



2024 INTERIM FINANCIAL REPORT



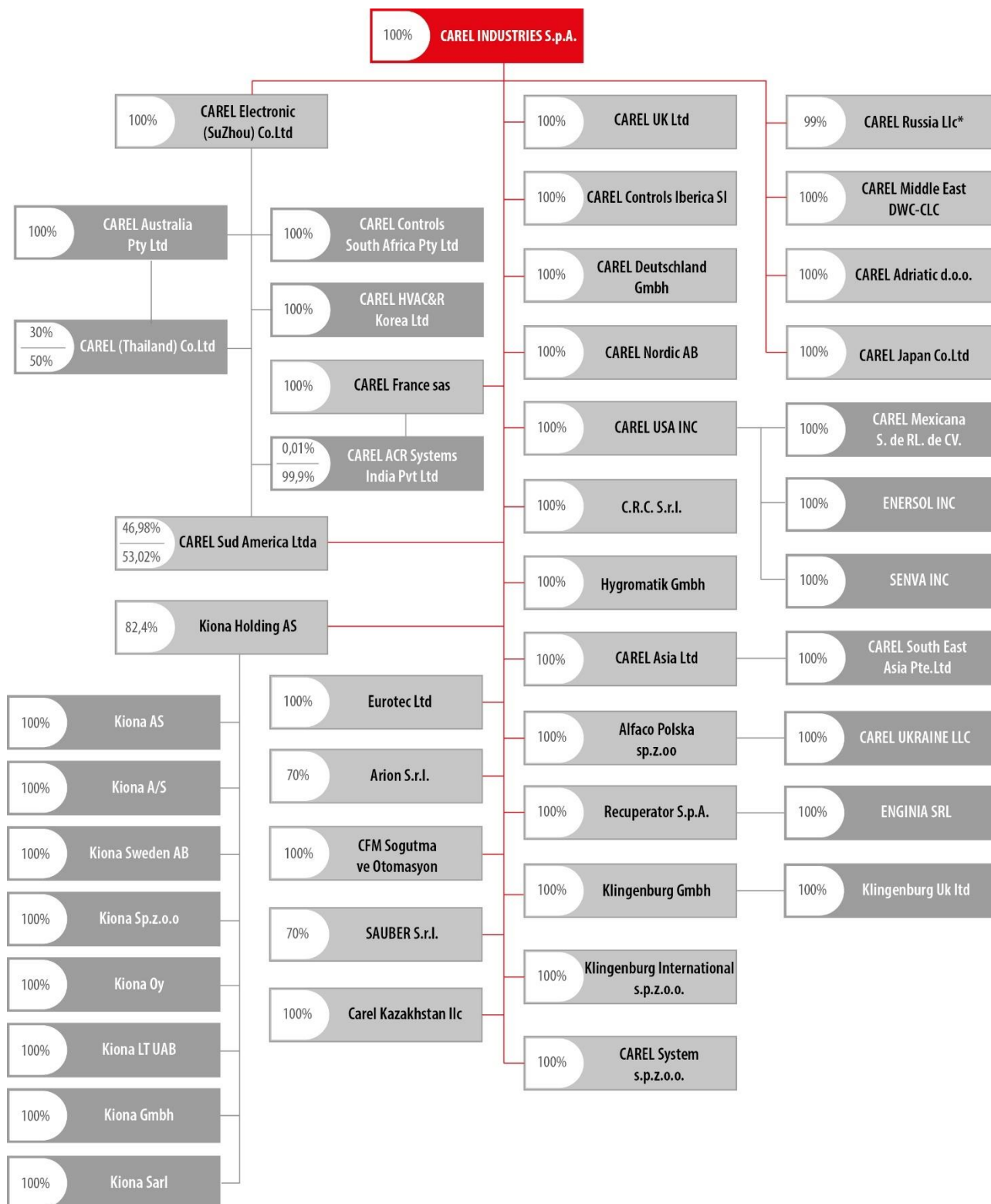
DRIVEN BY THE FUTURE

CONTENTS

Group Structure.....	4
Corporate Bodies	5
INTERIM DIRECTOR'S REPORT AT 30 JUNE 2024.....	6
Group Performance.....	8
Outlook.....	13
Condensed interim consolidated financial statements as at and for the six months ended 30 June 2024 and notes thereto	14
Statement of financial position.....	15
Statement of profit or loss.....	16
Statement of comprehensive income.....	16
Statement of cash flows	17
Statement of changes in equity	18
Notes	19
Statement on the condensed interim consolidated financial statements pursuant to article 154-bis of Legislative decree no. 58/98 and article 81-ter of Consob regulation no. 11971 of 14 May 1999 as subsequently amended and supplemented.....	39
Independent auditors report.....	40

GROUP STRUCTURE

The following graph shows the group's structure at 30 June 2024:



*= 1% held by Carel France sas

CORPORATE BODIES

<i>Board of Directors</i>	<i>Chairperson</i>	<i>Luigi Rossi Luciani</i>
	<i>Executive deputy chairperson</i>	<i>Luigi Nalini</i>
	<i>Chief Executive Officer</i>	<i>Francesco Nalini</i>
	<i>Executive Director</i>	<i>Carlotta Rossi Luciani</i>
	<i>Lead Independent Director</i>	<i>Mario Cesari</i>
	<i>Independent Director</i>	<i>Cinzia Donalisio</i>
	<i>Independent Director</i>	<i>Gianluigi Vittorio Castelli</i>
	<i>Independent Director</i>	<i>Marina Manna</i>
	<i>Independent Director</i>	<i>Laura Rovizzi</i>
<hr/>		
<i>Board of statutory auditors</i>	<i>Chairperson</i>	<i>Paolo Prandi</i>
	<i>Standing statutory auditor</i>	<i>Saverio Bozzolan</i>
	<i>Standing statutory auditor</i>	<i>Gianna Adami</i>
	<i>Alternate statutory auditor</i>	<i>Fabio Gallio</i>
	<i>Alternate statutory auditor</i>	<i>Elena Angela Maria Valenti</i>
<hr/>		
<i>Independent Auditors</i>		<i>Deloitte & Touche SpA</i>
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<i>Audit, risk and sustainability committee</i>	<i>Chairperson</i>	<i>Marina Manna</i>
	<i>Member</i>	<i>Cinzia Donalisio</i>
	<i>Member</i>	<i>Mario Cesari</i>
<hr/>		
<i>Remuneration Committee</i>	<i>Chairperson</i>	<i>Cinzia Donalisio</i>
	<i>Member</i>	<i>Marina Manna</i>
	<i>Member</i>	<i>Mario Cesari</i>
<hr/>		
<i>Supervisory body as per Leg. dec. no. 231/2001</i>	<i>Chairperson</i>	<i>Alberto Berardi</i>
	<i>Member</i>	<i>Arianna Giglio</i>
	<i>Member</i>	<i>Alessandro Grassetto</i>



INTERIM DIRECTOR'S REPORT

AT 30 JUNE 2024





GROUP PERFORMANCE

STATEMENT OF PROFIT OR LOSS

(€'000)	First Half 2024	First Half 2023	% First Half 2024	% First Half 2023
Revenues	291,526	330,309		
Other revenues	2,516	2,612	0.9%	0.8%
Costs of raw materials, consumables and goods and changes in inventories	(119,555)	(145,605)	(41.0%)	(44.1%)
Services	(41,108)	(40,893)	(14.1%)	(12.4%)
Capitalized development expenditure	2,547	459	0.9%	0.1%
Personnel expense	(80,752)	(72,832)	(27.7%)	(22.0%)
Other expense, net	(1,944)	(1,444)	(0.7%)	(0.4%)
Amortisation, depreciation and impairment losses	(18,914)	(15,099)	(6.5%)	(4.6%)
OPERATING PROFIT	34,316	57,507	11.8%	17.4%
Net financial expenses	(3,500)	(2,647)	(1.2%)	(0.8%)
Net exchange losses	839	(341)	0.3%	(0.1%)
Fair value gain (loss) on call options	3,373	-	1.2%	-
Share of profit of equity-accounted investees	1,732	290	0.6%	0.1%
PROFIT BEFORE TAX	36,760	54,809	12.6%	16.6%
Income taxes	(8,421)	(12,359)	(2.9%)	(3.7%)
PROFIT OF THE PERIOD	28,338	42,450	9.7%	12.9%
Non controlling interest	524	2,173	0.2%	0.7%
PROFIT FOR THE PERIOD ATTRIBUTABLE TO THE OWNERS OF THE PARENT	27,814	40,277	9.5%	12.2%

CONSOLIDATED REVENUES

(€'000)	First Half 2024	First Half 2023	Variation %	Fx Variation % *
Revenues	291,526	330,309	(11.7%)	(11.7%)

The group revenues for the first half of 2024 decreased by 11.7% on the corresponding period of 2023 reaching €291,526 thousand (first half of 2023: €330,309 thousand); calculated at constant exchange rates, the decrease would have been the same.

The result was attributed to the contraction in demand for components for the Heat Pumps market, which particularly affected Europe. A breakdown of revenue by geographical segment is as follows:

REVENUES BY GEOGRAPHICAL SEGMENT

(€'000)	First Half 2024	First Half 2023	Variation %	Fx Variation % *
Europe, Middle East and Africa	193,516	235,038	(17.7%)	(18.1%)
APAC	40,174	44,537	(9.8%)	(7.1%)
Nord America	50,143	44,640	12.3%	12.4%
Sud America	7,692	6,093	26.2%	26.4%
Total	291,526	330,309	(11.7%)	(11.7%)

* The FX variation % is calculated as the percentage of change at constant exchange rates, i.e., using those at 30 June 2023.

The geographical segments reflect the geographical location of the countries in which the revenue is earned considering the group's marketing strategies.

The breakdown of revenue by market is as follows:

REVENUES BY MARKET SEGMENT

(€'000)	First Half 2024	First Half 2023	Variation %	Fx Variation % *
HVAC Revenues	206,476	238,923	(13.6%)	(13.5%)
REF Revenues	84,639	89,980	(5.9%)	(5.9%)
Total Core Revenues	291,115	328,903	(11.5%)	(11.4%)
Non-Core Revenues	410	1,406	(70.8%)	(70.8%)
Total	291,526	330,309	(11.7%)	(11.7%)

The drop in revenues was mainly concentrated in Europe and in the HVAC market due, essentially, to the reduction in sales in the residential sector (heat pumps) due to a series of elements, including the reshaping of European incentives (particularly in Germany and Italy), the high stock levels present throughout the supply-chain and the macroeconomic scenario characterised by high interest rates. Added to this is the comparison with the 2023 half-year revenues, which were particularly high also as a result of the disposal of the backlog accumulated during the previous quarters. This also affected the contraction of the Refrigeration segment, which was further penalised by the temporary deceleration of the investment cycle.

As far as APAC is concerned, there was a general contraction in demand mainly due to the slowdown in the Chinese economy and lower exports of heat pumps to Europe, only partly offset by good performances in other countries in the area.

