ANNUAL FINANCIAL REPORT

as at 31/12/2024

INTERPUMP GROUP

ANNUAL FINANCIAL REPORT

as at 31/12/2024

INTERPUMP GROUP

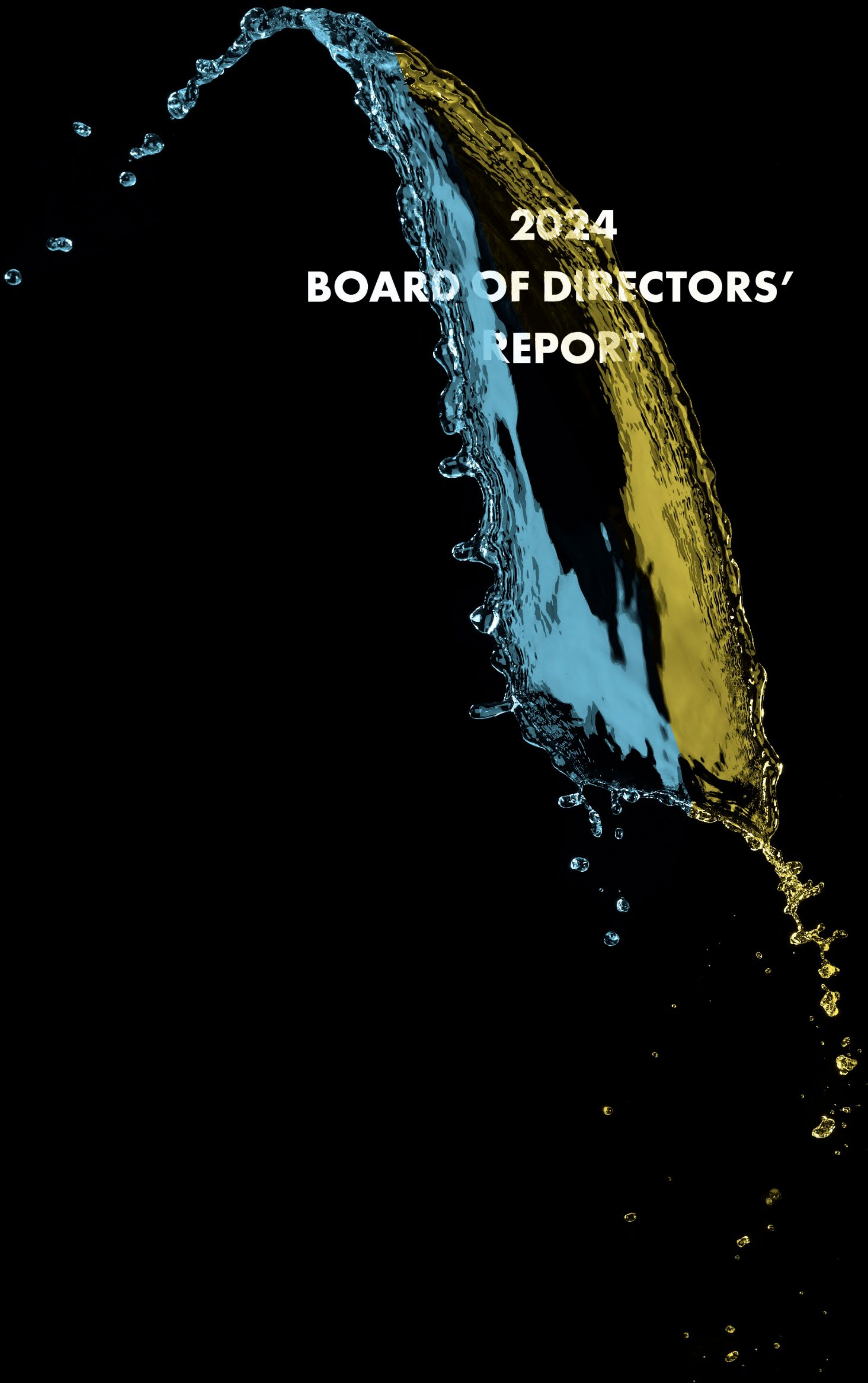
CONTENTS

COMPOSITION OF CORPORATE BODIES

Board of Directors	Fulvio Montipò	*Executive Chairman*
	Giovanni Tamburi (b)	*Deputy Chairman*
	Fabio Marasi (d)	*Chief Executive Officer*
	Antonia Di Bella (a) (c)	*Independent Director*
	Nicolò Dubini (a) (c)	*Independent Director*
	Marcello Margotto (b)	*Independent Director* *Lead Independent Director*
	Federica Menichetti (a) (b) (c)	*Independent Director*
	Roberta Pierantoni	*Independent Director*
	Rita Rolli (d)	*Independent Director*
	Anna Chiara Svelto (d)	*Independent Director*
Board of Statutory Auditors	*Anna Maria Allievi*	*Chairman*
	Mario Tagliaferri	*Statutory Auditor*
	Mirco Zucca	*Statutory Auditor*
Independent Auditors	PricewaterhouseCoopers S.p.A.	

(a) Member of the Control and Risks Committee
(b) Member of the Remuneration Committee and the Nomination Committee
(c) Member of the Related Party Transactions Committee
(d) Member of the Sustainability Committee

2024 BOARD OF DIRECTORS' REPORT



FINANCIAL HIGHLIGHTS OF THE INTERPUMP GROUP

	31/12/2024	31/12/2023	31/12/2022	31/12/2021	31/12/2020
	€/000	€/000	€/000	€/000	€/000
Consolidated revenues	2,078,399	2,240,039	2,077,964	1,604,255	1,294,363
Foreign revenues	85%	84%	84%	83%	85%
EBITDA	456,622	536,725	492,337	379,757	294,055
EBITDA %	22.0%	24.0%	23.7%	23.7%	22.7%
EBIT (Operating profit)	337,814	428,819	384,004	295,048	207,659
EBIT %	16.3%	19.1%	18.5%	18.4%	16.0%
Consolidated net profit	228,470	277,516	269,749	198,519	173,271
Free cash flow	205,088	147,892	51,100	133,800	203,769
Net indebtedness [1]	476,115	567,661	604,596	572,718	332,186
Consolidated shareholders' equity	2,019,337	1,802,904	1,566,110	1,339,664	1,149,977
Net indebtedness / EBITDA	1.04	1.06	1.23	1.51	1.13
Net capital expenditure (Capex)	135,250	164,948	129,479	106,726	61,395
Average headcount	9,310	9,325	8,721	8,433	7,415
ROE	11.3%	15.4%	17.2%	14.8%	15.1%
ROCE	13.5%	18.1%	17.7%	15.4%	14.0%
EPS - Euro	2.124	2.565	2.524	1.836	1.596
Dividend per share - Euro	0.330*	0.320	0.300	0.280	0.260

ROE: Consolidated net profit / Consolidated shareholders' equity
ROCE: Consolidated operating profit / (Consolidated shareholders' equity + Net indebtedness)
Dividends refer to the year of formation of the distributed profit.

[1] Inclusive of the debt related to the acquisition of investments.
* = Proposed dividend, subject to approval at the Shareholders' Meeting.

	31/12/2019	31/12/2018	31/12/2017	31/12/2016	31/12/2015
	€/000	€/000	€/000	€/000	€/000
Consolidated revenues	1,368,618	1,279,167	1,086,547	922,818	894,928
Foreign revenues	84%	83%	82%	83%	85%
EBITDA	317,890	288,519	248,648	198,502	180,258
EBITDA %	23.2%	22.60%	22.90%	21.50%	20.10%
EBIT (Operating profit)	247,214	236,549	198,912	153,533	136,896
EBIT %	18.1%	18.50%	18.30%	16.60%	15.30%
Consolidated net profit	180,602	173,862	135,723	94,473	118,306
Free cash flow	124,824	82,183	93,552	89,947	85,246
Net indebtedness [(a)]	425,100	331,866	323,808	300,024	278,196
Consolidated shareholders'	1,055,074	868,905	764,729	677,538	622,628
Net indebtedness / EBITDA	1.17	1.15	1.3	1.51	1.54
Net capital expenditure (Capex)	73,654	68,185	47,812	36,527	28,863
Average headcount	6,921	6,472	5,750	5,016	4,830
ROE	17.1%	20.00%	17.70%	13.90%	19.00%
ROCE	16.7%	19.70%	18.30%	15.70%	15.20%
EPS - Euro	1.699	1.619	1.257	0.884	1.101
Dividend per share - Euro	0.250	0.22	0.21	0.2	0.19

KEY EVENTS IN 2024

The global economy continued to exhibit moderate but stable growth during 2024, even though future prospects remain clouded by uncertainty caused, not least, by persistent geopolitical tensions in various strategic areas.

On the one hand, geopolitical tensions are fueling doubts about the health of trading conditions, with the risk of heightened protectionist policies in certain countries. On the other, the outcome of political elections in the final quarter might alter current equilibriums, leading to new inflationary pressures and, in response, restrictive monetary policies intended to contain price increases.

Additionally, given persistent troubles in the principal conflict zones, the re-routing of global trade could have a significant impact, with higher shipping costs and extended delivery lead times.

In this context of profound uncertainty, governments have had to face higher costs given their need to roll-over public debt at increased interest rates, multinational enterprises have slowed the implementation of their long-term investment projects, and private consumers are lowering their propensity to borrow in view of the high rates offered.

The macroeconomic indicators available for the leading economies indicate:

- in the Euro area, continuation of the policy to support the economy by lowering reference interest rates (2.9% at the end of December 2024). Given ECB forecasts, overall inflation is expected to come in at 2.1% in 2025, 1.9% in 2026 and 2.1% in 2027, when the expanded EU emissions trading system (EU ETS II) is due to come into force. Growth prospects appear to be stable across the entire area, given sound conditions in the jobs market and lower prices. Furthermore, investment financed by the Next Generation EU program is expected to stimulate economic activity there;
- in the United States, contained annual GDP growth, albeit mitigated by the relaxation of monetary policy, resulting in forecast economic growth of 1.6% in 2025.
- in China, a slowdown in growth to 4.5% in 2025, with the effects of additional monetary policy stimulus offset by weak consumer demand and a major correction in the real estate market, which is currently in crisis.

Projections indicate that the growth in global GDP will stabilize at 3.2% in 2025, accompanied by further deflation, an improvement in real incomes, and less restrictive monetary policies in many economies, which will help to support demand.

Overall inflation in the OECD countries should ease gradually to 3.4% in 2025, edging closer in the leading economies to the objectives set by their central banks.

In this context, with major ongoing disruptions and uncertainties, the Interpump Group continued to generate results in 2024 that, although down with respect to those achieved in 2023, remain significantly positive in terms of revenues, margins and cash generation.

The limited exposure of the Interpump Group in countries involved in the military conflict in Ukraine is confirmed. Specifically, the Interpump Group invoiced € 17 million to customers in Russia, Belarus and Ukraine during 2024 (€ 21.7m in 2023), with outstanding receivables of € 2.7 million (€ 2.3 million at 31 December 2023).

Revenues of € 2,078 million were 7.2% lower than in 2023, when they totaled € 2,240 million. Analysis by business sector shows that revenues in the Hydraulic Sector were 13.9% lower than in 2023, while those in the Water-Jetting Sector were 10.8% higher.

EBITDA was € 456.6 million (22.0% of revenues). In 2023, EBITDA was € 536.7 million (24.0% of revenues).

Notably, the 2023 income statement benefited from non-recurring insurance proceeds of € 9 million. Excluding this effect, 2024 EBITDA was 13.5% lower than the adjusted amount for the previous year.

Net profit totaled € 228.5 million in 2024 (€ 277.5 million in 2023), reflecting a decline of 17.7%.

Despite pursuing a major investment plan, the Group generated free cash flow of € 205.1 million in 2024 (€ 147.9 million in 2023). The net financial position at 31 December 2024 amounted to € 409.0 million (€ 486.5 million at 31 December 2023), primarily after paying dividends of € 34.9 million and making net investments of € 92.1 million to acquire equity investments and residual minority interests.

As indicated in the section dedicated to "*Events occurring after the close of the financial year"* in the report on operations accompanying the Annual Financial Report for 2023, on 31 January 2024 Interpump Group announced the signature of an agreement with PGIM Inc. for a Note Purchase and Private Shelf Agreement ("Shelf Facility") amounting to US$ 300 million, and the simultaneous issue, in the form of a US Private Placement, of initial bonds backed by the above facility totaling € 100 million.

In particular, the Shelf Facility agreement grants the Group the right, but not the obligation, to issue bonds totaling a maximum of US$ 300 million over the next 3 years, on the same contractual conditions as those negotiated initially, with pricing to be determined at the time of each drawdown and a maximum duration of 20 years.

At the same time, senior unsecured bonds totaling € 100 million were issued in a single tranche, with maturity in 10 years (January 2034), an average duration from issue of 8 years, and paying a fixed coupon of 4.17% every semester. These bonds, placed with funds managed by *Pricoa Private Capital* - the private capital division of PGIM Inc, which is the global investment manager of Prudential Financial Inc., a US insurance company - pay a six-monthly coupon at a fixed rate, do not have a rating and will not be listed in regulated markets.

