms of the scope of reporting, Elica has taken into account all subsidiaries, including sales companies, within the reporting of emissions. Scope 1, 2 and 3 CO_2e emissions reporting follows the guidelines of the GHG Protocol. The tables below set out the values for this reporting year. For more information on methodologies, assumptions, and emission factors used, refer to the Emissions paragraph of the section “Key calculation criteria”.

GROSS GHG EMISSIONS OF SCOPE 1, 2, 3 AND TOTAL GHG EMISSIONS

44, 48

Direct emissions - Scope 1		2025	2024(*)
		t CO_2 eq	
Fuels from crude oil and petroleum products		**0.91**	**6.42**
	Automotive diesel		5.99
	Diesel for production	0.91	0.43
	Automotive petrol		
	Gasoline for production		
	LPG for self-propulsion		
	LPG for production		
Natural gas fuels		**3,985.84**	**4,179.02**
	Natural gas for heating	1,305.99	1,376.44
	Natural gas for production	2,679.26	2,802.04
	GPL for heating		
	GPL for production	0.60	0.54
F-Gas		**155.93**	**122.42**
	R22		
	R407C	35.73	61.60
	R410A	48.68	22.99
	R134A (HFC134A)	20.28	37.83
	R404A		
	R422	51.25	
Direct emissions - Scope 1		**4,142.69**	**4,307.86**

(*) For further information on the restatements performed, please refer to paragraph BP-2 in the General Information section.

Biogenic CO_2 emissions from combustion		2025	2024
		t CO_2 eq	
Fuels from renewable sources		**0.002**	**0.004**
	Biofuels (Bioethanol)	0.0020	0.0042
Biogenic CO_2 emissions from combustion		**0.002**	**0.004**

44, 48, 51, 52, AR 47, AR 51

Total emissions		Unit	2025	2024(*)	Δ% 2025 - 2024
Direct emissions - Scope 1		t CO_2 eq	4,143	4,308	-5.0%
Scope 1 emissions covered by regulated emissions trading systems		%	0.0%	0.0%	0.0%
	Scope 1 emissions from installations subject to the EU ETS	t CO_2 eq			0.0%
	Scope 1 emissions from installations subject to national ETS	t CO_2 eq			0.0%
	Scope 1 emissions from installations subject to non-EU ETS	t CO_2 eq			0.0%
Indirect emissions - Scope 2					
	District heating	t CO_2 eq	295	221	33.4%
	Scope 2 - location-based	t CO_2 eq	8,394	9,290	-9.6%
Total Scope 2 emissions – location-based (including district heating)		**t CO_2 eq**	**8,690**	**9,511**	**-8.6%**
	Scope 2 -market-based	t CO_2 eq	2,061	1,882	9.5%
Total Scope 2 emissions – market-based (including district heating)		**t CO_2 eq**	**2,356**	**2,104**	**12.0%**
Indirect emissions - Scope 3		t CO_2 eq	609,768	687,113	-11.3
	1. Purchased goods and services	t CO_2 eq	70,886	84,697	-16.3%
	Optional subcategory: Cloud computing and data center services	t CO_2 eq			0.0%
	2. Capital goods	t CO_2 eq			0.0%
	3. Fuel and energy related activities (not included in scope 1 or 2)	t CO_2 eq	1,045	1,036	0.8%
	4. Upstream transportation and distribution	t CO_2 eq	13,942	11,642	19.7%
	5. Waste generated during operations	t CO_2 eq	56	14	302.6%
	6. Business trips	t CO_2 eq	372	499	-25.4%
	7. Employee commuting	t CO_2 eq	2,630	1,796	46.4%
	8. Upstream leased assets	t CO_2 eq			0.0%
	9. Downstream transportation	t CO_2 eq	10,336	12,245	-15.6%
	10. Transformation of the sold products	t CO_2 eq			0.0%
	11. Use of the sold products	t CO_2 eq	510,360	574,989	-11.2%
	12. End-of-life treatment of the products sold	t CO_2 eq	138	195	-29.0%
	13. Downstream leased assets	t CO_2 eq			0.0%
	14. Franchise	t CO_2 eq			0.0%
	15. Investments	t CO_2 eq	4		0.0%

(*) For further information on the restatements performed, please refer to paragraph BP-2 in the General Information section.

	Unit	2025	2024(*)	Δ% 2025 - 2024
Direct emissions - Scope 1	t CO_2 eq	4,143	4,308	-5.0%
Indirect emissions - Scope 2 Location Based	t CO_2 eq	8,690	9,511	-8.6%
Indirect emissions - Scope 2 Market Based	t CO_2 eq	2,356	2,104	12.0%
Indirect emissions - Scope 3	t CO_2 eq	609,768	687,113	-11.3%
Total emissions - location based	**t CO_2 eq**	**622,600**	**700,932**	**-11.2%**
Total emissions - market based	**t CO_2 eq**	**616,267**	**693,524**	**-11.1%**

(*) For further information on the restatements performed, please refer to paragraph BP-2 in the General Information section.

DR E1-6 INTENSITY OF EMISSIONS

55, AR 55

	2025	2024
Net revenues used to calculate emissions intensity	460,560	452,092
Net revenues (other)		
Total net revenue (balance sheet k€)	460,560	452,092

Total intensity of emissions compared to revenues	2025	2024(*)
Total emissions - (t CO_2 eq)	**622,600**	**700,932**
Net revenue (k€)	460,560	452,092
Emission Intensity - Location Based (t CO_2 eq/k€)	1.352	1.550
Δ% 2025 - 2024		-12.8%
Total emissions - (t CO_2 eq)	**616,267**	**693,524**
Net revenue (k€)	460,560	452,092
Emission Intensity - Market Based (t CO_2 eq/ k€)	1.338	1.534
Δ% 2025 - 2024		-12.8%

(*) For further information on the restatements performed, please refer to paragraph BP-2 in the General Information section.

European Taxonomy

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

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

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

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

Reporting on the European Taxonomy takes into account the new Delegated Regulation (EU) 2026/73, published in the Official Journal of the European Union on January 8, 2026 and entering into force on January 28, 2026, which amended previous delegated acts[5].

The Group has, however, chosen not to make use of the provisions introduced by Regulation (EU) 2026/73 for this reporting year. Although this Regulation is applicable from January 1, 2026, its use for the current fiscal year is optional.

Therefore, while fully aware of the regulatory update already applicable for the year ending December 31, 2025, the Group continues to apply the criteria and provisions of the previous Delegated Regulations.

For the 2025 reporting year, assessments of eligibility and alignment with the Taxonomy were conducted with reference to the objectives governed by the Climate Delegated Act, which includes the climate change adaptation and mitigation objectives. In addition, assessments were performed with reference to the objectives outlined in the annexes (Annex I, II, III, IV) to the Delegated Regulation on the Environment, published by the Commission in June 2023.

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

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

5. Climate Delegated Regulation (EU 2021/2139); Disclosures Delegated Regulation (EU 2021/2178); Complementary Climate Delegated Regulation (EU 2022/1214); Amendments to the Climate Delegated Regulation (EU 2023/2485); Environmental Delegated Regulation (EU 2023/2486).

ELIGIBILITY ANALYSIS

In continuity with the activities carried out for the 2024 Taxonomy disclosure, the Elica Group conducted a 2025 eligibility assessment by associating the economic activities of the Group:

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

The Elica Group is the leading global manufacturer of range hoods and extractor hobs and the leading European producer of motors for domestic ventilation. Again in 2025, activities related to the production of range hoods and extractor hobs ("Cooking Business Area") were considered as eligible in terms of the EU Taxonomy ("Taxonomy-eligible"), as they can be traced back to the economic activity description "3.5 Manufacture of energy efficiency equipment for buildings" with reference to the climate change mitigation objective. In addition, part of the activities of the Motors Business Area were also considered eligible, in terms of the production of motors for the products distributed by the Cooking area, which also relate to the economic activity "3.5 Manufacture of energy efficiency equipment for buildings." In fact, the description of activity 3.5 given in the technical screening criteria refers to the economic activity of manufacturing products and related key components, among which the motors produced by the Motors business area were deemed to be included.

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

ALIGNMENT ANALYSIS

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

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

Criteria of substantial contribution to climate change mitigation: the assessment sought to determine whether the identified economic activity contributes substantially to the achievement of the climate change mitigation objective based on specific quantitative and/or qualitative parameters defined in the Regulation. The analysis conducted showed that a portion of the Group's activities is aligned with the substantial contribution criterion in (f) of this activity ("home appliances that fall into the two highest energy efficiency classes in accordance with Regulation (EU) 2017/1369 of the European Parliament and of the Council and Delegated Regulations adopted pursuant to that Regulation"), as a portion of the appliances made by the Cooking unit fall into the two highest energy efficiency classes, identified by Regulation (EU) 2017/1369 above. As regards the production of motors, these were considered key components, and for the purpose of assessing alignment with the substantial contribution criteria, only the portion of motors installed on Cooking business unit produced home appliances distributed by Elica belonging to the two highest energy classes was considered.

Do No Significant Harm: The analysis of compliance against the DNSH criteria made explicit within the Delegated Regulations is intended to determine that the identified activity does not cause harm to the remaining environmental objectives. The Group analysed compliance with the DNSH criteria made explicit within Annex I of the Climate Delegated Act through the analysis of specific internal documentation. Specifically, regarding Activity 3.5, the following analyses were carried out:

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

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

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

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

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

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

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

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

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

With reference to these criteria, the Group adopts such practices where possible in R&D and product manufacturing activities.

To consistently ensure a high level of quality and performance in its products, Elica does not resort to the extensive use of secondary raw materials. However, some raw materials used (e.g. stainless steel and plastics) contain a significant percentage of waste recovered from the waste recycling circuit, and most suppliers from whom Elica purchases them are able to certify the quantities present in the relevant materials.

In addition, the Company provides specific user manuals (also available online) to accompany its products. These manuals identify the individual components and provide information concerning their assembly and the safe and durable use of the appliance (criterion B). With regard to waste management (criterion C), the Group prioritises recycling over disposal, as evidenced by the percentages declared in paragraphs E5-4 and E5-5 of the section Environmental Information.

Finally, per the obligatory regulations under Regulation 1907/2006/EU and Directive 2011/65/EU, Elica provides information on potentially hazardous substances that may be present within its products, ensuring their traceability throughout the entire lifecycle (from cradle to grave).

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

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

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

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

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

MINIMUM SAFEGUARDS

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

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

With reference to the control of respect for human rights within the supply chain, the Group has developed an audit process on its suppliers, with the aim of assessing and minimising risks related to ethical, social and environmental issues, alongside the adoption of its own Code of Conduct (Elica Group Supplier Code of Conduct). For more information, see the chapter Value Chain in the Social Information section.

The Group provides stakeholders with the opportunity to file a complaint if they have a legitimate concern about actual or potential human rights violations arising from the Group's business activities or along its value chain. A whistleblowing mechanism is in place (governed by the Group Policy GP-11 "Whistleblowing"), accessible from the Group's corporate website: Sistema di Controllo Interno | Elica Corporate.

Finally, for the reporting year 2025,

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

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

ACTIVITY 1.2 - MANUFACTURE OF ELECTRICAL AND ELECTRONIC EQUIPMENT TEHCNICAL SCREENING CRITERIA

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

DISCLOSURE OF KPIS FROM THE TAXONOMY

Pursuant to the regulatory requirements found in the Delegated Regulation relating to Article 8 of Regulation 2020/852, the following table (prepared according to the provisions of Annex II to the Delegated Regulation (EU) 2021/2178) illustrates the proportion of aligned economic activities (A.1), eligible, not aligned (A.2) and ineligible (B) for the Taxonomy within the framework of revenues, capital expenditure and total operating expenditure.

With reference to the disclosure pursuant to Article 8, paragraphs 6 and 7 of Delegated Regulation (EU) 2021/2178, which requires the use of the templates provided in Annex XII for the disclosure of nuclear and fossil gas-related activities, it is noted that the Group has not reported such as no eligible and/or aligned activities have been identified with reference to these areas.

For further details regarding the analysis of economic activity and the composition of quantitative performance indicators, see the section Additional contextual information and applied accounting standards.

The following legend applies to the tables below:

Climate change mitigation: CCM; Climate change adaptation: CCA; Sustainable use and protection of water and marine resources: WTR; Transition to a circular economy CE; Pollution prevention and control: PPC; Protection and restoration of biodiversity and ecosystems: BIO; Minimum safeguards: MS.

Yes - Taxonomy-eligible and Taxonomy-aligned activity with the relevant environmental objective No - Taxonomy-eligible but not Taxonomy-aligned activity with the relevant environmental objective N/A - Not applicable; technical screening criteria not listed by the Regulation. The following legend applies to the eligibility section: EL - Taxonomy eligible activity for the relevant objective N/EL - Taxonomy non-eligible activity for the relevant environmental objective. N/A - Not applicable.

TABLE - PROPORTION OF TURNOVER FROM PRODUCTS OR SERVICES ASSOCIATED WITH TAXONOMY-ALIGNED ECONOMIC ACTIVITIES - DISCLOSURE COVERING YEAR 2025
Amounts shown are in €/000

Financial year 2025	2025			Substantial contribution criteria						DNSH criteria (Does Not Significantly Harm)							2024		
Economic activities	Code	Turnover	Proportion of turnover 2025	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity	Minimum safeguards	Taxonomy-aligned (A.1.) or eligible (A.2.) proportion of turnover 2024	Category: enabling activity	Category: transitional activity
Text		k EUR	%	Yes; No; N/EL	Yes; No; N/EL	Yes; No; N/EL	Yes; No; N/EL	Yes; No; N/EL	Yes; No; N/EL	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
Manufacture of energy efficiency equipment for buildings	CCM 3.5	9,394	2.0%	Yes	No	No	No	No	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	4.3%	E	
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)		9,394	**2.0%**	**100%**	**0%**	**0%**	**0%**	**0%**	**0%**								**4.3%**		
Of which enabling		9,394	**2.0%**	**100%**	**0%**	**0%**	**0%**	**0%**	**0%**								**4.3%**	**E**	
Of which transitional		0	**0.0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**								**0.0%**		**T**
A.2. Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL										
Manufacture of energy efficiency equipment for buildings	CCM 3.5	348,109	**75.6%**	EL	N/EL	N/EL	N/EL	N/EL	N/EL								73.8%		
Manufacture of electrical and electronic equipment	CE 1.2	103,057	**22.4%**	N/EL	N/EL	N/EL	N/EL	EL	N/EL								**21.9%**		
Turnover of Taxonomy-eligible but not environmentally sustainable activities (non-Taxonomy-aligned activities) (A.2)		451,166	**98.0%**	**100%**	**0%**	**0%**	**0%**	**0%**	**0%**								95.7%		
A. Turnover of Taxonomy-eligible Activities (A.1+A.2)		460,560	**100%**	**100%**	**0%**	**0%**	**0%**	**0%**	**0%**								**100.0%**		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
Turnover of Taxonomy-non-eligible activities		-	**0%**																
TOTAL		460,560	**100%**																

Environmental objectives	Proportion of turnover/Total turnover	
	Taxonomy-aligned by objective	Taxonomy-eligible by objective
CCM	2.0%	77.6%
CCA	%	%
WTR	%	%
CE	0.0%	22.4%
PPC	%	%
BIO	%	%

TABLE - PROPORTION OF CAPEX FROM PRODUCTS OR SERVICES ASSOCIATED WITH TAXONOMY-ALIGNED ECONOMIC ACTIVITIES - DISCLOSURE COVERING YEAR 2025
Amounts shown are in €/000

Financial year 2025	2025			Substantial contribution criteria						DNSH criteria (Does Not Significantly Harm)							2024		
Economic activities	Code	CapEx	Proportion of CapEx 2025	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity	Climate change mitigation	Climate change adaptation	Water	Circular economy	Pollution	Biodiversity	Minimum safeguards	Proportion of Taxonomy-aligned (A.1.) or Taxonomy-eligible (A.2.) CapEx 2024	Category: enabling activity	Category: transitional activity
Text		k EUR	%	Yes; No; N/EL	Yes; No; N/EL	Yes; No; N/EL	Yes; No; N/EL	Yes; No; N/EL	Yes; No; N/EL	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
Manufacture of energy efficiency equipment for buildings	CCM 3.5	1,977	7.5%	Yes	No	No	No	No	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	10.6%	E	
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		1,977	**7.5%**	**100%**	**0%**	**0%**	**0%**	**0%**	**0%**								10.6%		
Of which enabling		1,977	**7.5%**	**100%**	**0%**	**0%**	**0%**	**0%**	**0%**								10.6%	**E**	
Of which transitional		0	**0.0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**								**0%**		**T**
A.2. Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL										
Manufacture of energy efficiency equipment for buildings	CCM 3.5	13,792	**52.2%**	EL	N/EL	N/EL	N/EL	N/EL	N/EL								50.0%		
Manufacture of electrical and electronic equipment	CE 1.2	6,604	**25.0%**	N/EL	N/EL	N/EL	N/EL	EL	N/EL								15%		
CapEx of Taxonomy-eligible but not environmentally sustainable activities (non-Taxonomy-aligned activities) (A.2)		20,396	**77.1%**	**100%**	**0%**	**0%**	**0%**	**0%**	**0%**								65.3%		
A. CapEx of Taxonomy-eligible activities (A.1+A.2)		22,373	**84.6%**	**100%**	**0%**	**0%**	**0%**	**0%**	**0%**								75.9%		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
CapEx of Taxonomy-non-eligible activities		4,070	**15.4%**																
TOTAL		26,443	**100%**																

Environmental objectives	Proportion of CapEx/Total CapEx	
	Taxonomy-aligned by objective	Taxonomy-eligible by objective
CCM	7.5%	59.6%
CCA	%	%
WTR	%	%
CE	%	25.0%
PPC	%	%
BIO	%	%

TABLE - PROPORTION OF OPEX FROM PRODUCTS OR SERVICES ASSOCIATED WITH TAXONOMY-ALIGNED ECONOMIC ACTIVITIES - DISCLOSURE COVERING YEAR 2025
Amounts shown are in €/000

Financial year 2025	2025			Substantial contribution criteria						DNSH criteria (Does Not Significantly Harm)							2024		
Economic activities	Code	OpEx	Proportion of OpEx 2025	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity	Minimum safeguards	Proportion of Taxonomy-aligned (A.1.) or Taxonomy-eligible (A.2.) OpEx 2024	Category: enabling activity	Category: transitional activity
Testo		k EUR	%	Yes; No; N/EL	Yes; No; N/EL	Yes; No; N/EL	Yes; No; N/EL	Yes; No; N/EL	Yes; No; N/EL	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
Manufacture of energy efficiency equipment for buildings	CCM 3.5	278	2.0%	Yes	No	No	No	No	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	5.9%	E	
Operating expenditure of environmentally sustainable activities (Taxonomy-aligned) (A.1)		278	2.0%	**100%**	**0%**	**0%**	**0%**	**0%**	**0%**								5.9%		
Of which enabling		278	2.0%	**100%**	**0%**	**0%**	**0%**	**0%**	**0%**								5.9%	**E**	
Of which transitional		0	**0.0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**								**0.0%**		**T**
A.2. Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL										
Manufacture of energy efficiency equipment for buildings	CCM 3.5	9,282	67.1%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								66.1%		
Manufacture of electrical and electronic equipment	CE 1.2	3,127	22.6%	N/EL	N/EL	N/EL	N/EL	EL	N/EL								22.9%		
Operating expenditure of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		12,409	**89.7%**	**100%**	**0%**	**0%**	**0%**	**0%**	**0%**								89.1%		
A. OpEx of Taxonomy-eligible activities (A.1+A.2)		12,687	**91.7%**	**100%**	**0%**	**0%**	**0%**	**0%**	**0%**								95.0%		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
Operating expenditure of Taxonomy-non-eligible activities		1,141	**8.3%**																
TOTAL		13,828	**100%**																

Environmental objectives	Proportion of OpEx/Total OpEx	
	Taxonomy-aligned by objective	Taxonomy-eligible by objective
CCM	2.0%	69.1%
CCA	%	%
WTR	%	%
CE	0.0%	22.6%
PPC	%	%
BIO	%	%

ADDITIONAL CONTEXTUAL INFORMATION AND APPLIED ACCOUNTING STANDARDS

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

ELIGIBLE AND ALIGNED ACTIVITIES

For the calculation of the proportion of eligible and aligned turnover (numerator) regarding activity 3.5 (objective "climate change mitigation"), in accordance with the provisions of point 1.1.1 "KPI related to turnover" of Annex I to Delegated Regulation (EU) 2021/2178 (hereinafter also "Annex I"), Elica considered the portion of consolidated net revenues obtained from products associated with the Cooking Business Unit and the two highest energy classes. Net revenues were allocated precisely to the numerator using the Group's accounting and management system and without using estimates. Consolidated net revenues (denominator) were determined in accordance with Article 2(5) of Directive 2013/34/EU thus considering the revenues generated by products or services, including intangible ones, recognised in accordance with IAS No. 1, item 82(a) as per the notes to the consolidated financial statements at 31.12.2025 B.6.5.1. To determine the proportion of eligible and aligned CapEx (numerator) regarding activity 3.5 (objective "climate change mitigation"), Elica considered the portion of capital expenditures included in the denominator related to assets associated with the manufacture of products in the two highest energy classes of the Cooking Business Unit and the motors used in them and made by the Motors BU (as a key component). This calculation was done in line with the provisions of §1.1.2.2. "Numerator" of Annex I. The allocation was made based on a precise analysis of capital expenditure items according to the classification adopted for the consolidation of Group investments and their management allocation. This analysis identified the eligible assets for each production site, while the proportion of aligned CapEx was determined based on the percentage of the production value of the products in the highest energy classes at each site.

Elica determined CapEx (denominator) in accordance with the provisions of 1.1.2.1 "Denominator" of Annex I by considering the increases in tangible and intangible assets during the year in question, prior to any amortisation, depreciation, revaluation, restatements, or impairments. To construct the indicator, Elica identified capitalised expenses using data from its consolidated financial statements, with reference to the provisions of a) IAS 16 "Property, Plant and Equipment", b) IAS 38 "Intangible Assets" and c) IFRS 16 "Leases". The reported values do not contain sums related to economic activities that are included in the Taxonomy and pertain to capitalised expenses under the provisions of d) IAS 40 "Investment Property" and IAS 41 "Agriculture" as these standards do not apply to the Group.

To determine the proportion of eligible and aligned OpEx (numerator) regarding Activity 3.5 (objective "climate change mitigation"), in accordance with the provisions of §1.1.3.2. "Numerator" of Annex I, Elica considered the portion of non-capitalised direct costs included in the denominator attributable to the manufacture of products in the two highest energy classes of the Cooking BU and the motors used in them (Motors BU products defined as key components). To ensure linearity in the process, operating expenses were considered aligned based on the percentage of the production value of products in the highest energy classes at each site.

To determine the proportion of OpEx (denominator), direct non-capitalised costs have been included in the denominator in compliance with the provisions of 1.1.3.1. "Denominator" of Annex I, and as further clarified in the FAQs to Article 8 of February 2022. These costs include R&D expenses, building renovation measures, short-term leases, maintenance and repairs, and any other direct expenditure associated with the daily upkeep of property, plant, and equipment, regardless of whether these were conducted by the Company or third parties, to ensure the assets' continuous and effective operation. The reported values do not contain sums connected to economic activities that are included in the Taxonomy and relate to the following non-capitalised direct costs: building renovation measures and short-term leases, as these standards do not apply to the Group.

NOT-ALIGNED ELIGIBLE ACTIVITIES

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

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

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

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

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

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

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

NON-ELIGIBLE ACTIVITIES

In 2025, the share of non-eligible turnover (numerator) of the Group was equal to 0. To determine the proportion of non-eligible CapEx (numerator), Elica considered the proportion of capital expenditures related to assets not attributable to the economic activities “3.5 Manufacture of energy efficiency equipment for buildings” or activity “1.2 - Manufacture of electrical and electronic equipment” because they are not directly used in the process of making products distributed by the Group. To determine the proportion of non-eligible OpEx (numerator), Elica considered the proportion of non-capitalised direct costs not attributable to the economic activities “3.5 Manufacture of energy efficiency equipment for buildings” or the activity “1.2 - manufacture of electrical and electronic equipment” because they are not directly used in the process of making products distributed by the Group. The proportions of consolidated net turnover, CapEx and OpEx in the denominator correspond with those identified in the “Eligible and Aligned activities” section.

As regards the disclosure pursuant to Article 8, paragraphs 6 and 7 of Delegated Regulation (EU) 2021/2178, which requires the use of the templates provided in Annex XII to report on nuclear energy and fossil gas activities, the Group does not engage in nuclear energy and fossil gas activities, as described below:

NUCLEAR ENERGY AND FOSSIL GAS RELATED ACTIVITIES

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

Circular economy (ESRS E5)

MATERIALS AND WASTE (ESRS E5)

IRO TYPE	IRO	Value chain	Time horizon
IMPACT	Environmental impacts related to raw materials supply and waste production	Upstream	**Short-term**
IMPACT	Impacts caused by the production of manufacturing waste	Own Operations	**Short-term**

[ESRS 2 IRO-1] - DESCRIPTION OF THE PROCESSES TO IDENTIFY AND ASSESS MATERIAL RESOURCE USE AND CIRCULAR ECONOMY-RELATED IMPACTS, RISKS AND OPPORTUNITIES

(ESRS E5; 11 a, b) The approach for determining impacts, risks and opportunities is described in the section "Description of the processes to identify and assess material impacts, risks and opportunities" in the General disclosures section.

The Group recognises that its own activities generate environmental impacts in the use and extraction of resources and waste management, particularly regarding waste from metal, paint, plastic and other raw material purchased by suppliers, and the disposal of finished products. The impacts, risks and opportunities on the circular economy assessed as material are shown in paragraph SBM-3 of the General disclosures section. In the identification impacts, risks and opportunities (IROs) related to the circular economy topic, an analysis was conducted of assets (structures, facilities, raw materials) and activities (production processes, use and consumption of resources, waste production and management).

By studying the life cycle and design of products, it was possible to estimate the amount of resources used and waste generated, and therefore identify impacts, risks and opportunities, as well as related dependencies.

The analysis was based on direct, in-depth interviews with the production managers of the different business units (Cooking, and Motors). This approach made it possible to mine their specific know-how and collect factual, precise and contextualised data directly from the management of operations. On the basis of the collected information, impacts, risks and opportunities (IROs) were identified, although no consultations took place with affected communities.

[E5-1] - POLICIES RELATED TO RESOURCE USE AND CIRCULAR ECONOMY

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

[E5-2] - ACTIONS AND RESOURCES RELATED TO RESOURCE USE AND CIRCULAR ECONOMY

(ESRS 2 62) In 2025, the Group did not take any specific actions to manage impacts risks and opportunities relating to the circular economy topic, as the priority was to consolidate a knowledge base and operational processes that would allow a more structured and targeted implementation in the medium to long term while also taking into account changes in the market in which the Group operates. Elica has launched a series of initiatives designed to guarantee compliance with national and international standards and regulations, such as the optimisation of production processes in order to reduce waste, the use of more recycled and recyclable materials in products, and improvements to the management of product life cycles.

[E5-3] - TARGETS RELATED TO RESOURCE USE AND CIRCULAR ECONOMY

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

[E5-4] - RESOURCE INFLOWS

(30) In the context of business operations and as part of the activities carried out along the value chain, Elica procures various raw materials, making residual use of water within the production processes carried out through the use of different machinery.

Elica sources raw and semi-finished materials from various industries and, as a processing company, does not directly import minerals. While the Company does not purchase minerals in raw form, but only semi-finished products and components that may contain them, it actively engages in monitoring its supply chain.

Elica therefore conducts periodic audits of its suppliers and has implemented a Due Diligence programme in accordance with Regulation (EU) 2017/821, in addition to meeting specific requirements requested by its customers. The goal is to ensure a responsible supply chain as regards Conflict Minerals and prevent any risk of using minerals that could contribute to financing armed groups or fuel conflicts.

The main materials it uses for production include ferrous metals, such as carbon steel and stainless steels; non-ferrous metals, including copper wire, aluminium ingots, and tin wire; packaging materials for finished products, such as corrugated cardboard polystyrene and expanded/extruded polyethylene, plastic strapping and wooden pallets, thermoplastic polymers, including polycarbonate granules, polypropylene, ABS, and nylon, miscellaneous small parts, semi-finished metal and/or plastic products, and miscellaneous components, including electrical and electronic components.

In terms of the processes and machinery used in manufacturing activities, a distinction must be made between machinery used to manufacture kitchen aspiration systems (Cooking BU) and those for the manufacture of electric motors for home appliances and boilers (Motors BU).

In the former case, the process consists of the following steps:

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

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

In the latter case, the process is as follows:

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

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

31a

ton	2025			2024(*)		
	Technical materials	Biological materials	Total	Technical materials	Biological materials	Total
Raw materials / natural resources						
Steels and Metals	32,476.85		**32,476.85**	32,848.01		**32,848.01**
Plastic	399.59		**399.59**	394.84		**394.84**
Powder coatings	348.95		**348.95**	345.42		**345.42**
	33,225.39	-	**33,225.39**	**33,588.27**	-	**33,588.27**
Semi-finished products or components						
Carpentry and Other Components	1,669.69		**1,669.69**	2,951.19		**2,951.19**
Miscellaneous small parts	2,430.34		**2,430.34**	2,079.26		**2,079.26**
	4,100.03	-	**4,100.03**	**5,030.45**	-	**5,030.45**
Packaging materials						
Cardboard packaging	716.13	6,553.85	**7,269.98**	1,620.11	5,656.35	**7,276.46**
Wood Packaging	527.81	858.75	**1,386.56**	571.56	1,008.01	**1,579.57**
Packaging plastic	423.27		**423.27**	1,038.04		**1,038.04**
	1,667.21	**7,412.60**	**9,079.81**	**3,229.71**	**6,664.36**	**9,894.07**

(*) For further information on the restatements performed, please refer to paragraph BP 2 in the General Information section.

(31 c) The Group does not have data on reused or recycled secondary components or secondary intermediary products and secondary materials, as they are not used in the manufacture of its products.

31b, AR 23

ton	2025			2024		
	Organic materials that come from a sustainable supply chain	% organic materials from sustainable supply chain	Certification system used	Organic materials that come from a sustainable supply chain	% organic materials from sustainable supply chain	Certification system used
Semi-finished products or components						
Carpentry and Other Components						
Miscellaneous small parts						
	-			-		
Packaging materials						
Cardboard packaging	6,553.85	100.0%	FSC (Forest Stewardshp Council)	5,656.35	100.0%	
Wood Packaging	858.75	100.0%	FSC (Forest Stewardshp Council)	1,008.01	100.0%	
Packaging plastic						
	7,412.60	100.0%		**6,664.36**	100.0%	

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

- Steel Metals: raw materials in carbon steel, stainless steel, metals such as copper, aluminium and tin.
- Plastic: thermoplastic polymers of various kinds (polycarbonate, polypropylene, ABS and nylon).
- Powder coatings: epoxy resin powder coatings.
- Carpentry and other components: semi-finished steel and sheet metal (painted and unpainted), and electrical and electronic components.
- Miscellaneous small parts: screws, nuts, fasteners and various mechanisms, miscellaneous components other than electrical and electronic components.

Office supplies (e.g. stationery materials) and consumables not strictly related to production processes) or intended to be included in finished products were excluded. To eliminate the risk of double counting, commodity categories that do not fall under the Raw Materials category in the company's computer systems (pure semi-finished products, without the addition of raw materials) were excluded from the calculations. The quantities reported for Biological Materials were derived by associating these categories with total materials purchased from suppliers with sustainable supply chain certifications. Specifically, all materials indicated as "organic" come from supply chains certified in accordance with the Forest Stewardship Council (FSC) forest certification system attested by certificates that are valid in the reporting year.

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

[E5-5] - RESOURCE OUTFLOWS

(35, 40) To increase awareness and availability of data regarding the characteristics of the materials that make up its products (except for marketed products, which account for a marginal proportion), the Group has implemented a system based on accurate data, calculations and estimates. This system makes it possible to assess the material compositions of finished products, broken down by product category, material type and weight. This enables the Group to respond promptly to requests from markets with regulatory requirements related to the circularity of products, their packaging, and end-of-life recyclability.

Although products are not currently subject to specific measurements of their durability or repairability, the Group is nonetheless engaged in establishing calculation methodologies to estimate the degree of replaceability of its products with the highest possible level of reliability, taking into account their characteristics and the information available. The calculation system considers the primary components that can be supplied as spares against the total number of primary components. Primary components are defined as components in the first BOM product level. The KPI is a value between 0 and 100. Scores for "marketed" products, which account for a small proportion of products placed on the market, have not been calculated at this time. This method is not applicable to Motors BU products because the motor is a component that can be supplied in its entirety as a spare part. As regards durability, based on statistics and industry studies, the Group can state that its products have an average life span exceeding twelve years.

(36 a, b, c) To gain greater awareness and data availability of the different characteristics of materials that make up its products (excluding marketed products that only account for a very small share of the portfolio), Elica has introduced a system that uses precise data, calculations and estimates for assessing the material compositions of finished products by product category, material type, and weight. This has allowed us to promptly respond to market demands related to new regulations oriented to disclosing information on the circularity of products and their packaging, and their end-of-life recyclability.

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

36 Product placed on the market	Expected durability (years)	Average industry durability (years)	Performance compared to industry (%)	Product repairability (score)	Recyclable content in products and their packaging (%)
Cooking	**12**	**12**	**100.00%**	**36**	**58**
Cooker hoods	12	12	100.00%	55	71
Cook tops	12	12	100.00%	26	51
Vacuum cooktops	12	12	100.00%	26	51
Refrigerated Wine Cellars (Commercialized)	12	12	100.00%	nd	
Ovens (Commercialized)	12	12	100.00%	nd	
Motors	**10**	**-**			
Electric motors	10	-			

(37a, d, 39) For FY 2025, Elica reports that approximately 11,621 tonnes of total waste was generated from its operations, of which approximately 61 tonnes was hazardous waste and 11,559 tonnes was non-hazardous waste. In addition, of the total waste produced, 11,314 tonnes (amounting to 97.4%) were directed to recovery while about 307 tonnes (equal to 2.6%) were directed to disposal. The total amount of non-recycled waste is 5,517 tons (47.48%), and it is specified that the Group does not produce radioactive waste.

(38 a, b) In 2025, the waste produced by Elica was mainly derived from ferrous or other metal scrap related to moulding works, mechanical blanking or laser cutting, die-casting swarf or residues; mixed packaging (paper/cardboard, mixed packaging, wood packaging from secondary packaging), and electrical and electronic components discarded during production processes. This waste is the result of industrial, production and maintenance activities that are separated and managed in accordance with environmental regulations for their proper disposal. The Group gives preference to authorised entities for transport and disposal at destination facilities that implement treatment designed to recover material or energy. Separate waste collection is carried out in offices (both in plant equipped with canteens and in refreshment areas) with bins for paper, plastic, organic waste, glass and cans and undifferentiated waste. All staff have been trained on and informed of the importance of correctly sorting and disposing of waste.

Details on waste type and disposal methodology are presented below.

WASTE GENERATED

37a	2025			2024		
	Recovery	Disposal	Total	Recovery	Disposal	Total
Hazardous waste	32.87	28.58	61.45	43.29	40.04	83.33
Non-hazardous waste	11,281.07	278.72	11,559.79	11,344.93	288.54	11,633.47
Total	**11,314**	**307**	**11,621**	**11,388**	**329**	**11,717**

(MDR-M 77 a) Elica adopts a methodology based on direct measurements and precise calculations to determine data on the waste generated, avoiding estimates whenever possible. The weights declared were obtained from the computer systems specifically used for waste management or taken from the forms and registers kept in accordance with the requirements in the individual countries. For the companies, waste is categorised according to the EWC codes (also standardised for waste generated in countries where other classifications apply) to distinguish between hazardous and non-hazardous waste. The criteria used for classification follow current regulations in the relevant countries. For commercial companies, since precise data in kg of waste generated was not available, an estimate was made. The methodology adopted used as a reference point the total undifferentiated waste - the only category attributable to the activities carried out by the above companies - produced at the Elicamex company's plant, the only plant required to classify this type of waste. This quantity was divided by the square metreage of that plant and then related to the square metreage of the individual trading companies.

37b,d, AR 31 *ton*	2025	2024
Hazardous waste		
Incineration plant (use as fuel)	15.97	18.37
Total incineration	**15.97**	**18.37**
Preparing for reuse		
Total preparation for reuse	**-**	**-**
Recycling		
Organic substance recycling		
Metal recycling		
Inorganic substance recycling		0.14
Total recycling	**-**	**0.14**
Other recycling operations		
Other recycling operations	16.88	24.78
Total other operations	**16.88**	**24.78**
Total hazardous waste	**32.85**	**43.29**

37b,d, AR 31 *ton*	2025	2024
Non-hazardous waste		
Incineration plant (use as fuel)		
Incineration plant use as fuel	151.29	171.22
Total incineration	**151.29**	**171.22**
Preparing for reuse		
Preparation for reuse	16.22	37.61
Total preparation for reuse	**16.22**	**37.61**
Recycling		
Organic substance recycling	851.13	785.30
Metal recycling	4,724.26	9,145.55
Inorganic substance recycling	374.92	313.40
Total recycling	**5,950.31**	**10,244.25**
Other recovery operations		
Other recycling operations	5,163.26	891.85
Total other operations	**5,163.26**	**891.85**
Total non-hazardous waste	**11,281.08**	**11,344.93**
Total waste sent for recovery	**11,313.93**	**11,388.22**

37c, AR 32 *ton*	2025	2024
Hazardous waste		
Incineration (no energy recovery)		
Total incineration	-	-
Landfill Disposal		
Landfill	1.43	1.64
Land treatment		
Deep injection		
Landfill		
Total disposal in landfill	**1.43**	**1.64**
Other disposal operations		
Surface impoundment		0.54
Biological treatment		
Physico chemical / treatment	15.46	24.68
Other disposal operations	11.70	13.18
Total other operations	**27.16**	**38.40**
Total hazardous waste	**28.59**	**40.04**

37c, AR 32 *ton*	2025	2024
Non-hazardous waste		
Incineration (no energy recovery)		
Incineration (no energy recovery)	10.00	10.00
Total incineration	**10.00**	**10.00**
Landfill Disposal		
Landfill	134.92	121.57
Land treatment		
Deep injection		
Landfill	7.43	7.83
Total disposal in landfill	**142.35**	**129.40**
Other disposal operations		
Surface impoundment		
Biological treatment		
Physico chemical / treatment	119.98	135.04
Other disposal operations	6.39	14.11
Total other operations	**126.37**	**149.15**
Total non-hazardous waste	**278.72**	**288.54**
Total waste sent for disposal	**307.31**	**328.58**

Social information.

MDR-P - POLICIES ADOPTED TO MANAGE MATERIAL SUSTAINABILITY MATTERS

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

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

ESRS	IROs	Policies	Description of the main contents	Scope of application	Entity responsible for enacting	References to any international rules, conventions, or initiatives of third parties	Availability
S1 / S2/ S4		**Human Rights Due Diligence Policy**	- Fair, decent wages and respect for working hours - Diversity, inclusion and non-discrimination - Prevention of harassment, abuse and inhumane treatment - Freedom of thought, opinion, expression, conscience and religion - Freedom of association and collective bargaining - Privacy and personal data protection - Workplace health and safety and hygiene - Commitment to respecting and promoting human rights throughout the value chain - Prohibition of slavery, forced labour and child labour - Respect for the rights of local communities and indigenous peoples - Commitment to a clean, healthy and sustainable environment - Governance, transparency and periodic update of the policy - Whistleblowing channels, confidentiality protection and prohibition of retaliation	Elica Group, Business relations	Risk Management Function, Department managers	- The United Nations' (UN) Universal Declaration of Human Rights - United Nations Guiding Principles on Business and Human Rights - International Labour Organization (ILO) Fundamental Conventions - OECD Guidelines for Multinational Enterprises - Legislative Decree No. 231/2001 (Organisation, Management and Control Model) - Regulation (EU) 2016/679 (GDPR) for personal data protection	Intranet
S1	IMPACTS: - Compliance with other labour rights of own workers; - Impacts on rights to freedom from forced and child labour in the value chain; RISKS: - Non-compliance with GDPR legislation	**Privacy General Principles**	- Compliance with law - Responsible and legal personal data collection and use - Responsible personal data management and storage - Respect for data retention time limits - Exercise of data subject rights - Processing children's personal data - Training and awareness - Reporting of potential non-compliance No retaliation - Responsibility and implementation - Lodging of complaints - Violation of this policy	Elica Group, Business relations	Group HR	- Regulation (EU) 2016/679 (GDPR) - Italian Legislative Decree No. 101/2018 - German Federal Data Protection Act (BundesdatenSchutzgesetz, BDSG) - French Law No. 78-17 of January 6, 1978, Ordinance No. 2018-1125 of December 12, 2018, and Decree No. 2019-536 of May 29, 2019 - Polish Personal Data Act of May 10, 2018 (RODO)	Intranet
S4	IMPACTS: - Prevention of consumer health and safety issues - Violation of customer privacy RISKS: - Non-compliance with legislation - GDPR	**Policy regarding "Security Measures for the Protection of Personal Data"**	- Personal data collection - Responsible personal data management and storage - Disciplinary actions in case of violations - Responsibility and implementation - Identity of the Data Controller - Location of processing - Data retention period - Right to revoke consent - Rights of the Data Subject - Management of data relating to minors - Complaint management	Elica Group, Business relations	Group Corporate Strategy and Group IT	- Regulation (EU) 2016/679 (GDPR) - Legislative Decree No. 81 04/2018 - Legislative Decree No. 977 10/1967 - MIUR Decree 195 11/2017	Intranet

ESRS	IROs	Policies	Description of the main contents	Scope of application	Entity responsible for enacting	References to any international rules, conventions, or initiatives of third parties	Availability
S2	IMPACTS: - Violation of human rights in the value chain	**Supplier Code of Conduct**	- Business ethics and compliance - Environmental protection - Health, safety and workers' rights - Implementation, compliance and monitoring	Elica Group suppliers and commercial partners	Group CEO	- EU Conflict Minerals Regulation - "RoHS" Directive - "REACH" Directive - ILO principles	Company website and intranet

Employees (ESRS S1)

IRO TYPE	IRO	Value chain	Time horizon
IMPACT	Work-related injuries	Own Operation	Short-term
IMPACT	Lack of employee skill development	Own Operation	Medium-term
IMPACT	Violations of own workers' human rights	Own Operation	Short-term
IMPACT	Protection of the values of diversity, inclusion and equal opportunities	Own Operation	Short-term
IMPACT	Failure to create a safe working environment	Own Operation	Short-term
IMPACT	Compliance with other labour rights of own workers	Own Operation	Short-term
RISK	Injuries at Elica sites and production sites	Own Operation	Short-term / Medium-term / Long-term
RISK	Deficiencies in maintenance activities and machinery downtime	Downstream	Short-term / Medium-term / Long-term
RISK	Non-compliance with GDPR legislation	Own Operation	Short-term / Medium-term / Long-term
RISK	Scandals and/or sustainability issues for Elica or other players along the value chain	Upstream / Downstream	Short-term / Medium-term / Long-term

[ESRS 2 SBM-2] - INTERESTS AND VIEWS OF STAKEHOLDERS

(ESRS S1 12) For further details regarding the activities carried out by the Group, see the section "SBM-2 Interests and views of stakeholders", in the "General Disclosures (ESRS 2)" section.

[ESRS 2 SBM-3] - MATERIAL IMPACTS, RISKS AND OPPORTUNITIES AND THEIR INTERACTION WITH STRATEGY AND BUSINESS MODEL

(ESRS S1 13, 14 a, b, c, d; AR 6-7) The detail of the material impacts and risks identified in relation to the Group's own workforce, and the related interaction with the Elica Group strategy and business model, are reported in paragraph SBM-3 of the General disclosures section.

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

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

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

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

(ESRS S1 15, 16) Elica's analysis of impacts, risks, and opportunities considered all types of workers that make up the workforce - direct employees, self-employed workers, temporary workers, and interns - finding no category to be more exposed than others. There are no situations in which individual characteristics, specific work contexts or particular tasks result in varying exposure to the impacts, risks and opportunities identified. All actions taken therefore seek to reduce negative risks and impacts and maximise opportunities for the entire workforce, in a fair and non-discriminatory manner.

[S1-1] - POLICIES RELATED TO OWN WORKFORCE

(19) Elica recognises the importance of responsible and sustainable human resources management, of promoting a corporate culture based on respect, of the protection of workers' rights and of the appreciation of the value of people. To guarantee inclusive, safe and compliant work environments as per current applicable regulations, the Group has adopted a framework of policies, including an Ethics Code and Privacy General Principles, which define fundamental principles of integrity, equity, and confidentiality. The Ethics Code establishes guidelines for the conduct of employees and consultants, ensuring that both internal and external relationships are marked by mutual respect, non-discrimination, and the promotion of organisational well-being. The Privacy General Principles, on the other hand, guarantees the protection of workers' personal data, ensuring transparency in the management of information and compliance with regulatory requirements regarding privacy. These policies are updated periodically and supplemented by training programmes to ensure Group values are applied day-to-day. Elica's commitment to protecting the social sphere is reflected in its adoption of practices to guarantee salary equity, equal opportunities, and a working environment that favours the professional growth and well-being of all employees.

(20, 21) The BoD is aware of the centrality of respecting the rights of all individuals involved in its value chain, including employees, workers in the value chain, customers and end consumers. Consistent with these principles and in order to strengthen their implementation, on February 13, 2025, the Board approved the procedure with specific reference to human rights (see "Human rights due diligence procedure") and policy (see "Group Policy - Human Rights Policy").

This Policy represents a key element of the framework of policies and guidelines, outlining principles and actions aimed at ensuring that human rights are respected in all corporate operations.

The Group undertakes to prevent any violation of fundamental rights and to promote their safeguarding through a human rights due diligence procedure aimed at identifying, preventing, and addressing any risks along the entire value chain. To guarantee a robust approach, the Group Policy is aligned with and takes inspiration from the main international human rights standards and regulations, including the United Nations Universal Declaration of Human Rights (UDHR), the United Nations Guiding Principles on Business and Human Rights, the International Labour Organization Declaration on Fundamental Principles and Rights at Work, and the Organisation for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises on Responsible Business Conduct.

The Policy applies to all employees, consultants, suppliers and commercial partners, and invites them to adhere to the principles contained therein and to contribute to the dissemination of a culture of respect and social responsibility. In this regard, the Group is committed to continuing to monitor and update its practices, in order to ensure that respect for human rights remains a fundamental pillar of its activities, and consolidates its role as a responsible and sustainable company.

(22, 23, 24. a, b, c) For more details on the cited policies, please refer to the section MDR-P.

As regards the adoption of specific management systems for employee health and safety, more details on the practices in place are provided in paragraph S1-14 of this Section and in paragraph GOV-4 of the General disclosures section.

(24.d) The principles contained in the policies adopted by the Group, including the Ethics Code and the Privacy General Principles, do not merely represent a value reference framework, but are concretely applied through specific procedures aimed at guaranteeing the prevention, mitigation and management of any negative impacts on human rights, particularly in order to prevent and address situations of discrimination, and to actively promote diversity and inclusion. In this regard, the Group has introduced a Due Diligence Human Rights Procedure, to identify, assess and manage risks relating to human rights along the entire value chain. Through this procedure, Elica analyses actual and potential impacts deriving from its business activities and relationships, adopts measures to prevent and mitigate all forms of discrimination, and actively supports a corporate culture based on inclusion and equal opportunities. On the basis of the assessment of risks, the Group develops and enacts operational action plans, defined by competent Department Managers, with the support of Risk Management, in order to guarantee timely and effective interventions. A holistic approach is taken to taking corrective and preventive actions, with attention paid to do no significant harm (DNSH) to other areas of sustainability, such as climate change, the protection of natural resources, and biodiversity.

[S1-2] – PROCESSES FOR ENGAGING WITH OWN WORKERS AND WORKERS' REPRESENTATIVES ABOUT IMPACTS

(S1-2, 29) For the moment, the Elica Group has decided not to adopt a formal process for engaging its own workers and worker representatives as stakeholders, but to use initiatives and opportunities for direct engagement of workers, through internal communication channels and Group initiatives, enhancing the existing channels of dialogue. The initiatives include various activities with the Ermanno Casoli Foundation (FEC), established in 2007 in memory of Elica's founder, which promotes contemporary art as an educational tool to innovate work environments and strengthen the link between art and industry.

[S1-3] – PROCESSES TO REMEDIATE NEGATIVE IMPACTS AND CHANNELS FOR OWN WORKERS TO RAISE CONCERNS

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

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

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

[S1-5] – TARGETS RELATED TO MANAGING MATERIAL NEGATIVE IMPACTS, ADVANCING POSITIVE IMPACTS, AND MANAGING MATERIAL RISKS AND OPPORTUNITIES

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

[MDR-T] - TRACKING EFFECTIVENESS OF POLICIES AND ACTIONS THROUGH TARGETS

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

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

(80 f) The targets set by Elica were defined through an analysis of internal historical data, and according to best sector practices, taking into account international, European and national regulations on safety, quality, and sustainability. The target decrease in the Frequency Index (FI) of injuries was set on the basis of historical data, and on globally adopted safety standards.

(80 h) The aforementioned targets were also shaped by the priorities expressed by stakeholders involved in the 2024 double materiality assessment process (during which their opinions and interests were gathered on material topics for the Group).

(80 i, j) Throughout the year, Elica worked towards achieving these goals, reporting on progress in line with the targets set. The decrease in the Group Frequency Index (FI) was monitored through an internal injury data collection and analysis system, and showed a positive trend towards the 50% reduction target.

[S1-4] - TAKING ACTION ON MATERIAL IMPACTS ON OWN WORKFORCE, AND APPROACHES TO MITIGATING MATERIAL RISKS AND PURSUING MATERIAL OPPORTUNITIES RELATED TO OWN WORKFORCE, AND EFFECTIVENESS OF THOSE ACTIONS

(37,38. a, c, d) In 2025, specific actions were taken to mitigate employee work-related injuries. The company takes a proactive approach to mitigating potential negative occupational health and safety impacts and risks, in order to minimize the frequency of injuries, protect the well-being of its workforce, and guarantee a safe work environment conforming to current regulations.

[MDR-A] - ACTIONS AND RESOURCES IN RELATION TO MATERIAL SUSTAINABILITY MATTERS

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

ESRS	I / R / O	IRO Description	Action	Remedy actions (Y/N)	Scope of application	Time horizon
S1	R	Injuries at Elica sites and production sites	Continuous training in occupational health and safety, investments in safe equipment and adequate PPE, maintenance and continuous improvement of certified safety management systems, extraordinary machinery maintenance, periodic updating of the Risk Assessment Document, and constant monitoring of workplace safety conditions by the Health and Safety Officer.	Y[6]	Elica Group	Short-term
S1	I	Work-related injuries				

(37, 38. a; 40 a) In addition to managing potential negative impacts and risks through procedures and policies compliant with current regulations and guaranteeing safe and dignified working conditions, Elica delivers a continuous training programme on occupational health and safety, aimed at sensitising employees on specific work risks, and at promoting a culture of prevention. In parallel, it makes targeted investments in the purchase and installation of safe equipment, to reduce accident risks and improve workplace ergonomic conditions. In line with the highest safety standards, Elica provides adequate Personal Protective Equipment (PPE), ensuring that all workers have the tools to safely carry out their work tasks. The company constantly maintains and periodically updates its certified safety management systems, to ensure their effectiveness. Further key elements in the safety strategy are extraordinary machinery maintenance, to prevent faults and risk situations, and periodic updating of the Risk Assessment Document, to ensure that prevention measures are always aligned with operational needs and regulatory changes. Finally, the Group guarantees constant monitoring of the workplace safety conditions through the figure of the Health and Safety Officer, who supervises and verifies the effectiveness of actions, and promotes continuous improvements in working conditions.

(38.d, 39, 41) Elica regularly evaluates the impacts of adopted measures, monitoring the injury rate trend and collecting feedback from the workforce and internal stakeholders in order to ensure that the measures are effective in reducing risks and create opportunities for a safer and more sustainable work environment. The measures also allow the Group to collect detailed information on risks, and determine appropriate responses to negative actual and potential impacts on its own workforce.

(43) Resources dedicated to the management of impacts on the workforce, which were not significant for reporting year, covered continuous investments in safety training programmes for all employees, periodic updating of Personal Protective Equipment (PPE), improvements to monitoring systems, and certifications at production facilities. In addition, funds were allocated to internal and external health and safety standards audits, and to extraordinary corporate infrastructure maintenance, in order to prevent potential risk situations for workers.

(38. c, b) Elica's actions on occupational health and safety are geared toward achieving the strategic goal of zero injuries and are, in themselves, a structural and ongoing commitment to generate positive impacts on the entire workforce, without the need for specific additional initiatives. The double materiality assessment carried out identified no actual negative impacts on the Company's own workforce; the actual impacts identified are exclusively positive in nature. Specifically: promoting gender equality and equal pay for work of equal value contributes to a more equitable and motivating work environment, with concrete effects on employee satisfaction and productivity; adhering to the principles of the International Labour Organization (ILO) - which prohibit child labour and forced or compulsory labour - along with safeguarding privacy and adopting the HR Due Diligence process, strengthens respect for human rights and the promotion of ethical practices within the Company's operations. These actual positive impacts help generate conditions that

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

ensure the well-being of the entire workforce and consolidate a corporate culture based on fairness, respect and responsibility.

(MDR-A 68 e) The occupational health and safety measures adopted in 2025 are in continuity with those that began in the previous year, confirming the robustness and consistency of the Group's approach. Maintaining the same measures reflects the strategic choice to consolidate the practices already underway, ensuring stable progression toward the targets set for 2027. The progress achieved so far confirms that the Group is on track to meet the quantitative target defined under S1-5, relating to a 50% reduction in the Injury Frequency Index. See paragraph S1-14 of this Section for a detailed analysis of injury data.

[S1-6] – CHARACTERISTICS OF THE UNDERTAKING'S EMPLOYEES

(50 a, b, e, f) At December 31, 2025, the Elica Group had a total of 2,434 employees, as per the annual financial disclosure, excluding interns and trainees (140 people), of which approximately 48% are women, evidencing the company's commitment to gender diversity and equality in professional opportunities. The Group's workforce is distributed over more than ten countries, with significant presences in Europe, America and Asia, reflecting its global imprint, strong impact, and adaptation to the needs of local markets.

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

Temporary contracts are in place for a lower percentage of the workforce as they are generally used to meet specific operational needs, such as but not limited to the evaluation of new employees before permanent hiring, and the management of seasonal production peaks depending on business needs. They may also precede potential hiring on a permanent basis. In 2025, there were 268 temporary contracts, 164 of which with women and 104 with men, demonstrating effective equal opportunity policies even at the entry stage.

The majority of Group employees are hired on permanent contracts (2,166); of these, 996 are held by women and 1,170 by men, guaranteeing a stable workforce and a low turnover in strategic areas. This type of contract, in addition to offering stable employment, is essential in order to maintain high levels of competence and experience within the organisation.

(50 c) The Elica Group turnover rate is 27%. This value is in line with sector averages, and is constantly monitored in order to guarantee the stability of the workforce, and shape effective strategies to improve employee engagement and loyalty.

(MDR-M 77 a, 50 d i, ii) Employee data are given as headcount at December 31 of the reporting periods, not as FTE (full-time equivalent) data. Headcount data for Group companies were extracted from the company's "Success Factor" management system, with the exception of data for Airforce S.p.A., whose data were taken from the local payroll.

Turnover is calculated as the number of employees who voluntarily or involuntarily left Elica in 2025 as a percentage of total employees at December 31, 2024. Data on the reasons for departures were taken from the payrolls of all the Companies included in the scope.

ESRS_S1 - OWN WORKFORCE

50 a b, 51, 52

Employees	2025			2024		
HC	Women	Men	**Total**	Women	Men	**Total**
Total employees at the end of the period / by gender	1,160	1,274	**2,434**	1,162	1,297	**2,459**
Type of employment contract	Women	Men	**Total**	Women	Men	**Total**
Temporary employees	164	104	**268**	244	189	**433**
Permanent employees	996	1170	**2,166**	918	1108	**2,026**
At variable hours (hired)	-	-	-			-
of which on-call contract			-			-
of which casual employees			-			-
Total	**1,160**	**1,274**	**2,434**	**1,162**	**1,297**	**2,459**

50 c, AR 59

Turnover	2025			2024		
HC	Women	Men	Total	Women	Men	Total
Total employees at the end of the period / by gender	1,160	1,274	**2,434**	1,162	1,297	**2,459**
Hiring	Women	Men	**Total**	Women	Men	**Total**
Up to 29 years old	121	183	**304**	103	126	**229**
30 to 50 years old	125	169	**294**	107	156	**263**
Over 50 years	24	20	**44**	19	21	**40**
Total	**270**	**372**	**642**	**229**	**303**	**532**
Terminations	Women	Men	**Total**	Women	Men	**Total**
Up to 29 years old	101	169	**270**	99	138	**237**
30 to 50 years old	127	186	**313**	110	188	**298**
Over 50 years	42	39	**81**	33	42	**75**
Total	**270**	**394**	**664**	**242**	**368**	**610**
Reason for termination	Women	Men	**Total**	Women	Men	**Total**
Voluntary exits	142	178	**320**	146	207	**353**
Retirement	11	12	**23**	11	11	**22**
Dismissal	18	34	**52**	12	18	**30**
Death in the line of duty			**-**			**-**
Other (e.g., end of temporary contracts)	99	170	**269**	73	132	**205**
Total	**270**	**394**	**664**	**242**	**368**	**610**
Turnover	Women	Men	**Total**	Women	Men	**Total**
Positive turnover - hiring	23.2%	28.7%	**26.1%**	19.4%	22.2%	**20.9%**
Negative turnover - terminations	23.2%	30.4%	**27.0%**	20.5%	26.9%	**23.9%**
Overall turnover	0.0%	-1.7%	**-0.9%**	-1.1%	-4.8%	**-3.1%**

Total number of employees by gender / geographical area	2025			2024		
	Women	Men	**Total**	Women	Men	**Total**
Italy	399	571	**970**	404	583	**987**
Canada	3		**3**	2		**2**
China	33	43	**76**	43	64	**107**
France	6	11	**17**	4	12	**16**
Germany	1	10	**11**	1	9	**10**
Japan			**-**			**-**
Mexico	195	326	**521**	195	321	**516**
Netherlands	**1**	**3**	**4**	**1**	**2**	**3**
Poland	505	292	**797**	496	291	**787**
Russia	12	10	**22**	12	10	**22**
United States - RFCW			**-**	2	1	**3**
United States - FRCC	5	8	**13**	2	4	**6**
Total	**1,160**	**1,274**	**2,434**	**1,162**	**1,297**	**2,459**

Total number of employees by gender/geographic area/contract type	2025			2024		
	Women	Men	Total	Women	Men	Total
Temporary employees	**164**	**104**	**268**	**244**	**189**	**433**
Italy	7	6	**13**	11	11	**22**
Canada			-			-
China	3	3	**6**	18	29	**47**
France			-	4	12	**16**
Germany			-			-
Japan			-			-
Mexico			-			-
Netherlands			-			-
Poland	154	95	**249**	211	137	**348**
Russia			-			-
United States - RFCW			-			-
United States - FRCC			-			-
Permanent employees	**996**	**1,170**	**2,166**	**918**	**1,108**	**2,026**
Italy	392	565	**957**	393	572	**965**
Canada	3		**3**	2		**2**
China	30	40	**70**	25	35	**60**
France	6	11	**17**			-
Germany	1	10	**11**	1	9	**10**
Japan			-			-
Mexico	**195**	**326**	**521**	**195**	**321**	**516**
Netherlands	1	3	**4**	1	2	**3**
Poland	351	197	**548**	285	154	**439**
Russia	12	10	**22**	12	10	**22**
United States - RFCW			-	2	1	**3**
United States - FRCC	5	8	**13**	2	4	**6**
At variable hours (hired)	-	-	-	-	-	-
Italy			-			-
Canada			-			-
China			-			-
France			-			-
Germany			-			-
Japan			-			-
Mexico			-			-
Netherlands			-			-
Poland			-			-
Russia			-			-
United States - RFCW			-			-
United States - FRCC			-			-
Total	**1,160**	**1,274**	**2,434**	**1,162**	**1,297**	**2,459**

[S1-8] – COLLECTIVE BARGAINING COVERAGE AND SOCIAL DIALOGUE

(60 a, 61) 59% of employees are covered by collective bargaining agreements, in line with the previous year's figure. Employees not covered by collective bargaining are granted the conditions provided for by locally applicable legislation.

(63) To date, the Group has not entered into agreements with its employees for representation by a European Works Council (EWC).

Regarding the coverage of employees by employee representatives, the scope is determined based on the presence of formally established workers' representation bodies in accordance with the applicable regulations in each country. Group-wide, the percentage of employees covered by employee representatives is 87%.

(MDR-M 77 a) As regards the types of Italian collective bargaining agreement, for the "white-collar", "managers" and "blue-collar" categories, the "Metal Mechanical Industry" national collective bargaining agreement is applied, while the "Industry Executives" national collective bargaining agreement is applied to the "Top-managers" category. Information on Companies residing abroad was provided by local payrolls. The figure concerning coverage by worker representatives was provided by local payrolls.

It should be noted that, for the calculation of the percentage of employees covered by employee representatives, the following criteria were applied: in Italy, the presence of the "Rappresentanza Sindacale Unitaria" (RSU) within each Group company; in Poland and France, the existence of the applicable regulatory framework based on company-level trade union organizations, which represent the collective rights and interests of all employees, regardless of their membership status. Accordingly, all employees in these countries were classified as being covered by employee representation structures. For employees in China and Mexico, coverage was assessed in line with local regulations governing worker representation, which establish institutional mechanisms comparable in purpose and function to formal collective representation systems[7].

7. It should be noted that, compared to the 2024 reporting year—when the percentage of employees covered by employee representatives was calculated based on individual membership in a trade union—starting from the current reporting year the coverage perimeter is determined based on the presence of formally established employee representation bodies. For further details on changes in calculation methodologies compared to the previous period, please refer to paragraph BP-2 in the General Information section.

COLLECTIVE BARGAINING COVERAGE AND SOCIAL DIALOGUE

60 a

Collective bargaining	2025	2024
Total employees	2,434	2,459
Employees covered by collective bargaining	1,430	1,467
% employees covered by collective bargaining agreement	58.75%	59.66%
Number of employees/collective bargaining agreement		
CCNL Metalmechanical Industry	931	948
CCNL Industry Executives	29	29
CCNL Commerce de Gross	17	16
CCNL Comercio de Metal	10	10
Other Collective Bargaining	443	464

63 a

Social Dialogue	2025	2024(*)
Total employees covered by labor representatives	2,434	2,459
Employees covered by labor representatives	2,119	2,149
% employees covered by labor representatives	**87.1%**	**87.4%**

(*) For further information on the restatements performed, please refer to paragraph BP 2 in the General Information section.

60 b, 60 c, 63 a, AR 70	Collective bargaining coverage		Social Dialogue(*)
Coverage rate (%)	Employees - EEA (for countries with >50 employees representing > 10 % of total employees)	Employees - non-EEA (estimate for regions >50 employees representing > 10 % of total employees)	Workplace representation (EEA only) (for countries with > 50 employees representing > 10 % of total employees)
0-19 %	Poland		
20-39 %			
40-59 %			
60-79 %		Mexico	
80-100 %	Italy	China	Italy, Poland

(*) For further information on the restatements performed, please refer to paragraph BP 2 in the General Information section.

Diversity, inclusion and equal opportunities

[S1-9] - DIVERSITY METRICS

At December 31, 2025, the Elica Group had a total of 2,434 employees, as per the annual financial disclosure, excluding interns and trainees (140 people), of which approximately are 48% women, evidencing the company's commitment to gender diversity and equality in professional opportunities.

(MDR-M 77 a) Headcount data for Group companies were extracted from the company's "Success Factor" management system, with the exception of data for Airforce S.p.A., whose data were taken from the local payroll. Executive, management, white-collar and blue-collar categories are also used to classify personnel working abroad, whose classification, while not using the same formal wording, is attributed to these categories on the basis of their equivalent functions and responsibilities.

(AR 71) Elica's top management is made up of the Board of Directors (BoD). In compliance with transparency obligations, and considering commitments towards gender diversity and the objective of guaranteeing equitable representation in company leadership positions, detailed information is provided on the gender composition of members of the Board of Directors.

(66 a, b) The tables below detail the distribution of employees by gender, category and age.

66 b

Diversity employees	2025			2024		
HC						
Employees by category / by gender	Women	Men	**Total**	Women	Men	**Total**
Top Manager	7	27	**34**	5	29	**34**
Manager	23	57	**80**	24	55	**79**
White Collar	281	391	**672**	285	397	**682**
Blue Collar	849	799	**1,648**	848	816	**1,664**
Total	**1,160**	**1,274**	**2,434**	**1,162**	**1,297**	**2,459**
%						
Employees by category / by gender %	Women	Men	**Total**	Women	Men	**Total**
Top Manager	0.3%	1.1%	**1.4%**	0.2%	1.2%	**1.4%**
Manager	0.9%	2.3%	**3.3%**	1.0%	2.2%	**3.2%**
White Collar	11.5%	16.1%	**27.6%**	11.6%	16.1%	**27.7%**
Blue Collar	34.9%	32.8%	**67.7%**	34.5%	33.2%	**67.7%**
Total	**47.7%**	**52.3%**	**100.0%**	**47.3%**	**52.7%**	**100.0%**

66 b

Diversity employees	2025			2024		
HC						
Employees by age group/by gender	Women	Men	**Total**	Women	Men	**Total**
Up to 29 years old	179	193	**372**	190	218	**408**
30 to 50 years old	633	663	**1,296**	627	655	**1,282**
Over 50 years	348	418	**766**	345	424	**769**
Total	**1,160**	**1,274**	**2,434**	**1,162**	**1,297**	**2,459**
%						
Employees by age group/by gender %	Women	Men	**Total**	Women	Men	**Total**
Up to 29 years old	7.4%	7.9%	**15.3%**	7.7%	8.9%	**16.6%**
30 to 50 years old	26.0%	27.2%	**53.2%**	25.5%	26.6%	**52.1%**
Over 50 years	14.3%	17.2%	**31.5%**	14.0%	17.2%	**31.3%**
Total	**47.7%**	**52.3%**	**100.0%**	**47.3%**	**52.7%**	**100.0%**

66 a

Composition of the Board of Directors	2025			2024		
Diversity Board of Directors	Women	Men	**Total**	Women	Men	**Total**
Up to 29 years old			-			-
30 to 50 years old	1		**1**	1		**1**
Over 50 years	2	4	**6**	2	4	**6**
Total	**3**	**4**	**7**	**3**	**4**	**7**
% Diversity Board of Directors	Women	Men	**Total**	Women	Men	**Total**
Up to 29 years old	0.0%	0.0%	**0.0%**	0.0%	0.0%	**0.0%**
30 to 50 years old	14.3%	0.0%	**14.3%**	14.3%	0.0%	**14.3%**
Over 50 years	28.6%	57.1%	**85.7%**	28.6%	57.1%	**85.7%**
Total	**42.9%**	**57.1%**	**100.0%**	**42.9%**	**57.1%**	**100.0%**
Board of Directors	**Role**					
FRANCESCO CASOLI	PRESIDENT					
GIULIO COCCI	DIRECTOR					
CRISTINA CASOLI	DIRECTOR					
ALICA ACCIARRI	DIRECTOR					
ELIO COSIMO CATANIA	DIRECTOR					
ANGELO CATAPANO	DIRECTOR					
SUSANNA ZUCCHELLI	DIRECTOR					

Diversity employees	2025				2024			
Employees by category/age group	Up to 29 years old	30 to 50 years old	Over 50 years	**Total**	Up to 29 years old	30 to 50 years old	Over 50 years	**Total**
Top Manager		17	17	**34**		15	19	**34**
Manager		49	31	**80**		48	31	**79**
White Collar	120	381	171	**672**	139	371	172	**682**
Blue Collar	252	849	547	**1,648**	269	848	547	**1,664**
Total	**372**	**1,296**	**766**	**2,434**	**408**	**1,282**	**769**	**2,459**
Category/age group %	Up to 29 years old	30 to 50 years old	Over 50 years	**Total**	Up to 29 years old	30 to 50 years old	Over 50 years	**Total**
Top Manager	0.0%	0.7%	0.7%	**1.4%**	0.0%	0.6%	0.8%	**1.4%**
Manager	0.0%	2.0%	1.3%	**3.3%**	0.0%	2.0%	1.3%	**3.2%**
White Collar	4.9%	15.7%	7.0%	**27.6%**	5.7%	15.1%	7.0%	**27.7%**
Blue Collar	10.4%	34.9%	22.5%	**67.7%**	10.9%	34.5%	22.2%	**67.7%**
Total	**15.3%**	**53.2%**	**31.5%**	**100.0%**	**16.6%**	**52.1%**	**31.3%**	**100.0%**

[S1-10] - ADEQUATE WAGES

(69, MDR-M 77 a) Elica defines the remuneration of its workforce in accordance with the reference parameters applicable in the various countries in which it operates. In Italy, wages are aligned with the sector national collective bargaining agreements (CCNL). For European countries that do not have collective bargaining, wages are defined on the basis of minimum salary legislation and compared with those of similar countries, using official data sources such as Eurostat. In non-EU countries, the wages are determined in reference to local legislation, ensuring compliance with current regulations, and adequacy according to local standards.