On the other hand, the brilliant period in North and South America was confirmed in both markets, and particularly in applications related to computer centre cooling (HVAC), high-efficiency solutions and those using low-pollutant refrigerants

MAIN FINANCIAL INDICATOR

The main financial indicators for the first half of 2024 compared with the corresponding period of the previous year are set out below:

(€'0000)	First Half 2024	First Half 2023	Variation	Variation %
EBITDA ¹	53,230	72,606	(19,376)	(26.7%)
EBITDA % ²	18.3%	22.0%	n.a.	(16.9%)
EBITDA ADJ ³	53,781	73,041	(19,260)	(26.4%)
EBITDA ADJ % ⁴	18.4%	22.1%	n.a.	(16.6%)
NET RESULT	28,338	42,450	(14,112)	(33.2%)

The group's EBITDA % for the first half of 2024 was 18.3%, down on the same period of the previous year (22.0%). In absolute terms, EBITDA amounted to 53,230 thousand (-26.7% compared the same period of previous year). The decrease of EBITDA is mainly due to the operating leverage only partially compensated by the acquisitions which took place in the second half of 2023 and became fully operative in the first half of 2024.

Costs of raw materials and goods and changes in inventories decreased in absolute terms as a result of the down in revenue and dropped as a percentage thereof (from 44.1%, to 41.0%).

Personnel expense increased in absolute terms due to the rise in the number of employees over the past 12 months, specifically following the acquisitions that took place in the second half of 2023. As a percentage of revenue, it came to 27.7% (first half of 2023: 22.0%).

1 EBITDA is not identified as an accounting measure under the IFRS, but the group calculates EBITDA as the sum of the profit before tax, the share of profit (loss) of equity-accounted investees, exchange differences, net financial income (expense) and amortisation, depreciation and impairment losses. It uses EBITDA to assess its operating performance.

2 The EBITDA % is the ratio of EBITDA to revenue.

3 Adjusted EBITDA is not identified as an accounting measure under the IFRS, but is commonly used by both management and investors to evaluate the operating performance of the company and group. Adjusted EBITDA is EBITDA plus costs taken from the consolidated financial statements prepared in accordance with the IFRS integrated by the notes thereto.

4 The adjusted EBITDA % is the ratio of adjusted EBITDA to revenue



Adjusted Ebitda amounted to 53,781 thousand, compared to 73,041 thousand for the first half of 2023; the adjusted costs chiefly refer to consultancy costs for M&A activities (551 thousand).

Amortisation and depreciation amounted to €18,914 thousand (first half of 2023: €15,099 thousand). Of this amount, €5,750 thousand (first half of 2023: €3,593 thousand) refers to the amortisation of purchase price allocation accounted for at consolidation level of the companies acquired in previous years.

Net financial expense amounted to €3,500 thousand (first half of 2023: €2,647 thousand). The increase is mainly attributable to interest expenses recognized for options on non-controlling interests and earn out, financial expenses related to IFRS16 and bank loans.

The group tax rate is 22.9%, up from 22.5% at 30 June 2023. The increase is mainly due to the different contribution percentage of some countries.

Profit amounted to €28,338 thousand compared to €42,450 thousand in the corresponding period of the previous year.

MAIN STATEMENT OF FINANCIAL POSITION INDICATORS

The main statement of financial position indicators at 30 June 2024 compared with those at 31 December 2023 are set out below:

STATEMENT OF FINANCIAL POSITION			
(€'000)	30.06.2024	31.12.2023	Variation %
Non current assets ⁵	508,693	507,725	0.2%
Net Working Capital ⁶	103,411	77,509	33.4%
Defined benefit plans	(7,268)	(8,479)	(14.3%)
Net Invested Capital⁷	604,836	576,755	4.9%
Equity	404,474	396,174	2.1%
Call option on non-controlling interests and earn-out.	98,809	144,918	(31.8%)
Net Financial debt	101,553	35,664	>100%
Total	604,836	576,755	4.9%

Net invested capital is stable compared to the previous year, as investments in the period offset depreciations.

Investments in property, plant and equipment amounted to €8,891 thousand, compared to €6,586 thousand in the first half of 2023 mainly related to the expansion of the group's production capacity. Intangible assets increased by €4,154 thousand (€1,338 thousand in the first half of 2023).

The breakdown of investments by geographical segment, net of right-of-use assets and goodwill, is as follows:

INVESTEMET			
(€'000)	30.06.2024	30.06.2023	Variation
Europe, Middle East and Africa	11,515	6,106	5,409
APAC	762	1,274	(512)
Nord America	711	528	183
Sud America	58	16	42
Total	13,045	7,924	5,121

5 Net non-current assets is the sum of property, plant and equipment, intangible assets, equity-accounted investments and other non-current assets less other non-current liabilities.

6 Net working capital is the sum of trade receivables, inventories, tax assets, other current assets, deferred tax assets, trade payables, current tax liabilities, other current liabilities, deferred tax liabilities and provisions for risks.

7 Net invested capital is the sum of (i) net non-current assets, (ii) net working capital and (iii) defined benefit plans.

Net working capital increased from €77,509 thousand at 31 December 2023 to €103,411 thousand at 30 June 2024; this increase was mainly due to trade receivables which rose by €3,185 thousand mainly due to seasonal effects, to higher stock (+€4,797 thousand) and lower trade payables (-8,877 thousand).

Call options on non-controlling interests and earn-out decreased due to the acquisition of the remaining 49% of share capital of CFM; as of 31 December 2023, the liability amounted to €47,482 thousand. The difference between the amount paid and the amount estimated at 31 December 2023 is accounted for in the caption "Fair value gains (loss) on call options".

The net financial debt amounted to €101,553 thousand, compared to €35,664 thousand at 31 December 2023, as shown below:

(€'000)	30.06.2024	31.12.2023
Non-current financial liabilities	101,785	120,432
Current financial liabilities	46,399	39,575
Non-current lease liabilities	26,407	26,958
Current lease liabilities	6,268	6,406
Cash and cash equivalents	(75,563)	(154,010)
Current financial assets	(3,743)	(3,697)
Net financial debt	101,553	35,664
Net financial debt (excluding the effects of IFRS 16)	68,878	2,300
Net bank loans and borrowings	66,462	(5,220)

The net financial debt is mainly comprised of:

- current and non-current bank loans and borrowings totalling €83.9 million (€90.7 million at 31 December 2023);
- current and non-current amounts due to bondholders totalling €59.8 million (€59.8 million at 31 December 2023);
- current and non-current other loans and borrowings totalling €1.8 million (€1.8 million at 31 December 2023);
- current and non-current financial liabilities related to acquisitions totaling €1.9 million (€7.1 million at 31 December 2023);
- current and non-current lease liabilities totaling €32.7 million (€33.6 million at 31 December 2023);
- cash and cash equivalents totalling €75.6 million;
- current financial assets totalling €3.7 million.

At 30 June 2024, 31% of cash and cash equivalents and current financial assets were held by Italian group companies and approximately 9% by the Chinese subsidiary. The remaining amount was split among the other group companies.

During the period, dividends of €21,428 thousand were also distributed (30 June 2023: €19,742 thousand).

Reference should be made to the statement of cash flows for more information on changes in such caption.

HUMAN RESOURCES

The workforce at 30 June 2024 was slightly decreased by 42 employees and the breakdown by geographic area as follows:

	30.06.2024	31.12.2023	Variation
Europa, Middle East and Africa	1,856	1,901	(45)
APAC	399	406	(7)
Nord America	282	273	9
Sud America	62	61	1
Total Workforce	2,599	2,641	(42)



MAIN RISKS AND UNCERTAINTIES TO WHICH THE GROUP IS EXPOSED

Risks connected to general economic conditions

The group's financial position, financial performance and cash flows may be influenced by a number of factors related to the general macroeconomic backdrop, such as changes in GDP, the cost of raw materials and the level of business confidence in the various countries in which the group operates.

Significant macroeconomic events, such as a generalised and significant increase in the price of the main raw materials, a considerable drop in demand in one of the group's main new markets, a lingering uncertainty and volatility on financial and capital markets, a negative interest rate trend and unfavourable exchange rate fluctuations in the group's main currencies, may negatively affect the group's outlook and operations, in addition to its performance figures and financial position.

The effects of such macroeconomic context may inevitably also have an impact on the other risks described below.

Risks connected to the performance of the reference market

The markets in which the group operates may be influenced to varying degrees by often unpredictable cyclical expansion and resizing. The ways in which the main customers absorb these fluctuations in demand and reflect them through the entire production chain may have a significant impact on procurement policies and inventories management and, as a result, on working capital needs and the ability to adequately absorb fixed costs.

In the first half of 2024, demand for Carel Group products decreased in particular in the European market. The dynamics of the different markets, in terms of both their geographical size and product families, including legislative measures, were closely monitored, both in order to adjust commercial, procurement and production policies and to identify opportunities to develop new products.

Liquidity risk

The group's debt partly bears floating interest rates. Given its ample liquidity, it has an immaterial liquidity risk with respect to its short-term deadlines and, therefore, this risk principally refers to its medium to long-term financing. When deemed significant, the group agrees hedging instruments to neutralise interest rate fluctuations.

The group still has a high level of liquidity.

Credit Risk

The group's credit risk management policy includes rating its customers, setting purchase limits and taking legal action. It prepares periodic reports to ensure tight control over credit collection. Each group company has a credit manager in charge of credit collection on sales made in their markets. Coordination between the companies is based on the electronic exchange of information about common customers and the coordination of delivery blocks or the commencement of legal action. The loss allowance is equal to the nominal amount of the uncollectible receivables after deducting the part secured with bank collateral. Impairment losses are recognised considering past due receivables from customers with financial difficulties and receivables for which legal action has commenced. The group mainly deals with well-known and reputable customers. Its policy is to constantly monitor those customers that request payment extensions.

As already mentioned, the group has not recorded significant changes in credit management and related risks.



Risks related to the supply chain

Inadequate management of the group's strategic suppliers with reference to quality controls, delivery times and requested production flexibility would result in the risk of potential operating inefficiencies and inability to satisfy customers' needs.

In order to tackle this risk, Carel subjects its suppliers to an initial evaluation, followed by regular subsequent evaluations, particularly strategic suppliers. This evaluation measures their suitability in terms of technological and production capacity, overall quality of processes and products, ISO standards quality certifications, business and financial situation and compliance with standards of ethical behaviour.

OUTLOOK

The strong geopolitical instability already present in the previous quarters also characterised the period under review, mainly due to the conflict between Russia and Ukraine and the Israeli-Palestinian conflict. In macroeconomic terms, the scenario is not homogeneous in the geographical areas where the Group's presence is greatest: Europe, China and the United States. In Europe, while the inflation trajectory has broadly stabilised at around 2.5%, interest rates still remain at high levels (above 4%), although a first limited cut was made by the ECB in June. The signs coming out of China are not particularly positive: GDP growth in the second quarter was less than 5% and the lowest since Q1 2023, with significant signs of crisis in the real estate sector. Finally, as far as the US is concerned, despite high interest rates, the economy is still robust: GDP growth in the second quarter of 2.8% beat analysts' estimates.