The treasury share purchase program was completed on 18 October 2024. Announced to the market on 27 September 2024, following authorization at the Shareholders' Meeting held on 26 April 2024, this program resulted in the purchase of 250,000 treasury shares (including 39,000 shares purchased in Q3 2024) at an average price of € 41.3496 each, with a total outlay of € 10,337 thousand. The dual purpose of this program was to guarantee not only implementation of the share-based incentive plans arranged in favor of the directors, employees and key collaborators of the Group, but also the disposal and/or exchange of treasury shares, in the context of acquisitions and/or agreements with strategic partners that support the development of the Group.

On 21 November 2024, the Group announced the signature of a *Corporate Power Purchase Agreement*[2] with Statkraft Markets GmbH, for the supply over ten years of energy generated 100% from renewable sources. As a consequence, commencing from January 2025, the Group will purchase 20 GWh of electricity every year, at a predetermined price fixed for the entire duration of the agreement. The energy will be produced in Italy, principally by a photovoltaic plant recently installed in Lazio: this volume will contribute significantly to meeting the energy needs of 5 of the Group's principal Italian subsidiaries[3]. This agreement represents a major step towards achievement of the objectives to reduce carbon intensity by 30% and increase the use of renewable energy sources to 25% of the Group's total requirement by 2025[4].

[2] Contract for the purchase/sale of energy between a producer and a purchaser.
[3] See the "Corporate Power Purchase Agreement" presentation on the Group's corporate website for further information.
[4] Respectively actions E.2 and E.3 in the ESG Plan for 2023-25.

Compared with 2023, the consolidation perimeter of the Water-Jetting sector changed as follows in 2024:

- on 9 April 2024 the Interpump Group announced the acquisition, via Inoxpa S.A.U., of a 60%[5] equity interest in Process Partner China Co., Ltd. (now Shanghai PuPeng Flow Technology Co., Ltd) and an increase to 60% in its investment in YRP (Shanghai) Flow Technology Co., Ltd. (now Inoxpa China Flow Technology Co., Ltd), both businesses operating in China. Inoxpa China Flow Technology Co., Ltd was founded in 2015 and specializes in the production and sale of plant and complete solutions for the food processing industry, especially dairy. With support from the Inoxpa Group, Shanghai PuPeng Flow Technology Co., Ltd was formed in 2016 to distribute components, valves, pumps and actuators in China, as the exclusive distributor for the Inoxpa Group in the region. Together, the two businesses generated revenues of almost € 11 million in 2023, with an EBITDA margin of about 10%. On the one hand, the Group enters the Chinese plant engineering market via these transactions while, on the other, it expands the opportunities for further market penetration since, following many years of mutual collaboration, the local management team has accumulated comprehensive knowledge of the products concerned. The current shareholders will remain involved in the activities of the acquired companies. The total price paid for the two businesses was € 2.9 million. Both companies have been consolidated on a line-by-line basis from 31 March 2024 and, therefore, have contributed to the consolidated results at 31 December 2024 for nine months.

- On 3 June 2024 the Interpump Group announced the acquisition of 100% of the capital of Alfa Valvole S.r.l. from IDEX Corporation, a US company. This international player is positioned in the high-end segment of the valves sector, given the quality and services offered to customers. The company absorbed OBL, a specialist in the design and production of volumetric pumps, in 2021 to become a provider of integrated solutions for the movement and management of industrial fluids. The principal reference markets comprise water treatment, mining, Oil&Gas, maritime and rail transportation, food processing and pharmaceuticals. In 2023, the company generated turnover of about € 28 million, with an EBITDA margin of about 26%. The total price agreed for the transaction was € 55.2 million. The company has been consolidated on a line-by-line basis from 31 May 2024 and, therefore, has contributed to the consolidated results at 31 December 2024 for seven months.
- The Group acquired an additional 8% of SIT S.p.A. during Q1 2024 and now holds an 88% interest in that company.

- Lastly, during Q3 2024 the Group acquired an additional 16.71% of Inoxpa Colombia SAS and now holds the entire equity interest in that company.

Compared with 2023, the consolidation perimeter of the Hydraulic sector changed as follows in 2024:

- on 22 April 2024, the Interpump Group announced the acquisition, through Interpump Hydraulics Ltd., of the entire share capital of Alltube Engineering Ltd., a British operator in the hydraulic hoses and fittings sector. Founded in 1986 and backed by decades of design and manufacturing experience, this company specializes in the processing of rigid and flexible hydraulic hoses. The services offered by Alltube include bending, welding, brazing, ring rolling, tube forming, flushing, pressure testing and swaging. In the previous year[6], the company

[5] Through Inoxpa SAU, the Group already held 10% of YRP (Shanghai) Flow Technology Co.
[6] Financial year from 1 November 2022 to 31 October 2023

generated revenues of about € 5 million, with an EBITDA margin of about 15%. The total consideration paid for the transaction was € 2.3 million. Via Alltube, the Group establishes an important presence for the development of the UK market. The company has been consolidated on a line-by-line basis from 30 April 2024 and, therefore, has contributed to the consolidated results at 31 December for eight months.

- On 11 July 2024, Interpump Group indirectly acquired 100% of H.S. S.r.l. via Inoxihp S.r.l., a subsidiary. This company, active in the hydraulic sector, specializes in the design and production of hydraulic systems and circuits known for their high qualitative and manufacturing standards. In 2023, the company generated turnover of about € 4 million. The total price agreed for the transaction was € 0.1 million. The company has been consolidated on a line-by-line basis from 30 June 2024 and, therefore, has contributed to the consolidated results at 31 December for six months.

- Reggiana Riduttori (Suzhou) Co. Ltd and Transtecno USA LLC were liquidated during Q1 2024;

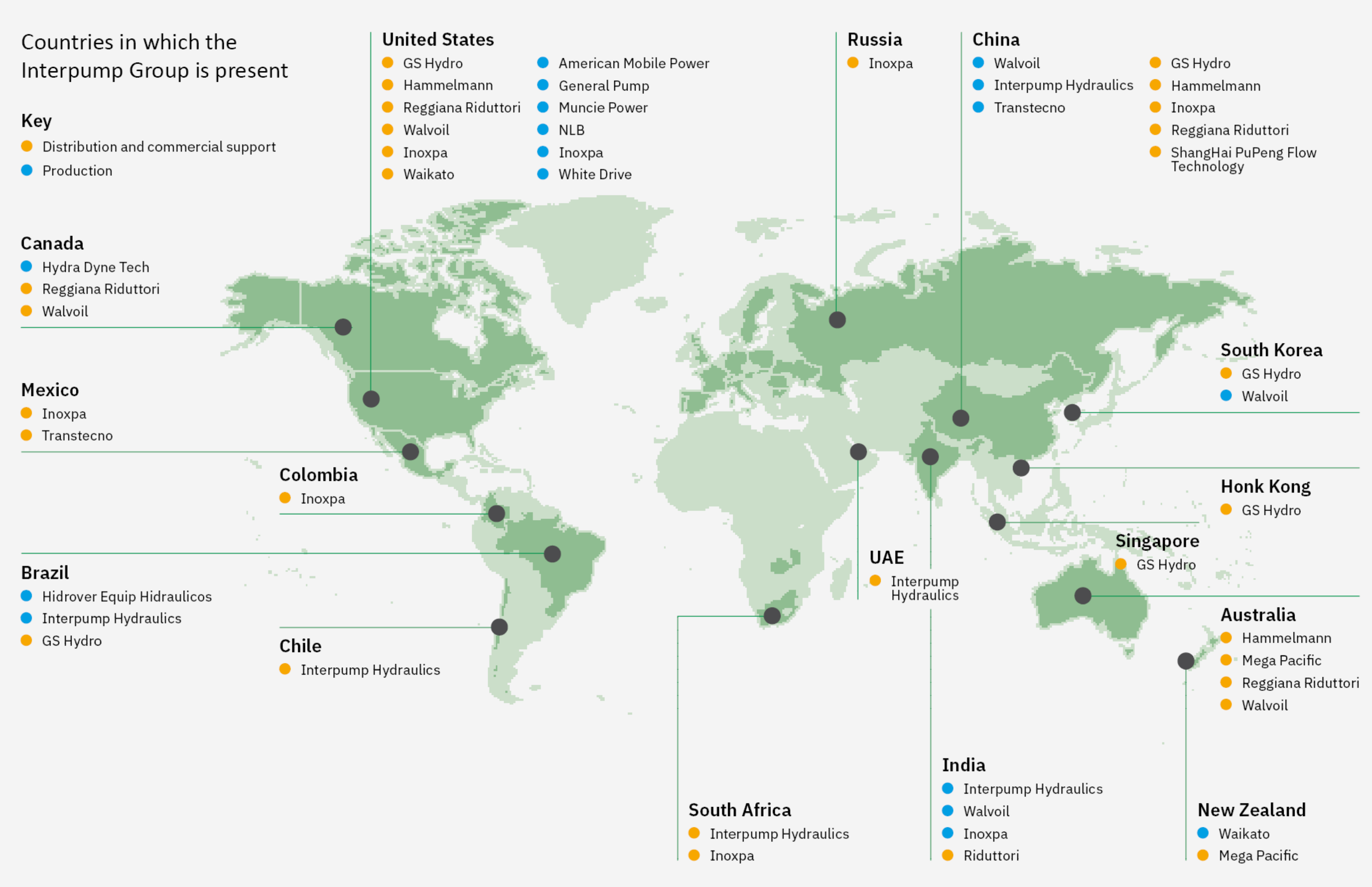
- Put options for the remaining 20% interests in Transtecno S.r.l. and Draintech S.r.l. were exercised during Q2 2024, raising Group ownership of both companies from 80% to 100%.

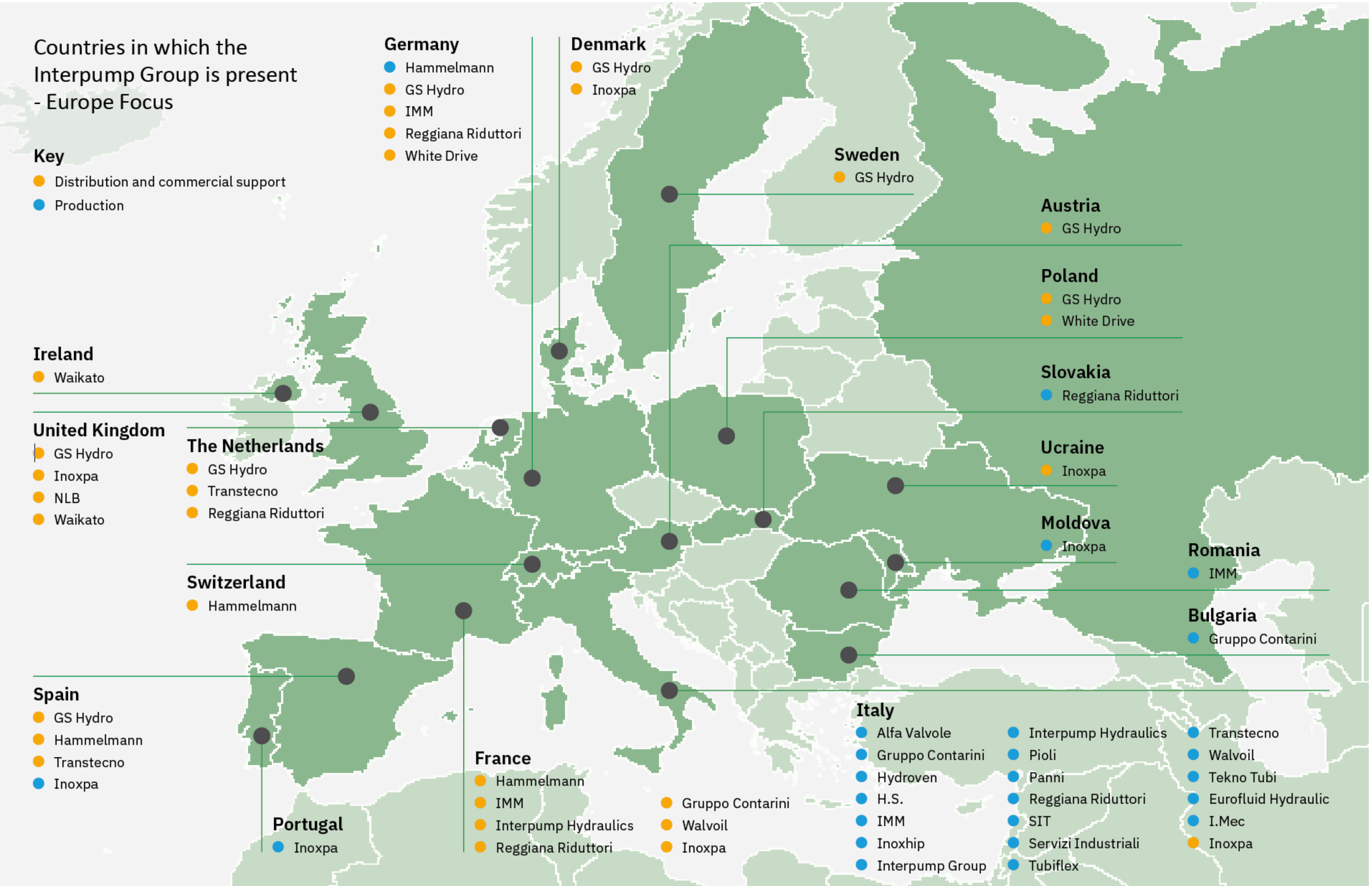
- Draintech S.r.l. was absorbed by Transtecno S.r.l. during Q3 2024, with retroactive effect from 1 January 2024.