[S1-16] - REMUNERATION METRICS (PAY GAP AND TOTAL REMUNERATION)

(97 a, c) For 2025, the male-female gender pay gap reported by the Group is 28%, calculated using the standard methodology, down from 2024. This mode of calculation groups Blue Collar, White Collar, Managers and Executives who operate in completely different regions of the world and thus groups together dimensions and specific characteristics that are not homogenous.

As it refers to average pay, this ratio does not take into account differences in the employment market, local wage levels, exchange rate fluctuations, the type of work each person does and the weighting of the different roles.

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

Pay gap/gender	Unit	2025	2024(*)
Gender Pay Gap	%	28	29

(*) For further information on the restatements performed, please refer to paragraph BP 2 in the General Information section.

Total annual rate of compensation	Unit	2025	2024(*)
Total annual remuneration for the person with the highest salary in the enterprise	Euro	1,268,032 €	1,346,560 €
Median annual total compensation of employees (excluding the person with the highest salary)	Euro	20,435 €	19,233 €
Annual pay ratio	%	62	70

(*) For further information on the restatements performed, please refer to paragraph BP 2 in the General Information section.

(MDR-M 77 a) The gender pay gap indicates the difference between average wages paid to female and to male workers. The formula used to calculate the gender pay gap is: (average gross hourly wage of male employees - average gross hourly wage of female employees) / average gross hourly wage of male employees) x 100.

Specifically, the calculation of total remuneration includes fixed salary, benefits, performance bonuses and variable components for the financial year, such as MBO (Management by Objectives) and LTI (Long Term Incentives).

MBO is defined as the theoretical variable remuneration accrued during the year based on assigned targets.

LTI is defined as the theoretical annual portion of the total attributed value determined by apportioning the fair value of the plan over the accrual period[8].

To calculate the baseline hours for the calculation of the indicator in question, from 2025 onwards, working hours stipulated in the contract are used.

[S1-17] - INCIDENTS, COMPLAINTS AND SEVERE HUMAN RIGHTS IMPACTS

(103 a, b, c, 104 a, b) For the reporting period, the Group declares that no work-related accidents, episodes of discrimination, harassment or other severe human rights impacts on the workforce occurred.

Furthermore, no complaints, fines, sanctions or compensation for damages were recorded regarding such issues.

However, a report was received through the dedicated portal regarding non-compliance with an internal procedure at the Elicamex plant. The incident, which was minor and limited in scope, led to the immediate activation of the internal processes provided for under current policies and procedures, with the necessary steps being taken to ensure effective and responsible management of the situation.

8. Unlike the calculation made in 2024, the previous year's total remuneration considered MBOs and LTIs actually paid out, rather than the theoretical variable components accrued during the year. For further details on changes in calculation methodologies compared to the prior period, please refer to paragraph BP-2 in the General Information section.

Health & Safety

[S1-14] – HEALTH AND SAFETY METRICS

(88 a) The following table reports metrics relating to health and safety within the Elica Group. These data are reported to provide a transparent overview of recorded workplace injuries and the related Frequency Index, as well as work-related ill health, reflecting the Group's commitment to guaranteeing a safe and healthy work environment for all employees. For metrics regarding non-employees, the Company has chosen to adhere to the phase-in as prescribed by Appendix C of ESRS1 of the Delegated Regulations. For more information on the percentage of workers covered by an OHS Management System (occupational health and safety management system) in accordance with the ISO 45001:2015 Standard, see paragraph GOV-4 in the General disclosures section.

(MDR-M 77 a) Injury data (number, type and extent) were taken from event records compiled in accordance with current legislation in the countries of the individual companies. The hours worked for companies where there are production sites, namely, Elica S.p.A., Airforce S.p.A., EMC FIME S.r.l., Elica Group Polska Sp.z.o.o, Elicamex S.a.d. and Elica Home Appliances (Zhejiang) Co., LTD refer to precise data from records obtained from the "Management Control Operation" functions. For the remaining companies (where there are no production sites), hours were estimated based on observed working days.

The data derive from the collection and analysis of injuries, carried out of the RSPP (Prevention and Protection Service Manager) functions on a monthly basis and verified by Operations and EHS management at the production sites.

The injury frequency index is calculated as the ratio of the total number of recordable injuries (excluding those occurring during commuting) multiplied by 1,000,000 to the number of hours worked in the same period, as prescribed by AR 89. Work-related injury statistics[9]. The injury severity index is calculated as the ratio between the total number of DAYS OF ABSENCE multiplied by 1,000 and the number of hours worked during the same period. Temporary workers and employees of contractors were excluded from the reporting because their respective hours of employment are not directly accounted for by the organisation; the on-commute injuries reported refer to the Elicamex and Elica Group Polska sites where transportation was arranged by the Company. Specifically, the term "work-related injury with serious consequences" refers to a work-related injury that leads to death or injury from which the worker cannot recover, does not recover, or is not realistically expected to recover fully by returning to pre-injury health within six months. The rate of deaths resulting from work-related injuries is the ratio of the total number of deaths resulting from work-related injuries to the number of hours worked, multiplied by 1,000,000. Regarding the indicator trend, the Frequency Index (FI) figure for work-related injuries (excluding commuting injuries) shows a slight increase (+2.1%), essentially due to the reduction in the total number of hours worked, as the number of injuries that occurred in 2025 (5) shows no change in relation to the 2024 figure. The Severity Index (SI), on the other hand, is affected by the number of days of absence caused by two injuries that occurred at two Italian sites.

9. Data on fatalities as a result of work-related injuries and work-related ill health include external workers operating at the Group's sites.

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

Accidents at work - Employees	Unit	2025	2024
Accidents at work	N°		
Mortals			
Serious accidents		1	
Other accidents		4	5
Commuting accidents		8	
Total accidents recorded		**13**	**5**
Types of occupational injuries	N°		
Bruises and fractures		1	
Muscle strains		1	1
Other injuries		2	1
Bone Infringement			
Crushing			
Cutting			3
Muscle Contracture			
Eye Irritation		1	
Other injuries on the way to work		8	
Total hours worked	**h**	**4,460,524**	**4,556,082**
Days absent due to injuries	N°	395	111
Accident indices			
Accident Frequency Index (No. of accidents/hours worked x 1,000,000)		**2.91**	**1.10**
Mortals		0.00	0.00
Serious accidents		0.22	0.00
Other accidents		0.90	1.10
Accident Frequency Index (excluding commuting) (No. accidents/hours worked x 1,000,000)		**1.12**	**1.10**
Injury Severity Index (days of accident absence/hours worked x 1,000)		**0.09**	**0.02**

88 b,d,e, 89, AR 82

Occupational Diseases - Employees	Unit	2025	2024
Professional diseases	**N°**	-	-
Mortals		-	-
Other cases		-	-
Total		-	-
Types of occupational diseases	**N°**	-	-
Musculo-skeletal disorders		-	-
Skin diseases		-	-
Respiratory diseases		-	-
Malignant tumours		-	-
Noise-induced deafness		-	-
Days of absence due to occupational disease	**N°**	-	-

Value chain (ESRS S2)

IRO TYPE	IRO	Value chain	Time horizon
IMPACT	Violation of human rights in the value chain	Upstream / Downstream	Short-term
IMPACT	Impacts on rights to freedom from forced and child labour in the value chain	Upstream / Downstream	Short-term
RISK	Injuries at Elica sites and production sites	Upstream / Own operations	Short-term / Medium-term / Long-term
RISK	Scandals and/or sustainability issues for Elica or other players along the value chain	Upstream / Downstream	Short-term / Medium-term / Long-term

ESRS 2 SBM-2 - INTERESTS AND VIEWS OF STAKEHOLDERS

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

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

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

ESRS 2 SBM-3 - MATERIAL IMPACTS, RISKS AND OPPORTUNITIES AND THEIR INTERACTION WITH STRATEGY AND BUSINESS MODEL

(ESRS S2 10 a, b, 11, 12 13) The detail of the material impacts and risks identified regarding the topic of workers in the value chain, in addition to their interaction with the strategy and business model of the Elica Group, are reported in paragraph SBM-3 in the General Disclosures section. We note that by "value chain workers" we mean all workers employed in entities along the entire value chain that may be significantly affected by the Group's activities. The main types of workers involved are as follows:

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

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

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

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

No positive material impacts or opportunities were identified.

[S2-1] – POLICIES RELATED TO VALUE CHAIN WORKERS

(16) For managing value chain worker impacts identified in the Double Materiality Assessment, Elica has adopted a number of policies focused on the protection of human rights and the prevention of forced and child labour. These policies, contained within the Ethics Code, the Human Rights Policy, and the Supplier Code of Conduct, establish guidelines to ensure compliance with workers' rights and promote ethical corporate practices.

These policies apply to all actors in the value chain, including suppliers and their workers, with a view to preventing violations of human rights by all parties with which Elica entertains commercial relations.

(17 a, b) Through these policies, Elica undertakes to respect human rights and ensure compliance with the main international human rights protection standards, including the United Nations (UN) Guiding Principles on Business and Human Rights, the International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work, and the Organisation for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises on Responsible Business Conduct.

(18; 19) For more details on the cited policies, please refer to the section MDR-P.

(17) Furthermore, to monitor respect for the aforementioned principles, Elica has introduced a human rights due diligence procedure, approved in 2025, which provides for periodic evaluation of supplier compliance.

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

[S2-2] – PROCESSES FOR ENGAGING WITH VALUE CHAIN WORKERS ABOUT IMPACTS

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

[S2-3] PROCESSES TO REMEDIATE NEGATIVE IMPACTS AND CHANNELS FOR VALUE CHAIN WORKERS TO RAISE CONCERNS

(29) Currently, Elica does not have a dedicated reporting channel exclusively for value chain workers to express concerns. However, the Group has established a public whistleblowing channel, accessible to everyone involved in its business activities. Elica undertakes to ensure that value chain workers are adequately informed about this channel, which guarantees that they can report issues safely, transparently, and without any fear of retaliation.

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

[S2-5] - TARGETS RELATED TO MANAGING MATERIAL NEGATIVE IMPACTS, ADVANCING POSITIVE IMPACTS, AND MANAGING MATERIAL RISKS AND OPPORTUNITIES

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

[MDR-T] - ACTIONS AND RESOURCES IN RELATION TO MATERIAL SUSTAINABILITY MATTERS

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

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

(MDR-T 79 a; ESRS S2 42 b, c) The performance against set targets in monitored through periodic assessments that measure the effectiveness of actions and identify opportunities for improvement. The results of these performance assessments are used to refine future policies and actions. The results of activities carried out in 2025 show that all indicators are adequate and directed towards achieving the targets set for 2027.

(80. f) The targets set by Elica were defined through an analysis of internal historical data, and according to best sector practices, taking into account international, European and national regulations on human rights, quality, and sustainability. The Supplier Code of Conduct and ESG Survey and Audit activities are aligned with the company's commitments to promote responsible and sustainable supply practices in line with the United Nations Sustainable Development Goals (SDGs).

(80. h) The aforementioned targets were also shaped by the priorities expressed by stakeholders involved in the 2024 double materiality assessment process (during which their opinions and interests were gathered on material topics for the Group). (80. i, j) The Supplier Code of Conduct and ESG Survey and Audit activities were regularly monitored through periodic reports and checks. At present, in 2025 progress is in line with planning, although further work is required in audit stages and in the involvement of suppliers. The performance against set targets is monitored through periodic assessments that measure the effectiveness of actions and identify opportunities for improvement. The results obtained contribute to perfecting company policies and orientating future initiatives.

[S2-4] - TAKING ACTION ON MATERIAL IMPACTS ON VALUE CHAIN WORKERS, AND APPROACHES TO MANAGING MATERIAL RISKS AND PURSUING MATERIAL OPPORTUNITIES RELATED TO VALUE CHAIN WORKERS, AND EFFECTIVENESS OF THOSE ACTIONS

(32 a) Elica has adopted various measures to prevent potential negative value chain worker impacts identified in the Double Materiality Assessment. In particular, the company has established an ESG Supplier Audit programme, which uses surveys and on-site visits to monitor and promote improvements in environmental, social and governance (ESG) standards along the supply chain.

(33 a) This allows the company to collect detailed information on risks, and determine appropriate responses to negative actual and potential impacts on value chain workers.

(32 c, b; 34 a, b) Elica's actions in relation to workers in the value chain are geared toward preventing and remedying significant negative impacts, with a structural and ongoing approach designed to generate positive impacts throughout the entire supply chain, without the need for specific additional initiatives. The double materiality assessment carried out identified no current negative impacts and no actual or potential positive impacts and relevant opportunities; potential impacts and risks identified are managed through preventive and control measures. Specifically: conducting supplier ESG audits through surveys and on-site visits enables continuous monitoring and improvement of environmental, social, and governance standards along the supply chain, helping mitigate and prevent potential substandard working conditions such as forced labour, child labour, and human rights violations. These audits are also a key tool in preventing scandals or sustainability issues that could compromise the reputation of Elica and its partners. These preventive and control actions generate safer and more respectful working conditions in the value chain, consolidating a corporate culture of responsibility, transparency and sustainability.

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

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

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

[MDR-A] - ACTIONS AND RESOURCES IN RELATION TO MATERIAL SUSTAINABILITY MATTERS

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

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

(32. d) Elica continuously monitors the effectiveness of the measures taken, such as ESG audits and on-site visits to suppliers, through a system of data collection and analysis. The results of surveys and inspections are analysed to verify the overall compliance of procurement practices with environmental, social and governance standards. This continuous monitoring process allows the Group to identify any critical issues early, assess the progress of the measures taken, and define targeted corrective actions to improve sustainability and safety throughout the supply chain.

(MDR-A 69. a, b, c, 38) The Group allocates resources, which were not significant in the reporting year, to guarantee respect for ethical and social standards and the management of related material impacts along its value chain. Such resources are used to support supplier audit activities aimed verifying compliance with labour regulations and human rights commitments. The Group also dedicates resources to manage any criticalities that emerge from audits through improvement plans and the involvement of experts to support suppliers in adapting to required standards. Also during 2025, the Elica Group provided questionnaires and conducted ESG audits on its suppliers, continuing to measure their performance and promoting the improvement of any conditions that may raise the level of risk in workers' rights issues.

(MDR-A 68 e) The actions taken in 2025 are in line with those that began in the previous year, confirming the robustness and consistency of the Group's approach to managing impacts along the value chain. Maintaining the same measures reflects the strategic choice to consolidate the practices already underway, as opposed to making intermittent changes, thereby ensuring stable and measurable progression toward the targets set for 2027. The progress achieved confirms that the Group is on track to meet the quantitative targets defined in S2-5 related to the signing of the Supplier Code of Conduct, the percentage of suppliers surveyed, and the proportion of suppliers subject to ESG audits.

Customers and consumers (ESRS S4)

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

ESRS 2 SBM-2 - INTERESTS AND VIEWS OF STAKEHOLDERS

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

ESRS 2 SBM-3 - MATERIAL IMPACTS, RISKS AND OPPORTUNITIES AND THEIR INTERACTION WITH STRATEGY AND BUSINESS MODEL

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

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

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

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

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

[S4-1] - POLICIES RELATED TO CONSUMERS AND END-USERS

(15,16,17) The Group has established specific policies to manage impacts on end-consumers and guarantee transparency, safety, and the protection of fundamental rights. The Ethics Code and the Policy on Security Measures for the Protection of Personal Data represent the main policies by which the company promotes responsible practices and a relationship of trust with its customers.

These policies establish clear guidelines to ensure personal data protection, compliance with consumer rights and ethical corporate conduct in accordance with the main international standards, including the United Nations (UN) Guiding Principles on Business and Human Rights, the International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work, and the Organisation for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises on Responsible Business Conduct. The Group furthermore undertakes to follow best practices regarding privacy and security, in line with current regulations and stakeholder expectations.

For more details on the cited policies, see paragraph MDR-P of the Social Information section.

[S4-2] - PROCESSES FOR ENGAGING WITH CONSUMERS AND END-USERS ABOUT IMPACTS

(S4-2, 22) The Group has not yet adopted a structured consumer/end-user engagement process, but as part of future initiatives, it plans to increase the occasions and opportunities for consumer/end-user engagement. This will be done both through corporate communication channels and Group initiatives, with the aim of establishing an open and constructive dialogue that is instrumental in managing the actual and potential impacts generated with respect to this area.

[S4-3] - PROCESSES TO REMEDIATE NEGATIVE IMPACTS AND CHANNELS FOR CONSUMERS AND END-USERS TO RAISE CONCERNS

(25.26) The Group recognises the importance of ensuring end-consumers can report issues, express concerns and access protection measures in case of any disservices or negative impacts. To protect customers and end-users, Elica has adopted a dedicated reporting channel in accordance with the provisions of the current legislation on whistleblowing (Legislative Decree No. 24/2023). For further details on the policies adopted, see paragraph G1-1 in the Governance information section.

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

[S4-4] - TAKING ACTION ON MATERIAL IMPACTS ON CONSUMERS AND END-USERS, AND APPROACHES TO MANAGING MATERIAL RISKS AND PURSUING MATERIAL OPPORTUNITIES RELATED TO CONSUMERS AND END-USERS, AND EFFECTIVENESS OF THOSE ACTIONS

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

[S4-5] - TARGETS RELATED TO MANAGING MATERIAL NEGATIVE IMPACTS, ADVANCING POSITIVE IMPACTS, AND MANAGING MATERIAL RISKS AND OPPORTUNITIES

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

Governance Information (ESRS G1).

IRO TYPE	IRO	Value chain	Time horizon
IMPACT	Sustainable supply chain management	Own operations	Short-term
IMPACT	Failure to comply with payment practices	Own operations	Short-term
RISK	Business ethics and compliance	Upstream / Downstream	Short-term / Medium-term / Long-term
RISK	Scandals and/or sustainability issues for Elica or other players along the value chain	Upstream / Downstream	Short-term / Medium-term / Long-term
RISK	Risk of fraud and corruption	Upstream / Downstream	Short-term / Medium-term / Long-term

[ESRS 2 IRO-1] - DESCRIPTION OF THE PROCESSES TO IDENTIFY AND ASSESS MATERIAL IMPACTS, RISKS AND OPPORTUNITIES

(G1, 6) The process for identifying material impacts and risks in the area of business conduct in the Elica Group is provided in the chapter The Group's double materiality in the General disclosures section. The Group Elica carried out an analysis to identify the impacts, risks, and opportunities related to business conduct, taking into consideration all relevant criteria, including location, activities, and industries. The location of individual subsidiaries was examined to understand the geographic and regulatory specificities that could influence operations. Business activities, particularly those related to production, distribution, and resource management, were analysed to identify potential operational risks and opportunities for optimisation. The sectors in which the Group operates were also analysed, considering market trends, emerging technologies and regulations, in order to anticipate changes and make the most of competitive opportunities. Finally, the Group's governance structure, including business processes and the interactions between different units, was examined to ensure that the entire system was geared toward reducing risks and maximising opportunities for continuous improvement.

MDR-P - POLICIES ADOPTED TO MANAGE MATERIAL SUSTAINABILITY MATTERS

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

ESRS	Policies	Description of the main contents	Scope of application	Entity responsible for enacting	References to any international rules, conventions, or initiatives of third parties	Availability
G1	**Ethics Code**	- Impartiality and conflicts of interest - Personnel management - Workplace harassment - Workplace environment - Payment methods - Laundering, receipt and use of money, assets and other proceeds of illegal provenance, self-laundering; Occupational health and safety - Environment; Relations with the Public Administration - Relations with the Judicial Authority - Relations with political parties, trade unions and associations - Organised crime - Sponsorship and donations - Corporate information - confidentiality and privacy - Relationships with suppliers and consultants - Relations with customers and commercial partners	Elica Group, Business relations	Department managers	- International Labour Organization Conventions - Legislative Decree No. 196/2003 from Regulation (EU) 2016/679 - Legislative Decree No. 231/01 - Article 2104 Civil Code	Company website and intranet
G1	**Group Whistleblowing Policy**	- Reporting obligations - Reporting procedures - Protective measures - Penalties for those who take retaliatory actions - Rights of the affected person - External reporting	Elica Group, business relations, stakeholders	CEO	- Direttiva (EU) 2019/1937 sul whistleblowing - D.Lgs. n. 231 del 2001. - Normative locali applicabili per ciascun sito del Gruppo Elica - Directive (EU) 2019/1937 on whistleblowing; Italian Legislative Decree. n. 231 of 2001	Company website and intranet
G1	**Group Anticorruption Policy**	- General Principles - Control standards - Reports - Sanctioning measures - Checks	Elica Group	CEO	- National legislation and conventions of applicable international law (e.g., the UN Convention); - D.Lgs.231/2001 - Legislative Decree No. 24/2023; - Directive (EU) 2019/1937; - EU Directive 24/64/2022 (CSRD), implemented by Italian Legislative Decree No. 125/2024.	Intranet

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

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

[ESRS 2 GOV-1] - THE ROLE OF THE ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES

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

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

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

[G1-1] - CORPORATE CULTURE AND BUSINESS CONDUCT POLICIES

(7.) Elica promotes a strong corporate culture based on principles of ethics, legality and social responsibility, ensuring compliance with laws and regulations through a well-defined framework of corporate policies. In terms of business conduct, with particular attention to supply chain sustainability, anti-corruption and transparency, the Group has adopted an Ethics Code, which establishes behavioural guidelines for all employees and collaborators to ensure compliance with the principles of integrity, correctness and transparency in all company activities. There is also the "Group Anti-corruption Policy", updated in early 2025, which seeks to raise employee awareness, ensure transparency in supplier and partner relationships, and promote fair payment practices. Finally, Elica has established a "Group Whistleblowing Policy" to handle reports of misconduct confidentially and in accordance with local laws, ensuring transparency and respect in all corporate operations.

For further information regarding the above policies, please refer to the relevant table in the MDR-P paragraph of the Governance Information section.

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

(10. a) The Elica Group strives to mitigate and manage material impacts on governance, the environment and people by supporting and encouraging the right of any stakeholder to seek clarification of the Company's responsible business conduct.

The Group companies therefore act in accordance with the Group Whistleblowing Policy, which is designed to regulate the operational procedures for handling reports of alleged violations of European or national provisions (Article 2 Legislative Decree No. 24/2023, excluding the information under Article 1, paragraph 2 of the same decree) that have come to the whistleblower's attention in the working environment and that harm the public interests or integrity of the Company. Specifically, as required by the regulations, Elica provides a reporting channel and takes all measures to ensure the confidentiality of the whistleblower in order to avoid retaliation. For further details on this policy, see the paragraph MDR-P Policies adopted to manage material sustainability matters in this section.

(10. c i, ii) As described above, to protect reporters, Elica has adopted specific protection measures against retaliation, in accordance with the provisions of the relevant regulations in force. This allows all stakeholders, whether internal or external, to report any wrongdoing or violations of company regulations. This reporting mechanism includes an escalation process to ensure that the relevant boards of Elica S.p.A. are promptly informed in the event of an alleged violation of human rights, fraud, corruption, coercion, collusion, money laundering, environmental pollution, or any other violation harmful to people, the environment, or the Group's interests, including its reputation. Each Company explicitly identifies an internal function/area (or an independent third party) to receive any notification of irregularities and is responsible for the necessary investigations, including any escalation to Elica S.p.A. Reports of irregularities received are also communicated to the Board of Directors or the Shareholders' Meeting, as appropriate, of each Group Company. Finally, all reports are tracked, each according to type, in accordance with the reporting methods and flows established for the corporate boards to which they are addressed. For countries in jurisdictions with regulations other than the EU Directives, reports are transferred to the centralised platform, ensuring consistency and traceability of the process, while fully respecting the confidentiality and anonymity of the reporter. In addition, Elica provides specific training to all employees to promote a corporate culture based on legality and ethics, and ensures that staff responsible for handling whistleblowing are adequately trained to maintain the effectiveness of the system for the protection of whistleblowers.

(10. e) In addition, Elica has adopted a system to ensure prompt, independent and objective investigation of any incident concerning the company's conduct, including allegations of corruption and bribery. Reports received through the external portal are processed rigorously by means of structured management involving designated internal functions to ensure that they are investigated independently and effectively.

Each report is submitted to an evaluation process that includes preliminary analysis and, if necessary, initiation of a thorough investigation. When necessary, investigations may involve external consultants and supervisory bodies, such as Internal Audit, to ensure impartial assessment in line with internal and external regulations. This approach ensures that incidents are handled with the utmost seriousness and timeliness, while protecting the rights of all those involved and safeguarding the company's reputation. In addition, corrective and disciplinary actions are taken in accordance with the company's policies and current regulations to ensure full compliance with laws on the prevention of corruption and unethical behaviour. Elica continues to monitor the effectiveness of these procedures, making regular updates and revisions to continuously improve their transparency and efficiency.

(10. g) Training is a key tool for promoting a culture of legality and preventing illegal behaviour within the Elica Group. It is structured differentially according to roles and responsibilities to ensure effective awareness at all levels. In particular, management staff and department managers participate in regular training seminars designed to address specific needs related to governance, compliance and the prevention of corruption.

In addition, all employees are involved in basic training courses, which include company induction courses and internal communications focused on the Ethics Code and the 231 Organisational Model. Mandatory training is supplemented with information materials, including internal notes and intranet access, to ensure an appropriate level of awareness and encourage responsible behaviour.

The training courses are constantly monitored, and the results are reported to the Supervisory Board to assess their effectiveness and level of compliance. For more information, see paragraph G1-3 Prevention and detection of corruption and bribery in this section.

(10. h) The Elica Group has identified the business functions that are most exposed to the risk of corruption and bribery (due to numerous dealings with third parties in the performance of their duties), and pays special attention to those functions.

Among them, the "Purchasing Department" and the "Logistics" function are exposed to risk in relation to the awarding of consulting, specialist and professional assignments, as well as the awarding of works and supplies of goods and services, where the risk of corrupt practices could arise if the selection processes are not adequately monitored and regulated.

The “General Services” function is considered to be potentially at risk in relation to its role in the selection of specific vendors who perform specialised services in the area of maintenance and setting up trade fairs, events and exhibitions.

The Administration, Finance and Tax function pays special attention to the management of facilitation payments, preventing such transactions from being used to expedite paperwork or obtain undue benefits.

The “General Counsel” function deals with relations with the Public Administration, a particularly sensitive area in which it is essential to ensure maximum transparency and compliance with local regulations.

The CFO is responsible for managing accounting records to ensure the fairness and transparency of financial transactions, preventing illegal manipulation or concealment.

Another critical function is that of Marketing, which handles donations, sponsorships, non-profit initiatives, gifts, hospitality and entertainment expenses, areas in which strict control is necessary to prevent any risk of improper influence on business decisions, or exploitation for the attainment of illicit benefits.

In addition, the HR function is required to supervise the recruitment and hiring of personnel to prevent any favouritism or conflicts of interest.

The Health and Safety Manager is responsible for ensuring that occupational health and safety practices are properly implemented, looking out for any abuse or unethical behaviour that may arise in this area, and preventing favouritism or unfair practices from influencing his or her decisions.

For all these functions, the Elica Group has adopted policies, procedures and operating instructions that establish clear standards of behaviour and ensure compliance with the Ethics Code and local anti-corruption regulations. Each plant manager is in charge of implementing these principles and overseeing the activities most at risk of corruption.

Finally, the Chief Executive Officer and the Chairperson play a key role in providing overall control and governance of the organisation, ensuring that the company operates transparently and adheres to high ethical standards, overseeing critical functions and promoting a corporate culture based on integrity and accountability.

[G1-2] - MANAGEMENT OF RELATIONSHIPS WITH SUPPLIERS

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

Payments are made according to an established schedule, usually biweekly. Through the ERP system, invoices are timed and forwarded for payment after verification that there are no quantity, quality or litigation issues. Thereafter, the payment is processed by the treasury, subject to approval by the relevant management level.

Elica is committed to evaluating any requests from suppliers to revise payment terms, updating, where agreed, the terms in the management system. In addition, suppliers are offered the opportunity to join reverse factoring programmes that allow for favourable financial terms on a voluntary basis.

(15. a, b) Elica takes a responsible approach to managing relationships with its suppliers, recognising the risks associated with the supply chain and potential impacts on sustainability issues. The Group constantly monitors suppliers through audit activities, verifying that supply conditions comply with company standards and applicable regulations. Specifically, Elica has not identified vulnerable suppliers, as attested in internal audit reports that include specific checks on social and environmental risks. Elica works hard to carefully select raw materials that comply with applicable laws, putting together supply agreements and gathering information from suppliers to guarantee product quality from the outset. In 2023, the Group therefore created a web platform-based service which streamlines and keeps track of all communications and evidence exchanged with the Supply Chain. This ensures ongoing compliance with those regulations to which Group products are subject (e.g. EU RoHS Directive, EU REACH SVHC,

EU Waste Framework Directive - SCIP). In terms of the packaging supply chain, Elica favours suppliers who are in possession of FSC certifications for a supply deriving from environmentally friendly, socially useful and economically sustainable forest management. In addition, the Group's Code of Conduct, which establishes clear principles on ethics, human rights, safety and the environment, has been signed by a representative number of suppliers, selected by Elica based on a materiality threshold defined to represent an appropriate level of supplier structuring and relevance. When selecting its suppliers, the Elica Group uses a structured assessment and approval process. The process begins by asking suppliers to complete self-assessment questionnaires about their manufacturing processes during the "Early Approval" phase. This allows Elica's management (Purchasing and Supplier Development Quality Department) to assess the level of risk associated with a supplier's capabilities. Once complete, the supplier is asked to complete an "ESG Survey" during the approval stage, which the Group's Quality and Sustainability Manager uses to determine the risk index associated with ethical, environmental, and social topics. Once the supplier has been approved and can start supplying goods and services to Elica, audits are carried out at the supplier's site to directly assess their capabilities and/or degree of reliability, in addition to any ESG-related risks. In particular, the protection of workers' rights, anti-corruption, and the minimisation of environmental risks are considered. Suppliers who do not meet the minimum requirements are not permitted to conduct business with Elica. The activities described above also seek to pre-emptively identify any critical issues related to potential new suppliers and adopt corrective action. Existing suppliers within the supply chain are also routinely required to complete the self-assessment process via the ESG Survey. We adopt this approach to foster a culture of continuous improvement, whereby we share and adopt particular action plans based on the audit outcomes.

[G1-3] - PREVENTION AND DETECTION OF CORRUPTION AND BRIBERY

(18.a) Elica takes a proactive approach to preventing and combatting corruption, promoting the consolidation of a corporate culture which values the principles of transparency, ethics, fairness and respect for rules.

More generally, the Group's anti-corruption oversight is ensured through the dissemination of its Ethics Code. This document is also contained in the 231 Organisational Model (adopted in accordance with Legislative Decree No. 231 of June 8, 2001) of the Italian companies Elica S.p.A. and its subsidiaries EMC FIME S.r.l. and Air Force S.p.A., which is regularly updated. Compliance with the Ethics Code, which is based on the principles of legality, honesty, fairness, integrity, confidentiality and transparency, is a fundamental element in preventing corruption offences, and works alongside the indispensable respect for the fundamental duties of workers and legislation in the civil, Penal Code, administrative and contractual spheres.

Alongside the 231 Model, the Group has a specific Anti-Corruption Policy, drafted by the Legal & Corporate Affairs function and approved by the Chief Executive Officer, which identifies rules for preventing and combatting corruption, with the ultimate goal of raising awareness among all Elica Group employees and collaborators of the behaviours to be adopted in order to comply with corporate anti-corruption objectives.

The subsidiary in Mexico, a country with a high risk of corruption, is aligned with the Group's principles and operates in accordance with the Ethics Code. It has also obtained CTPAT14 certification, whose goal is to strengthen supply chain security, identify security gaps and implement specific security measures and best practices.

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

The Anti-Corruption Policy is shared with the various subsidiaries, and expressly states that the purpose of the document is to set out the rules for preventing and combatting corruption, with the ultimate goal of ensuring that all employees and associates are aware of the rules to be followed and the behaviour to be adopted to avoid involvement in cases of corruption. For tenders, the Policy specifies that the Group's relations with representatives of the public sector, in all possible forms, must be based on strict compliance with the current whistleblowing regulations (Legislative Decree No. 24/2023) and may not in any way compromise the integrity and reputation of the Group.

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

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

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

(18.b, c) The relevant Company-level anti-corruption bodies, where established, along with the Internal Audit Function, are responsible for verifying compliance with the provisions set forth in the Policy. To comply with the Anti-Corruption Policy, all Group companies adopt and comply with the criterion of segregation of responsibilities, according to which the person in charge of an operational activity must be different from the person who checks that activity (and/or from the person who, where applicable, authorises it). For this purpose, operational activities and control functions must be adequately segregated. Communications received regarding irregularities must also be submitted to the Board of Directors or Shareholders' Meeting, as appropriate, of each Company.

In the event of violations, the Risk Compliance Management area, with the support of the Legal Area, will consider whether any revisions and changes to the Policy and internal regulations could help prevent the recurrence of the violation.

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

Activities to raise awareness entail that:

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

21, AR 4, AR 7, AR 8

	2025	2024
% risk functions that have received training	100%	-

(21.a) Elica is committed to fostering a culture of compliance and integrity through structured training programmes that are designed to ensure that company policies are shared and understood, including on anti-corruption topics. Targeted sessions are therefore organised to present current policies, ensuring an institutional and high-level approach to raise awareness of the importance of adherence to the Company's ethical and regulatory principles, including aspects related to combatting corruption and bribery. In February 2025, as an integral part of updating and strengthening the internal control system and measures for the prevention and detection of corruption and bribery, the Group held a mandatory training session on 231 Model, whistleblowing and anti-corruption at the Elica headquarters auditorium. The initiative, promoted by Elica's Supervisory Board in collaboration with the Internal Audit & Risk Compliance function and conducted by a university professor and member of the Corporate Sustainability Team, who contributed to defining the 231 Model, sought to consolidate knowledge of the relevant regulatory framework, strengthening the prevention safeguards and increasing awareness of individual roles and responsibilities within corporate processes.

[G1-4] – CONFIRMED INCIDENTS OF CORRUPTION OR BRIBERY

(24 a, MDR-M 77 a) In terms of processes and Group companies subjected to corruption risk assessment, companies that have adopted the 231 Model and/or conducted audits - even if only qualitative - on the subject are considered assessed; while companies that have anti-corruption, similar or equivalent procedures are not considered assessed. No incidents were detected, nor were any fines received during 2025.

[G1-6] – PAYMENT PRACTICES

(33 a, b, d) The Group does not have a formal policy on late payments, but has established clear and well-defined procedures for managing transactions with suppliers. Elica does not adopt differences in payments by supply type and/or by country type unless specifically requested by the supplier. To define payment terms, suppliers have been separated into two main categories: large enterprises and small enterprises. All companies with a turnover up to Euro 500,000 are considered small enterprises and those with a turnover over Euro 500,000 are regarded as large enterprises. Average payment time was calculated for both categories using the value for Days Payable Outstanding (DPO), which measures the number of days elapsed between the start of the contractual or legal payment terms of each invoice and the actual date of payment.

Specifically, for the 2025 reporting year, the Group's actual average agreed payment terms for large enterprises is 113 days (theoretical 112 days), while for small enterprises it is 78 days (theoretical 73 days).

Compared to 2024, the figure remained essentially stable for both large and small enterprises. Specifically, large enterprises recorded an average effective payment time of 113 days, compared with a theoretical time term of 111 days, while small enterprises showed an average effective time of 78 days compared with a theoretical term of 72 days.

(33 b) In 2025, the percentage of payments disbursed by the Group meeting these standard terms was approximately 49% of the value of annual invoices received from this category of suppliers for Large Enterprises, while it was approximately 48% for Small Enterprises.

The information provided allows the Group's payment times to be put into context in relation to the operating practices adopted and the composition of the supplier base.

(33 c) No judicial proceedings are currently pending due to late payments for the reporting year 2025.

(MDR-M 77 a) The analysis of payment times was conducted using data extracted from a sample of suppliers of companies of the Group (Elica S.p.A, EMC, AirForce, Elica Group Polska, Elicamex, Elica France, and Elica GmbH), and included all transactions recorded in 2025 in the local currency. These were later converted to Euro using the average YTD 2025 exchange rate. Intercompany suppliers, the Italian customs supplier Dogana Italiana, and customers accounted for as suppliers for post-invoice management were excluded from the assessment. In order to identify any differences in agreed payment terms, the supplier list was then broken down into Small and Large Enterprises.

For each category of supplier, DPO (Days Payable Outstanding) were then calculated by weighting the value of the invoices. In addition, to calculate payment terms, an analysis was chosen that involved calculating the actual value, i.e. reflecting cash outflows or offsets and the theoretical value based on the applicable contractual and legal terms.

Finally, the percentage of payments in line with standard terms was calculated by considering the ratio between the value of invoices paid within the standard term for the category and the total annual invoice value for the category.

Annex.

[APPENDIX B] LIST OF DATAPOINTS IN CROSS-CUTTING AND TOPICAL STANDARDS THAT DERIVE FROM OTHER EU LEGISLATION

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

DR	Disclosure requirement and related datapoint	SFDR reference	Pillar 3 reference	Benchmark regulation reference	EU climate law reference	Page reference
ESRS 2 GOV-1	21 (d): Board's gender diversity	Annex I, table 1, indicator no. 13		Delegated Regulation (EU) 2020/1816 of the Commission, Annex II		
ESRS 2 GOV-1	21 (e): Percentage of board members who are independent			Delegated Regulation (EU) 2020/1816 of the Commission, Annex II		
ESRS 2 GOV-4	30: Statement on due diligence	Annex I, table 3, indicator no. 10				
ESRS 2 SBM-1	40 (di): Involvement in activities related to fossil fuel activities	Annex I, table 1, indicator no. 4	Article 449a of Regulation (EU) no. 575/2013; Commission Implementing Regulation (EU) 2022/2453 table 1 - Qualitative disclosure on environmental risk and Table 2 - Qualitative disclosure on social risk	Delegated Regulation (EU) 2020/1816 of the Commission, Annex II		Not applicable
ESRS 2 SBM-1	40 (dii): Involvement in activities related to chemical production	Annex I, table 2, indicator no. 9		Delegated Regulation (EU) 2020/1816 of the Commission, Annex II		Not applicable
ESRS 2 SBM-1	40 (diii): Involvement in activities related to controversial weapons	Annex I, table 1, indicator no. 14		Article 12, paragraph 1 of Delegated Regulation (EU) 2020/1818 and Annex II of Delegated Regulation (EU) 2020/1816		Not applicable
ESRS 2 SBM-1	40 (div): Involvement in activities related to cultivation and production of tobacco			Article 12, paragraph 1 of Delegated Regulation (EU) 2020/1818 and Annex II of Delegated Regulation (EU) 2020/1816		Not applicable
ESRS E1-1	14: Transition plan to reach climate neutrality by 2050				Article 2, paragraph 1 of Regulation (EU) 2021/1119	Not applicable
ESRS E1-1	16 (g): Undertakings excluded from Paris-aligned Benchmarks		Article 449a of Regulation (EU) No. 575/2013; Commission Implementing Regulation (EU) 2022/2453, Template 1: Banking book - Climate change transition risk indicators: Credit quality of exposures by sector, emissions and residual maturity	Article 12(1)(d) to (g), and paragraph 2, of Delegated Regulation (EU) 2020/1818		Not applicable

DR	Disclosure requirement and related datapoint	SFDR reference	Pillar 3 reference	Benchmark regulation reference	EU climate law reference	Page reference
ESRS E1-4	34: GHG emission reduction targets	Annex I, table 2, indicator no. 4	Article 449a of Regulation (EU) No. 575/2013; Commission Implementing Regulation (EU) 2022/2453, Template 3: Banking book - Climate change transition risk: alignment metrics	Article 6 of Delegated Regulation (EU) 2020/1818		Not applicable
ESRS E1-5	38: Energy consumption from fossil sources disaggregated by sources (only high climate impact sectors)	Annex I, table 1, indicator no. 5 and Annex I, table 2, indicator no. 5				
ESRS E1-5	37: Energy consumption and mix	Annex I, table 1, indicator no. 5				
ESRS E1-5	40 to 43: Energy intensity associated with activities in high climate impact sectors	Annex I, table 1, indicator no. 6				
ESRS E1-6	44: Gross Scope 1, 2, 3 and Total GHG emissions	Annex I, table 1, indicators no. 1 and 2	Article 449a of Regulation (EU) No. 575/2013; Commission Implementing Regulation (EU) 2022/2453, Template 1: Banking book - Climate change transition risk indicators: Credit quality of exposures by sector, emissions and residual maturity	Article 5, paragraph 1, Article 6 and Article 8, paragraph 1 of Delegated Regulation (EU) 2020/1818		
ESRS E1-6	53 to 55: Gross GHG emissions intensity	Annex I, table 1, indicator no. 3	Article 449a of Regulation (EU) No. 575/2013; Commission Implementing Regulation (EU) 2022/2453, Template 3: Banking book - Climate change transition risk: alignment metrics	Article 8, paragraph 1 of Delegated Regulation (EU) 2020/1818		
ESRS E1-7	56: GHG removals and carbon credits				Article 2, paragraph 1 of Regulation (EU) 2021/1119	Not applicable
ESRS E1-9	66: Exposure of the benchmark portfolio to climate-related physical risks			Annex II of Delegated Regulation (EU) 2020/1818 and Annex II of Delegated Regulation (EU) 2020/1816		Not applicable
ESRS E1-9	66 (c): Disaggregation of monetary amounts by acute and chronic physical risk, paragraph 66 (a) ESRS E1-9 Location of significant assets at material physical risk		Article 449a of Regulation (EU) No. 575/2013; paragraphs 46 and 47 of Commission Implementing Regulation (EU) 2022/2453; template 5: Banking book - Potential climate change transition risk indicators: exposures subject to physical risk			Not applicable
ESRS E1-9	67 (c): Breakdown of the carrying value of its real estate assets by energy-efficiency classes		Article 449a of Regulation (EU) No. 575/2013; Item 34 of Commission Implementing Regulation (EU) 2022/2453; Template 2: Banking book - Potential climate change transition risk indicators: loans collateralised by immovable property - Energy efficiency of the collateral			Not applicable
ESRS E1-9	69: Degree of exposure of the portfolio to climate-related opportunities			Annex II of Delegated Regulation (EU) 2020/1818		Not applicable

DR	Disclosure requirement and related datapoint	SFDR reference	Pillar 3 reference	Benchmark regulation reference	EU climate law reference	Page reference
ESRS E2-4	28: Amount of each pollutant listed in Annex II of the E-PRTR Regulation (European Pollutant Release and Transfer Register) emitted to air, water and soil	Annex I, table 1, indicator no. 8; Annex I, table 2, indicator no. 2; Annex I, table 2, indicator no. 1; Annex I, table 2, indicator no. 3				Not material
ESRS E3-1	9: Water and marine resources	Annex I, table 2, indicator no. 7				Not material
ESRS E3-1	13: Dedicated policy	Annex I, table 2, indicator no. 8				Not material
ESRS E3-1	14: Sustainable oceans and seas	Annex I, table 2, indicator no. 12				Not material
ESRS E3-4	28 (c): Total water recycled and reused	Annex I, table 2, indicator no. 6.2				Not material
ESRS E3-4	29: Total water consumption in m3 per net revenue on own operations	Annex I, table 2, indicator no. 6.1				Not material
ESRS 2 IRO-1 – E4	16 (ai)	Annex I, table 1, indicator no. 7				Not material
ESRS 2 IRO-1 – E4	16 (b)	Annex I, table 2, indicator no. 10				Not material
ESRS 2 IRO-1 – E4	16 (c)	Annex I, table 2, indicator no. 14				Not material
ESRS E4-2	24 (b): Sustainable land/agriculture practices or policies	Annex I, table 2, indicator no. 11				Not material
ESRS E4-2	24 (c): Sustainable oceans/seas practices or policies	Annex I, table 2, indicator no. 12				Not material
ESRS E4-2	24 (d): Policies to address deforestation	Annex I, table 2, indicator no. 15				Not material
ESRS E5-5	37 (d): Non-recycled waste	Annex I, table 2, indicator no. 13				
ESRS E5-5	39: Hazardous waste and radioactive waste	Annex I, table 1, indicator no. 9				
ESRS 2 – SBM3 – S1	14 (f): Risk of incidents of forced labour	Annex I, table 3, indicator no. 13				Not applicable
ESRS 2 – SBM3 – S1	14 (g): Risk of incidents of child labour	Annex I, table 3, indicator no. 12				Not applicable
ESRS S1-1	20: Human rights policy commitments	Annex I, table 3, indicator no. 9 and Annex I, table 1, indicator no. 11				
ESRS S1-1	21: Due diligence policies on issues addressed by the fundamental International Labour Organization Conventions 1 to 8			Delegated Regulation (EU) 2020/1816 of the Commission, Annex II		
ESRS S1-1	22: Processes and measures for preventing trafficking in human beings	Annex I, table 3, indicator no. 11				
ESRS S1-1	23: Workplace accident prevention policy or management system	Annex I, table 3, indicator no. 1				

DR	Disclosure requirement and related datapoint	SFDR reference	Pillar 3 reference	Benchmark regulation reference	EU climate law reference	Page reference
ESRS S1-3	32 (c): Grievance/complaints handling mechanisms	Annex I, table 3, indicator no. 5				
ESRS S1-14	88 (b, c): Number of fatalities and number and rate of work-related accidents	Annex I, table 3, indicator no. 2		Delegated Regulation (EU) 2020/1816 of the Commission, Annex II		
ESRS S1-14	88 (e): Number of days lost due to injuries, accidents, fatalities or illness	Annex I, table 3, indicator no. 3				
ESRS S1-16	97 (a): Unadjusted gender pay gap	Annex I, table 1, indicator no. 12		Delegated Regulation (EU) 2020/1816 of the Commission, Annex II		
ESRS S1-16	97 (b): Excessive CEO pay ratio	Annex I, table 3, indicator no. 8				
ESRS S1-17	103 (a): Incidents of discrimination	Annex I, table 3, indicator no. 7				
ESRS S1-17	104 (a): Non-respect of UNGPs on Business and Human Rights and OECD Guidelines	Annex I, table 1, indicator no. 10 and Annex I, table 3, indicator no. 14		Annex II of Delegated Regulation (EU) 2020/1816 and Article 12, paragraph 1 of Delegated Regulation (EU) 2020/1818		
ESRS 2 SBM-3 – S2	11 (b): Significant risk of child labour or forced labour in the value chain	Annex I, table 3, indicators no. 12 and 13				
ESRS S2-1	17: Human rights policy commitments	Annex I, table 3, indicator no. 9 and Annex I, table 1, indicator no. 11				
ESRS S2-1	18: Policies related to value chain workers	Annex I, table 3, indicators no. 11 and 4				
ESRS S2-1	19: Non-respect of UNGPs on Business and Human Rights principles and OECD guidelines	Annex I, table 1, indicator no. 10		Annex II of Delegated Regulation (EU) 2020/1816 and Article 12, paragraph 1 of Delegated Regulation (EU) 2020/1818		
ESRS S2-1	19: Due diligence policies on issues addressed by the fundamental International Labour Organization Conventions 1 to 8			Delegated Regulation (EU) 2020/1816 of the Commission, Annex II		
ESRS S2-4	36: Human rights issues and incidents connected to its upstream and downstream value chain	Annex I, table 3, indicator no. 14				
ESRS S3-1	16: Human rights policy commitments	Annex I, table 3, indicator no. 9 and Annex I, table 1, indicator no. 11				Not material
ESRS S3-1	17: Non-respect of UNGPs on Business and Human Rights, ILO principles or OECD guidelines	Annex I, table 1, indicator no. 10		Annex II of Delegated Regulation (EU) 2020/1816 and Article 12, paragraph 1 of Delegated Regulation (EU) 2020/1818		Not material
ESRS S3-4	36: Human rights issues and incidents	Annex I, table 3, indicator no. 14				Not material
ESRS S4-1	16: Policies related to consumers and end-users	Annex I, table 3, indicator no. 9 and Annex I, table 1, indicator no. 11				

DR	Disclosure requirement and related datapoint	SFDR reference	Pillar 3 reference	Benchmark regulation reference	EU climate law reference	Page reference
ESRS S4-1	17: Non-respect of UNGPs on Business and Human Rights principles and OECD guidelines	Annex I, table 1, indicator no. 10		Annex II of Delegated Regulation (EU) 2020/1816 and Article 12, paragraph 1 of Delegated Regulation (EU) 2020/1818		
ESRS S4-4	35: Human rights issues and incidents	Annex I, table 3, indicator no. 14				Not applicable
ESRS G1-1	10 (b): United Nations Convention Against Corruption	Annex I, table 3, indicator no. 15				
ESRS G1-1	10 (d): Protection of whistleblowers	Annex I, table 3, indicator no. 6				
ESRS G1-4	24 (a): Amount of fines for violation of anti-corruption and anti-bribery laws	Annex I, table 3, indicator no. 17		Annex II of Delegated Regulation (EU) 2020/1816		
ESRS G1-4	24 (b): Standards of anti-corruption and anti-bribery	Annex I, table 3, indicator no. 16				

Key calculation criteria

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

EMISSIONS

(ESRS E1, AR 46 h, i, g, MDR-M 77 a, AR 39 b)

The Group's greenhouse gas emissions (GHG) inventory was developed as per the UNI EN ISO 14064-1:2018 standard, using an operational control consolidation approach. No Group location was excluded from the calculation scope, and no data came from the value chain.

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

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

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

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

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

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

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

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

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

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

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

- Ecoinvent database v 3.11 (March 2025 - cut-off by classification);
- New Energy Outlook 2025 - Public Benchmark Dataset" (published by Bloomberg NEF);
- Department For Environment Food & Rural Affairs (DEFRA - 2025);
- Carbon Data Intelligence (CaDi) Carbon Footprint Country Specific Electricity Grid Greenhouse Gas Emission Factors;
- AIB European Residual Mix;
- 2024 Green-e® Residual Mix Emissions Rates (2022 Data) | Green-e;
- EPA – United States Environmental Protection Agency;
- Ademe Agence De La Transition Écologique (ADEME).

DIRECT GHG EMISSIONS (SCOPE 1)

Fuel consumption was calculated based on data provided by the supplier derived from precise meter measurements, invoices and consumption monitoring software. For natural gas, diesel, petrol, LPG, bioethanol and biodiesel consumption, emission factors from the 2025 report of the UK Department for Environment Food & Rural Affairs (DEFRA) were used. The percentages of global warming potential (GWP) used are expressed in terms of CO_2 equivalent and consider the contributions of CO_2, CH_4 and N_2O, whose GWPs are derived from the IPCC's Sixth Assessment Report (AR6), as defined within the methodological note of the above report.

INDIRECT GHG EMISSIONS (SCOPE 2)

Energy consumption was calculated based on data provided by the supplier derived from precise meter measurements, invoices and consumption monitoring software. "Location-based" emissions were calculated by multiplying electricity purchased from the national grid, including the share with Guarantees of Origin and energy derived from district heating, by country-specific emission factors, which were taken from the databases available on the "Carbon Data Intelligence" website (https://www.carbondi.com/). In addition, the same emission factors used to calculate market-based emissions for Group companies operating in Mexico, Japan, China, Russia and Canada, for which reliable residual mix factors were not obtained, were used to calculate location-based emissions. Residual Mix conversion factors from the report "2024 Green-e® Residual Mix Emissions Rates (2022 Data) | Green-e" and from the tables made available by the EPA – United States Environmental Protection Agency (updated as of 15.01.2025) on the website www.epa.gov." were used for companies with headquarters in the United States (FRCC and RFCW zones). For all the other countries, the AIB Report 2024 was used as the source. This Report is published on the European Residual Mix | AIB website.

The percentages of global warming potential (GWP) used are expressed in terms of CO_2 equivalent and consider the contributions of CO_2, CH_4 and N_2O, whose GWPs are derived from the IPCC's Sixth Assessment Report (AR6), as defined within the methodological note of the above report.

INDIRECT GHG EMISSIONS (SCOPE 3)

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

To calculate the emissions related to Cat. 1 "Purchased goods and services", quantities were extracted from the company management systems (e.g. SAP). For materials and components purchased by volume and not weight (e.g. pieces) calculations were made using unitary weight data. For the various product categories, emissions were calculated on the basis of their physical composition and respective conversion factors. The calculation was therefore made by multiplying the quantities of sub-categories (e.g. kg of aluminium) by their emission factors (defined as the ratio of the emission of a pollutant from a source to the indicator unit of the source, e.g., $kgCO_2e$/kg of aluminium).

Emissions from purchased services were calculated using the expenditure-based method. This involves collecting data regarding the economic value of purchased services, which are then multiplied by relevant secondary emission factors.

Emissions from Cat. 3 "Fuel and energy-related activities not included in Scope 1 and Scope 2" were calculated by applying conversion factors to fuel and energy consumption related to emissions from the extraction, refining and transportation activities of fuel sources, and to network leaks.

To calculate emissions from Cat. 6 "Business travel", and specifically the kilometres travelled by air, distances were estimated based on routes taken by employees via the website http://www.worldatlas.com/ travelaids/ flight_distance.htm. On the other hand, with regard to car miles driven, distances were calculated based on the refuelling done by employees using fuel cards. To calculate emissions related to Cat. 7 "Employee commuting", distances travelled in own or company cars between each employee's residence and workplace were estimated. If the means of transport had been made available by the company (e.g. company buses), the distances were extracted from data made available by the suppliers carrying out the relevant services.

Emissions related to Cat. 4 "Upstream transportation and distribution" related to purchased raw materials and goods were taken from trip data and transport documents recorded by logistical operators, detailing precise or estimated distances between suppliers and destination warehouses. In the assessment of transport, only transport directly managed by Group companies was included, applying the economic exclusion criterion. For each transport mode (e.g. road, ship/container, train, air), guidelines were taken from the methodologies included in the UNI EN ISO 14064-1 standard. The weights of purchased goods were considered when required. The calculation was therefore made by multiplying the quantities of sub-categories (e.g. kg of inbound transport) by their emission factors (defined as the ratio of the emission of a pollutant from a source to the indicator unit of the source, e.g. $kgCO_2e$/kg of aluminium).

Emissions relate to Cat. 5 "Waste generated in operations" were calculated using specific average emission factors for the various types of waste reported by Group companies.

DOWNSTREAM EMISSIONS (RELATED TO WHAT THE COMPANY SELLS OR DISTRIBUTES)
Emissions related to Cat. 9 "Downstream transportation" related to finished products and goods sold were taken from trip data and transport documents recorded by logistical operators, detailing precise or estimated distances between Group company warehouses and the areas, or, where known, exact locations of destination of the goods. In the assessment of transport, only transport directly managed by Group companies was included, applying the economic exclusion criterion. For each transport mode (e.g. road, ship/container, train, air), guidelines were taken from the methodologies included in the UNI EN ISO 14064-1 standard. The weights of purchased goods were considered when required. The calculation of emissions was carried out by multiplying the quantities of sub-categories as per the previous note on Cat. 4 emissions.

Emissions related to products in the Motors Business segment fall under Category 10 "Processing of sold products". These emissions were excluded from the reporting scope because, for this type of product, the indicators needed to accurately quantify the emissions generated by post-sale processing carried out by third parties - such as home appliance manufacturing customers - are neither available nor easily estimated. In accordance with *Scope3_Calculation_Guidance_0_TECHNICAL GUIDANCE*, the "Average Data Method" was adopted. This involves estimating emissions associated with the processing of intermediate products sold using average secondary data, such as average emissions by process or product category. Applying this approach to available internal data on the engine assembly process for Cooking BU segment products - particularly kitchen hoods - made it possible to conclude that the semi-finished product assembly stage can be reasonably excluded from the emissions inventory.

Emissions related to products in the Cooking Business segment fall under Category 11 "Use of sold products". For these products, which involve energy consumption in the use phase, the calculation is based on the Annual Energy Consumption (AEC) values given in the respective energy labels, which enabled annual consumption in kWh to be determined for each product code.

For products without an energy label or a declared AEC indicator, representative values were estimated based on weighted averages. The indicators were then multiplied by the sales volumes, resulting in the total hypothetical energy consumption expressed in kWh.

Thus estimated, the electricity was converted into CO_2 emissions by applying the emission factor/rate "CO_2 emissions intensity of electricity generation - ETS Scenario (Economic Transition Scenario from NEO 2025)", related to FY 2025, taken from the public dataset "New Energy Outlook 2025 - Public Benchmark Dataset", published by BloombergNEF.

The energy consumption calculated for the reporting year was then multiplied by the conversion factors reported in the same dataset for the next 11 years (until 2036). It was therefore possible to estimate the total emissions associated with the entire average useful life of the products sold by the Group, considered to be 12 years, in accordance with the study prepared by TEHA Group on APPLiA Italia and ENEA data (September 2024) for the Business Cooking segment. Emissions related to Cat. 12 "End-of-life treatment of sold products" were calculated based on the quantities sold on each continent and multiplied by the net weight of the products (taken from information in the company's management systems). Weights were then compared to European statistics (via Eurostat) and global statistics (via the UN Global E-Waste Monitor) on the recovery and disposal of waste electrical and electronic equipment (WEEE) in the reference continents, and multiplied by conversion factors obtained from the 2025 Report of the United Kingdom Department for Environment, Food and Rural Affairs (DEFRA).

The emissions of Cat. 15 "Investments" refer exclusively to the consumption of electricity - the only energy carrier used - and were calculated by applying Market based conversion factors (Residual Mix) to the consumption, as derived from invoices paid, in proportion to the share of the company's shareholding and the period in which the Elica Group held these shareholdings.

GHG Emissions Categories - Scope 3	Significance of categories
2. Capital goods	Category excluded due to insignificance of data
8. Upstream leased assets	Category excluded because there are no material upstream leasing activities
10. Processing of sold products	Category excluded because, based on internal processes, finished product assembly activities (products sold as semi-finished products) impacts less than 1%
13. Downstream leased assets	Category excluded because there are no significant downstream leasing activities
14. Franchises	Category excluded because there are no significant franchise activities

CONTACTS AND DOCUMENT REVIEW

(77 b) This document was approved on March 25, 2026 and is subject to limited review (limited assurance engagement), in accordance with the “International Standard on Assurance Engagements (ISAE 3000 Revised)”, by the independent audit firm EY S.p.A. For information and further details regarding the Elica Group’s sustainability strategy and the content of this Statement, please contact: elicaehs@sicurezzapostale.it

Fabriano, March 25, 2026

For the Board of Directors
The Chief Executive Officer
Giulio Cocci

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

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

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

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

Fabriano, March 25, 2026

The Chief Executive Officer	Specially appointed Executive
Giulio Cocci	**Stefania Santarelli**

A.20.2 INDEPENDENT AUDITORS’ REPORT ON CONSOLIDATED SUSTAINABILITY STATEMENT

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

Tel: +39 071 7108676
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ey.com

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

(Translation from the original Italian text)

To the Shareholders of
Elica S.p.A.

Conclusions

We have been appointed to perform a limited assurance engagement pursuant to Article 8 of Legislative Decree n. 125 dated 6 September 2024 (hereinafter "Decree") on the Consolidated Sustainability Reporting of Elica S.p.A. and its subsidiaries (hereinafter "Group" or "Elica Group") for the year ended on December 31, 2025, prepared in accordance with Article 4 of the Decree, included in the specific section of the Management discussion and analysis of the consolidated financial statement of Elica Group.

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

- the Elica Group’s Consolidated Sustainability Reporting for the year ended on December 31, 2025, has not been prepared, in all material aspects, in accordance with the reporting principles adopted by the European Commission pursuant to European Directive 2013/34/EU (*European Sustainability Reporting Standards*, hereinafter also referred to as "ESRS");
- the information included in the paragraph "*European Taxonomy*" of the Consolidated Sustainability Reporting has not been prepared, in all material aspects, in accordance with Article 8 of European Regulation n. 852 dated 18 June 2020 (hereinafter "Taxonomy Regulation").

Elements underlying the conclusions

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

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

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

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

EY S.p.A.
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Sede Secondaria: Via Lombardia, 31 – 00187 Roma
Capitale Sociale Euro 3.000.000 i.v.
Iscritta alla S.O. del Registro delle Imprese presso la CCIAA di Milano Monza Brianza Lodi
Codice fiscale e numero di iscrizione 00434000584 - numero R.E.A. di Milano 606158 - P.IVA 00891231003
Iscritta al Registro Revisori Legali al n. 70945 Pubblicato sulla G.U. Suppl. 13 - IV Serie Speciale del 17/2/1998

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

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

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

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

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

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

Intrinsic limitations in the preparation of the Consolidated Sustainability Reporting

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

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

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

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

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

Our responsibilities include:

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

Summary of the work performed

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

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

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

- understanding the business model, the Group's strategies, and the context in which it operates concerning sustainability issues;
- understanding the processes underlying the generation, detection, and management of the qualitative and quantitative information included in the Consolidated Sustainability Reporting, including the analysis of the reporting perimeter;

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

Ancona, March 25, 2026

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

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

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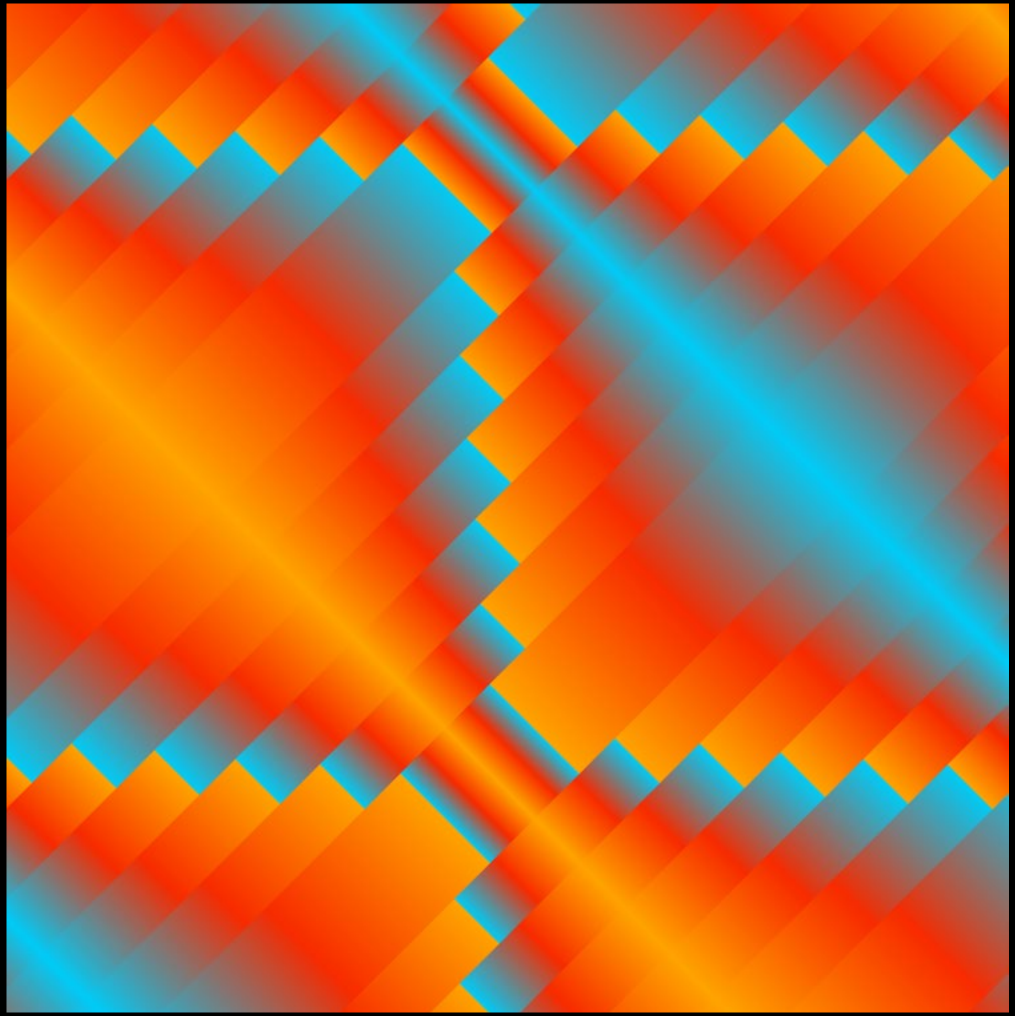


B. Consolidated Financial Statements.

AS AT AND FOR THE YEAR ENDED
DECEMBER 31, 2025

Index. Consolidated Financial Statements.

Elica Group.

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

B.1. Consolidated Income Statement.

In Euro thousands	*Note*	2025	2024
Revenue	B.6.5.1	460,560	452,092
Other operating income	B.6.5.3	4,762	4,723
Change in finished and semi-finished products	B.6.5.7.1	702	(1,295)
Increase in internal work capitalised	B.6.5.4	4,575	4,943
Raw materials and consumables	B.6.5.7.1	(246,472)	(239,437)
Services	B.6.5.7.2	(92,008)	(92,551)
Personnel expense	B.6.5.6	(96,468)	(91,094)
Amortisation and depreciation	B.6.5.5	(22,838)	(23,004)
Other operating expenses and accruals	B.6.5.7.3	(10,936)	(8,883)
Restructuring charges	B.6.5.7.4	(762)	(519)
Impairment of Goodwill and other assets	B.6.5.5	(1,142)	(303)
Operating profit		**(27)**	**4,672**
Share of profit of equity investments consolidated by the equity method	B.6.5.10	0	0
Financial Income	B.6.5.9	164	11,580
Financial expense	B.6.5.8	(8,088)	(7,268)
Net exchange rate gains/(losses)	B.6.5.11	(831)	(1,448)
Profit before taxes		**(8,782)**	**7,536**
Income taxes	B.6.5.12	447	1,790
Profit from continuing operations		**(8,335)**	**9,326**
Profit/(loss) for the year		**(8,335)**	**9,326**
of which:			
Profit (loss) attributable to non-controlling interests		1,620	1,458
Profit (loss) attributable to the owners of the Parent		(9,955)	7,868
Basic earnings (loss) per share (Euro/cents)	B.6.5.13	(16.87)	12.73
Diluted earnings (loss) per share (Euro/cents)	B.6.5.13	(16.87)	12.73

B.2. Consolidated Statement of Comprehensive Income.

In Euro thousands	*Note*	2025	2024
Profit for the year		**(8,335)**	**9,326**
Other comprehensive income/(expense) which will not be subsequently reclassified to profit or loss:			
Actuarial gains/(losses) on defined benefit plans	B.6.5.25	272	111
Tax effect of Other gains/(losses) which will not be subsequently reclassified to the profit/(loss)		0	0
Total items which will not be subsequently reclassified to profit or loss, net of the tax effect		**272**	**111**
Other comprehensive income/(expense) which will be subsequently reclassified to profit or loss:			
Exchange differences on the translation of foreign financial statements	B.6.5.32.2.2.2	(786)	(6,025)
Net change in cash flow hedges	B.6.5.32.2.2.2	3,891	(2,410)
Tax effect of Other gains/(losses) which will be subsequently reclassified to the profit/(loss)	B.6.5.32.2.2.2	(1,124)	605
Total items which will be subsequently reclassified to profit or loss, net of the tax effect		**1,981**	**(7,830)**
Total other comprehensive income, net of the tax effect:		**2,253**	**(7,719)**
Comprehensive income		**(6,082)**	**1,607**
of which:			
Attributable to non-controlling interests		868	1,236
Attributable to the owners of the parent		(6,950)	371

B.3. Consolidated Statement of Financial Position.