In relation to the second part of 2024, expectations are for a gradual improvement of the scenario linked to a series of phenomena, including a progressive recovery of the investment cycle in the refrigeration sector (the first slight signs of which are already present) and the disposal of accumulated inventories in the supply chain. For these reasons, the Group expects consolidated revenue close to € 600 million by the end of the year.



CONDENSED INTERIM
CONSOLIDATED FINANCIAL
STATEMENTS
AS AT AND FOR THE SIX MONTHS
ENDED
30 JUNE 2024 AND
NOTES THERETO

STATEMENT OF FINANCIAL POSITION

(€'000)	Note	30.06.2024	31.12.2023
Property, plant and equipment	1	118,968	117,504
Intangible assets	2	380,494	383,266
Equity-accounted investments	3	3,966	2,216
Other non-current assets	4	6,905	6,868
Deferred tax assets	5	13,723	14,399
Non-current assets		524,056	524,254
Trade receivables	6	104,475	101,291
Inventories	7	116,519	111,722
Current tax assets	8	5,099	4,264
Other current assets	9	25,407	21,166
Current financial assets	10	3,743	3,697
Cash and cash equivalents	11	75,563	154,010
Current assets		330,807	396,150
TOTAL ASSETS		854,863	920,404
Equity attributable to the owners of the parent	12	398,119	376,422
Equity attributable to non-controlling interests	13	6,355	19,751
Total equity		404,474	396,174
Non-current financial liabilities	14	128,192	147,390
Provisions for risks	15	5,394	5,458
Defined benefit plans	16	7,268	8,479
Deferred tax liabilities	17	28,015	28,788
Other non-current liabilities	18	100,449	99,566
Non-current liabilities		269,318	289,681
Current financial liabilities	14	52,667	45,980
Trade payables	19	66,055	74,931
Current tax liabilities	20	4,227	5,184
Provisions for risks	15	6,648	6,191
Other current liabilities	21	51,474	102,263
Current liabilities		181,071	234,549
TOTAL LIABILITIES AND EQUITY		854,863	920,404



STATEMENT OF PROFIT OR LOSS

(€'000)	Note	First half of 2024	First half of 2023
Revenue	22	291,526	330,309
Other revenue	23	2,516	2,612
Costs of raw materials, consumables and goods and changes in inventories	24	(119,555)	(145,605)
Services costs	25	(41,108)	(40,893)
Capitalised development expenditure	26	2,547	459
Personnel expense	27	(80,752)	(72,832)
Other expense, net	28	(1,944)	(1,444)
Amortisation, depreciation and impairment losses	29	(18,914)	(15,099)
OPERATING PROFIT		34,316	57,507
Net financial expense	30	(3,500)	(2,647)
Net exchange gain (loss)	31	839	(341)
Fair value gains (loss) on call options	32	3,373	-
Share of profit of equity-accounted investees	33	1,732	290
PROFIT BEFORE TAX		36,760	54,809
Income taxes	34	(8,421)	(12,359)
PROFIT FOR THE PERIOD		28,338	42,450
Non-controlling interests		524	2,173
PROFIT FOR THE PERIOD ATTRIBUTABLE TO THE OWNERS OF THE PARENT		27,814	40,277

STATEMENT OF COMPREHENSIVE INCOME

(€'000)	Note	First half of 2024	First half of 2023
PROFIT FOR THE PERIOD		28,338	42,450
Items that may be subsequently reclassified to profit or loss:			
- Fair value gains (losses) on hedging derivatives net of the tax effect		(98)	(499)
- Exchange differences		1,487	(7,902)
Items that may not be subsequently reclassified to profit or loss:			
- Actuarial gains (losses) on employee benefits net of the tax effect		2	(18)
Comprehensive income		29,729	34,031
attributable to:			
- Owners of the parent		29,197	32,464
- Non-controlling interests		532	1,567
Earnings per share			
Earnings per share (in Euros)	12	0.25	0.40

STATEMENT OF CASH FLOWS

(€'000)	Note	First half of 2024	First half of 2023
Profit for the period		28,338	42,450
Adjustments for:			
Amortisation, depreciation and impairment losses	29	18,914	15,099
Accruals to/utilisations of provisions		6,020	5,381
Non-monetary net (income) expense		(3,855)	1,941
Income taxes	34	8,421	12,359
Changes in working capital:			
Change in trade receivables and other current assets		(8,144)	(25,554)
Change in inventories	7	(9,607)	(24,924)
Change in trade payables and other current liabilities		(12,670)	10,993
Change in non-current assets		(61)	(335)
Change in non-current liabilities		(949)	(406)
Cash flows from operating activities		26,407	37,004
Net interest paid		(1,843)	(2,592)
Income taxes paid		(10,290)	(10,452)
Net cash flows from operating activities		14,274	23,960
Investments in property, plant and equipment	1	(8,891)	(6,587)
Investments in intangible assets	2	(4,155)	(1,338)
Disinvestments of financial assets	10	(44)	8,075
Disinvestments of property, plant and equipment and intangible assets		145	94
Interest collected		1,955	1,161
Investments in equity-accounted investees	3	-	-
Business combinations net of cash acquired	2	-	(3,553)
Cash flows used in investing activities		(10,990)	(2,149)
Disposal (acquisition) of non-controlling interest		(44,213)	-
Capital increases		-	-
Repurchase of treasury shares		-	(1,041)
Dividend distributions	12	(21,308)	(17,999)
Dividends distributed to non-controlling interests	13	-	(1,743)
Increase in financial liabilities	14	10,044	25,050
Decrease in financial liabilities	14	(22,138)	(32,547)
Decrease in lease liabilities	14	(4,068)	(3,521)
Cash flows from (used in) financing activities		(81,682)	(31,801)
Change in cash and cash equivalents		(78,399)	(9,990)
Cash and cash equivalents - opening balance		154,010	96,636
Exchange differences		(48)	(1,251)
Cash and cash equivalents - closing balance		75,563	85,396



STATEMENT OF CHANGES IN EQUITY

	Share capital	Legal reserve	Translation reserve	Hedging reserve	Other reserves	Retained earnings	Profit for the period/	Equity	Equity att. to non-controlling interests	Total Equity
Balance at 01.01.2023	10,000	2,000	5,848	1,252	29,232	94,925	62,124	205,379	15,868	221,247
Owner transactions										
Allocation of the prior year profit	-	-	-	-	44,504	17,620	(62,124)	-	-	-
Capital Increases	-	-	-	-	-	-	-	-	-	-
Define benefits plans	-	-	-	-	-	-	-	-	-	-
Repurchase of treasury shares	-	-	-	-	(1,042)	-	-	(1,042)	-	(1,042)
Dividend Distribution	-	-	-	-	(17,999)	-	-	(17,999)	(1,743)	(19,742)
Call options on non-controlling interests	-	-	-	-	-	-	-	-	-	-
Change in consolidation scope	-	-	-	-	-	-	-	-	-	-
Total Owner Transactions	10,000	2,000	5,848	1,252	54,695	112,544	-	186,338	14,125	200,463
Profit of the period	-	-	-	-	-	-	40,277	40,277	2,173	42,450
Other comprehensive Income (Expenses)	-	-	(7,296)	(499)	(18)	-	-	(7,813)	(606)	(8,419)
Comprehensive Income	-	-	(7,296)	(499)	(18)	-	40,277	32,464	1,567	34,031
Balance at 30.06.2023	10,000	2,000	(1,448)	753	54,677	112,544	40,277	218,800	15,692	234,492
Balances at 01.01.2024										
Owner transactions	11,250	2,000	(3,015)	393	182,307	112,544	70,942	376,422	19,752	396,174
Allocation of the prior year profit	-	250	-	-	22,770	47,922	(70,942)	-	-	-
Capital Increases	-	-	-	-	-	-	-	-	-	-
Repurchase of treasury shares	-	-	-	-	-	-	-	-	-	-
Dividend Distribution	-	-	-	-	-	(21,374)	-	(21,374)	(54)	(21,428)
Call options on non-controlling interests	-	-	-	-	-	-	-	-	-	-
Acquisition of non-controlling interests	-	-	-	-	-	13,875	-	13,875	(13,875)	-
Total Owner Transactions	11,250	2,250	(3,015)	393	205,077	152,967	-	368,923	5,823	374,746
Profit of the period	-	-	-	-	-	-	27,814	27,814	524	28,338
Other comprehensive expense	-	-	1,479	(98)	2	-	-	1,383	8	1,391
Comprehensive Income	-	-	1,479	(98)	2	-	27,814	29,197	532	29,728
Balances at 30.06.2024	11,250	2,250	(1,536)	295	205,079	152,967	27,814	398,119	6,355	404,474

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

CONTENT AND FORMAT OF THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Carel Industries S.p.A. (the “parent”) heads the group of the same name and has its registered office in Via Dell’Industria 11, Brugine (PD). It is a company limited by shares and its tax code and VAT number is 04359090281. It is included in the Padua company register.

The group provides control instruments to the air-conditioning (HVAC) and commercial and industrial refrigeration (REF) markets and also produces air humidification systems. It has 47 commercial companies of which 15 productions sites which serve the main markets.

The IFRS condensed interim consolidated financial statements at 30 June 2024 refer to the period from 1 January 2024 to 30 June 2024.

The Carel Group adopted the IFRS endorsed by the European Union for the first time on 1 January 2015.

The parent’s board of directors approved the condensed interim consolidated financial statements at 30 June 2024 on 1 August 2024.

The condensed interim consolidated financial statements include the results of the parent and its subsidiaries, based on their updated accounting records.

STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION

The condensed interim consolidated financial statements at 30 June 2024 have been prepared in compliance with IAS 34 Interim financial reporting issued by the International Accounting Standard Board (IASB). Pursuant to IAS 34, these notes have been prepared in a condensed format and do not include all the disclosures required for annual financial statements. They solely provide information about those captions that, due to their size, content or changes therein during the period, are key to an understanding of the group’s financial position, financial performance and cash flows. Therefore, these condensed interim consolidated financial statements shall be read in conjunction with the consolidated financial statements as at and for the year ended 31 December 2023. The condensed interim consolidated financial statements include the statement of profit or loss, statement of comprehensive income, statement of financial position, statement of changes in equity, statement of cash flows and these notes, which are an integral part thereof.

The condensed interim consolidated financial statements were prepared in thousands of Euro, which is the group’s functional and presentation currency. There may be rounding differences when items are added together as the individual items are calculated in Euros.

The condensed interim consolidated financial statements have been prepared on a going concern basis, considering the group’s financial soundness, performance for the period and outlook, in addition to its available resources, which are sufficient to cover any contractual commitments and strategic needs.

Preparation of condensed interim consolidated financial statements under the IFRS requires management to make judgements and estimates that affect the amounts presented therein and in the notes. Actual results may differ from these judgements.