- On 24 October 2024, the Interpump Group announced the signing of a binding agreement to purchase, via IPH Brasil, 59% of the capital of Hidrover Equipamentos Hidráulicos Ltda, which operates in the hydraulic cylinders sector. The purchase contract was signed on 2 December 2024. This company specializes in the production of hydraulic cylinders, covering the entire production process and focusing on the construction and agricultural markets. Hidrover expects to close 2024 with revenues of about € 23 million, an EBITDA margin of around 26%, and cash of approximately € 3 million[7]. The Group's entry into the cylinder sector dates back to 2008 with the acquisitions of Contarini, Modenflex, Cover, Panni Oleodinamica and HS Penta, all operating, albeit with different specializations, in the field of hydraulic cylinders and related components; in 2019, a further major step in development was taken with the acquisition of the Canadian company Hydra Dyne Tech. The consideration for the transaction was approximately € 17.5 million and a decision on the “put&call” mechanisms was made whereby Interpump Group can acquire the residual equity interest. The company has been consolidated on a line-by-line basis from 1 December 2024 and, therefore, has contributed to the consolidated results at 31 December 2024 for one month.

- Lastly, Walvoil Fluid Power Mexico was formed in Q4 2024 and has been consolidated using the equity method from December 2024.

[7] Exchange rate at 30 September R$/€6.0504. The cash balance relates to the position at 30 September 2024.


Countries in which the Interpump Group is present
Key
Distribution and commercial support
Production
United States
GS Hydro
Hammelmann
Reggiana Riduttori
Walvoil
Inoxpa
Waikato
American Mobile Power
General Pump
Muncie Power
NLB
Inoxpa
White Drive
Russia
Inoxpa
China
Walvoil
Interpump Hydraulics
Transtecno
GS Hydro
Hammelmann
Inoxpa
Reggiana Riduttori
ShangHai PuPeng Flow Technology
Canada
Hydra Dyne Tech
Reggiana Riduttori
Walvoil
Mexico
Inoxpa
Transtecno
Colombia
Inoxpa
Brazil
Hidrover Equip Hidraulicos
Interpump Hydraulics
GS Hydro
Chile
Interpump Hydraulics
South Korea
GS Hydro
Walvoil
Honk Kong
GS Hydro
Singapore
GS Hydro
UAE
Interpump Hydraulics
Australia
Hammelmann
Mega Pacific
Reggiana Riduttori
Walvoil
South Africa
Interpump Hydraulics
Inoxpa
India
Interpump Hydraulics
Walvoil
Inoxpa
Riduttori
New Zealand
Waikato
Mega Pacific


Countries in which the Interpump Group is present - Europe Focus
Key
Distribution and commercial support
Production
Germany
Hammelmann
GS Hydro
IMM
Reggiana Riduttori
White Drive
Denmark
GS Hydro
Inoxpa
Sweden
GS Hydro
Austria
GS Hydro
Poland
GS Hydro
White Drive
Slovakia
Reggiana Riduttori
Ukraine
Inoxpa
Moldova
Inoxpa
Romania
IMM
Bulgaria
Gruppo Contarini
Ireland
Waikato
United Kingdom
GS Hydro
Inoxpa
NLB
Waikato
The Netherlands
GS Hydro
Transtecno
Reggiana Riduttori
Switzerland
Hammelmann
Spain
GS Hydro
Hammelmann
Transtecno
Inoxpa
Portugal
Inoxpa
France
Hammelmann
IMM
Interpump Hydraulics
Reggiana Riduttori
Gruppo Contarini
Walvoil
Inoxpa
Italy
Alfa Valvole
Gruppo Contarini
Hydroven
H.S.
IMM
Inoxhip
Interpump Group
Interpump Hydraulics
Pioli
Panni
Reggiana Riduttori
SIT
Servizi Industriali
Tubiflex
Transtecno
Walvoil
Tekno Tubi
Eurofluid Hydraulic
I.Mec
Inoxpa

Group Structure - Summary

INTERPUMP GROUP

Water Sector	Oil Sector
Gruppo Hammelmann	Gruppo Contarini
Gruppo Inoxpa	Gruppo GS Hydro
Gruppo Waikato	Gruppo IMM
Alfa Valvole	Gruppo Interpump Hydraulics
General Pump	Gruppo Reggiana Riduttori
H.S.	Gruppo Transtecno
I. Mec	Gruppo Walvoil
Inoxihp	Gruppo White
NLB Corporation	Eurofluid Hydraulic
Pioli	Hidrover Equipam. Hidráulicos
Servizi Industriali	Hydra Dyne Technology
Sit	Muncie Power Products
	Oleodinamica Panni
	Tekno Tubi
	Tubiflex

Group Structure / Interpump Group SpA

WATER-JETTING

- **Inoxihp Srl (52,72%)**
  - **H.S. Srl**
- Servizi Industriali Srl (80%)
- Pioli Srl
- Sit SpA (88%)
- I. MEC. Srl (70%)
- Alfa Valvole Srl
- NLB Corporation Inc.
- **GP Companies Inc.**
  - GP Companies (China) Inc. (Not consolidated line-by-line)
- **Hammelmann GmbH**
  - Hammelmann Corporation Inc.
  - Hammelmann Australia Pty Ltd
  - Hammelmann Pumps Systems Co. Ltd (90%)
  - Hammelmann S.L.
  - Hammelmann France SARL
  - Hammelmann Swiss GmbH
  - Hammelmann Vostok (99.9%) (Not consolidated line-by-line) (0,1% restante detenuto da Interpump Hydraulics RUS)
  - **GS-Hydro HK Ltd.**
    - GS-Hydro Piping Systems (Shanghai) Co. Ltd.
- **Inoxpa S.A.U.**
  - Inoxpa India Private
  - Inoxpa Solutions France
  - Improved Solutions Portugal Unipessoal Lda
  - Inoxpa (UK) Ltd
  - Inoxpa Solutions Moldova (66,67%)
  - Inoxpa Colombia SAS
  - Inoxpa Italia S.r.l.
  - Inoxpa Skandinavien A/S
  - Inoxpa South Africa Proprietary Ltd
  - Inoxpa Special Processing Equipment Co. Ltd
  - Inoxpa China Flow Technology Co., Ltd (60%)
  - Shanghai PuPeng Flow Technology Co., Ltd (60%)
  - Inoxpa Ukraine
  - Inoxpa USA Inc
  - LTD Inoxpa (70%)
  - Inoxpa México (99%) (1% restante detenuto da Inoxpa Italia S.r.l.)

HYDRAULICS

- **Interpump Hydraulics SpA**
  - Oleodinamica Panni Srl
  - Hydroven Srl
  - Hydrocar Chile S.A. (90%)
  - Wuxi Interpump Weifu Hydr. Company Ltd (65%)
  - Interpump Hydraulics India Ltd
  - Interpump Hydraulics Middle East FZE
  - Interpump Hydraulics France Sarl (99,77%)
  - Interpump South Africa Pty Ltd
  - Interpump Hydraulics RUS (Not consolidated line-by-line)
  - Interpump Hydraulics Peru Sac (90%) (Not consolidated line-by-line)
  - **Interpump Hydraulics Brasil Ltd**
    - Hidrover Equipmentos Hidraulicos Ltda (59%)
  - Eurofluid Hydraulic S.r.l. (80%)
  - **Contarini Leopoldo Srl**
    - Unidró Contarini Sas
    - Copa Hydrosistem Ood
  - **Interpump Hydraulics (UK) Ltd**
    - Mega Pacific Pty Ltd
    - Mega Pacific NZ Pty Ltd
    - IMM Hydraulics Ltd (Dormant, being wound up, ot otherwise inactive)
    - Bristol Hose Ltd (Dormant, being wound up, ot otherwise inactive)
    - Alltube Engineering Ltd (Dormant, being wound up, ot otherwise inactive)
  - **Muncie Inc.**
    - North American Manufacturing Inc.
    - Hydra Dyne Technology Inc. (75,00%)
    - GS-Hydro U.S. Inc.
- **Waikato Holding Limited** (14,99%)
  - **Waikato Milking Systems LP**
    - WMS GP Limited (Dormant, being wound up, ot otherwise inactive)
    - Waikato Milking Systems UK Ltd
    - Waikato Milking Systems Ireland Ltd
    - Hi-Tech Enviro Solution Ltd (Dormant, being wound up, ot otherwise inactive)
    - **Waikato Milking Systems Lease Ltd**
      - Waikato Milking Systems USA LLC
- Tubiflex SpA
- IPG Mouldtech India PVT LTD (85%)
- **I.M.M. Hydraulics SpA**
  - Interpump Fluid Solutions Germany GmbH
  - FGA Srl
  - IMM Hydro Est
  - IFS France Sarl
  - Tekno Tubi Srl
  - Innovativ Gummi Tech Srl
- **Transtecno Srl**
  - **Transtecno BV (51%)**
    - Transtecno Aandrijftechniek BV (51%)
  - Transtecno Iberica (70,0%)
  - MA Transtecno SAPI de C.V. (70,0%)
  - Hangzhou Interpump Power Transmissions
- **Walvoil SpA (65%)** (35% restante detenuto da Interpump Hydraulics SpA)
  - Walvoil Fluid Power Corporation
  - Walvoil Fluid Power Korea Llc
  - Walvoil Fluid Power (India) Pvt. Ltd (99,97%) (0,03% restante detenuto da Interpump Hydraulics India Ltd)
  - Walvoil Fluid Power France Sarl
  - Walvoil Fluid Power Australasia
  - Walvoil Canada Inc.
  - Walvoil Fluid Power (Dongguan) Co. Ltd
  - Walvoil Fluid Power Mexico S.A. de C.V. (Not consolidated line-by-line)
  - White Drive Motors and Steering Sp. ZOO
  - White Drive Motors and Steering LLC
  - White Drive Motors and Steering GmbH (Dormant, being wound up, ot otherwise inactive)
- **Interpump Piping GS Srl**
  - GS-Hydro AB
  - GS-Hydro Denmark AS
  - GS-Hydro UK Ltd
  - GS-Hydro System GmbH
  - GS-Hydro Sp ZOO
  - GS-Hydro Austria GmbH
  - **GS-Hydro S.A.U.**
    - Suministros Franquesa S.A.
  - GS-Hydro Benelux B.V.
  - GS-Hydro Korea Ltd.
  - GS-Hydro Singapore Pte Ltd.
  - GS-Hydro do Brasil S.H. Ltda
- **Reggiana Riduttori Srl**
  - RR India Pvt. Ltd. (99,99%) (Dormant, being wound up, ot otherwise inactive)
  - RR Pacific PTY Ltd.
  - RR Slovakia A.S.
  - RR USA Inc.
  - RR Canada Inc.
  - RR Holland BV
  - RR France Sarl (95%)
  - Interpump Antriebstechnik GmbH (Not consolidated line-by-line)

As at 31/12/2024
All holdings 100% unless otherwise specified

Not consolidated line-by-line
Dormant, being wound up, ot otherwise inactive

ALTERNATE PERFORMANCE MEASURES

The Group uses several alternate performance measures that are not identified as accounting parameters in the IFRS issued by the International Accounting Standards Board and adopted by the European Union, in order to allow better evaluation of the trend of economic operations and the Group's financial position. Such indicators are also tools that assist the directors in identifying operating trends and in making decisions on investments, resource allocation and other business matters. Therefore, the measurement criterion applied by the Group may differ from the criteria adopted by other groups and hence may not be comparable with them. Such alternate performance indicators are based exclusively on historical Group data and measured in conformity with the Guidelines on Alternative Performance Measures issued by ESMA/2015/1415 and adopted by Consob with communication no. 92543 of 3 December 2015. These indicators refer only to performance in the accounting period illustrated in this Report on Operations and the comparative periods and not to expected performance, and must not be taken to replace the indicators required by the IFRS issued by the International Accounting Standards Board and adopted by the European Union. Finally, the alternate measures are processed consistently and with uniformity of definition and representation for all periods for which financial information is included in this Annual Financial Report.