In Euro thousands	*Note*	12/31/2025	12/31/2024
Property, plant & equipment	B.6.5.15	96,113	100,736
Goodwill	B.6.5.16	49,806	50,212
Intangible assets with a finite useful life	B.6.5.18	24,913	26,250
Right-of-use assets	B.6.5.18.1	17,389	9,936
Investments valued in accordance with the equity method	B.6.5.10	2,500	0
Deferred tax assets	B.6.5.27	30,068	25,772
Derivative assets (non-current)	B.6.5.31	1,289	1,688
Other receivables and other assets non-current	B.6.5.19	1,783	2,014
Non-current Assets		**223,861**	**216,608**
Trade receivables	B.6.5.20	39,353	34,831
Inventories	B.6.5.21	86,671	86,059
Other current assets	B.6.5.22	21,496	17,988
Tax assets	B.6.5.28.1	5,515	3,918
Derivative assets (current)	B.6.5.31	3,526	749
Cash and cash equivalents	B.6.5.30.1	59,084	40,761
Currents Assets		**215,645**	**184,306**
Assets held for sale		**0**	**0**
Total assets		**439,506**	**400,914**

In Euro thousands	*Note*	12/31/2025	12/31/2024
Employee benefit liabilities	B.6.5.25	7,261	7,686
Provisions for risks and charges	B.6.5.26	6,287	7,671
Deferred tax liabilities	B.6.5.27	8,946	6,639
Lease liabilities (non-current)	B.6.5.30.3	12,061	6,386
Bank loans and borrowings (non current)	B.6.5.30.2	66,591	39,471
Derivative liabilities (non-current)	B.6.5.31.1	54	264
Non-Current Liabilities		**101,200**	**68,117**
Provisions for risks and charges	B.6.5.26	4,033	4,919
Lease liabilities (current)	B.6.5.30.3	4,027	3,817
Bank loans and borrowings (current)	B.6.5.30.2	45,219	47,604
Trade payables	B.6.5.29	129,198	112,793
Other current liabilities	B.6.5.24	26,014	21,974
Tax liabilities	B.6.5.28.2	2,215	809
Derivative liabilities (current)	B.6.5.31	609	1,300
Current liabilities		**211,315**	**193,216**
Liabilities directly related to discontinued operations		**0**	**0**
Share capital	B.6.5.32.2.1	12,665	12,665
Capital reserves	B.6.5.32.2.2.1	71,123	71,123
Hedging and translation reserve	B.6.5.32.2.2.2	(10,475)	(13,225)
Treasury shares	B.6.5.32.2.3	(9,529)	(8,226)
Actuarial reserve	B.6.5.25	(1,877)	(2,147)
Retained earnings	B.6.5.32.2.2.3	68,763	65,421
Profit/(loss) attributable to the owners of the Parent		(9,955)	7,868
Equity attributable to the owners of the Parent	**B.6.5.32.2**	**120,715**	**133,479**
Capital and reserves attributable to non-controlling interests		4,656	4,644
Profit attributable to non-controlling interests	B.6.5.32.1.1	1,620	1,458
Equity attributable to non-controlling interests	**B.6.5.32.1.1**	**6,276**	**6,102**
Equity	**B.6.5.32**	**126,991**	**139,581**
Total liabilities and equity		**439,506**	**400,914**

B.4.Consolidated Statement of Cash Flow.

In Euro thousands	*Note*	12/31/2025	12/31/2024
Cash flow from operating activities			
Profit for the year		**(8,335)**	**9,326**
Adjustments for:			
-Depreciation of property, plant and equipment	B.6.5.5	17,302	17,493
-Amortisation of intangible assets	B.6.5.5	5,536	5,511
-Impairment losses on property, plant and equipment and intangible assets and goodwill	B.6.5.5	1,142	303
-Net exchange rate gains/losses	B.6.5.11	(862)	3,711
-Interest on post-employment benefits and other discounting	B.6.5.8	392	70
-Net financial expense	B.6.5.8	6,979	3,096
-Provisions for risks, restructuring and LTI	B.6.5.7.3	3,254	2,342
- Gains/(Losses) from the sale of assets	B.6.5.9	0	(7,704)
- Revaluations of investments in other companies	B.6.5.9	215	(1,454)
-Provision for inventory write-down	B.6.5.21	400	588
-Loss allowance	B.6.5.20	887	880
-Other changes		(906)	(2,606)
-Income taxes	B.6.5.12	(1,614)	(5,498)
Sub-Total		24,390	26,058
Changes in:			
-Inventories	B.6.5.21	597	2,458
-Trade receivables	B.6.5.20	(5,298)	(9,847)
-Other assets and tax assets	B.6.5.22/28	(4,728)	10,770
-Trade payables	B.6.5.29	15,531	8,940
-Other liabilities and tax liabilities	B.6.5.23/24/28	5,026	(2,957)
-Employee provisions and benefits	B.6.5.25	(5,923)	(6,996)
Proceeds from derivatives (currency)		62	(1,158)
Cash flow generated by operating activities		28,463	27,267
Income taxes paid		(1,795)	(2,135)
Cash flow generated/(absorbed) from operating activities		**26,668**	**25,132**
Cash flows from investing activities			
Proceeds from the sale of property, plant and equipment			
Proceeds from the sale of financial assets and investments in subsidiaries			
Acquisition of subsidiaries, net of liquidity acquired	B.6.5.33	0	(68)
Purchase of property, plant and equipment	B.6.5.15	(8,492)	(11,545)
Purchases of intangible assets	B.6.5.18	(4,995)	(5,600)
Acquisition of other financial assets		**(2,500)**	0
Cash flow generated/(absorbed) by investment activities		**(15,987)**	**(17,213)**
Cash flow from financing activities			
Proceeds from financial derivatives, other financial assets, and new bank borrowings	B.6.5.31	276	9,002
Payment for purchase of treasury shares	B.6.5.32.2.3	(1,303)	(5,274)
Acquisition/(Repayment) of bank financial liabilities	B.6.5.30	24,583	6,329
Acquisition/(Repayment) of financial liabilities related to the purchase of equity investments		447	(500)
Acquisition/(Payment) of lease liabilities	B.6.5.30	(5,692)	(4,978)
Dividend paid	B.6.5.32.2.2.3.1	(3,050)	(3,781)
Interest paid		(6,735)	(6,465)
Cash flow from generated/(absorbed) by financing activities		**8,526**	**(5,667)**
Net increase/(decrease) in cash and cash equivalents		**19,207**	**2,252**
Cash and cash equivalents at January 1		40,761	39,403
Effect of exchange rate fluctuations on cash and cash equivalents		(884)	(895)
Cash and cash equivalents at the reporting date		**59,084**	**40,761**

B.5. Consolidated Statement of Changes in Equity.

In Euro thousands	Note	Share capital	Capital reserves	Acquisition/Sale treasury shares	Hedge, trans. & actuarial. res. Hedge, trans. & actuarial. res.	Retained earnings	Profit/(loss) for the year	Equity attributable to the owners of the Parent	Equity attributable to non-controlling interests	Equity
12/31/2023		**12,665**	**71,123**	**(2,952)**	**(7,913)**	**58,194**	**9,775**	**140,892**	**5,557**	**146,449**
Fair value change inn cash flow hedges net of the tax effect		0	0	0	(1,805)	0	0	(1,805)	0	(1,805)
Actuarial gains/(losses) on post-employment benefits	B.3.11	0	0	0	111	0	0	111	0	111
Exchange differences on translation of foreign subsidiaries' financial statements		0	0	0	(5,803)	0	0	(5,803)	(222)	(6,025)
Total gains/(losses) recognised directly in equity		***0***	***0***	***0***	***(7,497)***	***0***	***0***	***(7,497)***	***(222)***	***(7,719)***
Profit/(loss) for the year		0	0	0	0	0	7,868	7,868	1,458	9,326
Total gains/(losses) recognised in other comprehensive income		***0***	***0***	***0***	***(7,497)***	***0***	***7,868***	***371***	***1,236***	***1,607***
Allocation of profit for the year		0	0	0	0	9,775	(9,775)	0	0	0
Dividends	B.3.14	0	0	0	0	(3,091)	0	(3,091)	(690)	(3,781)
Variation consolidation scope		0	0	0	0	(26)	0	(26)	0	(26)
Other changes		0	0	(5,274)	38	569	0	(4,667)	(1)	(4,668)
12/31/2024		**12,665**	**71,123**	**(8,226)**	**(15,372)**	**65,421**	**7,868**	**133,479**	**6,102**	**139,581**
12/31/2024		**12,665**	**71,123**	**(8,226)**	**(15,372)**	**65,421**	**7,868**	**133,479**	**6,102**	**139,581**
Fair value change inn cash flow hedges net of the tax effect		0	0	0	2,767	0	0	2,767	0	2,767
Actuarial gains/(losses) on post-employment benefits	B.3.11	0	0	0	272	0	0	272	0	272
Exchange differences on translation of foreign subsidiaries' financial statements		0	0	0	(34)	0	0	(34)	(752)	(786)
Total gains/(losses) recognised directly in equity		***0***	***0***	***0***	***3,005***	***0***	***0***	***3,005***	***(752)***	***2,253***
Profit/(loss) for the year		0	0	0	0	0	(9,955)	(9,955)	1,620	(8,335)
Total gains/(losses) recognised in other comprehensive income		***0***	***0***	***0***	***3,005***	***0***	***(9,955)***	***(6,950)***	***868***	***(6,082)***
Allocation of profit for the year		0	0	0	0	7,868	(7,868)	0	0	0
Dividends	B.3.14	0	0	0	0	(2,360)	0	(2,360)	(689)	(3,049)
Variation consolidation scope		0	0	0	17	(2,011)	0	(1,994)	(4)	(1,998)
Other changes		0	0	(1,303)	(2)	(155)	0	(1,460)	(1)	(1,461)
12/31/2025		**12,665**	**71,123**	**(9,529)**	**(12,352)**	**68,763**	**(9,955)**	**120,715**	**6,276**	**126,991**

B.6. Explanatory Notes to the Consolidated Financial Statements as at and for the year ended December 31, 2025.

B.6.1. Group structure and activities

Elica S.p.A. is a company incorporated under Italian law based in Fabriano (Ancona, Italy). The Group produces and sells products for cooking, especially range hoods for household use and extractor hobs, and produces and sells electric motors.

The main activities of the Company and its subsidiaries, as well as its registered office and other offices are illustrated in the Directors' Report at point A.14. Elica Group structure and consolidation scope.

B.6.2. Accounting policies and basis of consolidation

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

B.6.2.1. ACCOUNTING POLICIES AND STATEMENT OF COMPLIANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS

The financial statement items have been measured in accordance with the general criteria of prudence and accruals and on a going concern basis, and also take into consideration the economic function of the assets and liabilities. These financial statements have been prepared using the historical cost convention, with the exception of derivative financial instruments, financial assets held for sale and financial instruments classified as available for sale, which are measured at fair value.

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

B.6.2.2. OTHER GENERAL INFORMATION

The Consolidated Financial Statements as at and for the year ended December 31, 2025 of the Elica Group are compared with the previous year and consist of the Income Statement, the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Cash Flows, the Statement of Changes in Equity and these notes.

The financial statements and related notes comply with the minimum disclosure requirements of IFRS, as supplemented, where applicable, by the provisions of the law and CONSOB regulations.

The Group did not make any changes in the accounting policies applied between the comparative dates of December 31, 2025 and December 31, 2024, except as indicated below in the specific paragraph B.6.2.6 Accounting standards, amendments and interpretations applied from January 1, 2025. All figures are expressed in thousands of Euro, while the original data is recorded and consolidated by the Group in Euro. In the Annual Report, the numbers are sometimes expressed in millions of euros, with one decimal place. In the same way, all percentages related to variations between two periods or to percentages of net revenues or other indicators are always calculated using the original data in Euro. The use of amounts expressed in thousands or millions of Euro can therefore result in apparent discrepancies both in absolute amounts and in data expressed as a percentage.

The statement of cash flows was prepared applying the indirect method. It classifies cash flows respectively from (used in) operating activities, investing activities and financing activities, in line with IAS 7.
Specifically, Operating Activities refer to all transactions that generate revenue and that do not fall within Investing or Financing Activities. In this section, net financial expenses are adjusted with a positive effect on the operating result.

Investing Activities concern the purchase and disposal of fixed assets and other investments. Financing Activities, instead, include transactions that modify the company's sources of financing, such as changes in share capital (both in amount and composition), share premium reserves, or loans obtained by the Company. In this section, net financial expenses paid are reported with a negative effect on the operating result.
Unrealized foreign exchange gains and losses, arising from changes in exchange rates, do not represent cash flows. However, the effect of such changes on cash and cash equivalents is presented separately in order to reconcile the cash balance at the beginning and end of the period. This amount is however presented separately.

In preparing the financial report at December 31, 2025, account was taken of the comparability over time of the financial statement items. Therefore, the figures are compared respectively with the financial report for the previous year for the income statement, the statement of comprehensive income, the consolidated statement of financial position, the statement of cash flows and the statement of changes in equity, except for exceptional cases of incomparability or the non-adaptability of one or more items.

ESEF AND RELATED OBLIGATIONS

Beginning with the financial statements at December 31, 2021, the requirement of the European regulation defined Transparency as presenting the financial statements in the xhtml format and as tagging all numbers in the consolidated financial statement schedules and issuer data with the ixbrl format becomes effective. Beginning with the financial statements at December 31, 2022, it is also necessary to tag the blocks of explanatory notes - a procedure that has been confirmed for the financial statements for fiscal year 2025 also.

B.6.2.3. AUTHORISATION TO PUBLISH

The consolidated financial statements as of December 31, 2025 of the Group and the financial statements as of December 31, 2025 of Elica S.p.A. were approved by the Board of Directors on March 25, 2026, which authorised their release. Publication is scheduled for March 27, 2026.

B.6.2.4. BASIS OF CONSOLIDATION

The Consolidated Financial Statements as at and for the year ended December 31, 2025 include the financial statements of the parent and the companies it controls directly or indirectly (the subsidiaries). Control exists where the Group contemporaneously has decision-making power over the investee, rights upon variable results (positive or negative) and the capacity to use its decision-making power to affect the amount of profits devolving from its investment in the entity. The consolidation of a subsidiary begins when the Group obtains control and ceases when the Group loses this control. The assets, liabilities, revenues and costs of the subsidiary acquired or sold during the year are included in the consolidated financial statements at the date in which the Group obtains control until the date in which the Group no longer exercises control. The separate financial statements at December 31, 2025 of the Parent Elica S.p.A. and of the Italian subsidiary EMC Fime S.r.l. were prepared in accordance with IFRS, in accordance with Legislative Decree No. 38/2005 and CONSOB regulations. The financial statements of the Italian subsidiary Airforce S.p.A. were prepared in accordance with the Italian Civil Code as supplemented, where necessary, by the accounting standards and those issued by the IASB. All the Group companies have provided the data and information required to prepare the Consolidated Financial Statements in accordance with IFRS. For information on the consolidation scope, reference should be made to section B.6.4 "Composition and changes in the consolidation scope".
If the consolidation scope changes in the year, the results of subsidiaries acquired or sold during the year are included in the consolidated profit or loss from the date of acquisition until the date of sale. All significant transactions between companies included in the consolidation scope are eliminated. Gains and losses arising on intercompany sales of operating assets are eliminated, where considered material.

Non-controlling interests in the net assets of consolidated subsidiaries are recorded separately from equity attributable to the owners of the parent and include the amount attributable to the non-controlling interests at the original acquisition date (see below) and changes in equity after that date.

B.6.2.4.1. CONSOLIDATION OF FOREIGN COMPANIES AND FOREIGN CURRENCY TRANSLATION

The assets and liabilities of consolidated foreign companies in currencies other than the Euro are translated using the closing exchange rates. Revenue and costs are translated into Euro using the average exchange rate for the year. Translation differences are recognised in the translation reserve until the investment is sold.
At December 31, 2025, the consolidated foreign companies whose functional currency differs from the Euro are Elica Group Polska Sp.zo.o, Elicamex S.A. De C.V., Ariafina Co., Ltd, Elica Inc., Elica Home Appliances (Zhejiang) Co., LTD, Elica Trading LLC, Elica North America Inc and AG International Inc., which use the Polish Zloty, the Mexican Pesos, the Japanese Yen, the US Dollar, the Chinese Renmimbi, the Russian Ruble and the Canadian Dollar respectively.

The exchange rates used for translation purposes are set out below:

	Average 2025	Average 2024		12/31/2025	12/31/2024	
EUR	1.00	1.00	0.00%	1.00	1.00	0.00%
USD	1.13	1.08	4.63%	1.18	1.04	13.46%
PLN	4.24	4.31	(1.62%)	4.22	4.28	(1.40%)
RUB	94.48	100.79	(6.26%)	93.42	114.80	(18.62%)
CNY	8.12	7.79	4.24%	8.23	7.58	8.58%
MXN	21.67	19.83	9.28%	21.12	21.55	(2.00%)
CAD	1.58	1.48	6.76%	1.61	1.49	8.05%
JPY	169.04	163.85	3.17%	184.09	163.06	12.90%

Source: ECB data

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

B.6.2.4.2. BUSINESS COMBINATIONS

Business combinations are recognised according to the acquisition method. The purchase cost is calculated as the total of the fair value consideration transferred at the acquisition date, and the value of any minority equity holding. For each business combination, the Group decides whether to measure the minority interest at fair value or in proportion to the amount held in the identifiable net assets of the investee. The acquisition costs are expensed in the year and classified under administration expenses.
The Group determines that it has acquired a business when the integrated set of activities and assets includes at least one factor of production and one substantial process that together contribute significantly to the ability to generate an output. The acquired process is considered substantial if it is critical to the ability to continue generating an output and the acquired inputs include an organised workforce that has the necessary skills, knowledge, or experience to perform that process or contributes significantly to the ability to continue generating an output and is considered unique or scarce or cannot be replaced without significant cost, effort, or delay to the ability to continue generating an output.

When the group acquires a business, the financial assets acquired or liabilities assumed under the agreement are classified or designated in accordance with the contractual terms, the economic conditions and the other conditions at the acquisition date. This includes the verification to establish whether an embedded derivative must be separated from the host contract.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at fair value at this date; except for the following items, which are instead measured according to the applicable standard:

- Deferred tax assets and liabilities;
- Assets and liabilities for employee benefits;
- Liability or equity instruments relating to share-based payments of the company acquired or share-based payments relating to the Group issued to replace contracts of the entity acquired;
- Assets held for sale and discontinued operations.

Any contingent payment to be recognised is recorded by the acquirer at fair value at the acquisition date. The contingent amount classified as equity is not remeasured and its subsequent payment is accounted under shareholders' equity. The change in the fair value of the contingent amount classified as an asset or liability, as a financial instrument covered by IFRS 9 Financial instruments must be recognised in the income statement in accordance with IFRS 9. The contingent amount that does not fall within the scope of IFRS 9 is measured at fair value at the reporting date and changes in fair value are recognized in the income statement.

Goodwill is calculated as the excess of the amounts transferred in the business combination, of the value of minority interests' net equity and the fair value of any holding previously held in the acquired company compared to the fair value of the net identifiable assets acquired and liabilities assumed by the Group at the acquisition date. If the fair value of the net assets acquired exceeds the sum of amounts transferred, of any minority interest and the fair value of any holding previously held in the acquired company, this excess is immediately recorded to the statement of profit and loss as income deriving from the transaction concluded. The share of equity attributable to non-controlling interests, at the acquisition date may be measured at fair value or in proportion to the acquiree's recognised net assets. The valuation method is chosen on the basis of each individual transaction.

In a step acquisition of a subsidiary, a business combination is only deemed to occur when control is acquired, which is when the fair value of all the acquiree's identifiable net assets is measured; non-controlling interests are measured at their fair value or in proportion to the fair value of the acquiree`s identifiable net assets. In a step acquisition of an investee, the previously held interest, which was until that time recognised must be treated as if it was sold and repurchased at the date of the acquisition of control. The investee is therefore recognised at the fair value at the acquisition date and the profits and losses arising on measurement are taken to profit or loss. Any amount previously recognised as Other comprehensive income (expense), which must be taken to profit or loss following the sale of the assets to which it refers, is reclassified to profit or loss. Goodwill or income deriving from an acquisition of control of a subsidiary must be calculated as the sum of the price paid to gain control, the value of non-controlling interests (measured using one of the methods permitted by the standard) and fair value of the previously held non-controlling interest, net of the fair value of the identifiable net assets acquired.

Any payments subject to conditions are considered part of the transfer price of the net assets acquired and are measured at fair value at the acquisition date. If the combination contract establishes a right of repayment of some price elements on the fulfilment of certain conditions, this right is classified as an asset by the acquirer. Any subsequent changes in the fair value are recognised as an adjustment to the original accounting treatment only if they result from additional or improved information concerning fair value and if they occur within 12 months of the acquisition date; all other changes must be recognised in profit or loss. Once control of an entity has been acquired, transactions in which the Parent acquires or sells further non-controlling interests without changing the control exercised over the subsidiary are considered transactions with equity owners and therefore must be recognised in equity. The carrying amount of the controlling interest and the non-controlling interest must be adjusted to reflect the change in the percentage of the investment held and any difference between the amount of the adjustments allocated to non-controlling interests and the fair value of the price paid or received against the transaction is taken directly to equity and allocated to the owners of the Parent. No adjustments are made to goodwill or the profits or losses recognised in the income statement. Related costs are recognised in equity in accordance with paragraph 35 of IAS 32.

After its initial recognition, goodwill is measured at cost, net of accumulated impairment. For the purpose of impairment testing, goodwill acquired in a business combination is allocated, from the acquisition date, to each of the Group's cash-generating units expected to benefit from the synergies of the combination, regardless of whether other assets or liabilities of the acquiree are assigned to those units.

If goodwill has been allocated to a cash-generating unit and the entity disposes of an operation within that unit, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss of the disposal. The goodwill associated to assets sold is calculated based on the relative values of the asset sold and the part maintained by the cash generating unit.

Business combinations before January 1, 2010 were recognised in accordance with the previous version of IFRS 3.

B.6.2.4.3. INVESTMENTS IN ASSOCIATES AND JOINT VENTURES

An associate is a company in which the Group has significant influence. Significant influence is the ability to participate in decisions upon the financial and management policies of the investee, despite not having control or joint control.

A joint venture is a contractual agreement whereby the Group undertakes a jointly controlled business venture with other parties. Joint control is defined as a contractually shared control over a business. Joint control is defined as the contractually shared control over a business activity and only exists when the financial and operating strategic decisions of the activities requires the unanimous consent of the parties sharing control.

The Group has no interests in joint operations. Where it holds such, it should recognise its share of assets, including jointly held assets, liabilities, including jointly incurred liabilities, revenues from the sale of its share of the joint operation's output, share of revenues generated by the joint operation, costs, including jointly incurred costs.
The considerations required to determine significant influence or joint control are similar to those applied to assess control over subsidiaries.

The profits and losses, assets and liabilities of associates and joint ventures are recognised in the Consolidated Financial Statements using the equity method, except where the investments are classified as held for sale.

Under this method, investments in associates and joint ventures are initially recognised to the statement of financial position at cost. The carrying amount of investments is subsequently updated to reflect changes in the Group's share of the investee's equity since the date of acquisition. Any excess of the acquisition cost over the Group's share in the fair value of the identifiable assets, liabilities and contingent liabilities at the acquisition date is recognised as goodwill. Any goodwill related to the associate or joint venture is included in the value of the investment and is not subject to a separate impairment test. Therefore, any reversals may also include reversals of goodwill. Write-downs and related reversals are recognised in the "Share of results of associates and joint ventures" in the income statement. Losses of the associates and joint ventures in excess of the Group share are not recognised unless the Group has an obligation to cover them.

Any excess of the Group's share in the fair value of the identifiable assets, liabilities and contingent liabilities of the associate over the cost of acquisition is taken to profit or loss in the year of acquisition. The income statement reflects the Group share in the operating result of the investees. Similarly, any change recognised to the OCI (Other Comprehensive Income) of the associate or joint venture is recognised in the Group's OCI. In addition, any changes recognised directly to the equity of investees are recognised in the Group's share of equity, when applicable. Unrealised profits and losses on transactions between a Group company and an associate or joint venture are eliminated to the extent of the Group's share in the associate or joint venture, except when the unrealised losses constitute a reduction in the value of the asset transferred.

The financial statements of associates and joint ventures are prepared over the same reporting period as the Group. Where necessary, adjustments are made to accounting policies in order to align them with those adopted by the Group.

At each period-end, investments in associates or joint ventures are tested for impairment, and the Group calculates the impairment as the difference between the recoverable amount of the associate or joint venture and its carrying amount, and recognises the loss in "Share of results of associates and joint ventures" in the income statement.

In the event of loss of significant influence over the associate or loss of joint control over the joint venture, the Group measures and recognises any remaining investment at fair value.

Any difference between the carrying amount of the associate or joint venture at the date of loss of significant influence or joint control and the fair value of the investment held, plus any proceeds from the sale, is recognised to the income statement.

B.6.2.4.4. VALUATION AT FAIR VALUE

The Group measures financial instruments, such as derivatives, and non-financial assets at fair value at each reporting date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants on the measurement date. Fair value measurement is based on the assumption that the transaction to sell the asset or transfer the liability will take place:

- In the main market for the asset or liability; or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The main market or the most advantageous one must be accessible by the Group.

The fair value of an asset or liability is measured using the assumptions that market participants would use in pricing the asset or liability, assuming that these participants are acting in their best economic interest.

The measurement of the fair value of a non-financial asset takes into account the market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant who will use it in accordance with its highest and best use.

The Group utilises measurement techniques which are appropriate to the circumstances and for which there is sufficient available data to measure the fair value, maximising the use of relevant observable inputs and minimising the use of non-observable inputs.

All assets and liabilities for which fair value is measured or included in the disclosures are classified within the fair value hierarchy, described as follows, based on the lowest level of significant inputs to the overall measurement:

- Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2 - Valuation techniques based on observable inputs, direct or indirect, other than Level 1 quoted prices
- Level 3 - Valuation techniques based on significant unobservable inputs

For assets and liabilities recognised at fair value on a recurring basis, the Group determines whether transfers have occurred between levels of the hierarchy by re-evaluating the classification (based on the lowest level significant input) at the end of each reporting period.

The Group defines policies and procedures for both recurring measurements of fair value (such as unlisted financial assets) and non-recurring measurements (such as assets held for sale in discontinued operations) and involves independent experts for the valuation of significant assets and relevant liabilities.

At each reporting date, the Group analyses the changes in the values of assets and liabilities that need to be revalued or reassessed, verifying the key assumptions used in the latest valuations and assessing their reasonableness based on relevant documents and pertinent external sources.

For the purposes of the supplementary disclosure on fair value, the Group has determined the classes of assets and liabilities based on their nature, characteristics, and associated risks, as well as the level of the fair value hierarchy as described above. Information on the fair value of financial instruments and non-financial assets measured at fair value is provided within each note to the financial statements.

B.6.2.4.5. GOING CONCERN

In assessing the going concern, Management carried out a thorough analysis on the Group, considering both internal elements and the external environment that could influence its future operations and create uncertainties that raise significant doubts about this assumption.

Considering the requirements set out by IAS 1, it is considered that the Group has adequate resources to continue operating in the foreseeable future and, in any case, for a period of not less than 12 months from the date of signing the Group's consolidated financial statements.

In accordance with the provisions of IAS 38 and IAS 36, the Group annually assesses the recoverable amount of intangible assets with indefinite useful life. The analyses were carried on an aggregated basis, using the amounts allocated to the two cash-generating units (CGUs), which represent the minimum level at which goodwill is monitored and deemed appropriate based on the organizational and business structure of the Group.

In this context, the prospective cash flows contained in the operating and financial projections for 2026-2030 were analysed, particularly their sustainability and consistency within the sector and the competitive environment for household durables, which in the fiscal year continued to be affected by subdued demand and intense market competition, accompanied by an increase in promotional activities, affecting volumes and operating margins. The Group is continuing to rigorously implement its business plan, advancing strategic projects both in the Cooking segment and in the Motors segment, in order to strengthen the overall resilience of the business in selective and competitive marketplaces and improve profitability in the medium term. The Cooking sector continues the action plan implementing the transformation into a Cooking Brand Company, through an expansion of the offer and greater control of direct distribution channels to strengthen its positioning and encourage the entry of new products. In the Motors division, the development of new lines continues which will allow the Group to enter new application markets, with the first economic returns expected by 2027.

Furthermore, the Group continues to demonstrate a solid financial position, as evidenced by multiple economic-financial indicators, and in this perspective maintains a cautious and rigorous approach in defining its investment strategies and in managing funding sources both in the short term and in the medium-long term, without any indication that this could compromise future economic-financial solidity.

The assessments take into account not only the potential impacts of climate change-related issues, reviewed also through scenario analysis that extends beyond the time horizon of the economic-financial projections in line with the guidelines of the IASB (please refer to the Consolidated Sustainability Statement for further insights on the topic), but also a thorough reflection on the current macroeconomic and geopolitical uncertainties. While recognising the complexity of the international scenario, including the recent deterioration of the situation in the Middle East, Management considers that such factors, at the present time, do not call into question the Group's ability to continue its activities with a view to operational continuity. The Group's exposure in the areas affected by conflicts is indeed limited, approximately 1% of revenue, and there are no critical suppliers or customers located in those areas. At the same time, thanks to the experience gained in risk management and the mitigation measures already integrated into business processes, actions have been taken to protect the Group from the financial and economic impacts of such instability, such as the use of hedging strategies on energy costs and key raw materials.

In any case, management constantly monitors developments in the affected territories in order to intercept any changes in the geopolitical environment that might require a revision of the company's already defined strategies and/or the adoption of mechanisms to safeguard its competitive positioning, investments, business performance and its own resources.

Based on all the considerations described above, and taking into account the information available up to the date of approval of this Annual Report, Management considers that there are no uncertainties that would raise significant doubts about the Group's ability to continue operating as a going concern. Therefore, the going concern assumption is appropriate and is the assumption underlying the preparation of the financial statements.

B.6.2.5. ACCOUNTING POLICIES

Information regarding the accounting policies adopted in the preparation of the Consolidated Financial Statements are described below in accordance with IAS 1.

B.6.2.5.1. PLANT, PROPERTY AND EQUIPMENT

Property, plant and equipment are recognised at purchase or production cost, including any directly attributable costs. Some assets have been adjusted under specific revaluation legislation prior to January 1, 2004 and are deemed to reflect the fair value of the asset at the revaluation date ("deemed cost" as per IFRS 1). This cost is recognised net of accumulated depreciation and any impairment losses.

Depreciation is calculated on a straight-line basis over the estimated useful life of the relative assets applying the following percentage rates:

Industrial buildings	3%
Light buildings	10%
Machines and installations	6% -15%
Industrial and commercial equipment	10% -25%
Fitting and furniture	12%
Electronic machines	20%
Cars	20%
Cars and trucks	25%

Purchase cost is adjusted for grants related to assets already approved to the Group companies. These grants are recognised in profit or loss by gradually reducing the depreciation charged over the useful life of the assets to which they relate.
Ordinary maintenance, repair, expansion, updating and replacement costs that do not therefore lead to a significant, measurable increase in the production capacity and useful life of an asset are taken to profit or loss when they are incurred. Routine maintenance costs are mainly labour costs and consumables, and may include the cost of small spare parts.

The carrying amount of property, plant and equipment and any significant component initially recognised is derecognised upon disposal or when no future economic benefit is expected from its use or disposal. For the disposal of property, plant and equipment, the date of disposal of the asset is the date on which the acquirer obtains control of the asset in accordance with the requirements for determining when an obligation to do is satisfied in IFRS 15 (IAS 16.69). The gain/loss on it derecognition is recorded in the income statement when the item is derecognised.

The amount of consideration to be included in the gain or loss from derecognition is determined in accordance with the transaction pricing requirements in IFRS 15. Subsequent changes to the estimated amount of consideration used to determine profit or loss must be accounted for in accordance with the requirements for transaction price changes in IFRS 15 (IAS 16.72).

The Group reviews the estimated residual values and expected useful lives of property, plant and equipment at least annually, also considering the impact of health, safety and environmental legislation. In addition, the Group considers climate-related issues, including physical and transition risks. Specifically, the Group determines whether climate-related laws and regulations may impact both the expected useful life and the estimated residual value.

B.6.2.5.2. GOODWILL

Goodwill arising on the acquisition of a subsidiary or other business combinations represents the excess of the acquisition cost over the Group’s share in the fair value of the identifiable assets, liabilities and contingent liabilities of the subsidiary at the acquisition date.

At each reporting date the Group reviews the recoverable value of the goodwill to assess whether an impairment loss has occurred and determine the amount of any impairment. An impairment loss is immediately taken to profit or loss and is not reversed in a subsequent period.
On the sale of a subsidiary, any goodwill attributable to the subsidiary is included in the calculation of the gain or loss on the sale.

Goodwill arising on acquisitions prior to January 1, 2004 is carried at the amount recognised under Italian GAAP after an impairment test.

B.6.2.5.3. INTANGIBLE ASSETS WITH DEFINITE USEFUL LIVES

The other intangible assets acquired or produced internally are recorded under assets, in accordance with the provisions of IAS 38 – Intangible Assets, when it is probable that the use of the asset will generate future economic benefits and when the cost of the asset can be determined reliably. After initial recognition, intangible assets are recognised at cost, net of accumulated amortisation and accumulated impairment, if any.

The useful life of an intangible asset may be considered definite or indefinite. Intangible assets with a finite useful life are amortised over equal monthly quotas and tested for impairment whenever there is evidence of an impairment loss. According to management and experts, the Group’s most important software has a useful life of seven years. The useful life is reviewed on an annual basis and any changes are made in accordance with future estimates.

Intangible assets with indefinite useful lives are not amortised but tested annually for impairment or more frequently where there is an indication that the asset may be impaired.

An intangible asset is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. The date of disposal of the asset is the date on which the acquirer obtains control of the asset in accordance with the requirements for determining when an obligation to do is satisfied in IFRS 15 (IAS 38.114). Any gain or loss arising from the disposal of the asset is included in the income statement.

The amount of consideration to be included in the gain or loss from derecognition is determined in accordance with the transaction pricing requirements in IFRS 15. Subsequent changes to the estimated amount of consideration used to determine profit or loss must be accounted for in accordance with the requirements for transaction price changes in IFRS 15 (IAS 38.116).

At present, the Group only owns intangible assets with definite useful lives.

B.6.2.5.3.1. RESEARCH AND DEVELOPMENT COSTS

The research costs are taken to profit or loss when incurred.
Development costs in relation to specific projects are capitalised when all of the following conditions are satisfied:

- the costs can be reliably determined during the development;
- the technical feasibility of the product is demonstrated, such that it is available for use or sale;
- there is an intention to complete the project and there is the capacity and intention to use or sell the asset;
- the volumes, and expected prices indicate that costs incurred for development will generate future economic benefits;
- the technical and financial resources necessary for the completion of the project are available.

Where the above conditions are not met; the cost is recorded in the Income Statement. After initial recognition, the development costs are measured at cost, reduced for amortisation or accumulated impairment losses.

Capitalised development costs are amortised on a straight-line basis, commencing from the point at which development is completed and production begins of the product to which these costs refer and over its estimated life.

The carrying amount of development costs are tested annually for impairment when the asset is no longer in use, or with greater frequency when there is indication of impairment. The recoverability test requires estimates by the Directors, as dependent on the cash flows deriving from the sale of products sold by the Group. These estimates are impacted both by the complexity of the assumptions underlying the projected revenues and future margins and by the strategic industrial choices of the Directors.

B.6.2.5.4. IMPAIRMENT TESTING

At each reporting date, and in any case at least once a year, in accordance with IAS 36 the Group assesses whether events or circumstances exist that raise doubts as to the recoverability of the carrying amount of property, plant and equipment and intangible assets with definite useful lives. If there are any indications of impairment, the company estimates the recoverable amount of the assets to determine any impairment loss.

The goodwill and intangible assets with indefinite useful lives, including intangible assets in progress, are tested at least annually for impairment and whenever there is an indication of a possible loss in value. The impairment test compares the carrying amount with the recoverable amount, which is the greater of fair value less costs to sell and value in use. Any excess of the carrying amount results in an impairment loss. An impairment loss is recognised to profit and loss. When the reasons for the impairment no longer exist, the impairment losses on the assets are reversed bringing the carrying amount up to the revised estimate of its recoverable amount. The restatement cannot exceed the carrying amount had no impairment been recognised. The reversal of an impairment loss is taken to profit or loss. For goodwill, the recoverable amount is determined by the Directors through the calculation of the value in use of the Cash Generating Units (CGU's). Cash generating units are identified based on the Group's organisational and business structure as units that generate cash flows independently through the continuous use of the assets allocated.

Impairment losses on goodwill are measured by determining the recoverable amount of the CGU to which the goodwill is allocated, and where it is less than the carrying amount of the CGU to which the goodwill has been allocated, an impairment loss is recognised.

The impairment loss of the goodwill is taken to profit or loss and, differing to that for other property, plant and equipment and intangible assets, no reversal is recognised in future years.

The Group assesses whether climate risks, including physical and transition risks, could have a significant impact, and if this is the case, these risks are considered in estimating future cash flows in the value-in-use estimate. Please refer to the relevant note for further discussion of the impact of climate-related risks in estimating value in use.

B.6.2.5.5. IFRS 16 LEASING

At the commencement date of leases, the Group recognises the usage right assets and the lease liabilities. Right-of-use assets are initially measured at cost, and subsequently at cost net of cumulative depreciation and impairment losses, while adjusted to reflect lease liability remeasurements.

Right-of-use assets are depreciated on a straight-line basis from the effective date to the end of the useful life of the asset consisting of the right of use or at the end of the lease term, whichever is earlier. Right-of-use assets are subject to impairment. Reference should be made to paragraph B.6.2.5.4. Impairment Tests.

The Group assesses the lease liabilities at the present value of payments due for lease charges not settled at the commencement date, discounting them according to the implied lease interest rate. Where it is not possible to establish this rate easily, the Group utilises the marginal interest rate.

The lease liability is subsequently increased by the interest maturing on this liability and reduced for payments due on the lease and is redetermined in the case of changes to future payments on leasing deriving from a change in the index or rate, in the case of a change to the amount which the Group expects to pay as guarantee on the residual value or where the Group changes its assessment on the exercise or otherwise of a purchase, renewal or termination option.
The Group estimated the lease duration of some contracts in which it acts as lessee and which have renewal options. The Group assessment upon the existence or otherwise of a reasonable certainty of exercising the option influences the estimate of the lease duration, significantly impacting the amount of the lease liabilities and the usage right assets recognised.

The Group's lease liabilities are included among the payables to banks and other lenders (see paragraph B.6.5.30.3).

The Group applies the exemption for the recognition of short-term leases and without the purchase option and leases related to low-value assets. The short-term lease instalments and those for low value assets are recognised as costs on a straight-line basis over the lease duration.

B.6.2.5.6. INVENTORIES

Inventories are measured at the lower of purchase or production cost and net realisable value. The purchase cost of raw, ancillary, supplies and goods for resale is determined using the weighted average cost method. The production cost of finished products, work in progress and semi-finished products is determined considering the cost of the materials used plus direct operating expenses and overheads.

Net realisable value represents the estimated selling price less expected completion costs and selling costs. Obsolete and slow moving inventories are written down taking account of their prospects of utilisation or sale.

B.6.2.5.7. TRADE RECEIVABLES AND OTHER CURRENT ASSETS

Receivables are recorded at nominal value which normally represents their fair value, as they do not contain a significant financing component. In the event of a significant difference between nominal amount and fair value, they are initially recognised at fair value and subsequently measured at amortised cost using the effective interest rate method. Receivables are adjusted through an allowance for bad debt to reflect their realisable value.

The allowance is calculated as the difference between the carrying amount of the receivables and the present value of the expected cash flows, discounted at the effective interest rate on initial recognition.

B.6.2.5.8. OTHER FINANCIAL ASSETS

Financial assets other than trade receivables, loans and cash and cash equivalents are initially recorded at fair value, including directly related transaction costs.

INITIAL RECOGNITION AND MEASUREMENT

Upon initial recognition, financial assets are classified according to the subsequent measurement method, as appropriate, i.e., amortised cost, fair value through OCI comprehensive income, and fair value through profit or loss.

The classification of financial assets on initial recognition depends on the characteristics of the contractual cash flows of the financial assets and the business model that the Group uses to manage them. Except for trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are valued at the transaction price as illustrated under paragraph "Revenues".

In order for a financial asset to be classified and measured at amortised cost or fair value recognised in OCI, it must generate cash flows that depend solely on principal and interest on the amount of principal to be repaid ("solely payments of principal and interest (SPPI)"). This assessment is referred to as the SPPI test and is performed at the instrument level. Financial assets whose cash flows do not meet the above requirements (e.g., SPPI) are classified and measured at fair value through profit or loss.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will come from the collection of contractual cash flows, the sale of financial assets, or both.
Financial assets that are classified and measured at amortised cost are held as part of a business model whose objective is to own financial assets for the collection of contractual cash flows, while financial assets that are classified and measured at fair value through OCI are held as part of a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets.

SUBSEQUENT MEASUREMENT

Subsequently, the financial assets are classified in four categories:
- Financial assets at amortised cost (debt instruments);
- Financial assets at fair value through other comprehensive income with reclassification of accumulated gains and losses (debt instruments);
- Financial assets at fair value through other comprehensive income without reversal of accumulated gains and losses upon derecognition (equity instruments);
- Financial assets at fair value through profit or loss.

FINANCIAL ASSETS AT AMORTISED COST (DEBT INSTRUMENTS)

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognised in the income statement when the asset is derecognised, modified or revalued.
The Group's financial assets at amortised cost include trade receivables, a loan to an associate, and a loan to a director included in other non-current financial assets.

FINANCIAL ASSETS AT FAIR VALUE THROUGH OCI (DEBT INSTRUMENTS)

For assets from debt instruments measured at fair value through OCI, interest income, changes due to exchange rate differences and impairment losses, together with reversals, are recognised to the income statement and are calculated in the same way as financial assets measured at amortised cost. The remaining changes in fair value are recognised in OCI. Upon derecognition, the cumulative change in fair value recognised in OCI is reclassified to the income statement.

The Group's debt instrument assets measured at fair value through OCI include investments in listed debt instruments included in other non-current financial assets.

INVESTMENTS IN EQUITY INSTRUMENTS

Upon initial recognition, the Group may irrevocably elect to classify its equity investments as equity instruments recognized at fair value through OCI when they meet the definition of equity instruments under IAS 32 "Financial Instruments: Presentation" and are not held for trading. Classification is determined for each individual instrument.

Gains and losses on these financial assets are never reversed through profit or loss. Dividends are recognised as other income in the income statement when the right to payment has been approved, except when the Group benefits from such income as a recovery of part of the cost of the financial asset, in which case such gains are recognised to OCI. Equity instruments recorded at fair value through OCI are not subject to impairment testing.

FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

Financial instruments at fair value with changes recognised to the income statement are recorded in the balance sheet at fair value and net changes in fair value through profit or loss.

This category includes derivative instruments and listed equity investments that the Group has not irrevocably elected to classify at fair value through OCI. Dividends on publicly traded equity investments are recognised as other income to the income statement when the right to payment has been established.

The embedded derivative contained in a hybrid non-derivative contract, financial liability or master non-financial contract is separated from the host contract and accounted for as a separate derivative if: its economic characteristics and associated risks are not closely related to those of the host contract; a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and the hybrid contract is not measured at fair value through profit or loss. The embedded derivatives are measured at fair value through profit or loss. A redetermination occurs only in the case of a change in the terms of the contract which significantly modify the cash flows otherwise expected or a reclassification of a financial asset to a category other than fair value through profit or loss.

The Group has chosen to irrevocably classify its unlisted equity investments in this category.

DERECOGNITION

Financial assets (or, where applicable, part of a financial asset or part of a group of similar financial assets) are derecognised firstly (e.g. eliminated from the Group statement of financial position) when:

- the rights to receive cash flows from the asset are extinguished, or
- the Group has transferred to a third party the right to receive the cash flows of the asset or has assumed the contractual obligation to pay entirely and without delay and (a) has substantially transferred all of the risks and rewards of ownership of the financial asset, or (b) has not substantially transferred all of the risks and rewards of the asset, but has transferred control.

Where the Group has transferred the rights to receive the cash flows of an asset or has signed an agreement under which to maintain the contractual rights to receive the cash flows of a financial asset, but assumes a contractual obligation to pay the cash flows to one or more beneficiaries (pass-through), they shall assess if and to what extent they have maintained the risks and rewards relating to ownership. Where they have neither transferred or maintained substantially all of the risks and rewards or have not lost control, the asset continues to be recorded in the financial statements of the Group up to the amount of its residual holding in the asset. In this case, the Group also recognises an associated liability.

The assets transferred and the associated liabilities are measured in order to reflect the rights and obligations maintained by the Group.

When the entity's continuing involvement is a guarantee on the transferred asset, involvement is measured based on the lesser of the amount of the asset or the maximum amount of consideration received that the entity may have to repay.

B.6.2.5.9. NON-CURRENT ASSETS HELD FOR SALE

Non-current assets (and disposal groups) classified as held-for-sale are measured at the lower of their previous carrying value and market value less selling costs.

Non-current assets (and disposal groups) are classified as held-for-sale when their carrying value is expected to be recovered by means of a sales transaction rather than through use in company operations. This condition is met only when the sale is highly likely, the assets (or group of assets) are available for immediate sale in their current condition and, consequently, management is committed to a sale, which should take place within 12 months of the classification as held for sale.

B.6.2.5.10. CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash balances, bank current accounts and deposits repayable on demand plus other highly liquid short term financial investments that can be readily converted into cash and are not subject to a significant risk of a change in value.

B.6.2.5.11. TRADE PAYABLES AND OTHER LIABILITIES

Trade payables are recorded at nominal value, which normally represents their fair value. In the event of significant differences between their nominal amount and fair value, trade payables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest rate method.

B.6.2.5.12. OTHER FINANCIAL LIABILITIES

Other financial liabilities are recognised at their nominal amount, which generally represents their fair value. In the event of a significant difference between nominal amount and fair value, they are recognised at fair value and subsequently measured at amortised cost using the effective interest rate method.

B.6.2.5.13. BANK LOANS AND BORROWINGS AND LOANS AND BORROWINGS FROM OTHER LENDERS

Bank loans and borrowings – comprising non-current loans and bank overdrafts – and loans and borrowings from other lenders, are recognised based on the amounts received, less transaction costs, and are subsequently measured at amortised cost using the effective interest rate method.

B.6.2.5.14. DERIVATIVE INSTRUMENTS AND HEDGE ACCOUNTING

The Group makes use of derivative financial instruments with the intention of hedging currency, interest rate and commodity price risks.

These derivative financial instruments are initially recognized at fair value at the date on which they are obtained, and this fair value is periodically remeasured. They are recorded as financial assets when the fair value is positive, and as financial liabilities when negative.

In compliance with International Accounting Standards, derivative financial instruments can be recognised using "hedge accounting", in line with IFRS 9, only when the hedge is formally designated and documented as such and is presumed to be highly effective at inception, such effectiveness can be reliably measured and the hedge is highly effective over the accounting periods for which it was designated.

All derivative financial instruments are measured at fair value. When derivative instruments have the characteristics for hedge accounting, the following accounting treatments apply:

- *Fair value hedge – if a derivative financial instrument is designated as a hedge to the exposure of changes in the fair value of an asset or liability or of an irrevocable commitment which can have effects on the income statement, the change in the fair value of the hedge instrument is recognised through profit or loss, and the change in the fair value of the hedged item, attributable to the risk hedged, is recognised as part of the carrying value of that item and recognised through profit or loss. If the underlying item is represented by an irrevocable commitment, the fair value of the item relating to the risk hedged is recognised as an asset or liability, adjusting the balance sheet account which will be concerned by the irrevocable commitment at the time of its realisation.*
- *Cash flow hedge – If a derivative financial instrument is designated as a hedge to the exposure of the changes in the cash flows of an asset or liability, of an operation considered highly probable, or of an irrevocable commitment and which may have effects on the income statement, the effective portion of the profits or of the losses of the financial instrument is recognised under equity and shown on the statement of comprehensive income. The cumulative profits or losses are reversed from net equity and recognised to the income statement in the same period in which the operation subject to hedging influences the income statement; the profit or loss related to a hedge or the part of the hedge becoming ineffective is recognised to the income statement when such inefficacy is recognised.*

If hedge accounting cannot be applied, gains or losses deriving from the fair value of the financial derivative instrument are recognised directly in the income statement.

For the management of the risks related to exchange rates and interest rates, reference should be made to the specific paragraph[1].

B.6.2.5.15. TREASURY SHARES

Treasury shares are recognised at cost and taken as a reduction in equity. The gains and losses deriving from trading of treasury shares, net of the tax effect are recorded under Equity reserves. Transaction charges are charged to the income statement in the year in which they accrue.

1. B.6.7. "Risk management" in these notes.

B.6.2.5.16. EMPLOYEE BENEFITS

B.6.2.5.16.1. POST-EMPLOYMENT PLANS

Italian post-employment benefits are considered equivalent to a defined benefit plan. For defined benefit plans, the cost of the benefits is determined using the Projected Unit Credit Method, with actuarial valuations being carried out at the end of each year.

The Group recognises the plan deficit or surplus in the statement of financial position, the service cost and net financial expenses in profit or loss and gains or losses on the remeasurement of the assets and liabilities in other comprehensive income. In addition, any income from the plan assets included under net financial expenses must be calculated based on the discount rate of the liability.

Up to December 31, 2006, the employees' leaving entitlement of the Italian companies was considered a defined benefit plan. The regulations governing Italian employees' leaving entitlement were modified by Law no. 296 of December 27, 2006 ("2007 Finance Act") and subsequent decrees and regulations issued at the beginning of 2007. In the light of these changes, and specifically with reference to companies with more than 50 employees, only the benefits that accrued prior to January 1, 2007 (and not yet paid at the reporting date) are now considered a defined benefit plan, while those that accrued after this date are considered a defined contribution plan.

B.6.2.5.17. PROVISIONS FOR RISKS AND CHARGES

The Group recognises a provision for risks and charges when the risk related to an obligation deriving from a past event is considered probable and a reliable estimate may be made on the amount of the obligation. Provisions are made based on management's best estimate of the cost of fulfilling the obligation at the end of the reporting date and are discounted to their present value when the effect is material. These risks are subject to a high level of complexity and uncertainty, and therefore the amount of the provision for risks and charges is reviewed periodically to reflect the best current estimate of each provision.

B.6.2.5.18. REVENUES

The IFRS 15 - Revenues standard establishes an overall framework to identify the timing and amount of revenue recognition.

IFRS 15 requires the recognition and measurement of revenues from contracts with customers according to the following five steps: (i) identification of the contract with the customer; (ii) identification of the performance obligations (i.e. the contractual commitments to transfer goods and/or services to a customer); (iii) establishment of the transaction price; (iv) the allocation of the transaction price to the performance obligations identified on the basis of the stand alone sales price of each good or service and (v) recognition of revenue upon satisfaction of the relative performance obligation (i.e. on the transfer to the customer of the asset or service promised).

The transfer is considered complete when the customer obtains control of the goods or services, which may occur over time or at a point in time. According to the standard, the amount that the entity recognises as revenue should reflect the consideration that it has the right to receive following the exchange of the assets transferred to the customer and/or services provided, to be recognised upon fulfilment of the contractual obligations. In addition, the need for probability of obtaining/collecting the economic benefits associated with the income is emphasised for revenue recognition.

The Group carried out an analysis on the identification of separate performance obligations and decided to represent revenues disaggregated by geographic markets and operating segments, as it was not necessary to further disaggregate them. In addition, the Group acts as the principal for the agreements from which it receives revenues, as usually it controls the goods and services before their transfer to the customer. No circumstances were identified whereby a Group company had the role of "agent".

Also at the level of operating segments, both for Cooking and for Motors, revenues are recognised when the control of the goods and services is transferred to the customer for an amount which reflects the consideration that the Group expects to receive in exchange for these goods and services. The transfer is considered complete when the customer obtains control of the goods or services, which for both operating segments occurs at "a point in time".

The Group considers whether there are other promises in the contract that represent obligations in relation to which a portion of the transaction consideration should be allocated, and, in calculating the sales transaction price for goods, the Group considers the effects from any variable fees, significant financial components and monetary and non-monetary fees to be paid to the client (if existing).
The criteria applied by the Group are in line with those established by IFRS 15.

B.6.2.5.19. OPERATING SEGMENTS

For the purposes of IFRS 8, an operating segment is a component of an entity that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the same entity); whose operating results are reviewed regularly by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance; and for which separate financial information is available.

The Elica Group produces and sells range hoods and extractor hobs (Cooking segment) and of motors for domestic ventilation and other uses (Motors segment).

At December 31, 2021, the Group had a single operating segment for the purposes of IFRS 8, given that management made operating decisions centrally.
In 2021, the full acquisitions of the companies E.M.C. Srl and CPS S.r.l. were completed CPS was then merged into EMC, with the surviving company being renamed EMC FIME S.r.l.
The consequent reorganisation called for the transfer of Elica's Motors division to the subsidiary EMC FIME, effective as of January 1, 2022.

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

B.6.2.5.20. INTEREST INCOME AND EXPENSE

Interest income and expense are recorded on an accruals basis on the amount financed and according to the effective interest rate applicable: this represents the rate at which the expected future receipts/payments over the life of the financial asset/liability are discounted to equate them with the carrying amount of the asset.

B.6.2.5.21. DIVIDENDS

Dividends are recognised when it is established that the shareholders have the right to receive them.

B.6.2.5.22. PRESENTATION CURRENCY, FUNCTIONAL CURRENCY, AND FOREIGN CURRENCY TRANSACTIONS

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

Each Group company defines its own functional currency, which is used to measure the items included in the individual financial statements, so foreign currency transactions are translated into the functional currency (the currency in the main area in which the company operates) using the exchange rate at the transaction date or otherwise at the date on which the fair value of the underlying assets/liabilities is determined. Foreign currency assets and liabilities are translated at the reporting date using the closing exchange rate. Non-monetary assets and liabilities measured at historical cost in foreign currency are translated using the exchange rate at the transaction date.

Exchange differences arising on such transactions or on the translation of monetary assets and liabilities are recorded in the Income Statement except for those arising on derivative financial instruments qualified as cash flow hedges and any inter-company receivables or payables whose settlement has not been planned nor is plannable. These differences are recorded in equity if unrealised; otherwise they are recorded in the income statement.

B.6.2.5.23. GOVERNMENT GRANTS

Government grants are recognised when it is reasonably certain that the conditions required to obtain them will be satisfied and that they will be received. Such grants are recognised in profit or loss over the period in which the related costs are recognised, with a reduction in the item to which they relate. Grants related to an asset are recognised as revenue on a straight-line basis over the expected useful life of the asset to which they refer.

The accounting treatment of benefits deriving from a government loan obtained at a reduced rate are similar to those for government grants. This benefit is calculated at the beginning of the loan as the difference between the initial book value of the loan (fair value plus direct costs attributable to obtaining the loan) and that received, and subsequently recorded in the income statement in accordance with the regulations for the recording of public grants.

B.6.2.5.24. CURRENT TAXES

Tax receivables and payables for the year are measured at the amount expected to be paid to / received from the tax authorities. The tax rates and regulations used to calculate such amounts are those issued or substantially in force at the reporting date of the financial statements, in the countries in which the Group operates and generates its assessable income.
Current taxes relating to items recorded directly in shareholders' equity are also recorded directly to shareholders' equity and not to the separate income statement.
Elica S.p.A., EMC Fime S.r.l and the subsidiary Airforce S.p.A. have opted for a consolidated tax regime in Italy. This means that the IRES (Corporation Tax) charge is calculated on a tax base representing the aggregate of the taxable income and tax losses of the individual companies. The contract is for a period of three years.
The transactions and mutual responsibilities and obligations between the Parent and the aforementioned subsidiary are defined by a specific consolidation agreement. With regard to their responsibilities, the agreement provides that the Parent is jointly liable with the subsidiary for:

- amounts due by the subsidiary under Article 127(1) of the Income Tax Code;
- payment of amounts due to the tax authorities, should it emerge that sums declared in the consolidated tax return have not been paid;
- consolidation adjustments made based on figures supplied by the subsidiary and contested by the tax authorities.

The income tax receivable is shown under Tax Receivables, determined as the difference between the income taxes in the year, payments on account, withholding taxes and, in general, tax credits.

Tax Receivables also include the current IRES charge as determined on an estimate of the taxable income and tax losses of the companies taking part in the Consolidated tax regime, net of payments on account, taxes withheld by third parties and tax credits; tax assets are offset by the amounts due to the subsidiary companies by Elica for the residual receivable attributable to the Consolidated tax regime.

B.6.2.5.25. DEFERRED TAXES

Deferred taxes are recorded on temporary timing difference between the financial statements and the taxable profit, recognised using the liability method.

Deferred tax assets are recognised to the extent that it is probable that, in the periods in which the deductible temporary differences will reverse, taxable income shall arise of not less than the amount of the differences that are to be absorbed which allow for their recovery. The carrying value of deferred tax assets is revised at the end of the year and reduced to the extent that it is no longer likely that there will be sufficient taxable income against which to recover all or part of the assets. In assessing the recoverability of deferred tax assets, the Group relies on the same forward-looking assumptions used elsewhere in the financial statements and in other management reports, which, among other matters, reflect the potential impact of climate-related developments on the business.

Deferred taxes are measured based on the tax rate that is expected to be in effect at the time the asset value is realized or the liability is extinguished and are recognized directly to the income statement with the exception of those relating to accounts directly recognized to equity, in which case the deferred taxes are also recognized to equity.

Offsetting between deferred tax assets and liabilities is carried out only for similar items, and if there is a legal right to offset the current deferred tax assets and liabilities; otherwise they are recognised separately under receivables and payables.

B.6.2.5.26. EARNINGS PER SHARE

Basic earnings per share is calculated based on the net profit of the Group and the weighted average number of shares outstanding at the balance sheet date. Treasury shares are excluded from the calculation. Diluted earnings per share equate to the basic earnings per share adjusted to assume conversion of all potentially dilutable shares, i.e. all financial instruments potentially convertible into ordinary shares, with a dilutive effect on earnings, considering the denominator the number of shares which potentially may be added to those in circulation under an allocation or utilisation of treasury shares in portfolio under stock grant plans.

B.6.2.6 ACCOUNTING STANDARDS, AMENDMENTS AND INTERPRETATIONS APPLIED FROM JANUARY 1, 2025

In the preparation of these financial statements, the accounting policies and consolidation principles applied are in accordance with those used for the financial statements as of December 31, 2024, and the financial statement formats used are the same as those used for the preparation of the financial statements as of December 31, 2024. There are no new standards applied or amendments that have impacted these consolidated financial statements. The Group has not adopted in advance any accounting standard, interpretation or amendment issued but not yet in effect.

The main changes are as follows:

AMENDMENTS TO IAS 21: LACK OF EXCHANGEABILITY

On August 15, 2023, the IASB amended IAS 21 The Effects of Changes in Foreign Exchange Rates - Lack of Exchangeability to specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking.
The amendments require the disclosure of information to enable users of financial statements to understand the impact of a currency that is not exchangeable.

The amendments apply to annual reporting periods beginning on or after January 1, 2025, and may be applied early. However, an entity cannot review comparative information.
These amendments did not have any impact on the Group financial statements.

B.6.2.7. ACCOUNTING STANDARDS, AMENDMENTS AND INTERPRETATIONS NOT YET APPLIED AND APPLICABLE

As required by IAS 8 - Accounting standards, changes in accounting estimates and errors - the main new accounting standards and interpretations, in addition to amendments to the existing standards and interpretations that are already applicable, not yet in force or not yet approved by the European Union (EU), which could be applied in the future to the financial statements, are illustrated below. The Group will adopt these standards when they enter into force, if applicable.
The main changes are as follows:

IFRS 18 PRESENTATION AND DISCLOSURE IN FINANCIAL STATEMENTS

In April 2024, the IASB issued IFRS 18, which replaces IAS 1 Presentation of Financial Statements. IFRS 18 introduces new requirements for the presentation of the income statement, including specific totals and subtotals. In addition, entities will need to classify all expenses and revenues within the income statement within five categories: operating, investing, financing, income taxes, and discontinued operations. The first three categories are new.

The standard also requires disclosures based on the new definition of management-defined performance indicators (MPMs), subtotals of costs and revenues, and includes new provisions for aggregating and disaggregating financial information based on the identified roles of Primary Financial Statements (PFS) and the explanatory notes.

In addition, changes were made to IAS 7 Statement of Cash Flows, including changing the starting point for determining cash flows from operations on the basis of the indirect method from the profit (loss) for the year to the operating profit (loss), and removing the option for classifying cash flows from dividends and interest. Additionally, consequential changes were made to multiple other accounting standards.

IFRS 18, and amendments to other standards, are effective for fiscal years beginning on or after January 1, 2027, but early application is permitted subject to disclosure. IFRS 18 will apply retrospectively.

The Group is currently working to identify the impacts that the changes will have on its financial statements and notes to the financial statements.

IFRS 19 SUBSIDIARIES WITHOUT PUBLIC ACCOUNTABILITY: DISCLOSURES

In May 2024, the IASB issued IFRS 19, which allows eligible entities to apply reduced disclosure requirements while continuing to apply the recognition, measurement and presentation requirements of other IFRS accounting standards. To be considered eligible, as of the end of the reporting period the entity must: be a subsidiary under IFRS 10, have no public accountability, have a parent (ultimate or intermediate) that prepares IFRS consolidated financial statements available for public use.
IFRS 19 will be applicable for periods beginning on or after January 1, 2027; early application is permitted.
As the Company's equity instruments are listed on public markets, Elica S.p.A. does not qualify for the application of IFRS 19.

AMENDMENTS TO THE CLASSIFICATION AND MEASUREMENT OF FINANCIAL INSTRUMENTS - AMENDMENTS TO IFRS 9 AND IFRS 7

In May 2024, the IASB published Amendments to IFRS 9 and IFRS 7 - Amendments to the Classification and Measurement of Financial Instruments. The amendments include:

- A clarification that a financial liability must be eliminated for accounting purposes on the settlement date, and the introduction of an accounting option (where specific conditions are met) to eliminate financial liabilities settled through electronic payment systems before the settlement date.
- Additional guidance on how to evaluate the contractual cash flows of financial assets with ESG (environmental, social, and governance) or similar characteristics.
- Clarification of what constitutes a "non-recourse" feature and what are the characteristics of contractually linked instruments.
- The introduction of new disclosures for financial instruments with conditional features and additional disclosure requirements for equity investments classified at fair value through other comprehensive income (OCI).

The amendments are effective for annual periods beginning January 1, 2026, with early application possible, limited to the classification of financial assets and related disclosures.
The Group does not expect these amendments to have a significant impact on its consolidated financial statements.

ANNUAL IMPROVEMENTS TO IFRS ACCOUNTING STANDARDS - VOLUME 11

In July 2024, the IASB published nine narrow scope amendments (narrow amendments) as part of its periodic maintenance activity on IFRS accounting standards. The amendments include clarifications, simplifications, corrections or interventions to improve the consistency of the following standards:

- IFRS 1 – First-time adoption of International Financial Reporting Standards,
- IFRS 7 – Financial Instruments: Disclosure and related Application Guide,
- IFRS 9 – Financial Instruments,
- IFRS 10 – Consolidated Financial Statements
- IAS 7 - Statement of Cash Flows.

The amendments will be effective for reporting periods beginning on or after January 1, 2026.
Early application is permitted and must be properly disclosed in the financial statements.
The amendments are not expected to have a significant impact on the Group's consolidated financial statements.

CONTRACTS REFERENCING NATURE-DEPENDENT ELECTRICITY – AMENDMENTS TO IFRS 9 AND IFRS 7

In December 2024, the IASB published Amendments to IFRS 9 and IFRS 7 - Contracts Referencing Nature-dependent Electricity.
The amendments apply only to contracts referring to electricity whose production depends on natural conditions. In particular, they:

- clarify the application of "own use exemption" requirements for contracts within the scope;
- change the requirements for designating the hedged item in a cash flow hedge relationship for the affected contracts;
- introduce new disclosure requirements designed to enable investors to understand the effect of such contracts on the entity's financial performance and cash flows.

The amendments will be applicable to periods beginning on or after January 1, 2026. Early application is allowed, which must be properly disclosed in the financial statements.

- The amendments related to the own use exception should be applied retroactively.
- The amendments related to hedge accounting must be applied prospectively to newly designated hedging relationships from the date of first application.
- The amendments to IFRS 7 disclosures should be applied in conjunction with the changes to IFRS 9.
- Where an entity decides not to restate comparative information, it may not present comparative disclosures.

The Group does not expect these amendments to have a significant impact on its consolidated financial statements.

B.6.3. Principal decisions adopted in the application of accounting policies and the use of significant judgements, estimates and assumptions within the Group

In the preparation of the Consolidated Financial Statements in accordance with IFRS, the Group's Management must make accounting estimates and assumptions regarding the future which have an effect on the values of the assets and liabilities and disclosures. The Group based its estimates and assumptions on information available at the preparation date of the consolidated financial statements. However, the current circumstances and assumptions on future events may alter due to changes in the market and events outside of the Group's control. These changes, where occurring, are reflected in the assumptions. The estimates and assumptions are periodically reviewed and the effects of any changes are promptly recognised in the consolidated financial statements.

In this context, the situation caused by the historic volatility of the financial markets and the continued macroeconomic and geopolitical uncertainty has resulted in the need to make assumptions about a future performance characterised by significant uncertainty, in which results in the coming years could differ from such estimates and, therefore, require adjustments that is not currently possible to estimate or forecast, and these adjustments might even be significant.

The items principally affected by such uncertainty are: goodwill (Notes B.6.5.16 and B.6.5.17), the allowance for impairment and the provision for inventory impairment (Notes B.6.5.20.1 and B.6.5.21), non-current assets (intangible and tangible fixed assets, see Notes B.6.5.15 and B.6.5.18), derivative financial instruments (Note B.6.5.31), pension funds and Long Term Incentives and provisions for risks and charges (Note B.6.5.26), other post-employment benefits (Note B.6.5.25), and deferred tax assets (Note B.6.5.27).

Reference should be made to the notes to each individual item for further information on the aforementioned estimates.

B.6.4. Composition and changes to the consolidation scope

At December 31, 2025, the consolidation scope includes the companies controlled by the Parent, Elica S.p.A.. Control exists where the Parent has the power to determine, directly or indirectly, the financial or management policies of an entity so as to obtain benefits from the activities of the company.
The following table lists the companies consolidated on a line-by-line basis controlled by the Parent.
Companies consolidated by the line-by-line method

	Registered Office	Currency	Share Capital	% Held Direct	% Held Indirect	% of investment
Elica S.p.A.	Fabriano (Ancona - Italia)	EUR	12,664,560			
Airforce S.p.A.	Fabriano (Ancona - Italia)	EUR	103,200	100%		100%
Ariafina Co. Ltd.	Sagamihara - Shi (Giappone)	JPY	10,000,000	51%		51%
Elica Group Polska Sp.z.o.o	Wroklaw (Polonia)	PLN	78,458,717	100%		100%
Elicamex S.a.d. C.V.	Queretaro (Mexico)	MXN	8,633,514	98%	2%(*)	100%
EMC FIME Srl	Castelfidardo (Ancona - Italia)	EUR	5,000,000	100%		100%
Elica Inc.	Chicago, Illinois (Stati uniti)	USD	5,000		100%(**)	100%
Elica Home Appliances (Zhejiang) Co., LTD	Shengzhou (Cina)	CNY	167,266,372	100%		100%
Elica Trading LLC	Saint Petersburg (Russia)	RUB	176,793,102	100%		100%
Elica France S.A.S.	Paris (Francia)	EUR	300,000	100%		100%
Elica Gmbh	Löhne (Germania)	EUR	1,000,000	100%		100%
Elica North America Inc.(***)	Orlando, Florida (Stati Uniti)	USD	30,000	100%		
AG International	Montreal, Quebec (Canada)	CAD	138	100%		100%
Elica Nederland B.V.	Haren (Paesi Bassi)	EUR	18,151	100%		100%

(*) As 2% of Elicamex is held through EGP.
(**) As Elica Inc. held through Elicamex.
(***) It is noted that, effective March 12, 2025, the name of the subsidiary company SouthEast Appliance, Inc. ("S.E.A." for short) changed to Elica North America Inc.

As of December 31, 2025, the Group held a 28% stake in Steel S.r.l.. As of December 31, 2024, it did not have any associates.
Reference should be made to section B.6.8 of these notes for data and information on associates.

B.6.5. Notes to the Income Statement, Statement of Financial Position and Statement of Cash Flows

Consolidated Income Statement

B.6.5.1. REVENUE

Details of the Group's revenue are as follows:

In Euro thousands	2025	2024	Changes
Revenue		452,092	8,468
Revenue	**460,560**	**452,092**	**8,468**

In Euro thousands	2025	2024	Changes
EMEA	357,207	352,900	4,307
AMERICA	72,426	70,344	2,082
ASIA and the Rest of World	30,927	28,848	2,079
Revenue	**460,560**	**452,092**	**8,468**

In 2025, revenue from the EMEA region, which represents approximately 80% of the total, experienced an increase of 1% compared to the same period of the previous year, in a market context still affected by the downward trend in domestic demand and, in general, the deterioration of consumer purchasing power, which has resulted in strong pressure on the sales price mix. Confirming this, the average market price has continued to decrease for the fourth consecutive year.
Revenue in "Asia and Rest of the World" grew by more than 7%, despite the negative impact of the Euro-Yen exchange rate of about -3%. At constant exchange rates, therefore, sales in the area were up by double-digits due to the contribution of the Ariafina brand, the Japanese market leader in the premium segment.
Excellent performances were also reported in the "Americas", with revenue up 3%, thanks to the new Group strategy put into place in previous years to strengthen its presence in the U.S. and Canada through new direct distribution channels and the acquisition of new customers.
For an analysis on revenues, reference should be made to the paragraph A.5.2 "The Elica Group: Financial position and performance" in the Directors' Report. Reference should be made however to paragraph B.6.5.2 "Segment reporting" with regards to the analysis of revenue for the "Cooking" and "Motors" CGU's.