CONSOLIDATION SCOPE

The condensed interim consolidated financial statements include the financial statements at 30 June 2024 of the parent, Carel Industries S.p.A., and its Italian and foreign subsidiaries.

Subsidiaries are those entities over which the parent has control, as defined in IFRS 10 Consolidated financial statements. An investor controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. The financial statements of the subsidiaries are consolidated starting from the date when control exists until when it ceases to exist.

Note [35] Other information lists the entities included in the consolidation scope at 30 June 2024.

BASIS OF CONSOLIDATION

The condensed interim consolidated financial statements at 30 June 2024 include the financial statements of Carel Industries S.p.A. and the Italian and foreign entities over which it has direct or indirect control. Specifically, the consolidation scope includes:

- the subsidiaries, over which the parent has control as defined by IFRS 10 Consolidated financial statements; these companies are consolidated on a line-by-line basis;
- the associates, over which the parent has the power to exercise significant influence over their financial and operating policies despite not having control; investments in these companies are measured using the equity method.

The parent adopted the following consolidation criteria:

- assets, liabilities, revenue and expenses of the consolidated entities are consolidated using the line-by-line approach where the carrying amount of the parent's investments therein is eliminated against its share of the investee's equity. Any differences are treated in accordance with IFRS 10 Consolidated financial statements and IFRS 3 Business combinations. The portions attributable to non-controlling interests are recognised at the fair value of the assets acquired and liabilities assumed without recognising goodwill;
- the group companies are excluded from the consolidation scope when control thereover ceases to exist and any effects of exclusion are recognised as owner transactions in equity;
- intragroup receivables and payables, revenue and expenses and all significant transactions are eliminated, including intragroup dividends. Unrealised profits and gains and losses on intragroup transactions are also eliminated;
- equity attributable to non-controlling interests is presented separately under equity; their share of the profit or loss for the period is recognised in the statement of profit or loss;
- the financial statements of the consolidated foreign entities using a functional currency other than the Euro are translated into Euros using the average exchange rate for the six months for the statement of profit or loss captions and the closing rate for the statement of financial position captions. Any differences between these exchange rates or due to changes in the exchange rates at the start and end of the period are recognised under equity.

ACCOUNTING POLICIES

In preparing these condensed interim consolidated financial statements, the group applied the same accounting policies as those adopted in drafting the consolidated financial statements at 31 December 2023, to which reference should be made, with the exception of that set out in the following paragraph with regard to new standards.

IFRS ACCOUNTING STANDARDS, AMENDMENTS AND INTERPRETATIONS APPLIED AS OF 1 JANUARY 2024

The following IFRS accounting standards, amendments and interpretations have been applied for the first time by the Group as of 1 January 2024:

- On 23 January 2020, the IASB published an amendment entitled "Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current" and on 31 October 2022,

the IASB published an amendment entitled "Amendments to IAS 1 Presentation of Financial Statements: Non-Current Liabilities with Covenants". The purpose of these amendments is to clarify how to classify payables and other short-term or long-term liabilities. In addition, the amendments also improve the disclosures that an entity must provide when its right to defer settlement of a liability for at least twelve months is subject to compliance with certain parameters (i.e. covenants). The adoption of these amendments had no impact on the Group's consolidated financial statements.

- On 22 September 2022, the IASB published an amendment entitled 'Amendments to IFRS 16 Leases: Lease Liability in a Sale and Leaseback'. The document requires the seller-lessee to measure the lease liability arising from a sale and leaseback transaction so as not to recognise income or loss that relates to the retained right of use. The adoption of these amendments had no impact on the Group's consolidated financial statements.

- On 25 May 2023, the IASB issued an amendment entitled 'Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures: Supplier Finance Arrangements'. The document requires an entity to provide additional disclosures about reverse factoring arrangements that enable users of financial statements to evaluate how supplier finance arrangements may affect the entity's liabilities and cash flows and to understand the effect of those arrangements on the entity's exposure to liquidity risk. The adoption of these amendments had no impact on the Group's consolidated financial statements.

IFRS ACCOUNTING STANDARDS, AMENDMENTS AND INTERPRETATIONS NOT YET ENDORSED BY THE EUROPEAN UNION

At the date of this document, the competent bodies of the European Union had not yet completed the endorsement process necessary for the adoption of the amendments and standards described below.

- On 30 May 2024, the IASB published the document "Amendments to the Classification and Measurement of Financial Instruments-Amendments to IFRS 9 and IFRS 7". The document clarifies a number of problematic issues arising from the post-implementation review of IFRS 9, including the accounting treatment of financial assets whose returns vary when ESG objectives are met (i.e. green bonds). The amendments will apply to financial statements for financial years beginning on or after 1 January 2026. The directors do not expect a material effect in the Group's consolidated financial statements from the adoption of this amendment.

- On 9 April 2024, the IASB published a new standard IFRS 18 Presentation and Disclosure in Financial Statements that will replace IAS 1 Presentation of Financial Statements. The new standard aims to improve the presentation of key financial statement formats and introduces important changes with regard to the income statement format. In particular, the new standard requires:

- o Classify revenues and expenses into three new categories (operating section, investment section and financial section), in addition to the tax and discontinued operations categories already present in the income statement;

- o Present two new sub-totals, the operating result and earnings before interest and taxes (i.e. EBIT).

The new standard also:

- o Requires more information on performance indicators defined by management;

- o Introduces new criteria for aggregating and disaggregating information; and

- o introduces certain changes to the format of the cash flow statement, including the requirement to use EBIT as the starting point for the presentation of the cash flow statement prepared using the indirect method and the elimination of certain classification options for some items that currently exist (such as interest paid, interest received, dividends paid and dividends received).

The new standard will come into effect on 1 January 2027, but earlier application is permitted. The directors are currently assessing the possible effects of the introduction of this new standard on the Group's consolidated financial statements.

- On 15 August 2023, the IASB published an amendment entitled 'Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability'. The document requires an entity to apply a consistent methodology for determining whether one currency can be translated into another and, when



this is not possible, how to determine the exchange rate to be used and the disclosures to be made in the notes to the financial statements. The amendment will apply from 1 January 2025, but earlier application is permitted. The directors do not expect a material effect on the Group's consolidated financial statements from the adoption of this amendment.

TRANSLATION OF FOREIGN CURRENCY FINANCIAL STATEMENTS AND TRANSACTIONS

The main exchange rates (against €1) used to translate the foreign currency financial statements at 30 June 2024, 31 December 2023 and 30 June 2023 are set out below:

Currencies	Average rate	Average rate	Closing Rate	Closing Rate
	First half 2024	First half 2023	30.06.2024	31.12.2023
Pound sterling	0.855	0.876	0.846	0.869
Hong Kong dollar	8.454	8.471	8.359	8.631
Brazilian real	5.492	5.483	5.892	5.362
US dollar	1.081	1.081	1.071	1.105
Australian dollar	1.642	1.599	1.608	1.626
Chinese renminbi (yuan)	7.801	7.489	7.775	7.851
Indian rupee	89.986	88.844	89.250	91.905
South African rand	20.248	19.679	19.497	20.348
Russian ruble*	97.978	83.651	92.418	99.192
South Korean won	1.460.315	1.400.435	1.474.860	1.433.660
Mexican peso	18.509	19.646	19.565	18.723
Swedish krona	11.391	11.333	11.360	11.096
Japanese yen	164.461	145.760	171.940	156.330
Polish zloty	4.317	4.624	4.309	4.340
Thai baht	39.119	36.956	39.319	37.973
UAE dirham	3.971	3.969	3.931	4.058
Singapore dollar	1.456	1.444	1.451	1.459
Norwegian krone	11.493	11.320	11.397	11.241
Swiss franc	0.962	0.986	0.963	0.926
Ukrainian hryvnia	42.198	39.516	43.266	41.996
Canadian dollar	1.469	1.457	1.467	1.464
Turkish lira	34.236	21.566	35.187	32.653
New Zealand dollar	1.775	1.732	1.760	1.750
Kazakhstani tenge	485.672	488.750	501.690	502.480
Danish krona	7.458	N/A	7.458	7.453

* The average rate for the first half of 2024 and the closing rate at 30 June 2024 are those provided by the Central Bank of the Russian Federation.

NOTES TO THE STATEMENT OF FINANCIAL POSITION

[1] PROPERTY, PLANT AND EQUIPMENT

At 30 June 2024, property, plant and equipment amounted to €118,968 thousand compared to €117,504 thousand at 31 December 2023. The following table provides a breakdown of the caption and the changes of the period.

CHANGES OF THE PERIOD						
(€'000)	Land and buildings	Plant and machinery	Industrial and commercial equipment	Other items of property, plant and equipment	Assets under construction and payments on account	Total
Balance at 31 December 2023	62,829	26,083	12,778	10,880	4,935	117,504
- Historical Costs	85,300	58,118	58,604	28,531	4,935	235,488
- Accumulated Depreciation	(16.332)	(28.862)	(42.009)	(15.865)	-	(103.068)
Changes in 2024						
- Investments	79	967	1,874	952	5,019	8,891
- Investments in right of use assets	1,904	-	69	940	-	2,914
- Reclassification (historical costs)	487	2,280	259	(6)	(3,236)	(215)
- Sales (historical cost)	-	(235)	(588)	(521)	(49)	(1,393)
- Sales - Right-of-use assets (historical cost)	(662)	-	(19)	(613)	-	(1,294)
- Exchange differences on historical cost	317	77	189	10	18	611
- Exchange differences on accumulated depreciation	(73)	(25)	(147)	(5)	-	(251)
- Exchange differences on right-of-use assets	37	(1)	-	3	-	38
- Depreciation	(832)	(2,260)	(2,372)	(1,134)	-	(6,598)
- Depreciation of right-of-use assets	(3,037)	(8)	(53)	(677)	-	(3,774)
- Reclassifications (accumulated depreciation)	31	39	-	4	-	73
- Restatement of right-of-use assets	-	-	-	(35)	-	(35)
- Sales (accumulated depreciation)	-	227	537	484	-	1,248
- Sales - Right-of-use assets (accumulated depreciation)	622	-	19	607	-	1,248
Total	(1,127)	1,060	(232)	10	1,752	1,463
Balances at 30 June 2024	61,703	27,142	12,546	10,890	6,687	118,968
of which:						
- Historical Costs	87,462	61,206	60,389	29,261	6,687	245,005
- Accumulated depreciation	(25,760)	(34,063)	(47,843)	(18,371)	-	(126,037)

The industrial investments in the first half of 2024 were mostly dedicated to increase the Group's production capacity for specific products for the mechanical division.

Significant investments were made also to improve the Group's quality and traceability of processes and materials with regard to specific products for heat pump applications: inverters and programmable controllers, particularly in Croatia and Italy (machine vision systems, laser marking and automated warehouses for electronic component management) and in China (machine vision systems).

The group did not capitalise borrowing costs, in line with previous years.