The performance indicators used by the Group are defined as follows:

- **Earnings/(Losses) before interest and tax (EBIT)**: Revenues plus Other operating income less Operating costs (Cost of sales, Distribution costs, General and administrative expenses, and Other operating costs);
- **Earnings/(Losses) before interest, tax, depreciation and amortization (EBITDA)**: EBIT plus depreciation, amortization, writedowns and provisions;
- **Net financial position**: the sum of Financial debts and Bank debts less Cash and cash equivalents;
- **Net indebtedness**: the sum of the Net financial position and debts for the acquisition of equity investments;
- **Capital expenditure (CAPEX)**: the sum of investments in tangible and intangible fixed assets, net of divestments;
- **Free cash flow**: the cash flow available for the Group, defined as the difference between the cash flow from operating activities and the cash flow for investments in tangible and intangible fixed assets;
- **Capital employed**: calculated as the sum of shareholders' equity and net financial position, including debts for the acquisition of equity investments;
- **Return on capital employed (ROCE)**: EBIT / Capital employed;
- **Return on equity (ROE)**: Net profit / Shareholders' equity.

The Group's income statement is prepared by functional area (also called the "cost of sales" method). This format is deemed to be more representative than its “type of expense” counterpart, which is nevertheless included in the notes to the Annual Financial Report. The chosen form, in fact, complies with the internal reporting and business management methods.

The cash flow statement was prepared using the indirect method.

CONSOLIDATED INCOME STATEMENT

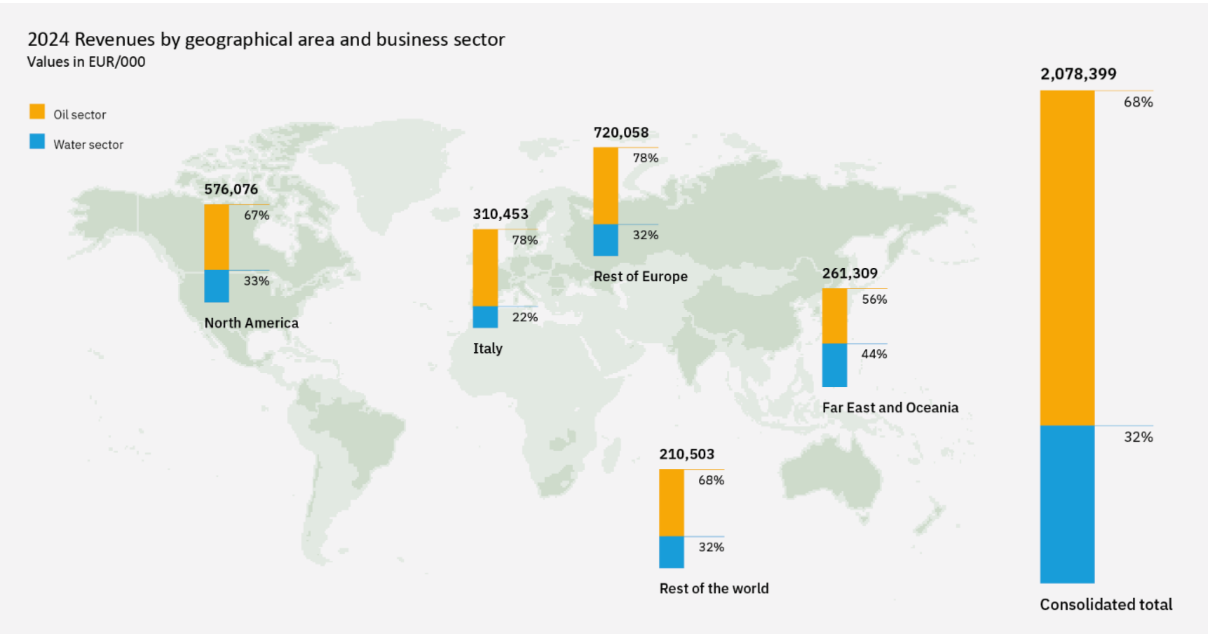
€/000	2024	2023
Revenues	**2,078,399**	**2,240,039**
Cost of sales	(1,364,753)	(1,460,068)
Gross profit	**713,646**	**779,971**
% of revenues	*34.3%*	*34.8%*
Other net revenues	36,714	42,154
Distribution expenses	(173,890)	(169,744)
General and administrative expenses	(227,118)	(214,594)
Other operating costs	(11,538)	(8,968)
EBIT	**337,814**	**428,819**
% of revenues	*16.3%*	*19.1%*
Financial income	35,296	26,515
Financial expenses	(62,380)	(78,174)
Equity method contribution	302	627
Profit for the year before taxes	**311,032**	**377,787**
Income taxes	(82,562)	(100,271)
Consolidated profit for the year	**228,470**	**277,516**
% of revenues	11.0%	12.4%
Attributable to:		
Shareholders of Parent	227,051	274,269
Minority shareholders of subsidiaries	1,419	3,247
Consolidated profit for the year	**228,470**	**277,516**
EBITDA	**456,622**	**536,725**
% of revenues	22.0%	24.0%
Shareholders' equity	2,019,337	1,802,904
Net financial position	409,044	486,497
Debts for the acquisition of equity investments	67,071	81,164
Capital employed	**2,495,452**	**2,370,565**
ROCE	**13.5%**	**18.1%**
ROE	**11.3%**	**15.4%**
Basic earnings per share	**2.124**	**2.565**

1. REVENUES

Revenues totaled € 2,078.4 million in 2024, down by 7.2% compared with € 2,240.0 million in 2023 (-9.2% at constant perimeter and -9.0% also net of exchange differences).

Revenues by business sector and geographical area were as follows:

€/000	Italy	Europe (Italy excluded)	North America	Far East and Pacific Area	Rest of the World	Total
2024						
Hydraulic	241,247	488,258	388,496	146,907	142,586	1,407,494
Water-Jetting	69,206	231,800	187,580	114,402	67,917	670,905
Total	**310,453**	**720,058**	**576,076**	**261,309**	**210,503**	**2,078,399**
2023						
Hydraulic	297,482	591,997	439,806	160,443	144,595	1,634,323
Water-Jetting	66,252	212,892	187,162	78,203	61,207	605,716
Total	**363,734**	**804,889**	**626,968**	**238,646**	**205,802**	**2,240,039**
2024/2023 percentage changes						
Hydraulic	-18.9%	-17.5%	-11.7%	-8.4%	-1.4%	-13.9%
Water-Jetting	+4.5%	+8.9%	+0.2%	+46.3%	+11.0%	+10.8%
Total	**-14.6%**	**-10.5%**	**-8.1%**	**+9.5%**	**+2.3%**	**-7.2%**
2024/2023 at constant perimeter (%)						
Hydraulic	-19.5%	-17.6%	-11.7%	-8.4%	-2.7%	-14.1%
Water-Jetting	-16.7%	+6.3%	-1.2%	+27.7%	+7.6%	+4.3%
Total	**-19.0%**	**-11.3%**	**-8.6%**	**+3.4%**	**+0.3%**	**-9.2%**



2. PROFITABILITY

The cost of sales accounted for 65.7% of revenues (65.2% in 2023). Production costs represented 26.8% of revenues (26.3% in 2023) and totaled € 556.4 million (€ 588.2 million in 2023, which however did not include the costs of IPG Mouldtech India Pvt Ltd for 3 months, those of I.mec S.r.l. and the Waikato group for 5 months, or those of the companies acquired during 2024). The purchase cost of raw materials and components sourced on the market, including changes in inventories, accounted for 38.9% of revenues (38.9% in 2023) and totaled € 808.3 million (€ 871.8 million in 2023, which however did not include the costs of IPG Mouldtech India Pvt Ltd for 3 months, those of I.mec S.r.l. and the Waikato group for 5 months, or those of the companies acquired during 2024).

At constant perimeter, distribution expenses were 0.6% lower than in 2023, with a percentage incidence on revenues of 8.3% (7.6% in 2023).

Also at constant perimeter, general and administrative expenses rose by 2.8% with respect to 2023, with a percentage incidence on revenues of 10.8% (9.6% in 2023).

Payroll costs totaled € 469.7 million (€ 464.0 million in 2023, which however did not include the costs of IPG Mouldtech India Pvt Ltd for 3 months, those of I.mec S.r.l. and the Waikato group for 5 months, or those of the companies acquired during 2024). At constant perimeter, payroll costs amounted to € 460.2 million, down by 0.8% due to a 0.7% rise in per capita cost and a decrease in the average headcount by 140 employees.

The total number of Group employees in 2024 averaged 9,310 (9,185 at constant perimeter) compared to 9,325 in 2023. The decrease in overall average headcount by 15 breaks down as follows: plus 26 in Europe, minus 121 in North America, and plus 80 in the Rest of the World.

In addition, the Group employed 1,534 temporary workers during the year (1,741 in 2023) at a cost of € 28.8 million (€ 39.3 million in 2023).

EBITDA totaled € 456.6 million (22.0% of revenues) compared to € 536.7 million in 2023, which represented 24.0% of revenues.

The following table sets out EBITDA by business sector:

	2024 €/000	*% on total revenues**	*2023 €/000*	*% on total revenues**	*Increase/Decrease*
Hydraulic	279,817	19.8%	368,919	22.5%	-24.2%
Water-Jetting	176,805	26.2%	167,806	27.5%	+5.4%
Total	***456,622***	***22.0%***	***536,725***	***24.0%***	***-14.9%***

* = Total revenues include those to other Group companies in the other sector, while the revenues analyzed previously are exclusively those external to the Group (see Note 4 in the explanatory notes). Accordingly, for consistency, the percentage is calculated on total revenues rather than on those reported previously.

As stated earlier, 2023 benefited from non-recurring insurance proceeds of € 9 million attributable entirely to the Hydraulic sector. Excluding this amount, total EBITDA would have been 13.5% lower, while that of the Hydraulic sector would have been 22.3% lower.

EBIT amounted to € 337.8 million (16.3% of revenues) compared with € 428.8 million in 2023 (19.1% of revenues), down by 21.2%.

The effective tax rate for the year was 26.5% (26.5% in 2023), which however benefited from the reversal of earlier tax provisions, € 6.1 million, after receiving a favorable response from the Tax Authorities to a question posed by the Parent Company, as described in the Report on Operations in Q3 2023. Net of that amount, the tax rate in 2023 would have been 28.2%.

Net profit for 2024 was € 228.5 million (€ 277.5 million in 2023).

Basic earnings per share were € 2.124 (€ 2.565 in 2023).

Capital employed increased from € 2,370.6 million at 31 December 2023 to € 2,495.5 million at 31 December 2024, reflecting continuation of the investment programs and the acquisitions completed during the year.

ROCE was 13.5% (18.1% in 2023). ROE was 11.3% (15.4% in 2023).

CASH FLOW

The change in net financial position breaks down as follows:

	2024 €/000	*2023 €/000*
Opening net financial position	**(486,497)**	**(541,784)**
Adjustment: opening net financial position of companies not consolidated line by line at the end of the prior year	-	(1,274)
Adjusted opening net financial position	**(486,497)**	**(543,058)**
Liquidity generated by operations	307,198	372,219
Principal portion of finance lease installments (IFRS 16)	(19,749)	(20,540)
Cash flow generated (absorbed) by the management of operating capital	30,331	(26,495)
Cash flow generated (absorbed) by other current assets and liabilities	19,549	(13,173)
Capital expenditure on tangible fixed assets	(129,186)	(161,712)
Proceeds from the sale of tangible fixed assets	2,980	3,372
Increase in other intangible fixed assets	(9,044)	(6,608)
Financial income received	7,435	4,377
Other	(4,426)	(3,548)
Free cash flow	***205,088***	***147,892***
Acquisition of investments, including received indebtedness and net of treasury stock assigned	(92,103)	(57,609)
Dividends paid	(34,986)	(34,761)
Disbursements for purchase of treasury shares	(10,337)	-
Proceeds from the sale of treasury shares to stock option beneficiaries	581	2,246
Principal portion of finance lease installments (IFRS 16)	19,749	20,540
Principal portion of new leasing contracts arranged (IFRS 16)	(13,534)	(29,374)
Remeasurement and early close-out of leasing contracts (IFRS 16)	3,822	8,080
Changes in other financial assets	(526)	(555)
Net cash generated (used)	***77,754***	***56,459***
Exchange differences	(301)	102
Closing net financial position	**(409,044)**	**(486,497)**

Net liquidity generated by operating activities totaled € 307.2 million (€ 372.2 million in 2023). Free cash flow increased markedly to € 205.1 million (€ 147.9 million in 2023), up 38.7%, despite ongoing major planned investments and assisted by the reduction in working capital absorption.