B.6.5.2. SEGMENT REPORTING

The segment reporting required in accordance with IFRS 8 “Operating Segments” is presented below.

In Euro thousands	Cooking	Motors	Eliminations and other adjustments	Elica Group 12/31/2025	Cooking	Motors	Eliminations and other adjustments	Elica Group 12/31/2024
Revenue - third parties	357,503	103,057	(0)	460,560	353,086	99,006	(0)	452,092
Inter-segment revenues	1,789	24,271	(26,061)	0	(913)	25,195	(24,283)	0
Revenue	**359,292**	**127,329**	**(26,061)**	**460,560**	**352,173**	**124,202**	**(24,283)**	**452,092**
Other operating income/(expenses)	(348,498)	(114,550)	26,061	(436,987)	(337,307)	(110,874)	24,283	(423,898)
Restructuring charges	(762)	0	0	(762)	(519)	0	0	(519)
Amortisation & depreciation	(17,581)	(5,257)	0	(22,838)	(17,574)	(5,430)	0	(23,004)
Operating Profit	**(7,549)**	**7,522**	**0**	**(27)**	**(3,227)**	**7,898**	**-**	**4,671**
Financial income				164				11,580
Financial expense				(8,088)				(7,268)
Exchange rate gains/(losses)				(831)				(1448)
Profit before taxes				**(8,783)**				**7,535**
Income taxes				447				1,790
Profit/ from continuing operations				**(8,335)**				**9,325**
Profit from discontinued operations				0				0
Profit for the year				**(8,335)**				**9,325**

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

In 2021, the company began a reorganisation of operations, completed in the second half of 2022, that resulted in the transformation of the Italian production site of Mergo into a high-end hub, the transfer of the higher standardised production lines to the Jelcz-Laskowice plant in Poland, and the integration into the Mergo plant of the activities currently carried out at the Cerreto site. Within this context, in the first half of 2022, the Motors division of Elica S.p.A. was transferred to the subsidiary EMC FIME S.r.l. with the goal of concentrating this operating segment within a single company.

Upon completion of this process, the Group began operating under a new organizational structure with two distinct areas of managerial responsibility, which now make up the Group's operating segments: Cooking and Motors.

These areas of responsibility are represented in procedures by which the Group is managed, and reporting is structured in the same manner and is periodically analysed by the CEO and by senior management.
More specifically, financial performance is measured and monitored by operating segment down to the level of earnings before interest and taxes (EBIT). Financial expenses are not monitored in that they are strictly tied to decisions made centrally regarding the financing methods (debt or equity) of each area. Similarly, taxes are also not monitored by operating segment.

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

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

In Euro thousands	Cooking	Motors	Eliminations and other adjustments	Elica Group 12/31/2025	Cooking	Motors	Eliminations and other adjustments	Elica Group 12/31/2024
Property, plant and equipment	70,048	26,065	(0)	96,113	72,581	28,155	-	100,736
Goodwill	37,731	12,075	0	49,806	38,137	12,075	-	50,212
Intangible assets with finite useful lives	15,517	9,396	0	24,913	16,065	10,185	-	26,250
Right-of-use assets	10,551	6,839	(0)	17,389	9,114	822	-	9,936
Non-current assets	**133,847**	**54,375**		**188,222**	**135,896**	**51,236**	**-**	**187,133**
Trade receivables	31,726	13,526	(5,898)	39,353	30,718	11,565	(7,452)	34,831
Inventories	62,230	24,442	(0)	86,671	62,060	23,999	(0)	86,059
Trade payables	(94,685)	(40,412)	5,898	(129,198)	(83,208)	(37,038)	7,452	(112,793)
Managerial Working Capital	**(730)**	**(2,444)**	**(0)**	**(3,174)**	**9,571**	**(1,474)**	**(0)**	**8,097**
Deferred tax assets	27,994	2,074	-	30,068	23,892	1,880	-	25,772
Other non-current receivables and other assets	4,216	67	-	4,283	1,962	52	-	2,014
Other current assets	17,420	4,076	-	21,496	14,925	3,065	-	17,989
Tax assets (current)	5,200	315	-	5,515	3,716	202	-	3,918
Derivative assets (current)	180	3,346	-	3,526	674	74	-	749
Derivative assets (non-current)	1,281	7	-	1,289	1,688	-	-	1,688
Other allocated assets	**56,290**	**9,886**	**-**	**66,176**	**46,857**	**5,272**	**-**	**52,129**
Deferred tax liabilities	(4,701)	(4,246)	-	(8,946)	(3,711)	(2,928)	-	(6,639)
Other current liabilities – excluding purchase of investments	(19,458)	(5,558)	-	(25,016)	(16,620)	(4,804)	-	(21,425)
Tax liabilities (current)	(1,817)	(399)	-	(2,215)	(820)	11	-	(809)
Derivative liabilities (current)	(557)	(52)	-	(609)	(408)	(892)	-	(1,300)
Derivative liabilities (non-current	(54)	-	-	(54)	(264)	-	-	(264)
Employee benefits	(5,782)	(1,478)	-	(7,261)	(6,121)	(1,564)	-	(7,686)
Provisions for risks and charges (non-current)	(5,884)	(403)	-	(6,287)	(7,500)	(171)	-	(7,671)
Provisions for risks and charges (current)	(3,946)	(87)	-	(4,033)	(4,605)	(314)	-	(4,919)
Other allocated liabilities	**(42,199)**	**(12,222)**	**-**	**(54,421)**	**(40,049)**	**(10,663)**	**-**	**(50,712)**
Capital Employed	**147,209**	**49,594**	**0**	**196,803**	**152,275**	**44,372**	**-**	**196,647**
Net Financial Debt				**(69,812)**				**(57,068)**
Total equity				**(126,991)**				**(139,580)**
Source of funds				**(196,803)**				**(196,648)**

In Euro thousands	2025	2024	Changes
Cooking	357,503	353,087	4,416
Motors	103,057	99,006	4,051
Revenue	**460,560**	**452,092**	**8,468**

There are no customers that individually generate more than 10% of total revenue in 2025 (as in 2024).

B.6.5.3. OTHER OPERATING INCOME

In Euro thousands	2025	2024	Changes
Grants related to income	782	1,744	(962)
Ordinary gains	172	95	77
Other revenues from associated companies	392	520	(128)
Claims and insurance settlement	293	617	(324)
Other operating income	3,123	1,748	1,375
Other operating income	**4,762**	**4,723**	**39**

Other operating income remains largely unchanged on the previous year. The change for the year is mainly attributable to the increase of approx. Euro 1.4 million in “Other operating income”, which includes accessory gains of Elica S.p.A., such as the release of the product disposal provision for Euro 2.2 million recognised in 2025 following a change in the method for determining the annual cost of the disposal of electrical and electronic equipment by the consortium with which the Group is associated and other releases of past tax provisions (such as the 2015-2016 R&D credit, as established by agreed settlement, and other provisions related to the R&D credits for 2017, 2018 and 2019 that were partially certified during the year). Conversely, the decrease in operating grants of approx. Euro 1 million compared to the same period of the previous year is mainly attributable to the grants of the Assist call for proposals for 2024, as reported under Note B.6.9 detailing the public grants presented according to Article 1, paragraph 125, No. 124 of Law of August 4, 2017.

B.6.5.4. INCREASE IN INTERNAL WORK CAPITALISED

The Increase in internal work capitalised, amounting to Euro 4,575 thousand (Euro 4,943 thousand in the previous year), includes Euro 658 thousand related to the Mexican subsidiary (Euro 722 thousand in 2024), Euro 186 thousand to the subsidiary E.M.C. Fime S.r.l. (Euro 256 thousand in 2024) and Euro 3,730 thousand Elica S.p.A. (Euro 3,965 thousand in 2024).
These increases relate to the capitalisation of costs for the design and development of new products and internal costs incurred for the construction of mouldings, industrial equipment and the introduction of new IT programmes. Internal works capitalised principally comprise personnel expense and external consulting.
The table below provides greater detail concerning the nature of the costs capitalised during the year compared with December 31, 2024.

In Euro thousands	2025	2024	Changes
Raw materials and consumables	159	312	(153)
Services	2,342	2,314	28
Personnel expense	1,914	2,311	(397)
Other operating expenses and accruals	160	6	154
Increase in internal work capitalised	**4,575**	**4,943**	**(368)**

All costs capitalised during the year are related to Intangible fixed assets, the main changes of which are described in Section B.6.5.18.

B.6.5.5. AMORTISATION, DEPRECIATION AND IMPAIRMENT LOSSES

Amortisation and depreciation reports a small decrease from Euro 23,004 thousand in 2024 to Euro 22,838 thousand in 2025. The most significant changes relate to Property, Plant and Equipment and the item Right-of-use under IFRS 16. For further details, reference should be made to points B.6.5.15, B.6.5.18 and B.6.5.18.1 of these notes.

During the year, write-downs of property, plant and equipment and intangible assets of Euro 1,142 thousand were deemed necessary, mainly due to the effects of the reorganisation of the Chinese subsidiary initiated in 2025, following the redefinition of its operating model into a specialized sourcing hub for the Group, which resulted in the need to revise the prospects for the recoverability of certain assets. Write-downs were made during the year of trademarks and patents amounting to Euro 489 thousand and of production assets amounting to Euro 372 thousand, due to the discontinuation of local brand commercial activities, the related corporate reorganisation, and the maintenance of production limited to specific product families. Development projects for which activity stopped during the year were written down by a total of Euro 281 thousand at Elica and the subsidiary EMC Fime in the year.

B.6.5.6. PERSONNEL EXPENSE

Personnel expense incurred by the Group in 2024 and 2025 was as follows:

In Euro thousands	2025	2024	Changes
Wages and salaries	67,728	64,947	2,781
Social security expenses	19,328	18,876	452
Post-employment benefits	2,449	2,429	20
Other personnel expense	6,963	4,842	2,121
Personnel expense	**96,468**	**91,094**	**5,374**

Personnel expense overall increased by approximately Euro 5.4 million.
This change was the result of multiple factors. On one hand, the salary adjustment correlated to inflationary dynamics must be taken into account, both in Italian companies, due to inflation adjustment measured by the IPCA index excluding the price dynamics of imported energy goods (ISTAT), which recorded an increase of approximately 7% from June 2024, and in foreign production companies due to minimum wage increase mechanisms defined by individual countries (Poland and Mexico). On the other, part of this increase derives from the organic growth of the distribution companies in the United States and Canada (established in the latter part of 2023), and also especially from the fact that, as highlighted in relation to other personnel expenses, the 2025 figure includes the variable incentives recognised to employees and the Long Term Incentive Plan provision linked to the extraordinary 2025-2026 plan recognised to Top Management, which were not however reflected in the 2024 figure due to the adjustment of the estimates in consideration of the company results effectively achieved in that year.

All of this came about despite the mitigating effect of implementation of the production footprint reorganisation which already since 2023, following the transfer of a part of production from Elica S.p.A.'s Italian plants to the Polish plant of the subsidiary Elica Group Polska, has ensured greater flexibility in production management in response to market fluctuations. This last factor is not irrelevant as the still persistently uncertain demand throughout FY 2025 has prompted a strong need to manage production volumes in both the Cooking and Motor segments on an as-needed basis. Personnel expense at December 31, 2025, includes the cost for projects that have been capitalised for Euro 1.9 million (Euro 2.3 million in 2024), as detailed in paragraph B.6.5.4 Increase in internal work capitalised.

The table below reports the Group workforce at December 31, 2024, and December 31, 2025.

Workforce	31/12/2025	31/12/2024	Changes
Executives	34	34	-
White-collar	752	762	(10)
Blue-collar	1,648	1,663	(15)
Others	140	140	-
Total	**2,574**	**2,599**	**(25)**

The reduction in the number of employees relates mainly to the Chinese subsidiary Elica Home Appliances and reflects the dynamics described concerning the reorganisation and redefinition of its operating model into a specialised sourcing hub for the Group, resulting in the discontinuation of local brand sales and production activities.

B.6.5.7. OTHER OPERATING EXPENSES

B.6.5.7.1. CHANGE IN INVENTORIES OF FINISHED AND SEMI-FINISHED PRODUCTS AND RAW MATERIALS AND CONSUMABLES

In Euro thousands	2025	2024	Changes
Purchase of raw materials	184,276	181,464	2,812
Purchase of semi-finished products	23,198	22,003	1,195
Purchase of consumables and supplies	1,689	1,930	(241)
Purchase of finished products	29,297	26,287	3,010
Packaging	1,205	1,324	(119)
Others	2,466	2,500	(34)
Transport on purchases	5,274	4,218	1,056
Purchase of Raw material from assosiated companies	0	0	0
Change in inventory of raw materials, consumables, supplies and goods	(933)	(289)	(644)
Raw materials and consumables	**246,472**	**239,437**	**7,035**
Change in finished and semi-finished products	**(702)**	**1,295**	**(1,997)**
Total	**245,770**	**240,732**	**5,038**

The two items, Raw materials and consumables and changes in inventories of finished and semi-finished products, may be considered together. The total value of consumables increased by Euro 5.0 million, while as a percentage of revenue they increased from 53.2% in 2024 to 53.4% in 2025. This trend is mainly due to the higher volume of purchases made during the year, driven by the higher turnover achieved and the change in product mix, with an increasing contribution from new higher value cooking and built-in products.

This increase was partly mitigated by the partial recovery of the sharp increase in raw material and component costs recorded in previous years, together with the working capital management efficiency drive pursued by Management, which resulted in a value of inventories as of December 31, 2025 that was substantially in line with the previous year.

More specifically, the components that increased most were Purchases of raw materials, consumables and supplies and Purchases of semi-finished products, alongside Purchases of finished products and Transport costs on purchases. This dynamic is mainly a reflection of the more advanced development of the business strategy pursued by the Group of the transformation to Cooking, providing new products, such as LHOVs, ovens and wine cellars, and the steady growth of direct distribution both in North America and Europe, such as in the Netherlands.

Consumption of raw materials and consumables at December 31, 2025 includes the cost for projects that have been capitalised for Euro 0.2 million (Euro 0.3 million in 2024), as detailed in paragraph B.6.5.4 Increase in internal work capitalised.

Changes in inventories of finished and semi-finished goods and the Change in the inventory of raw materials, consumables, supplies and goods reports respectively a lower cost, i.e. a positive change in inventories, of approximately Euro 0.7 million and Euro 0.9 million. Both items reflect the net working capital efficiency drive pursued by Management.

B.6.5.7.2. SERVICES

In Euro thousands	2025	2024	Changes
Outsourcing	23,361	22,957	404
Maintenance	2,424	2,443	(19)
Transportation	10,264	10,692	(428)
Trade fairs and promotional events	2,374	4,578	(2,204)
Utilities	5,027	5,512	(485)
Promotion and advertising fees	3,824	3,673	151
Commissions and bonuses	2,072	1,515	557
Management of finished products	8,392	8,386	6
Consultancy	12,203	10,885	1,318
Industrial services	820	874	(54)
Travelling expenses	2,015	2,007	8
Insurances	1,559	1,646	(87)
Banking commissions and charges	604	605	(1)
Other professional services	12,781	13,319	(538)
Heating expenses	805	758	47
Statutory auditors' fees	173	143	30
Directors' fees	2,064	1,241	823
Car management	865	840	25
Costs to remainlisted on the stock exchange	381	477	(96)
Services	**92,008**	**92,551**	**(543)**

Service costs decreased in absolute value, for approximately Euro 0.5 million, going from 20.5% to 20.0% of revenues. The slight decrease is mainly due to "Trade fairs and promotional events" which includes in the comparative period investments for participation in the Milan furniture trade fair of April 2024, the sponsorship with Ducati where the Elica brand gained visibility on the fairing of the Ducati Desmosedici GP, on the riders' suits and on the team uniforms, and finally the marketing and communication efforts for the launch of new products, such as the LHOV, and for the new brand identity. "Other professional services" also decreased by Euro 0.5 million, mainly for projects that have been capitalised in the previous year.

Compared to 2024 meanwhile, Consultancy increased by Euro 1.3 million, mainly driven by investments in the transformation to "Cooking" and continuous innovation that now takes the form of new strategies and products, the result of the resources dedicated to the research and testing of increasingly cutting-edge solutions, and commissions of Euro 0.6 million, mainly related to the distribution companies in the United States and Canada based on their own business model.
The capitalisation of service costs in 2025 amounts to Euro 2.3 million (in line with the figure for 2024), as indicated in paragraph B.6.5.4 Increase in internal work capitalised.
Transportation decreased by Euro 0.4 million and Utilities by Euro 0.5 million, in line with the lower level of commitments at trade fairs and other promotional activities and with the lessening of tensions in relation to energy and logistics that were inherited from the previous two years.

B.6.5.7.3. OTHER OPERATING EXPENSES AND ACCRUALS

These are detailed as follows:

In Euro thousands	2025	2024	Changes
Rental of vehicles and industrial equipment	548	567	(19)
Leases and rentals	1,559	1,138	421
HW, SW, patent use fees	413	316	97
Other taxes (no income tax)	2,659	1,247	1,412
Magazines, Subscriptions' expenses	7	4	3
Sundry equipment	547	446	101
Catalogues and brochures	288	315	(27)
Credit losses and loss allowance	886	879	7
Provisions for risks and charges	2,127	2,893	(766)
Other prior year expenses and losses	1,902	1,078	824
Other operating expenses and accruals	**10,936**	**8,883**	**2,053**

Overall, this account increased by Euro 2.1 million, especially in relation to the components "Other taxes (not income tax)" for Euro 1.4 million and "Other prior-year losses and expenses" for Euro 0.8 million. These changes are mainly due to the fact that, during the year, the Group received the outcome of the audits of the tax authorities regarding the R&D credits related to previous years, in response to which we reversed the portions not certified in 2025 and recognised charges resulting from the definition of a position with the

authorities, as well as to the greater non-recurring charges related to the settlement of a commercial dispute, the write-off of R&D credits not certified in 2025, and the cancellation of old positions that are no longer believed to be collectable.
Provisions for risks and charges decreased by Euro 0.7 million as a result of the release of provisions as risks related to business operations that had given rise to the allocations in previous years were eliminated or as cash outflows were deemed no longer likely in order to meet the underlying obligations. This account, together with "Credit losses and loss allowance", reflect updated estimates made by Management for risk coverage. "Rental of vehicles and industrial equipment" and "Lease charges" include costs related to rental and lease agreements excluded from application of IFRS 16, such as those of insignificant amount, and/or of a duration less than 12 months without renewal.

B.6.5.7.4. Restructuring charges

In Euro thousands	2025	2024	Changes
Restructuring charges	762	519	243
Restructuring charges	**762**	**519**	**243**

At December 31, 2025, the item mainly includes personnel expenses and reflects past rightsizing that began in previous years. The account increased by Euro 0.2 million compared to December 31, 2024, as a result of the reorganisation of the Chinese subsidiary Elica Home Appliances as described above.

B.6.5.8. FINANCIAL EXPENSE

Financial expense may be broken down as follows:

In Euro thousands	2025	2024	Changes
Financial expense on overdrafts and bank loans	5,768	6,042	(274)
Interest on lease liabilities (IFRS 16)	524	332	192
Financial expenses on post-employment benefits	241	229	12
Financial discounts	606	622	(16)
Other financial expense	949	43	906
Financial expense	**8,088**	**7,268**	**820**

Financial expenses for 2025 increased by Euro 820 thousand compared to 2024. This increase is mainly attributable to "Other financial expenses", which were negatively impacted by the measurement of the equity investment in Elica PB Whirlpool Kitchen Appliances and of the related option at December 31, 2025, for a total of Euro 796 thousand.

The increase in interest on lease liabilities may be attributed to the new lease on an industrial building obtained by the subsidiary Elica Group Polska.

Conversely, the financial expense on overdrafts and bank loans decreased due to the gradual decline of interest rates from the highs seen in the first half of 2024, as a result of ECB monetary policy, which had affected both short-term and longer-term financing.

B.6.5.9. FINANCIAL INCOME

Details of financial income are shown below:

In Euro thousands	2025	2024	Changes
Interest on bank and postal deposits	144	360	(216)
Other financial income	20	11,220	(11,200)
Financial Income	**164**	**11,580**	**(11,416)**

Financial income recorded a significant decrease compared to the previous year, attributable to Other financial income. This movement is due to the recognition in 2024 of the gain for approximately Euro 7.7 million from the sale of 4.78% of the share capital of the Indian investee ELICA PB Whirlpool Kitchen Appliances Private Limited to Whirlpool of India Limited, and income of Euro 3.1 million from the valuation of the remaining 1.59% stake, for Euro 1.5 million and the valuation of a related Put&Call option for Euro 1.7 million.

B.6.5.10. INCOME AND EXPENSES FROM GROUP COMPANIES

In 2025, the account had a zero balance.

B.6.5.11. EXCHANGE RATE GAINS/(LOSSES)

In Euro thousands	2025	2024	Changes
Exchange rate losses	(12,744)	(10,638)	(2,106)
Exchange rate gains	13,360	10,296	3,064
Losses on derivatives	(4,336)	(6,180)	1,844
Gains on derivatives	2,889	5,074	(2,185)
Net exchange rate gains/(losses)	**(831)**	**(1,448)**	**617**

At December 31, 2025, net exchange rate losses were Euro 831 thousand, improving Euro 617 million on the previous year (net losses of Euro 1,448 thousand).

The overall change is the combined result of differences in operating exchange rates and the net balance of hedging derivatives.
More specifically, the net balance of exchange rate differences, net of the effect of derivatives, was a positive Euro 616 thousand (on Euro 13,360 thousand of gains and Euro 12,744 thousand of losses), compared to a net negative of Euro 342 thousand for 2024, for an improvement of Euro 958 thousand.
Conversely, the net result of derivative instruments related to the hedging of currency risk, was a negative Euro 1,447 thousand, compared to a negative Euro 1,106 thousand for the previous year, worsening by Euro 341 thousand.

In 2025, the main contributors to the net currency balance were related to Elica S.p.A. (Euro -2,253 thousand) and Emc Fime Srl (Euro -451 thousand). Elica Group Polska and Elicamex S.A. de C.V. on the other hand reported gains, respectively for Euro 634 thousand and Euro 568 thousand. The remaining losses are attributable to the other companies of the Group.
The paragraph B.6.7. “Risk management” of these notes details the transactions in derivative instruments and related hedging policies.

B.6.5.12. INCOME TAXES

Income taxes in 2025 and 2024 are broken down into current and deferred taxes as follows:

In Euro thousands	2025	2024	Changes
Current taxes	1,936	3,336	(1,400)
Deferred taxes	(2,383)	(5,126)	2,743
Income taxes	**(447)**	**(1,790)**	**1,343**

Income taxes for the year shows a positive balance in 2025 for Euro 0.4 thousand, compared to 2024 when it reported income of Euro 1.8 million. The balance comprises current and deferred taxes. At December 31, 2025, Elica S.p.A. has tax income of Euro 3.4 million, as do the subsidiaries Elicamex for Euro 0.8 million, Elica North America for Euro 0.7 million, and Airforce for Euro 0.1 million. Conversely, the subsidiaries Ariafina and Emc Fime, both for Euro 1.7 million, and Elica Group Polska, for Euro 1.1 million, report income tax expense. We note the positive impact on the Group’s taxes in the year from the lower IRAP tax for the years 2020, 2021, 2022 and 2023 due to the Patent Box benefit (Law 190/2014). The tax benefit amounts to approximately Euro 0.5 million for Elica S.p.A..

For 2025, the Parent’s theoretical tax rate (theoretical tax on pre-tax income) was 28.73%, based on the corporate income tax (IRES) and regional tax on productive activities (IRAP) rates applicable to the reported taxable income for the year ended December 31, 2025, while they vary from country to country according to local legislation in force for the other foreign Group companies.

The table below shows a reconciliation between the theoretical tax rate of 24% and the effective rate (“IRES” for the Italian Group companies) paid by the Parent.

The effective tax rate increased from -28.9% to 10.2% The issues that most affect the effective tax rate in FY2025 are the effect of taxation of foreign companies, the effect of utilisation/valuation of tax losses, the effect of foreign taxes of Italian companies, and the effect of taxation of intercompany dividends.

RECONCILIATION BETWEEN EXPECTED AND EFFECTIVE TAX RATES

		2025					2024				
	Theoretical IRES rate			24.00%					24.00%		
	Theoretical IRAP rate			4.73%					4.73%		
	(in Euro thousands)	I Taxable base	Income taxes	IRAP	Total	% IRES on tax base	I Taxable base	Income taxes	IRAP	Total	% IRES on tax base
	[A] TOTAL INCOME TAXES		**(899)**	**452**	**(447)**	**10.2%**		**(2,178)**	**388**	**(1,790)**	**-28.9%**
	PROFIT BEFORE TAXES	**(8,784)**					**7,536**				
+	Tax calculated using local tax rate		(2,108)			24.0%		1,809			24.0%
+	Tax effect of (income)/expenses not considered for tax purposes	(636)	(153)			-14.3%	(19,642)	(4,714)			-62.6%
-	Tax effect on the different tax rates of the foreign subsidiaries	4,623	1,109			-12.6%	1,025	246			3.3%
-	Other differences	(1,412)	(340)			3.9%	330	82			1.1%
	B] Effective tax charge and tax rate net of substitute tax	**(333)**	**(80)**			**0.9%**	**(10,751)**	**(2,577)**			**-34.2%**
-	Tax credit for Polish investments		(680)			8.3%		(719)			-9.5%
-	Tax refund / foreign taxes / prior year taxes / substitute tax		(89)			1.0%		1,119			14.9%
	[C] Effective tax charge and tax rate		**(899)**			**10.2%**		**(2,178)**			**-28.9%**

B.6.5.13. BASIC EARNINGS PER SHARE - DILUTED EARNINGS PER SHARE

The calculation of basic and diluted earnings per share is based on the following data:

In Euro thousands	12/31/2025	12/31/2024
From continuing and discontinued operations:		
Profit/(loss) attributable to owners of the Parent (In Euro thousands)	(9,955)	7,868
Average number of ordinary shares net of treasury shares	59,020,034	61,808,319
Basic earnings/(loss) per share	**(16.87)**	**12.73**
Weighted average number of ordinary shares to calculate diluted earnings per share	59,020,034	61,808,319
Diluted earnings/(loss) per share	**(16.87)**	**12.73**
From continuing operations		
Profit/(loss) attributable to owners of the Parent (In Euro thousands)	(9,955)	7,868
Average number of ordinary shares net of treasury shares	59,020,034	61,808,319
Basic earnings/(loss) per share	**(16.87)**	**12.73**
Weighted average number of ordinary shares to calculate diluted earnings per share	59,020,034	61,808,319
Diluted earnings/(loss) per share	**(16.87)**	**12.73**

Basic earnings per share is calculated based on the net profit of the Group and the weighted average number of shares outstanding at the balance sheet date. Treasury shares are excluded from the calculation. Diluted earnings per share equate to the basic earnings per share adjusted to assume conversion of all potentially dilutable shares, i.e. all financial instruments potentially convertible into ordinary shares, with a dilutive effect on earnings, considering the denominator the number of shares which potentially may be added to those in circulation under an allocation or utilisation of treasury shares in portfolio under stock grant plans.

Basic earnings per share and diluted earnings per share are equivalent in that there are no classes of instruments that could affect the latter indicator, i.e., there are no financial instruments potentially convertible into ordinary shares that have a dilutive effect, nor are there any instruments (including contingently issuable shares) that could potentially do so in the future that are not included in the calculation because they have no dilutive effects in the periods presented.

In addition, there are no transactions involving ordinary shares or potential ordinary shares after the end of the fiscal year that could have significantly changed the number of ordinary shares or potential ordinary shares outstanding at the end of the fiscal year had they occurred before that date.

B.6.5.14. OTHER INFORMATION ON INCOME STATEMENT ITEMS

The research and development costs charged in the Income Statement in 2025 and 2024 are summarised in the table below:

In Euro thousands	2025	2024	Changes
Research costs taken to profit or loss	6,910	5,491	1,419
Amortisation of capitalised development costs in the year	2,035	2,038	(3)
Total research and development costs	**8,945**	**7,529**	**1,416**
Development costs capitalised in the year	**1,454**	**1,919**	**(465)**

(*) The Amortisation also includes any write-downs.

Development costs capitalised in the year regard product design and development activities related to the core business, including in relation to expansion of the Group's product line, mainly in Cooking segment, but also in Motors.

Statement of Financial Position

B.6.5.15. PLANT, PROPERTY AND EQUIPMENT

The table below shows details of the changes in property, plant and equipment in 2025 and 2024.

In Euro thousands	Land & buildings	Plant and machinery	Industrial and commercial equipment	Other assets	Assets under construction and payments on account	Historical cost property, plant & equipment
12/31/2023	**72,089**	**119,288**	**125,865**	**16,775**	**2,445**	**336,462**
Increase	1,045	2,957	3,850	1,969	2,334	12,155
Disposals & other reclassifications	1,093	(1,338)	(2,680)	(661)	(2,458)	(6,044)
Variation consolidation perimeter	0	0	0	1	0	1
Other changes	(1,006)	(2,714)	(1,617)	(409)	19	(5,727)
12/31/2024	**73,221**	**118,193**	**125,418**	**17,675**	**2,340**	**336,847**
Increase	319	2,508	3,559	809	2,279	9,474
Disposals & other reclassifications	(40)	(1,799)	(4,981)	(423)	(1,958)	(9,201)
Other changes	(159)	376	264	112	(10)	583
12/31/2025	**73,341**	**119,278**	**124,260**	**18,173**	**2,651**	**337,703**

In Euro thousands	Land & buildings	Plant and machinery	Industrial and commercial equipment	Other assets	Assets under construction and payments on account	Accumulated Depreciation
12/31/2023	**35,098**	**79,387**	**103,850**	**13,387**		**231,722**
Depreciation	2,044	4,608	5,446	1,152		13,250
Disposals & other reclassifications	(71)	(1,407)	(3,224)	(697)		(5,399)
Other changes	(266)	(1,693)	(1,150)	(353)		(3,462)
12/31/2024	**36,805**	**80,895**	**104,922**	**13,489**		**236,111**
Depreciation	2,117	4,569	5,181	1,320		13,187
Disposals & other reclassifications	(39)	(1,968)	(5,762)	(306)		(8,075)
Other changes	(218)	217	454	(86)		367
12/31/2025	**38,665**	**83,713**	**104,795**	**14,417**		**241,590**

In Euro thousands	Land & buildings	Plant and machinery	Industrial and commercial equipment	Other assets	Assets under construction and payments on account	Net property, plant and equipment
12/31/2023	**36,991**	**39,901**	**22,015**	**3,388**	**2,445**	**104,740**
Increase	1,045	2,957	3,850	1,969	2,334	12,155
Depreciation	(2,044)	(4,608)	(5,446)	(1,152)	0	(13,250)
Disposals & other reclassifications	1,164	69	544	36	(2,458)	(645)
Variation consolidation perimeter	0	0	0	1	0	1
Other changes	(740)	(1,021)	(467)	(56)	19	(2,265)
12/31/2024	**36,416**	**37,298**	**20,496**	**4,186**	**2,340**	**100,736**
Increase	319	2,508	3,559	809	2,279	9,474
Depreciation	(2,117)	(4,569)	(5,181)	(1,320)	0	(13,187)
Disposals & other reclassifications	(1)	169	781	(117)	(1,958)	(1,126)
Other changes	59	159	(248)	198	(10)	158
12/31/2025	**34,676**	**35,565**	**19,465**	**3,756**	**2,651**	**96,113**

Property, plant and equipment decreased from Euro 100,736 thousand at December 31, 2024 to Euro 96,113 thousand at December 31, 2025, a net decrease of Euro 4,622 thousand as a result of the sales, purchases and of depreciation recorded in the income statement of Euro 13,187 thousand, in line with the figure at December 31, 2024. Investments in the year mainly concerned “Plant and machinery”, “Industrial and commercial equipment” and “Assets under construction”, respectively for Euro 2,508 thousand, Euro 3,559 thousand and Euro 2,279 thousand, following the actions taken to improve the manufacturing plant and machinery, the purchase of new mouldings and equipment for the launch of new products, such as Lhov, and the development of hardware for the implementation of new projects. We highlight, for example, the construction of the new production line for the Lhov at the Mergo plant (Euro 0.3 thousand) and for the Tesla Fit and Slim at the Elica Group Polska plant (Euro 0.8 thousand), the new ElicaMex painting station (Euro 600 thousand), along with new moulds for recently-finalised commercial agreements (approximately Euro 0.4 thousand).

Disposals for the year are mainly attributable to moulds and other equipment at the end of their useful lives, which mainly involved the production facilities of Elica, EMC Fime and EGP for approximately Euro 6 million.

Other changes include the net currency gains of Euro 0.5 million, in addition to the write-down of plant, machinery and equipment at the Chinese subsidiary and the Shanghai showroom for Euro 0.4 million related to Puti and Elica-brand products, the sales of which were interrupted in November 2025 in response to company reorganisation, which limits local production to just a few specific product families for the EMEA markets.

As required by IAS 16 – Property, Plant and Equipment, management has reviewed the estimated residual values and expected useful lives of these assets. In particular, given all the factors that can have an effect on this estimate (IAS 16.56), especially the great instability of the economic landscape and climate-related issues, as outlined at paragraph A.12 of the Directors’ Report, the estimate of the remaining useful life of assets is deemed to be appropriate.

The historical cost criteria remains the measurement method used for property, plant and equipment after initial recognition.

The historical cost includes revaluations permitted by previous legislation on first time application as considered representative of the fair value of the property, plant and equipment when the revaluation was made.

B.6.5.16. GOODWILL

In Euro thousands	12/31/2024	Increase	Decrease	Other movement	12/31/2025
Goodwill allocated to subsidiaries	50,212	-	-	(406)	49,806
Goodwill	**50,212**	**-**	**-**	**(406)**	**49,806**

Goodwill, amounting to Euro 49.8 million, decreased due to the negative impact of Euro 0.4 million related to the conversion into Euro of the financial statements of the foreign subsidiaries. Of this goodwill, Euro 37.7 million was allocated to the Cooking CGU, and Euro 12.1 million was allocated to the Motors CGU, as specified in paragraph B.6.5.17 Impairment test.

B.6.5.17. IMPAIRMENT TEST

International Accounting Standard (IAS) 36 establishes standards for the recognition and disclosure of the impairment of certain types of assets, including goodwill, and presents the principles that businesses must follow to ensure that their assets are measured at no greater than their recoverable amount.

IAS 36 defines recoverable amount as the greater of:

- fair value less costs of disposal, i.e. the amount obtainable, net of disposal costs, from the sale of the asset in an arm’s length transaction between knowledgeable, willing parties; and
- value in use, which is equal to the present value of the future cash flows expected to be derived from an asset or cash-generating unit.

IAS 36 requires the carrying value[2] of goodwill to be compared with its recoverable amount whenever there is an indication that the asset may have undergone a reduction in value, and at least once per year in conjunction with impairment testing for the annual financial statements. The recoverable amount of goodwill is measured in reference to the cash generating unit (CGU), given that goodwill is not able to generate cash flows on its own.

A CGU is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows generated by other assets or groups of assets and with regard to which the Group has separate reporting of results.

The impairment testing undertaken in 2025 was based on the Group’s five-year (2026-2030) financial forecasts, as prepared by management solely for the purposes of impairment testing and taking into account the current macroeconomic landscape and current trends in the markets in which the Group operates and as approved by the Board of Directors of the Parent Company on February 12, 2026.

In accordance with IAS 36, and based on the considerations presented above, impairment testing of goodwill for the Group’s consolidated financial statements at December 31, 2025, included the following activities:

1. Identification of goodwill;
2. Identification of the CGUs and allocation of goodwill to these CGUs;
3. Measurement of the recoverable amount of the CGUs;
4. Results of impairment testing;
5. Sensitivity analyses on impairment test results in relation to changes in the underlying assumptions.

The Directors do not consider the difference between Equity and Market Capitalization to be an indicator of impairment because the latter figure does not reflect the real economic value of the Group and the stock’s performance is in line with the performance of stocks considered peers by size of capitalization or industry.

Elica is also a particularly cyclical stock with a low percentage of free float, which broadens the performance gap of the share in a market landscape that remains critical, with continuing increases in both bond yields and geopolitical uncertainty, in addition to the fact that the share has been involved in a reshuffling, like many Italian small-cap shares, by foreign investment funds that have diversified their portfolios.

2. The carrying amount is equal to the sum of non-current assets (i.e. property, plant and equipment; goodwill, intangible assets with a finite useful life, and right-of-use assets), managerial working capital (i.e. trade receivables and inventories less trade payables), and other assets and liabilities (i.e. tax receivables and payables, provisions for risks and charges, other current receivables and payables excluding the portion related to the purchase of equity investments, which are included among net financial position, deferred tax assets and liabilities related to purchase price allocations, assets and liabilities for derivative financial instruments excluding interest rate swaps, which are instruments used to hedge the cash flows of financing).

IDENTIFICATION OF GOODWILL

Goodwill totalling Euro 49.8 million was subjected to impairment testing. The balance sheet shows no other intangible assets with finite useful lives.

IDENTIFICATION OF THE CGUs AND ALLOCATION OF GOODWILL TO THESE CGUs

IAS 36 requires that each CGU or CGU group to which goodwill is allocated represent the minimum level, within the entity, at which goodwill is monitored for management purposes and not be broader than an operating segment as defined by IFRS 8 – Operating Segments.
Impairment testing of the Group's goodwill was undertaken by identifying the CGUs into which it is possible to break down the Group's business and analysing the cash flows that they will be able to generate in future years, based on an approach consistent with segment reporting as presented in the annual report, which, in turn, mirrors management reporting.

As discussed in paragraph B.6.5.2., at December 31, 2021, the Group had a single operating segment for the purposes of IFRS 8, given that management made operating decisions centrally.

At December 31, 2021, this segment also represented the minimum level at which goodwill was monitored for management purposes and, consequently, subjected to impairment testing.

In 2021, the company began a reorganisation of operations, completed in the second half of 2022, that resulted in the transformation of the Italian production site of Mergo into a high-end hub, the transfer of the higher standardised production lines to the Jelcz-Laskowice plant in Poland, and the integration into the Mergo plant of the activities currently carried out at the Cerreto site. Within this context, in the first half of 2022, the Motors division of Elica S.p.A. was transferred to the subsidiary EMC FIME S.r.l. with the goal of concentrating this operating segment within a single company.

Upon completion of this process, the Group began operating under a new organizational structure with two distinct areas of managerial responsibility, which now make up the Group's operating segments: Cooking and Motors.

These areas of responsibility are represented in procedures by which the Group is managed, and reporting is structured in the same manner and is periodically analysed by the CEO and by senior management.

As a result, the Group has defined two CGUs, and namely the segments Motors (which includes EMC FIME and the Motors division of the Polish subsidiary, Elica Group Polska) and Cooking, which encompasses the rest of the Group.

Therefore, at December 31, 2025, goodwill was allocated to the two CGUs that comprise the two operating segments defined by management, which represent the minimum level at which goodwill is monitored for internal management purposes. This allocation was undertaken, with the support of a leading advisory firm, using the relative fair value approach based on the present value of the expected future cash flows for the two CGUs, as this was the approach found to best represent the allocation of goodwill.

As a result, goodwill of Euro 37.7 million was allocated to the Cooking CGU, and goodwill of Euro 12.1 million was allocated to the Motors CGU.

MEASUREMENT OF THE RECOVERABLE AMOUNT OF THE CGUs

The Impairment Test of the Group's goodwill at December 31, 2025 was undertaken by identifying the recoverable value of the individual CGUs in the value in use.

The recoverable value of the two Cash Generating Units was determined, also with the support of a leading consulting firm, through the determination of their respective value in use, understood as the present value of the expected future cash flows generated by the CGUs and estimated in accordance with the discounted cash flow method.

The Impairment Test was approved by the Board of Directors on February 12, 2026, independently and prior to the preparation of the financial statements.

DISCOUNTED CASH FLOW ASSUMPTIONS

The principal assumptions utilised by the Company for the estimate of the future cash flows for the impairment test were as follows:

COOKING CGU

	2025	2024
Weighted average cost of capital (WACC)	7.7%	7.7%
Growth rate terminal value	1.0%	1.0%

MOTORS CGU

	2025	2024
Weighted average cost of capital (WACC)	8.3%	8.2%
Growth rate terminal value	1.0%	1.0%

The Weighted Average Cost of Capital (WACC) utilised to discount the future cash flows was determined utilising the Capital Asset Pricing Model (CAPM).

For the calculation of the Cooking WACC a free risk rate of 3.9% was used, a market premium risk of 5.5% and a beta-unlevered factor of 0.62.

For the calculation of the Motors WACC a free risk rate of 3.8% was used, a market premium risk of 5.5% and a beta-unlevered factor of 0.78.

ASSUMPTIONS UTILISED IN ESTIMATING CASH FLOWS

The discounted cash flow model is based on the cash flows calculated on the basis of the best estimates made by the directors, for the sole purposes of the impairment test, for a period of five years, the first of which coincides with the 2026 budget (2026-2030 Operating and Financial Projections).

The 2026-2030 Operating and Financial Projections used for the purpose of the impairment test were prepared and approved by the Directors on February 12, 2026.

The main assumptions utilised in the determination of the cash flows were as follows:

COOKING CGU

- a revenue CAGR over the 2026-2030 period of 3.4%.
- average EBITDA on revenue equal to 7.2%;
- average EBIT on revenue equal to 2.4%;
- average Capex on revenue equal to 4.5%;
- level of Free Operating Cash flow after taxes on revenue equal to 2.1%;
- a normalisation of the Terminal Value, in line with national and international best practice.

MOTORS CGU

- A revenue CAGR over the 2026-2030 period of 5.7%.
- average EBITDA on revenue equal to 9.8%;
- average EBIT on revenue equal to 5.5%;
- average Capex on revenue equal to 2.1%;
- level of Free Operating Cash flow after taxes on revenue equal to 5.9%;
- a normalisation of the Terminal Value, in line with national and international best practice.

The assumptions utilised in the estimates are based on historical and forecast data of the Group, and are in line with information available from independent sector and market analysts in which the Group operates.

In particular, the estimates take into account the positive contributions of the projects of the two divisions: cooking business development for new products and direct control of distribution in North America, and for motors division the increase in competitiveness and core business market share growth, as well as the diversification of the product proposal dedicated to new channels. Further details are however provided in the Outlook section (Section A.8. Outlook).

The projections used in the current year have not undergone significant changes compared to those used last year, as the first year (i.e., 2025) was in line with the actual in terms of margins and saw revenues exceeding expectations (approximately +2%).

The Group is exposed to the risk that the assumptions and hypotheses underlying the above 2026-2030 forecasts will not occur or will occur according to different timings and measures than expected. Assumptions made for the purpose of determining the value in use of individual cash-generating units, which support asset values, inherently incorporate the variability associated with all forecasts; therefore, they could result in future adjustments to carrying amounts depending on the actual realisation of the assumptions underlying the Director's estimates.

Factors which may cause variations, even to a significant degree, include the persistent uncertainties that characterise markets, fuelled in particular by the evolving geopolitical environment and environmental issues. Management therefore periodically monitors the circumstances and events that influence these assumptions and future trends.

With regard to environmental issues, considering the Group's industry, we refer to the assumptions made by management regarding the contribution to be pursued with product solutions that ensure efficiency and control of environmental impact. For example, through the use of Brushless motors, which are quiet and efficient, and can reduce CO_2 emissions and energy consumption by up to 70%, the Group can offer aspiration hobs with integrated suction that reach energy class A++, as per the trajectories envisaged by the entry of the new energy classes under the "Energy Label" regulations, as well as products with IOT systems and sensor technology that allow automatic adjustment of suction to curb the impact on the environment and energy expenditure, and finally - assuming a recovery in the market due to the drive to pass the "Green Home" Directive - heat pump motors.

Product solutions are also complemented by projects pertaining to the circular economy, such as the increased use of recycled components, particularly in terms of reducing the weight of plastic and the use of virgin plastic in the production process, the research and use of lower-emission materials, rather than the use of EVO filters with the ability to regenerate and last beyond their normal service life, and the use of packaging with an increasingly smaller Styrofoam component. Although the Group concluded that no single climate or uncertainty-related assumption in the current geopolitical environment represents a key assumption in the 2025 goodwill impairment tests, cost-related and investments expectations related to these projects were reflected in the financial-economic projections.

RESULTS OF THE IMPAIRMENT TEST

The impairment test did not result in the recognition of loss in value of the goodwill. The value in use of the Cooking CGU (Euro 211.2 million) was 1.6 times its book value. The value in use of the Motors CGU (Euro 70.9 million) was 2.2 times its book value.

SENSITIVITY ANALYSIS

In order to better appreciate the sensitivity of the results of the Impairment Test with respect to changes in the basic assumptions, several sensitivity analyses were performed assuming reasonable changes in certain assumptions underlying the estimates made, and in particular of the growth rate (g) (increasing and decreasing by one percentage point, thus considering 0% and 2%) and of the WACC (increasing and decreasing by one percentage point, thus considering for Cooking 6.7% and 8.7% and for Motors 7.3% and 9.3%).

In addition, sensitivity analyses were developed to indicate, at the coverage level, the impacts from the rise in costs, for which a percentage increase in raw material costs from 0.5% to 1.7% was factored in, and the impacts from the change in EBITDA, for which a percentage decrease in the EBITDA margin from -0.5% to -0.9% was factored in.

None of the changes considered resulted in a CGU recoverable amount equal to or below the respective book values.

Specifically, on a change in the growth rate the coverage would fluctuate between 1.4 and 1.8 for Cooking and between 2.0 and 2.5 for Motors, while on a change in WACC the coverage would fluctuate between 1.9 and 1.3 for Cooking and between 2.6 and 2.0 for Motors, on an increase in raw material costs the coverage would fluctuate between 1.5 and 1.3 for Cooking and between 2.2 and 2.0 for Motors. Finally, on a change in the EBITDA margin the coverage would range between 1.4 and 1.3 for Cooking and between 2.1 and 2.0 for Motors. WACC and growth rate g were then considered, which make the coverage equal to 1. Regarding the WACC, the breakeven value for Cooking is 10.9% and for Motors is 16.8%. The breakeven g growth rate for Cooking is -3.5% and for Motors is -17%.

The Group continues extensive monitoring of demand dynamics across all markets in execution of the 2026-2030 operating-financial projections and in particular the guidance for 2026 and 2027, as better presented in the Outlook section of the Directors' Report. Group management will continue to monitor events and circumstances, including developments in the market, geopolitical landscape and climate-related issues, all of which underlie the assumptions on future business for the two CGUs.

B.6.5.18. OTHER INTANGIBLE ASSETS WITH FINITE USEFUL LIVES

The table below shows details of changes in other intangible assets in 2025 and 2024.

In Euro thousands	Development costs	Industrial patents and intellectual property rights	Concessions, licences, trademarks and software	Other intangible assets	Assets under development and payments on account	Net intangible assets
12/31/2023	**6,919**	**1,246**	**6,055**	**9,661**	**2,809**	**26,690**
Increase	1,919	565	790	32	2,292	5,598
Amortisation	(2,038)	(668)	(2,025)	(781)	0	(5,512)
Disposals & other reclassifications	(586)	1,427	875	73	(1,787)	2
Other changes	(215)	(4)	(1)	(31)	(277)	(528)
12/31/2024	**5,999**	**2,566**	**5,694**	**8,954**	**3,037**	**26,250**
Increase	1,454	250	777	56	2,164	4,701
Amortisation	(2,035)	(723)	(2,037)	(741)	0	(5,536)
Disposals & other reclassifications	1,340	62	754	3	(2,167)	(8)
Other changes	26	(535)	(2)	(7)	24	(494)
12/31/2025	**6,784**	**1,620**	**5,186**	**8,265**	**3,058**	**24,913**

At December 31, 2025, intangible assets amounted to Euro 24,913 thousand, a net decrease of Euro 1,337 thousand on the previous year.
Development costs relate to product design and development activities. The increase in the year of Euro 1,454 thousand is mainly attributable to the cost of developing new products, especially incurred by Elica for the new product LHOV. Industrial patents and intellectual property rights include the recognition of patents, associated development costs, intellectual property rights and software programmes. The increase in the year of Euro 250 thousand principally relates to the Parent and EMC FIME S.r.l. and concerns costs for the new patents related to product development.

Concessions, licenses, brands and similar rights refers to the registration of brands by Group companies. Other Intangible assets of Euro 8,265 thousand mainly concerns the technologies developed, whose main component (Euro 7.9 million) was recognised by the Group, following the business combination in 2021 of the two companies E.M.C. and C.P.S., merged in 2022 into E.M.C. Fime S.r.l.
Assets under development and payments on account of Euro 3,058 thousand refer in part to advances to suppliers, the development of projects for the implementation of new IT platforms, the design and development of new software applications and in part to the development of new products. This increased by Euro 2,164 thousand during the year. The item "Other changes" includes the impairment of development projects by Elica and EMC Fime for which work was interrupted during the year for Euro 281 thousand, as well as the impairment of patents of the Chinese subsidiary related to Puti and Elica-brand products, the sale of which was interrupted in November 2025.

The recoverable amount of the development costs and all intangible assets is verified annually and is greater than the corresponding book value, and therefore it is not necessary to recognise an impairment loss. The criteria applied to amortise intangibles is considered appropriate to reflect the remaining useful life of the assets and also takes account of the multiple factors of uncertainty related to the macroeconomic landscape and to climate-related issues.

Both the recoverability and the capitalisation of the intangible assets are the result of estimates formulated by the Directors, which depend strictly on expectations regarding cash flows deriving from the sale of products distributed by the Elica Group. These estimates to date take into account regulatory developments and changing market demands, are reflected in the operating and financial projections, and are based on growths described in section B.6.5.17 Impairment test.

B.6.5.18.1. RIGHT-OF-USE ASSETS

In Euro thousands	Buildings	Machines and installation	Industrial and commercial equipment	Other	Assets under construction and payments on account	Net property use rights
12/31/2023	**6,097**	**58**	**0**	**4,995**		**11,150**
Increase	741	29	0	2,433		3,203
Depreciation	(2,050)	(36)	0	(2,157)		(4,243)
Disposals & other reclassifications	(220)	(1)	0	3		(218)
Other changes	75	2	0	(33)		44
12/31/2024	**4,643**	**52**	**0**	**5,241**		**9,936**
Increase	10,001	0	0	2,013		12,014
Depreciation	(2,006)	(39)	0	(2,070)		(4,115)
Disposals & other reclassifications	161	0	0	(462)		(301)
Other changes	(130)	0	0	(14)		(144)
12/31/2025	**12,669**	**13**	**0**	**4,707**		**17,389**

This item includes assets representing the Group's rights-of-use under existing lease, rental and hire agreements. The Company has many assets under lease, such as buildings, production machinery, motor vehicles and IT equipment. The relative right-of-use increased from Euro 9,936 thousand at December 31, 2024 to Euro 17,389 thousand at December 31, 2025, a net increase of Euro 7,453 thousand as a result of the combined effects of the new contracts signed in the period, with the most significant being the finance lease contract agreed by the subsidiary Elica Group Polska for the purchase of the building and the land for the Motors business production plant in Poland for approximately Euro 5.7 million, of the eliminations of contracts terminated or settled and of the depreciation recognised to the income statement of Euro 4,115 thousand (Euro 4,243 thousand in 2024). The change for the period includes exchange rate gains of approx. Euro 0.1 million.

B.6.5.19. OTHER ASSETS (NON-CURRENT) AND OTHER ASSETS

The breakdown is as follows:

In Euro thousands	12/31/2025	12/31/2024	Changes
Receivables from employees	1	1	0
Other receivables	327	341	(14)
Other financial assets	1,455	1,672	(217)
Other (non-current) receivables and other assets	**1,783**	**2,014**	**(231)**

Other non-current receivables mainly include guarantee deposits paid by the Polish subsidiary (Euro 250 thousand).
The item Other financial assets regards unqualified non-controlling interests held by the Elica Group in other companies. These investments are held in unlisted companies whose shares are not traded on a regulated market.
The item mainly includes Euro 1,405 thousand for the 1.6% stake held in Elica PB Whirlpool Kitchen Appliances (formerly Elica PB India Private Ltd.), a subsidiary of Whirlpool of India Limited.

The company previously held by the Elica Group and deconsolidated in 2021 following the sale of the majority holding to Whirlpool of India Ltd, remained classified for the residual investment maintained by the Elica Group, equal to 6.375% of the share capital, as Other Financial Assets and maintained its non-current status.

In 2024, the Group concluded an agreement for the sale of a further share of the Indian investee Elica PB India to Whirlpool (equal to 4.78%), further diluting its shareholding to a 1.59% stake. At the same time, Elica PB Whirlpool Kitchen Appliances renewed a Trademark & Technical License Agreement with Elica, which provides for the exclusive use of the Elica brand in the Indian territory and non-exclusive use in Nepal and Bangladesh with minimum guaranteed royalties over time that are part of the Group's normal resale business relationships.

With the 2024 agreement, the parties have established a new mechanism of cross put and call options expiring 90 days after the date of approval of Elica India's financial statements for the year ending March 31, 2026, in order to exit the partnership on that date. Management, based on the most up-to-date investment exit expectation, as discussed in more detail in Section B.6.11. Subsequent events, considers that the carrying amount of the investment represents the fair value.
The change in the item, equal to Euro -217 thousand, is due to the write-down of the remaining investment carried out at the balance sheet date with the support of a leading advisory firm.

B.6.5.20. TRADE RECEIVABLES

In Euro thousands	12/31/2025	12/31/2024	Changes
Trade receivables	39,353	34,831	4,522
Trade receivables	**39,353**	**34,831**	**4,522**

Trade receivables increased by Euro 4.5 million from the previous year. This movement is mainly related to the Group's revenue performance in FY2025 compared to FY2024, as well as collection timelines at the end of the period.
There are no trade receivables contractually due beyond 12 months.
In order to mitigate credit risk, the Group applies a Group Credit Policy that regulates in a structured way the processes of lending, monitoring and management of trade exposures, with the aim of containing the risk of default and optimising working capital. During the year, the Group also undertook non-recourse factoring transactions for a total value corresponding to approximately 9% of consolidated sales.

Credit risk represents the exposure to potential losses deriving from the non or delayed compliance of obligations by trading partners. This risk is mainly attributable to economic-financial factors, related to the possible deterioration of customers' creditworthiness.

Consistent with its risk management policy, the Group adopts a partial risk transfer approach to third parties through mitigation tools, including:

- first and second level credit insurance policies taken out with leading international insurance companies;
- non-recourse factoring of trade receivables;
- use of documentary credits and other forms of bank guarantees.

The maximum theoretical exposure to credit risk as of December 31, 2025 is the carrying amount of receivables on the balance sheet, net of specific insurance coverage, receivables factored without recourse and/or guarantees received. Taking into account the mitigation tools described above, the overall level of coverage is 9% of total trade receivables as of the same date.
At December 31, 2025, trade receivables of Euro 39.4 million (compared to Euro 34.8 million at December 31, 2024) included approximately Euro 4.9 million (Euro 4.4 million at December 31, 2024) of overdue receivables, broken down as follows.

In Euro thousands

Overdue (days)	12/31/2025	12/31/2024
0 - 30	4,405	4,202
31 - 60	383	534
61 – 90	246	182
Oltre 91	(126)	(545)
Overdue	**4,908**	**4,373**

B.6.5.20.1. ALLOWANCE FOR IMPAIRMENT OF RECEIVABLES

The amount of trade receivables recognised in the statement of financial position is net of the allowance for impairment.
The Group applies a simplified approach in calculating expected losses as trade receivables and/or contract assets do not contain a significant financing component. Accordingly, the Group does not monitor changes in credit risk, but recognises the full expected credit loss at each reporting date. As a tool for determining expected losses, the Group has established its own Group Credit Policy that takes into account historical information revised to consider forward-looking elements with reference to specific types of debtors and their economic environment, while also taking into account specific critical situations.

Receivables are recognised net of the allowance for impairment, amounting to Euro 4,251 thousand (Euro 3,590 thousand in 2024), accrued in accordance with the Group Credit Policy. In particular, it is Group policy to transfer the recoverability risk of receivables to third parties and, therefore, various derivatives are utilised among which first and second level insurance policies with leading international insurance companies.
The maximum theoretical credit risk exposure for the Group at December 31, 2025 is based on the carrying amount of recognised receivables, net of the specific insurance coverage, non-recourse receivables factored and letters of credit, in addition to the nominal value of the guarantees given to third parties.

At December 31, 2025, approximately 60% of this provision covered receivables past due by more than 360 days, reflecting a prudent assessment of the collection risk. The existing provision is considered adequate to adjust the receivables to their realisable value.

Management believes that the amount approximates the fair value of the receivables.

B.6.5.21. INVENTORIES

In Euro thousands	12/31/2025	12/31/2024	Changes
Raw materials, consumables and supplies	36,962	36,679	283
Provision for the write-down of raw materials	(1,770)	(1,674)	(96)
Raw materials, consumables and supplies	**35,192**	**35,005**	**187**
Semi-finished goods	14,897	16,035	(1,138)
Provision for the write-down of semi-finished products	(494)	(570)	76
Semi-finished goods	**14,403**	**15,465**	**(1,062)**
Work in progress	**0**	**0**	**0**
Finished products	40,339	38,564	1,775
Provision for the write-down of finished products	(3,263)	(2,975)	(288)
Finished products	**37,076**	**35,589**	**1,487**
Prepayments	**0**	**0**	**0**
Inventories	**86,671**	**86,059**	**612**

The value of inventories reported a net increase of approximately Euro 0.6 million. It should be noted that in 2025 there was a generalized decrease in inventories among the various Group companies, except for the new distribution companies in the United States, Canada and the Netherlands, but also Russia to ensure business continuity in the local market.

Outside of the above exceptions, the change in inventories in 2025 is the result of more effective inventory management by management, which balances destocking measures aimed at maintaining a flexible cost structure with the need to serve customers quickly and efficiently. More specifically, the most significant decrease refers to products in process and semi-finished products inventories, reflecting the working capital efficiency actions, whereas the finished products inventory increased by approximately Euro 1.5 million from December 31, 2024, in demonstration of our focus on customer service levels.

Inventories are stated net of the provision for inventory write-down of approximately Euro 5,526 thousand (Euro 5,219 thousand in 2024), in order to take into consideration the life cycle, inventory turnover based on Group policy and the risk estimates of the use of some categories of semi-finished and finished products based on assumptions made by management. The provisions for the write-down of raw materials, semi-finished products, and finished products total approximately 6% of the total value of inventories, in line with the 2024 figure.

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

B.6.5.22. OTHER ASSETS (CURRENT)

This item is broken down as follows:

In Euro thousands	12/31/2025	12/31/2024	Changes
Accrued income	(172)	0	(172)
Prepayments	1,758	1,953	(195)
Other receivable	1,848	2,672	(824)
Receivables from employees	1	2	(1)
Prepayments to suppliers	227	359	(132)
VAT receivables	15,687	9,755	5,932
Other tax receivables	**2,147**	**3,248**	**(1,101)**
Other current assets	**21,496**	**17,989**	**3,507**

This item increased by Euro 3.5 million at December 31, 2025 compared to the previous year. Other current receivables include the prepayments and advances paid, such as insurance premiums, internet service fees, and consultancy fees paid in advance. Also included are receivables such as those that concern the receipt of regional grants, state financing requested in relation to investments made, and grants related to photovoltaic systems, which in the year decreased by approximately Euro 0.8 million due to the collection of those related to prior year projects.

Finally, the account includes Euro 17,835 thousand regarding receivables for indirect taxes, including VAT, receivables for taxes paid abroad to be recovered, and indirect taxes.
The VAT receivable increased by Euro 5.9 million for the period, particularly for the parent company and for the subsidiaries Elicamex and EMC Fime. Other tax receivables recognised by the Group in previous years decreased as they were offset with other tax payables.
The account includes receivables due beyond five years of Euro 33.3 thousand.

Management considers that the carrying amount approximates the fair value.

B.6.5.23. OTHER NON-CURRENT PAYABLES

There were no 2025 Other non-current liabilities at December 31, 2025.

B.6.5.24. OTHER LIABILITIES (CURRENT)

In Euro thousands	12/31/2025	12/31/2024	Changes
Wages and salaries	10,258	6,762	3,496
Social security payables	3,362	3,144	218
Accrued expenses	794	294	500
Other liabilities	3,086	2,843	242
Deferred income	2,515	3,048	(533)
Advances from customers	335	452	(117)
Payables to customers	187	1	186
IRPEF payables	2,246	2,588	(342)
VAT payables	2,925	2,590	335
Other tax liabilities	307	253	54
Other current liabilities	**26,015**	**21,975**	**4,039**

The Euro 4.0 million increase in other current liabilities reflects the trend in salary payables and social security payables, which increased compared to December 2024, mainly as a result of the change in payables for short-term variable incentives. For information on the increase in wages and salaries payable in the amount of Euro 3.7 million, see point B.6.5.6 Personnel expenses above.

The change in other current liabilities is mainly related to the dynamics of liabilities for the acquisitions of equity investments, which compared to the previous year decreased due to the payment of the final tranches by Elica S.p.A. for both the purchase of 40% of Airforce and Elica Nederland (for a total of Euro 0.6 million), and increased due to the acquisition of the remaining stake in Elica Home Appliances from the minority shareholder Fuji Industrial (for Euro 1,0 million).

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

Finally, the account includes Euro 5,478 thousand regarding payables for indirect taxes, including VAT and non-income taxes. The account includes payables due beyond 5 years for Euro 1,055 thousand.

B.6.5.25. POST-EMPLOYMENT BENEFIT PROVISION

The Elica Group reports obligations of Euro 7,261 thousand, reflecting the present value of liabilities for post-employment benefits accrued by employees at the end of the reporting period.

The most recent calculation of the present value of this liability was performed at December 31, 2024, and December 31, 2025, by an independent specialist actuary.

The amounts recognised in profit or loss were as follows:

In Euro thousands	12/31/2025	12/31/2024	Changes
Current service cost	2,449	2,009	440
Financial expense	241	229	12
Total	**2,690**	**2,238**	**452**

The changes in the present value of post-employment benefit obligations in the reporting period were as follows:

In Euro thousands	12/31/2025	12/31/2024	Changes
Opening balance	7,686	7,971	(285)
Current service cost	2,449	2,009	440
Actuarial gains/losses	(272)	(111)	(161)
	2,177	**1,898**	**(279)**
Financial expense	241	229	12
Pension fund	(2,843)	(2,412)	(431)
	(2,602)	**(2,183)**	**(419)**
Employee benefit liabilities	**7,261**	**7,686**	**(425)**

The interest component of the defined employee benefit plan cost is shown under financial expenses, with a resulting increase of Euro 241 thousand in this item for the year. The current service cost and the effect of the curtailment were recorded under personnel expense. Actuarial gains and losses, amounting to a loss of Euro 272 thousand for 2025, comprise the actuarial gains (losses) of the defined benefit plans reported in the Consolidated Statement of Comprehensive Income. The provision amounts to, net of the tax effect, a negative Euro 1.9 million and entirely concerns the Group.

The costs relating to current employee services and utilisations of pension funds respectively include the charges and settlements in the year.

ASSUMPTIONS USED FOR THE CALCULATION

	12/31/2025	12/31/2024
Discount rate to determine the obligation	3.96%	3.38%
Expected salary growth rate	0.50%	0.50%
Inflation rate	2.00%	2.00%

The discount rates utilised by the Group were selected based on the yield curves of high-quality fixed income securities, as in previous years.

This financial variable is considered the most significant and therefore chosen for a sensitivity analysis. The objective of a sensitivity analysis is to show how the result of the valuation changes in response to changes in an assumption adopted for the calculation, with all other assumptions unchanged Therefore, if the discount rate increased 0.5%, the provision would reduce to Euro 114 thousand, while if the discount rate decreased 0.5%, the obligation would increase to Euro 118 thousand.

The number of employees is detailed in paragraph B.6.5.6 “Personnel expense”.

B.6.5.26. PROVISION FOR RISKS AND CHARGES

The composition and movements of the provisions are as follows:

In Euro thousands	12/31/2024	Increase	Decrease	Other changes	12/31/2025
Agents' termination benefits	244	24	(21)	2	249
Product warranties	3,843	3,669	(3,242)	(10)	4,307
Legal risks	4,111	1,355	(2,358)	168	3,276
Long Term Incentive Provision	104	1,230	(96)	(8)	1,230
Personnel provision	806	329	(803)	(332)	0
Restructuring provision	0	0	0	0	0
Other provision	3,482	655	(2,713)	(166)	1,258
Provisions for risks and charges	**12,590**	**7,263**	**(9,234)**	**(300)**	**10,320**
of which:					
Non-current	7,671	3,698	(5,125)	43	6,287
Current	4,919	3,565	(4,109)	(343)	4,033
Provisions for risks and charges	**12,590**	**7,263**	**(9,234)**	**(300)**	**10,320**

Accruals for agents' termination benefits cover possible charges upon the termination of contracts with agents and sales representatives Changes in the provision reflect adjustments in the indemnities and the utilisations.

Following the commitment to provide a service warranty free of charge to customers for a defined period after sale of the good, the product warranty provision represents an estimate of the costs likely to be incurred to repair or replace items sold to customers and is allocated when the revenues on the sale of the product are recognised. This warranty provision is measured based on the estimated cost that is likely to be incurred in order to provide the warranty service. This estimate is based on past experience and statistical analyses that take account of the various factors in the warranty service to be provided, such as the rate of defective products and the related repair cost. The allocated cost is periodically verified and adjusted as necessary. More specifically, the assumptions and parameters used are reviewed based on past experience and other facts and information that come to light.

The provision for legal risks relates to likely costs and charges to be incurred as a result of ongoing legal and tax disputes; it is estimated by Management on the basis of the most up-to-date information available.

The value of the Long Term Incentive provision reflects the accrual as of December 31, 2025 of the extraordinary 2025-2026 all-cash incentive plan reserved for Key People, including the portion of the related contributions. For further details, reference should be made to the Remuneration Report.

The Personnel provision includes contractual indemnities and employee bonuses. The utilisations relate to payments in 2025 in this regard.

The other provisions for risks mainly include the product waste provision, the provision for returns, and other provisions for risks concerning operations or tax-related aspects.

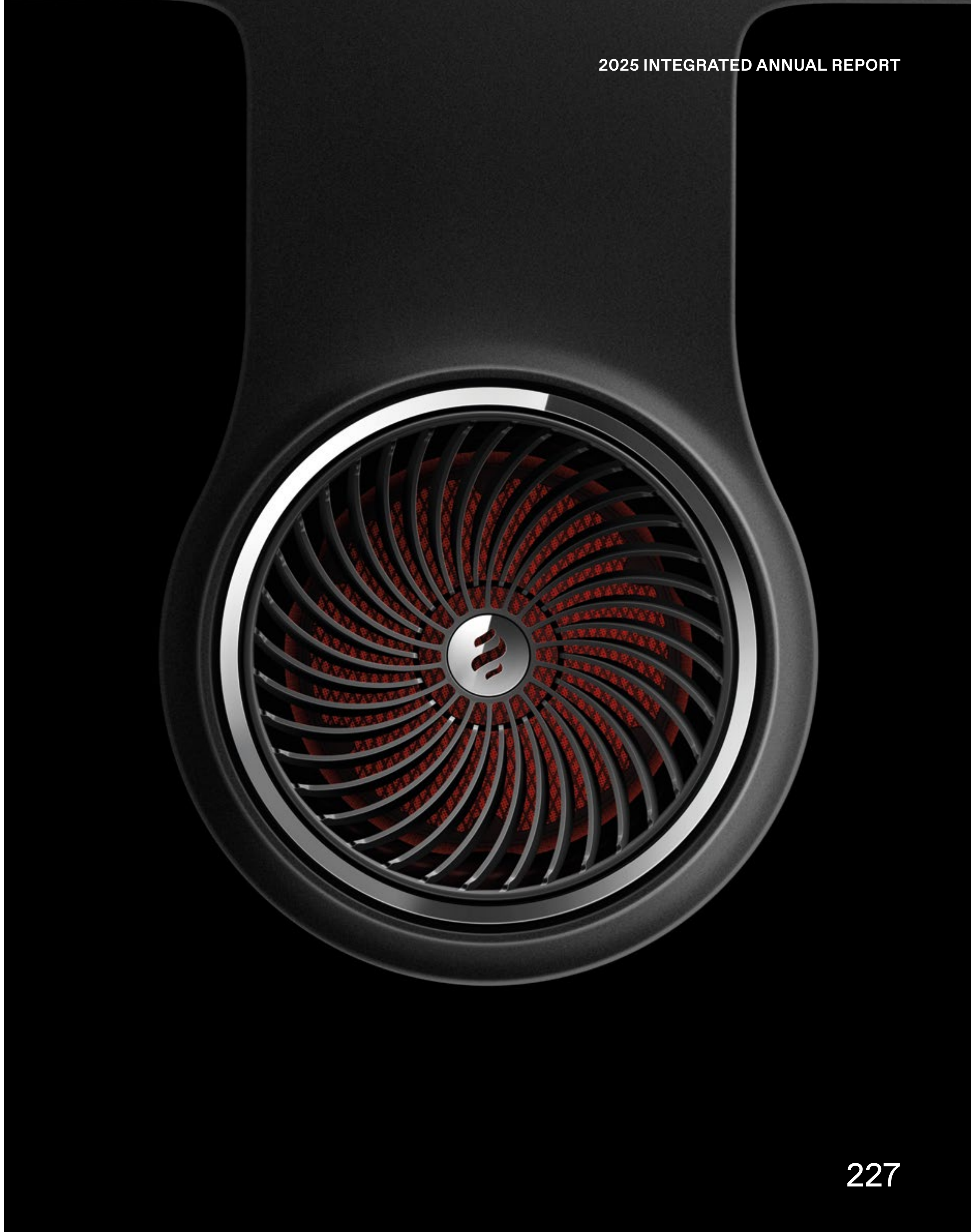
The product disposal provision, regulated in Italy mainly by Legislative Decree No. 49 of March 14, 2014 (implementation of Directive 2012/19/EU), was allocated in accordance with the principle of Extended Producer Responsibility (EPR) to cover future charges related to the management and proper treatment of end-of-life electrical and electronic equipment. The Group, as a producer, fulfils its disposal obligations by joining a specialised consortium that handles end-of-life “WEEE” products on its behalf. In July 2025, the Consortium with which the parent company Elica S.p.A. is associated for the management of WEEE, products announced a change in the method of the collective WEEE collection contribution system, namely from “collected and treated” management to the “put on the market” system, effective September 1, 2025. As a result of this Elica made an adjustment to the provision. As of December 31, 2025, the provision reflects the best estimate of expected future charges for the management and proper treatment of electrical and electronic equipment that has reached the end of its useful life, determined on the basis of the available information and volumes placed on the market by the Group. The economic impact of this transaction is better described in the “Other Operating Revenues” paragraph.