[2] INTANGIBLE ASSETS

At 30 June 2024, this caption amounted to €380,494 thousand compared to €383,266 thousand at the end of 2023. The following table presents changes in these assets:

CHANGES OF THE PERIOD						
(€'000)	Development expenditure	Trademarks, industrial patents and software licences	Goodwill	Other assets	Assets under development and payments on account	Total
Balances at 31.12.2023	4,701	23,198	243,862	108,763	2,742	383,266
- Historical costs	29,867	49,498	243,862	127,805	2,742	453,774
- Accumulated amortisation	(25,166)	(26,301)	0	(19,042)	-	(70,508)
Movements 2024						
- Investments	1,296	1,026	(1)	40	1,794	4,154
- Reclassifications (historical cost)	251	255	-	(1)	(319)	186
- Sales (historical cost)	-	(369)	-	-	-	(369)
- Exchange differences on historical cost	(57)	165	818	585	8	1,419
- Exchange differences on accumulated amortisation	18	(31)	-	(52)	-	(66)
- Amortisation	(1,196)	(2,560)	-	(4,766)	-	(8,522)
- Business combinations (accumulated amortisation)						
- Reclassifications (accumulated amortisation)	-	(52)	-	7	-	(44)
- Sales (accumulated amortisation)	-	369	-	-	-	369
Total	311	(1,198)	817	(4,187)	1,483	(2,772)
Balance at 30 June 2024	5,012	22,000	244,679	104,577	4,225	380,494
of which:						
- Historical cost	31,356	50,575	244,679	128,429	4,225	459,245
- Accumulated amortisation	(26,344)	(28,575)	-	(23,853)	-	(78,751)

Investments amounted to €4,154 thousand. They were mainly concentrated at the parent and were related to the capitalisation of software and development projects, some of which are completed and others are under way..

Amortisation amounted to €8,522 thousand, of which €5,750 thousand refers to the allocation of the gain generated by the first-time consolidation of the companies acquired.

At 30 June 2024, the process to determine the purchase price allocation of Eurotec and Kiona Group was completed, and confirmed the values already reported in the consolidated financial statements at 31 December 2023.

With reference to the recoverability of the goodwill recognised in the consolidated financial statements as of 30 June 2024, the management did not identify any trigger events that would require an impairment test to be performed.

[3] EQUITY-ACCOUNTED INVESTMENTS

At 30 June 2024, this caption amounts to €3,966 thousand, compared to €2,216 thousand at 31 December 2023. During the period, the investment in Free Polska s.p.z.o.o. increased by a total of €1,750 thousand.

[4] OTHER NON-CURRENT ASSETS

At 30 June 2024, these amount to €6,905 thousand, compared to €6,868 thousand at 31 December 2023. They mainly refer to the payment of taxes on the amounts allocated to intangible assets and goodwill arising from the allocation of the acquisition price of Enginia, Recuperator and HygroMatik, totalling € 6,088 thousand.

The residual balance of this caption mainly relates to guarantee deposits.

[5] DEFERRED TAX ASSETS

At 30 June 2024, deferred tax assets amount to €13,723 thousand compared to €14,399 thousand at 31 December 2023. The group has recognised deferred tax assets and liabilities on temporary differences between the carrying amount of assets and liabilities and their tax base.

CURRENT ASSETS

[6] TRADE RECEIVABLES

At 30 June 2024, this caption amounts to €104,475 thousand compared to €101,291 thousand at 31 December 2023. It may be analysed as follows:

(€'000)	30.06.2024	31.12.2023
Gross trade receivables	106,828	103,683
Loss allowance	(2,353)	(2,393)
Trade receivables	104,475	101,291

The next table breaks down gross trade receivables by geographical segment:

(€'000)	30.06.2024	31.12.2023
Europe, Middle East and Africa	75,603	75,455
APAC	13,300	12,422
North America	14,623	12,745
South America	3,303	3,061
Total	106,828	103,683

The group does not usually charge default interest on past due receivables. A breakdown of the receivables that are not yet due and/or are past due with the relevant loss allowance is as follows:

(€'000)	30.06.2024		31.12.2023	
	Trade Receivables	Loss Allowance	Trade Receivables	Loss Allowance
Not yet due	95,404	(1,617)	90,181	(1,442)
Past due < 6 months	10,824	(239)	11,929	(322)
Past due > 6 months	144	(86)	715	(213)
Past due > 12 months	456	(412)	859	(416)
Total	106,828	(2,353)	103,683	(2,393)

The group's receivables are not particularly concentrated. It does not have customers that individually account for more than 5% of the total receivables.

The loss allowance comprises management's estimates about credit losses on receivables from end customers and the sales network. It recognises the resulting impairment losses in Other expense, net.

[7] INVENTORIES

At 30 June 2024, this caption amounts to €116,519 thousand compared to €111,722 thousand at 31 December 2023. It may be analysed as follows:

(€'000)	30.06.2024	31.12.2023
Raw materials	79,467	69,517



Allowance for inventory write-down	(12,347)	(8,050)
Semi-finished products and work in progress	7,224	5,695
Finished goods	52,188	54,277
Allowance for inventory write-down	(10,726)	(9,872)
Payments on account	714	154
Total	116,519	111,722

The group recognised an allowance for inventory write-down to cover the difference between the cost and estimated realisable value of obsolete raw materials and finished goods. The accrual was recognised in the statement of profit or loss caption Costs of raw materials, consumables and goods and change in inventories.

[8] CURRENT TAX ASSETS

This caption includes direct tax assets which amounted to €5,099 thousand at 30 June 2024 compared to €4,264 thousand at 31 December 2023.

[9] OTHER CURRENT ASSETS

At 30 June 2023, this caption amounts to €25,407 thousand compared to €21,166 thousand at 31 December 2023. It may be analysed as follows:

(€'000)	30.06.2024	31.12.2023
Payments on account to suppliers	1,591	1,258
Other tax assets	6,204	7,265
VAT assets	6,805	2,914
Prepayments and accrued income	9,062	8,118
Other	1,745	1,610
Total	25,407	21,166

[10] CURRENT FINANCIAL ASSETS

At 30 June 2024, this caption amounts to €3,743 thousand compared to €3,697 thousand at 31 December 2023. It may be analysed as follows:

(€'000)	30.06.2024	31.12.2023
Available-for-sale securities	2,944	2,927
Derivatives	400	534
Other financial assets	333	175
Deposit accounts	67	62
Total	3,743	3,697

Available-for-sale securities refer to investments, with major counterparties, aimed at managing part of the group's liquidity. The objective of these financial assets is the collection of contractual cash flows comprising payments of principal and interest at fixed rates at specific maturities or the sales of the assets.

The derivatives are forwards and currency options agreed to hedge commercial transactions but which do not qualify for hedge accounting. Fair value gains and losses are recognised in profit or loss. More information is available in the paragraph on financial instruments in note [35] Other information.

[11] CASH AND CASH EQUIVALENTS

At 30 June 2024, this caption amounts to €75,563 thousand, compared to €154,010 thousand at 31 December 2023. The caption includes €8,787 thousands related to short-term time deposits held as a temporary liquidity investment. Reference should be made to the statement of cash flows for details of

changes in the group's cash and cash equivalents and to the directors' report for the geographical breakdown.

(€'000)	30.06.2024	31.12.2023
Current accounts and post office deposits	75,530	153,973
Cash	33	37
Total	75,563	154,010

Current accounts and post office deposits are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to immaterial currency risk.

At 30 June 2024, the group's current account credit balances were not pledged in any way.

EQUITY AND LIABILITIES

[12] EQUITY ATTRIBUTABLE TO THE OWNERS OF THE PARENT

The parent's fully paid-up and subscribed share capital consists of 112,499,205 shares without nominal amount for a total of €11,240,921.

Equity may be analysed as follows:

(€'000)	30.06.2024	31.12.2023
Share capital	11,250	11,250
Legal reserve	2,250	2,000
Translation reserve	(1,536)	(3,015)
Hedging reserve	295	393
Other reserves	205,080	182,308
Retained earnings	152,966	112,544
Profit for the period/year	27,814	70,942
Total	398,119	376,422

The hedging reserve includes the fair value gains and losses on interest rate hedges.

A resolution to distribute a dividend of €0.19 per share, totalling €21,374 thousand, was made on 18 April 2024.

The number of shares still in the portfolio as at 30 June 2024 was 6,355.

As at 30 June 2024, the Parent Company had no performance share plan in place.

As at 30 June 2024, the average weighted number of ordinary shares outstanding amounted to 112,492,850.

The earnings per share were therefore as follows:

(€'000)	30.06.2024	30.06.2023
Number of shares (in thousands)	112,493	99,975
Profit for the period (in thousands of Euros)	27,814	40,277
Earnings per share (in Euros)	0.25	0.40

[13] EQUITY ATTRIBUTABLE TO NON-CONTROLLING INTERESTS

At 30 June 2024, this caption amounts to €6,355 thousand compared to €19,751 thousand at 31 December 2023 and comprises the non-controlling interests in Carel Thailand Co. Ltd (20%), Arion S.r.l. (30%), Sauber S.p.A. (30%) and in Kiona Group (17.6%).



(€'000)	30.06.2024	Profit for the period	Other comprehensive expense	Dividends distributed	Non controlling interest purchased by the Group	31.12.2023
Equity attributable to non-controlling interests	6,355	524	8	(54)	(13,875)	19,751

[14] CURRENT AND NON-CURRENT FINANCIAL LIABILITIES

These captions may be analysed as follows:

(€'000)	30.06.2024	31.12.2023
Bank loans and borrowings at amortised cost	41,583	58,967
Amounts due to bondholders	59,471	59,427
Lease liabilities	26,407	26,958
Effective hedging derivatives	-	-
Other loans and borrowings at amortised cost	275	407
Other financial liabilities	455	1,632
Non-current financial liabilities	128,192	147,390

(€'000)	30.06.2024	31.12.2023
Bank loans at amortised cost	41,888	31,739
Lease liabilities	6,268	6,406
Amounts due to bondholders	371	371
Bank borrowings at amortised cost	1,879	1,284
Derivatives held for trading at fair value through profit or loss	31	5
Other loans and borrowings at amortised cost	269	287
Other financial liabilities	1,960	5,888
Current financial liabilities	52,667	45,980

At 30 June 2024, the covenants on certain current and non-current bank borrowings were complied with.

Amounts due to bondholders refer to the issue and placement of non-convertible bonds subscribed by funds managed by Prudential Insurance Company of America ("Pricoa"). They are guaranteed by the parent and certain subsidiaries

The bonds are unrated and will not be listed on regulated markets. Compliance with the following covenants is checked every six months:

- net financial debt / gross operating profit (loss) < 3.5x;
- net financial debt / equity < 1.5;
- gross operating profit (loss) / net financial expense > 5.

At 30 June 2024 such covenants were complied with.

Other current and non-current financial liabilities include amounts due to the non-controlling investors in Sauber and the residual amounts due the former investors in Senva as deferred consideration upon acquisition in accordance with the relevant acquisition contracts.