Net indebtedness, including payables and commitments, determined in accordance with ESMA guidance 32-382-1138 and included in Consob notice no. 5/21, comprises:

	31/12/2024	31/12/2023	01/01/2023
	€/000	€/000	€/000
Cash and cash equivalents	392,637	334,483	358,275
Bank debts (advances and STC amounts)	(33,236)	(52,469)	(30,928)
Interest-bearing financial debts (current portion)	(241,919)	(264,911)	(288,456)
Interest-bearing financial debts (non-current portion)	(526,526)	(503,600)	(580,675)
Net financial position	*(409,044)*	*(486,497)*	*(541,784)*
Commitments for the purchase of equity investments (current portion)	(5,725)	(38,354)	(844)
Commitments for the purchase of equity investments (non-current portion)	(61,346)	(42,810)	(61,968)
Total net indebtedness	**(476,115)**	**(567,661)**	**(604,596)**

The Net indebtedness/EBITDA ratio of 1.04 is lower than last year (1.06). There were no outstanding hedge contracts at 31 December 2024.

GROUP STATEMENT OF FINANCIAL POSITION

Capital employed increased from € 2,370.6 million at 31 December 2023 to € 2,495.5 million at 31 December 202, principally due to new investments, consolidation of the new companies acquired and the increase in working capital. ROCE was 13.5% (18.1% in 2023). ROE was 11.3% (15.4% in 2023).

The following statement of financial position is classified in terms of the sources and applications of funds:

	31/12/2024 €/000	%	31/12/2023 €/000	%
Trade receivables	385,963		414,787	
Net inventories	700,614		696,428	
Other current assets	91,028		73,999	
Trade payables	(237,371)		(262,941)	
Current taxes payable	(28,360)		(39,323)	
Current portion of provisions for risks and charges	(8,858)		(8,525)	
Other current liabilities	(143,066)		(120,675)	
Net working capital	**759,950**	**30.5**	**753,750**	**31.8**
Net intangible and tangible fixed assets	853,747		785,911	
Goodwill	837,798		784,571	
Other intangible fixed assets	76,896		70,773	
Other non-current assets	53,089		83,011	
Liabilities for employee benefits	(21,292)		(21,061)	
Non-current portion of provisions for risks and charges	(13,136)		(13,355)	
Other non-current liabilities	(51,600)		(73,035)	
Total net fixed assets	**1,735,502**	**69.5**	**1,616,815**	**68.2**
Total capital employed	**2,495,452**	**100**	**2,370,565**	**100**
Financed by:				
Group shareholders' equity	2,008,352		1,793,578	
Non-controlling interests	10,985		9,326	
Total shareholders' equity	**2,019,337**	**80.9**	**1,802,904**	**76.1**

	31/12/2024 €/000	%	31/12/2023 €/000	%
Cash and cash equivalents	(392,637)		(334,483)	
Bank debts	33,236		52,469	
Interest-bearing financial debts (current portion)	241,919		264,911	
Debts for the acquisition of equity investments (current portion)	5,725		38,354	
Total current financial debts (liquid funds)	**(111,757)**	**-4.5**	**21,251**	**0.9**
Interest-bearing financial debts (non-current portion)	526,526		503,600	
Debts for the acquisition of equity investments (non-current portion)	61,346		42,810	
Total non-current financial debts	**587,872**	**23.6**	**546,410**	**23.0**
Total sources of financing	**2,495,452**	**100**	**2,370,565**	**100**

Interpump Group's equity structure is balanced, with a leverage index of 0.24 (0.31 at 31 December 2023). The leverage index is calculated as the ratio between the short and medium/long-term financial debts and shareholders' equity inclusive of non-controlling interests.

Goodwill was subjected to an impairment test at 31 December 2024.

3. CAPITAL EXPENDITURE

Expenditure on property, plant and machinery totaled € 169 million, of which € 16.6 million through the acquisition of investments (€ 219 million in 2023, of which € 11.0 million through the acquisition of investments). The additions during the year are analyzed in the following table:

€/000	2024	2023
Increases for the purchase of fixed assets used in the production process	127,823	164,674
Increases for machinery rented to customers	11,254	13,908
Leased assets	13,534	29,374
Capex	*152,611*	*207,956*
Increases through the acquisition of equity investments	16,599	11,016
Total increases in the year	**169,210**	**218,972**

The increases in 2024 include € 52.9 million invested in land and buildings (€ 78.2 million in 2023).

The difference with respect to the capital expenditure reported in the cash flow statement is due to the timing of payments.

Increases in intangible assets totaled € 19.5 million, of which € 10.4 million through the acquisition of equity investments (€ 19.9 million in 2023, including € 13.1 million through the acquisition of equity investments).

4. RESEARCH, DEVELOPMENT AND DESIGN WORK

The Group considers research and development activities as one of the main factors of success and a source of competitive advantage on international markets. Once again, the Group invested heavily during 2024 to place new product ranges on the market, optimize and customize existing products, and develop new technological and circuit solutions.

In particular, new high pressure pumps and related accessories for the Water-Jetting sector are principally designed and developed by Interpump Group S.p.A. Six new projects were completed in 2024, of which one related to new mechanical components for very high pressure pumps, another related to a new homogenizer, one related to optimization of the use of raw materials in production, and two related to the development of new pumps; in addition, work commenced on eleven new projects. By contrast, new very high pressure pumps and systems for the Water-Jetting sector are mainly developed by Hammelmann GmbH. In 2024, this German subsidiary completed three projects relating to the development of methanol injection pumps, high pressure pumps, and pasteurization pumps.

Other R&D activities in the Hydraulic sector are mainly carried out by Walvoil S.p.A., Interpump Hydraulics S.p.A. and IMM Hydraulics S.p.A. New hydraulic and electronic components were developed in 2024 to update and improve the product range, as well as new pumps, valves and hydraulic cylinders to enhance the flexibility of applications, and new presses and alternate/replacement solutions for certain phases in the connector production process.

Group strategy over the next few years is to continue with high levels of expenditure in the area of research and development in order to assure renewed impetus to structured growth. Research costs have been capitalized in accordance with their multi-annual usefulness. Product development costs capitalized in 2024 amounted to € 2,977 thousand (€ 2,040 thousand in 2023), while the costs for design personnel charged to the income statement totaled € 36,681 thousand (€ 34,786 thousand in 2023).

5. SUSTAINABILITY AND GROUP VALUES

In the context of its business activities and with a view to the constant improvement of its long-term business strategies, the Group has always sought to recognize sustainability as a key factor in the creation of value, both internally and for the community and the environment, having regard for the real differences in each country where Group companies operate. Accordingly, on 5 October 2022 the Board of Directors approved the ESG (Environment, Social and Governance) Strategic Plan for the three-year period 2023-2025, which sets out the ambitions and commitments identified by the Group to assure sustainable economic growth over the long term, via the inclusion of twenty actions covering the environmental, social and governance areas. With particular reference to the environmental aspects, these actions provide a starting point for reaching the targets envisaged in the 2023-2032 decarbonization strategy.

The Board of Directors is responsible for the strategic leadership of Group CSR matters, with assistance from two Board committees:

- Sustainability Committee (“SC”)
  Investigates, advises, and makes recommendations to the Board of Directors when assessing and deciding on sustainability matters;

- Control and Risks Committee (“CRC”)

Assists the Board of Directors with regard to the system of internal control and risk management, as well as with examination of the periodic financial and non-financial reports.

Top management is responsible for the operational implementation of each approved initiative.

All actions envisaged in the 2023-2025 ESG Plan were completed during 2024. The objectives are to pursue "sustainable success" over the long term and embed fundamental ESG principles within the Group's strategies, creating an organizational framework that both recognizes the underlying core values and supports attainment of the Group's decarbonization goals for 2030 and 2050.

In particular, as resolved at the Shareholders' Meeting held on 28 April 2023, a "Sustainability Committee" (objective G.1) has been established with *inter alia* powers to investigate, recommend and advise the Board of Directors when considering and deciding on sustainability matters, including the objectives, processes and actions taken in an ESG context.

On 10 November 2023 the Board of Directors approved the 2023-2032 Decarbonization Strategy (objective E.1) and formalized the Succession Plan (objective G.3).

The pilot project in the circular economy field (objective E.4) was completed during 2024, and implementation of the supplier rating model that applies environmental and social criteria (objective S.5) was extended to all Italian manufacturing companies. Lastly, investors have been informed on an appropriate, constant and timely basis about the progress made towards achieving the objectives established in the ESG Plan (objective G.6).

Again during 2024, the Group adopted Guidelines for the eco-design of products (objective E.7), in order to identify and develop innovative processes that significantly extend product life cycles, promoting longer useful lives, reuse, and recycling, as well as a Global Mobility policy (objective S.4) to promote diversity, equity and inclusion within the organization, thereby facilitating cultural exchange and global collaboration.

In December 2024, the Group signed a Corporate Power Purchase Agreement with Statkraft Markets GmbH, for the supply over ten years of energy generated 100% from renewable sources. As a consequence, commencing from January 2025, the Group will purchase 20 GWh of electricity every year, at a predetermined price fixed for the entire duration of the agreement. The energy will be produced in Italy, principally by a photovoltaic plant recently installed in Lazio: this volume will contribute significantly to meeting the energy needs of 5 of the Group's principal Italian subsidiaries. This agreement represents a major step towards achievement of the objectives to reduce carbon intensity by 30% and increase the use of renewable energy sources to 25% of the Group's total requirement by 2025.

The Group draws inspiration from and has adopted the OECD Guidelines for multinational enterprises and the United Nations Guiding Principles for business and human rights, as well as the International Labor Organisation (ILO) conventions and the principles embodied in the UN Global Compact.

This constant commitment to the creation of economic, technological, human, social and environmental value enabled the Interpump Group to win the "Best Performer of the Year" award, promoted by the SDA Bocconi School of Management, on 16 February 2024. The assessment was made using a multi-dimensional analysis that took into account not only the economic and financial indicators, but also such factors as technological innovation and the social and environmental impacts of the Group's growth strategies.

In addition to the compliance regulation mentioned above, over the years the Group has prepared a set of internal Guidelines and Policies, communicated to all subsidiaries and updated periodically, comprising:

- the Code of Ethics;

- the Guidelines and Polices on anti-corruption, OHS and the environment, human rights and diversity, equity and inclusion, included in the Global Compliance Programs ("GCP");
- the Organization, Management and Control Model ("231 Model") pursuant to Decree 231/2001, which includes a "Whistleblowing Procedure" that explains how to submit and process reports on actual or alleged infringements of the principles and rules specified in the Code of Ethics, the Organization, Management and Control Model pursuant to Decree 231/2001, Group policies and procedures and, more broadly, the applicable laws and regulations.

5.1 Code of Ethics

The Code of Ethics collects and summarizes the principles of conduct and the ethical values that must be accepted and agreed by all collaborators. These include the principles of impartiality, honesty, professional ethics and respect for diversity. This Code is adopted by all Group companies, having due regard for the different cultural and social realities in all the geographical areas where they operate.

During 2022, the Group updated the Code of Ethics in order to embed the sustainability principles and commitments accepted on approval of the strategic 2023-2025 ESG Plan. In particular, the updated version places greater emphasis on such fundamental criteria as sustainable development, the protection of human and workers' rights, energy saving, the reduction of environmental impacts, the training of employees and corporate social responsibility, via dialog with and the direct involvement of all stakeholders.

Following the introduction of Decree 24/2023 on the protection of whistleblowers, being persons who report infringements of domestic or EU regulations that are detrimental to the public interest or threaten the activities of public administrations or private entities, and that become known in a working environment, the Group Code of Ethics was updated to align the process of managing such reports with that envisaged in the above regulation, having regard for the ANAC Guidelines as well.

The updated version of the Code of Ethics has been adopted by all subsidiaries within the Interpump Group, and the principles embodied therein have been widely disseminated and agreed.

5.2 Global Compliance Program

The Group has established a Global Compliance Program (GCP) containing Guidelines and Policies for conduct, in order to disseminate throughout the Group a culture for the conduct of business based on ethics and corporate social responsibility, as well as respect for the principle of legality. Adoption and implementation of these Guidelines and Policies is mandatory for all Group companies and binds all employees, directors and, where applicable, advisors, suppliers, customers and other third parties that maintain relations with Group companies.

The Anti-corruption Guidelines represent a set of rules and procedures designed to eliminate the risk of corrupt practices by all those that collaborate with Group companies, as well as by all persons who, for any reason and regardless of their contractual status, work in the name of and/or on behalf of Group companies. These Guidelines promote the principle of zero tolerance for all forms of corruption, and support full and unconditional compliance with the domestic and international laws and standards on combating corruption.

The OHS and environmental policy promotes responsible behavior, stimulating the continuous improvement of health and safety conditions in the workplace, as well as preservation of the surrounding environment. This policy gives all Group companies a set of rules and minimum measures designed to protect workers and minimize the impacts of Group activities on the environment and surrounding landscapes.

The human rights guidelines promote the protection of human and workers' rights, establishing instructions and rules of conduct designed to prevent all forms of discriminatory practice, including those based on personal circumstances, and combat the exploitation of workers and child labor. These Guidelines strongly support the principles of dignity, freedom and equality, the safeguarding of working conditions and union rights, and the promotion of occupational health and safety.