The accruals classified as provisions for risks and charges of a current nature refer to matters that are likely to materialise in 2026. The remaining provisions, non-current in nature, have been discounted. The column “Other changes” relates to exchange rate losses of Euro 8 thousand Euro and reclassifications for the remainder.

B.6.5.27. DEFERRED TAX ASSETS - DEFERRED TAX LIABILITIES

At December 31, 2025, details of deferred tax assets and liabilities, determined on the basis of the asset-liabilities method, were as follows:

In Euro thousands	12/31/2025	12/31/2024	Changes
Deferred tax assets	30,068	25,772	4,296
Total	**30,068**	**25,772**	**4,296**
Deferred tax liabilities	(8,946)	(6,639)	(2,307)
Total	**(8,946)**	**(6,639)**	**(2,307)**



The table below shows all the types of timing differences that gave rise to deferred taxes:

In Euro thousands	12/31/2024				12/31/2025	
	Assets	Liabilities	Other changes/Equity	Costs/(income)	Assets	Liabilities
Amortisation, depreciation and provisions	6,847	(2,106)	(916)	142	4,998	(1,031)
Losses carried forward	13,287	0	4,439	0	17,726	0
Inventory write-down	901	0	(27)	(3)	870	0
Exchange rate gains/losses	334	(126)	(1,188)	42	54	(993)
Restructuring charges	0	0	0	0	0	0
Allocation of acquisition price	0	(3,134)	395	0	0	(2,739)
Other accruals (e.g. personnel expense, LTI, employee bonuses and post-employment benefits and R&D)	654	0	555	(4)	1,205	0
Goodwill	0	(3)	0	0	0	(3)
Other	3,748	(1,271)	(1,453)	11	5,215	(4,180)
	25,772	**(6,639)**	**1,805**	**186**	**30,068**	**(8,946)**

The column E (Equity)/Other reclassifications includes all the changes in deferred tax assets and liabilities which do not have a balancing entry in profit or loss affecting deferred tax income or expenses. It also includes a negative Euro 11,130 thousand of deferred taxes relating to the recognition of cash flow hedging transactions, in addition to the currency effect and reclassifications.

Management of each Group company decides whether to recognise deferred tax assets by assessing projected future recovery based on budget projections. Specifically, management has prepared specific projections based on the forward-looking data available for each Group entity by considering the future taxable income and the timing of the utilisation of the deferred tax assets recorded in the financial statements, each according to its nature. Analyses conducted as of December 31, 2025 indicate that the recorded advances are recoverable over a period of 5 years.

“Other” includes deferred tax assets concerning the investments in Poland, utilised in the year for Euro 680 thousand.
Some subsidiaries, mainly the Chinese subsidiary, have accrued tax losses utilisable, although the Group has prudently not recognised any deferred tax asset for over Euro 3 million.

B.6.5.28. TAX ASSETS AND LIABILITIES

B.6.5.28.1. TAX ASSETS

The breakdown of tax assets is summarised in the table below:

In Euro thousands	12/31/2025	12/31/2024	Changes
Corporate income tax refunds	4,927	3,837	1,090
IRAP credits	588	81	507
Tax assets	**5,515**	**3,918**	**1,597**

Current tax receivables include income taxes receivable in accordance with IAS 12. Domestic income taxes are calculated by applying the current tax rates for IRES (24%, in line with the previous year) and IRAP (4.73%, in line with the previous year) to the taxable income of the Parent Company and the Italian subsidiaries, while taxes for other jurisdictions are calculated according to the current rates in the respective countries.

The IRAP Credit increased in the year, mainly due to the effect of the Patent Box legislation (Law 190/2014), which reduced for Elica S.p.A. the IRAP tax charge on the tax years 2020, 2021, 2022 and 2023, generating an increased credit for a total of Euro 464 thousand, partly used in compensation through the F24 tax form. Management believes that this amount approximates fair value.

B.6.5.28.2. TAX LIABILITIES

In Euro thousands	12/31/2025	12/31/2024	Changes
IRAP tax payables	403	0	403
IRES tax payables	1,812	809	1,003
Tax liabilities	**2,215**	**809**	**1,406**

Current tax payables include income taxes payable and increased Euro 1.4 million on the previous year. Management believes that this amount approximates fair value.

B.6.5.29. TRADE PAYABLES

In Euro thousands	12/31/2025	12/31/2024	Changes
Trade payables	129,198	112,793	16,405
Trade payables	**129,198**	**112,793**	**16,405**

Trade payables mainly include amounts related to purchases of a commercial nature and other types of operating costs. The increase in the item of Euro 16.4 million is mainly attributable to the procurement needed to support production and sales levels.

The Elica Group has made available, to its strategic suppliers, access to a Supply Chain Finance (SCF) programme, which allows participating parties to cede invoices to financial institutions on terms agreed directly with them, without altering the payment terms contractually defined with the Group. These programmes help improve supplier liquidity management, while optimising the Group's financial planning.

As of December 31, 2025, the average payment terms for suppliers participating in SCF programs were between 60 and 150 days, while for non-member suppliers were between 30 and 150 days; since the original terms for the first ones do not change, the related payables continue to be classified under "Trade payables".

There are no trade payables due beyond twelve months, and Management considers the carrying amount of these payable to be a reasonable approximation of the relative fair value.

B.6.5.30. NET FINANCIAL POSITION, DEFAULT RISK AND COVENANTS

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

For comments on the change in net financial position, see paragraph A.5.2.2 of the report on operations, "Elica Group Equity and Financial Performance".

In Euro thousands	12/31/2025	12/31/2024	Changes
A. Cash and cash equivalents	**59,084**	**40,761**	**18,323**
Cash and cash equivalents	59,084	40,761	18,323
B. Other liquidity			
C. Other current financial assets	**0**	**0**	**0**
D. Liquidity (A+B+C)	**59,084**	**40,761**	**18,323**
E. Current financial debt (including debt instruments but excluding the current portion of non-current financial debt)	**25,025**	**14,368**	**10,657**
Bank borrowings		10,000	10,000
Lease liabilities (current)		3,817	210
Other current payables for purchase of investments	998	551	447
F. Current portion of non-current financial debt	**25,219**	**37,604**	**(12,385)**
Mortgages	25,219	37,604	(12,385)
G. Current financial debt (E+F)	**50,244**	**51,972**	**(1,728)**
H. NET CURRENT FINANCIAL DEBT (G-D)	**(8,840)**	**11,211**	**(20,051)**
I. Non-current financial debt (excluding current portion and debt instruments)	**78,652**	**45,857**	**32,795**
Bank loans and borrowings (non current)	66,591	39,471	27,120
Lease liabilities (non-current)	12,061	6,386	5,675
J. Debt instruments			**0**
K. Trade payables and other non-current payables	**0**	**0**	**0**
L. Non-current financial debt (I+J+K)	**78,652**	**45,857**	**32,795**
M. NET FINANCIAL DEBT (H+L)	**69,812**	**57,068**	**12,744**

It should be noted that, with regard to the three financial covenants under the Medium-Long Term loan agreements, two had been complied with at the reporting date, while one was not fully in line with the contractual parameter. However, in relation to the latter, the Group has in a timely manner obtained a formal waiver from the financing institutions, which was signed and effective before December 31, 2025.
As a result of this waiver, as of the reporting date the Group retains the right to defer repayment of the related liabilities and, consequently, no liabilities arising from medium to long-term loans have been reclassified as current liabilities.

B.6.5.30.1. CASH AND CASH EQUIVALENTS, AND NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

In Euro thousands	12/31/2025	12/31/2024	Changes
Bank and postal deposits	59,064	40,742	18,322
Cheques	1	0	1
Cash account	19	19	0
Cash and cash equivalents	**59,084**	**40,761**	**18,323**

This item includes cash and cash equivalents, consisting of cash in bank accounts and cash on hand. The change in the balance is attributable to the reshaping of the net financial position during the period, consistent with the changes in the debt structure and financing sources. The carrying amount of these assets reflects their fair value.

NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

The increase of Euro 26,668 thousand in cash flow from operating activities in 2025 reflects the care with which the Group has managed working capital during the year, including effective efforts to collect trade receivables and reduce inventories, while also managing relations with suppliers.
Cash flow absorbed by investing activities, in the amount of Euro 15,988 thousand, is due mainly to capital expenditure and investment in intangibles for Euro 13,488 thousand and to the investment for the 28% shareholding in Steel S.r.l. of Euro 2,500 thousand.
Cash flow generated by financing activities amounts to Euro 8,526 thousand. This includes new bank loans received net of repayments for the period for a total of Euro 24,583 thousand, the payment to purchase

treasury shares for Euro 1,303 thousand, and for the payment of dividends of Euro 3,050 thousand. The Group generated cash flow of Euro 19,207 thousand in 2025.
It should be noted that the Group does not hold cash subject to transfer restrictions or other constraints that may have negative impacts on its ability to meet liquidity requirements. All cash and cash equivalents are freely usable by the Group. There are no investment or financing transactions that did not require the use of cash.

For information regarding credit risk related to cash and cash equivalents or regarding liquidity risk, see notes B.6.7.2 and B.6.7.3.

For information regarding cash flow from financing activities related to debt, see paragraphs B.6.5.30.2 “Bank loans and borrowings” and B.6.5.30.3 “Finance leases and other lenders” below.

B.6.5.30.2. BANK LOANS AND BORROWINGS

In Euro thousands	12/31/2025	12/31/2024	Changes
Bank loans and borrowings	111,810	87,076	24,734
Total	**111,810**	**87,076**	**24,734**
Bank loans and borrowings have the following repayment schedules:			
On demand or within one year	45,218	47,605	-2,387
Within 2 years	24,647	10,723	13,924
Within 3 years	24,790	10,948	13,842
Within 4 years	17,155	11,064	6,091
Within 5 years		6,735	-6,735
Over 5years			
Total	**111,810**	**87,076**	**24,734**
Less amounts to be repaid within one year	45,218	47,605	-2,387
Due after one year	**66,592**	**39,471**	**27,121**

The Group’s main sources of medium to long-term financing include the Club Deal signed in 2024, which provided The Group with a credit line of Euro 70 million. The loan, provided by a bank syndicate composed of BNL Gruppo BNP Paribas, Intesa Sanpaolo S.p.A., Crédit Agricole Italia S.p.A. and UniCredit S.p.A., is at a variable rate with a margin applied to Euribor 6M of 1.65% and was fully hedged by an IRS on 100% of the amount used. Two additional disbursements were finalised during 2025, on April 10, 2025 for Euro 30 million and on May 8, 2025 for Euro 20 million respectively, consistent with the contractual provisions. The due date for payment of the last instalment of the loan is May 9, 2029.

In addition, the loan signed with Banco BPM S.p.A. on May 18, 2023, in the total amount of Euro 30 million, with a variable rate and a margin on Euribor 3M of 1.60%, remains in place. Also on this line, interest rate risk is fully hedged by an IRS until the contractual maturity date of June 29, 2029.

To complete the debt disclosure, it should be noted that the loan signed by Elica S.p.A. on June 29, 2020, for a total amount of Euro 90 million, was fully repaid on June 30, 2025, in accordance with contractual provisions. For further information on existing hedges related to interest rate risk, reference should be made to paragraph D.6.6. “Risk management” of these notes.

B.6.5.30.3. FINANCE LEASES AND OTHER LENDERS

The Group has financial payables arising from the application of IFRS 16. We report the details below.

In Euro thousands	12/31/2025	12/31/2024	Changes
Lease liabilities and loans and borrowings from other lenders as per IFRS16	16,088	10,203	5,885
Total	**16,088**	**10,203**	**5,885**
Due:			
On demand or within one year	4,027	3,817	210
1-5 years	7,752	5,638	2,114
over 5 years amount	4,309	748	3,561
Total	**16,088**	**10,203**	**5,885**
Less amounts to be repaid within one year	4,027	3,817	210
Due after one year	**12,061**	**6,386**	**5,675**

B.6.5.31. DERIVATIVE FINANCIAL INSTRUMENTS

In Euro thousands	12/31/2025		12/31/2024	
	Assets	**Liabilities**	**Assets**	**Liabilities**
FX derivatives	175	346	209	331
Interest rate derivatives	187	222	387	341
Commodities derivatives	3,346	96	152	892
Equity Options	1,107	0	1,688	0
Derivative financial instruments	**4,815**	**664**	**2,436**	**1,564**
Of which:				
Non-current	1,289	54	1,688	264
Current	3,526	610	748	1,300
Derivative financial instruments	**4,815**	**664**	**2,436**	**1,564**

As of December 31, 2025, a non-current derivative financial instrument asset, representing the Put&Call Option for the sale of the remaining stake held in Elica PB Whirlpool Kitchen Appliances, has a Fair Value of Euro 1.1 million.

The Group uses derivative financial instruments to hedge the market risks to which it is exposed: foreign currency risk, interest rate risk and commodities price risk.

The table below reports the following information on derivative instruments at December 31, 2025 and December 31, 2024:

- The notional value of the derivative contracts, broken down by maturity;
- The carrying amount of these contracts, represented by their fair value.

12/31/2025	**Notional Value**				**Carrying amount**
In Euro thousands	**Maturity within 1 year**		**Maturity after 1 year**		
Interest rate risk					
Cash Flow hedge as per IFRS	24,586		70,746		(35)
Fair Value hedge as per IFRS	-		-		-
Other derivative financial instruments	-		-		-
Total derivatives on interest rates	**24,586**	**-**	**70,746**	**-**	**(35)**
Foreign currency risks	sales	purchases	sales	purchases	
Cash Flow hedge as per IFRS	13,300	-	-	-	(18)
Fair Value hedge as per IFRS	19,818	12,039	-	-	(168)
Other derivative financial instruments	27,828	12,083	-	-	15
Total fx derivatives	**60,946**	**24,122**	**-**	**-**	**(171)**
Commodity risk	sales	purchases	sales	purchases	
Cash Flow hedge as per IFRS	-	13,061	-	-	3,250
Fair Value hedge as per IFRS	-	-	-	-	-
Other derivative financial instrument	-	-	-	-	-
Total derivatives on commodities	**-**	**13,061**	**-**	**-**	**3,250**

12/31/2024	Notional Value				Carrying amount
In Euro thousands	Maturity within 1 year		Maturity after 1 year		
Interest rate risk					
Cash Flow hedge as per IFRS	27,603		30,512		46
Fair Value hedge as per IFRS	-		-		-
Other derivative financial instruments	-		-		-
Total derivatives on interest rates	**27,603**	**-**	**30,512**	**-**	**46**
Foreign currency risks	sales	purchases	sales	purchases	
Cash Flow hedge as per IFRS	-	-	-	-	-
Fair Value hedge as per IFRS	13,473	11,496	-	-	(57)
Other derivative financial instruments	21,848	3,005	-	-	(65)
Total fx derivatives	**35,321**	**14,501**	**-**	**-**	**(122)**
Commodity risk	sales	purchases	sales	purchases	
Cash Flow hedge as per IFRS	-	16,914	-	-	(740)
Fair Value hedge as per IFRS	-	-	-	-	-
Other derivative financial instrument	-	-	-	-	-
Total derivatives on commodities	**-**	**16,914**	**-**	**-**	**(740)**

"Other derivative financial instruments" include those traded for hedging purposes, for which hedge accounting was not applied as per IAS/IFRS.
As of December 31, 2025, cash flow hedges on USD exchange rate risk are in place to protect the Group's net assured revenue flows with third parties.

In 2025, exposures related to commodities contracts concern derivatives used to hedge the risk of changes in the price of copper, originated by the subsidiary Emc Fime S.r.l. In addition, hedges are in place for risks associated with energy costs, such as gas and electricity, for both Elica S.p.A. and its subsidiaries Emc Fime S.r.l. and Air Force S.p.A.

These financial instruments are managed through the banking system by the parent company on behalf of the subsidiaries.
In summary, derivatives used to hedge commodity and energy cost risks are recorded separately for each company, but centrally managed by the parent company.

B.6.5.31.1. DERIVATIVE FINANCIAL INSTRUMENTS, IFRS 7 CLASSIFICATION

IFRS 7 requires that the classification of financial instruments valued at fair value is determined based on the quality of the input sources used in the valuation of the fair value.
The IFRS 7 classification implies the following hierarchy:

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

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

To complete the analyses required by IFRS 7 and IFRS 13, all types of financial instruments present in the financial statement items are reported, with an indication of the measurement criteria applied and, in the case of financial instruments measured at fair value, the exposure (income statement or equity). All the derivative instruments in place at December 31, 2025 and December 31, 2024 belong to level 2 of the fair value hierarchy. It should be noted that there were no transfers between the three levels of fair value under IFRS 13 during the period.

In Euro thousands	At December 31st 2025	At December 31st 2024
FINANCIAL ASSETS		
Measured at fair value through profit or loss:		
Derivative instrument financial assets	1,282	1,883
Other receivables and other assets	1,455	1,672
Measured at fair value through OCI:		
Derivative instrument financial assets	3,533	554
Measured at amortised cost:		
Trade receivables	39,353	34,831
Other receivables and other assets	21,824	18,332
FINANCIAL LIABILITIES		
Measured at fair value through profit or loss:		
Financial liabilities for derivative instruments	404	672
Measured at fair value through OCI:		
Derivative instrument financial liabilities	263	892
Measured at amortised cost:		
Trade payables	129,198	112,793
Other liabilities	26,014	21,974
Bank loans and borrowings (current)	111,810	87,075
Finance leases and other lenders as per IFRS 16	16,088	10,203

The carrying value of the financial assets and liabilities outlined above is equal to or approximates their fair value. There are no changes in the Group’s measurement processes or techniques, or in the criteria used to calculate the fair value during the reporting period.

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

B.6.5.32. EQUITY

The analysis on the changes in equity, reference should be made to the relative table.

The following table contains a reconciliation between Elica S.p.A.'s equity and profit/(loss) for the year and consolidated equity and profit/(loss) for the year.

SITUATION AT DECEMBER 31, 2024 AND DECEMBER 31, 2025

In Euro thousands	12/31/2025		12/31/2024	
	Profit/(loss) for the year	Equity	Profit/(loss) for the year	Equity
Parent's separate financial statements	**(9,971)**	**98,586**	**11,486**	**112,215**
Elimination of the effect of intercompany transactions net of tax effect:				
Unrealised gains on non-current assets	568	(1,900)	634	(2,468)
Unrealised gains on sale of goods	218	(964)	(411)	(1,178)
Tax effect	(188)	687	(53)	875
Dividends received from consolidated companies	(5,790)	(5,790)	(6,420)	(6,420)
Other	1,056	(132)	731	(894)
Share of profit/(loss) from investments	**0**	**0**	**0**	**0**
Carrying amount of consolidated companies	**3,296**	**(102,416)**	**(104)**	**(103,706)**
Equity and profit of the subsidiaries consolidated on a line-by-line basis	**2,975**	**108,007**	**3,967**	**109,167**
Allocation of differences to assets of consolidated companies and related amortisation/depreciation:				
Goodwill arising on consolidation	0	23,640	0	24,081
Intangible assets and property, plant and equipment	(499)	7,273	(504)	7,909
Consolidated financial statements	**(8,335)**	**126,991**	**9,326**	**139,581**
Attributable to the owners of the parent	**(9,955)**	**120,715**	**7,868**	**133,479**
Attributable to non-controlling interests	**1,620**	**6,276**	**1,458**	**6.102**

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

B.6.5.32.1. EQUITY ATTRIBUTABLE TO NON-CONTROLLING INTERESTS

Equity attributable to non-controlling interests of Euro 6.3 million increased by Euro 0.2 million, as the combined allocation of the Non-controlling interest profit for 2024 of Euro 1.5 million, the payment of dividends to third parties for Euro 0.7 million and the effect from the translation of the financial statements of the investees Ariafina Co., Ltd and Elica Home Appliances (Zhejiang) Co. Ltd, expressed in foreign currencies, for Euro 0.8 million concerning the non-controlling interest share.

For more details, see the Statement of changes in equity.
The composition of the non-controlling interests by company is shown below:

In Euro thousands	Profit (loss) attributable to non-controlling interests		Equity attributable to non-controlling interests	
	12/31/2025	12/31/2024	12/31/2025	12/31/2024
Ariafina Co. Ltd.	1,624	1,459	6,276	6,093
Elica Home Appliances (Zhejiang) Co., LTD.	(5)	(1)	0	9
Consolidated total	**1,619**	**1,458**	**6,276**	**6,102**

Information on subsidiaries with significant non-controlling interests is presented below:

Reporting package figures *In Euro thousands*	Ariafina Co. Ltd.	
	12/31/2025	12/31/2024
Currents Assets	15,543	15,515
Non-current Assets	100	118
Current liabilities	2,836	3,199
Non-Current Liabilities	0	0
Equity attributable to the owners of the Parent	6,532	6,341
Equity attributable to non-controlling interests	6,276	6,093
Revenue	21,655	19,913
Operating profit	4,998	4,457
Profit (loss) attributable to the owners of the Parent	3,315	2,977
Dividends to non-controlling interests	(689)	(690)
Change in net financial debt	90	1,354

B.6.5.32.1.1. PROFIT ATTRIBUTABLE TO NON-CONTROLLING INTERESTS

The profit attributable to non-controlling interests concerns the subsidiaries for which the Elica Group does not hold 100% of the share capital, despite having control. At December 31, 2025, they amounted to Euro 1,619 thousand.

B.6.5.32.2. EQUITY ATTRIBUTABLE TO THE OWNERS OF THE PARENT

Comments are provided on each of the Group equity reserves.

B.6.5.32.2.1. SHARE CAPITAL

The share capital at December 31, 2025 amounts to Euro 12,664,560, consisting of 63,322,800 ordinary shares with a par value of Euro 0.20 each. It is fully subscribed and paid-in.

B.6.5.32.2.2. RESERVES

B.6.5.32.2.2.1. CAPITAL RESERVES

These amount to Euro 71,123 thousand and entirely relate to the Share Premium Reserve.
In accordance with IFRS, the costs of the share capital increase, amounting to Euro 3,650 thousand, net of the relevant tax effect of Euro 2,190 thousand, were taken to the Share Premium Reserve.

B.6.5.32.2.2.2. Hedging and translation reserve

This reserve shows a negative balance for Euro 10,475 thousand (negative balance of Euro 13,225 thousand at December 31, 2024) and underwent the following changes: translation of financial statements expressed in foreign currencies (Elicamex S.A. De C.V., Elica Group Polska Sp.Zo.O, Ariafina Co., Ltd, Elica Inc., Elica Home Appliances (Zhejiang) Co., LTD, Elica Trading LLC, Elica North America Inc. and AG International Inc.) resulting in a positive amount of Euro 155 thousand and the fair value changes of cash flow hedges, net of the tax effect of Euro 2,767 thousand. In particular, the portion concerning the fair value change is a positive Euro 3,891 thousand, while the tax impact is negative for Euro 1,124 thousand.

The change in the translation reserve totalling a positive Euro 155 thousand was for a positive Euro 183 thousand relating to the Group and a negative Euro 28 thousand to non-controlling interests.

In Euro thousands	12/31/2024	Reserve adjustment	12/31/2025
Hedge reserve	(490)	2,767	2,277
Translation Reserve	(12,735)	(17)	(12,752)
Hedge and Translation reserve	**(13,225)**	**2,750**	**(10,475)**

B.6.5.32.2.2.3. Retained earnings

Retained earnings increased from Euro 65,421 thousand in 2024 to Euro 68,763 thousand in 2025. The increase of Euro 3,343 thousand is due mainly to the allocation of earnings from the previous year for Euro 7,868 thousand and to the distribution of dividends to shareholders for Euro 2,360 thousand and the effect of the change in the percentage of ownership of the Chinese subsidiary until it reached 100%.

B.6.5.32.2.2.3.1. Dividends

On April 29, 2025, the Shareholders' Meeting of ELICA S.p.A. approved the distribution of an ordinary dividend of Euro 0.04 for each of the 63,322,800 ordinary shares, net of the ordinary treasury shares held at the coupon date and gross of statutory withholdings, to be allocated from the retained earnings. Therefore Euro 2,360 thousand was paid.
The proposed dividends on ordinary shares are subject to approval by the annual Shareholders' Meeting and are not recognised as a liability as of December 31, 2025.

B.6.5.32.2.3. TREASURY SHARES

On December 31, 2025, following the purchases made and the result of the rights offer on the shares subject to withdrawal, the Group holds 4,736,431 treasury shares, or 7.5% of the Share Capital. In fact, the Group in 2025 continued and concluded the Buyback Program authorised by the Shareholders' Meeting on April 24, 2024 and initiated the Buyback Program authorised by the Shareholders' Meeting on April 29, 2025.

As of December 31, 2025, the Group has no programmes or agreements regarding the allocation of treasury shares held in portfolio to third parties.

B.6.5.33. ACQUISITIONS, INCORPORATION AND DISPOSALS OF BUSINESSES IN THE YEAR

On July 14, 2025, the Group finalised the acquisition of an additional 0.56% of the shares of its Chinese subsidiary Elica Home Appliances from partner Fuji Industrial Ltd for a consideration of Euro 1,998 thousand, thus bringing its stake to 100%.

In November 2025 the Group signed the deed to purchase 28% of the share capital of Steel S.r.l., an Italian company specialising in the production of range cookers and high-end outdoor solutions, with the aim of accelerating growth in the premium cooking segment in North America. Steel S.r.l. is a private company not listed on any regulated market.
The consideration for the purchase of the investment paid by Elica to the selling shareholders amounted to Euro 2,500 thousand. The preliminary agreement stipulates additional steps, which - where completed - would lead to the increase of Elica's stake in Steel, initially up to 85% (by October 2028), and subsequently to 100% (fifth year subsequent to Elica taking a stake in Steel). For further details, reference should be made to the paragraph below B.6.5.34 Investments valued under the equity method.

During the year, there were no further transactions involving the acquisition, establishment and sale of companies or business units.

B.6.5.34. INVESTMENTS VALUED UNDER THE EQUITY METHOD

In November 2025, Elica S.p.A. acquired 28% of the share capital of Steel S.r.l., an Italian company operating in the premium cooking segment, not listed on any regulated market, which as of that date is an investee company of Elica S.p.A..

Steel represents for the Group an associated company, which is accounted for in the consolidated financial statements using the equity method.

In view of the fact that the Group acquired significant influence over Steel only at the close of FY 2025, it was considered, in accordance with IAS 28, to coincide the date of initial accounting recognition of the investment with the date of December 31, 2025. This approach was adopted because, during the period between the start of significant influence and the end of the year, the results of the associated company and the portion of related changes in equity that would have been attributable to the Group were not material for the purposes of the true and fair presentation of the financial statements. It should also be noted that a provisional allocation to goodwill was recognised based on the proportion of the price paid compared to the fair value of the identifiable assets and liabilities of the associated company in accordance with IAS 28 upon first-time application of the equity method. This allocation is to be finalised during the following year once detailed analyses of the fair value of the shareholding's assets and liabilities have been completed. Because the financial statements of Steel are prepared in accordance with Italian accounting principles, we have harmonised the financial figures with the IFRSs adopted by the Group for the purpose of measurement under the equity method.
Key information about the company is provided below:

Legal Entity	Kind of relationship	Registered office	Address of the entity:	% direct
Steel S.r.l.	Associate	Carpi (Mo) Italy	Carpi (Mo) Italy	28%

The table below shows the financial highlights related to the equity investment in Steel Srl in accordance with IFRS 12[3]:

STATEMENT OF FINANCIAL POSITION

In Euro thousands	12/31/2025
Currents Assets	3,579
Non-current Assets	3,169
Current liabilities	(3,340)
Non-Current Liabilities	(3,410)
Equity	**(3)**
Equity attributable to the Group – 28%	(1)
Goodwill	2,501
Investment carrying amount	**2,500**

3. These financial highlights are based on the Reporting Package of the associated company Steel Srl in accordance with International Financial Reporting Standards. In contrast, the statutory financial statements of the associate are prepared in accordance with national accounting standards issued by the Italian Accounting Board (OIC).

OPERATING PERFORMANCE

In Euro thousands	12/31/2025
Revenue	6,425
Other operating income	(6,350)
Operating profit	**75**
Net financial expense	(280)
Profit before taxes	**(205)**
Income taxes	0
Profit/(loss) from continuing operations	**(205)**
Profit/(loss) from discontinued operations	-
Other reclassifiable OCI components	25
Other non reclassifiable OCI components	-
Total other comprehensive income	**(180)**

At December 31, 2025, the associated company did not distribute earnings for the period and did not have any contingent liabilities or commitments.

The recoverability of the carrying amount of the shareholding is verified, when certain conditions are met, in part by way of impairment testing, for which the shareholding is considered to be single cash generating unit (CGU).

The Group does not have investments in other associated companies or joint ventures that are not of significance individually.

B.6.6. Guarantees, commitments and contingent liabilities

B.6.6.1. CONTINGENT LIABILITIES

The Parent and its subsidiaries are not involved in administrative, judicial or arbitration proceedings that are underway nor proceedings that have been settled by means of a ruling or arbitration award issued in the last 12 months and which might have or might have had a material effect on the financial situation or profitability of the Group, except for that indicated below.
The companies of the Group have assessed the contingent liabilities resulting from pending disputes and have allocated appropriate provisions for risks on a prudent basis. The total provision allocated at December 31, 2025, to cover legal risks and charges amounts to Euro 3,276 thousand.

TAX AUDIT FOR 2014-2016

In 2019, Elica S.p.A. was subject to an audit by the Italian tax agency, Marche Regional Department, for the tax years 2014, 2015 and 2016, which ended with the issuance of tax assessment notice on October 14, 2019. With regard to the issues raised in relation to transfer pricing (Article 110, paragraph 7, of the Income Tax Law) related to relationships with the Mexican subsidiary Elicamex S.A. de C.V., the tax agency recommended adjustments with recovery claims for IRES and IRAP in the amount of Euro 1,015 thousand for 2015 and Euro 1,013 thousand for 2016. The company has tax losses carried forward that may be used to mitigate any exposure to corporate income tax (IRES).

Following the appeals filed, the Ancona Tax Commission, in rulings filed on August 24, 2022, and November 9, 2022, fully upheld the company’s appeals for both tax years. The Office filed an appeal on February 27, 2023, and the Company has appeared in court within the terms of the law. As of the date of this report, the fixing of the hearing is currently being awaited.

With regard to the research and development tax credit (years 2015 and 2016), the tax agency contested the improper use of the benefit due to alleged failure to meet the legal requirements. The amounts involved are Euro 839 thousand (2015) and Euro 1,076 thousand (2016). On July 24, 2025, the company signed the agreement and, on August 5, 2025, made full payment with reduced sanctions.

2017 TAX PERIOD

On May 8, 2023, IRES and IRAP assessment notices were issued in relation to 2017, again with regard to transfer pricing. With ruling nos. 244/2024 and 245/2024 filed on May 7 and 13, 2024, respectively, the Ancona Tax Court of First Instance fully upheld the company's appeals and ordered the Office to reimburse legal expenses. The Office has filed an appeal, and the Company has appeared in court within the terms of the law.

2018 TAX PERIOD

On March 27, 2025, assessment notices were issued for IRES and IRAP related to 2018, again in relation to transfer pricing. The company has challenged the provisions, and the Ancona Tax Court of First Instance, in a ruling issued on November 10 2025, fully upheld the appeals and ordered the Office to pay legal expenses.

2019 TAX PERIOD

On January 27, 2026, an assessment notice was issued related to IRES for 2019 with regard to issues in transfer pricing related to intercompany transactions with Elica PB India Private Limited, Zhejiang Putian Electric Co. Ltd. and Elicamex S.A. de C.V. The company intends to file an appeal in line with the defence strategy adopted for previous tax years.

Based on assessments conducted with the support of legal counsel, the risk of losing pending disputes has been deemed possible but not probable. As a result, it is not believed that any further significant tax liabilities will arise beyond provisions that have already been allocated.

B.6.6.2. GUARANTEES

Elica S.p.A. has issued guarantees to the subsidiary Elica Home Appliances (Zhejiang) Co., Ltd., in order to enable access to bank loans totalling Euro 5.0 million.
Within the scope of the lease agreement on the Polish facility, Elica S.p.A. has also issued a guarantee to BNP Paribas Leasing Services on behalf of Elica Polska for a maximum of Euro 4.6 million to cover commitments undertaken within the scope of said agreement.
Finally, Elica S.p.A. has also issued a Euro 2.5 million guarantee in favour of EMC Fime S.r.l. to support a commercial line of credit made available by BNP Paribas.

B.6.6.3. COMMITMENTS

Commitments with suppliers for tangible and intangible fixed asset purchases at December 31, 2025 amount to approximately Euro 4.8 million. There are also commitments for operational expenses of Euro 6.9 million, relating in particular to long-term contracts.
The Group has commitments for the purchase of raw materials and goods described in the Commodity Risk paragraph.

Pursuant to the provisions of Article 122 of the CFA and Articles 129 and subsequent of the Issuers' Regulations, it should be noted that on July 22, 2022, FAN S.r.l. ("FAN"), the parent company of Elica S.p.A, and Tamburi Investment Partners S.p.A. ("TIP"), signed a shareholder agreement (the "Shareholder Agreement"), effective as of the same day, relating to Elica S.p.A, a company listed on the Euronext STAR Milan segment of Borsa Italiana S.p.A. ("Elica") and concerning regarding TIP 9,233,701 shares of Elica and regarding FAN 33,440,445 shares of Elica, so as to (i) establish certain understandings regarding Elica's corporate governance; (ii) govern their mutual rights and duties in relation to the transfer of their respective stakes in Elica; and (iii) establish a commitment to consult in good faith before casting their votes at Elica's Shareholders' Meeting in order to identify Elica's best interest (this without intending to give rise to any voting restrictions). The key information regarding the Shareholder Agreements was published as per Article 130 of the Issuers' Regulation on the website of Elica S.p.A.[4], and on the website of the authorised storage mechanism "1INFO" at www.1info.it.
This did not impact control over Elica which, as per Article 93 of the CFA, is held by Mr. Francesco Casoli.

4. https://corporate.elica.com/en/governance/corporate-documents.

B.6.7. Risk management

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

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

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

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

The process for the management of the financial risks is structured on the basis of appropriate procedures and controls, based on the correct segregation of conclusion, settlement, registration and reporting of results.

The paragraphs below include an analysis of the risks to which the Elica Group is exposed, indicating the level of exposure and, for market risk, the potential impact on results of hypothetical fluctuations in the parameters (sensitivity analysis).

B.6.7.1. MARKET RISK

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

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

In relation to these risk profiles, the Elica Group uses derivative instruments to hedge its risks. The Group does not engage in derivative trading.
The paragraphs below individually analyse the different risks, indicating where necessary, through sensitivity analysis, the potential impact on the results deriving from hypothetical fluctuations in the parameters.

B.6.7.1.1. CURRENCY RISK

The Group's operating currency is the Euro. However, the Group companies trade also in American Dollars (USD), British Pounds (GBP), Japanese Yen (JPY), Polish Zloty (PLN), Mexican Pesos (MXN), Russian Rubles (RUB), Chinese Yuan (CNY), Indian Rupees (INR) and Canadian Dollars (CAD). In all of these currencies, except for the Polish Zloty, the Chinese Renminbi, the Mexican Peso, the Elica Group has higher revenue than costs; therefore changes in the exchange rates between the Euro and these currencies impact the Group results as follows:

- the appreciation of the Euro has negative effects on revenue and operating results;
- the depreciation of the Euro has positive effects on revenue and operating results.

The amount of the currency risk, defined in advance by management of the Group on the basis of the budget for the reporting period, is gradually hedged over the acquisition process of the orders, up to the amount of the orders corresponding to budget projections or emerging during the year.

The hedge is entered into through agreements with third party lenders for forward contracts and options for the purchase and sale of foreign currency. As previously described, these hedges are entered into without any speculative or trading purposes, in line with the strategic policies of prudent cash flow management.
In addition to the aforementioned transaction risks, the Group is exposed to translation risk. The assets and liabilities of consolidated companies whose currency differs from the Euro may be translated into Euro with carrying amounts that vary according to different exchange rates, with recognition in the translation reserve under equity.

The Group monitors this exposure, against which there were no hedging operations at the reporting date; in addition, given the Parent's control over its subsidiaries, governance over the respective foreign currency transactions is greatly simplified.

The most significant statement of financial position balances in foreign currency at December 31, 2025 are shown below:

In Euro thousands	12/31/2025		12/31/2024	
Currency	**Assets**	**Liabilities**	**Assets**	**Liabilities**
CNY	1,959	(1,389)	2,199	(1,232)
GBP	119	(7)	129	(5)
JPY	718	(3,833)	721	(4,316)
PLN	26,034	(16,658)	20,664	(13,341)
RUB	3,617	(7)	1,893	(9)
USD	31,823	(26,388)	40,964	(33,491)
MXN	87	(207)	(83)	148
INR	528	-	562	-
Foreign currency transactions	**64,885**	**(48,489)**	**67,049**	**(52,246)**

For the purposes of the sensitivity analysis on the exchange rate, the potential movements on the EUR/CNY, EUR/GBP, EUR/JPY, EUR/PLN, EUR/RUB, EUR/USD, USDMXN, EUR/MXN and EUR/INR rates were analysed.

The following table shows the sensitivity of the statement of comprehensive income to reasonably possible changes in the exchange rates, with all other variables unchanged, due to changes in the value of current assets and liabilities in foreign currencies:

In Euro thousands	12/31/2025		12/31/2024	
Currency	**Currency depreciation 5%**	**Currency appreciation 5%**	**Currency depreciation 5%**	**Currency appreciation 5%**
CNY	(27)	30	(46)	51
GBP	(5)	6	(6)	7
JPY	148	(164)	171	(189)
PLN	(447)	494	(349)	385
RUB	(172)	190	(90)	99
USD	(259)	286	(356)	393
MXN	6	(6)	(3)	3
INR	(25)	28	(27)	30
Total	**(781)**	**864**	**(706)**	**779**

The hedging operations at December 31, 2025 with financial counterparties have a total negative fair value of Euro 171 thousand (a negative value of Euro 122 thousand in 2024).

The table below shows the details of the notional and fair values:

Currency	12/31/2025		12/31/2024	
	Notional *thousands (foreign currency)*	**Fair Value** *In Euro thousands*	**Notional** *thousands (foreign currency)*	**Fair Value** *In Euro thousands*
USD				
Forward	51,800	(164)	23,700	16
PLN				
Forward	151,000	(113)	94,000	(93)
JPY				
Forward	530,000	(29)	610,000	(58)
MXN				
Forward	90,000	134	11,750	13
		(171)		**(122)**

The notional amount in USD includes transactions in USD/EUR related to various hedges put in place, including cash flow hedges, as well as positions in USD/MXN and USD/PLN. The net notional amount for USD/MXN is USD 10.5 million, whereas that of USD/PLN is USD 700 thousand.
For the purposes of the sensitivity analysis on the exchange rate, the potential movements on the EUR/USD, EUR/PLN, EUR/JPY, EUR/MXN, USD/MXN and EUR/CNY and the EUR and foreign exchange interest rate curves were analysed.

In the stress testing we have stressed not only the spot to spot exchange rate, but also the monetary curve rates at December 31, 2025 in order to show the effect of changes in the rate curve.
For this purpose, the maximum change that occurred in a recent period representative of market conditions was considered.

For the EUR/USD exchange rates a stress of 7% was applied, for EUR/PLN 8%, for EUR/JPY 10%, for EUR/MXN 12%, for USD/MXN 10% and for EUR/CNY 6%.
For interest rates on forward exchange contracts, a parallel stress was applied of 75 bps for the Eurozone rates, 75 bps for the US rates, 75 bps for the Polish rates, 75 bps for the Chinese rates and 75 bps for the Japanese rates.

The following table shows the sensitivity to the movements in the exchange rates and the rate curves indicated, maintaining all other variables unchanged, of the Fair Value of the operations in foreign currencies at December 31, 2025 (compared with December 31, 2024).

In Euro thousands	12/31/2025				
	USD	PLN	JPY	MXN	CNY
	Notional 51,800	Notional 151,000	Notional 530,000	Notional 90,000	Notional 11,750
	USD/000	PLN/000	JPY/000	MXN/000	CNY/000
Depreciation of foreign currencies	2,072	1,697	(290)	456	-
Euro exchange rate depreciation	9	(111)	(29)	(34)	-
Exchange rate depreciation	28	(92)	(30)	(31)	-
Sensitivity to depreciation	**2,109**	**1,494**	**(349)**	**391**	**-**
Appreciation of foreign currencies	(2,376)	(2,236)	289	**(831)**	-
Euro exchange rate appreciation	4	**(114)**	(28)	**(35)**	-
Exchange rate appreciation	(18)	(145)	(27)	**(34)**	-
Sensitivity to appreciation	**(2,390)**	**(2,495)**	**234**	**(900)**	**-**

In Euro thousands	12/31/2024				
	USD	PLN	JPY	MXN	CNY
	Notional 23,700	Notional 94,000	Notional 610,000	Notional -	Notional 11,750
	USD/000	PLN/000	JPY/000	MXN/000	CNY/000
Depreciation of foreign currencies	746	1,146	(359)		(60)
Euro exchange rate depreciation	(147)	(55)	(58)		12
Exchange rate depreciation	(137)	(39)	(60)		11
Sensitivity to depreciation	**462**	**1,052**	**(477)**		**(37)**
Appreciation of foreign currencies	(1.177)	(1,490)	223		94
Euro exchange rate appreciation	(164)	(147)	(56)		16
Exchange rate appreciation	(153)	(121)	(58)		14
Sensitivity to appreciation	**(1,494)**	**(1,758)**	**109**		**124**

B.6.7.1.2. COMMODITY RISK

The Group is exposed to market risk deriving from price fluctuations in commodities used in the production process. The raw materials purchased by the Group are subject to changes in price in response to trends in the main markets concerned.

For 2025, hedges have been activated on energy costs, such as natural gas and other energy sources. The Group regularly monitors its exposure to the risk of fluctuations in the price of commodities and manages that risk both by fixing prices in contracts with suppliers and by way of financial instruments with specialised counterparties.

In particular, between the end and the beginning of the year, on the basis of the production budget for the year, the prices and quantities were defined through both channels described above. This approach enables the Group to protect the standard cost of raw materials stated in the budget from potential price increases, thereby ensuring the achievement of the target for operating profits.

The notional value and the relative value of the derivatives in place at December 31, 2025 are reported below:

In Euro thousands	12/31/2025		12/31/2024	
	Notional	*Fair Value*	Notional	*Fair Value*
Commodity swap Copper	12,377	3,346	16,152	(892)
Commodity Swap Natural Gas	254	(63)	295	70
Commodity Swap Power	430	(33)	467	82
Commodity derivatives assets/(liabilities)	**13,061**	**3,250**	**16,914**	**(740)**

In addition, commodity risk is measured through sensitivity analyses, in accordance with IFRS 7. The changes in the prices of copper utilised for the sensitivity analysis were based on the volatility of the market rates. This analysis highlights a revaluation in the price of the Commodities of 5%, resulting in an increase in the fair value of forward contracts at December 31, 2025 of Euro 653 thousand.

Similarly, a reduction of 5% results in a decrease in the fair value of forward contracts of Euro 653 thousand.

B.6.7.1.3. INTEREST RATE RISK

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

The Group's debt mainly bears a floating rate of interest.

The Group hedges the interest rate risk through the utilisation of interest rate swaps against specific non-current loans at a variable rate.

The table below shows the details of the notional and fair values:

In Euro thousands	12/31/2025		12/31/2024	
	Notional	*Fair Value*	Notional	*Fair Value*
Interest Rate Swap	95,332	(35)	58,115	46
Interest derivatives assets/(liabilities)	**95,332**	**(35)**	**58,115**	**46**

It should be noted that in September 2025 an Interest Rate Swap contract was signed to hedge the interest rate risk associated with the finance lease of Elica Group Polska related to the Motors business plant.

The interest rate risk is also measured through sensitivity analyses, in accordance with IFRS 7. The changes in the interest rate curve utilised for the sensitivity analysis were based on the volatility of the market rates.

The analysis shows that a change in the interest rate curve of -25/+25 bps generates a Euro 440 thousand decrease/increase in the fair value of the IRS at December 31, 2025.

As of the reporting date, all of the Group's medium to long-term loans are hedged through interest rate swaps. Therefore, the risk of variability of financial expenses on the underlying loans is essentially neutralised.

B.6.7.1.4. GEOPOLITICAL AND REGULATORY ENVIRONMENT RISK

In compliance with the disclosure requirements of IAS 1.25-26, the Company reevaluated the main risks and uncertainties arising from the current geopolitical, macroeconomic, and market environment, assessing their potential impacts on the Company's business continuity, financial performance, and relevant assumptions used in the business estimation processes.

The geopolitical environment continues to feature instability and uncertainty, with potential effects on sales performance in certain geographic areas, procurement costs, logistics flows and commodity volatility.

During FY2025, the international macroeconomic environment remained characterised by a high degree of uncertainty, including the evolution of trade policies adopted by certain non-EU countries. In particular, the introduction and maintenance of import duties by the United States on specific categories of goods continues to be a concern for companies operating in global markets.

These measures, aimed at protecting U.S. domestic industry, may result in indirect effects on demand dynamics, supply costs and product competitiveness in the relative markets. The potential impact affects both direct exports to the U.S. market and international supply chains if duties affect components, semi-finished products or raw materials used in production processes.

The Company constantly monitors developments in international trade and customs regulations, carefully assessing the possible economic and financial fallout from the application of U.S. duties. As of the reporting date, there were no effects that would compromise the company's ability to continue as a going concern, while any impacts on margins were manageable within the framework of ordinary pricing and cost efficiency policies.

A particular focus will be placed in 2026 on the renewal of the Mexico-USA agreements included in the United States-Mexico-Canada Agreement (USMCA), which could have impacts on the trade flows of the Mexican group company to the U.S. market.

In addition, the continuation of conflicts in Ukraine and the Middle East could lead to new supply shocks, disruptions in trade routes, and increases in energy and commodity prices, with impacts on global prices, supply chains, and financial conditions, especially in terms of commodity cost increases and disruptions in strategic sea routes. Similarly, the Bank of Italy reports that trade and geopolitical tensions are factors that continue to weigh on confidence, investment dynamics and international trade, in a European context of moderate growth and gradually easing inflation. The World Bank confirms that rising international geopolitical tensions may amplify commodity price volatility, supply shock risks and higher costs along global value chains.

In light of this scenario, the Company takes into account in its analysis of financial risks in accordance with IFRS 7, credit risk to the CIS area and liquidity and exchange rate risk arising from commercial transactions with the Russian subsidiary, although the Elica Group's business in these areas is limited (the Group continues to operate in Russia through its wholly-owned subsidiary Elica Trading LLC, which is responsible for the distribution of the Group's products in the Russian territory. The Russian trading company does not hold significant fixed assets and turnover in the Russian market is approximately 2.7% of consolidated revenues).

As per IFRS 9, continuous oversight is maintained on customer solvency, insurance coverage, and possible triggers for significant credit risk (SICR) increases, also in light of the operational complexity of the Russian area and the limitations related to the sanctions environment.

In application of IAS 2 and IAS 36, Management reevaluated the possible effects of price increases and the volatility of raw materials (metals, specialty copper, recycled plastics, electronic components), as well as risks of international supply disruptions, on the valuation of inventories and the impairment tests of the industrial CGUs. Macroeconomic information - including the forecast of a slowdown in global trade in 2026 highlighted by the IMF and signs of competitive pressure noted by the Bank of Italy for the European manufacturing sector - was incorporated into the forecast scenarios used in the tests under IAS 36, including sensitivities on margins, volumes and procurement costs.

The Group also reviewed its hedging policies in accordance with IFRS 9 - Hedge Accounting, monitoring EUR/RUB exchange rate risk and volatility risk on energy and commodity prices, given that the World Bank reports significant uncertainty related to geopolitical risks and global trade tensions for 2026.

Consistent with that outlined in last year's Directors' Report, the Company maintains an active cross-functional task force to monitor geopolitical risks, consisting of the Internal Audit & Risk Compliance, Purchasing, Finance, Legal, Logistics and Commercial functions, in line with Enterprise Risk Management (ERM) practices and the disclosure requirements of IAS 1.31-133. This task force periodically updates the internal Board committee with Control, Risks and Sustainability responsibility and oversees: the operational stability of the Russian subsidiary, compliance with the export sanctions constraints, continuity of logistics flows, the evolution of raw material and derivative costs, liquidity, credit and foreign exchange risks and the adequacy of insurance coverage.

Management is closely monitoring developments in this area in its strategic and risk management analyses, as these dynamics increase the level of uncertainty in the estimates and assumptions underlying various elements of the financial statements.

Macroeconomic stress scenarios have been integrated into the economic and financial forecasts, as required by IAS 1.26 and the IAS 36 impairment testing framework, considering: volatility in energy markets, potential freight rate rises and disruptions in the Red Sea, possible impacts on European demand for household appliances and related competitive dynamics, and on the profitability of the Cooking and Motors CGUs, also with a view to compliance with rapidly evolving environmental and industry regulations (as better described in the section "Climate Change Risk Analysis"). These analyses indicate that, at present, there is no elements to raise significant doubts upon the going concern, as defined by IAS 1.25.

From the analyses carried out, in accordance with IAS 1.25 and 1.26, the Group in preparing these financial statements has taken into account the existing and expected effects of the current macro-economic and geopolitical uncertainties on its business by finding no events or circumstances which, taken individually or as a whole, may cast significant doubt on the company's ability to continue as a going concern. For further details, see paragraph B.6.2.4.5 Going Concern and B.6.5.17 Impairment test in the Notes.

B.6.7.1.5. CYBER SECURITY RISK ANALYSIS

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

The most significant is the risk of cyber attacks and security control failures, which constitute a constant threat to the Group and are therefore carefully monitored. Specifically, the Group constantly assesses its cyber risk profile, taking action when necessary to proactively manage cyber defences. The impacts analysed include:

- data loss;
- unauthorised access;
- the installation of malware;
- privacy violations;
- interruption of business;
- reputational harm.

Mitigation efforts made by the Group concern:

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

During 2025, the regulatory framework for information systems and digital security was further strengthened, partly as a result of new European legislation such as the Cyber Resilience Act, changes to the Cybersecurity Act, and the operational launch of the nationally transposed NIS2 Directive, the Data Act, and the AI Act. These provisions require a structured approach to ICT governance, cyber risk management and digital operational resilience.

These elements were considered in the Group's periodic risk analysis.

B.6.7.2. CREDIT RISK

The credit risk (or insolvency risk) represent the exposure of the Elica Group to potential losses deriving from the non-compliance of obligations by trading partners. This risk derives in particular from economic-financial factors related to a potential solvency crisis of one or more counterparties.

For more details, see paragraph B.6.5.22 "Trade receivables" of these notes.

B.6.7.3. LIQUIDITY RISK

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

The following table shows the expected cash flows in relation to the contractual expiries of trade payables and various financial liabilities from derivatives:

In Euro thousands	12/31/2025		
	On demand or within one year	1-5 years	over 5 years amount
Lease liabilities and loans and borrowings from other lenders as per IFRS 16	4,027		
Bank loans and borrowings	45,219	66,591	0
Trade payables and other liabilities	155,211	0	0
Commitment by due date	**204,457**	**74,261**	**4,309**

In Euro thousands	12/31/2024		
	On demand or within one year	1-5 years	over 5 years amount
Lease liabilities and loans and borrowings from other lenders as per IFRS 16	3,817	5,571	748
Bank loans and borrowings	47,604	39,471	0
Trade payables and other liabilities	134,768	0	0
Commitment by due date	**186,189**	**45,042**	**748**

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

For details on the net financial position, reference should be made to note B.6.5.30 of the notes.

B.6.7.4. MANAGEMENT OF CAPITAL

For the purpose of Group capital management, it has been defined to include issued share capital, share premium reserve, and all other capital reserves attributable to parent company shareholders. The main objective of capital management is to maximise shareholder value, and the Group manages its structure and makes adjustments according to economic conditions and the requirements of financial covenants. In order to maintain or adjust the capital structure, the Group could take action on dividends paid to shareholders, repay capital to shareholders or issue new shares.

To monitor its assets, the Group uses a gearing ratio, a metric consisting of the ratio of net debt to total equity plus net debt, both KPIs being significant components of its funding sources. The net debt includes interest-bearing loans, trade and other payables, less cash and cash equivalents and short-term deposits and excluding discontinued operations.

The Group has put in place supply financing arrangements (Supply Chain Finance, see section B.6.5.29 for further details) to manage its working capital.

In Euro thousands	Note	12/31/2025	12/31/2024
Bank borrowings	B.6.5.30.2	111,810	87,075
Lease liabilities and loans and borrowings from other lenders as per IFRS16	B.6.5.30.3	16,088	10,203
Trade payables and other payables	B.6.5.29	155,212	134,767
Minus: Cash and cash equivalents	B.6.5.30.1	-59,084	-40,761
Net Financial Debt		**224,026**	**191,284**
Equity	**B.6.5.32.2**	**120,715**	**133,479**
Equity and Net Financial Debt		**344,741**	**324,763**
Gearing ratio		65%	59%

The Group's capital management aims, among other matters, to ensure compliance with financial covenants related to financing and onerous loans that define the requirements related to capital structure. Failure to comply with financial covenants would, in fact, enable the banks to demand immediate repayment of loans and financing.

As of the reporting date, with regard to the three financial covenants under the Medium-Long Term Loan Agreements, two were in compliance, while one was not fully aligned with the contractual parameter. However, in relation to the latter, the Group has in a timely manner obtained a formal waiver from the financing institutions, which was signed and effective before December 31, 2025.

As a result of this waiver, as of the reporting date the Group retains the right to defer repayment of the related liabilities and, consequently, no liabilities arising from medium to long-term loans have been reclassified as current liabilities. In the fiscal years ended December 31, 2025 and 2024, no changes were made to the objectives, policies or processes and procedures for capital management.

B.6.7.5. CLASSIFICATION OF THE FINANCIAL INSTRUMENTS

In Euro thousands	12/31/2025	12/31/2024
Derivative assets (current)	3,526	749
Trade receivables	39,353	34,831
Trade receivables to Group companies	0	0
Cash and cash equivalents	59,084	40,761
Current Assets	**101,963**	**76,341**
Lease liabilities and loans and borrowings from other lenders (non-current)	12,061	6,386
Bank loans and borrowings (non-current)	66,591	39,471
Derivative liabilities (non-current)	54	264
Non-current Liabilities	**78,706**	**46,121**
Trade payables	129,198	112,793
Loans and borrowings from group companies (current)	0	0
Lease liabilities and loans and borrowings from other lenders (current)	4,027	3,817
Bank loans and borrowings (current)	45,219	47,604
Derivative liabilities	609	1,300
Current Liabilities	**179,053**	**165,514**

The Group believes that the carrying amounts approximate fair value. In relation to the valuation methods for the individual accounts, reference should be made to paragraph B.6.2. "Accounting policies" of these Notes.

B.6.8. Disclosure pursuant to IAS 24 on management compensation and related party transactions

A person or entity is related to the reporting entity if it has control or joint control of the company. Persons or entities that have significant influence over the company or the Senior Executive in the company is also related. In all such cases, the entity controlled or jointly controlled by a person in the above conditions is considered to be related to the company. Where any of the above individuals exert significant influence over an entity or is a Senior Executive, that entity will be considered a related party. A related entity to a company is also one that is part of the same Group. Therefore, each parent company, subsidiary, or group company is related to the others.

TRANSACTIONS WITH OTHER RELATED PARTIES

In 2025, transactions with other related parties took place. All transactions were conducted on an arm's length basis in the ordinary course of business. No separate disclosure of these positions is provided in the Consolidated Financial Statements, given the immaterial amounts involved, in accordance with Consob resolution no. 15519 of July 27, 2006.

In Euro thousands	Assets	Liabilities/Lease Liabilities	Revenue	Costs
Steel	2	(2)	2	0
Total Associated companies	**2**	**(2)**	**2**	**0**
La Ceramica	0	(2)	0	(17)
Fondazione Ermanno Casoli - ETS	0	0	0	(100)
Other related parties and natural persons	0	(5)	0	(49)
Total Related parties	**2**	**(8)**	**2**	**(166)**

The Group did not undertake significant transactions with the associated company Steel S.r.l. during the year. With other related parties, including the Group companies themselves, the Elica Group undertook transactions of a mainly commercial nature. There were no transactions with Fintrack S.p.A., nor with FAN S.r.l..

The statement of comprehensive income and statement of financial position balances arise from trading transactions conducted to purchase goods and services and use fixed assets on an arm's length basis.

The Procedures for Transactions with Related Parties is published on the Company's website.[5]

B.6.8.1. REMUNERATION OF DIRECTORS, STATUTORY AUDITORS AND SENIOR EXECUTIVES

The remuneration of the above-mentioned parties totaled Euro 5,269 thousand. The details and calculation criteria are provided in the Remuneration Report. This report is available on the Company's website[6].

SHARE-BASED PAYMENTS

No short-term or long-term share-based incentive plan payments were made in 2025, and there are no such plans in place. Existing incentive plans do not provide for share-based payments.

5 https://corporate.elica.com/en/governance/internal-control-system.
6 https://corporate.elica.com/en/governance/shareholders-meeting.

B.6.8.2. INFORMATION ON SUBSIDIARIES

The tables below show key financial figures for the year ended December 31, 2025.

B.6.8.2.1. SUBSIDIARIES – 2025 HIGHLIGHTS

In Euro thousands	Assets	Liabilities	Equity	Revenue	Profit/(loss) for the year
Airforce S.p.A.	9,069	6,250	2,819	18,443	(362)
Ariafina Co. Ltd.	15,643	2,835	12,808	21,655	3,315
Elica Group Polska Sp.z.o.o	88,453	63,123	25,330	139,249	2,084
Elicamex S.a.d. C.V.	62,689	39,422	23,267	57,904	(1,907)
Elica Inc.	401	8	393	603	9
Elica Home Appliances (Zhejiang) Co., LTD	7,229	9,144	(1,915)	6,444	(1,802)
Elica Trading LLC	6,607	4,616	1,991	12,296	(530)
Elica France S.A.S.	6,898	6,135	763	25,161	(688)
Elica Gmbh	2,440	641	1,799	6,219	93
EMC FIME Srl	93,810	56,535	37,275	141,904	4,034
Elica North America Inc.	4,206	6,788	(2,582)	7,723	(1,334)
AG International	2,726	2,141	585	5,528	267
Elica Nederland B.V.	327	643	(316)	730	(205)

It should be noted that Elica S.p.A. has provided loans to Group companies, as well as having cash pooling contracts in place with some of them as part of more general centralized treasury management. All loans outstanding are interest bearing and at market rates. Transactions with consolidated companies have been derecognised in the Consolidated Financial Statements. As a result, they are not reported in these notes.

B.6.9. Public grants as per Article 1, paragraphs 125-129, of Law No. 124/2017

For the detail of the grants received, reference should be made to the National State Aid register.

The following information is provided:

In Euro thousands	Asset at 01/01/2025	Vested in 2025	Collected 2025	Asset at 12/31/2025	Description
Contribution for Photovoltaics (*)	1	-1	0	0	Grant on photovoltaic plant installed on the roof of the Castlefidardo and Cerreto D'Esi industrial buildings issued by GSE
H@H Project	2	-2	0	0	Research and Development grant from Ministry for University and Scientific Research
SEAL project	31	0	31	0	Research and Development grant from Ministry for University and Scientific Research
SHELL Project	173	15	188	0	Research and Development grant from Ministry for University and Scientific Research
SM Project	104	-	-	104	Research and Development grant from Ministry for University and Scientific Research
MERCURY Project	25	0	25	0	Research and development grant from the Marche region Regional Plan
MIRACLE Project	96	0	96	0	Research and development grant from the Marche region Regional Plan
Fondimpresa	41	81	0	122	Staff training grant from Fondimpresa
Fondirigenti	5	-5	0	0	Training executives grant fromFondirigenti
Assist 2023 tender	647	0	647	0	Employee training
New Investment Tax Credit 2020	16	-	16	0	Tax credit on new investments year 2020 - Law No. 160 of 27.12.2019
New Investment Tax Credit 2022	80	-	40	40	Tax credit on new investments year 2022 - Law No.234, 25.12.2021
Research & Development tax credit 2019	899	-64	-	835	Research & Development tax credit 2019 - Law No. 190/2014
Research & Development tax credit 2020	464	-54	-	410	R&D tax credit - Law No. 178 of 30.12.2020
Research & Development tax credit 2021	351	-3	-	348	R&D tax credit - Law No. 178 of 30.12.2020
Research & Development tax credit 2022	181	-17	-	164	R&D tax credit - Law No. 178 of 30.12.2020
"4.0 Intangible Assets" tax credit	71	-	57	14	Tax credit - Law No. 178 of 30.12.2020
Elica S.p.A.	**3,187**	**-50**	**1,100**	**2,037**	
Fondimpresa	17	7	-15	9	Staff training grant from Fondimpresa
Airforce S.r.l.	**17**	**7**	**-15**	**9**	
Contribution for Photovoltaics	77	357	342	92	Grant on photovoltaic plant installed on the roof of the Castlefidardo industrial buildings issued by GSE
SABATINI grant credit	101	0	0	101	Ministry for Economic Development
Capital goods tax credit 6% ex EMC	13	0	10	3	B.S. tax credit Law 160/2019
Capital goods tax credit 6% - 2020 (**)	5	0	5	0	B.S. tax credit Law 160/2019
Capital goods tax credit 6% - 2022	40	0	40	0	Tax credit on new investments year 2022 - Law No.234, 25.12.2021
Research & Development tax credit 2022	9	0	4	4	R&D tax credit - Law No. 178 of 30.12.2020
PPE 4.0 tax credit	677	0	677	0	Law No. 178 of 30.12.2020 tax credit
Intangible Assets 4.0 Tax Credit	27	0	27	0	Law No. 178 of 30.12.2020 tax credit
EMC Fime S.r.l.	**949**	**357**	**1,105**	**201**	
Elica Group	**4,153**	**314**	**2,190**	**2,247**	

(*) Includes advances received
(**) including EMC FIME S.r.l transfer

B.6.10. Disclosure pursuant to Article 149-duodecies of the CONSOB Issuers Regulation

The following table, prepared pursuant to Article 149-duodecies of the CONSOB Issuers' Regulation reports the payments made in 2025 for audit and other services provided by the independent auditors and entities associated with them.

Type of service	Service provider	Company	Remuneration
In Euro thousands			
Audit	EY S.p.A.	Elica S.p.A.	141
Audit	EY S.p.A.	Air Force S.p.A.	14
Audit	EY S.p.A.	EMC Fime S.r.l.	65
Audit	EY S.p.A.	Elica France	6
Audit	EY Mexico (1)	Elicamex S.A. de C.V.	37
Audit	EY Polska (2) / EY S.p.A.	Elica Group Polska S.p.z.o.o.	53
Audit	EY China (3)	Elica Home Appliances (Zhejiang) Co., LTD	43
Audit	EY Japan (4) / EY S.p.A.	Ariafina CO., LTD	11
Limited review of the consolidated sustainability reporting	EY S.p.A.	Elica S.p.A.	116
Other services	EY S.p.A.		26
EY Network fees			**512**

(1) Mancera, S.C.
(2) Ernst & Young Audyt Polska spółka z ograniczoną odpowiedzialnośc
(3) Ernst & Young Hua Ming LLP
(4) Ernst & Young ShinNihon LLC

B.6.11. Subsequent events

On January 27, 2026, Elica paid the balance of the consideration of Euro 998 thousand to Fuji Industrial Co., Ltd for the purchase of the remaining 0.56% share capital of Elica Home Appliances (Zhejiang) Co., LTD completed in July 2025.

On February 12, 2026, the Board of Directors of Elica S.p.A. approved the additional periodic disclosure for the fourth quarter of 2025, prepared according to IFRS and reviewed the 2025 preliminary consolidated results.

On March 10, 2026, Elica completed the transfer to Whirlpool of India Limited of the remaining 1.59% of the share capital of the Indian investee ELICA PB Whirlpool Kitchen Appliances Private Limited ("Elica PB India"), along with the other minority Indian shareholders who are transferring an additional 1.59% stake. The divestment, with which the final exit from the investment is completed, took place in advance of the scheduled maturity, i.e., 90 days after the approval of Elica PB India's financial statements as of March 31, 2026, following the occurrence of a "change of control" of Whirlpool of India, an event included among the "conditions of early termination" of the agreement. The Trademark & Technical License Agreement signed on September 20, 2024 remains unchanged, which provides for the exclusive use of the Elica trademark in India and non-exclusively in Nepal and Bangladesh for the marketing of products in the kitchen & cooking sector, with an initial duration of fourteen years (2038) and which includes guaranteed minimum royalties that increase over time. The consideration for the sale is approximately Euro 2.5 million and has been paid net of withholding taxes in a single payment of approximately Euro 2.1 million.

B.6.12. Other information

B.6.12.1 MANAGEMENT AND COORDINATION

Elica S.p.A. is indirectly controlled by the Casoli Family through Fintrack S.p.A. of Fabriano (AN - Italy).

The Company is not subject to management and co-ordination pursuant to Art. 2497 and subsequent of the Civil Code. This conclusion derives from the fact that the controlling shareholder does not carry out management activities within the company and, although exercising voting rights at the Shareholders' Meeting, does not have any involvement in the financial, production or strategic programmed of the Company, which is governed by a Board of Directors responsible for operating control.

The Parent's Board of Directors has also appointed a CEO for ordinary operational management.
With effect from July 2019, Tamburi Investments Partners ("TIP") acquired a minority interest in the Company. As at December 31, 2025, this interest amounted to 21.53% of Elica's capital.

The Company however continues to carry out its operations through a totally autonomous and independent decision-making process; it has independent decision-making capacity with customers and suppliers and independently manages its treasury in accordance with the business purpose.

B.6.12.2. POSITIONS OR TRANSACTIONS ARISING FROM ATYPICAL AND/ OR UNUSUAL OPERATIONS

The Group in 2025 did not carry out atypical and/or unusual transactions, i.e. those transactions which owing to their significance, the nature of the counterparties, the subject-matter of the transaction, the transfer price calculation method and the timing of the event, may give rise to doubts concerning the accuracy/ completeness of the information in the financial statements, conflicts of interest, the safeguarding of corporate assets and the protection of non-controlling shareholder interests.

B.6.12.3. SIGNIFICANT NON-RECURRING EVENTS AND TRANSACTIONS

There were no significant non-recurring transactions during 2025.

Fabriano, March 25, 2026

For the Board of Directors
The Chief Executive Officer
Giulio Cocci

C. Attachments to the Consolidated Financial Statements.

C.1. Declaration on the Consolidated Financial Statements as per Article 81-ter of CONSOB Regulation No. 11971 of May 14, 1999 and subsequent modifications and integrations.

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

- the adequacy considering the company's characteristics and
- of the administrative and accounting procedures for the preparation of the consolidated financial statements in 2025.