Lease liabilities refer to the lease liabilities recognised following the adoption of IFRS 16.

The derivatives included under current financial liabilities are forwards and currency options agreed to hedge commercial transactions but which do not qualify for hedge accounting. More information is available in the paragraph on financial instruments in note 35 Other information. The effective designated derivative hedges include the fair value of IRS agreed to hedge interest rate risk.

The following tables show changes in current and non-current financial liabilities:

NON CURRENT LIABILITIES

(€'000)	30.06.2024	Net cash flows	Fair value gains or losses	Reclassification	Non monetary differences	Exchange difference	31.12.2023
Bank loans	41,583	-	-	(17,243)	(140)	-	58,967
Amounts due to bondholders	59,471	-	-	-	44	-	59,427
Derivatives	-	-	-	-	-	-	-
Other loans and borrowings at amortised cost	275	-	-	(131)	-	-	407
Other loans and borrowings	455	-	-	(1,176)	-	-	1,632
Non financial liabilities net of lease liabilities	101,785	-	-	(18,550)	(96)	-	120,432

CURRENT LIABILITIES

(€'000)	30.06.2024	Net cash flows	Fair value gains or losses	Reclassification	Change in consolidation scope	Exchange differences	31.12.2023
Bank loans and borrowings at amortised cost	41,888	(7,093)	-	17,243	-	-	31,739
Amounts due to bondholders	371	0	-	-	-	-	371
Short terms banks borrowing	1,879	595	-	-	-	-	1,284
Other loans and borrowings at amortised cost	269	(149)	-	131	-	-	287
Effective hedging derivatives	31	(5)	31	-	-	-	5
Other financial liabilities	1,960	(5,095)	-	1,176	-	(9)	5,888
Current financial liabilities net of lease liabilities	46,399	(11,747)	31	18,550	-	(9)	39,575

It should be noted that the 'Net Cash Flow' column represents the algebraic sum of inflows and repayments of financial liabilities that occurred during the period.

A breakdown of net financial debt calculated in accordance with ESMA guideline no. 32-382-1138 of 4 March 2021 is provided below:

NET FINANCIAL DEBTS

(€'000)	30.06.2024	31.12.2023
A Cash	75,563	154,010
B Cash equivalents	-	-
C Other current financial assets	3,743	3,697
D Cash and cash equivalents (A+ B + C)	79,306	157,707
E Current loans and borrowings	4,242	7,549
F Current portion of non-current loans and borrowings	48,426	38,432
G Current financial debt (E + F)	52,667	45,980
H Current net financial position (G - D)	(26,639)	(111,727)
I Non-current loans and borrowings	68,721	87,963
J Debt instruments	59,471	59,427
K Trade payables and other non-current financial liabilities	25,401	24,213
L Non-current financial debt (I + J + K)	153,593	171,603
M Net financial debt (H + L)	126,954	59,877

As also required by Consob warning no. 5/21 of 29 April 2021, it is noted that the group has recognised a liability subject to conditions related to the option for the non-controlling interests in Kiona and Sauber for an amount of €72,115 thousand and €1,295 thousand.



In compliance with such notice, it is noted that the group recognised accruals for defined benefit plans of €7,268 thousand (note 16) and provisions for risks and charges of €12,041 thousand (note 15).

[15] PROVISIONS FOR RISKS

At 30 June 2024, provisions amount to €12,041 thousand compared to €11,648 thousand at 31 December 2023, as follows:

(€'000)	30.06.2024	31.12.2023
Provision for agents' termination benefits	865	815
Provision for commercial complaints	140	90
Provision for product warranties	1,112	1,343
Other provisions	3,276	3,210
Total - non-current	5,394	5,458
Provision for product warranties	191	191
Provision for commercial complaints	3,407	2,950
Other provisions	3,050	3,050
Total - current	6,648	6,191
Total	12,041	11,648

The provisions for product warranties and commercial complaints were set up to cover liabilities arising on product defects which entail the repair or replacement of the defective parts or payment of a cash compensation to the customer. The directors estimated the provisions based on available information and past experience.

[16] DEFINED BENEFIT PLANS

This caption mainly consists of the group's liability for post-employment benefits; post-term of office benefits for directors was paid during the first half 2024. Post-employment benefits qualify as defined benefit plans pursuant to IAS 19 and the related liability are calculated by an independent actuary. The remainder of the caption comprises employee benefits recognised by the foreign group companies which are immaterial both individually and collectively.

[17] DEFERRED TAX LIABILITIES

At 30 June 2024, deferred tax liabilities amount to €28,015 thousand, compared to €28,788 thousand at 31 December 2023. They mainly refer to the deferred taxes on the allocation of the gains arising upon the first-time consolidation of the companies acquired in prior years.

[18] OTHER NON-CURRENT LIABILITIES

This caption amounts to €100,449 thousand and is mainly related to the put and call options on the non-controlling interest of Kiona (€72,115 thousand), Sauber (€1,295 thousand) and the earn out liabilities of Senva (€24,839 thousand) and Eurotec (€562 thousand).

[19] TRADE PAYABLES

At 30 June 2024, trade payables amount to €66,055 thousand, compared to €74,931 thousand at 31 December 2023. They included payables for materials and services.

Trade payables arise as a result of the different payment terms negotiated with the group's suppliers, which differ from country to country.

[20] TAX LIABILITIES

At 30 June 2024, this caption amounts to €4,227 thousand compared to €5,184 thousand at 31 December 2023. It entirely consists of direct income tax liabilities. The change during the period was mainly related to the calculation of current taxes for the period in accordance with IAS 34.

[21] OTHER CURRENT LIABILITIES

Other current liabilities are broken down in the following table:

(€'000)	30.06.2024	31.12.2023
Social security contributions	6,093	6,839
Tax withholdings	2,528	2,824
Other current tax liabilities	720	716
VAT liabilities	3,291	3,612
Wages and salaries, bonuses and holiday pay	20,401	22,744
Other	18,441	18,045
Current liabilities on put options	-	47,482
Total	51,474	102,263

The caption mostly includes personnel-related liabilities (wages and salaries, tax withholdings and social security contributions) and tax liabilities, specifically VAT liabilities.

The caption Current liabilities on put option decrease due to the purchase of the purchase of the residual 49% of shares of CFM. The difference between the amount paid and the amount accounted for at 31 December 2023 (equal to €47,481 thousand) was accounted for as a gain in the caption Fair value gains (loss) on call options.

NOTES TO THE STATEMENT OF PROFIT OR LOSS

[22] REVENUE

Revenue amounts to €291,526 thousand, compared to €330,309 thousand for the corresponding period of 2023 (-11,7%). It is shown net of discounts and allowances.

Revenue generated by services amounts to €19,560 thousand, compared to €6,282 thousand for the first half of 2023. A breakdown of revenue by market is as follows:

(€'000)	First half of 2024	First half of 2023	Variation %
HVAC	206,476	238,923	(13.6%)
REF	84,639	89,980	(5.9%)
Total Core Revenue	291,115	328,903	(11.5%)
Non-Core Revenue	410	1,406	(70.8%)
Total Revenue	291,526	330,309	(11.7%)

There are no group entities that individually contribute more than 10% to the group's revenue.

A breakdown of revenue by geographical segment is as follows:

(€'000)	First half of 2024	First half of 2023	Variation %
Europa, Middle Est and Africa	193,516	235,038	(18.1%)
APAC	40,174	44,537	(7.1%)
Nord America	50,143	44,640	12.4%
Sud America	7,692	6,093	26.4%
Total Revenue	291,526	330,309	(11.7%)

Reference should be made to the directors' report for an analysis of trends in revenue.

[23] OTHER REVENUE

Other revenue amounts to €2,516 thousand, a decrease on the €2,612 thousand balance for the corresponding period of 2023. The caption may be broken down as follows:



(€'000)	First half of 2024	First half of 2023	Variation %
Grants related to income	210	264	(20.5%)
Sundry cost recoveries	1,511	1,734	(12.8%)
Other revenue and income	795	614	29.6%
Total	2,516	2,612	(3.6%)

Sundry cost recoveries mostly refer to transport and other costs.

Other revenue and income principally comprise amounts charged to suppliers and customers.

[24] COSTS OF RAW MATERIALS, CONSUMABLES AND GOODS AND CHANGES IN INVENTORIES

This caption amounts to €119,555 thousand, compared to €145,605 thousand in the first half of 2023. A breakdown of the caption is as follows:

(€'000)	First half of 2024	First half of 2023	Variation %
Costs of raw materials, consumables and goods and changes in inventories	(119,555)	(145,605)	(17.9%)
% of revenue	(41.0%)	(44.1%)	(7.0%)

[25] SERVICES COSTS

The group incurred costs of €41,108 thousand for services in the first half of 2024 in line with the previous year. A breakdown of the caption is as follows:

(in thousand)	First half of 2024	First half of 2023	Variation %
Transport	(9,112)	(10,418)	(12.5%)
Consultancies	(5,988)	(6,043)	(0.9%)
Business trips and travel	(2,482)	(2,734)	(9.2%)
Use of third party assets	(2,226)	(1,035)	>100%
Maintenance and repairs	(4,867)	(4,901)	(0.7%)
Marketing and advertising	(1,617)	(1,880)	(14.0%)
Outsourcing	(1,033)	(2,307)	(55.2%)
Agency commissions	(1,014)	(1,229)	(17.5%)
Utilities	(1,781)	(2,062)	(13.6%)
Fees to directors, statutory auditors and independent auditors	(1,408)	(1,292)	8.9%
Insurance	(1,349)	(1,170)	15.3%
Telephone and connections	(807)	(572)	41.1%
Other services	(7,423)	(5,251)	41.4%
Total	(41,108)	(40,893)	0.5%

[26] CAPITALISED DEVELOPMENT EXPENDITURE

This caption amounts to €2,547 thousand, compared to €459 thousand in the first half of 2023. It is entirely related to development projects capitalised under intangible assets. The group incurred development expenditure of €15,084 thousand and €11,461 thousand in the first half of 2024 and 2023, respectively (5.17% as a percentage of revenue for the first half of 2024). Only the amounts described above can be capitalised.