The Diversity, Equity, and Inclusion Policy provides a set of principles, objectives, and commitments that the Interpump Group has adopted in order to promote diversity, ensure equity, and foster inclusion within the organizational structure and externally, thereby supporting the advancement of an inclusive society. This Policy also aims to cultivate a corporate culture founded on inclusion and mutual respect, in the conviction that diversity, equity and inclusion, as well as the protection of workers' rights, are essential aspects of the Group's activities.

5.3 Organization, Management and Control Model (231 Model)

Interpump Group S.p.A. adopted an Organizational, Management and Control Model pursuant to Decree 231/2001 (hereinafter the "231 Model") on 22 January 2004. This has been updated subsequently including, most recently, on 15 May 2024. The latest version of the Model reflects the regulatory changes made up to that date including, in particular, the entry into force of Decree 24/2023 on whistleblowing matters and Decree 141/2024 on customs reforms, and takes into account the current organizational structure of the Company. After careful assessment of the risk of committing offenses specified in the Decree, the 231 Model has also been implemented by other Italian companies within the Group that, in consideration of their size and organizational complexity, have a higher level of relative risk with respect to those offenses.

The 231 Model comprises: (i) General Part that describes the profile of the Company, regulatory references, the foundational principles and elements that underpin the Model, the purpose of the Model and how it was created and structured, its recipients and the principles of functioning adopted by the Supervisory Body; (ii) Special Parts that comprise control protocols for each business process, define roles and responsibilities, and specify principles of conduct and control that all recipients of the protocol must follow when carrying out the sensitive activities identified; (iii) Disciplinary System adopted internally to penalize failures to comply with the provisions of the Model; (iv) Code of Ethics; (v) Bylaws of the Supervisory Body; (vi) Procedure for the management of information flows to the Supervisory Body, identifying the business functions that must provide information with a predetermined frequency.

The "Whistleblowing Procedure" explains how to submit and process reports on actual or alleged infringements of the principles and rules specified in the Code of Ethics, the Organization, Management and Control Model pursuant to Decree 231/2001, Group policies and procedures and, more broadly, the applicable laws and regulations. The above-mentioned Procedure describes and regulates the reporting process by giving the reporter (whistleblower) clear operational instructions about the subject, content and recipients of reports, as well as on how to submit them, guaranteeing to keep confidential the identity of the reporter from the moment in which the report is received, as well as to forbid any direct or indirect reprisals or discrimination against the whistleblower, in accordance with the applicable current regulations. The Procedure also governs determination of the validity and truth of the reports, so that appropriate corrective and disciplinary actions can be taken on a timely basis. Reports are directed to Report Managers, who are appointed by the supervisory bodies of all Group companies from within the Internal Audit, Risk & Compliance Function. Reports may be submitted through three preferential channels: web platform, telephone contact, or regular mail.

5.4 Management systems

In order to guarantee enhanced supervision and the control of risks, certain Group companies have adopted internal management systems certified by international bodies.

In particular, with reference to the quality-related topic, a number of companies have adopted and implemented quality management systems certified pursuant to UNI EN ISO 9001 - Quality management systems, while some plants are certified pursuant to UNI ISO/TS 16969:2009.

Certain companies have obtained international UNI EN ISO 14001:2004 certification for their environmental management systems and, in some cases, have commenced the update process in order to comply with the new requirements of standard UNI EN ISO 14001:2015.

Some companies have adopted safety management systems in accordance with international standard UNI EN ISO 45001:2019.

6. EXPOSURE TO RISKS AND UNCERTAINTIES AND FINANCIAL RISK FACTORS

The Group is exposed to the normal risks and uncertainties of any business activity. The markets in which the Group operates are world niche markets in many cases, with limited dimensions and few significant competitors. These characteristics represent a significant barrier to entry by new competitors, given the major benefits of economies of scale and the doubtful economic returns available to potential competitors. The Interpump Group enjoys a position of world leadership in the fields of high and very-high pressure pumps and power take-offs: these positions accentuate the risks and uncertainties of the business venture.

The following is an illustration of the financial risk factors to which the Group is exposed:

6.1 Market risks

6.1.1 Exchange rate risk

The Group has subsidiaries in 35 countries and translates financial statements denominated in 26 currencies other than the euro. Accordingly, the Group is principally exposed to the risk deriving from the translation of those financial statements.

The Group operates at an international level and mainly produces in the countries in which the destination markets are located; accordingly, revenues in local currency are largely absorbed by costs also incurred in that currency. However the Group is also exposed, to a lesser extent, to the exchange rate risk originating from revenues denominated in currencies other than those in which the related costs were incurred.

In order to manage exchange rate risk generated by forecasts of future commercial transactions stated in a currency other than the Group's functional currency (euro), Group companies can use plain vanilla forward contracts or purchase options, when deemed appropriate. The counterparties of these contracts are primary international financial institutions with high ratings.

There were no outstanding macro or hedging contracts at 31 December 2024.

In particular, the Group is exposed in relation to revenues denominated in US dollars, British pounds, Australian dollars, Canadian dollars and Chinese renminbi from commercial transactions with third-party customers and Group companies. It is current Group policy not to hedge recurring commercial transactions, taking out exchange risk hedges only in the event of those that are non-recurring, either in terms of amount or of the frequency with which they occur.

In relation to financial exposures, € 15.1 million of intercompany loans were disbursed and € 24.2 million collected during 2024 in currencies other than those utilized by the debtor or creditor companies. From a financial standpoint, these exposures are eliminated on consolidation of the financial statements, since they derive from relations with subsidiaries. At 31 December 2024 loans granted in currencies other than those used by the debtor or creditor companies totaled € 58.0 million, down by € 7.5 million since 31 December 2023. Once again in 2024, the Group made the strategic decision not to hedge these exposures.

6.1.2 Interest-rate risk

Interest-rate risk derives from medium/long-term loans granted at floating rates. It is currently Group policy not to arrange hedges, in view of the limited average duration of the existing bank loans (around 3.5 years).

6.2 Credit risk

The Group does not have any significant credit concentrations. Group policy is to sell to customers only after having evaluated their creditworthiness and, therefore, within predetermined credit limits. Historically, the Group has not incurred any major losses for bad debts.

6.3 Liquidity risk

Prudent management of liquidity risk involves the retention of an appropriate level of cash on hand and sufficient access to lines of credit. Because of the dynamic nature of the Group's business with the associated frequent acquisitions, it is Group policy to have access to stand-by lines of credit that can be utilized at very short notice.

6.4 Price and cash flow risk

The Group is subject to constant changes in metal prices, especially brass, iron, aluminum, steel, stainless steel and cast iron. Group policy is to hedge this risk where possible by way of medium-term commitments with suppliers, or by means of stocking policies when prices are low, or by entering into agreements with customers to transfer the risk to them.

The prices charged for steel (both stainless and for reinforcement and restoration purposes) did not fluctuate much in 2024, remaining stable compared with the prior year. By contrast, those charged for brass and aluminum rose considerably, with maximums near the peaks seen in H2 2022. Although the principal supply chain problems were overcome during the prior year, the Group has sometimes decided to purchase larger quantities in order to guarantee the availability of the materials needed for production purposes.

Further, the Group constantly monitors the price trend of these raw materials, seeking to adopt the most effective policies that minimize the exposure to this risk.

The Group does not hold listed securities that would be subject to stock market fluctuations. The revenues and cash flow of Group operating activities are not influenced by changes in interest generating assets.

The Group is monitoring developments carefully with regard to the import tariffs imposed on countries by the United States, and the counter-measures taken by them, analyzing the potential impacts on the business and studying the actions to be taken to mitigate their potential adverse effects.

6.5 Climate risks

With regard to climate change, the Interpump Group does not fall with the scope of Directive 2003/87/EC (as amended most recently by Directive (EU) 2018/410), which introduced and governs the European Union Emissions Trading System (EU ETS). The ETS is the principal tool adopted by the European Union to reach the CO_2 reduction targets established for the principal industrial sectors and aviation. Although the Interpump Group is not included in the industrial sectors covered by the ETS, the Group is nevertheless committed to combat climate change. The 2023-2025 ESG Plan, approved by the Board of Directors on 5 October 2022, includes actions in support of the ESG strategy that are intended to have a significant, concrete impact on the development of the business. In particular, the Plan not only adopts environmental protection and social inclusion objectives, but also strengthens the correlation between achievement of the ESG Plan objectives and the remuneration of top management.

In particular, the actions completed in 2024 were designed to help the Group reach its decarbonization targets for 2030 and 2050. Group strategy envisages the reduction of emissions via increased recourse to certified green electricity, the installation of new renewable energy plants and the optimization of energy consumption within the organization.

The path of sustainable growth and environmental protection taken by the Interpump Group also means devising processes that support the circular economy of products, the more efficient management of water resources and the development of technical solutions for the eco-design of products. The entire process will be achieved *inter alia* by leveraging throughout the organization the best practices developed in specific areas by each component part of the Group.

Given the above analyses and, in particular, the assessments made of the physical risks (acute and chronic) at Group locations, the resulting potential impacts on assets and revenues were not considered significant and, accordingly, no specific provisions or asset writedowns were recorded at 31 December 2024.

Again in view of the above, the forecasts reflected in the 2025-2029 business plans used for the impairment tests were not significantly affected by the above physical, climate-related risks but, nevertheless, were prepared in a prudent manner that contains the expected level of future cash flows.

The Group is also potentially exposed to risks deriving from the impacts of future, more restrictive laws and regulations governing energy efficiency and climate change, that might result in increased operating costs.

7. CORPORATE GOVERNANCE

In relation to corporate governance, Interpump Group's model is based on the provisions of the Corporate Governance Code promoted by Borsa Italiana S.p.A., published in January 2020, to which Interpump Group has adhered. The report on corporate governance and the ownership structure can be found in the Corporate Governance section of the website www.interpumpgroup.it.

The following table provides information on the number of shares held by the directors, statutory auditors, and key management personnel, as required by the combined provisions of art. 123-*(2)*, subsection 1.c), and art. 123-*(3)*, subsection 4, TUF:

Name	Number of shares held at 31/12/2023	Number of shares purchased and/or subscribed for in 2024	Number of shares sold in 2024	Number of shares held at 31/12/2024
Fulvio Montipò	1,555,233	-	-	1,555,233
Fabio Marasi	18,000	-	18,000	-
Key management personnel	1,010	5,000	5,000	1,010
Statutory auditors	-	-	-	-

Leila Montipò e Sorelle S.A.p.A. holds 73.08% of the share capital of Gruppo IPG Holding S.p.A., which in turn holds 25,501,799 shares in Interpump Group S.p.A., equal to 23.422% of the share capital. The other 26.92% interest in Gruppo IPG Holding S.p.A. is held by Tamburi Investment Partners S.p.A., in which Giovanni Tamburi (Deputy Chairman of the Board of Directors of Interpump Group S.p.A.) is the Chairman of the Board of Directors and Chief Executive Officer.

Leila Montipò e Sorelle S.A.p.A., formed on 6 November 2020, holds a controlling interest pursuant to art. 2359, subsection 2, of the Italian Civil Code in Gruppo IPG Holding S.p.A. and, accordingly, is required to prepare consolidated financial statements since the exemption clauses envisaged in art. 27 of Decree 127 dated 9 April 1991: the financial statements are prepared under the IFRS issued by the International Accounting Standards Board and adopted by the European Union.

From FY 2021, Gruppo IPG Holding S.p.A. is no longer required to prepare consolidated financial statements since Leila Montipò e Sorelle S.A.p.A. was formed on 6 November 2020 and is subject to that obligation, being the parent company of Gruppo IPG Holding S.p.A., owning 73.08% of its share capital. Nevertheless, Gruppo IPG Holding S.p.A. has not elected to apply that exemption and continues to prepare consolidated financial statements.

Leila Montipò e Sorelle S.A.p.A. does not carry out management and coordination activities in relation to Gruppo IPG Holding S.p.A. and is also not subject to any management and coordination activities.

Gruppo IPG Holding S.p.A. does not carry out any management or coordination activities in relation to Interpump Group S.p.A. and is also not subject to any management and coordination activities.

The resolution adopted by the Board of Directors of Interpump Group S.p.A. on 12 June 2008 acknowledges that Interpump Group S.p.A. is not subject to management or coordination by Gruppo IPG Holding S.p.A. because:

- the shareholder has no means or facilities for the execution of such activities, having no employees or other personnel capable of providing support for the activities of the Board of Directors;

- the shareholder does not prepare the budgets or business plans of Interpump Group S.p.A.;
- the shareholder does not issue any directives or instructions to its subsidiary, nor does it require to be informed beforehand or to approve either its most significant transactions or its routine administration;
- there are no formal or informal committees or work groups in existence, formed of representatives of Gruppo IPG Holding and representatives of the subsidiary.

At the date of this report there were no changes in relation to the conditions stated above.

8. STOCK OPTION PLANS

With the aim of motivating Group management and promoting participation in the goal of value creation for shareholders, there are currently two stock option plans in existence, one approved at the Shareholders' Meeting of 30 April 2019 (**2019-2021** plan) and one approved at the Shareholders' Meeting of 29 April 2022 (**2022-2024** plan).