In addition, we declare that the consolidated financial statements:

- correspond to the underlying accounting documents and records;
- were prepared in accordance with the IFRS endorsed by the European Union and with Article 9 of Legislative Decree no. 38/2005;
- provide a true and fair view of the issuers' financial position and results of operations and of the other companies in the consolidation scope.

The Directors' Report includes a reliable analysis of the issuer's performance, results of operations and situation, together with a description of the main risks and uncertainties to which it is exposed.

Fabriano, March 25, 2026

The Chief Executive Officer
Giulio Cocci

Corporate Financial
Reporting Manager
Emilio Silvi

C.2. INDEPENDENT AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

EY
Shape the future
with confidence

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

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

Independent auditor's report pursuant to article 14 of Legislative Decree n. 39, dated 27 January 2010 and article 10 of EU Regulation n. 537/2014
(Translation from the original Italian text)

To the Shareholders of
Elica S.p.A.

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements Elica Group (the Group), which comprise the consolidated statement of financial position as at December 31, 2025, and the consolidated income statement, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flow for the year then ended, and explanatory notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the consolidated financial statements give a true and fair view of the financial position of the Group as at December 31, 2025, and of its financial performance and its cash flows for the year then ended in accordance with IFRS accounting standards issued by International Accounting Standards Board as adopted by the European Union and with the regulations issued for implementing art. 9 of Legislative Decree n. 38/2005.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISA Italia). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of Elica S.p.A. in accordance with the regulations and standards on ethics and independence applicable to audits of financial statements under Italian Laws. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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We identified the following key audit matters:

Key Audit Matter	Audit Response
Recoverability of intangible assets with an indefinite useful life – goodwill	
As at December 31, 2025 the Group recorded in the consolidated financial statements intangible assets with an indefinite useful life (goodwill) of 49,8 million euros. Goodwill was allocated to the Cash Generating Units ("CGU") of the Group, corresponding to the two segments of the Group (Cooking and Motors). The processes and methodologies for the valuation and determination of the recoverable value of each CGU, in terms of value in use, are based on sometimes complex assumptions, which by their nature require judgment, in particular with reference to the expected future cash flows for each CGU, the determination of the normalized cash flows used to estimate the terminal value and the determination of the long-term growth and discount rates applied to the expected future cash flows. Because of the judgment required and the complexity of the assumptions used to estimate the recoverable amount of goodwill, we believe that this issue is a key audit matter. Financial statement disclosures relating to the assumptions and estimates used to perform the impairment test on goodwill are provided in Notes B.6.2.5.4, B.6.5.16 and B.6.5.17 to the consolidated financial statements.	Our audit procedures in response to the key matter included, among the others: • analysis of the procedure applied in performing the impairment test on goodwill approved by the board of directors of Elica S.p.A.; • analysis of the criteria for identifying the CGUs and the allocation of the carrying amounts of the assets and liabilities to the CGUs; • analysis of the expected future cash flows for each CGU and verification of their consistency with the future cash flows resulting from the 2026-2030 economic and financial projections approved by the board of directors of Elica S.p.A. for the purposes of the impairment test; • analysis of the reasonableness of the forecasts made by the directors also through comparison with the actual historical data and external market information, where available; • examination of the sensitivity analysis performed by the directors on the main key assumptions used in the impairment test model; • verification of the long-term growth rates and discount rates. We used our valuation experts in our procedures. Finally, we reviewed the disclosures provided in the notes to the consolidated financial statements in relation to this key audit matter.

Responsibilities of Directors and Those Charged with Governance for the Consolidated Financial Statements

The Directors are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with IFRS accounting standards issued by International Accounting Standards Board as adopted by the European Union and with the regulations issued for implementing art. 9 of Legislative Decree n. 38/2005 and, within the terms provided by the law, for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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The Directors are responsible for assessing the Group's ability to continue as a going concern and, when preparing the consolidated financial statements, for the appropriateness of the going concern assumption, and for appropriate disclosure thereof. The Directors prepare the consolidated financial statements on a going concern basis unless they either intend to liquidate the Parent Company Elica S.p.A. or to cease operations or have no realistic alternative but to do so.

The statutory audit committee ("Collegio Sindacale") is responsible, within the terms provided by the law, for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with International Standards on Auditing (ISA Italia) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with International Standards on Auditing (ISA Italia), we have exercised professional judgment and maintained professional skepticism throughout the audit. In addition:

- we have identified and assessed the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, designed and performed audit procedures responsive to those risks, and obtained audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- we have obtained an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control;
- we have evaluated the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors;
- we have concluded on the appropriateness of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to consider this matter in forming our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern;
- we have evaluated the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation;
- we have obtained sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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We have communicated with those charged with governance, identified at an appropriate level as required by ISA Italia, regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We have provided those charged with governance with a statement that we have complied with the ethical and independence requirements applicable in Italy, and we have communicated them all matters that may reasonably be thought to bear on our independence, and where applicable, the actions taken to eliminate relevant risks or the safeguard measures applied.

From the matters communicated with those charged with governance, we have determined those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We have described these matters in our auditor's report.

Additional information pursuant to article 10 of EU Regulation n. 537/14

The shareholders of Elica S.p.A., in the general meeting held on April 27, 2023, engaged us to perform the audits of the consolidated financial statements for each of the years ending December 31, 2024 to December 31, 2032.

We declare that we have not provided prohibited non-audit services, referred to article 5, par. 1, of EU Regulation n. 537/2014, and that we have remained independent of the Group in conducting the audit.

We confirm that the opinion on the consolidated financial statements included in this report is consistent with the content of the additional report to the audit committee (Collegio Sindacale) in their capacity as audit committee, prepared pursuant to article 11 of the EU Regulation n. 537/2014.

Report on compliance with other legal and regulatory requirements

Opinion on the compliance with Delegated Regulation (EU) 2019/815

The Directors of Elica S.p.A. are responsible for applying the provisions of the European Commission Delegated Regulations (EU) 2019/815 for the regulatory technical standards on the specification of a single electronic reporting format (ESEF – European Single Electronic Format) (the "Delegated Regulation") to the consolidated financial statements as at December 31, 2025 to be included in the annual financial report.

We have performed the procedures under the auditing standard SA Italia n. 700B, in order to express an opinion on the compliance of the consolidated financial statements as at December 31, 2025 with the provisions of the Delegated Regulation.

In our opinion, the consolidated financial statements as at December 31, 2025 have been prepared in the XHTML format and have been marked-up, in all material aspects, in compliance with the provisions of the Delegated Regulation.

Due to certain technical limitations, some information included in the notes to the consolidated financial statements when extracted from the XHTML format to an XBRL instance may not be reproduced in an identical manner with respect to the corresponding information presented in the consolidated financial statements in XHTML.

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Opinion and statement pursuant to article 14, paragraph 2, subparagraph e), e-*bis*) and e-*ter*) of Legislative Decree n. 39 dated 27 January 2010 and pursuant to article 123-bis, paragraph 4, of Legislative Decree n. 58, dated 24 February 1998

The Directors of Elica S.p.A. are responsible for the preparation of the Report on Operations and of the Report on Corporate Governance and Ownership Structure of Elica Group as at December 31, 2025, including their consistency with the related consolidated financial statements and their compliance with the applicable laws and regulations.

We have performed the procedures required under audit standard SA Italia n. 720B, in order to:

- express an opinion on the consistency of the Report on Operations and of specific information included in the Report on Corporate Governance and Ownership Structure as provided for by article 123-bis, paragraph 4, of Legislative Decree n. 58, dated 24 February 1998, with the consolidated financial statements;
- express an opinion of the compliance with the laws and regulations of the Report on Operations, excluding the section related to the consolidated sustainability information, and the above mentioned specific information included in the Report on Corporate Governance and Ownership Structure pursuant article n. 123-bis, paragraph 4, of Legislative Decree n. 58, dated 24 February 1998;
- issue a statement on any material misstatement in the Report on Operations and in certain specific information contained in the Report on Corporate Governance and Ownership Structure pursuant article n. 123-bis, paragraph 4, of Legislative Decree n. 58, dated 24 February 1998.

In our opinion, the Report on Operations and the specific information contained in the Report on Corporate Governance and Ownership Structure pursuant article n. 123-bis, paragraph 4, of Legislative Decree n. 58, dated 24 February 1998, are consistent with the consolidated financial statements of Elica Group as at December 31, 2025.

Furthermore, in our opinion, the Report on Operations, excluding the section related to the consolidated sustainability information, and the specific information contained in the Report on Corporate Governance and Ownership Structure pursuant article n. 123-bis, paragraph 4, of Legislative Decree n. 58, dated 24 February 1998, comply with the applicable laws and regulations.

With reference to the statement required by art. 14, paragraph 2, subparagraph e-*ter*), of Legislative Decree n. 39, dated 27 January 2010, based on our knowledge and understanding of the entity and its environment obtained through our audit, we have no matters to report.

Our opinion on compliance with applicable laws and regulations does not extend to the section of the Report on Operations related to consolidated sustainability information. The conclusion on the compliance of this section with the applicable standards governing its preparation criteria and the compliance with the disclosure requirements pursuant to article 8 of (EU) Regulation 2020/852 are formulated by us in the attestation report pursuant to article 14-bis of Legislative Decree No. 39 dated 27 January 2010.

Ancona, March 25, 2026

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

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

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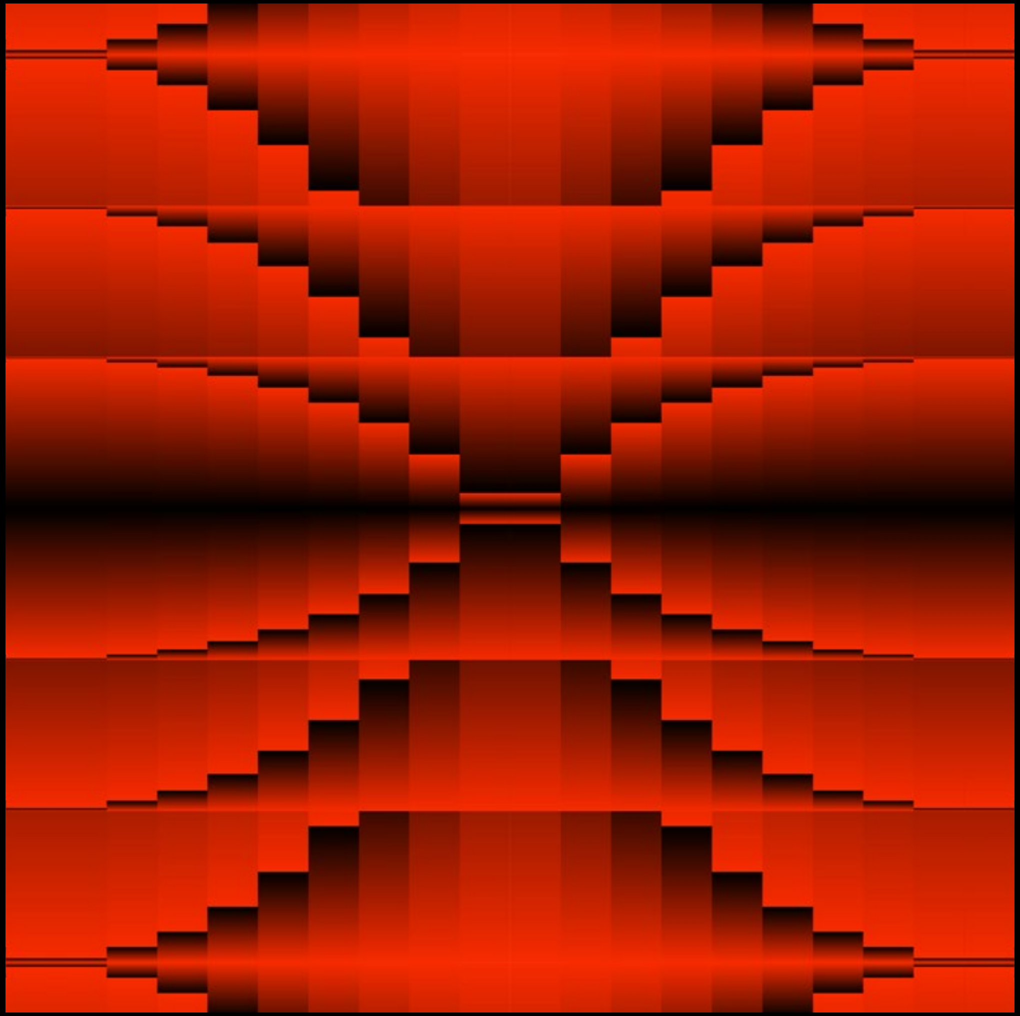

D. Parent Company Financial Statements.

AT DECEMBER 31, 2025

Parent Company Financial Statements.

D.1. Income statement.

In Euro	Note	2025	2024
Revenue - thirt parties	D.6.4.1	205,106,269	202,188,508
Revenue - subsidiaries	D.6.4.1	44,713,551	43,084,082
Other operating income	D.6.4.2	3,395,570	2,609,502
Change in finished and semi-finished products	D.6.4.3	(1,453,107)	(258,061)
Increase in internal work capitalised	D.6.4.4	3,730,491	3,964,576
Raw materials and consumables - third parties	D.6.4.5	(54,508,409)	(51,427,614)
Raw materials and consumables - subsidiaries	D.6.4.5	(111,488,323)	(112,525,208)
Services - third parties	D.6.4.6	(42,331,336)	(42,395,998)
Services - subsidiaries	D.6.4.6	(3,605,869)	(3,723,843)
Personnel expense	D.6.4.7	(38,085,920)	(35,077,064)
Amortisation and depreciation	D.6.4.8	(7,562,292)	(7,335,936)
Other operating expenses and accruals	D.6.4.9	(6,144,630)	(4,349,293)
Restructuring charges	D.6.4.10	(498,277)	21,586
Impairment of Goodwill and other assets	D.6.4.8	(167,622)	(302,786)
Operating profit		**(8,899,904)**	**(5,527,549)**
Gain and loss from group companies	D.6.4.11	4,150,456	8,636,798
Financial Income	D.6.4.12	105,204	11,358,945
Financial expense	D.6.4.13	(6,449,983)	(5,650,850)
Net exchange rate gains/(losses)	D.6.4.14	(2,253,083)	(681,389)
Profit before taxes		**(13,347,310)**	**8,135,955**
Income taxes	D.6.4.15	3,376,330	3,350,164
Profit from continuing operations		**(9,970,980)**	**11,486,119**
Profit/(loss) for the year		**(9,970,980)**	**11,486,119**

D.2. Comprehensive Income Statement.

In Euro	Note	2025	2024
Profit for the year		**(9,970,980)**	**11,486,119**
Other comprehensive income/(expense) which will not be subsequently reclassified to profit or loss:			
Actuarial gains/(losses) on defined benefit plans	D.6.4.31.5	151,819	41,217
Tax effect of Other gains/(losses) which will not be subsequently reclassified to the profit/(loss)		0	0
Total items which will not be subsequently reclassified to profit or loss, net of the tax effect		**151,819**	**41,217**
Other comprehensive income/(expense) which will be subsequentlyreclassified to profit or loss:			
Net change in cash flow hedges	D.6.4.31.3	(199,089)	(1,821,010)
Tax effect of Other gains/(losses) which will be subsequently reclassified to the profit/(loss)	D.6.4.31.3	52,405	433,710
Total items which will be subsequently reclassified to profit or loss, net of the tax effect		**(146,684)**	**(1,387,300)**
Total other comprehensive income, net of the tax effect:		**5,135**	**(1,346,083)**
Comprehensive income		**(9,965,845)**	**10,140,036**

D.3. Statement of Financial Position.

In Euro	Note	12/31/2025	12/31/2024
Property, plant & equipment	D.6.4.17	19,675,950	20,495,402
Goodwill	D.6.4.18.1	23,342,460	23,342,460
Intangible assets with a finite useful life	D.6.4.18.2	12,903,661	12,818,668
Right-of-use assets	D.6.4.18.3	1,371,223	2,075,300
Investment in subsidiaries	D.6.4.19.1	102,012,092	103,271,020
Investment in associates	D.6.4.19.2	2,500,000	0
Deferred tax assets	D.6.4.21	14,538,090	12,602,341
Derivative assets (non-current)	D.6.4.32.3	1,260,116	1,688,000
Other receivables and other assets non-current	D.6.4.20	1,457,380	1,672,810
Non-current Assets		**179,060,972**	**177,966,001**
Trade receivables	D.6.4.22	12,368,265	7,685,377
Trade receivables - subsidiaries	D.6.7.3.2	19,547,122	22,951,129
Inventories	D.6.4.23	27,355,502	30,081,549
Other current assets	D.6.4.24	9,820,731	9,445,073
Tax assets	D.6.4.25	2,947,188	2,154,958
Derivative assets (current)	D.6.4.32.3	179,908	1,640,416
Financial assets with group companies (current)	D.6.7.3.4	41,481,056	32,473,209
Cash and cash equivalents	D.6.4.32.1	40,257,552	21,701,739
Currents Assets		**153,957,324**	**128,133,450**
Assets held for sale	D.6.4.19.1	**0**	**0**
Total assets		**333,018,296**	**306,099,451**

In Euro	Note	12/31/2025	12/31/2024
Employee benefit liabilities	D.6.4.26	3,363,307	3,815,610
Provisions for risks and charges	D.6.4.27	5,347,172	6,921,842
Deferred tax liabilities	D.6.4.21	101,019	179,744
Lease liabilities and loans and borrowings from other lenders as per IFRS16	D.6.4.32.4	669,934	1,178,648
Bank loans and borrowings (non current)	D.6.4.32.2	66,471,329	39,231,111
Derivative liabilities (non-current)	D.6.4.32.3	54,219	263,991
Non-Current Liabilities		**76,006,980**	**51,590,946**
Provisions for risks and charges	D.6.4.27	2,361,628	2,215,243
Lease liabilities and loans and borrowings from other lenders as per IFRS16	D.6.4.32.4	729,939	905,530
Bank loans and borrowings (current)	D.6.4.32.2	45,098,367	47,484,406
Loans and borrowings from group companies (current)	D.6.7.3.4	23,850,849	22,585,258
Trade payables	D.6.4.30	54,955,775	46,434,547
Trade payables to group companies	D.6.7.3.3	20,007,874	12,466,891
Other current liabilities	D.6.4.29	11,060,167	8,639,151
Tax liabilities	D.6.4.28.2	0	0
Derivative liabilities (current)	D.6.4.32.3	360,875	1,562,662
Current liabilities		**158,425,474**	**142,293,688**
Liabilities directly related to discontinued operations	D.6.4.19.1	**0**	**0**
Share capital	D.6.4.31.1	12,664,560	12,664,560
Capital reserves	D.6.4.31.2	71,123,335	71,123,335
Hedging reserve	D.6.4.31.3	(61,206)	85,478
Treasury shares	D.6.4.31.4	(9,528,967)	(8,226,093)
Treasury shares	D.6.4.31.5	(1,805,027)	(1,956,846)
Retained earnings	D.6.4.31.6	36,164,127	27,038,264
Profit/(loss) for the year		(9,970,980)	11,486,119
Equity	**D.6.4.31**	**98,585,842**	**112,214,817**
Total liabilities and equity		**333,018,296**	**306,099,451**

D.4. Statement of Cash Flows.

In Euro	Note	12/31/2025	12/31/2024
Cash flow from operating activities			
Profit for the year		**(9,970,980)**	**11,486,119**
Adjustments for:			
-Depreciation of property, plant and equipment	D.6.4.8	3,930,170	3,759,751
- Amortisation of intangible assets	D.6.4.8	3,632,122	3,576,185
-Impairment losses on property, plant and equipment and intangible assets and goodwill	D.6.4.8	167,622	302,786
-Net exchange rate gains/losses	D.6.4.14	2,367,745	(533,044)
-Interest on post-employment benefits and other discounting	D.6.4.26	275,895	(11,503)
-Net financial expense	D.6.4.12/13	3,603,684	2,021,788
-Provisions for risks, restructuring and LTI	D.6.4.9	2,700,778	1,760,711
- Gains from the sale of assets	D.6.4.12	0	(7,704,227)
-Revaluations/impairments of investments in subsidiaries		3,256,732	0
- Revaluations/impairments of investments in other companies		215,283	0
-Provision for inventory write-down	D.6.4.23	(133,877)	855,517
-Loss allowance	D.6.4.22	231,407	302,774
-Other changes		(2,619,969)	(6,512,391)
-Income taxes	D.6.4.15	(6,130,629)	(7,086,736)
Sub-Total		1,525,982	2,217,730
Changes in:			
-Inventories	D.6.4.23	2,859,924	(555,511)
-Trade receivables	D.6.4.22	(1,510,288)	(8,718,710)
-Other assets and tax assets	D.6.4.24/25	(323,711)	2,454,140
-Trade payables	D.6.4.30	16,083,040	(18,229,641)
-Other liabilities and tax liabilities	D.6.4.28/29	2,982,414	4,462,786
-Employee provisions and benefits	D.6.4.26	(4,553,182)	(6,872,900)
-Proceeds from derivatives (currency)	D.6.4.32.3	61,850	(1,822,984)
Cash flow generated by operating activities		17,126,031	(27,065,090)
Income taxes paid	D.6.4.15	0	0

In Euro	Note	12/31/2025	12/31/2024
Cash flow generated/(absorbed) from operating activities		**17,126,031**	**(27,065,090)**
Cash flows from investing activities			
Proceeds from the sale of property, plant and equipment	D.6.4.17	0	0
Proceeds from the sale of financial assets	D.6.4.20	0	0
Acquisition of subsidiaries, net of liquidity acquired	D.6.4.19	(50,616)	(73,849)
Purchase of property, plant and equipment	D.6.4.17	(2,183,708)	(3,466,377)
Purchases of intangible assets	D.6.4.18	(3,884,737)	(4,193,852)
Acquisition of other financial assets	D.6.4.20	(2,500,000)	0
Dividends received	D.6.4.12	2,533,189	6,420,400
Cash flow generated/(absorbed) by investment activities		**(6,085,873)**	**(1,313,678)**
Cash flow from financing activities			
Proceeds from financial derivatives, other financial assets, and new bank borrowings	D.6.4.32.3	(7,460,264)	57,707,588
Payment for purchase of treasury shares	D.6.4.31.4	(1,302,874)	(5,273,683)
Repayment of bank financial liabilities	D.6.4.32.2	24,701,919	6,452,496
Repayment of financial liabilities related to the purchase of equity investments	D.6.4.19	(1,500,001)	0
Payment of lease liabilities	D.6.4.32.4	(907,238)	(24,077,377)
Dividends paid	D.6.4.31	(2,360,256)	(3,090,736)
Interest paid	D.6.4.13	(3,655,631)	(2,933,432)
Cash flow from generated/(absorbed) by financing activities		**7,515,655**	**28,784,856**
Net increase/decrease) in cash and cash equivalents		**18,555,813**	**406,088**
Cash and cash equivalents at January 1	D.6.4.32.1	21,701,739	21,295,651
Effect of exchange rate fluctuations on cash and cash equivalents		0	0
Cash and cash equivalents at the reporting date	**D.6.4.32.1**	**40,257,552**	**21,701,739**

D.5. Statement of changes in equity.

In Euro thousands	Share capital	Capital reserves	Treasury shares	Hedging reserve/ Actuarial reserve	Retained earnings	Profit/(loss) for the year	Equity
12/31/2023	**12,665**	**71,123**	**(2,952)**	**(525)**	**21,234**	**8,895**	**110,439**
Fair value change inn cash flow hedges net of the tax effect	0	0	0	(1,387)	0	0	(1,387)
Actuarial gains/(losses) on post-employment benefits	0	0	0	41	0	0	41
Total gains/(losses) recognised directly in equity	**0**	**0**	**0**	**(1,346)**	**0**	**0**	**(1,346)**
Profit/(loss) for the year	0	0	0	0	0	11,486	11,486
Total gains/(losses) recognised in other comprehensive income	**0**	**0**	**0**	**(1,346)**	**0**	**11,486**	**10,140**
Allocation of profit for the year	0	0	0	0	8,895	(8,895)	0
Dividends	0	0	0	0	(3,091)	0	(3,091)
Other changes	0	0	(5,274)	0	0	0	(5,274)
12/31/2024	**12,665**	**71,123**	**(8,226)**	**(1,871)**	**27,038**	**11,486**	**112,215**
Fair value change inn cash flow hedges net of the tax effect	0	0	0	(147)	0	0	(147)
Actuarial gains/(losses) on post-employment benefits	0	0	0	152	0	0	152
Total gains/(losses) recognised directly in equity	**0**	**0**	**0**	**5**	**0**	**0**	**5**
Profit/(loss) for the year	0	0	0	0	0	(9,971)	(9,971)
Total gains/(losses) recognised in other comprehensive income	**0**	**0**	**0**	**5**	**0**	**(9,971)**	**(9,966)**
Allocation of profit for the year	0	0	0	0	11,486	(11,486)	0
Dividends	0	0	0	0	(2,360)	0	(2,360)
Other changes	0	0	(1,303)	0	0	0	(1,303)
12/31/2025	**12,665**	**71,123**	**(9,529)**	**(1,866)**	**36,164**	**(9,971)**	**98,586**

D.6. Explanatory Notes to the Parent Financial Statements at December 31, 2025

D.6.1. Accounting policies

D.6.1.1. GENERAL INFORMATION

Elica SpA is a company incorporated under Italian law based in Fabriano (Ancona, Italy).

The company is listed on the EURONEXT STAR MILAN segment of the Mercato Telematico Azionario (MTA) organised and managed by Borsa Italiana S.p.A.

The main activities of the Company and its subsidiaries, as well as its registered office and other offices are illustrated in the Directors' Report.

The Euro is the functional and reporting currency. Amounts in the financial statement are given in Euro while the amounts in the notes are given in thousands of Euro.

Some numbers in the Explanatory Notes are expressed in millions of euros, with one decimal place. In the same way, all percentages related to variations between two periods or to percentages of net revenues or other indicators are always calculated using the original data in Euro. The use of amounts expressed in thousands or millions of Euro can therefore result in apparent discrepancies both in absolute amounts and in data expressed as a percentage.

The company in addition prepares the Consolidated Financial Statements of the Group which it heads.

D.6.1.2. ACCOUNTING POLICIES AND STATEMENT OF COMPLIANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS

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

The Parent Company Financial Statements at December 31, 2025 are compared with the previous year and consist of the Statement of Financial Position, the Income Statement, the Statement of Comprehensive Income, the Statement of Cash Flows, the Statement of changes in Equity and the Explanatory Notes thereto.

The financial statements and related notes comply with the minimum disclosure requirements of IFRS, as supplemented, where applicable, by the provisions of the law and CONSOB regulations.

The Company did not make any changes in the accounting policies applied between the comparative dates of December 31, 2025 and December 31, 2024.

The financial statement items have been measured in accordance with the general criteria of prudence and accruals and on a going concern basis, and also take into consideration the economic function of the assets and liabilities.

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

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

The company made use of the option granted by Article 40, Legislative Decree No. 127/1991 paragraph 2-*bis*, which allows companies required to present consolidated financial statements to present both the Directors' Report to the parent's ordinary financial statements and the Directors' Report to the consolidated financial statements in a single document. For the operating performance for FY2025, please refer to the consolidated Directors' Report.

In preparing the financial report at December 31, 2025, account was taken of the comparability over time of the financial statement items. Therefore, the figures are compared respectively with the consolidated financial statements for the previous year for the income statement, the statement of comprehensive income, the consolidated statement of financial position, the statement of cash flows and the statement of changes in equity, except for exceptional cases of incomparability or the non-adaptability of one or more items.

D.6.1.3. FINANCIAL SCHEDULES

Company Management, in accordance with IAS 1, made the following choices in relation to the presentation of the financial statements.

The Income Statement is prepared in accordance with the nature of the item and shows intermediary results relating to the operating profit/(loss) and the profit/(loss) before taxes in order to allow a better assessment of the operating performance.

The operating profit is the difference between net revenue and operating expenses (this latter including non-monetary items relating to amortisation/depreciation and impairment of current and non-current assets, net of any reversals), including any gains/losses on the sale of non-current assets.

The Statement of Comprehensive Income reports, beginning with the profit/(loss) for the year, the effect of the other comprehensive income statement items recorded directly to equity (other comprehensive income).

The Statement of Financial Position is presented with separation of current and non-current assets and liabilities. It is expected to be realised/settled or sold or utilised within the company's normal operating cycle; it is held for trading; it is expected to be realised/settled within 12 months from the end of the reporting period. Where none of these conditions apply, the assets/liabilities are classified as non-current.
The Statement of Cash Flows is prepared using the indirect method in which the operating profit/(loss) is adjusted by non-monetary items. It classifies cash flows respectively from (used in) operating activities, investing activities and financing activities, in line with IAS 7.

Specifically, operating activities are activities that generate revenue and are not investing or financing activities; it is noted that net costs for financial charges are adjusted with a positive impact on the operating result. Investing activities relate to the purchase and sale of non-current assets and other investments, while financing activities are those resulting in a change to the sources of financing, therefore in the size and composition of the share capital, share premium reserves and Company loans. It is noted that the net costs for financial charges paid are presented here with a negative impact on the management result. Unrealised exchange rate gains and losses are not considered cash flows. However, the effect of such exchange rate gains and losses on cash and cash equivalents is included to reconcile the change in the opening and closing balances of cash and cash equivalents. It is, however, presented separately.

Statement of Changes in Equity outlines the changes to the Equity items, including the allocation of the result, the recognition of actuarial profits/losses, the impact of the valuation of hedging instruments and the recording of the profit/loss, in addition to the additional phenomenon which according to IFRS should be recognised to this item.

D.6.1.4. ACCOUNTING POLICIES

Information regarding the accounting policies adopted in the preparation of the statutory financial statements are described below in accordance with IAS 1.

PROPERTY, PLANT & EQUIPMENT

Property, plant and equipment are recognised at purchase or production cost, including any directly attributable costs. Some assets have been adjusted under specific revaluation legislation prior to January 1, 2005 and are deemed to reflect the fair value of the asset at the revaluation date ("deemed cost" as per IFRS 1). This cost is recognised net of accumulated depreciation and any impairment losses.

Depreciation is calculated on a straight-line basis over the estimated useful life applying the following percentage rates:

Industrial buildings	3%
Light buildings	10%
Machines and installations	6% -10%
Industrial and commercial equipment	14% -16%
Fitting and furniture	12%
Electronic machine	20%
Cars	20%
Means of transport	25%

Purchase cost is also adjusted for grants related to assets already approved to the company. These grants are recognised in profit or loss by gradually reducing the depreciation charged over the useful life of the assets to which they relate.

Maintenance, repair, expansion, updating and replacement costs that do not lead to a significant, measurable increase in the production capacity and useful life of an asset are taken to profit or loss when they are incurred.

The carrying amount of property, plant and equipment and any significant component initially recognised is derecognised upon disposal or when no future economic benefit is expected from its use or disposal. The gain/loss on it derecognition is recorded in the income statement when the item is derecognised.

The Company reviews the estimated residual values and expected useful lives of property, plant and equipment at least annually, also considering the impact of health, safety and environmental legislation. In addition, the Company considers climate-related issues, including physical and transition risks. Specifically, the Company determines whether climate-related laws and regulations may impact both the expected useful life and the estimated residual value.

GOODWILL

The Goodwill, recognised in the value of the investment, deriving from the acquisition of a subsidiary or other business combination, represents the excess of the acquisition cost over the Group's share in the fair value of the identifiable assets, liabilities and contingent liabilities of the subsidiary at the acquisition date. At each reporting date the Company reviews the recoverable value of the goodwill to assess whether an impairment loss has occurred and determine the amount of any impairment. An impairment loss is immediately taken to profit or loss and is not reversed in a subsequent period.

On the sale of a subsidiary, any goodwill attributable to the subsidiary is included in the calculation of the gain or loss on the sale.

Goodwill arising on acquisitions prior to January 1, 2004 is carried at the amount recognised under Italian GAAP at that date, after an impairment test.

RESEARCH COSTS

The research costs are taken to profit or loss when incurred.

DEVELOPMENT COSTS

Development costs in relation to specific projects are capitalised when all of the following conditions are satisfied:

- the costs can be reliably determined during the development;
- the technical feasibility of the product is demonstrated, such that it is available for use or sale;
- the volumes, and expected prices indicate that costs incurred for development will generate future economic benefits;
- the technical and financial resources necessary for the completion of the project are available.

Where the above conditions are not met; the cost is recorded in the Income Statement.

After initial recognition, the development costs are measured at cost, reduced for amortisation or accumulated impairment losses.

Capitalised development costs are amortised on a straight-line basis, commencing from the point at which development is completed and production begins of the product to which these costs refer and over its estimated life.

The carrying amount of development costs are tested annually for impairment when the asset is no longer in use, or with greater frequency when there is indication of impairment. The recoverability test requires estimates by the Directors, as dependent on the cash flows deriving from the sale of products sold by the company. These estimates are impacted both by the complexity of the assumptions underlying the projected revenues and future margins and by the strategic industrial choices of the Directors.

OTHER INTANGIBLE ASSETS

The other intangible assets acquired or produced internally are recorded under assets, in accordance with the provisions of IAS 38 – Intangible Assets, when it is probable that the use of the asset will generate future economic benefits and when the cost of the asset can be determined reliably.

After initial recognition, intangible assets are recognised at cost, net of accumulated amortisation and accumulated impairment, if any.

The useful life of an intangible asset may be considered definite or indefinite. Intangible assets with a finite useful life are amortised over equal monthly quotas and tested for impairment whenever there is evidence of an impairment loss. According to management and experts, the company's most important software has a useful life of seven years. The useful life is tested annually for impairment and any changes are made on a prospective basis.

Intangible assets with indefinite useful lives are not amortised but tested annually for impairment or more frequently where there is an indication that the asset may be impaired. At present, the company only owns intangible assets with definite useful lives.

An intangible asset is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising from the disposal of the asset is included in the income statement.

IMPAIRMENT TESTING

At each reporting date, and in any case at least once a year, in accordance with IAS 36 the Company assesses whether events or circumstances exist that raise doubts as to the recoverability of the carrying amount of property, plant and equipment and intangible assets with definite useful lives. If there are any indications of impairment, the company estimates the recoverable amount of the assets to determine any impairment loss.

The goodwill and other intangible assets with indefinite useful lives, including intangible assets in progress, are tested at least annually for impairment and whenever there is an indication of a possible loss in value. The impairment test compares the carrying amount with the recoverable amount, which is the greater of fair value less costs to sell and value in use. Any excess of the carrying amount results in an impairment loss. An impairment loss is recognised to profit and loss. When the reasons for the impairment no longer exist, the impairment losses on the assets are reversed bringing the carrying amount up to the revised estimate of its recoverable amount. The restatement cannot exceed the carrying amount had no impairment been recognised. The reversal of an impairment loss is taken to profit or loss.

For goodwill, the recoverable amount is determined by the Directors through the calculation of the value of use of the cash-generating Unit (CGU's). Cash generating units are identified depending on the organisational and business structure of the Company as units that generate cash on an autonomous basis as a result of the continuous use of the assets allocated. Impairment losses on goodwill are measured by determining the recoverable amount of the CGU to which the goodwill is allocated, and where it is less than the carrying amount of the CGU to which the goodwill has been allocated, an impairment loss is recognised. The impairment loss of the goodwill is taken to profit or loss and, differing to that for other property, plant and equipment and intangible assets, no reversal is recognised in future years.

In the determination of the value in use, the estimated future cash flows are discounted by the company at a pre-tax rate that reflects the market assessment of the present value of money and the risks specific to the asset. In the determination of the fair value net of selling costs, account is taken of recent market transactions. Where it is not possible to identify these transactions, an adequate valuation model is utilized. These calculations are made utilizing appropriate valuation multipliers, listed equity prices for publicly traded securities and other fair value indicators available.

The Company bases its impairment test on recent budgets and forecasts, prepared separately for each cash generating unit of the Company to which the individual assets were allocated. These budgets and forecasts generally cover a period of five years. A long-term growth rate is calculated to project future cash flows beyond the fifth year.

The Company assesses whether climate risks, including physical and transition risks, could have a significant impact, and if this is the case, these risks are considered in estimating future cash flows in the value-in-use estimate. Please refer to the relevant note on the impact of climate-related risks in estimating the value in use.

INVESTMENTS IN SUBSIDIARIES AND ASSOCIATES

This item includes interests held in subsidiaries, associates and joint ventures. For the classification of items, entities for which the power to establish financial and management policies is held to obtain benefits are considered subsidiaries. This is the case when more than half of the voting rights are held, directly and/or indirectly, or when other conditions of *de facto* control exist, such as the appointment of a majority of Directors.

Associates are those companies in which 20% or more of the voting rights are held and companies which, due to particular legal ties, such as participation in shareholders' agreements, are to be considered as having significant influence. Significant influence is the ability to participate in decisions upon the financial and management policies of the investee, despite not having control or joint control.

Joint ventures or jointly-controlled entities are those for which contractual, shareholders' or other agreements are in place binding the parties exercising joint control over the net assets of the joint venture. Joint control occurs when decisions on the relative activities require the unanimous consent of the parties sharing control.

The company has no interests in joint operations. Where it holds such, it should recognise its share of assets, including jointly held assets, liabilities, including jointly incurred liabilities, revenues from the sale of its share of the joint operation's output, share of revenues generated by the joint operation, costs, including jointly incurred costs.

The considerations required to determine significant influence or joint control are similar to those applied to assess control over subsidiaries.

Investments in subsidiaries, joint ventures and associates not classified as held-for-sale are measured at cost.

At each year-end or interim reporting date, any indicators of the risk that the investment has been impaired are ascertained. Where indicators exist that the value of an equity investment may have been impaired, the recoverability of the carrying amount is tested (Impairment Test).

The impairment test compares the carrying amount of the investment with the recoverable value, defined as the higher between the fair value of the investment net of sales costs and the value in use, represented by the present value of the expected revenue streams for the years of operations of the company subject to the impairment test and deriving from its disposal on conclusion of its useful life. Any excess of the carrying amount results in an impairment loss. An impairment loss is recognised to profit and loss. Following the write-down of the cost of the investment, further losses recorded on the investment are recorded under liabilities, where a legal implicit obligation to cover the losses in the investment exists. When the reasons for the impairment no longer exist, the impairment losses are reversed bringing the carrying amount up to the revised estimate of its recoverable amount. The restatement cannot exceed the carrying amount had no impairment been recognised. The reversal of an impairment loss is taken to profit or loss.

Income from investments is recognised only in relation to the dividends received from the investee on profit generated after the acquisition date. Dividends received in excess of profits generated are regarded as a recovery on the investment and are taken as a reduction in the cost of the investment.

IFRS 16 LEASING

At the commencement date of leases, the Company recognises the usage right assets and the lease liabilities. Right-of-use assets are initially measured at cost, and subsequently at cost net of cumulative depreciation and impairment losses, while adjusted to reflect lease liability remeasurements.

Right-of-use assets are depreciated on a straight-line basis from the effective date to the end of the useful life of the asset consisting of the right of use or at the end of the lease term, whichever is earlier. Right-of-use assets are subject to impairment. Reference should be made to paragraph B.6.2.5.4. Impairment Tests

The Company assesses the lease liabilities at the present value of payments due for lease charges not settled at the commencement date, discounting them according to the implied lease interest rate. Where it is not possible to establish this rate easily, the Company utilises the marginal interest rate.

The lease liability is subsequently increased by the interest maturing on this liability and reduced for payments due on the lease and is revalued in the case of changes to future payments on leasing deriving from a change in the index or rate, in the case of a change to the amount which the Company expects to pay as guarantee on the residual value or where the Company changes its assessment on the exercise or otherwise of a purchase, renewal or termination option.

The Company has estimated the lease duration of some contracts in which it acts as lessee and which have renewal options. The Company assessment upon the existence or otherwise of a reasonable certainty of exercising the option influences the estimate of the lease duration, significantly impacting the amount of the lease liabilities and the usage right assets recognised.

The Company's lease liabilities are included among "Lease liabilities and loans and borrowings from other lenders" (see paragraph B.6.5.30.3).

The Company applies the exemption for the recognition of short-term leases and without the purchase option and leases related to low-value assets. The short-term lease instalments and those for low value assets are recognised as costs on a straight-line basis over the lease duration.

INVENTORIES

Inventories are measured at the lower of purchase or production cost and net realisable value.

The purchase cost of raw, ancillary, supplies and goods for resale is determined using the weighted average cost method.

The production cost of finished products, work in progress and semi-finished products is determined considering the cost of the materials used plus direct operating expenses and overheads.

Net realisable value represents the estimated selling price less expected completion costs and selling costs.

Obsolete and slow moving inventories are written down taking account of their prospects of utilisation or sale.

TRADE RECEIVABLES, LOANS, INCLUDING FINANCIAL RECEIVABLES FROM GROUP COMPANIES AND OTHER FINANCIAL ASSETS

Financial assets other than trade receivables, loans and cash and cash equivalents are initially recognised at fair value, including directly related transaction costs.

INITIAL RECOGNITION AND MEASUREMENT

Upon initial recognition, financial assets are classified according to the subsequent measurement method, as appropriate, i.e., amortised cost, fair value through OCI comprehensive income, and fair value through profit or loss.

The classification of financial assets on initial recognition depends on the characteristics of the contractual cash flows of the financial assets and the business model that the Company uses to manage them. Except for trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient, the Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient are valued at the transaction price as illustrated in section "Revenue".

In order for a financial asset to be classified and measured at amortised cost or fair value recognised in OCI, it must generate cash flows that depend solely on principal and interest on the amount of principal to be repaid ("solely payments of principal and interest (SPPI)"). This assessment is referred to as the SPPI test and is performed at the instrument level. Financial assets whose cash flows do not meet the above requirements (e.g., SPPI) are classified and measured at fair value through profit or loss.

The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will come from the collection of contractual cash flows, the sale of financial assets, or both.

Financial assets that are classified and measured at amortised cost are held as part of a business model whose objective is to own financial assets for the collection of contractual cash flows, while financial assets that are classified and measured at fair value through OCI are held as part of a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets.

SUBSEQUENT MEASUREMENT

Subsequently, the financial assets are classified in four categories:

- Financial assets at amortised cost (debt instruments);
- Financial assets at fair value through other comprehensive income with reclassification of accumulated gains and losses (debt instruments);
- Financial assets at fair value through other comprehensive income without reversal of accumulated gains and losses upon derecognition (equity instruments);
- Financial assets at fair value through profit or loss.

FINANCIAL ASSETS AT AMORTISED COST (DEBT INSTRUMENTS)

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognised in the income statement when the asset is derecognised, modified or revalued.

The Company's financial assets at amortised cost include trade receivables, a loan to an associate, and a loan to a director included in other non-current financial assets.

FINANCIAL ASSETS AT FAIR VALUE THROUGH OCI (DEBT INSTRUMENTS)

For assets from debt instruments measured at fair value through OCI, interest income, changes due to exchange rate differences and impairment losses, together with reversals, are recognised to the income statement and are calculated in the same way as financial assets measured at amortised cost. The remaining changes in fair value are recognised in OCI. Upon derecognition, the cumulative change in fair value recognised in OCI is reclassified to the income statement.

The Company's debt instrument assets measured at fair value through OCI include investments in listed debt instruments included in other non-current financial assets.

INVESTMENTS IN EQUITY INSTRUMENTS

Upon initial recognition, the Company may irrevocably elect to classify its equity investments as equity instruments recognized at fair value through OCI when they meet the definition of equity instruments under IAS 32 "Financial Instruments: Presentation" and are not held for trading. Classification is determined for each individual instrument.

Gains and losses on these financial assets are never reversed through profit or loss. Dividends are recognised as other income in the income statement when the right to payment has been approved, except when the Company benefits from such income as a recovery of part of the cost of the financial asset, in which case such gains are recognised to OCI. Equity instruments recorded at fair value through OCI are not subject to impairment testing.

FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

Financial instruments at fair value with changes recognised to the income statement are recorded in the balance sheet at fair value and net changes in fair value through profit or loss.

This category includes derivative instruments and listed equity investments that the Company has not irrevocably elected to classify at fair value through OCI. Dividends on publicly traded equity investments are recognised as other income to the income statement when the right to payment has been established.

The embedded derivative contained in a hybrid non-derivative contract, financial liability or master non-financial contract is separated from the host contract and accounted for as a separate derivative if: its economic characteristics and associated risks are not closely related to those of the host contract; a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and the hybrid contract is not measured at fair value through profit or loss. The embedded derivatives are measured at fair value through profit or loss. A redetermination occurs only in the case of a change in the terms of the contract which significantly modify the cash flows otherwise expected or a reclassification of a financial asset to a category other than fair value through profit or loss.

The Company has chosen to irrevocably classify its unlisted equity investments in this category.

DERECOGNITION

Financial assets (or, where applicable, part of a financial asset or part of a group of similar financial assets) are derecognised firstly (e.g. eliminated from the statement of financial position of the Company) when:

- the rights to receive cash flows from the asset are extinguished, or
- the company has transferred to a third party the right to receive the cash flows of the asset or has assumed the contractual obligation to pay entirely and without delay and (a) has substantially transferred all of the risks and rewards of ownership of the financial asset, or (b) has not substantially transferred all of the risks and rewards of the asset, but has transferred control.

Where the company has transferred the rights to receive the cash flows of an asset or has signed an agreement under which to maintain the contractual rights to receive the cash flows of a financial asset, but assumes a contractual obligation to pay the cash flows to one or more beneficiaries (pass-through), they shall assess if and to what extent they have maintained the risks and rewards relating to ownership. Where they have neither transferred or maintained substantially all of the risks and rewards or have not lost control, the asset continues to be recorded in the financial statements of the company up to the amount of its residual holding in the asset. In this case, the company also recognises an associated liability. The assets transferred and the associated liabilities are measured in order to reflect the rights and obligations maintained by the company.

When the entity’s continuing involvement is a guarantee on the transferred asset, involvement is measured based on the lesser of the amount of the asset or the maximum amount of consideration received that the entity may have to repay.

Receivables are recorded at nominal value which normally represents their fair value, as they do not contain a significant financing component. In the event of a significant difference between nominal amount and fair value, they are initially recognised at fair value and subsequently measured at amortised cost using the effective interest rate method.

Receivables are adjusted through an allowance for bad debt to reflect their realisable value. The allowance is calculated as the difference between the carrying amount of the receivables and the present value of the expected cash flows, discounted at the effective interest rate on initial recognition.

ASSETS AND LIABILITIES HELD-FOR-SALE

Non-current assets (and disposal groups) classified as held for sale are measured at the lower of their previous carrying value and market value less selling costs.

Non-current assets (and disposal groups) are classified as held-for-sale when their carrying amount is expected to be recovered by means of a sales transaction rather than through use in company operations. This condition is met only when the sale is highly likely, the assets (or group of assets) are available for immediate sale in their current condition and, consequently, management is committed to a sale, which should take place within 12 months of the classification as held for sale.

As provided for by IFRS 5, in addition to the assets, the related liabilities must also be represented.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash balances and bank current accounts and deposits repayable on demand plus other highly liquid short term financial investments that can be readily converted into cash and are not subject to a significant risk of a change in value.

TRADE PAYABLES AND OTHER FINANCIAL LIABILITIES

Trade payables and other financial liabilities are recorded at nominal value which generally represents their fair value. In the event of significant differences between their nominal amount and fair value, trade payables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest rate method.

BANK LOANS AND BORROWINGS AND LOANS AND BORROWINGS FROM OTHER LENDERS, INCLUDING GROUP COMPANIES

Bank loans and borrowings – comprising non-current loans and bank overdrafts – and loans and borrowings from other lenders, are recognised based on the amounts received, less transaction costs, and are subsequently measured at amortised cost using the effective interest rate method.

DERIVATIVE INSTRUMENTS AND HEDGE ACCOUNTING

The Company makes use of derivative financial instruments with the intention of hedging currency, interest rate and commodity price risks.

These derivative financial instruments are initially recognized at fair value at the date on which they are obtained, and this fair value is periodically remeasured. They are recorded as financial assets when the fair value is positive, and as financial liabilities when negative.

In compliance with International Accounting Standards, derivative financial instruments can be recognised using “hedge accounting” only when the hedge is formally designated and documented as such and is presumed to be highly effective at inception, such effectiveness can be reliably measured and the hedge is highly effective over the accounting periods for which it was designated.

All derivative financial instruments are measured at fair value. When derivative instruments have the characteristics for hedge accounting, the following accounting treatments apply:

- Fair value hedge – if a derivative financial instrument is designated as a hedge to the exposure of changes in the fair value of an asset or liability or of an irrevocable commitment which can have effects on the income statement, the change in the fair value of the hedge instrument is recognised through profit or loss, and the change in the fair value of the hedged item, attributable to the risk hedged, is recognised as part of the carrying value of that item and recognised through profit or loss. If the underlying item is represented by an irrevocable commitment, the fair value of the item relating to the risk hedged is recognised as an asset or liability, adjusting the balance sheet account which will be concerned by the irrevocable commitment at the time of its realisation.
- Cash flow hedge – If a derivative financial instrument is designated as a hedge to the exposure of the changes in the cash flows of an asset or liability, of an operation considered highly probable, or of an irrevocable commitment and which may have effects on the income statement, the effective portion of the profits or of the losses of the financial instrument is recognised under equity and shown on the statement of comprehensive income. The cumulative profits or losses are reversed from net equity and recognised to the income statement in the same period in which the operation subject to hedging influences the income statement; the profit or loss related to a hedge or the part of the hedge becoming ineffective is recognised to the income statement when such inefficacy is recognised.

If hedge accounting cannot be applied, gains or losses deriving from the fair value of the financial derivative instrument are recognised directly in the income statement.

Reference should be made to paragraph. D.6.6. “Risk management” for information on the management of risks related to exchange rates.

TREASURY SHARES

Treasury shares are recognised at cost and taken as a reduction in equity. The gains and losses deriving from trading of treasury shares, net of the tax effect, are recognised under equity reserves. Accessory charges are charged to the income statement in the year in which they accrue.

EMPLOYEE BENEFITS

POST-EMPLOYMENT BENEFITS

Italian post-employment benefits are considered equivalent to a defined benefit plan. For defined benefit plans, the cost of the benefits is determined using the Projected Unit Credit Method, with actuarial valuations being carried out at the end of each year.

On the basis of IAS 19 – Employee benefits, the Company presents in the balance sheet the deficit or surplus of the relevant provision, with recognition to the income statement of the labour cost components and net financial charges and the recognition of the gains or losses which derive from the recalculation of the assets and liabilities under Other Comprehensive Income. In addition, any income from the plan assets included under net financial expenses must be calculated based on the discount rate of the liability.

Up to December 31, 2006, the employees' leaving entitlement of the Italian companies was considered a defined benefit plan. The regulations governing Italian employees' leaving entitlement were modified by Law no. 296 of December 27, 2006 ("2007 Finance Act") and subsequent decrees and regulations issued at the beginning of 2007. In the light of these changes, and specifically with reference to companies with more than 50 employees, only the benefits that accrued prior to January 1, 2007 (and not yet paid at the reporting date) are now considered a defined benefit plan, while those that accrued after this date are considered a defined contribution plan.

PROVISIONS FOR RISKS AND CHARGES

The company recognises a provision for risks and charges when the risk related to an obligation deriving from a past event is considered probable and a reliable estimate may be made on the amount of the obligation. Provisions are made based on management's best estimate of the cost of fulfilling the obligation at the end of the reporting date and are discounted to their present value when the effect is material. These risks are subject to a high level of complexity and uncertainty, and therefore the amount of the provision for risks and charges is reviewed periodically to reflect the best current estimate of each provision.

REVENUE AND INCOME

The new IFRS 15-Revenues standard establishes an overall framework to identify the timing and amount of revenue recognition.

IFRS 15 requires the recognition and measurement of revenues from contracts with customers according to the following five steps: (i) identification of the contract with the customer; (ii) identification of the performance obligations (i.e. the contractual commitments to transfer goods and/or services to a customer); (iii) establishment of the transaction price; (iv) the allocation of the transaction price to the performance obligations identified on the basis of the stand alone sales price of each good or service and (v) recognition of revenue upon satisfaction of the relative performance obligation (i.e. on the transfer to the customer of the asset or service promised). The transfer is considered complete when the customer obtains control of the goods or services, which may occur over time or at a point in time. According to the new standard, the amount that the entity recognises as revenue should reflect the consideration that it has the right to receive following the exchange of the assets transferred to the customer and/or services provided, to be recognised upon fulfilment of the contractual obligations. In addition, to recognise the revenue, the requirement of probable obtainment/receipt of the economic benefits linked to the income is emphasised; for a contract in progress, a requirement to recognise revenue taking account of any discounting effect from payments deferred over time is introduced.

The Company carried out an analysis regarding the identification of separate performance obligations, and it was found that no further disaggregation of revenues was necessary; furthermore, no circumstances were identified in which the company played the role of "agent."

The Company considers whether there are other promises in the contract that represent obligations in relation to which a portion of the transaction consideration should be allocated, and, in calculating the sales transaction price for goods, also considers the effects from any variable fees, significant financial components and monetary and non-monetary fees to be paid to the client (if existing).

The criteria applied by the Company are in line with those established by IFRS 15.

Interest income is recorded on an accruals basis, according to the amount financed and the effective interest rate applicable. This is the rate at which the expected future cash flow over the life of the financial asset is discounted to equate them with the carrying amount of the asset.

Dividends are recognised when it is established that the shareholders have the right to receive them.

FOREIGN CURRENCY TRANSACTIONS

Foreign currency assets and liabilities are translated at the reporting date using the closing exchange rate. Non-monetary assets and liabilities measured at historical cost in foreign currency are translated using the exchange rate at the transaction date.

Exchange differences arising on such transactions or on the translation of monetary assets and liabilities are recorded in the Income Statement except for those arising on derivative financial instruments qualified as cash flow hedges. These differences are recorded in Equity if unrealised, otherwise they are recorded in the Income Statement.

PUBLIC GRANTS

Government grants are recognised when it is reasonably certain that the conditions required to obtain them will be satisfied and that they will be received. Such grants are recorded in the income statement over the period in which the related costs are recorded, with a reduction in the generating account.

Grants related to an asset are recognised as revenue on a straight-line basis over the expected useful life of the asset to which they refer.

The accounting treatment of benefits deriving from a government loan obtained at a reduced rate are similar to those for government grants. This benefit is calculated at the beginning of the loan as the difference between the initial book value of the loan (fair value plus direct costs attributable to obtaining the loan) and that received, and subsequently recorded in the income statement in accordance with the regulations for the recording of public grants.

INCOME TAXES

Income taxes for the year represent the sum of current and deferred taxation.

Tax receivables and payables for the year are measured at the amount expected to be paid to / received from the tax authorities. Current taxes are based on the assessable results of the period as per the applicable regulation. The liability for current income taxes is calculated using the current rates at the reporting date.

Current taxes relating to items recorded directly in net equity are also recorded directly to equity and not to the separate income statement.

Elica S.p.A. and the subsidiaries EMC Fime S.r.l and Airforce S.p.A. have opted for a consolidated tax regime in Italy. This means that the IRES (Corporation Tax) charge is calculated on a tax base representing the aggregate of the taxable income and tax losses of the individual companies. The contract is of three-year duration.

The transactions and mutual responsibilities and obligations between the Parent and its aforementioned subsidiaries are defined by a specific consolidation agreement. More specifically, with regard to liability, the agreement establishes the joint and severable liability of the Parent with the subsidiary: for the amounts payable by the subsidiary pursuant to Article 127(1) of the Income Tax Law; for the payment of amounts that are payable to the Tax Agency in the event of failure to make payments due based on the tax filings of the subsidiary; and in relation to consolidation adjustments made based on information provided by the subsidiary and contested by the Tax Agency.

The income tax receivable is shown under Tax Receivables, determined as the difference between the income taxes in the year, payments on account, withholding taxes and, in general, tax credits. Tax Receivables also include the current IRES charge as determined on an estimate of the taxable income and tax losses of the companies taking part in the Consolidated tax regime, net of payments on account, taxes withheld by third parties and tax credits; tax assets are offset by the amounts due to the subsidiaries by Elica for the residual receivable attributable to the Consolidated tax regime.

The liability for any tax losses surrendered by a subsidiary is recorded under Amounts due to subsidiaries.

Deferred tax assets and liabilities arise from timing differences between the carrying amount of assets and liabilities determined in accordance with the financial reporting criteria set out by the Italian civil code and their tax base.

No tax provision has been made in relation to reserves subject to taxation upon distribution as no transactions that could trigger their taxation are planned.

Deferred tax assets are recognised to the extent that it is probable that, in the periods in which the deductible temporary differences will reverse, taxable income shall arise of not less than the amount of the differences that are to be absorbed. The carrying value of deferred tax assets is revised at the end of the year and reduced to the extent that it is no longer likely that there will be sufficient taxable income against which to recover all or part of the assets.

Deferred taxes are measured based on the tax rate that is expected to be in effect at the time the asset value is realized or the liability is extinguished and are recognized directly to the income statement with the exception of those relating to accounts directly recognized to equity, in which case the deferred taxes are also recognized to equity.

Deferred tax assets and liabilities are offset when there is a direct right to compensate the tax assets and liabilities and when they refer to income taxes due to the same fiscal authority and the Company intends to pay the amount on a net basis.

D.6.1.5. GOING CONCERN

In assessing the going concern, Management carried out a thorough analysis on the Company, considering both internal elements and the external environment that could influence its future operations and create uncertainties that raise significant doubts about this assumption.

Considering the requirements set out by IAS 1, it is considered that the Company has adequate resources to continue operating in the foreseeable future and, in any case, for a period of not less than 12 months from the date of signing the financial statements.

In accordance with IAS 38 and IAS 36, the Company annually assesses the recoverable amount of intangible assets with an indefinite useful life. The analyses were conducted with reference to the amounts allocated to the cash-generating unit (CGU) to which the goodwill is allocated, which represents the minimum level at which goodwill is monitored and deemed appropriate based on the Company's organisational structure and management methods.

In this context, the prospective cash flows contained in the operating and financial projections for 2026-2030 were analysed, particularly their sustainability and consistency within the sector and the competitive environment for household durables, which in the fiscal year continued to be affected by subdued demand and intense market competition, accompanied by an increase in promotional activities, affecting volumes and operating margins. In this context, the Company is continuing to rigorously implement its business plan, advancing strategic projects in the Cooking sector, in order to strengthen the overall resilience of the business in selective and competitive market environments and improve profitability in the medium term. Elica continues, in fact, the implementation of the action plan aimed at transforming into a Cooking Brand Company, through the expansion of the offer and new projects for OEM customers in the EMEA area.

Furthermore, the Company continues to demonstrate a solid financial position, as evidenced by multiple economic-financial indicators, and in this perspective maintains a cautious and rigorous approach in defining its investment strategies and in managing funding sources both in the short term and in the medium-long term, without any indication that this could compromise future economic-financial solidity.

The assessments take into account not only the potential impacts of issues related to climate change, also investigated through scenario analysis that extends beyond the time horizon of economic-financial projections in line with the guidelines of the IASB (see the Consolidated Sustainability Statement for further details on the subject), but also a thorough reflection on the current macroeconomic and geopolitical uncertainties. While recognising the complexity of the international scenario, including the recent deterioration of the situation in the Middle East, Management considers that such factors, at the present time, do not call into question Elica's ability to continue its activities with a view to operational continuity. The Company's exposure in the areas affected by conflicts is indeed limited, approximately 1% of revenue, and there are no critical suppliers or customers located in those areas. At the same time, thanks to the experience gained in risk management and the mitigation measures already integrated into business processes, actions have been taken to protect the Company from the financial and economic impacts of such instability, such as the use of hedging strategies on energy costs and key raw materials.

In any case, management constantly monitors developments in the affected territories in order to intercept any changes in the geopolitical environment that might require a revision of the company's already defined strategies and/or the adoption of mechanisms to safeguard its competitive positioning, investments, business performance and its own resources.

Based on all the considerations described above, and taking into account the information available up to the date of approval of this Annual Report, Management considers that there are no uncertainties that would raise significant doubts about Elica Spa's ability to continue operating as a going concern. Therefore, the going concern assumption is appropriate and is the assumption underlying the preparation of the financial statements.

D.6.2. Accounting standards, amendments and interpretations in force as from January 1, 2025 and not yet applicable by the Company

D.6.2.1. ACCOUNTING STANDARDS, AMENDMENTS AND INTERPRETATIONS APPLIED FROM JANUARY 1, 2025

In the preparation of these financial statements, the accounting standards and basis of preparation applied are in accordance with those used for the financial statements as of December 31, 2024, and the financial statement formats used are the same as those used for the preparation of the financial statements as of December 31, 2024.

There are no new standards applied or amendments that have impacted these separate financial statements. The Company has not adopted in advance any accounting standard, interpretation or amendment issued but not yet in effect.

The main changes are as follows:

AMENDMENTS TO IAS 21: LACK OF EXCHANGEABILITY

On August 15, 2023, the IASB amended IAS 21 The Effects of Changes in Foreign Exchange Rates - Lack of Exchangeability to specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking.

The amendments require the disclosure of information to enable users of financial statements to understand the impact of a currency that is not exchangeable.

The amendments apply to annual reporting periods beginning on or after January 1, 2025, and may be applied early. However, an entity cannot review comparative information.

These amendments did not have any impact on the Company financial statements.

D.6.2.2. ACCOUNTING STANDARDS, AMENDMENTS AND INTERPRETATIONS NOT YET APPLIED AND APPLICABLE

As required by IAS 8 - Accounting standards, changes in accounting estimates and errors - the main new accounting standards and interpretations, in addition to amendments to the existing standards and interpretations that are already applicable, not yet in force or not yet approved by the European Union (EU), which could be applied in the future to the financial statements, are illustrated below. The Company will adopt these standards when they enter into force, if applicable.

The main changes are as follows:

IFRS 18 PRESENTATION AND DISCLOSURE IN FINANCIAL STATEMENTS

In April 2024, the IASB issued IFRS 18, which replaces IAS 1 Presentation of Financial Statements. IFRS 18 introduces new requirements for the presentation of the income statement, including specific totals and subtotals. In addition, entities will need to classify all expenses and revenues within the income statement within five categories: operating, investing, financing, income taxes, and discontinued operations. The first three categories are new.

The standard also requires disclosures based on the new definition of management-defined performance indicators (MPMs), subtotals of costs and revenues, and includes new provisions for aggregating and disaggregating financial information based on the identified roles of Primary Financial Statements (PFS) and the explanatory notes.

In addition, changes were made to IAS 7 Statement of Cash Flows, including changing the starting point for determining cash flows from operations on the basis of the indirect method from the profit (loss) for the year to the operating profit (loss), and removing the option for classifying cash flows from dividends and interest. Additionally, consequential changes were made to multiple other accounting standards.

IFRS 18, and amendments to other standards, are effective for fiscal years beginning on or after January 1, 2027, but early application is permitted subject to disclosure. IFRS 18 will apply retrospectively.

The Company is currently working to identify the impacts that the changes will have on its financial statements and notes to the financial statements.

IFRS 19 SUBSIDIARIES WITHOUT PUBLIC ACCOUNTABILITY: DISCLOSURES

In May 2024, the IASB issued IFRS 19, which allows eligible entities to apply reduced disclosure requirements while continuing to apply the recognition, measurement and presentation requirements of other IFRS accounting standards.

To be considered eligible, as of the end of the reporting period the entity must: be a subsidiary under IFRS 10, have no public accountability, have a parent (ultimate or intermediate) that prepares IFRS consolidated financial statements available for public use.

IFRS 19 will be applicable for periods beginning on or after January 1, 2027; early application is permitted.
As the Company's equity instruments are listed on public markets, Elica S.p.A. does not qualify for the application of IFRS 19.

AMENDMENTS TO THE CLASSIFICATION AND MEASUREMENT OF FINANCIAL INSTRUMENTS—AMENDMENTS TO IFRS 9 AND IFRS 7

In May 2024, the IASB published Amendments to IFRS 9 and IFRS 7 - Amendments to the Classification and Measurement of Financial Instruments. The amendments include:

- A clarification that a financial liability must be eliminated for accounting purposes on the settlement date, and the introduction of an accounting option (where specific conditions are met) to eliminate financial liabilities settled through electronic payment systems before the settlement date.
- Additional guidance on how to evaluate the contractual cash flows of financial assets with ESG (environmental, social, and governance) or similar characteristics.
- Clarification of what constitutes a "non-recourse" feature and what are the characteristics of contractually linked instruments.
- The introduction of new disclosures for financial instruments with conditional features and additional disclosure requirements for equity investments classified at fair value through other comprehensive income (OCI).

The amendments are effective for annual periods beginning January 1, 2026, with early application possible, limited to the classification of financial assets and related disclosures.

The Company does not expect these amendments to have a significant impact on its consolidated financial statements.

ANNUAL IMPROVEMENTS TO IFRS ACCOUNTING STANDARDS - VOLUME 11

In July 2024, the IASB published nine narrow scope amendments (narrow amendments) as part of its periodic maintenance activity on IFRS accounting standards. The amendments include clarifications, simplifications, corrections or interventions to improve the consistency of the following standards:

- IFRS 1 – First-time adoption of International Financial Reporting Standards,
- IFRS 7 – Financial Instruments: Disclosure and related Application Guide,
- IFRS 9 – Financial Instruments,
- IFRS 10 – Consolidated Financial Statements
- IAS 7 - Statement of Cash Flows.

The amendments will be effective for reporting periods beginning on or after January 1, 2026.

Early application is permitted and must be properly disclosed in the financial statements.
The amendments are not expected to have a significant impact on the Company financial statements.

CONTRACTS REFERENCING NATURE-DEPENDENT ELECTRICITY – AMENDMENTS TO IFRS 9 AND IFRS 7

In December 2024, the IASB published Amendments to IFRS 9 and IFRS 7 - Contracts Referencing Nature-dependent Electricity.

The amendments apply only to contracts referring to electricity whose production depends on natural conditions. In particular, they:

- clarify the application of "own use exemption" requirements for contracts within the scope;
- change the requirements for designating the hedged item in a cash flow hedge relationship for the affected contracts;
- introduce new disclosure requirements designed to enable investors to understand the effect of such contracts on the entity's financial performance and cash flows.

The amendments will be applicable to periods beginning on or after January 1, 2026.

Early application is allowed, which must be properly disclosed in the financial statements.

- The amendments related to the own use exception should be applied retroactively.
- The amendments related to hedge accounting must be applied prospectively to newly designated hedging relationships from the date of first application.
- The amendments to IFRS 7 disclosures should be applied in conjunction with the changes to IFRS 9.
- Where an entity decides not to restate comparative information, it may not present comparative disclosures.

The Company does not expect these amendments to have a significant impact on its financial statements.

D.6.3. Significant accounting estimates

In the preparation of the Financial Statements in accordance with IFRS, Management must make accounting estimates and assumptions regarding the future which have an effect on the values of the assets and liabilities and disclosures. The Company has based its estimates and assumptions on parameters available at the time the financial statements were prepared. However, the current circumstances and assumptions on future events may alter due to changes in the market and events outside of the Company's control. These changes, where occurring, are reflected in the assumptions. The estimates and assumptions are periodically reviewed and the effects of any changes are promptly recognised in the consolidated financial statements.

In this context, the situation caused by the historic volatility of the financial markets and the continued macroeconomic and geopolitical uncertainty has resulted in the need to make assumptions about a future performance characterised by significant uncertainty, in which results in the coming years could differ from such estimates and, therefore, require adjustments that is not currently possible to estimate or forecast, and these adjustments might even be significant.

The items principally affected by such uncertainty are: goodwill, the allowance for impairment and the provision for inventory impairment, non-current assets (intangible and tangible fixed assets), derivative financial instruments, pension funds and Long Term Incentives, other post-employment benefits, provisions for risks and charges and deferred tax assets.

Reference should be made to the notes to each individual item for further information on the aforementioned estimates.

D.6.4. Notes to the Separate Financial Statements

Income statement

D.6.4.1 REVENUE

An analysis of revenues by product sales and services follows:

In Euro thousands	2025	2024	Changes
Net revenue from core business	242,538	238,001	4,537
Premiums and recharges	(8,658)	(8,879)	221
Revenue from services	9,673	8,993	680
Revenue from other products	6,267	7,158	(891)
Revenue	**249,820**	**245,273**	**4,547**

This item increased by approximately 2% compared to the previous year in a market landscape in which domestic demand has continued to fall due to a macroeconomic and geopolitical context that remains critical, to cost of living and inflation that remain high, and to a general deterioration of consumer buying power, which has resulted in heightened pressure on the sales price mix.

For information on revenue, reference should be made to paragraph A.6. "The Parent Company, Elica S.p.A.: financial results and operating performance" in the Directors' Report.

A breakdown of revenues from third parties and subsidiaries is shown below.