[27] PERSONNEL EXPENSE

This caption amounts to €80,752 thousand for the first half of 2024 compared to €72,832 thousand for the corresponding period of the previous year. A breakdown of this caption and of the workforce by employee category is as follows:

(€'000)	First half of 2024	First half of 2023	Variation %
Wages and salaries, including bonuses and accruals	(63,581)	(58,131)	9.4%
Social security contributions	(13,685)	(11,352)	20.5%
Defined benefit plans	(1,644)	(1,548)	6.2%
Other costs	(1,842)	(1,802)	2.3%
Total	(80,752)	(72,832)	10.9%

	First half of 2024	First half of 2023
Managers	72	71
White collars	1,603	1,393
Blue collars	924	946
Total	2,599	2,410

[28] OTHER EXPENSE, NET

This caption amounts to €1,944 thousand for the first half of 2024, compared to €1,444 thousand for the corresponding period of the previous year. It may be broken down as follows:

(€'000)	First half of 2024	First half of 2023	Variation %
Gains on the sale of non-current assets	36	55	(34.0%)
Prior year income	648	554	17.0%
Other income	685	610	12.4%
Losses on the sale of non-current assets	(22)	(12)	90.4%
Prior year expense	(473)	(164)	>100%
Other taxes and duties	(944)	(767)	23.1%
Impairment losses on loans and receivables	(19)	(429)	(95.7%)
Accrual to the provisions for risks	(850)	(217)	>100%
Credit losses	(46)	(2)	>100%
Other costs	(274)	(462)	(40.8%)
Other expense	(2,629)	(2,053)	28.0%
Other expense, net	(1,944)	(1,444)	34.6%

[29] AMORTISATION, DEPRECIATION AND IMPAIRMENT LOSSES

This caption amounts to €18,914 thousand for the first half of 2024 compared to €15,099 thousand in the first half of the previous year. This increase was mainly due to higher amortisation and depreciation arising from the purchase price allocation made upon consolidation of companies acquired in previous years:

(€'000)	First half of 2024	First half of 2023	Variation %
Amortisation	(8,522)	(5,874)	45.1%
Depreciation	(10,384)	(9,225)	12.6%
Impairment	(8)	-	>100%
Total	(18,914)	(15,099)	25.3%

[30] NET FINANCIAL EXPENSE

Net financial expense for the first half of 2024 came to €3,500 thousand, compared to €2,647 thousand for the corresponding period of 2023, as follows:

(€'000)	First half of 2024	First half of 2023	Variation %
Gains on financial assets	589	700	(15.8%)
Interest income	764	149	>100%
Gains on derivatives	-	-	-



(€'000)	First half of 2024	First half of 2023	Variation %
Other financial income	809	312	>100%
Dividends received	203	-	>100%
Financial income	2,364	1,161	>100%
Bank interest expense	(2,077)	(987)	>100%
Lease interest expense	(494)	(428)	15.3%
Other interest expense	(863)	(706)	22.3%
Losses on derivatives	(3)	(25)	(88.4%)
Other financial expense	(675)	(471)	43.3%
Net fair value gains (losses) on financial assets and liabilities	17	13	31.8%
Interest expense on call options on non-controlling interests	(1,770)	(1,203)	47.0%
Financial expense	(5,865)	(3,808)	54.0%
Net financial expense	(3,500)	(2,647)	32.3%

The increase in this caption is mainly due to higher interest expense on call options on non-controlling interests, bank interest expenses on loans and other interest expense including bond-related costs.

[31] NET EXCHANGE LOSSES

This caption shows net exchange gains of €839 thousand for the first half of 2024 compared to €341 thousand for the corresponding period of 2023, as follows:

(€'000)	First half of 2024	First half of 2023	Variation %
Exchange losses	(2,819)	(5,688)	(50%)
Exchange gains	3,658	5,347	(32%)
Net exchange losses	839	(341)	>100%

[32] FAIR VALUE (GAIN) LOSS ON CALL OPTIONS

The caption include the difference between the amount paid for the non controlling interest in CFM (49%) and the estimated amount accounted for at 31 December 2023.

[33] SHARE OF PROFIT OF EQUITY-ACCOUNTED INVESTEEES

The caption refers to the revaluation of the investments in Free Polska for an amount of €1,732 thousand.

[34] INCOME TAXES

This caption amounts to €8,421 thousand for the first half of 2024, compared to €12,359 thousand for the corresponding period of 2023. Income taxes were calculated based on the average tax expense determined on the basis of the actual annual tax rate in accordance with the provisions of IAS 34.

[35] OTHER INFORMATION

SEGMENT REPORTING

Under IFRS 8, an entity shall disclose information to enable users of its financial statements to evaluate the nature and financial effects of the business activities in which it engages and the economic environments in which it operates. Based on the group's internal reporting system, the business activities from which it earns revenue and incurs expenses and the operating results which are regularly reviewed by the chief operating decision maker to make decisions about resources to be allocated and to assess its performance, the group has not identified individual operating segments but is an operating segment as a whole.

Financial instruments

The group is active on international markets and, hence, is exposed to currency and interest rate risks. Specifically, the currencies generating these risks are the US dollar, the Japanese yen, the Australian dollar and the Chinese renminbi.

The group has a hedging policy to mitigate the risks, which involves the use of derivatives, options and forwards, mostly with maturities of less than one year. Transactions in place at the reporting date involving currency hedging transactions are as follows:

30.06.2024				
forward	Purchases *	Sales *	Positive Fair Value **	Negative Fair Value **
JPY/EUR	109,482	50,000	-	(31)
CNY/EUR	-	700	-	(0)
THB/EUR	-	2,500	-	-
EUR/CNY	-	3,200	11	-
Total forward	109,482	56,400	11	(31)

* Amount in thousands of local currency.

** Amount in thousands of Euros.

The next table provides information about the interest rate swaps hedging the related risk:

(€'000)	Notional Amounts	Floating Interest Rate	Fixed Interest Rate	Maturity	Fair value 30.06.2024
Interest rate swap - BNL		Euribor 3m floorato > - 0.6375% / - 0.6375% if Euribor 3m < -			
	20,000	0.6375%	-0.31%	26/06/2026	388

Derivatives hedging foreign currency assets and liabilities are recognised at fair value with any gains or losses recognised in profit or loss. They are natural hedges of the related risks, which are recognised pursuant to IFRS 9.

Categories of financial instruments and fair value hierarchy

The next table shows the financial assets and liabilities recognised in accordance with IFRS 7, broken down by the categories established by IFRS 9 and their fair value:

30.06.2024					
(€'000)	IFRS 9 category	Carrying amount	Fair value		
			Level 1	Level 2	Level 3
Derivatives	FVTPL	400	n.a.	400	n.a.
Securities at FVTPL	FVTPL	2,944	2,944	n.a.	n.a.
Other financial assets	Financial assets at amortized cost	400	n.a.	n.a.	n.a.
Other current financial assets		3,743			
Trade receivables	Financial assets at amortized cost	104,475	n.a.	n.a.	n.a.
Total assets		108,219			
including:	FVTPL	3,343			
	Financial assets at amortized cost	104,875			
Bank loan and borrowings	Financial liabilities at amortized cost	41,583	n.a.	n.a.	n.a.
Amounts due to bondholders	Financial liabilities at amortized cost	59,471	n.a.	n.a.	n.a.
Other loans and borrowings	Financial liabilities at amortized cost	275	n.a.	n.a.	n.a.
Non current lease liabilities	Financial liabilities at amortized cost	26,407	n.a.	n.a.	n.a.
Other non current lease liabilities	Financial liabilities at amortized cost	455	n.a.	n.a.	n.a.
Non current liabilities		128,192			
Banks borrowings	Financial liabilities at amortized cost	1,879	n.a.	n.a.	n.a.
Current bank loans	Financial liabilities at amortized cost	41,888	n.a.	n.a.	n.a.
Current lease liabilities	Financial liabilities at amortized cost	6,268	n.a.	n.a.	n.a.



(€'000)	IFRS 9 category	Carrying amount	Fair value		
			Level 1	Level 2	Level 3
Amounts due to bondholders	Financial liabilities at amortized cost	371	n.a.	n.a.	n.a.
Derivatives	FVTPL	31	n.a.	31	n.a.
Other loans and borrowings	Financial liabilities at amortized cost	269	n.a.	n.a.	n.a.
Other current financial liabilities	Financial liabilities at amortized cost	1,960	n.a.	n.a.	n.a.
Current financial liabilities		52,667			
Trade payables	Financial liabilities at amortized cost	66,055	n.a.	n.a.	n.a.
Other non current liabilities *	FVTPL	98,809	n.a.	n.a.	98,809
Total financial liabilities		345,723			
including	Financial liabilities at amortized cost	246,883			
	FVTPL	98,840			

Related party transactions

During the period, the group carried out commercial transactions with related parties as follows:

TRANSACTIONS AT 30.06.2024

(€'000)	Trade Receivables	Loan Assets	Trade Payables	Financial Liabilities	Revenues	Financial Income	Costs	Financial Expenses
Free Polska s.p.z.o.o.	456	-	(1,418)	-	53	203	(3,826)	-
Total Associates parties	456	-	(1,418)	-	53	203	(3,826)	-
RN Real Estate Srl	3	-	(612)	(13,969)	3	-	-	(78)
Nastrificio Victor SpA	-	-	(19)	-	-	-	(54)	-
Eurotest laboratori Srl	3	-	(21)	-	3	-	(122)	-
Carel Real Estate Adriatic d.o.o.	-	-	-	(1,728)	-	-	(1)	(33)
Gestion A.Landry Inc	-	-	-	-	-	-	(12)	-
Humide Expert	-	-	-	-	-	-	(21)	-
Murat Cem Ozdemir	-	-	-	-	-	-	(17)	-
Bridgport Spa	-	-	(260)	-	16	-	(1,162)	-
Brimind Srl	-	-	(18)	(44)	-	-	(19)	--
Apie Sarl	-	-	(53)	-	-	-	(336)	-
Leonardo Srl	-	-	-	(597)	-	-	-	(5)
Altre	4	-	(701)	(441)	205	-	(48)	(115)
Total other related parties	10	-	(1,684)	(16,779)	227	-	(1,791)	(231)
Total	466	-	(3,102)	(16,779)	280	203	(5,617)	(231)

All the related party transactions take place on an arm's length basis.

The figures in the above table are calculated in accordance with IFRS 16. The rent paid to RN Real Estate S.r.l. and Carel Real Estate Adriatic d.o.o. during the period amount respectively to €787 thousand and €147 thousand.

Others include the earn-out pertaining to a related party of Eurotec and financial liabilities with the non-controlling investor in Sauber.