The Shareholders' Meeting held on 30 April 2019 approved a stock option plan, known as the "*Interpump Incentive Plan 2019-2021*", which envisages granting a maximum of 2,500,000 options at an exercise price of Euro 28.4952 each and, for options granted after 30 April 2020, at the official price quoted on the Italian Stock Exchange on the day prior to the grant date. The meeting of the Board of Directors held on 27 June 2019 decided that 2,500,000 options would be granted, determined the total number of options in each tranche (750,000 for the first tranche, 875,000 for the second tranche and 875,000 for the third tranche) and established conditions for exercising the options that are linked to the achievement of specific financial statement parameters; in addition, 1,800,000 options were granted to Fulvio Montipò, the Executive Chairman, and 418,500 options were granted to other beneficiaries. A further 20,000 options were granted to other beneficiaries on 3 June 2020. Overall, a total of 2,238,500 options have therefore been granted. The options can be exercised from 30 June 2022 to 31 December 2025.

On 18 March 2024, the Board of Directors deemed it appropriate to identify the persons in certain key roles within the Company and the Group as "Key Management Personnel", recalling that, pursuant to the Consob Regulation on Related-Party Transactions, adopted by Resolution no. 17221 dated 12 March 2010, such persons are those who "*have the power and responsibility, directly or indirectly, to plan, manage, and control the activities of the company*".

The options granted to the executives concerned, previously classified among the other beneficiaries, are now classified separately in the tables below.

The status of the **2019-2021** plan was as follows at 31 December 2024:

Options granted at 1 January	**101,276**
Options canceled in the year	-
Options exercised in the year	(20,500)
Total options granted at 31 December	**80,776**

The beneficiaries of the options were:

	Option exercise price per share	Vesting period	Number of options granted, start of year	Number of options canceled in the year	Number of options exercised in the year	Number of options exercisable at year end
Directors of the Parent Company						
❑ Fulvio Montipò	€ 28.4952	01.07.2022-31.12.2025	-	-	-	-
❑ Fabio Marasi	€ 28.4952	01.07.2022-31.12.2025	-	-	-	-
Key management personnel	€ 27.9868	01.07.2022-31.12.2025	10,000	-	(5,000)	5,000
Other beneficiaries	€ 28.4952	01.07.2022-31.12.2025	91,276	-	(15,500)	75,776
Total			**101,276**	**-**	**(20,500)**	**80,776**

The Shareholders' Meeting held on 29 April 2022 approved a new stock option plan, known as the "*Interpump Incentive Plan 2022-2024*", which envisages granting a maximum of 2,250,000 options at an exercise price of Euro 38.6496 each and, for options granted after 29 April 2023, at the official price quoted on the Italian Stock Exchange on the day prior to the grant date. The meeting of the Board of Directors held on the same date granted 1,620,000 options to Fulvio Montipò, the Executive Chairman. A further 288,000 options and 6,000 options were granted to other beneficiaries on, respectively, 23 May 2022 and 20 October 2022.

The Board of Directors then granted an additional total of 35,000 options on 28 April 2023, of which 15,000 to Fabio Marasi, Chief Executive Officer, and 20,000 to other beneficiaries. Overall, therefore, 1,914,000 options were granted during 2022 and 35,000 were granted in 2023. A total of 21,200 options were canceled in 2024 (2,000 in 2023). The options can be exercised between 30 June 2025 and 31 December 2028.

The status of the **2022-2024** plan was as follows at 31 December 2024:

Number of rights granted at 1 January	**1,940,000**
Number of rights granted	-
Number of rights canceled	(21,200)
Total number of rights not yet exercised at 31/12/2024	**1,918,800**

The beneficiaries of the rights were:

	Right exercise price per share	Vesting period	Number of rights granted, start of year	Number of rights canceled in the year	Number of rights granted in the year	Number of rights exercised in the year	Number of rights exercisable at year end
Directors of the Parent Company							
• Fulvio Montipò	€ 38.6496	01.07.2025-31.12.2028	1,620,000	-	-	-	1,620,000
• Fabio Marasi	€ 38.6496	01.07.2025-31.12.2028	60,000	-	-	-	60,000
Key management personnel	€ 38.6496	01.07.2025-31.12.2028	80,000	-	-	-	80,000
Other beneficiaries	€ 38.6496	01.07.2025-31.12.2028	180,000	(21,200)	-	-	158,800
Total			**1,940,000**	**(21,200)**	**-**	**-**	**1,918,800**

9. RELATIONS WITH GROUP COMPANIES AND TRANSACTIONS WITH RELATED PARTIES

In compliance with the provisions of the Consob regulation adopted with resolution no. 17221 of 12 March 2010, as amended, Interpump Group S.p.A. has adopted the procedure that regulates related party transactions. This procedure was approved for the first time by the Board of Directors on 10 November 2010 and has been continuously updated in accordance with the regulatory provisions in force time by time and adapted to reflect current practices. In particular, on 28 June 2021 the Board of Directors approved a new version that takes account of the effects of Decree 49/2019, which transposed into Italian law the provisions of Directive (EU) 2017/828 ("Shareholders' Rights II") with regard to related parties, as well as the related amendments made by CONSOB on 10 December 2020 to the Issuers' Regulation and the Regulation governing Related Party Transactions. Lastly, on 4 August 2023 the Board of Directors approved a new version of the procedure that reflects the latest regulatory changes, of a minor nature, made since the amendments mentioned above. The new version can be found in the Corporate Governance section of the Interpump website (www.interpumpgroup.it).

Information on transactions carried out with related parties is given in Note 34 of this Annual Financial Report. Overall, there were no atypical or unusual transactions with related parties during 2024 and the transactions that did take place, in the ordinary course of business by the Group companies concerned, were conducted on an arm's-length basis.

10. TREASURY SHARES

At 31 December 2024 the Parent company held 2,138,363 shares, representing 1.964% of capital, acquired at an average unit cost of Euro 39.08417.

11. RECONCILIATION WITH THE FINANCIAL STATEMENTS OF THE PARENT COMPANY

The consolidated shareholders' equity and net profit attributable to the owners of the Parent company are reconciled below with the equivalent amounts reported in the separate financial statements:

	Shareholders' equity at 31/12/2024	Net profit for 2024	Shareholders' equity at 31/12/2023
Parent Company's financial statements	**719,020**	**101,342**	**656,362**
Difference between the book value of consolidated investments and their valuation according to the equity method	1,292,791	126,332	1,140,052
Greater book value of a building owned by the Parent Company	161	(4)	165
Elimination of Parent Company's intercompany profits	(3,620)	(619)	(3,001)
Total consolidation adjustments	1,289,332	125,709	1,137,216
Consolidated shareholders' equity and net profit attributable to the owners of the Parent Company	**2,008,352**	**227.0519**	**1,793,578**

12. GROUP COMPANIES

At 31 December 2024 the Interpump Group is led by Interpump Group S.p.A., which holds direct and indirect controlling interests in 121 companies (7 of which are dormant and/or in liquidation) operating in two business segments (the Hydraulic Sector and the Water Jetting Sector).

The Parent Company, with registered offices in Sant'Ilario d'Enza, mainly produces high and very high pressure plunger pumps for water, as well as high pressure cleaners, which are classified in the Water Jetting Sector.

The main data of the consolidated subsidiaries are summarized in the table below, whereas for the Parent Company the data are provided in the financial report attached hereto.

Companies consolidated line by line	Share capital €/000	Percentage control at 31/12/2024	Location	Main activity	Revenues €/million 31/12/2024	Revenues €/million 31/12/2023	Average number of employees 2024	Average number of employees 2023
Alfa Valvole S.r.l. **(D)**	1,560	100.00%	Casorezzo (MI)	Design and distribution of volumetric pumps (Water-Jetting sector)	16.2	-	56	-
GP Companies Inc.	1,854	100.00%	Minneapolis - USA	Distributor of high-pressure pumps (Water-Jetting sector)	60.3	60.9	63	61
Hammelmann Australia Pty Ltd	472	100.00%	Melbourne - Australia	Sale of very high pressure systems and pumps (Water-Jetting sector)	16.3	15.5	27	27
Hammelmann Corporation Inc.	39	100.00%	Miamisburg - USA	Sale of very high pressure systems and pumps (Water-Jetting sector)	30.2	32.7	32	31
Hammelmann France	50	100.00%	Etrichè – France	Sale of very high pressure systems and pumps (Water-Jetting sector)	9.7	8	7	6
Hammelmann GmbH	25	100.00%	Oelde - Germany	Very high pressure systems and pumps (Water-Jetting sector)	184.0	150.3	456	420
Hammelmann Pumps Systems Co Ltd	871	90.00%	Tianjin - China	Sale of very high pressure systems and pumps (Water-Jetting sector)	12.9	11.2	27	28
Hammelmann S. L.	500	100.00%	Zaragoza - Spain	Sale of very high pressure systems and pumps (Water-Jetting sector)	5.4	4.7	9	8
Hammelmann Swiss GmbH	89	100.00%	Dudingen - Switzerland	Sale of very high pressure systems and pumps (Water-Jetting sector)	1.8	3.8	2	2
I.mec S.r.l. **(B)**	100	70.00%	Reggio Emilia	Production of production of mechanical sifters (Water-Jetting sector)	13.3	9.6	52	31
Improved Solutions Unipessoal Ltda (Portugal)	760	100.00%	Vale de Cambra – Portugal	Production and sale of equipment for the food processing, chemicals, cosmetics and pharmaceuticals industries (Water-Jetting sector)	9.0	7.7	53	49
Inoxihp S.r.l.	119	52.72%	Nova Milanese (MI)	Production and sale of very high pressure systems and pumps (Water-Jetting sector)	21.6	19.2	57	56
Inoxpa S.A.U.	23,000	100.00%	Banyoles – Spain	Production and sale of equipment for the food processing, chemicals, cosmetics and pharmaceuticals industries (Water-Jetting sector)	64.7	61.2	249	245
Inoxpa India Private Ltd	6,779	100.00%	Pune - India	Production and sale of equipment for the food processing, chemicals, cosmetics and pharmaceuticals industries (Water-Jetting sector)	15.8	16.8	100	94

Companies consolidated line by line	Share capital €/000	Percentage control at 31/12/2024	Location	Main activity	Revenues €/million 31/12/2024	Revenues €/million 31/12/2023	Average number of employees 2024	Average number of employees 2023
Inoxpa Solutions France	2,071	100.00%	Gleize – France	Production and sale of equipment for the food processing, chemicals, cosmetics and pharmaceuticals industries (Water-Jetting sector)	11.3	15	30	29
Inoxpa Solutions Moldova	317	66.67%	Chisinau - Moldova	Sale of equipment for the food processing, chemicals, cosmetics and pharmaceuticals industries (Water-Jetting sector)	3.0	2.5	27	25
Inoxpa Colombia SAS	133	100.00%	Bogotá - Colombia	Sale of equipment for the food processing, chemicals, cosmetics and pharmaceuticals industries (Water-Jetting sector)	7.1	6.1	23	20
Inoxpa Italia S.r.l.	100	100.00%	Mirano (VE)	Sale of equipment for the food processing, chemicals, cosmetics and pharmaceuticals industries (Water-Jetting sector)	4.7	7.1	16	14
Inoxpa Skandinavien A/S	134	100.00%	Horsens – Denmark	Sale of equipment for the food processing, chemicals, cosmetics and pharmaceuticals industries (Water-Jetting sector)	2.5	2.3	5	5
Inoxpa South Africa Proprietary Ltd	104	100.00%	Gauteng - South Africa	Sale of equipment for the food processing, chemicals, cosmetics and pharmaceuticals industries (Water-Jetting sector)	4.3	4.3	18	17
Inoxpa Special Processing Equipment Co. Ltd	1,647	100.00%	Jianxing – China	Sale of equipment for the food processing, chemicals, cosmetics and pharmaceuticals industries (Water-Jetting sector)	7.8	10.3	6	6
Shanghai PuPeng Flow Technology Co. Ltd. **(C)**	1,170	60.00%	Shanghai - China	Production and sale of equipment for the food processing, chemicals, cosmetics and pharmaceuticals industries (Water-Jetting sector)	2.5	-	14	-
Inoxpa China Flow Technology Co. Ltd. **(C)**	1,536	60.00%	Shanghai - China	Sale of equipment for the food processing, chemicals, cosmetics and pharmaceuticals industries (Water-Jetting sector)	5.4	-	17	-
Inoxpa Ukraine	113	100.00%	Kiev – Ukraine	Sale of equipment for the food processing, chemicals, cosmetics and pharmaceuticals industries (Water-Jetting sector)	0.6	0.5	4	4