In Euro thousands	2025	2024	Changes
Revenue - thirt parties	205,106	202,189	2,917
Revenue - subsidiaries	44,714	43,084	1,630
Revenue	**249,820**	**245,273**	**4,547**

Revenue from subsidiaries amounts to Euro 44,714 thousand. These amounts principally refer to the sale of components, finished products and services to the subsidiary AirForce for Euro 782 thousand (Euro 722 thousand in 2024), to the subsidiary Ariafina for Euro 324 thousand (Euro 300 thousand in 2024), to the subsidiary Elica Group Polska for Euro 5,555 thousand (Euro 5,874 thousand in 2024), to the subsidiary Elicamex for Euro 4,824 thousand (Euro 4,861 thousand in 2024), to the Chinese subsidiary Elica Home Appliances (Zhejiang) Co., LTD for Euro 133 thousand (Euro 240 thousand in 2024), to the Russian subsidiary Elica Trading for Euro 9,266 thousand (Euro 6,731 thousand in 2024), to Elica France for Euro 18,429 thousand (Euro 19,192 thousand in 2024), to the subsidiary Elica GmbH for Euro 3,433 thousand (Euro 3,779 thousand in 2024) and to the subsidiary EMC Fime for Euro 1,596 thousand (Euro 1,370 thousand in 2024). Revenue from subsidiaries increased by Euro 1.6 million, in line with the trend in sales by the subsidiaries.

All transactions are regulated at prices in line with market conditions applied to third parties.

Finally, we present revenue by geographic area: the breakdown of revenue from sales and services by geographic area and from third party and subsidiaries is as follows:

In Euro thousands	2025	2024	Changes
EUROPE + CSI (RUSSIA)	228,142	223,504	4,638
OTHER COUNTRIES	13,037	12,201	836
AMERICA	8,641	9,568	(927)
Revenue	**249,820**	**245,273**	**4,547**

Sales in 2025 increased by 2%, particularly in Europe and Russia, due to the implementation of the new distribution strategy and to the contribution of new products, which have doubled for the second consecutive year.

There are no customers attributable to Elica S.p.A. in 2025, similar to 2024, whose revenue accounts for more than 10% of total revenues.

D.6.4.2 OTHER OPERATING INCOME

In Euro thousands	2025	2024	Changes
Grants related to income	156	1,057	(901)
Ordinary gains	74	78	(4)
Claims and insurance settlement	47	100	(53)
Other operating income	3,119	1,375	1,744
Other operating income	**3,396**	**2,610**	**786**

Other operating revenue increased compared to the previous year. The change is mainly attributable to the increase of approx. Euro 1.7 million in “Other operating income”, which includes accessory gains of Elica S.p.A., such as the release of the product disposal provision for Euro 2.2 million recognised in 2025 following a change in the method for determining the annual cost of the disposal of electrical and electronic equipment by the consortium with which the Group is associated and other releases of past tax provisions (such as the 2015-2016 R&D credit, as established by agreed settlement, and other provisions related to the R&D credits for 2017, 2018 and 2019 that were partially certified during the year).

This item includes the majority of the public grants disbursed to the Company, which decreased by Euro 0.9 million due mainly to the lower impact of grants for training compared to 2024. Reference should be made to Note D.6.8 for information on the public grants presented according to Article 1, paragraph 125, No. 124 of Law of August 4, 2017.

D.6.4.3. CHANGES IN INVENTORIES OF FINISHED AND SEMI-FINISHED GOODS

Changes in inventories of finished products and semi-finished goods was negative for Euro 1,453 thousand (it was negative for Euro 258 thousand also at December 31, 2024). The decrease reflects the trend in inventory of finished and semi-finished products and, especially, the effective destocking policy pursued by the Company during the year.

D.6.4.4. INCREASE IN INTERNAL WORK CAPITALISED

In Euro thousands	2025	2024	Changes
Increase in internal work capitalised	3,730	3,965	(235)
Increase in internal work capitalised	**3,730**	**3,965**	**(235)**

The account amounted to Euro 3,730 thousand (Euro 3,965 thousand in the previous year) and mainly relates to the capitalisation of charges regarding the design and development of new products, such as the LHOV, and costs sustained internally for the construction of mouldings, industrial equipment and the implementation of new IT programmes. The amount decreased from the previous year by Euro 234 thousand; the capitalized costs refer mainly to hours of employees engaged in projects and to outside consultancy services.

The table below provides greater detail concerning the nature of the costs capitalised during the year.

In Euro thousands	2025	2024	Changes
Raw materials and consumables	89	241	(152)
Services	2,305	2,220	85
Personnel expense	1,276	1,504	(228)
Other operating costs	61	-	61
Increase in internal work capitalised	**3,730**	**3,965**	**(234)**

All costs capitalised during the year are related to Intangible fixed assets, the main changes in which are described in section D.6.4.18.2.

D.6.4.5. RAW MATERIALS AND CONSUMABLES

The breakdown of consumables (third parties and subsidiaries) are as follows:

In Euro thousands	2025	2024	Changes
Purchase of raw materials	40,080	40,547	(467)
Purchase of semi-finished products	9,324	8,245	1,079
Purchase of consumables and supplies	303	248	55
Purchase of finished products	113,908	113,747	161
Packaging	175	170	5
Others	572	608	(36)
Transport on purchases	362	346	16
Change in inventory of raw materials, consumables, supplies and goods	1,273	42	1,231
Raw materials and consumables	**165,997**	**163,953**	**2,044**
Change in finished and semi-finished products	**1,453**	**258**	**1,195**
Total	**167,450**	**164,211**	**3,239**

The two items, Raw materials and consumables and changes in inventories of finished and semi-finished products, may be considered together. This results in an absolute decrease of Euro 3,239 thousand.

Changes in inventories of finished and semi-finished goods report total costs of approximately Euro 1,453 thousand, as well as the change in the inventory of raw materials, consumables, supplies and goods for approximately Euro 1,273 thousand.

These changes follow the same trend in sales.

Regarding purchases for the year, the item that decreased the most was the purchase of raw materials, which, despite the increase in revenue, decreased as a result of inventory efficiency gains, which minimised purchases while maintaining service levels to customers.

The balances of the consumption of raw materials and of other consumables break down as follows:

In Euro thousands	2025	2024	Changes
Raw materials and consumables - third parties	54,509	51,428	3,081
Raw materials and consumables - subsidiaries	111,488	112,525	(1,037)
Raw materials and consumables	**165,997**	**163,953**	**2,044**

Raw materials and consumables increased by approx. Euro 2,0 million in 2025 on 2024. The percentage on revenues decreased from 66.8% to 66.4%. This trend is to be interpreted together with the change in finished and semi-finished products inventories, which shows that the ratio to revenue remains constant at 67% compared to the previous year. Consumption of raw materials and consumables at December 31, 2025, includes the cost for projects that have been capitalised for Euro 0.1 million, as detailed in paragraph D.6.4.4 Increase in internal work capitalised.

D.6.4.6. SERVICES

In Euro thousands	2025	2024	Changes
Outsourcing	8,009	7,109	900
Maintenance	624	593	31
Transportation	3,335	3,263	72
Trade fairs and promotional events	2,849	4,851	(2,002)
Utilities	852	947	(95)
Promotion and advertising fees	2,974	2,966	8
Commissions and bonuses	647	494	153
Management of finished products	6,820	6,984	(164)
Consultancy	9,844	8,703	1,141
Industrial services	286	303	(17)
Travelling expenses	653	733	(80)
Insurances	696	795	(99)
Banking commissions and charges	410	417	(7)
Other professional services	4,629	5,375	(746)
Heating expenses	260	245	15
Statutory auditors' fees	85	86	(1)
Directors' fees	2,018	1,214	804
Car management	565	565	0
Costs to remainlisted on the stock exchange	381	477	(96)
Services	**45,937**	**46,120**	**(183)**

Service decreased by approx. Euro 183 thousand on the previous year. The slight decrease is mainly due to "Trade fairs and promotional events" which includes in the comparative period investments for participation in the Milan furniture trade fair of April 2024, the sponsorship with Ducati where the Elica brand gained visibility on the fairing of the Ducati Desmosedici GP, on the riders' suits and on the team uniforms, and finally the marketing and communication efforts for the launch of new products, such as the LHOV, and for the new brand identity. "Other professional services" also decreased by Euro 0.7 million, mainly for projects that have been capitalised in the previous year.

Conversely, Consultancy increased by Euro 1.1 million compared to 2024, mainly driven by investments to transform the Cooking segment and to ongoing innovation efforts that have now resulted in new strategies and products, the result of resources being dedicated to research and experimentation of increasingly innovative solutions. In the same way, outsourcing increased by Euro 0.9 million and commissions by Euro 0.2 million, in line with the strategy to drive the new product range and activate new channels with the transformation of the Cooking segment.

The capitalisation of service costs in 2025 amounts to Euro 2.3 million (Euro 2.2 million in 2024), as indicated in paragraph D.6.4.4 Increase in internal work capitalised.

The balance is comprised of:

In Euro thousands	2025	2024	Changes
Services - third parties	42,331	42,396	(65)
Services - subsidiaries	3,606	3,724	(118)
Services	**45,937**	**46,120**	**(183)**

D.6.4.7. PERSONNEL EXPENSE

Personnel expense incurred in 2025 and 2024 was as follows:

In Euro thousands	2025	2024	Changes
Wages and salaries	26,379	25,251	1,128
Social security expenses	8,371	8,120	251
Post-employment benefits	1,654	1,632	22
Other personnel expense	1,682	74	1,608
Personnel expense	**38,086**	**35,077**	**3,009**

Personnel expense overall increased Euro 3.0 million.

This change was the result of multiple factors. On one hand, the salary adjustment correlated to inflationary dynamics must be taken into account, due to inflation adjustment measured by the IPCA index excluding the price dynamics of imported energy goods (ISTAT), which recorded an increase of approximately 7% starting from June 2024. On the other hand, part of this increase derives from the fact that, as highlighted in relation to other personnel expenses, the 2025 figure includes the variable incentives recognised to employees, which were not however reflected in the 2024 figure due to the adjustment of the estimates in consideration of the company results effectively achieved in that year, and the Long Term Incentive Plan provision linked to the extraordinary 2025-2026 plan assigned to Top Management.

All of this came about despite the mitigating effect of implementation of the production footprint reorganisation which already since 2023, following the transfer of a part of production from Elica S.p.A.'s Italian plants to the Polish plant of the subsidiary Elica Group Polska, has ensured greater flexibility in production management in response to market fluctuations. This last factor is not irrelevant as the still persistently uncertain demand throughout FY 2025 has prompted a strong need to manage production volumes on an as-needed basis.

Personnel expense at December 31, 2025, includes the cost for projects that have been capitalised for Euro 1.3 million (Euro 1.5 million in 2024), as detailed in paragraph D.6.4.4 Increase in internal work capitalised.

The table below shows the number of employees of the Company at December 31, 2025 and December 31, 2024:

Workforce	12/31/2025	12/31/2024	Changes
Executives	24	23	1
White-collar	282	288	(6)
Blue-collar	321	328	(7)
Others	10	2	8
Total	**637**	**641**	**(4)**

The above figure also includes employees in the Spanish office.

D.6.4.8. AMORTISATION, DEPRECIATION AND WRITE-DOWNS

The total amount of amortisation is Euro 7,562 thousand, a slight increase compared to 2024, which is Euro 7,336 thousand. The change is mainly attributable to the increase in depreciation of industrial and commercial equipment for the year.

Development projects for which activity stopped during the year were written down by a total of Euro 168 thousand.

For the changes in the year of amortisation and depreciation, reference should be made to the paragraph on fixed assets and right-of-use assets as per IFRS 16, D.6.4.17 and D.6.4.18.2, D.6.4.18.3.

D.6.4.9. OTHER OPERATING EXPENSES AND ACCRUALS

These are detailed as follows:

In Euro thousands	2025	2024	Changes
Rental of vehicles and industrial equipment	185	189	(4)
Leases and rentals	108	114	(6)
HW, SW, patent use fees	832	453	379
Other taxes (no income tax)	1,924	333	1,591
Magazines, Subscriptions' expenses	6	3	3
Sundry equipment	148	150	(2)
Catalogues and brochures	261	206	55
Credit losses and loss allowance	231	302	(71)
Provisions for risks and charges	1,682	2,359	(677)
Other prior year expenses and losses	768	240	528
Other operating expenses and accruals	**6,145**	**4,349**	**1,796**

Overall, this item increased by Euro 1.8 million compared to 2024. This change is mainly attributable to the increase in “Other taxes (not income tax)” for Euro 1.6 million and in “Other prior-year expenses and losses” for Euro 0.5 million.

The main increase is due to the agreed settlement in 2025 of the dispute with the Tax Agency related to the research and development tax credits for 2015 and 2016, and consequent recognition of the related charges. Also during the period, we reversed the R&D credits related to tax years 2017–2019 that were deemed not certifiable following certification efforts conducted in 2025 and also eliminated prior credit positions that were deemed uncollectable following routine verifications of the accounts.

Provisions for risks and charges decreased by Euro 0.7 million as a result of the release of provisions as risks related to business operations that had given rise to the allocations in previous years were eliminated or as cash outflows were deemed no longer likely in order to meet the underlying obligations. This account, together with "Credit losses and loss allowance", reflect updated estimates made by Management for risk coverage.

For further details, see also D.6.4.27.

D.6.4.10. RESTRUCTURING CHARGES

In Euro thousands	2025	2024	Changes
Restructuring charges	498	(22)	520
Restructuring charges	**498**	**(22)**	**520**

At December 31, 2025, the item mainly includes personnel expenses and reflects past rightsizing that began in previous years.

D.6.4.11. INCOME AND EXPENSES FROM GROUP COMPANIES

A breakdown of income and expenses from Group companies is provided below:

In Euro thousands	2025	2024	Changes
Dividends from investments in subsidiaries	5,790	6,420	(630)
Interest from avaiable for sale financial assets	2,043	3,265	(1,222)
Fair value losses on marketable financial assets	(3,257)	0	(3,257)
Financial charges from subsidiaries	(426)	(1,049)	623
Gain and loss from group companies	**4,150**	**8,637**	**(4,487)**

Income and expenses from Group companies in 2025 include dividends received from subsidiaries during the year for Euro 5.8 million and the write-down of the equity investment in Elica Home Appliances (Zhejiang) Co. Ltd., for Euro 3.3 million.

Interest income from subsidiaries decreased from the previous year, mainly due to the trend in intercompany financial positions in terms of both average balances and the duration of the positions. The change also reflects the adjustment to the financial conditions applied, in line with the trend in market rates and with the financing policies of the Group, while also reflecting a change in the composition of intercompany balances during the year.

Conversely, interest expense from subsidiaries decreased from the previous year due to a reduced use of intercompany lines of credit and changing trends in cash pooling.

For details on income and expenses from subsidiaries and associates, see notes D.6.7.3.5 Balances with subsidiaries and D.6.7.4 Transactions with other related parties.

D.6.4.12. FINANCIAL INCOME

Details of financial income are shown below:

In Euro thousands	2025	2024	Changes
Interest on bank and postal deposits	105	271	(166)
Other financial income	0	11,088	(11,088)
Financial Income	**105**	**11,359**	**(11,254)**

Financial income decreased in 2025 compared to 2024 mainly due to the non-recurring gain in 2024 related to the sale of the equity investment in Elica PB Whirlpool.

D.6.4.13. FINANCIAL EXPENSE

Financial expense may be broken down as follows:

In Euro thousands	2025	2024	Changes
Financial expense on overdrafts and bank loans	5,060	5,102	(42)
Interest on lease liabilities (IFRS 16)	54	62	(8)
Financial expenses on post-employment benefits	124	130	(6)
Financial discounts	264	314	(50)
Other financial expense	948	43	905
Financial expense	**6,450**	**5,651**	**799**

Financial expense for 2025 increased by Euro 799 thousand compared to 2024, attributable mainly to “Other financial income”, related mainly to the value of the remaining stake held by Elica S.p.A. in Elica PB Whirlpool Kitchen Appliances Private Limited.

In 2025, this equity investment was written down by Euro 0.2 million, as was the related (put & call) option, which reported an adjustment of Euro 0.6 million.

The other components report more limited changes, with expenses on bank loans remaining essentially stable, while IFRS 16 interest, post-employment benefit expenses, and commercial discounts posted minor reductions.

D.6.4.14. EXCHANGE RATE GAINS/(LOSSES)

In Euro thousands	2025	2024	Changes
Exchange rate losses	(5,120)	(2,764)	(2,356)
Exchange rate gains	2,804	4,209	(1,405)
Losses on derivatives	(4,326)	(5,717)	1,391
Gains on derivatives	4,389	3,591	798
Net exchange rate gains/(losses)	**(2,253)**	**(681)**	**(1,572)**

The net exchange rate loss for the year was Euro 2,253 thousand, worsening from the net losses of Euro 681 thousand of 2024.

The net gain on derivatives was Euro 63 thousand, up from the net losses of the previous year. This trend is mainly attributable to currency derivative transactions and includes both components realised in connection with the liquidation of bonuses maturing during the year and the valuation components resulting from fair value measurement at the balance sheet date. Given that these instruments do not fully meet the requirements for the application of hedge accounting, the related effects have been recognised directly through profit or loss.

The total net loss, determined by adjusting the translation of monetary balances in foreign currency at year-end exchange rates and from the fair value measurement of derivatives on time deposits in foreign currencies, amounts to Euro 2,367 thousand.

As these are unrealised valuation components, recognised in accordance with Article 2426(1), no. 8-bis, of the Civil Code, and considering that the overall balance is a net loss, it is not necessary to establish an unavailable reserve for valuation gains.

D.6.4.15. INCOME TAXES

The tax charge in the year is broken down as follows:

In Euro thousands	2025	2024	Changes
Current taxes	(1,415)	(330)	(1,085)
Deferred taxes	(1,961)	(3,020)	1,059
Income taxes	**(3,376)**	**(3,350)**	**(26)**

Current taxes include unrecoverable foreign taxes for Euro 217 thousand, offset by the positive impact of Euro 464 thousand for the lower IRAP taxes for 2020, 2021, 2022 and 2023 due to the Patent Box benefit (Law 190/2014) and by a further Euro 1,330 thousand for recognition of the gain on tax consolidation.

The Company signed the renewal of the Ruling Agreement with the Tax Authorities on December 9, 2025 concerning the regulation of transactions with its subsidiary Elica Group Polska.

The company took part in the National Tax Consolidation, as per Article 117 and subsequent of the Income Tax Law, with the subsidiaries EMC Fime S.r.l. and Air Force S.p.A..

According to the consolidation agreements, in the case of the transfer to the fiscal consolidation (fiscal unit) of a tax loss, of a ROL excess (EBITDA), of an interest charge or income excess compared to the assessable income, the Company recognises remuneration equal to the tax advantage gained by the Group (IRES rate 24%); this amount is recognised to “Consolidation income” in the income statement.

The reconciliation between the theoretical and effective tax rate is shown (IRES) in the table below.

The change in the effective tax rate is due to non-recurring events, both last year and in the present year.

TAX RATE RECONCILIATION

RATE	2025					2024				
IRES rate		24.00%					24.00%			
IRAP rate		4.73%					4.73%			
	Taxable base	**IRES**	**IRAP**	**Total**	**% IRES on tax base**	**Taxable base**	**IRES**	**IRAP**	**Total**	**% IRES on profit/(loss) before tax**
Income base										
- Current		(1,330)	-	(1,330)			(1,438)	-	(1438)	
-Prior year taxes / foreign taxes		(85)	-	(85)			1,108	-	1,108	
- Deferred – cost (income))		(2,018)	57	(1,961)			(3,129)	51	(3,078)	
[A] TOTAL INCOME TAXES		(3,433)	57	(3,376)	**25.72%**		**(3,459)**	**51**	**(3,408)**	**(42.51%)**
PROFIT BEFORE TAXES	(13,347)					8.136				
Tax calculated using local tax rate		(3,203)			24.00%		1,953			24.00%
Tax effect of exempt income	(5,750)	(1,380)			(10.34) %	(29.116)	(6,988)			(85.89%)
Tax effect of non-deductible expenses	6,557	1,574			(11.79) %	1.624	390			4.79%
Other differences	(1,415)	(340)			2.54 %	330	79			0.97%
[B] Effective tax charge and tax rate net of substitute tax	(13,952)	(3,348)			**(25.09) %**	**(19.027)**	**(4,566)**			**(56.13%)**
Effect of tax reimbursement / Foreign taxes	-	85			0.64 %		1,108			13.62%
[C] Effective tax charge and tax rate		**(3,433)**			**25.72 %**		**(3,459)**			**(42.51%)**

D.6.4.16. OTHER INFORMATION ON INCOME STATEMENT ITEMS

The research and development costs capitalised and expensed in 2024 and in 2025 are summarised in the table below:

In Euro thousands	2025	2024	Changes
Research costs taken to profit or loss	4,109	3,672	437
Amortisation of capitalised development costs in the year	1,317	1,286	31
Total research and development costs	**5,426**	**4,958**	**468**
Development costs capitalised in the year	**765**	**1,203**	**(438)**

Statement of financial position

D.6.4.17. PROPERTY, PLANT AND EQUIPMENT

The table below shows details of the changes in property, plant and equipment in 2024 and 2025.

In Euro thousands	Land & buildings	Plant and machinery	Industrial and commercial equipment	Other assets	Assets under construction and payments on account	Historical cost property, plant & equipment
12/31/2023	**19,495**	**25,966**	**46,259**	**8,552**	**684**	**100,956**
Increase	446	259	698	793	1,329	3,525
Disposals & other reclassifications	(12)	(1,028)	(1,340)	(352)	(623)	(3,355)
12/31/2024	**19,929**	**25,197**	**45,617**	**8,993**	**1,390**	**101,126**
Increase	201	408	251	382	1,204	2,446
Disposals & other reclassifications	1	(150)	(1,412)	(28)	(1,264)	(2,853)
12/31/2025	**20,131**	**25,455**	**44,456**	**9,347**	**1,330**	**100,719**

In Euro thousands	Land & buildings	Plant and machinery	Industrial and commercial equipment	Other assets	Assets under construction and payments on account	Accumulated Depreciation
12/31/2023	**11,999**	**21,565**	**40,218**	**7,363**		**81,145**
Depreciation	507	593	1,260	422		2,782
Disposals & other reclassifications	(8)	(1,022)	(1,872)	(394)		(3,296)
12/31/2024	**12,498**	**21,136**	**39,606**	**7,391**		**80,631**
Depreciation	515	571	1,495	423		3,004
Disposals & other reclassifications	(1)	(208)	(2,326)	(57)		(2,592)
12/31/2025	**13,012**	**21,499**	**38,775**	**7,757**		**81,043**

In Euro thousands	Land & buildings	Plant and machinery	Industrial and commercial equipment	Other assets	Assets under construction and payments on account	Net property, plant and equipment
12/31/2023	**7,496**	**4,401**	**6,041**	**1,189**	**684**	**19,811**
Increase	446	259	698	793	1,329	3,525
Depreciation	(507)	(593)	(1,260)	(422)	0	(2,782)
Disposals & other reclassifications	(4)	(6)	532	42	(623)	(59)
12/31/2024	**7,431**	**4,061**	**6,011**	**1,602**	**1,390**	**20,495**
Increase	201	408	309	382	1,204	2,446
Depreciation	(515)	(571)	(1,495)	(423)	0	(3,004)
Disposals & other reclassifications	2	58	914	29	(1,264)	(261)
12/31/2025	**7,119**	**3,956**	**5,681**	**1,590**	**1,330**	**19,676**

Property, plant and equipment decreased from Euro 20,495 thousand at December 31, 2024 to Euro 19,676 thousand at December 31, 2025, a net decrease of Euro 819 thousand as a result of the sales, purchases and a depreciation charge of Euro 3,003 thousand, slightly higher than the figure at December 31, 2024. Investments in the year mainly concerned "assets under construction" for Euro 1.2 million, but also "plant and machinery" and "other assets" for a total of Euro 0.4 million, following the actions taken to improve the manufacturing plant and machinery, and the assembly lines related to the launch of new products and the development of hardware for the implementation of new projects. Of note, for example, is the construction of the new LHOV production line at the Mergo plant (Euro 0.3 thousand) and the purchase of new servers to develop the Group's ERP (Euro 0.2 thousand). The decrease in "Industrial and commercial equipment" of Euro 1.4 million is mainly attributable to the periodic verification of moulds and production equipment, following which it was deemed necessary to dispose of equipment that was no longer suited for use in production.

As required by IAS 16 – Property, Plant and Equipment, management has reviewed the estimated residual values and expected useful lives of these assets. In particular, given all the factors that impact this estimate (IAS 16.56), especially the great instability of the economic landscape and climate-related issues, the estimate of the remaining useful life of assets is deemed to be appropriate.

The historical cost criteria remains the measurement method used for property, plant and equipment after initial recognition.

The historical cost includes revaluations permitted by previous legislation on first time application as considered representative of the fair value of the property, plant and equipment when the revaluation was made.

D.6.4.18. GOODWILL AND OTHER INTANGIBLE ASSETS

D.6.4.18.1. GOODWILL

The item presents the following movements:

In Euro thousands	12/31/2024	Other changes	12/31/2025
Goodwill	23,342	-	23,342
Goodwill	**23,342**	**-**	**23,342**

Goodwill totalled Euro 23.3 million and did not change in 2025.

IMPAIRMENT TEST FOR GOODWILL

International Accounting Standard (IAS 36) establishes standards for the recognition and disclosure of the impairment of certain types of assets, including goodwill, and presents the principles that businesses must follow to ensure that their assets are measured at no greater than their recoverable amount.

IAS 36 defines recoverable amount as the greater of:

- fair value less costs of disposal, i.e. the amount obtainable, net of disposal costs, from the sale of the asset in an arm's length transaction between knowledgeable, willing parties; and
- value in use, which is equal to the present value of the future cash flows expected to be derived from an asset or cash-generating unit.

IAS 36 requires the carrying value of goodwill to be compared with its recoverable amount whenever there is an indication that the asset may have undergone a reduction in value, and at least once per year in conjunction with impairment testing for the annual financial statements. The recoverable amount of goodwill is measured in reference to the cash generating unit (CGU), given that goodwill is not able to generate cash flows on its own.

A CGU is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows generated by other assets or groups of assets and with regard to which the Company has separate reporting of results.

The impairment testing undertaken in 2025 was based on the Company's five-year (2026-2030) financial forecasts, as prepared by management solely for the purposes of impairment testing and taking into account the current macroeconomic landscape and current trends in the markets in which the Company operates and as approved by the Board of Directors on February 12, 2026.

In accordance with IAS 36, and based on the considerations presented above, impairment testing of goodwill for the Company's financial statements at December 31, 2025, included the following activities:

1) Identification of goodwill;
2) Identification of the CGUs and allocation of goodwill to these CGUs;
3) Measurement of the recoverable amount of the CGUs;
4) Results of impairment testing;
5) Sensitivity analyses on impairment test results in relation to changes in the underlying assumptions.

1 The carrying amount is equal to the sum of non-current assets (i.e. property, plant and equipment; goodwill, intangible assets with a finite useful life, and right-of-use assets), managerial working capital (i.e. trade receivables and inventories less trade payables), and other assets and liabilities (i.e. tax receivables and payables, provisions for risks and charges, other current receivables and payables excluding the portion related to the purchase of equity investments, which are included among net financial position, deferred tax assets and liabilities related to purchase price allocations, assets and liabilities for derivative financial instruments excluding interest rate swaps, which are instruments used to hedge the cash flows of financing).

Identification of goodwill
Goodwill totalling Euro 23.3 million was subjected to impairment testing. The balance sheet shows no other intangible assets with finite useful lives.

IDENTIFICATION OF THE CGUS AND ALLOCATION OF GOODWILL TO THESE CGUS

IAS 36 requires that each CGU or CGU group to which goodwill is allocated represent the minimum level, within the entity, at which goodwill is monitored for management purposes and not be broader than an operating segment as defined by IFRS 8 – Operating Segments.

The verification of goodwill was carried out by identifying the entire company as a single CGU, following an approach based on Management Reporting.

MEASUREMENT OF THE RECOVERABLE AMOUNT OF THE CGUS

The Impairment Test of Elica S.p.A.'s goodwill at December 31, 2025 was carried out by identifying the recoverable value in the value in use.

The recoverable value of the Cash Generating Unit was determined, also with the support of a leading consulting firm, through the determination of their respective value in use, understood as the present value of the expected future cash flows generated by the CGUs and estimated in accordance with the discounted cash flow method.

The impairment test was approved by the Board of Directors on February 12, 2026, independently and prior to the preparation of the financial statements.

DISCOUNTED CASH FLOW ASSUMPTIONS

The principal assumptions utilised by the Company for the estimate of the future cash flows for the impairment test were as follows:

	2025	2024
Weighted average cost of capital (WACC)	7.7%	7.2%
Growth rate terminal value	1.0%	1.0%

The Weighted Average Cost of Capital (WACC) utilised to discount the future cash flows was determined utilising the Capital Asset Pricing Model (CAPM). For the calculation of the WACC a free risk rate of 3.9% was used, a market premium risk of 5.5% and a beta-unlevered factor of 0.62.

ASSUMPTIONS UTILISED IN ESTIMATING CASH FLOWS

The discounted cash flow model is based on the financial cash flows, calculated on the basis of the best estimates made by the directors, for the sole purposes of the impairment test, for a period of five years (2026-2030 Operating and Financial Projections).

The 2026-2030 Operating and Financial Projections used for the purpose of the impairment test were prepared and approved by the Directors on February 12, 2026. The main assumptions utilised in the determination of the cash flows were as follows:

- a revenue CAGR over the 2026-2030 period of 4.3%;
- average EBITDA on revenue equal to 6.2%;
- average EBIT on revenue equal to 3.0%;
- average Capex on revenue equal to 2.6%;
- level of Free Operating Cash flow after taxes on revenue equal to 3.0%;
- a normalisation of the Terminal Value, in line with national and international best practice.

The assumptions utilised in the estimates are based on historical and forecast data of the Company, and are in line with information available from independent sector and market analysts in which the Group operates. In particular, the estimates take into account the positive contributions of the projects that the Company is implementing, such as the business development for the new cooking products and the new projects for OEM customers in the EMEA area.

The projections used in the current year did not change significantly from those used in the previous year, as the first year of the plan was already substantially in line with the actual figures in terms of both sales and margins.

The Company is exposed to the risk that the assumptions and hypotheses underlying the above 2026-2030 forecasts will not occur or will occur according to different timing and measures than expected. The assumptions made for the purpose of determining the value in use of the individual cash-generating unit, supporting the asset values, inherently incorporate a randomness associated with all forecasts; therefore, they could result in future adjustments to carrying amounts depending on the actual realization of the assumptions underlying the Director's estimates.

Factors which may cause variations, even to a significant degree, include the persistent uncertainties that characterise markets, fuelled in particular by the evolving geopolitical environment and environmental issues. Management therefore periodically monitors the circumstances and events that influence these assumptions and future trends.

Although the Group concluded that no single climate or uncertainty-related assumption in the current geopolitical environment represents a key assumption in the 2025 goodwill impairment tests, cost-related and investments expectations related to these projects were reflected in the financial-economic projections.

RESULTS OF THE IMPAIRMENT TEST

The impairment test did not result in the recognition of loss in value of the goodwill. The value in use of the Company (Euro 156 million) was 3.7 times its carrying amount.

SENSITIVITY ANALYSIS

In order to better appreciate the sensitivity of the results of the Impairment Test to changes in the basic assumptions, several sensitivity analyses were carried out assuming reasonable changes in some of the assumptions underlying the estimates made, and in particular in the growth rate (between 0% and 2%), the WACC (between 6.7% and 8.7%) and the cost of raw materials (percentage increase between 0.5% and 1.7%). None of the changes considered resulted in a recoverable amount of the Company equal to or below the respective book values. In particular, upon changes in the growth rate the coverage would fluctuate between 2.3 and 3.3 and upon changes in the WACC coverage would fluctuate between 2.2 and 3.4. Regarding the sensitivity analysis related to the cost of raw materials, increasing it by 0.5% would result in a coverage of 2.5, while with an increase of 1.7% the coverage would be 2.0. Should EBITDA decrease by 0.5%, there would be a coverage of 2.3, whereas a decrease of 0.9% would result in a coverage of 2.0.

The WACC and growth rate at which the coverage is equal to one were also calculated. The WACC is 22.2%, and the growth rate needs to fall below -30%.

D.6.4.18.2. OTHER INTANGIBLE ASSETS

The table below shows details of changes in other intangible assets in 2024 and 2025.

In Euro thousands	Development costs	Industrial patents and intellectual property rights	Concessions, licences, trademarks and software	Other intangible assets	Assets under development and payments on account	Net intangible assets
12/31/2023	**3,703**	**781**	**5,524**	**395**	**2,101**	**12,504**
Increase	1,203	343	601	0	2,045	4,192
Depreciation	(1,286)	(281)	(1,834)	(174)	0	(3,575)
Disposals & other reclassifications	298	144	839	48	(1,631)	(302)
12/31/2024	**3,918**	**987**	**5,130**	**269**	**2,515**	**12,819**
Increase	765	216	684	0	2,060	3,725
Depreciation	(1,317)	(325)	(1,849)	(141)	0	(3,632)
Disposals & other reclassifications	1,100	63	753	3	(1,927)	(8)
12/31/2025	**4,466**	**941**	**4,718**	**131**	**2,648**	**12,904**

At December 31, 2025, intangible assets amounted to Euro 12,904 thousand, an increase of Euro 85 thousand on the previous year.

Development costs relate to product design and development activities. The increase in the year of Euro 765 thousand is mainly attributable to the cost of developing new products, especially for the new product LHOV for approximately Euro 371 thousand.

Industrial patents and intellectual property rights include the recognition of patents, associated development costs, intellectual property rights and software programmes. The increase in the year of Euro 216 million principally relates to the Parent and costs for the new patents developed for the execution of new products as described above.

Concessions, licenses, trademarks and similar rights refers to the registration of trademarks by the company.

Other intangible assets, in the amount of Euro 131 thousand, mainly consist of shared costs regarding the development of equipment, mouldings and machinery and servers refurbishment.

Assets under development and payments on account of Euro 2,648 thousand refer in part to advances and the development of projects for the implementation of new IT platforms, the design and development of new software applications and in part to the development of new products, such as the new Nikola Tesla extractor hobs (approximately Euro 0.8 million). This increased by Euro 2,060 thousand during the year.

"Disposals and other reclassifications" includes the impairment of some development projects for which work was interrupted during the year for Euro 168 thousand.

The recoverable amount of the development costs and all intangible assets is greater than the corresponding book value, and therefore it is not necessary to recognise an impairment loss. The criteria applied to amortise intangibles is considered appropriate to reflect the remaining useful life of the assets and also takes account of the multiple factors of uncertainty related to the current macroeconomic landscape and climate-related issues.

In addition to the recoverability of intangible assets, the capitalisation of development costs and intangible assets in progress are also the result of estimates formulated by the Directors, which depends strictly on expectations regarding cash flows deriving from the sale of products distributed by Elica. These estimates currently take into account regulatory developments and evolving market demands.

D.6.4.18.3. RIGHTS-OF-USE

In Euro thousands	Buildings	Machines and installation	Industrial and commercial equipment	Other	Assets under construction and payments on account	Net property use rights
12/31/2023	**224**	**0**	**0**	**1,968**		**2,192**
Increase	140	0	0	964		1,104
Depreciation	(109)	0	0	(867)		(976)
Disposals & other reclassifications	(16)	0	0	(228)		(244)
12/31/2024	**239**	**0**	**0**	**1,836**		**2,075**
Increase	147	0	0	262		409
Depreciation	(125)	0	0	(802)		(927)
Disposals & other reclassifications	(68)	0	0	(118)		(186)
12/31/2025	**193**	**0**	**0**	**1,178**		**1,371**

This item includes assets representing the Company's rights-of-use under existing lease, rental and hire agreements. The Company has many assets under lease, such as buildings, production machinery, motor vehicles and IT equipment. The Rights-of-use for Other Leased Assets primarily regards IT equipment. At December 31, 2025, the net amount of rights-of-use was Euro 1,371 thousand, decreasing by Euro 704 thousand on the previous year due to the termination of contracts related to rentals, cars, and forklifts.

D.6.4.19. EQUITY INVESTMENTS

D.6.4.19.1 INVESTMENTS IN SUBSIDIARIES

In Euro thousands	12/31/2024	Increase	Decrease	Devaluation	Other changes	12/31/2025
Investment in subsidiaries	103,271	0	0	(3,257)	1,998	102,012
Investment in subsidiaries	**103,271**	**0**	**0**	**(3,257)**	**1,998**	**102,012**

The details of investments in subsidiaries are shown below:

In Euro thousands	12/31/2024	Acquisition & Sub.	Impairment	Increases	Decreases	12/31/2025
Elica Trading LLC	3,880					3,880
Elica Group Polska S.p.zoo	22,275					22,275
Elicamex S.a. de C.V.	9,465					9,465
Ariafina Co.Ltd	49					49
Airforce S.p.A.	3,662					3,662
Elica Home Appl. (Zhejiang) Co., LTD	11,990		(3,257)	1,998		10,731
Elica France S.A.S.	1,024					1,024
Elica GmbH	4,540					4,540
EMC Fime S.r.l.	45,859					45,859
Elica North America Inc.(*)	27					27
AG international Inc.	376					376
Elica Nederland B.V.	124					124
Investments in subsidiaries	**103,271**		**(3,257)**	**1,998**		**102,012**

It is noted that, effective March 12, 2025, the name of the subsidiary company SouthEast Appliance, Inc. (“S.E.A.” for short) changed to Elica North America Inc.

Movements during the year that concerned equity investments in subsidiaries were as follows: the purchase on July 14, 2025, of the remaining interest in Elica Home Appliances, equal to a 0.56% stake, from Fuji Industrial Co., Ltd., for Euro 1,998 thousand; the write-down of the equity investment in Elica Home Appliances for Euro 3.3 million following impairment testing conducted pursuant to IAS 36 at December 31, 2025, given that a comparison of the recoverable and carrying values of the shareholding pointed to potential impairment.

The table below summarises the key figures derived from the subsidiary companies 2025 financial statements, including their equity. This amount is therefore compared with the carrying amount of the investment.

In Euro thousands	% held	Carrying amount at 12/31/2025	Profit/(loss) for the year	Equity
Airforce S.p.A.	100%	3,662	(362)	2,819
Ariafina Co.Ltd	51%	49	3,044	6,532
Elica Group Polska Sp.z o.o	100%	22,275	2,093	25,330
Elicamex S.a.d. C.V.	98%	9,465	(1,956)	23,267
Elica Home Appliances (Zhejiang) Co., LTD	100%	10,731	(1,779)	(1,915)
Elica Trading LLC	100%	3,880	(536)	1,991
Elica France S.A.S.	100%	1,024	(688)	763
Elica GmbH	100%	4,540	93	1,799
EMC Fime S.r.l.	100%	45,859	4,034	37,275
Elica North America Inc.	100%	27	(1,283)	(2,582)
AG international Inc.	100%	376	262	585
Elica Nederland B.V	100%	124	(205)	(316)
Total		**102,012**		

In accordance with the provisions of IAS 36, the recoverability of the carrying amount of equity investments is subject to testing amid the existence of indicators of potential impairment. Following the trigger events analysis carried out, the controlling equity investments are held in: Elica Home Appliances (Zhejiang) Co., LTD, in consideration of the operating results achieved and the industrial-operational reorganisation plan implemented in 2025, Elica Trading LLC, in consideration of the risks from the Russia-Ukraine conflict as concerning the company marketing Elica products in Russia, EMC Fime S.r.l. which reports consolidating goodwill.

In terms of how to determine any impairment losses on investments in subsidiaries, the test is carried out, in accordance with IAS 36, by comparing the recoverable amount with the carrying value of the investment. The recoverable value of the equity investments was estimated, also with the assistance of a leading consulting firm, through the determination of their respective values in use, represented by the present value of the estimated cash flows for the years of operation of the tested companies and resulting from its disposal at the end of its useful life, calculated in accordance with the discounted cash flow method.

The impairment test was approved by the Board of Directors on February 12, 2026, independently and prior to the preparation of the financial statements.

DISCOUNTED CASH FLOW ASSUMPTIONS

The principal assumptions utilised by the company for the estimate of the future cash flows for the impairment test of the investments were as follows:

	Weighed average cost of capital (WACC) 2025	Growth rate terminal value 2025	Weighed average cost of capital (WACC) 2024	Growth rate terminal value 2024
Elica Home Appliances (Zhejiang) Co., LTD	7.1%	2.0%	7.0%	2.0%
Elica Trading	17.8%	4.0%	25.8%	4.0%
EMC Fime Srl	8.4%	1.0%	8.2%	1.0%
Investments in subsidiaries with indicators of Impairment				

The Weighted Average Cost of Capital (WACC) utilised to discount the future cash flows was determined utilising the Capital Asset Pricing Model (CAPM).

For the calculation of the WACC of Elica Home Appliances (Zhejiang) Co., LTD a free risk rate of 3.2% was used, a market premium risk of 5.5% and a beta-unlevered factor of 0.62.

For the calculation of the WACC of Elica Trading a free risk rate of 14.4% was used, a market premium risk of 5.5% and a beta-unlevered factor of 0.62.

For the calculation of the WACC of EMC Fime a free risk rate of 4.0% was used, a market premium risk of 5.5% and a beta-unlevered factor of 0.78.

ASSUMPTIONS UTILISED IN ESTIMATING CASH FLOWS

The discounted cash flow model is based on the financial cash flows, calculated on the basis of the best estimates made by the directors, for the sole purposes of the impairment test, for a period of five years (2026-2030 Operating and Financial Projections).

The 2026-2030 Operating and Financial Projections for the companies subject to testing, used for the purpose of the impairment test, were prepared and approved by the Directors on February 12, 2026.

The main assumptions utilised in the determination of the cash flows were as follows:

	CAGR revenue period 2026-2030	Average gross operating profit on revenue	Average operating profit on revenue	Average Free Operating Cash flow after taxes on revenue
Elica Home Appliances (Zhejiang) Co., LTD	3.4%	14.8%	8.7%	15.7%
Elica Trading	3.4%	4.8%	3.8%	3.2%
EMC Fime Srl	6.4%	7.3%	4.1%	4.2%
Investments in subsidiaries with indicators of Impairment				

The assumptions utilised in the estimates are based on historical and forecast data of the investees, and are in line with information available from independent sector and market analysts in which the company operates. These estimates are subject to changes, even significant, deriving from uncertainties which continue to effect the markets, and for this reason management continues to periodically monitor the circumstances and events which affect these assumptions and future trends.

RESULTS OF THE IMPAIRMENT TEST

Impairment testing at December 31, 2025, conducted pursuant to IAS 36, pointed to a permanent loss in value of the equity investment in Elica Home Appliances of Euro 3.3 million, which resulted in the Company recognising an impairment loss for that amount.

For the other shareholdings subjected to impairment testing, i.e. Elica Trading and EMC Fime, the tests did not result in the recognition of impairment losses. The results are reported below.

	Coverage
Elica Home Appliances (Zhejiang) Co., LTD	<1
Elica Trading	1.3
EMC Fime Srl	2.6
Investments in subsidiaries with indicators of Impairment	

SENSITIVITY ANALYSIS

Sensitivity analyses were carried out in order to indicate, by coverage level, the impacts from:

- a +/-1% change in the WACC

Coverage		Elica Home Appliances (Zhejiang) Co., LTD		Elica Trading		EMC Fime Srl
	6.1%	1.1	16.8%	1.3	7.4%	2.9
	7.1%	< 1.0	17.8%	1.3	8.4%	2.6
	8.1%	< 1.0	18.8%	1.2	9.4%	2.3
Sensitivity WACC						

- a +/-1% change in the Growth rate

Coverage		Elica Home Appliances (Zhejiang) Co., LTD		Elica Trading		EMC Fime Srl
	1.0%	< 1.0	3.0%	1.2	0.0%	2.4
	2.0%	< 1.0	4.0%	1.3	1.0%	2.6
	3.0%	1.0	5.0%	1.3	2.0%	2.8
Growth Rate Sensitivity						

- from an increase in costs. A percentage increase in raw material costs was factored in from 0.5% to 1.7%

Coverage	Base Scenario	0,50%	1,70%
Elica Home Appliances (Zhejiang) Co., LTD	< 1.0	< 1.0	< 1.0
Elica Trading	1.3	1.0	1.0
EMC Fime Srl	2.6	2.5	2.2
Sensitivity increase % raw material costs			

- from a change in EBITDA. A percentage decrease in the EBITDA margin from -0.5% to -0.9% was factored in

Coverage	Base Scenario	-0,50%	-0,90%
Elica Home Appliances (Zhejiang) Co., LTD	< 1.0	< 1.0	< 1.0
Elica Trading	1.3	1.0	1.0
EMC Fime Srl	2.6	2.4	2.2
Change in EBITDA Sensitivity			

Contrary to the above in relation to the impairment test on the equity investment in Elica Home Appliances, the carrying amounts of the investments in Elica Trading and EMC Fime were in line with the value in use calculated for impairment testing including in the event of negative changes in the underlying assumptions that could have resulted in a loss in value.

The WACC and growth rate at which the coverage is equal to one were therefore calculated for Elica Trading and EMC Fime. For Elica Trading, the WACC is 24.3% and the growth rate is below -9.5%. For EMC Fime, the WACC is 26.6% and the growth rate is below -70%.

D.6.4.19.2. INVESTMENTS IN ASSOCIATES

The holdings in associated companies break down as follows:

In Euro thousands	12/31/2024	Acquisition & Sub.	Impairment	Increases	Decreases	12/31/2025
Steel Srl	-	2,500	-	-	-	2,500
Investments in associates	-	**2,500**	-	-	-	**2,500**

The change in this item in 2025 concerns the acquisition in November 2025 of a 28% stake in Steel S.r.l., an Italian company that operates in the premium cooking segment and is not listed on any regulated market, for a payment of Euro 2,500 thousand.

Elica recognised the investment in Steel at cost as an associated company.

The table below summarises the information on investments in associated companies as required by IFRS 12 and by the Civil Code, including the equity of these companies. This amount is therefore compared with the carrying amount of the investment.

In Euro thousands	Registered Office	Share capital (whole amount)	% held	Carrying amount at 12/31/2025	Profit/ (loss) for the year	Equity
Steel Srl*	Carpi (Mo) IT	187,553	28%	2,500	(71)	125,164
Total				**2,500**		

* The financial information for Steel S.r.l. is based on the statutory financial statements of the associate, prepared in accordance with the national accounting standards issued by the Italian Accounting Board (OIC).

At December 31, 2025, the associated company did not distribute earnings for the period and did not have any contingent liabilities or commitments.

The recoverability of the carrying amount of the shareholding is verified, when certain conditions are met, in part by way of impairment testing, for which the shareholding is considered to be single cash generating unit (CGU). The Company does not have investments in other associated companies or joint ventures that are not of significance individually.

D.6.4.20. OTHER ASSETS (NON-CURRENT) AND OTHER ASSETS

The breakdown is as follows:

In Euro thousands	12/31/2025	12/31/2024	Changes
Receivables from employees	1	1	0
Other receivables	4	4	0
Other financial assets	1,453	1,668	(215)
Other (non-current) receivables and other assets	**1,458**	**1,673**	**(215)**

Other non-current receivables includes security deposits.

The item Other financial assets regards unqualified non-controlling interests held by the Elica Group in other companies. These investments are held in unlisted companies whose shares are not traded on a regulated market.

The item mainly includes Euro 1,405 thousand for the 1.6% stake held in Elica PB Whirlpool Kitchen Appliances (formerly Elica PB India Private Ltd.), a subsidiary of Whirlpool of India Limited.

The company previously held by the Elica Group and deconsolidated in 2021 following the sale of the majority holding to Whirlpool of India Ltd, remained classified for the residual investment maintained by the Elica Group, equal to 6.375% of the share capital, as Other Financial Assets and maintained its non-current status.

In 2024, the Group concluded an agreement for the sale of a further share of the Indian investee Elica PB India to Whirlpool (equal to 4.78%), further diluting its shareholding to a 1.59% stake. At the same time, Elica PB Whirlpool Kitchen Appliances renewed a Trademark & Technical License Agreement with Elica, which provides for the exclusive use of the Elica brand in the Indian territory and non-exclusive use in Nepal and Bangladesh with minimum guaranteed royalties over time that are part of the Company's normal resale business relationships.

With the 2024 agreement, the parties have established a new mechanism of cross put and call options expiring 90 days after the date of approval of Elica India's financial statements for the year ending March 31, 2026, in order to exit the partnership on that date. Management, based on the most up-to-date investment exit expectation, as discussed in more detail in Section D.6.10. Subsequent events, it believes that the carrying amount of the investment represents the fair value.

D.6.4.21. DEFERRED TAX ASSETS AND LIABILITIES

In Euro thousands	12/31/2025	12/31/2024	Changes
Deferred tax assets	14,538	12,602	1,936
Deferred tax liabilities	(101)	(180)	79
Total	**14,437**	**12,422**	**2,015**

Deferred tax assets principally relate to non-deductible accruals, goodwill and the tax loss. The variation for the year is due above all to the increase in deferred tax assets on tax losses as a result of the Patent Box (reformed by way of Decree Law 146/2021), which consists of a 110% deduction of the costs incurred for intangible assets. More specifically, Elica incurred costs of Euro 3.3 million over the period 2020–2024, resulting in a tax benefit applying an IRES tax rate of 24% of Euro 884 thousand for an increase in deferred tax assets.

Deferred tax liabilities mainly include the provisions for risk related to the IFRS measurement of financial derivative instruments and interest income on the discounting of the provision for agents' termination benefits.

The following table presents the Deferred tax assets and liabilities:

In Euro thousands	12/31/2024		Equity/Others	Effect on profit or loss		12/31/2025	
	Assets	Liabilities		Costs	Revenue	Assets	Liabilities
Amortisation & depreciation	1,123				(40)	1,163	
Provisions	2,374	(70)		1,392	(773)	1,756	(66)
Inventory write-down	644			154	(122)	611	
Goodwill		(3)					(3)
IRS measurement	75	(106)	53			54	(32)
Post-employment benefits	216					216	
Tax loss	8,125			304	(2,509)	10,331	
Other	44					44	
Employee bonuses					(363)	363	
Total	**12,602**	**(180)**	**53**	**1,851**	**(3,008)**	**14,538**	**(101)**

Management decides whether to recognise deferred tax assets by assessing projected future recovery based on budget projections. Specifically, management has prepared specific projections based on the forward-looking data available by considering the future taxable income and the timing of the utilisation of the deferred tax assets recorded in the financial statements, each according to its nature. Analyses conducted as of December 31, 2025 indicate that the recorded advances are recoverable over a period of 5 years.

D.6.4.22. TRADE RECEIVABLES - THIRD PARTIES

The account consists of:

In Euro thousands	12/31/2025	12/31/2024	Changes
Trade receivables within one year	12,368	7,685	4,683
Trade receivables within one year	**12,368**	**7,685**	**4,683**

Net trade receivables increased by a total of Euro 4,683 thousand compared to December 31, 2024, in line with the growth in revenue for the period.

In 2025, in order to ensure the robust generation of cash, collection optimisation efforts were further strengthened, including a more frequent monitoring of aging, targeted reminders, and a greater focus on managing payment conditions. These efforts focused in particular on positions with above-average delays with the goal of gradually reducing DSO, improving working capital turnover, and limiting exposure to credit risk.

As of December 31, 2025, trade receivables from third parties include approximately Euro 1.3 million (Euro 1.4 million as of December 31, 2024) of overdue receivables, broken down as follows.

In Euro thousands

Overdue (days)	12/31/2025	12/31/2024
0 - 30	1,664	1,348
31 - 60	(13)	242
61 – 90	(19)	-
Over 91	(337)	(226)
Overdue	**1,295**	**1,364**

The Company applies a simplified approach in calculating expected losses as trade receivables and/or contract assets do not contain a significant financing component. Accordingly, the Company does not monitor changes in credit risk, but recognises the full expected credit loss at each reporting date. As a tool for determining expected losses, the Group has established its own Group Credit Policy, applied also by the Company, that takes into account historical information revised to consider forward-looking elements with reference to specific types of debtors and their economic environment, while also taking into account specific critical situations.

In particular, it is Company policy to transfer the recoverability risk of receivables to third parties and, therefore, various derivatives are utilised among which first and second level insurance policies with leading international insurance companies.

The maximum theoretical credit risk exposure for the Company at December 31, 2025 is based on the carrying amount of recognised receivables, net of the specific insurance coverage, non-recourse receivables factored and letters of credit, in addition to the nominal value of the guarantees given to third parties.

At the end of December 2025, approximately 90% of receivables are covered against risk through credit insurance or other guarantees.

The amount of trade receivables recognised in the statement of financial position is net of the allowance for impairment.

The movements in the Doubtful Debt Provision in 2025 are set out below:

In Euro thousands	12/31/2025	12/31/2024	Changes
Opening balance	2,375	2,084	291
Provision	231	303	(72)
Utilisation/Releases	(34)	(12)	(22)
Fund ST trade receivables	**2,572**	**2,375**	**197**

The realignment of receivables to their fair value is achieved through the bad debt provision. At December 31, 2025, 100% of this provision covered receivables past due by more than 360 days, reflecting a prudent assessment of the collection risk.

D.6.4.23. INVENTORIES

The value of inventories reports a decrease of approx. Euro 2.7 million.

In Euro thousands	12/31/2025	12/31/2024	Changes
Raw materials, consumables and supplies	8,094	9,422	(1,328)
Provision for the write-down of raw materials	(531)	(585)	54
Raw materials, consumables and supplies	**7,563**	**8,837**	**(1,274)**
Semi-finished goods	4,392	4,878	(486)
Provision for the write-down of semi-finished products	(203)	(275)	72
Semi-finished goods	**4,189**	**4,603**	**(414)**
Work in progress	**0**	**0**	**0**
Finished products	17,418	18,463	(1,045)
Provision for the write-down of finished products	(1,814)	(1,821)	7
Finished products	**15,604**	**16,642**	**(1,038)**
Prepayments	**0**	**0**	**0**
Inventories	**27,356**	**30,082**	**(2,726)**

The change in inventories in 2025 is the result of effective inventory management by management, which combines destocking measures aimed at maintaining a flexible cost structure with the need to ensure a quick and efficient service to customers. More specifically, the most significant decrease refers to inventories of raw materials, consumables and supplies, as well as to finished product inventories.

Inventories are stated net of the provision for inventory write-down of approximately Euro 2,548 thousand at December 31, 2025, compared to Euro 2,681 thousand at December 31, 2024, in order to take into consideration the life cycle and inventory turnover based on Group policy and the risk estimates of the use of some categories of raw materials, semi-finished and finished products based on assumptions made by management.

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

D.6.4.24. OTHER ASSETS (CURRENT)

This item is broken down as follows:

In Euro thousands	12/31/2025	12/31/2024	Changes
Prepayments	1,410	1,703	(293)
Other receivable	763	1,533	6,878
VAT receivables	5,600	3,826	1,774
Other tax assets	2,048	2,383	(335)
Other current assets	**9,821**	**9,445**	**376**

This item increased by Euro 0.4 million at December 31, 2025 compared to the previous year. Other current receivables include the prepayments and advances paid, such as insurance premiums, internet service fees, and consultancy fees paid in advance. They also include receivables such as those related to obtaining regional grants for state financing required against investments made, which decreased during the period due to collections related to projects from past years, such as for the training grant disbursed in 2024 for approximately Euro 0.8 million.

Finally, the account includes Euro 7,648 thousand regarding receivables for indirect taxes, including VAT, receivables for taxes paid abroad to be recovered, and indirect taxes.

During the period, the VAT receivable increased by Euro 1.8 million, while other tax receivables recognised by the Company in previous years decreased as they were offset with other tax payables.

The account includes receivables beyond five years of Euro 33.3 thousand.

Management considers that the carrying amount approximates the fair value.

D.6.4.25. TAX ASSETS (CURRENT)

The breakdown of the account Tax Assets is summarised in the table below:

In Euro thousands	12/31/2025	12/31/2024	Changes
Corporate income tax refunds	2,534	2,099	435
IRAP credits	413	55	358
Tax assets	**2,947**	**2,155**	**792**

Tax assets mainly include receivables for taxes paid abroad to be recovered in accordance with Article 165 of the Italian Income Tax Law.

The IRAP Credit increased in the year, mainly due to the effect of the Patent Box legislation (Law 190/2014), which reduced the IRAP tax charge on the tax years 2020, 2021, 2022 and 2023, generating an increased credit for a total of Euro 463 thousand, partly used in compensation through the F24 tax form.

D.6.4.26. EMPLOYEE BENEFIT LIABILITIES

The amount provisioned in the accounts of Euro 3,363 thousand is the present value of pension liabilities matured by employees at year-end.

The most recent calculation of the present value of this item was performed at December 31, 2025 by an independent specialist actuary.

The amounts recognised in the Income Statement were as follows:

In Euro thousands	12/31/2025	12/31/2024	Changes
Current service cost	1,654	1,632	22
Financial expense	124	130	(6)
Total	**1,778**	**1,762**	**16**

The changes in the present value of post-employment benefit obligations in the reporting period were as follows:

In Euro thousands	12/31/2025	12/31/2024	Changes
Opening balance	3,816	3,982	(166)
Current service cost	1,654	1,632	22
Actuarial gains/losses	152	41	111
	1,806	**1,673**	**133**
Financial expense	124	130	(6)
Pension fund	(2,383)	(1,969)	(414)
	(2,259)	**(1,839)**	**(420)**
Employee benefit liabilities	**3,363**	**3,816**	**(453)**

The interest component of the defined employee benefit plan cost is shown under financial charges, with a resulting increase of Euro 124 thousand in this item for the reporting period. The current service cost and the effect of the curtailment and settlement were recorded under personnel expense. Actuarial gains and losses, amounting to Euro 152 thousand, comprise the actuarial gains (losses) of the defined benefit plans reported in the Statement of Comprehensive Income.

ASSUMPTIONS ADOPTED FOR THE CALCULATION:

	12/31/2025	12/31/2024
Discount rate to determine the obligation	3.96%	3.38%
Inflation rate	2.00%	2.00%

The discount rates utilised by the Company were selected based on the yield curves of high-quality fixed income securities, as in previous years.

This financial variable is considered the most significant and therefore chosen for a sensitivity analysis. The objective of a sensitivity analysis is to show how the result of the valuation changes in response to changes in an assumption adopted for the calculation, with all other assumptions unchanged.

Therefore, if the discount rate increased 0.5%, the provision would reduce to Euro 57 thousand, while if the discount rate decreased 0.5%, the obligation would increase to Euro 59 thousand.

NUMBER OF EMPLOYEES

The average number of employees of the Company in 2025 was 647 (646 in 2024), with a final number at December 31, 2025 of 637, as outlined in Note D.6.4.7.

D.6.4.27. PROVISION FOR RISKS AND CHARGES

The composition and movements of the provisions are as follows:

In Euro thousands	12/31/2024	Increases	Decreases	Other changes	12/31/2025
Agents' termination benefits	225	21	(19)	4	232
Product warranties	2,040	2,412	(1,846)	0	2,606
Legal risks	4,111	1,225	(2,288)	0	3,048
Long Term Incentive Provision	0	1,019	0	0	1,019
Other provision	2,761	288	(2,245)	0	804
Provisions for risks and charges	**9,137**	**4,966**	**(6,398)**	**4**	**7,709**
of which:					
Non-current	6,922	2,919	(4,498)	4	5,347
Current	2,215	2,047	(1,901)	0	2,362
Provisions for risks and charges	**9,137**	**4,966**	**(6,398)**	**4**	**7,709**

Accruals for agents' termination benefits cover possible charges upon the termination of contracts with agents and sales representatives Changes in the provision reflect adjustments in the indemnities and the utilisations.

Following the commitment to provide a service warranty free of charge to customers for a defined period after sale of the good, the product warranty provision represents an estimate of the costs likely to be incurred to repair or replace items sold to customers and is allocated when the revenues on the sale of the product are recognised. This warranty provision is measured based on the estimated cost that is likely to be incurred in order to provide the warranty service. This estimate is based on past experience and statistical analyses that take account of the various factors in the warranty service to be provided, such as the rate of defective products and the related repair cost. The allocated cost is periodically verified and adjusted as necessary. More specifically, the assumptions and parameters used are reviewed based on past experience and other facts and information that come to light.

The provision for legal risks relates to likely costs and charges to be incurred as a result of ongoing legal and tax disputes; it is estimated by Management on the basis of the most up-to-date information available.

The value of the Long Term Incentive provision reflects the accrual as of December 31, 2025 of the extraordinary 2025-2026 all-cash incentive plan reserved for Key People, including the portion of the related contributions. For further details, reference should be made to the Remuneration Report.

The Personnel provision includes contractual indemnities and employee bonuses. The utilisations relate to payments in 2025 in this regard.

The other provisions for risks mainly include the product waste provision, the provision for returns, and other provisions for risks concerning operations or tax-related aspects.

The product disposal provision, regulated in Italy mainly by Legislative Decree No. 49 of March 14, 2014 (implementation of Directive 2012/19/EU), was allocated in accordance with the principle of Extended Producer Responsibility (EPR) to cover future charges related to the management and proper treatment of end-of-life electrical and electronic equipment. The Company, as a producer, fulfils its disposal obligations by joining a specialised consortium that handles end-of-life "WEEE" products on its behalf. In July 2025, the Consortium with which Elica is associated for the management of WEEE products announced a change in the method of the collective WEEE collection contribution system, namely from “collected and treated” management to the “put on the market” system, effective September 1, 2025. As a result of this Elica made an adjustment to the provision. As of December 31, 2025, the provision reflects the best estimate of expected future charges for the management and proper treatment of electrical and electronic equipment that has reached the end of its useful life, determined on the basis of the available information and volumes placed on the market by the Company. The economic impact of this transaction is better described in the “Other Operating Revenues” paragraph.

The accruals classified as provisions for risks and charges of a current nature refer to matters that are likely to materialise in 2026. The remaining provisions, non-current in nature, have been discounted.

D.6.4.28. CURRENT AND NON-CURRENT TAX LIABILITIES

D.6.4.28.1. TAX LIABILITIES (NON-CURRENT)

The balance of this category at December 31, 2025 is zero.

D.6.4.28.2. TAX LIABILITIES (CURRENT)

The balance of this category at December 31, 2025 is zero.

D.6.4.29. OTHER LIABILITIES (CURRENT AND NON-CURRENT)

In Euro thousands	12/31/2025	12/31/2024	Changes
Wages and salaries	5,057	3,486	1,571
Social security payables	2,079	1,881	198
Other liabilities	1,439	704	735
Deferred income	101	169	(68)
Advances from customers	218	141	77
Advance payment taxes payables	1,392	1,531	(139)
VAT tax payables	774	727	47
Other current liabilities	**11,060**	**8,639**	**2,421**

The increase in other current liabilities for the year mainly concerns the increase in employee payables for wages, salaries and related withholdings.

IRPEF withholdings payable include taxes on employee salaries, while VAT payable includes amounts for the tax representatives of Elica S.p.A. in Spain and Germany.

This item does not include payables due beyond 5 years.

Management believes that the carrying amount of other payables reflects their fair value.

D.6.4.30. TRADE PAYABLES

In Euro thousands	12/31/2025	12/31/2024	Changes
Trade payables	54,956	46,435	8,521
Trade payables - to third parties	**54,956**	**46,435**	**8,521**

Trade payables at December 31, 2025 amount to Euro 54,956 thousand, compared to Euro 46,435 thousand at December 31, 2024, highlighting an increase of Euro 8,521 thousand.

The item mainly includes amounts related to commercial purchases and to other services related to operations. The increase for the year is mainly attributable to trends in procurements to support the volumes of production and sales, as well as to the different timing of payments to suppliers at the balance sheet date.

The Company has made Supply Chain Finance (SCF) available to some of our suppliers aimed at optimising the management of working capital and mitigating liquidity risk throughout the supply chain. These programmes give participating suppliers the option of non-recourse factoring of their receivables to banks, advancing invoices at conditions established directly with the bank, without altering the payment terms established with the Company.

As of December 31, 2025, the average payment terms for suppliers participating in SCF programs were between 60 and 150 days, while for non-member suppliers the terms ranged between 30 and 150 days. There are no trade payables due beyond 12 months.

Management considers that the carrying amount of trade payables approximates their fair value.

D.6.4.31. EQUITY

For the analysis on the movements in equity, reference should be made to the relative table.

Comments are provided on each of the equity reserves.

D.6.4.31.1 .SHARE CAPITAL

The share capital at December 31, 2025 amounts to Euro 12,664 thousand, consisting of 63,322,800 ordinary shares with a par value of Euro 0.20 each, fully subscribed and paid-in.

D.6.4.31.2. CAPITAL RESERVES

The capital reserves amount to Euro 71,123 thousand and relate to the Share Premium Reserve.

D.6.4.31.3. HEDGING RESERVES

In Euro thousands	12/31/2024	Reserve adjustment	12/31/2025
Hedge reserve	86	(147)	(61)
Hedge reserve	**86**	**(147)**	**(61)**

The hedge reserve was negative for Euro 61 thousand (positive for Euro 86 thousand in 2024), which represents the negative fair value of hedging derivatives (cash flow hedges) net of the tax effect, equal to Euro 21 thousand (Euro -31 thousand in 2024). This resulted in a decrease of Euro 147 thousand, of which a negative Euro 199 thousand for valuation and positive Euro 52 thousand for the tax effect.

D.6.4.31.4. TREASURY SHARES

On December 31, 2025, following the purchases made and the result of the rights offer on the shares subject to withdrawal, the Company holds 4736431 treasury shares, or approximately 7.5% of the share capital. In fact, the Company in 2025 continued and concluded the Buyback Program authorised by the Shareholders' Meeting on April 24, 2024 and initiated the Buyback Program authorised by the Shareholders' Meeting on April 29, 2025.

As of December 31, 2025, the Company has no programmes or agreements regarding the allocation of treasury shares held in portfolio to third parties.

D.6.4.31.5. ACTUARIAL RESERVE

In Euro thousands	12/31/2024	IAS 19 actuarial effect	12/31/2025
Actuarial reserve	1,957	(152)	1,805
Actuarial reserve	**1,957**	**(152)**	**1,805**

D.6.4.31.6. RETAINED EARNINGS

In Euro thousands	12/31/2025	12/31/2024	Changes
Legal reserve	2,533	2,533	-
FTA reserve	1,675	1,675	-
Extraordinary reserve	31,956	22,830	9,126
Retained earnings	**36,164**	**27,038**	**9,126**

The change in the Extraordinary Reserve, a positive Euro 9,126 thousand, is generated by an increase of Euro 11,486 thousand as a result of the allocation of the Company's 2024 result to this item and a decrease of Euro 2,360 thousand due to the distribution of dividends to shareholders.

D.6.4.31.7. INFORMATION ON DISTRIBUTABLE RESERVES

The following table shows the equity accounts divided by origin, the possibility of utilisation and distribution, as well as any utilisations in the previous three years. The amounts are in units of Euro.

Description	Amount	Origin/Nature	Poss. of utilisation	Quota available	Utilisations in last 3 years to cover losses	Utilisations in last 3 years for other reasons
I Share Capital	**12,664,560**	Share Capital				
II Share premium reserve	**71,123,335**	Share Capital	**A,B,C**	**71,123,336**		
IV Legal reserve	2,532,912	Profit	B			
VI Other Reserves:						
Extra. reserve	31,956,114	Profit	A,B,C,D,E	31,956,114		9,829,103
FTA Reserve	1,675,096	Profit	A,B,C,D,E	1,675,096		
Retained earnings	**36,164,122**			**33,631,210**		
VII Hedging reserve/Actuarial reserve	**(1,866,233)**			**(1,805,027)**		
X Treasury Shares reserve	**(9,528,967)**			**(9,528,967)**		
Total equity reserves	**108,556,818**			**93,420,552**		
Non-distributable amount				4,466,093		
Residual amount distributable				88,954,460		
A - to increase share capital						
B - coverage of losses						
C - for distribution to shareholders						
D - for other statutory constraints						
E - other						

The non-distributable quota of Euro 4,466 thousand refers to the residual amount to be amortised of development expenses, as per Article 2426, paragraph 5 of the Civil Code.