List of investees included in the condensed interim consolidated financial statements and other investees

The following table shows the investees directly and indirectly controlled by the parent as well as all the legally-required disclosures necessary to prepare the condensed interim consolidated financial statements:

CAREL INDUSTRIES Group 2024 Interim Financial Report



	Registered office	Country	Currency	Share Capital/quota at 31.12.2023	Share Capital/quota at 30.06.2024	Investment %		Consolidation method	Profit for the period 30.06.2024 EURO	Profit for the period 31.12.2023 EURO
						30.06.2024	Share/quota holder			
Parent:										
Carel Industries S.p.A	Brugine (Padova)	Italy	Euro	11.249.921	11.249.921				16.341.287	51.171.157
Consolidated investees:										
C.R.C. S.r.l.	Bologna	Italy	Euro	98.800	98.800	100%	Carel Industries S.p.A.	line by line	770.216	1.728.866
Carel Deutschland GmbH	Frankfurt	Germany	Euro	25.565	25.565	100%	Carel Industries S.p.A.	line by line	(388.079)	2.866.574
Carel France Sas	St. Priest, Rhone	France	Euro	100.000	100.000	100%	Carel Industries S.p.A.	line by line	467.042	904.779
Carel U.K. Ltd	London	GB	Pound Sterling	350.000	350.000	100%	Carel Industries S.p.A.	line by line	351.041	869.313
Carel Sud America Instrumentacao Eletronica Ltda	San Paolo	Brazil	Real	31.149.059	31.149.059	53,02%	Carel Industries S.p.A.	line by line	889.723	1.277.793
						46,98%	Carel Electronic Suzhou Ltd			
Carel Usa Inc	Pennsylvania	USA	Us Dollar	33.000.000	33.000.000	100%	Carel Industries S.p.A.	line by line	4.105.955	10.130.071
Carel Asia Ltd	Hong Kong	Honk Kong	Hong Kong Dollar	15.900.000	15.900.000	100%	Carel Industries S.p.A.	line by line	380.626	1.063.520
Carel HVAC&R Korea Ltd	Seul	South Korea	South Korean Won	550.500.000	550.500.000	100%	Carel Electronic Suzhou Ltd	line by line	293.608	493.838
Carel South East Asia Pte. Ltd.	Singapore	Singapore	Singapore dollar	100.000	100.000	100%	Carel Asia Ltd	line by line	38.233	40.610
Carel Australia PTY Ltd	Sydney	Australia	Australian Dollar	100	100	100%	Carel Electronic Suzhou Ltd	line by line	168.643	591.182
Carel Electronic Suzhou Ltd	Suzhou	People's Republic of China	Renminbi	75.019.566	75.019.566	100%	Carel Industries S.p.A.	line by line	4.802.834	16.390.647
Carel Controls Iberica SI	Barcelona	Spain	Euro	3.005	3.005	100%	Carel Industries S.p.A.	line by line	345.004	1.210.054
Carel Controls South Africa (Pty) Ltd	Johannesburg	South Africa	Rand	4.000.000	4.000.000	100%	Carel Electronic Suzhou Ltd	line by line	224.553	748.870
Carel ACR System India (Pvt) Ltd	Mumbai	India	Rupee	1.665.340	1.665.340	0,01%	Carel France Sas	line by line	145.558	550.167
						99,99%	Carel Electronic Suzhou Ltd			
Carel RUS LLC	St. Petersburg	Russia	Ruble	6.600.000	6.600.000	99%	Carel Industries S.p.A.	line by line	(162.874)	(1.069.689)
						1%	Carel France Sas		-	-
Carel Nordic AB	Hoganas	Sweden	Swedish Krona	550.000	550.000	100%	Carel Industries S.p.A.	line by line	(113.891)	862.677
Carel Middle East	Dubai	Dubai	Dirham	4.333.877	4.333.877	100%	Carel Industries S.p.A.	line by line	80.140	348.673
Carel Mexicana, S. DE R.L. DE C.V.	Guerra, Tlalpan	Mexico	Peso	12.441.149	12.441.149	100%	Carel Usa LOC	line by line	154.144	(187.146)
Carel Adriatic D.o.o.	Rijeka	Croatia	HRK 2022 EUR 2023	7.246.665	7.246.665	100%	Carel Industries S.p.A.	line by line	(1.694.980)	9.636.367
Carel (Thailand) Co. Ltd.	Bangkok	Thailand	Baht	16.000.000	16.000.000	50%	Carel Electronic Suzhou Ltd	line by line	176.484	416.564
						30%	Carel Australia PTY Ltd			
Alfaco Polska Sp.z.o.o.	Wroclaw	Poland	Zloty	420.000	420.000	100%	Carel Industries S.p.A.	line by line	3.294.368	2.259.714
Carel Japan	Tokyo	Japan	Yen	60.000.000	60.000.000	100%	Carel Industries S.p.A.	line by line	78.415	194.943
Recuperator	Rescaldina (MI)	Italy	Euro	500.000	500.000	100%	Carel Industries S.p.A.	line by line	100.264	381.206
Hygromatik G.m.b.H.	Hamburg	Germany	Euro	639.115	639.115	100%	Carel Industries S.p.A.	line by line	2.406.106	3.247.908
Carel Ukraine LLC	Kiev	Ukraine	UAH	700.000	700.000	100%	Alfaco Polska Zoo	line by line	91.579	122.614
Enersol	Beloel	Canada	CAD	100	100	100%	Carel Usa Inc	line by line	105.712	(220.539)
CFM Sogutma Ve Otomasyon	Izmir	Turkey	EUR	2.473	2.473	100%	Carel Industries S.p.A.	line by line	2.584.678	8.893.241
Enginia Srl	Trezzo Sull'Adda (MI)	Italy	EUR	10.400	10.400	100%	Recuperator S.p.A.	line by line	404.863	1.658.837
Arion S.r.l.	Bolgare (BG)	Italy	Euro	100.000	100.000	70%	Carel Industries S.p.A.	line by line	78.185	256.112
Sauber S.r.l.	Mantova (MN)	Italia	EUR	100.000	100.000	70%	Carel Industries S.p.A.	line by line	4.400	(468.430)
Klingenburg GmbH	Gladbeck	Germany	EUR	38.400	38.400	100%	Carel Industries S.p.A.	line by line	(346.674)	428.916
Klingenburg Usa LLC	RALEIGH	USA	USD	699.671	n.a.	n.a.	n.a.	line by line	(71.671)	(131.077)
Klingenburg Uk Ltd	Folkestone	GB	GBP	100	100	100%	Klingenburg GmbH	line by line	335.054	412.434
Klingenburg Iberica Slu	Madrid	Spain	EUR	3.500	n.a.	n.a.	n.a.	line by line	(291.429)	921.702
Klingenburg International Sp. z o.o.	Swidnica	Poland	PLN	50.000	50.000	100%	Klingenburg GmbH	line by line	491.344	561.209
Senva Inc.	Oregon	USA	USD	-	-	100%	Carel Usa Inc	line by line	1.141.020	(2.814.679)
Eurotec Ltd	Auckland	New Zealand	NZD	450.000	450.000	100%	Carel Industries S.p.A.	line by line	56.540	271.293
Carel Kazakhstan	Almaty	Kazakistan	KZT	10.000	10.000	100%	Carel Industries S.p.A.	line by line	383.437	526.674
Kiona Holding AS	Trondheim	Norway	NOK	666.401	666.401	82,4%	Carel Industries S.p.A.	line by line	(2.817.223)	(1.466.019)
Carel System Spzoo	Warsaw	Poland	PLN	3.100.000	3.100.000	100%	Carel Industries S.p.A.	line by line	(32.579)	(14.189)
Kiona GmbH	Berlin	Germany	EUR	25.000	25.000	100%	Kiona Holding AS	line by line	538.129	(323.457)
Kiona A/S - Denmark	Copenhagen	Denmark	DKK	500.000	500.000	100%	Kiona Holding AS	line by line	(82.329)	15.191
Kiona AS	Trondheim	Norway	NOK	100.000	100.000	100%	Kiona Holding AS	line by line	1.672.715	1.844.000
Kiona LT UAB	Kaunas	Lithuania	EUR	2.500	2.500	100%	Kiona Holding AS	line by line	(32.888)	736
Kiona Oy	Helsinki	Finland	EUR	2.500	2.500	100%	Kiona Holding AS	line by line	(7.960)	6.904
Kiona Sarl	Givisiez	Switzerland	CHF	20.000	20.000	100%	Kiona Holding AS	line by line	88.820	21.938
Kiona Sp Zoo	Gdansk	Poland	PLN	500.000	500.000	100%	Kiona Holding AS	line by line	47.044	3.705
Kiona Sweden AB	Gothenburg	Sweden	SEK	200.000	200.000	100%	Kiona Holding AS	line by line	1.906.903	(207.275)



EVENTS AFTER THE REPORTING DATE

No events occurred after the closing of the first half 2024.

STATEMENT ON THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS PURSUANT TO ARTICLE 154-BIS OF LEGISLATIVE DECREE NO. 58/98 AND ARTICLE 81-TER OF CONSOB REGULATION NO. 11971 OF 14 MAY 1999 AS SUBSEQUENTLY AMENDED AND SUPPLEMENTED

1. The undersigned Francesco Nalini, as chief executive officer, and Nicola Biondo, as manager in charge of financial reporting of Carel Industries S.p.A., also considering the provisions of article 154-bis.3/4 of Legislative decree no. 58 of 24 February 1998, state that the administrative and accounting policies adopted for the preparation of the condensed interim consolidated financial statements at 30 June 2024:
 - are adequate in relation to the group's characteristics and
 - have been effectively applied during the reporting period.
2. There is nothing to report in this respect.
3. Moreover, they state that:
 - 3.1 the condensed interim consolidated financial statements:
 - a) have been prepared in accordance with the International Financial Reporting Standards endorsed by the European Community pursuant to Regulation (EC) no. 1606/2002 of the European Parliament and of the Council of 19 July 2002;
 - b) are consistent with the accounting ledgers and records;
 - c) are suitable to give a true and fair view of the financial position, financial performance and cash flows of the issuer and the group of companies included in the consolidation scope.
 - 3.2 The directors' report includes a reliable analysis of the key events of the period and their impact on the condensed interim consolidated financial statements, as well as a description of the main risks and uncertainties for the second half of the year and information about significant related party transactions.

Brugine, 1 August 2024

Chief Executive Officer

Manager in charge of financial reporting

Francesco Nalini

Nicola Biondo



INDEPENDENT AUDITORS' REPORT

Deloitte.

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REPORT ON REVIEW OF THE HALF-YEARLY CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

To the Shareholders of
Carel Industries S.p.A.

Introduction

We have reviewed the accompanying half-yearly condensed consolidated financial statements of Carel Industries S.p.A. and subsidiaries (the "Carel Industries Group"), which comprise the statement of financial position as of June 30, 2024 and the statement of profit and loss, statement of comprehensive income, statement of changes in equity and statement of cash flows for the six month period then ended, and the related explanatory notes. The Directors are responsible for the preparation of the half-yearly condensed consolidated financial statements in accordance with the International Accounting Standard applicable to the interim financial reporting (IAS 34) as adopted by the European Union. Our responsibility is to express a conclusion on the half-yearly condensed consolidated financial statements based on our review.

Scope of Review

We conducted our review in accordance with the criteria recommended by the Italian Regulatory Commission for Companies and the Stock Exchange ("Consob") for the review of the half-yearly financial statements under Resolution n° 10867 of July 31, 1997. A review of half-yearly condensed consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (ISA Italia) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Ancona Bari Bergamo Bologna Brescia Cagliari Firenze Genova Milano Napoli Padova Parma Roma Torino Treviso Udine Verona

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Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying half-yearly condensed consolidated financial statements of the Carel Industries Group as at June 30, 2024 are not prepared, in all material respects, in accordance with the International Accounting Standard applicable to the interim financial reporting (IAS 34) as adopted by the European Union.

DELOITTE & TOUCHE S.p.A.

Signed by
Cristiano Nacchi
Partner

Padova, Italy
August 5, 2024

*This 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.*