D.6.4.32. NET FINANCIAL POSITION

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

	In Euro thousands	12/31/2025	12/31/2024	Changes
A.	**Cash and cash equivalents**	**40,258**	**21,702**	**18,556**
	Cash and cash equivalents	40,258	21,702	18,556
B.	**Other liquidity**			
C.	**Other current financial assets**	**41,481**	**32,473**	**9,008**
	Financial assets with group companies (current)	41,481	32,473	9,008
	Other financial receivables (current)	0	0	0
D.	**Liquidity (A+B+C)**	**81,739**	**54,175**	**27,564**
E.	**Current financial debt (including debt instruments but excluding the current portion of non-current financial debt)**	**45,579**	**34,042**	**11,537**
	Bank borrowings	20,000	10,000	10,000
	Lease liabilities (current)	730	906	(176)
	Loans and borrowings from group companies (current)	23,851	22,585	1,266
	Other current payables for purchase of investments	998	551	447
F.	**Current portion of non-current financial debt**	**25,098**	**37,484**	**(12,386)**
	Mortgages	25,098	37,484	(12,386)
G.	**Current financial debt (E+F)**	**70,677**	**71,526**	**(849)**
H.	**NET CURRENT FINANCIAL DEBT (G-D)**	**(11,062)**	**17,351**	**(28,413)**
I.	**Non-current financial debt (excluding current portion and debt instruments)**	**67,141**	**40,410**	**26,731**
	Bank loans and borrowings (non current)	66,471	39,231	27,240
	Lease liabilities (non-current)	670	1,179	(509)
J.	**Debt instruments**			
K.	**Debiti commerciali e altri debiti non correnti**	**0**	**0**	**0**
L.	**Non-current financial debt (I+J+K)**	**67,141**	**40,410**	**26,731**
M.	**NET FINANCIAL DEBT (H+L)**	**56,079**	**57,761**	**(1,682)**

At December 31, 2025, the net financial position of Elica S.p.A. improved by Euro 1.7 million on the previous year.

It should be noted that, with regard to the three financial covenants under the Medium-Long Term loan agreements, two had been complied with at the reporting date, while one was not fully in line with the contractual parameter. However, in relation to the latter, the Group has in a timely manner obtained a formal waiver from the financing institutions, which was signed and effective before December 31, 2025.

As a result of this waiver, as of the reporting date the Group retains the right to defer repayment of the related liabilities and, consequently, no liabilities arising from medium to long-term loans have been reclassified as current liabilities.
For further comments, reference should be made to the Directors' Report A.6.2 "Financial and equity overview of Elica S.p.A.".

D.6.4.32.1. CASH AND CASH EQUIVALENTS, AND NOTES TO THE STATEMENT OF CASH FLOWS

In Euro thousands	12/31/2025	12/31/2024	Changes
Bank and postal deposits	40,254	21,695	18,559
Cash account	4	7	(3)
Cash and cash equivalents	**40,258**	**21,702**	**18,556**

This item reflects the positive balances of bank current accounts and cash on hand.

NOTES TO THE CASH FLOW STATEMENT

Net cash flow generated from operating activities in 2025 of Euro 17,126 thousand was generated, strongly influenced by the increase in trade payables both to third parties and to group companies following the application of more careful management of working capital and intercompany commercial payment dynamics.

Net cash flow was absorbed by investing activities of Euro 6,086 thousand, mainly attributable to investments in property, plant and equipment and intangibles for Euro 6,068 thousand, to dividends received for Euro 2,533 thousand, and to the purchase of the 28% shareholding in the associated company Steel S.r.l. for Euro 2,500 thousand.

Cash flow generated by financing activities amounts to Euro 7,516 thousand. This includes new bank loans received net of repayments for the period for a total of Euro 24,702 thousand, the effects of centralised treasury management for Euro 22,585 thousand, and the payment of dividends for Euro 2,360 thousand.
The company generated cash flow of Euro 18,556 thousand in 2025.

It should be noted that the company does not hold cash subject to transfer restrictions or other constraints that may have negative impacts on its ability to meet liquidity requirements. All cash and cash equivalents are freely usable by the Company. There are no investment or financing transactions that did not require the use of cash.

For information regarding credit risk in relation to cash and cash equivalents or liquidity risk, see notes D.6.6.3 and D.6.6.4.

For information regarding cash flow from financing activities related to debt, see paragraphs D.6.4.32.2 "Bank loans and borrowings" and D.6.4.32.3 "Finance leases and other lenders" below.

D.6.4.32.2. BANK LOANS AND BORROWINGS

In Euro thousands	12/31/2025	12/31/2024	Changes
Bank loans and borrowings	111,569	86,716	24,853
Total	**111,569**	**86,716**	**24,853**
Bank loans and borrowings have the following repayment schedules:			
On demand or within one year	45,098	47,485	(2,387)
Within 2 years	24,527	10,603	13,924
Within 3 years	24,790	10,828	13,962
Within 4 years	17,155	11,064	6,091
Within 5 years	-	6,735	(6,735)
After 5 years	-	-	-
Total	**111,569**	**86,716**	**24,853**
Less amounts to be repaid within one year	45,098	47,485	(2,387)
Due after one year	**66,471**	**39,231**	**27,240**

The Company's main sources of medium to long-term financing include the Club Deal signed in 2024, which provided the Company with a credit line of Euro 70 million. The loan, provided by a bank syndicate composed of BNL Gruppo BNP Paribas, Intesa Sanpaolo S.p.A., Crédit Agricole Italia S.p.A. and UniCredit S.p.A., is at a variable rate with a margin applied to Euribor 6M of 1.65% and was fully hedged by an IRS on 100% of the amount used. Two additional disbursements were finalised during 2025, on April 10, 2025 for Euro 30 million and on May 8, 2025 for Euro 20 million respectively, consistent with the contractual provisions. The due date for payment of the last instalment of the loan is May 9, 2029.

In addition, the loan signed with Banco BPM S.p.A. on May 18, 2023, in the total amount of Euro 30 million, with a variable rate and a margin on Euribor 3M of 1.60%, remains in place. Also on this line, interest rate risk is fully hedged by an IRS until the contractual maturity date of June 29, 2029.

To complete the debt disclosure, it should be noted that the loan signed by Elica S.p.A. on June 29, 2020, for a total amount of Euro 90 million, was fully repaid on June 30, 2025, in accordance with contractual provisions.

For further information on existing hedges related to interest rate risk, reference should be made to paragraph D.6.6. "Risk management" of these notes.

D.6.4.32.3. DERIVATIVE FINANCIAL INSTRUMENTS

	12/31/2025		12/31/2024	
In Euro thousands	Assets	Liabilities	Assets	Liabilities
FX derivatives	175	174	209	512
Interest rate derivatives	158	198	387	341
Commodities derivatives	0	43	1,044	974
Equity options	1,107	0	1,688	0
Derivative financial instruments	**1,440**	**415**	**3,328**	**1,827**
Of which:				
Non-current	1,260	54	1,688	264
Current	180	361	1,640	1,563
Derivative financial instruments	**1,440**	**415**	**3,328**	**1,827**

As of December 31, 2025, the Company holds a non-current derivative financial instrument asset, representing the Put&Call Option for the sale of the remaining stake held in Elica PB Whirlpool Kitchen Appliances at a Fair Value of Euro 1.1 million.

The Company uses derivative financial instruments to hedge the market risks to which it is exposed, i.e. foreign currency risk and interest rate risk.

The table below reports the following information on derivative instruments at December 31, 2025 and December 31, 2024, and in particular:

- The notional value of the derivative contracts, broken down by maturity;
- The carrying amount of these contracts, represented by their fair value.

12/31/2025	Notional value				Carrying amount
In Euro thousands	**Maturity within 1 years**		**Maturity after 1 years**		
Interest rate risk					
Cash Flow hedges as per IFRS	24,376		66,550		(40)
Fair Value hedges as per IFRS	-		-		-
Other derivative financial instruments	-		-		-
Total derivatives on interest rates	**24,376**	**-**	**66,550**	**-**	**(40)**
Currency risks	sales	purchase	sales	purchase	
Cash Flow hedges as per IFRS	-	-	-	-	-
Fair Value hedge as per IFRS	19,818	2,910	-	-	4
Other derivative financial instruments	41,128	12,083	-	-	(3)
Total fx derivatives	**60,946**	**14,993**	**-**	**-**	**1**
Commodity risk	sales	purchase	sales	purchase	
Cash Flow hedges as per IFRS		300	-	-	(43)
Fair Value hedge as per IFRS					
Other derivative financial instruments					
Total derivatives on commodities		**300**	**-**	**-**	**(43)**

12/31/2024	Notional value				Carrying amount
In Euro thousands	Maturity within 1 years		Maturity after 1 years		
Interest rate risk					
Cash Flow hedges as per IFRS	27,603		30,512		46
Fair Value hedges as per IFRS	-		-		-
Other derivative financial instruments	-		-		-
Total derivatives on interest rates	**27,603**	**-**	**30,512**	**-**	**46**
Currency risks	sales	purchase	sales	purchase	
Cash Flow hedges as per IFRS	-	-	-	-	-
Fair Value hedge as per IFRS	13,473	3,819	-	-	(238)
Other derivative financial instruments	21,848	3,005	-	-	(65)
Total fx derivatives	**35,321**	**6,824**	**-**	**-**	**(303)**
Commodity risk	sales	purchase	sales	purchase	
Cash Flow hedges as per IFRS		355	-	-	70
Fair Value hedge as per IFRS					
Other derivative financial instruments					
Total derivatives on commodities		**355**	**-**	**-**	**70**

“Other derivative financial instruments” includes derivative financial instruments used for hedging purposes, for which, however, hedge accounting was not applied, as required by IAS/IFRS standards.

In 2025, exposures related to commodities contracts concerned derivatives used to hedge risks associated with energy costs, such as natural gas and electricity. The Company manages these instruments through banks with the goal of mitigating the volatility of energy prices, thereby ensuring greater stability in operating costs.

DERIVATIVE FINANCIAL INSTRUMENTS, IFRS 7 CLASSIFICATION

IFRS 7 requires that the classification of financial instruments valued at fair value is determined based on the quality of the input sources used in the valuation of the fair value.

The IFRS 7 classification implies the following hierarchy:

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

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

For further information, refer to paragraph D.6.6 "Risk management".

To complete the analyses required by IFRS 7 and IFRS 13, all of the following are reported the type of financial instruments present in the financial statements, with indication of the measurement criteria applied and, in the case of financial instruments measured at fair value, the exposure. All the derivative instruments in place at December 31, 2025 and December 31, 2024 belong to level 2 of the fair value hierarchy. It should be noted that there were no transfers between the three levels of fair value under IFRS 13 during the period.

We report the type of financial instruments present in the financial statements:

(In Euro thousands)	At December 31st 2025	At December 31st 2024
FINANCIAL ASSETS		
Measured at fair value through profit or loss:		
Derivative instrument financial assets	1,282	1,869
Other receivables and other financial assets	1,453	1,668
Measured at fair value through OCI:		
Derivative instrument financial assets	158	1,459
Measured at amortised cost:		
Trade receivables	27,356	30,637
Other receivables and other assets	9,825	9,450
Financial assets with group companies	41,481	32,473
FINANCIAL LIABILITIES		
Measured at fair value through profit or loss:		
Financial liabilities for derivative instruments	174	853
Measured at fair value through OCI:		
Financial liabilities for derivative instruments	241	974
Measured at amortised cost:		
Trade payables	74,964	58,901
Other payables and other liabilities	11,060	8,639
Financial payable to group companies	23,851	22,585
Bank loans and borrowings (current)	111,570	86,716
Finance leases and other lenders as per IFRS 16	1,400	2,084

The carrying value of the financial assets and liabilities outlined above is equal to or approximates their fair value. There are no changes in the Company's measurement processes or techniques, or in the criteria used to calculate the fair value during the reporting period.

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

D.6.4.32.4. FINANCIAL PAYABLES AS PER IFRS 16

The Company has financial payables arising from the application of IFRS 16. We report the details below.

In Euro thousands	12/31/2025	12/31/2024	Variazioni
Lease liabilities and loans and borrowings from other lenders as per IFRS 16	1,400	2,085	(685)
Total	**1,400**	**2,085**	**(685)**
Due:			
On demand or within one year	730	906	(176)
1-5 years amount	670	1,179	(509)
over 5 amount	0	0	0
Total	**1,400**	**2,085**	**(685)**
Less amounts to be repaid within one year	730	906	(176)
Due after one year	**670**	**1,179**	**(509)**

D.6.4.33. SIGNIFICANT NON-RECURRING EVENTS AND TRANSACTIONS

There were no significant non-recurring transactions during 2025.

D.6.5. Guarantees, commitments and contingent liabilities

D.6.5.1. CONTINGENT LIABILITIES

The Parent and its subsidiaries are not involved in administrative, judicial or arbitration proceedings that are underway nor proceedings that have been settled by means of a ruling or arbitration award issued in the last 12 months and which might have or might have had a material effect on the financial situation or profitability of the Group, except for that indicated below.

The Company has assessed the contingent liabilities related to pending disputes and has allocated appropriate provisions for risk on a prudent basis. The total provision allocated at December 31, 2025, to cover legal risks and charges amounts to Euro 3,048 thousand.

TAX AUDIT FOR 2014-2016

In 2019, Elica S.p.A. was subject to an audit by the Italian tax agency, Marche Regional Department, for the tax years 2014, 2015 and 2016, which ended with the issuance of tax assessment notice on October 14, 2019.

With regard to the issues raised in relation to transfer pricing (Article 110, paragraph 7, of the Income Tax Law) related to relationships with the Mexican subsidiary Elicamex S.A. de C.V., the tax agency recommended adjustments with recovery claims for IRES and IRAP in the amount of Euro 1,015 thousand for 2015 and Euro 1,013 thousand for 2016. The company has tax losses carried forward that may be used to mitigate any exposure to corporate income tax (IRES).

Following the appeals filed, the Ancona Tax Commission, in rulings filed on August 24, 2022, and November 9, 2022, fully upheld the company’s appeals for both tax years. The Office filed an appeal on February 27, 2023, and the Company has appeared in court within the terms of the law. As of the date of this report, the fixing of the hearing is currently being awaited.

With regard to the research and development tax credit (years 2015 and 2016), the tax agency contested the improper use of the benefit due to alleged failure to meet the legal requirements. The amounts involved are Euro 839 thousand (2015) and Euro 1,076 thousand (2016). On July 24, 2025, the company signed the agreement and, on August 5, 2025, made full payment with reduced sanctions.

2017 TAX PERIOD

On May 8, 2023, IRES and IRAP assessment notices were issued in relation to 2017, again with regard to transfer pricing. With ruling nos. 244/2024 and 245/2024 filed on May 7 and 13, 2024, respectively, the Ancona Tax Court of First Instance fully upheld the company's appeals and ordered the Office to reimburse legal expenses. The Office has filed an appeal, and the Company has appeared in court within the terms of the law.

2018 TAX PERIOD

On March 27, 2025, assessment notices were issued for IRES and IRAP related to 2018, again in relation to transfer pricing. The company has challenged the provisions, and the Ancona Tax Court of First Instance, in a ruling issued on November 10 2025, fully upheld the appeals and ordered the Office to pay legal expenses.

2019 TAX PERIOD

On January 27, 2026, an assessment notice was issued related to IRES for 2019 with regard to issues in transfer pricing related to intercompany transactions with Elica PB India Private Limited, Zhejiang Putian Electric Co. Ltd. and Elicamex S.A. de C.V. The company intends to file an appeal in line with the defence strategy adopted for previous tax years.

Based on assessments conducted with the support of legal counsel, the risk of losing pending disputes has been deemed possible but not probable. As a result, it is not believed that any further significant tax liabilities will arise beyond provisions that have already been allocated.

D.6.5.2. GUARANTEES AND COMMITMENTS

Pursuant to the provisions of Article 122 of the CFA and Articles 129 and subsequent of the Issuers' Regulations, it should be noted that on July 22, 2022, FAN S.r.l. ("FAN"), the parent company of Elica S.p.A, and Tamburi Investment Partners S.p.A. ("TIP"), signed a shareholder agreement (the "Shareholder Agreement"), effective as of the same day, relating to Elica S.p.A, a company listed on the Euronext STAR Milan segment of Borsa Italiana S.p.A. ("Elica") and concerning regarding TIP 9,233,701 shares of Elica and regarding FAN 33,440,445 shares of Elica, so as to (i) establish certain understandings regarding Elica's corporate governance; (ii) govern their mutual rights and duties in relation to the transfer of their respective stakes in Elica; and (iii) establish a commitment to consult in good faith before casting their votes at Elica's Shareholders' Meeting in order to identify Elica's best interest (this without intending to give rise to any voting restrictions).

The key information regarding the Shareholder Agreements was published as per Article 130 of the Issuers' Regulation on Elica S.p.A.'s website, and on the website of the authorised storage mechanism "1INFO" at www.1info.it.

This did not impact control over Elica which, as per Article 93 of the CFA, is held by Mr. Francesco Casoli.

Elica S.p.A. has issued guarantees to the subsidiary Elica Home Appliances (Zhejiang) Co., Ltd., in order to enable access to bank loans totalling Euro 5.0 million.

Within the scope of the lease agreement on the Polish facility, Elica S.p.A. has also issued a guarantee to BNP Paribas Leasing Services on behalf of Elica Polska for a maximum of Euro 4.6 million to cover commitments undertaken within the scope of said agreement.

Finally, Elica S.p.A. has also issued a Euro 2.5 million guarantee in favour of EMC Fime S.r.l. to support a commercial line of credit made available by BNP Paribas.

Commitments with suppliers for tangible and intangible fixed asset purchases at December 31, 2025 amount to approximately Euro 4.5 million. There are also commitments for operational expenses of Euro 5.8 million, relating in particular to long-term contracts.

D.6.6. Risk management policy

D.6.6.1. INTRODUCTION

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

The main guidelines for the Company's risk policy management are as follows:

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

The Company Financial Risk Policy is based on the principle of proficient management and the following assumptions:

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

The process for the management of the financial risks is structured on the basis of appropriate procedures and controls, based on the correct segregation of conclusion, settlement, registration and reporting of results.

The paragraphs below include an analysis of the risks to which the Company Elica is exposed, indicating the level of exposure and, for market risk, the potential impact on results of hypothetical fluctuations in the parameters (sensitivity analysis).

D.6.6.2. MARKET RISK

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

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

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

The paragraphs below individually analyse the different risks, indicating where necessary, through sensitivity analysis, the potential impact on the results deriving from hypothetical fluctuations in the parameters.

D.6.6.2.1. CURRENCY RISK

The Company's operating currency is the Euro. However, the Group companies trade also in American Dollars (USD), British Pounds (GBP), Japanese Yen (JPY), Russian Rubles (RUB), Polish Zloty (PLN), Chinese Yuan (CNY), Canadian Dollars (CAD) and Mexican Pesos (MXN). For the currencies in which the company has higher revenue than costs, changes in the exchange rates between the Euro and these currencies impact the Company results as follows:

- the appreciation of the Euro has negative effects on revenue and operating results;
- the depreciation of the Euro has positive effects on revenue and operating results.

The amount of foreign exchange risk is determined by the Company's management considering both economic budget forecasts and ongoing analysis of the underlying balance sheet. Currency risk management is implemented progressively, taking into account not only orders won and sales, but also overall exposure to trade and financial risks, including trade receivables and payables denominated in foreign currencies.

To mitigate this exposure, the Company mainly uses forward contracts (forwards) and, to a limited extent, optional instruments. These transactions are carried out exclusively for risk management purposes and are not speculative in nature, in line with the company's strategic policies focused on prudent cash flow management.

The most significant statement of financial position balances in foreign currency at December 31, 2025 are shown below:

In Euro thousands	12/31/2025		12/31/2024	
Currency	**Assets**	**Liabilities**	**Assets**	**Liabilities**
CNY	1,609	(665)	2,497	(1,371)
GBP	112	(6)	117	(5)
JPY	718	(3,830)	700	(4,501)
PLN	18,303	(12,942)	9,759	(5,129)
RUB	3,617	(7)	1,893	(9)
USD	28,939	(726)	25,542	(1,578)
INR	528	-	562	-
Foreign currency transactions	**53,826**	**(18,176)**	**41,070**	**(12,593)**

For the purposes of the sensitivity analysis on the exchange rate, the potential movements on the Euro/CNY, Euro/GBP, Euro/YEN, Euro/PLN, Euro/RUB, Euro/USD and EUR/INR rates were analysed.

The following table shows the sensitivity to reasonably possible movements in the exchange rates, maintaining all other variables unchanged, due to changes in the value of current assets and liabilities in foreign currencies.

In Euro thousands	12/31/2025		12/31/2024	
Currency	**Appreciation of foreign currencies 5%**	**Depreciation of foreign currencies 5%**	**Appreciation of foreign currencies 5%**	**Depreciation of foreign currencies 5%**
CNY	50	(45)	62	(56)
GBP	6	(5)	6	(5)
JPY	(164)	148	(189)	171
PLN	282	(255)	195	(176)
RUB	190	(172)	99	(90)
USD	1,485	(1,343)	1,322	(1,196)
INR	28	(25)	30	(27)
Foreign currency transactions	**1,877**	**(1,697)**	**1,525**	**(1,379)**

The hedging operations at December 31, 2025 with financial counterparties have a total positive Fair Value of approx. Euro 1 thousand (negative value of Euro 303 thousand in 2024).

The table below shows the details of the notional and fair values:

Currency	12/31/2025		12/31/2024	
	Notional (in foreign currency /000)	Fair Value In thousands Of Euro	Notional (in foreign currency /000)	Fair Value In thousands Of Euro
USD				
Forward	41,300	8	15,700	(165)
PLN				
Forward	151,000	(113)	94,000	(93)
JPY				
Forward	530,000	(28)	610,000	(58)
MXN				
Forward	90,000	134	-	-
CNY				
Forward			11,750	13
FX derivative assets/(liabilities)		**1**		**(303)**

For the purposes of the sensitivity analysis on the exchange rate, the potential movements on the EUR/USD, EUR/PLN, EUR/JPY, EUR/MXN, USD/MXN and EUR/CNY and the EUR and foreign exchange interest rate curves were analysed.

In the stress testing we have stressed not only the spot to spot exchange rate, but also the monetary curve rates at December 31, 2025 in order to show the effect of changes in the rate curve.

For this purpose, the maximum change that occurred in a recent period representative of market conditions was considered.

For the EUR/USD exchange rates a stress of 7% was applied, for EUR/PLN 8%, for EUR/JPY 10%, for EUR/MXN 12%, for USD/MXN 10% and for EUR/CNY 6%.

For interest rates on forward exchange contracts, a parallel stress was applied of 75 bps for the Eurozone rates, 75 bps for the US rates, 75 bps for the Polish rates, 75 bps for the Chinese rates and 75 bps for the Japanese rates.

The following table shows the sensitivity to the movements in the exchange rates and the rate curves indicated, maintaining all other variables unchanged, of the Fair Value of the operations in foreign currencies at December 31, 2025 (compared with December 31, 2024).

	12/31/2025				
In Euro thousands	**USD Notional**	**PLN Notional**	**JPY Notional**	**MXN Notional**	**CNY Notional**
	41,300	**151,000**	**530,000**	**90,000**	**-**
	USD/000	**PLN/000**	**JPY/000**	**MXN/000**	**CNY/000**
Depreciation of foreign currencies	2,072	1,697	(290)	(295)	
Euro exchange rate depreciation	9	(111)	(29)	134	
Exchange rate depreciation	28	(92)	(30)	131	
Sensitivity to Depreciation	**2,109**	**1,494**	**(349)**	**(30)**	
Appreciation of foreign currencies	(2,376)	(2,236)	289	681	
Euro exchange rate appreciation	4	(114)	(28)	135	
Exchange rate appreciation	(18)	(145)	(27)	144	
Sensitivity to Appreciation	**(2,390)**	**(2,495)**	**234**	**960**	

	31/12/2024				
In Euro thousands	USD Notional	PLN Notional	JPY Notional	MXN Notional	CNY Notional
	15,700	94,000	610,000	-	11,750
	USD/000	PLN/000	JPY/000	MXN/000	CNY/000
Depreciation of foreign currencies	669	1,146	(359)	-	(60)
Euro exchange rate depreciation	(162)	(55)	(58)	-	12
Exchange rate depreciation	(153)	(39)	(60)	-	11
Sensitivity to Depreciation	**354**	**1,052**	**(477)**	**-**	**(37)**
Appreciation of foreign currencies	(1,113)	(1,490)	223	-	94
Euro exchange rate appreciation	(178)	(147)	(56)	-	16
Exchange rate appreciation	(167)	(121)	(58)	-	14
Sensitivity to Appreciation	**(1,458)**	**(1,758)**	**109**	**-**	**124**

D.6.6.2.2. COMMODITY RISK

The Company is exposed to market risk deriving from price fluctuations in commodities used in the production process. The raw materials purchased are subject to changes in price in response to trends in the main reference markets.

For 2026, there are active hedges in place on energy costs, such as natural gas and electricity. The Company regularly monitors its exposure to the risk of fluctuations in the price of commodities and manages that risk both by fixing prices in contracts with suppliers and by way of financial instruments with specialised counterparties. More specifically, between the end of the previous year and the start of the current year, prices and quantities subject to hedging through both of the channels described above are set based on the production budget.

This approach enables the protection of the standard cost of raw materials stated in the budget from potential price increases, supporting the achievement of the target for operating profits.

The notional value and relative fair values of derivatives outstanding as of December 31, 2025 are shown below.

Commodities	12/31/2025		12/31/2024	
In Euro thousands	Notional	Fair Value	Notional	Fair Value
Commodity Swap Natural Gas	119	(29)	129	31
Commodity Swap Power	181	(14)	226	40
Commodities derivative assets/(liabilities)	**(300)**	**(43)**	**355**	**71**

The notional value is Euro 300 thousand and the fair value represents a liability to the banking counterparties of Euro 43 thousand.

In addition, commodity risk is measured through sensitivity analyses, in accordance with IFRS 7. The changes in prices for the sensitivity analysis were based on the volatility of the market rates.

This analysis highlights a revaluation in the price of the Commodities of 5%, resulting in an increase in the fair value of forward contracts at December 31, 2025 of Euro 15 thousand.

Similarly, a reduction of 5% results in a decrease in the fair value of forward contracts of Euro 15 thousand.

D.6.6.2.3. INTEREST RATE RISK

The management of interest rate risk by Elica S.p.A. is in line with longstanding, consolidated practices to reduce the volatility risk on the interest rates, while at the same time minimising the borrowing costs within the established budget limits.

The company's debt mainly bears a floating rate of interest.

The Company hedges the interest rate risk through the utilisation of interest rate swaps against specific non-current loans.

The table below shows the details of the notional and fair values:

Instrument	12/31/2025		12/31/2024	
In Euro thousands	**Notional**	**Fair Value**	**Notional**	**Fair Value**
Interest Rate Swap	90,926	(40)	58,116	46
Interest rate derivative assets/(liabilities)	**90,926**	**(40)**		**46**

Interest rate risk was also measured by sensitivity analysis, in accordance with IFRS 7. The changes in the interest rate curve utilised for the sensitivity analysis were based on the volatility of the interest rate markets.

The analysis shows that a parallel shift in the interest rate curve of ±25 bps would result in a negative/positive change in the fair value of interest rate swaps outstanding as of December 31, 2025 of Euro 372 thousand.

As of the reporting date, all of the Company's medium to long-term loans are hedged through interest rate swaps. Therefore, the risk of variability of financial expenses on the underlying loans is essentially neutralised.

D.6.6.2.4. CYBER SECURITY RISK ANALYSIS

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

The most significant is the risk of cyber attacks and security control failures, which constitute a constant threat to the Company and are therefore carefully monitored. Specifically, the Company constantly assesses its cyber risk profile, taking action when necessary to proactively manage cyber defences. The impacts analysed include:

- data loss;
- unauthorised access;
- the installation of malware;
- privacy violations;
- interruption of business;
- reputational harm.

Mitigation efforts made by the Company concern:

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

During 2025, the regulatory framework for information systems and digital security was further strengthened, partly as a result of new European legislation such as the Cyber Resilience Act, changes to the Cybersecurity Act, and the operational launch of the nationally transposed NIS2 Directive, the Data Act, and the AI Act. These provisions require a structured approach to ICT governance, cyber risk management and digital operational resilience.

These elements were considered in the Company's periodic risk analysis.

D.6.6.3. CREDIT RISK

The credit risks represent the exposure of Elica S.p.A. to potential losses deriving from the non-compliance of obligations by trading partners. This risk derives in particular from economic-financial factors related to a potential solvency crisis of one or more counterparties.

For more details, see paragraph D.6.4.22 of these notes.

D.6.6.4. LIQUIDITY RISK

Liquidity risk is that related to the unavailability of financial resources necessary to meet short-term commitments assumed by the company and its own financial needs.

The principal factors which determine the liquidity of the company are, on the one hand, the resources generated and absorbed by the operating and investment activities and on the other the due dates and the renewal of the payable or liquidity of the financial commitments and also market conditions. These factors are monitored constantly in order to guarantee a correct equilibrium of the financial resources.

The following table shows the expected cash flows in relation to the contractual expiries of trade payables and various financial liabilities from derivatives.

12/31/2025 In Euro thousands	On demand or within one year	1-5 years	after 5 years
Lease liabilities and loans and borrowings from other lenders as per IFRS 16	730	670	0
Bank loans and borrowings	45,098	66,471	0
Trade payables and other liabilities	86,024	0	0
Commitment by due date	**131,852**	**67,141**	**0**

12/31/2024 In Euro thousands	On demand or within one year	1-5 years	after 5 years
Lease liabilities and loans and borrowings from other lenders as per IFRS 16	906	1,179	0
Bank loans and borrowings	47,484	39,231	0
Trade payables and other liabilities	67,540	0	0
Commitment by due date	**115,930**	**40,410**	**0**

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

For details on the net financial position, reference should be made to section D.6.4.32 of the notes.

D.6.6.5. CLASSIFICATION OF THE FINANCIAL INSTRUMENTS

In Euro thousands	12/31/2025	12/31/2024
Derivative assets (current)	180	1,640
Trade receivables	31,915	30,637
Trade receivables - subsidiaries	41,481	32,473
Cash and cash equivalents	40,258	21,702
Currents Assets	**113,834**	**86,452**
Lease liabilities and loans and borrowings from other lenders as per IFRS16	670	1,179
Bank loans and borrowings (non current)	66,471	39,231
Derivative liabilities (non-current)	54	264
Non-Current Liabilities	**67,195**	**40,674**
Trade payables	74,964	58,901
Trade payables to group companies	23,851	22,585
Lease liabilities and loans and borrowings from other lenders as per IFRS16	730	906
Bank loans and borrowings (current)	45,098	47,484
Derivative liabilities (current)	361	1,563
Current liabilities	**145,004**	**131,439**

In Euro thousands	12/31/2025	12/31/2024	Changes
Derivative assets on rate (non-current)	153	0	153
Derivative assets on exchange rate (non-current)	0	0	0
Derivative assets on commodities (non-current)	0	0	0
Derivative assets on investments	1,107	1,688	(581)
Derivative assets (non-current)	**1,260**	**1,688**	**(428)**
Derivative assets on rate (current)	5	415	(410)
Derivative assets on exchange rate (current)	175	181	(6)
Derivative assets on commodities (current)	0	1,044	(1,044)
Derivative assets (current)	**180**	**1,640**	**(1,460)**
Derivative liabilities on rate (non-current)	54	0	54
Derivative liabilities on exchange rate (non-current)	0	264	(264)
Derivative liabilities on commodities (non-current)	0	0	0
Derivative liabilities (non-current)	**54**	**264**	**(210)**
Derivative liabilities on rate (current)	144	0	144
Derivative liabilities on exchange rate (current)	174	408	(233)
Derivative liabilities on commodities (current)	43	974	(930)
Derivative liabilities on intercompany (current)	0	181	(181)
Derivative liabilities (current)	**361**	**1,563**	**(1,202)**

The Company considers that the book values of the accounts approximate their fair value. In relation to the valuation methods for the individual accounts, reference should be made to paragraph D.6.1. "Accounting policies" of these Notes.

D.6.7. Disclosure on Management renumeration and related-party transactions

As required by law, the total remuneration of Directors, Statutory Auditors and Managers with strategic roles also in other companies are reported below.

D.6.7.1. REMUNERATION OF DIRECTORS, STATUTORY AUDITORS AND SENIOR EXECUTIVES

The remuneration of the above-mentioned persons in total amounted to Euro 4,771 thousand. No short-term or long-term share-based incentive plan payments were made in 2025. The details and calculation criteria are provided in the Remuneration Report. This report is available on the Company website (https://corporate.elica.com/it/governance/assemblea-degli-azionisti).

D.6.7.2. MANAGEMENT AND COORDINATION

Elica S.p.A. is indirectly controlled by the Casoli Family through Fintrack S.p.A. of Fabriano (AN - Italy).

The Company is not subject to management and co-ordination pursuant to Art. 2497 and subsequent of the Civil Code. This conclusion derives from the fact that the controlling shareholder does not carry out management activities within the company and, although exercising voting rights at the Shareholders' Meeting, does not have any involvement in the financial, production or strategic programmed of the Company, which is governed by a Board of Directors responsible for operating control.

The Parent's Board of Directors has also appointed a CEO for ordinary operational management.

With effect from July 2019, Tamburi Investments Partners ("TIP") acquired a minority interest in the Company. As at December 31, 2025, this interest amounted to 21.53% of Elica's capital.

The Company however continues to carry out its operations through a totally autonomous and independent decision-making process; it has independent decision-making capacity with customers and suppliers and independently manages its treasury in accordance with the business purpose.

D.6.7.3. TRANSACTIONS WITH SUBSIDIARIES

During the year, transactions with subsidiaries took place. All transactions were conducted on an arm's length basis in the ordinary course of business. Regarding transfer prices - applied in transactions between: Elica S.p.A. and Elica Group Polska; between Elica S.p.A. and Elicamex; between Elica S.p.A. and Elica France, Elica Gmbh, Elica Trading, Elica S.O. Spain - specific Ruling Agreements have been signed with the National Tax Authorities.

On December 9, 2025, the renewal of the Transfer Pricing agreement (APA) was signed with the Tax Agency. Agency for transactions between Elica SpA and Elica Group Polska.

D.6.7.3.1. SUBSIDIARIES – 2025 HIGHLIGHTS

The tables below show key figures for subsidiaries and the amount of transactions performed with them as at and for the year ended December 31, 2025.

In Euro thousands	Assets	Liabilities	Equity	Revenue	Profit/(loss) for the year
Airforce S.p.A.	9,069	6,250	2,819	18,443	(362)
Ariafina Co. Ltd.	15,643	2,835	12,808	21,655	3,315
Elica Group Polska Sp.z.o.o	88,453	63,123	25,330	139,249	2,084
Elicamex S.a.d. C.V.	62,689	39,422	23,267	57,904	(1,907)
Elica Inc.	401	8	393	603	9
Elica Home Appliances (Zhejiang) Co., LTD	7,229	9,144	(1,915)	6,444	(1,802)
Elica Trading LLC	6,607	4,616	1,991	12,296	(530)
Elica France S.A.S.	6,898	6,135	763	25,161	(688)
Elica Gmbh	2,440	641	1,799	6,219	93
EMC FIME Srl	93,810	56,535	37,275	141,904	4,034
Elica North America Inc.	4,206	6,788	(2,582)	7,723	(1,334)
AG International	2,726	2,141	585	5,528	267
Elica Nederland B.V.	327	643	(316)	730	(205)

D.6.7.3.2. TRADE RECEIVABLES FROM SUBSIDIARIES

Trade receivables from subsidiaries are broken down as follows:

In Euro thousands	12/31/2025	12/31/2024	Changes
Airforce S.p.A.	233	815	(582)
Ariafina Co. Ltd.	298	300	(2)
Elica Group Polska Sp.z.o.o	1,543	673	870
Elicamex S.a.d. C.V.	6,042	8,482	(2,440)
Elica Home Appliances (Zhejiang) Co., LTD	637	2,149	(1,512)
Elica Trading LLC	3,617	1,893	1,724
Elica France S.A.S.	2,874	2,917	(43)
EMC FIME Srl	3,686	5,641	(1,955)
Elica North America Inc.	526	61	465
AG International	83	19	64
Elica Nederland B.V.	7	0	7
Trade receivables from subsidiaries	**19,546**	**22,950**	**(3,404)**

D.6.7.3.3. TRADE PAYABLES TO SUBSIDIARIES

Payables to subsidiaries are detailed below.

In Euro thousands	12/31/2025	12/31/2024	Changes
Airforce	466	395	71
Ariafina	28	23	5
Elica Group Polska	13,820	5,800	8,020
Elica Mex	4	260	(256)
Elica Putian (Cina)	3,508	3,807	(299)
Elica Trading (Russia)	7	9	(2)
Elica Francia	104	278	(174)
Elica Gmbh	680	280	400
EMC Fime Srl	1,390	1,615	(225)
Trade payables to subsidiaries	**20,007**	**12,467**	**7,540**

D.6.7.3.4. FINANCIAL ASSETS AND LIABILITIES WITH SUBSIDIARIES

In Euro thousands	12/31/2025	12/31/2024	Changes
Financial assets from subsidiaries			
Elica Group Polska	11,308	10,670	638
Elica Mex	18,404	12,210	6,194
Elica Putian (Cina)	6,794	6,887	(93)
Southeast Appliance Inc	4,255	2,455	1,800
AG International	255	289	(34)
Elica Nederland B.V.	465	15	450
Total	**41,481**	**32,526**	**8,955**
Financial liabilities to subsidiaries			
Airforce	299	2,149	(1,850)
Ariafina	3,802	4,293	(491)
Elica Mex	1,870	1,843	27
Elica Francia	1,664	1,831	(167)
Elica Gmbh	37	84	(47)
EMC Fime Srl	16,179	12,385	3,794
Total	**23,851**	**22,585**	**1,266**

Elica also carries out transactions with Group companies as part of a general plan to centralise treasury management activities. These loans are interest bearing and at market rates. The changes show the synergies created in order to optimise cash management.

D.6.7.3.5. BALANCES WITH SUBSIDIARIES

In Euro thousands	Revenue, Other Revenue and Financial Income	Costs and Financial Expense
Airforce S.p.A.	791	41
Ariafina Co. Ltd.	324	56
Elica Group Polska Sp.z.o.o	6,115	105,499
Elicamex S.a.d. C.V.	5,729	24
Elica Home Appliances (Zhejiang) Co., LTD	471	5,401
Elica Trading LLC	9,268	60
Elica France S.A.S.	18,436	237
Elica Gmbh	3,433	83
EMC FIME Srl	1,730	4,319
Elica North America Inc.	479	0
AG International	72	0
Elica Nederland B.V.	55	0
Total	**46,903**	**115,720**

Below are the dividends received by the Company:

In Euro thousands	12/31/2025	12/31/2024	Changes
Dividends received from subsidiaries			
Ariafina	717	719	(2)
Elica Group Polska	1,414	1,706	(292)
EMC Fime Srl	3,658	3,996	(338)
Total	**5,789**	**6,421**	**(632)**

D.6.7.4. TRANSACTIONS WITH OTHER RELATED PARTIES

In 2025, transactions with other related parties took place. All transactions were conducted on an arm's length basis in the ordinary course of business. No separate disclosure of these positions is provided in the Consolidated Financial Statements, given the immaterial amounts involved, in accordance with Consob resolution no. 15519 of July 27, 2006.

In Euro thousands	Assets	Liabilities/Lease Liabilities	Revenue	Costs
Steel S.r.l.	2	0	2	0
Total associates	**2**	**0**	**2**	**0**
La Ceramica	0	(2)	0	(17)
Fondazione Ermanno Casoli	0	0	0	(100)
Others	0	0	0	(31)
Total related parties	**0**	**(2)**	**0**	**(148)**

With other related parties, including the subsidiaries and associated companies, the Elica Group undertook transactions of a mainly commercial nature. There were no transactions with Fintrack S.p.A., nor with FAN S.r.l..

The statement of comprehensive income and statement of financial position balances mainly arise from trading transactions conducted to purchase goods and services and use fixed assets on an arm's length basis.

The Procedures for Transactions with Related Parties is published on the Company's website (https://corporate.elica.com/it/governance/sistema-di-controllo).

D.6.8. Public grants as per Article 1, paragraphs 125-129, of Law No. 124/2017

For the detail of the grants received, reference should be made to the National State Aid register. The following information is provided:

In Euro thousands	Credito al 01/01/2025	Maturato nel 2025	Incassi 2025	Credito al 31/12/2025	Description
Contribution for Photovoltaics (*)	1	-1	0	0	Grant on photovoltaic plant installed on the roof of the Castlefidardo and Cerreto D'Esi industrial buildings issued by GSE
H@H Project	2	-2	0	0	Research and Development grant from Ministry for University and Scientific Research
SEAL Project	31	0	31	0	Research and Development grant from Ministry for University and Scientific Research
SHELL Project	173	15	188	0	Research and Development grant from Ministry for University and Scientific Research
SM Project	104	-	-	104	Research and Development grant from Ministry for University and Scientific Research
MERCURY Project	25	0	25	0	Research and development grant from the Marche region Regional Plan.
MIRACLE Project	96	0	96	0	Research and development grant from the Marche region Regional Plan
Fondimpresa	41	81	0	122	Staff training grant from Fondimpresa
Fondirigenti	5	-5	0	0	Training executives grant from Fondirigenti
Assist 2023 tender	647	0	647	0	Employee training
New Investment Tax Credit 2020	16	-	16	0	Tax credit on new investments year 2020 - Law No. 160 of 27.12.2019
New Investment Tax Credit 2022	80	-	40	40	Tax credit on new investments year 2022 - Law No.234, 25.12.2021
Research & Development tax credit 2019	899	-64	-	835	Research & Development tax credit 2019 - Law No. 190/2014
Research & Development tax credit 2020	464	-54	-	410	R&D tax credit - Law No. 178 of 30.12.2020
Research & Development tax credit 2021	351	-3	-	348	R&D tax credit - Law No. 178 of 30.12.2020
Research & Development tax credit 2022	181	-17	-	164	R&D tax credit - Law No. 178 of 30.12.2020
"4.0 Intangible Assets" tax credit	71	-	57	14	Tax credit - Law No. 178 of 30.12.2020
Total	**3,187**	**-50**	**1,100**	**2,038**	

D.6.9. Positions or transactions arising from atypical and/or unusual operations

The Company in 2025 did not carry out atypical and/or unusual transactions, i.e. those transactions which owing to their significance, the nature of the counterparties, the subject-matter of the transaction, the transfer price calculation method and the timing of the event, may give rise to doubts concerning the accuracy/completeness of the information in the financial statements, conflicts of interest, the safeguarding of corporate assets and the protection of non-controlling shareholder interests.

D.6.10. Subsequent events

On January 27, 2026, Elica paid the balance of the consideration of Euro 998 thousand to Fuji Industrial Co., Ltd for the purchase of the remaining 0.56% share capital of Elica Home Appliances (Zhejiang) Co., LTD completed in July 2025.

On February 12, 2026, the Board of Directors of Elica S.p.A. approved the additional periodic disclosure for the fourth quarter of 2025, prepared according to IFRS and reviewed the 2025 preliminary consolidated results.

On March 10, 2026, the Company completed the transfer to Whirlpool of India Limited of the remaining 1.59% of the share capital of the Indian investee ELICA PB Whirlpool Kitchen Appliances Private Limited ("Elica PB India"), along with the other minority Indian shareholders who are transferring an additional 1.59% stake. The divestment, with which the final exit from the investment is completed, took place in advance of the scheduled maturity, i.e., 90 days after the approval of Elica PB India's financial statements as of March 31, 2026, following the occurrence of a "change of control" of Whirlpool of India, an event included among the "conditions of early termination" of the agreement. The Trademark & Technical License Agreement signed on September 20, 2024 remains unchanged, which provides for the exclusive use of the Elica trademark in India and non-exclusively in Nepal and Bangladesh for the marketing of products in the kitchen & cooking sector, with an initial duration of fourteen years (2038) and which includes guaranteed minimum royalties that increase over time. The consideration for the sale is approximately Euro 2.5 million and has been paid net of withholding taxes in a single payment of approximately Euro 2.1 million.

Fabriano, March 25, 2026

For the Board of Directors
The Chief Executive Officer
Giulio Cocci

D.6.11. Proposal for the approval of the 2025 Financial Statements and allocation of the result as approved by the Board of Directors on March 25, 2026

Dear Shareholders,
in relation to the motion at item 1 on the Agenda of the Shareholders' Meeting of Elica S.p.A.:

1. Approval of the Financial Statements for the year ended December 31, 2025; Directors' Report, Consolidated Sustainability Statement; Board of Statutory Auditors' Report; Independent Auditors' Report. Presentation of the Consolidated Financial Statements for the year ended December 31, 2025.

We inform that the 2025 Financial Statements, which we present for your approval, report a net loss of Euro 9,970,980 and equity of Euro 98,585,842.

More generally, we propose approval of the 2025 Separate Annual Accounts, collectively and individually, the Directors' Report, which includes the Consolidated Sustainability Statement 2025, and the review of the Board of Statutory Auditors' Report and the Independent Auditors' Report.

We highlight that no vote shall be held on the consolidated financial statements presented at the Shareholders' Meeting.

In relation to the motion at item 2 on the Agenda:

2. Resolutions on the result for the year.

We propose the coverage of the loss through utilisation of "Retained Earnings".

We thank you for your assistance.

Fabriano, March 25, 2026

For the Board of Directors
The Chief Executive Officer
Giulio Cocci

E. Attachments to the Separate Financial Statements.

E.1. Disclosure pursuant to Article 149 of the Consob Issuers' Regulation.

The following table, prepared pursuant to Article 149-*duodecies* of the CONSOB Issuers Regulations, shows the payments made in 2025 for audit services, including those performed centrally by EY S.p.A. for certain foreign subsidiaries for consolidation purposes, and for other non-audit services provided by the latter and the entities belonging to its network.

Type of service	Service provider	Company	Remuneration
			In Euro thousands
Audit	EY S.p.A.	Elica S.p.A.	141
Limited review of the Consolidated Sustainability Reporting	EY S.p.A.	Elica S.p.A.	116
Other services	EY S.p.A.	Elica S.p.A.	26
EY Network fees			**283**

E.2. Attestation on the Separate Financial Statements as per Article 81-ter of Consob Regulation no. 11971 of May 14, 1999 and subsequent amendments and integrations.

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

- the adequacy considering the company's characteristics and
- the effective application of the administrative and accounting procedures for the compilation of the financial statements for 2025.

We also declare that:
the separate financial statements:

- correspond to the underlying accounting documents and records;
- were prepared in accordance with the IFRS endorsed by the European Union and with Article 9 of Legislative Decree no. 38/2005;
- as far as we are aware, provide a true and fair view of the financial position, financial performance and cash flow of the issuer.

The Directors' Report includes a reliable analysis on the performance and operating result as well as the situation of the issuer together with a description of the principal risks and uncertainties to which they are exposed.

Fabriano, March 25, 2026

The Chief Executive Officer
Giulio Cocci

Corporate Financial
Reporting Manager
Emilio Silvi

E.3. INDEPENDENT AUDITORS' REPORT ON PARENT COMPANY FINANCIAL STATEMENTS

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

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Independent auditor's report pursuant to article 14 of Legislative Decree n. 39, dated 27 January 2010 and article 10 of EU Regulation n. 537/2014
(Translation from the original Italian text)

To the Shareholders of
Elica S.p.A.

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements Elica Group (the Group), which comprise the consolidated statement of financial position as at December 31, 2025, and the consolidated income statement, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flow for the year then ended, and explanatory notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the consolidated financial statements give a true and fair view of the financial position of the Group as at December 31, 2025, and of its financial performance and its cash flows for the year then ended in accordance with IFRS accounting standards issued by International Accounting Standards Board as adopted by the European Union and with the regulations issued for implementing art. 9 of Legislative Decree n. 38/2005.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISA Italia). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of Elica S.p.A. in accordance with the regulations and standards on ethics and independence applicable to audits of financial statements under Italian Laws. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

EY S.p.A.
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Sede Secondaria: Via Lombardia, 31 – 00187 Roma
Capitale Sociale Euro 3.000.000 i.v.
Iscritta alla S.O. del Registro delle Imprese presso la CCIAA di Milano Monza Brianza Lodi
Codice fiscale e numero di iscrizione 00434000584 - numero R.E.A. di Milano 606158 - P.IVA 00891231003
Iscritta al Registro Revisori Legali al n. 70945 Pubblicato sulla G.U. Suppl. 13 - IV Serie Speciale del 17/2/1998

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We identified the following key audit matters:

Key Audit Matter	Audit Response
Recoverability of intangible assets with an indefinite useful life – goodwill	
As at December 31, 2025 the Group recorded in the consolidated financial statements intangible assets with an indefinite useful life (goodwill) of 49,8 million euros. Goodwill was allocated to the Cash Generating Units ("CGU") of the Group, corresponding to the two segments of the Group (Cooking and Motors). The processes and methodologies for the valuation and determination of the recoverable value of each CGU, in terms of value in use, are based on sometimes complex assumptions, which by their nature require judgment, in particular with reference to the expected future cash flows for each CGU, the determination of the normalized cash flows used to estimate the terminal value and the determination of the long-term growth and discount rates applied to the expected future cash flows. Because of the judgment required and the complexity of the assumptions used to estimate the recoverable amount of goodwill, we believe that this issue is a key audit matter. Financial statement disclosures relating to the assumptions and estimates used to perform the impairment test on goodwill are provided in Notes B.6.2.5.4, B.6.5.16 and B.6.5.17 to the consolidated financial statements.	Our audit procedures in response to the key matter included, among the others: • analysis of the procedure applied in performing the impairment test on goodwill approved by the board of directors of Elica S.p.A.; • analysis of the criteria for identifying the CGUs and the allocation of the carrying amounts of the assets and liabilities to the CGUs; • analysis of the expected future cash flows for each CGU and verification of their consistency with the future cash flows resulting from the 2026-2030 economic and financial projections approved by the board of directors of Elica S.p.A. for the purposes of the impairment test; • analysis of the reasonableness of the forecasts made by the directors also through comparison with the actual historical data and external market information, where available; • examination of the sensitivity analysis performed by the directors on the main key assumptions used in the impairment test model; • verification of the long-term growth rates and discount rates. We used our valuation experts in our procedures. Finally, we reviewed the disclosures provided in the notes to the consolidated financial statements in relation to this key audit matter.

Responsibilities of Directors and Those Charged with Governance for the Consolidated Financial Statements

The Directors are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with IFRS accounting standards issued by International Accounting Standards Board as adopted by the European Union and with the regulations issued for implementing art. 9 of Legislative Decree n. 38/2005 and, within the terms provided by the law, for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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The Directors are responsible for assessing the Group's ability to continue as a going concern and, when preparing the consolidated financial statements, for the appropriateness of the going concern assumption, and for appropriate disclosure thereof. The Directors prepare the consolidated financial statements on a going concern basis unless they either intend to liquidate the Parent Company Elica S.p.A. or to cease operations or have no realistic alternative but to do so.

The statutory audit committee ("Collegio Sindacale") is responsible, within the terms provided by the law, for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with International Standards on Auditing (ISA Italia) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with International Standards on Auditing (ISA Italia), we have exercised professional judgment and maintained professional skepticism throughout the audit. In addition:

- we have identified and assessed the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, designed and performed audit procedures responsive to those risks, and obtained audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- we have obtained an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control;
- we have evaluated the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors;
- we have concluded on the appropriateness of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to consider this matter in forming our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern;
- we have evaluated the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation;
- we have obtained sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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We have communicated with those charged with governance, identified at an appropriate level as required by ISA Italia, regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We have provided those charged with governance with a statement that we have complied with the ethical and independence requirements applicable in Italy, and we have communicated them all matters that may reasonably be thought to bear on our independence, and where applicable, the actions taken to eliminate relevant risks or the safeguard measures applied.

From the matters communicated with those charged with governance, we have determined those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We have described these matters in our auditor's report.

Additional information pursuant to article 10 of EU Regulation n. 537/14

The shareholders of Elica S.p.A., in the general meeting held on April 27, 2023, engaged us to perform the audits of the consolidated financial statements for each of the years ending December 31, 2024 to December 31, 2032.

We declare that we have not provided prohibited non-audit services, referred to article 5, par. 1, of EU Regulation n. 537/2014, and that we have remained independent of the Group in conducting the audit.

We confirm that the opinion on the consolidated financial statements included in this report is consistent with the content of the additional report to the audit committee (Collegio Sindacale) in their capacity as audit committee, prepared pursuant to article 11 of the EU Regulation n. 537/2014.

Report on compliance with other legal and regulatory requirements

Opinion on the compliance with Delegated Regulation (EU) 2019/815

The Directors of Elica S.p.A. are responsible for applying the provisions of the European Commission Delegated Regulations (EU) 2019/815 for the regulatory technical standards on the specification of a single electronic reporting format (ESEF – European Single Electronic Format) (the "Delegated Regulation") to the consolidated financial statements as at December 31, 2025 to be included in the annual financial report.

We have performed the procedures under the auditing standard SA Italia n. 700B, in order to express an opinion on the compliance of the consolidated financial statements as at December 31, 2025 with the provisions of the Delegated Regulation.

In our opinion, the consolidated financial statements as at December 31, 2025 have been prepared in the XHTML format and have been marked-up, in all material aspects, in compliance with the provisions of the Delegated Regulation.

Due to certain technical limitations, some information included in the notes to the consolidated financial statements when extracted from the XHTML format to an XBRL instance may not be reproduced in an identical manner with respect to the corresponding information presented in the consolidated financial statements in XHTML.

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Opinion and statement pursuant to article 14, paragraph 2, subparagraph e), e-*bis*) and e-*ter*) of Legislative Decree n. 39 dated 27 January 2010 and pursuant to article 123-bis, paragraph 4, of Legislative Decree n. 58, dated 24 February 1998

The Directors of Elica S.p.A. are responsible for the preparation of the Report on Operations and of the Report on Corporate Governance and Ownership Structure of Elica Group as at December 31, 2025, including their consistency with the related consolidated financial statements and their compliance with the applicable laws and regulations.

We have performed the procedures required under audit standard SA Italia n. 720B, in order to:

- express an opinion on the consistency of the Report on Operations and of specific information included in the Report on Corporate Governance and Ownership Structure as provided for by article 123-bis, paragraph 4, of Legislative Decree n. 58, dated 24 February 1998, with the consolidated financial statements;
- express an opinion of the compliance with the laws and regulations of the Report on Operations, excluding the section related to the consolidated sustainability information, and the above mentioned specific information included in the Report on Corporate Governance and Ownership Structure pursuant article n. 123-bis, paragraph 4, of Legislative Decree n. 58, dated 24 February 1998;
- issue a statement on any material misstatement in the Report on Operations and in certain specific information contained in the Report on Corporate Governance and Ownership Structure pursuant article n. 123-bis, paragraph 4, of Legislative Decree n. 58, dated 24 February 1998.

In our opinion, the Report on Operations and the specific information contained in the Report on Corporate Governance and Ownership Structure pursuant article n. 123-bis, paragraph 4, of Legislative Decree n. 58, dated 24 February 1998, are consistent with the consolidated financial statements of Elica Group as at December 31, 2025.

Furthermore, in our opinion, the Report on Operations, excluding the section related to the consolidated sustainability information, and the specific information contained in the Report on Corporate Governance and Ownership Structure pursuant article n. 123-bis, paragraph 4, of Legislative Decree n. 58, dated 24 February 1998, comply with the applicable laws and regulations.

With reference to the statement required by art. 14, paragraph 2, subparagraph e-*ter*), of Legislative Decree n. 39, dated 27 January 2010, based on our knowledge and understanding of the entity and its environment obtained through our audit, we have no matters to report.

Our opinion on compliance with applicable laws and regulations does not extend to the section of the Report on Operations related to consolidated sustainability information. The conclusion on the compliance of this section with the applicable standards governing its preparation criteria and the compliance with the disclosure requirements pursuant to article 8 of (EU) Regulation 2020/852 are formulated by us in the attestation report pursuant to article 14-bis of Legislative Decree No. 39 dated 27 January 2010.

Ancona, March 25, 2026

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

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

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E.4. BOARD OF STATUTORY AUDITORS' REPORT TO THE SHAREHOLDERS' MEETING

ELICA S.p.A.

Registered office in Fabriano (AN), Via Ermanno Casoli No. 2

Share capital: Euro 12,664,560.00 fully paid-in

Marche Companies Registration Office

Tax and VAT No.: 00096570429

BOARD OF STATUTORY AUDITORS' REPORT

TO THE SHAREHOLDERS' MEETING

(in accordance with Article 153 of Legislative Decree 58/1998 and Article 2429, paragraph 2 of the Civil Code)

Dear Shareholders,

we were appointed by the Shareholders' Meeting of April 29, 2024 (in accordance with applicable legal, regulatory and statutory provisions) and our mandate will conclude at the Shareholders' Meeting for the approval of the financial statements at December 31, 2026.

We have complied with the limit on the number of offices envisaged by Article 144-*terdecies* of the Issuers' Regulation.

We acknowledge that the composition of the Board of Statutory Auditors complies with the provisions on gender diversity (as per Article 148, paragraph 1-*bis*, of Legislative Decree No. 58/1998, as amended by Article 1, paragraph 303, Law No. 160 of December 27, 2019, and applied pursuant to Article 1, paragraph 304 of the same law, as well as in accordance with the provisions of Consob Communication No. 1/20 of January 30, 2020).

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During the year ended December 31, 2025, we performed the supervisory activities required by law, in accordance with the "Conduct principles for the Board of Statutory Auditors in listed companies" and recommended by the Italian Accounting Profession (Consigli Nazionale dei Dottori Commercialisti e degli Esperti Contabili), the Consob provisions concerning corporate controls and activities of the Board of Statutory Auditors and the indications of the Self-Governance Code of the Company.

The Company's independent audit firm is EY S.p.A., for a term of nine fiscal years (2024-2032), as approved by the Shareholders' Meeting of April 27, 2023.

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Board of Statutory Auditors' Report 25/03/2026

In particular, also in accordance with the recommendations issued by Consob, we performed the following:

- we verified compliance with law, the By-Laws and the regulations;
- during the year:
  - i) we met **20** times in the performance of our duties;
  - ii) we attended **1** Ordinary Shareholders' Meeting and **1** Extraordinary Shareholders' Meeting; 7 Board of Directors' meetings and **4** internal Board committee meetings;

  all meetings were held in compliance with the applicable laws, the By-Laws and the regulations governing their functioning. The motions were passed in compliance with law and the company By-Laws and were not imprudent, reckless or such as to compromise the integrity of the company's assets;
- periodically, we received information from the Directors, also by attending the meetings of the Board of Directors and of the Committees, on the general performance and on the outlook, as well as on the most significant operations, in terms of size and nature, carried out by the Company and its subsidiaries.

  In relation to such, we can reasonably assure that the actions taken are in conformity with law and the By-Laws of the company and were not imprudent, risk related, in potential conflict of interest or contrary to the motions passed, or such as to compromise the integrity of the company assets;
- the following assignments were awarded to EY S.p.A. and its network:

Type of service	Service provider	Company	Remuneration (Euro thousands)
Annual and half-yearly audit	EY SpA	Elica S.p.A.	141
Annual and half-yearly audit	EY SpA	Air Force SpA	14
Annual and half-yearly audit	EY SpA	EMC Fime Srl	65
Annual and half-yearly audit	EY SpA	Elica France	6
Annual and half-yearly audit	EY Mexico	Elicamex S.A.de C.V.	37
Annual and half-yearly audit	EY Polska / EY SpA	Elica Group Polska S.p.z.o.o.	53
Annual and half-yearly audit	EY China	Elica Home Appliances (Zhejiang) Co., LTD	43
Annual and half-yearly audit	EY Japan / EY SpA	Ariafina CO., LTD	11

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Board of Statutory Auditors' Report 25/03/2026

Limited audit of the consolidated sustainability statement	EY SpA	Elica S.p.A.	116
Non-audit services	EY SpA		26
Total			**512**

- we constantly monitored the independence of the Independent Audit Firm, noting the absence of any critical aspects;
- in accordance with Article 150, paragraph 3 of Legislative Decree No. 58/1998, we met 3 times with the Independent Audit Firm and, during the meetings, no data or information to be reported herein emerged;
- the Independent Audit Firm EY S.p.A. was not awarded additional assignments by the company, other than those assigned, as required by the regulations, with the prior approval of the Board of Statutory Auditors;
- we have noted the changes to the organisational structure, overseeing its adequacy for the efficient and lean management of the business; in relation to this, there are no observations to report;
- we assessed the adequacy of the internal control system and of the administration and accounting system and its reliability to correctly represent operations, through the obtaining of information from managers and we reviewed company documents and oversaw the financial disclosure process in accordance with Article 19 of Legislative Decree No. 39/2010;
- we periodically met the Executive responsible for the preparation of the corporate accounting documents to exchange information on the administrative-accounting system, while also considering the reliability of this latter to correctly present operating events;
- we reviewed the adequacy of the instructions given by the Parent Company to its subsidiaries to receive in a timely manner all necessary information to comply with the obligations required by law;
- we did not detect any atypical and/or unusual transactions (as defined by Consob Communication No. DEM/6064293 of July 28, 2006). We acknowledge that the information provided in the Financial Report regarding significant non-recurring events and operations and transactions between group companies or with related parties is adequate;
- we note the following significant operations:

i) On July 1, 2025, the Company announced that it had signed the acquisition of the remaining 0.56% of the share capital of Elica Home Appliances (Zhejiang)

Co. Ltd from FUJI Industrial Co. Ltd, Elica's partner in the Japanese JV Ariafina, thereby acquiring full control.

The transaction forms part of the project to transform the Chinese Company into a strategic sourcing and production hub exclusively serving the Group companies, in implementation of the development strategy for the cooking business in EMEA and the direct expansion in the North American market.

The price agreed corresponds to the amount originally paid by FUJI Industrial Co. Ltd at the time of its entry into Elica Home Appliances (Zhejiang) Co. Ltd (Putian) in 2012, for Euro 1,997,802.78, already paid.

On July 14, 2025, the approvals were obtained from the relevant Chinese Authorities and the administrative formalities, necessary for the purpose of acquiring the holding, were completed; Elica therefore holds 100% of Putian;

ii) On July 30, 2025 an agreement was signed to acquire a 28% stake in Steel S.r.l., based in Capri, an Italian company specialising in the production of range cookers and high-end outdoor solutions, with a progressive acquisition mechanism upon the occurrence of certain conditions;

- impairment tests were conducted according to the criteria and assumptions approved by the Board of Directors on February 12, 2026 and reported in the notes to the financial statements;
- the inter-company and related party transactions undertaken by the company and its subsidiaries in 2025, the parties involved and the relative financial effects are indicated in the notes to the financial statements, to which reference should be made, and which were appropriate and in the interests of the company;
- no petitions were received pursuant to Article 2408 of the Civil Code;
- no reports have been made to the board of directors pursuant to and in accordance with Article 15 of Legislative Decree No. 118/2021;
- on February 13, March 14 and July 30, 2025, as required by Article 2389, paragraph 3 of the Civil Code, we issued favourable opinions on the remuneration of the Executive Directors;
- the Company has complied with the Self-Governance Code promoted by Borsa Italiana S.p.A.; the Directors reported on such in the "*Corporate Governance and Ownership Structure Report*", approved by the Board of Directors on March 25, 2026;
- we have monitored, by acquiring information from the functions concerned, the disputes in which the Company is involved;

- we verified the company processes to draw up the remuneration policies of the Executive Directors, the Senior Executives and other key figures, both over the short and long-term, as outlined in the Remuneration Report, drawn up as per Article 123-*ter* and 84-*quater* of the Issuers' Regulation;
- we assessed at our meetings of March 20, 2025 and March 23, 2026 the existence of the requirements of our independence, including pursuant to the Corporate Governance Code for Listed Companies;
- we verified during the meetings of March 20, 2025 and March 23, 2026 the correct application of the assessment criteria and procedures adopted by the Board of Directors to assess the independence of its members and did not note any irregularities;
- we examined the declarations of the Chief Executive Officer and the Corporate Financial Reporting Manager, pursuant to Article 154-*bis* of the Consolidated Finance Act;
- we note that the company has an Organisation and Management Model as per Legislative Decree No. 231/2001, structured by "business process", which is subject to periodic review, and whose latest update was approved by the Board of Directors on July 30, 2024;
- we held meetings with the Supervisory Board, reviewing the periodic reports prepared and received information on the activities scheduled for 2026;
- we acknowledge that pursuant to Legislative Decree No. 125/2024, in implementation of the new EU Directive 2022/2464/EU ("CSRD Directive"), the Elica Group prepares the Sustainability Statement in accordance with the European Sustainability Reporting Standards (ESRS) issued by EFRAG, which must be signed by a Sustainability Executive.

  On February 13, 2025, the Board of Directors, with our favourable opinion, appointed the Sustainability Executive for the year 2024, availing of the exception provided for in Article *154-bis*, paragraph 5-*ter*, of Legislative Decree No. 58 of February 28, 1998, reserving the right to submit to the Extraordinary Shareholders' Meeting the amendment to the By-Laws to provide for the possibility of appointing a Sustainability Executive other than the Executive Officer for Financial Reporting. The Extraordinary Shareholders' Meeting of April 29, 2025, having reviewed the above proposal, approved the amendment of Article 26 of the By-Laws and the Board of Directors, subsequently, confirmed the appointment of the Sustainability Executive, until the Shareholders' Meeting for the approval of the financial statements as of December 31, 2026.

  The Sustainability Statement for the fiscal year ending December 31, 2025, which includes data from the parent company Elica S.p.A. and the fully consolidated

companies, was approved by the Board of Directors of Elica S.p.A. on March 25, 2026.

We have supervised the completeness, adequacy and effectiveness of the procedures, processes and structures that govern the formation of the sustainability reporting, as well as verified compliance with the relevant regulations and the subjective and objective scope of application of the regulations, and in this regard we have no observations to report.

- we confirmed, taking into account the contents of Legislative Decree No. 138/2024 implementing EU Directive 2022/2555 on cybersecurity (NIS 2), the Company, at Group level, resolved to update the internal procedures for the implementation of mitigation and management actions for cybersecurity risks and the additional obligations therein.

In relation to the separate financial statements, we confirm that:

a. they were prepared in accordance with International Accounting Standards (IAS/IFRS), as presented by the Board of Directors in the notes to the financial statements. The Directors have complied with current regulations regarding disclosure of the risk management and internal control system in connection with the financial reporting process;
b. was prepared in compliance with the specifications required by EU Regulation No. 2019/85 ("ESEF Regulation") and, therefore, in the XHTML electronic format and presents, with reference to the consolidated financial statements at December 31, 2025, the *Inline* XBRL markings and the note block tags of the information according to the taxonomy indicated in the ESEF Regulation;
c. the Notes to the Financial Statements provide information deemed appropriate to better represent the Company's equity, financial and operating situation;
d. the information provided in the Directors' Report is complete and exhaustive, including with regard to subsequent events and the outlook, also considering the situation of uncertainty at the global level;

The statutory financial statements at December 31, 2025, accompanied by the Directors' Report prepared by the Directors, in addition to the statement of the Chief Executive Officer and of the Corporate Reporting Officer, were approved by the Board of Directors at the meeting of March 25, 2026 and simultaneously made available to the Board of Statutory Auditors, subject to the granted request to the Control Body and the Independent Audit Firm to waive the terms, in view of the Shareholders' Meeting called for April 29, 2026.

EY S.p.A. today issued:

i) pursuant to Article 14 of Legislative Decree No. 39/2010 and Article 10 of Regulation (EU) No. 537/2014 the Auditors' Reports to the annual financial statements and consolidated financial statements, without qualification or requests for information. Both the reports expressed an opinion on the consistency of the Directors' Report and of certain specific information contained in the corporate governance and ownership structure report with the financial statements, and on their compliance with law;

ii) the additional report provided for by Article 11 of Regulation (EU) No. 537/2014, the examination of which did not reveal any aspects that should be highlighted in this report. As an attachment to the additional report, the Independent Audit Firm sent to the Board of Statutory Auditors the statement regarding its independence, as required by Article 6 of Regulation (EU) 537/2014, indicating no situations which may compromise such independence and which will be sent by the Board of Statutory Auditors to the Board of Directors;

iii) the report on the Consolidated Sustainability Statement prepared in accordance with Article 14-bis of Legislative Decree No. 39/2010, in which it certifies that, based on the work carried out, no evidence was received to suggest that:

a) the Elica Group's Consolidated Sustainability Statement for the year ending December 31, 2025, has not been prepared, in all significant aspects, in accordance with the reporting standards adopted by the European Commission pursuant to Directive (EU) 2013/34/EU (European Sustainability Reporting Standard - ESRS);

b) the information contained in the "European Taxonomy" section of the Consolidated Sustainability Statement has not been prepared in all significant aspects in accordance with Article 8 of Regulation (EU) No. 852 of June 18, 2020 ("Taxonomy Regulation").

In the course of the supervisory activity and based on the information obtained, no significant omissions and/or significant matters or irregularities that would require reporting to the Supervisory Authority or mention in the present report were noted.

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Taking account of that outlined above, we do not indicate, to the extent of our remit, reasons which would prevent approval of the financial statements at December 31, 2025,

as presented, nor observations regarding the proposal to cover the net loss, drawn up by the Board of Directors.

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The Group consolidated financial statements have been reviewed by us and we report no further observations in this regard.

Jesi, March 25, 2026

THE BOARD OF STATUTORY AUDITORS

FREZZOTTI GIOVANNI - Chairperson

MASSINISSA MAGINI PAOLO - Statutory Auditor

ROMAGNOLI SIMONA - Statutory Auditor

Data di pubblicazione:
27 marzo 2026

Coordinamento Progetto Editoriale
ELICA S.p.A.

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