Companies consolidated line by line	Share capital €/000	Percentage control at 31/12/2024	Location	Main activity	Revenues €/million 31/12/2024	Revenues €/million 31/12/2023	Average number of employees 2024	Average number of employees 2023
Inoxpa USA Inc.	1,426	100.00%	Santa Rosa - USA	Sale of equipment for the food processing, chemicals, cosmetics and pharmaceuticals industries (Water-Jetting sector)	4.2	4.1	9	8
Inoxpa LTD	1,435	70.00%	Podolsk - Russia	Sale of equipment for the food processing, chemicals, cosmetics and pharmaceuticals industries (Water-Jetting sector)	12.4	14.4	58	57
Inoxpa Mexico S.A. de C.V.	309	100.00%	Mexico City - Mexico	Sale of equipment for the food processing, chemicals, cosmetics and pharmaceuticals industries (Water-Jetting sector)	1.4	1.2	5	4
NLB Corporation Inc.	12	100.00%	Detroit - USA	Production and sale of very high pressure systems and pumps (Water-Jetting sector)	98.9	100.6	246	244
Pioli s.r.l.	10	100.00%	Reggio Emilia	Galvanic treatment of metals (Water-Jetting sector)	3.8	4.3	28	34
Servizi Industriali S.r.l.	100	80.00%	Ozzano Emilia (BO)	Sale of centrifugal separators (Water-Jetting sector)	7.3	6.7	26	24
SIT S.p.A.	105	88.00%	S.Ilario d'Enza (RE)	Drawing, shearing and pressing sheet metal (Water-Jetting sector)	3.2	4.7	18	18
Waikato Holding Limited (NZ)	29,480	100.00%	Auckland - New Zealand	Design, production and sale of mechanized milking systems (Water-Jetting sector)	-	-	-	-
Waikato Milking Systems L.P. (NZ) **(B)**	46,803	100.00%	Auckland - New Zealand	Design, production and sale of mechanized milking systems (Water-Jetting sector)	23.1	13.8	86	57
Waikato Milking Systems Lease Ltd	-	100.00%	Auckland - New Zealand	Design, production and sale of mechanized milking systems (Water-Jetting sector)	-	-	-	-
Waikato Milking Systems USA LLC **(B)**	-	100.00%	Verona - USA	Design, production and sale of mechanized milking systems (Water-Jetting sector)	6.8	5	12	9
Waikato Milking Systems UK Limited **(B)**	-	100.00%	Shrewsbury - United Kingdom	Design, production and sale of mechanized milking systems (Water-Jetting sector)	2.0	2.4	3	1
Waikato Milking Systems Ireland Ltd **(B)**	1	100.00%	Dublin - Ireland	Design, production and sale of mechanized milking systems (Water-Jetting sector)	0.7	2.6	3	2
Interpump Hydraulics S.p.A.	2,632	100.00%	Calderara di Reno (BO)	Production and sale of power take-offs and hydraulic pumps (Hydraulic sector)	106.1	104.2	305	299

Companies consolidated line by line	Share capital €/000	Percentage control at 31/12/2024	Location	Main activity	Revenues €/million 31/12/2024	Revenues €/million 31/12/2023	Average number of employees 2024	Average number of employees 2023
Contarini Leopoldo S.r.l.	47	100.00%	Lugo (RA)	Production and sale of hydraulic cylinders (Hydraulic sector)	23.6	30.2	105	107
Unidrò Contarini S.a.s.	8	100.00%	Barby - France	Production and sale of hydraulic cylinders (Hydraulic sector)	5.7	6.2	15	16
Copa Hydrosystem Ood	3	100.00%	Troyan - Bulgaria	Production and sale of hydraulic cylinders (Hydraulic sector)	9.3	12	150	159
Hydrocar Chile S.A.	129	90.00%	Santiago - Chile	Sale of hydraulic pumps and power take-offs (Hydraulic sector)	8.5	9.1	50	50
Hydroven S.r.l.	200	100.00%	Tezze sul Brenta (VI)	Sale of ancillary products for industrial vehicles, hydraulic pumps and power take-offs (Hydraulic sector)	28.0	29.4	58	57
Interpump Hydraulics Brasil Ltda	15,126	100.00%	Caxia do Sul - Brazil	Production and sale of power take-offs, hydraulic pumps and cylinders (Hydraulic sector)	24.2	22.6	164	155
Interpump Hydraulics France S.a.r.l.	76	99.77%	Ennery - France	Sale of hydraulic pumps and power take-offs (Hydraulic sector)	4.6	4.2	13	13
Interpump Hydraulics India Private Ltd	682	100.00%	Hosur - India	Production and sale of power take-offs and hydraulic pumps (Hydraulic sector)	20.0	22.1	131	122
Interpump Hydraulics Middle East FZE	1,226	100.00%	Dubai - United Arab Emirates	Sale of ancillary products for industrial vehicles, hydraulic pumps and power take-offs (Hydraulic sector)	0	0	2	2
Interpump South Africa PTY Ltd	-	100.00%	Johannesburg – South Africa	Sale of ancillary products for industrial vehicles, hydraulic pumps and power take-offs (Hydraulic sector)	4.5	4.9	30	30
Eurofluid Hydraulics S.r.l.	100	80.00%	Albinea (RE)	Production and sale of hydraulic valves and directional controls (Hydraulic sector)	18.4	25.2	77	74
Interpump Hydraulics (UK) Ltd.	13	100.00%	Kidderminster – United Kingdom	Sale of hydraulic pumps and power take-offs (Hydraulic sector)	20.8	20.1	89	74
H.S. S.r.l. **(E)**	99	100.00%	Sulbiate (MB)	Production and sale of hydraulic systems (Hydraulic sector)	2.5	-	13	-
Hidrover Equipamentos Hidráulicos Ltda. **(F)**	10,107	59.00%	Flores da Cunha - Brazil	Production and sale of hydraulic cylinders (Hydraulic sector)	1.2	-	12	-
Mega Pacific Pty Ltd	335	100.00%	Newcastle – Australia	Sale of hydraulic products (Hydraulic sector)	20.9	19.2	43	40

Companies consolidated line by line	Share capital €/000	Percentage control at 31/12/2024	Location	Main activity	Revenues €/million 31/12/2024	Revenues €/million 31/12/2023	Average number of employees 2024	Average number of employees 2023
Mega Pacific NZ Pty Ltd	557	100.00%	Mount Maunganui – New Zealand	Sale of hydraulic products (Hydraulic sector)	1.7	2	5	5
Muncie Power Prod. Inc.	784	100.00%	Muncie - USA	Hydraulic pumps and power take-offs (Hydraulic sector)	144.9	130.9	436	427
North American Manufacturing Inc.	3,410	100.00%	Fairmount - USA	Production and sale of hydraulic tanks (Hydraulic sector)	13.9	13.2	83	82
Hydra Dyne Technology Inc.	80	89.99%	Ingersoll - Canada	Production and sale of hydraulic cylinders, valves and rotary unions (Hydraulic sector)	24.9	36.9	152	192
Oleodinamica Panni S.r.l.	2,000	100.00%	Tezze sul Brenta (VI)	Production and sale of hydraulic cylinders (Hydraulic sector)	59.9	76.3	273	266
Wuxi Interpump Weifu Hydraulics Company Ltd	2,095	65.00%	Wuxi - China	Production and sale of hydraulic pumps and power take-offs (Hydraulic sector)	10.1	14	53	57
IMM Hydraulics S.p.A.	520	100.00%	Atessa (Switzerland)	Production and sale of hydraulic hoses and fittings (Hydraulic sector)	74.4	92	387	373
IFS France S.a.r.l.	162	100.00%	Strasbourg - France	Sale of hydraulic hoses and fittings (Hydraulic sector)	2.9	2.7	8	7
Interpump Fluid Solutions Germany GmbH	52	100.00%	Meinerzhagen - Germany	Sale of hydraulic hoses and fittings (Hydraulic sector)	8.2	7.8	17	17
IMM Hydro Est	3,155	100.00%	Catcau Cluj Napoca - Romania	Production and sale of hydraulic hoses and fittings (Hydraulic sector)	13.8	9	180	167
FGA S.r.l.	10	100.00%	Fossacesia (CH)	Surface treatments (Hydraulic sector)	1.6	1.8	13	12
Innovativ Gummi Tech S.r.l.	4,100	100.00%	Ascoli Piceno (AP)	Production and sale of rubber mixtures (Hydraulic sector)	6.1	8.4	19	19
Tekno Tubi S.r.l.	100	100.00%	Terre del Reno (FE)	Production and sale of rigid and flexible hydraulic lines (Hydraulic sector)	17.8	26.6	90	90
Tubiflex S.p.A.	515	100.00%	Orbassano (TO)	Production and sale of flexible hoses (Hydraulic sector)	24.6	27.5	121	130

Companies consolidated line by line	Share capital €/000	Percentage control at 31/12/2024	Location	Main activity	Revenues €/million 31/12/2024	Revenues €/million 31/12/2023	Average number of employees 2024	Average number of employees 2023
Walvoil S.p.A.	7,692	100.00%	Reggio Emilia	Production and sale of hydraulic valves and directional controls (Hydraulic sector)	250.7	323	1,340	1,303
Walvoil Fluid Power Corp.	137	100.00%	Tulsa - USA	Sale of hydraulic valves and directional controls (Hydraulic sector)	70.1	76.1	76	77
Walvoil Fluid Power (India) Pvt Ltd	4,803	100.00%	Bangalore - India	Production and sale of hydraulic valves and directional controls (Hydraulic sector)	59.2	59.9	342	391
Walvoil Fluid Power Korea Llc	453	100.00%	Pyeongtaek – South Korea	Production and sale of hydraulic valves and directional controls (Hydraulic sector)	15.6	21.2	70	77
Walvoil Fluid Power France Sarl	10	100.00%	Vritz – France	Production and sale of hydraulic valves and directional controls (Hydraulic sector)	-	-	4	4
Walvoil Fluid Power Australasia	7	100.00%	Melbourne - Australia	Agent for the sale of hydraulic valves and directional controls (Hydraulic sector)	-	-	2	1
Walvoil Canada Inc.	76	100.00%	Terrebonne Quebec - Canada	Sale of hydraulic valves and directional controls (Hydraulic sector)	7.1	7.8	19	17
Walvoil Fluid Power Dongguan Co. Ltd	3,720	100.00%	Dongguan - China	Production and sale of hydraulic valves and directional controls (Hydraulic sector)	22.0	22.8	142	146
IPG Mouldtech India PVT Ltd **(A)**	298	85.00%	Coimbatore - India	Smelting of ferrous metals, cast iron and aluminum (Hydraulic sector)	7.5	6.7	111	85
Reggiana Riduttori S.r.l.	6,000	100.00%	S. Polo d'Enza (RE)	Production and sale of power transmission systems: planetary gears, ratiomotors and drive wheels (Hydraulic sector)	100.5	131.9	234	243
RR USA Inc.	1	100.00%	Boothwin USA	Sale of power transmission systems: planetary gears, ratiomotors and drive wheels (Hydraulic sector)	45.8	51.2	26	26
RR Canada Inc.	1	100.00%	Vaughan Canada	Sale of power transmission systems: planetary gears, ratiomotors and drive wheels (Hydraulic sector)	5.7	6.1	7	7

Companies consolidated line by line	Share capital €/000	Percentage control at 31/12/2024	Location	Main activity	Revenues €/million 31/12/2024	Revenues €/million 31/12/2023	Average number of employees 2024	Average number of employees 2023
RR Holland BV	19	100.00%	Oosterhout - Netherlands	Sale of power transmission systems: planetary gears, ratiomotors and drive wheels (Hydraulic sector)	8.4	8.4	13	14
RR France S.a r.l.	400	95.00%	Thouare sur Loire - France	Sale of power transmission systems: planetary gears, ratiomotors and drive wheels (Hydraulic sector)	3.4	3.9	9	7
RR Slovakia A.S.	340	100.00%	Zvolen - Slovakia	Production and sale of power transmission systems: planetary gears, ratiomotors and drive wheels (Hydraulic sector)	1.2	1.2	27	31
RR Pacific Pty	249	100.00%	Victoria - Australia	Sale of power transmission systems: planetary gears, ratiomotors and drive wheels (Hydraulic sector)	5.1	4.6	7	8
Transtecno S.r.l.	100	100.00%	Anzola dell'Emilia (BO)	Production and sale of gears and ratiomotors (Hydraulic sector)	55.5	56.8	138	136
Hangzhou Interpump Power Transmission Co. Ltd	575	100.00%	Hangzhou - China	Production and sale of gears and ratiomotors (Hydraulic sector)	38.0	24.9	170	160
Transtecno Iberica the Modular Gearmotor S.A.	203	70.00%	Gava - Spain	Sale of gears and ratiomotors (Hydraulic sector)	4.1	3.4	12	13
MA Transtecno S.A.P.I. de C.V.	124	70.00%	Apodaca - Mexico	Sale of gears and ratiomotors (Hydraulic sector)	5.1	7.2	24	24
Transtecno BV	18	51.00%	Amersfoort - Netherlands	Sale of gears and ratiomotors (Hydraulic sector)	4.0	3.7	7	8
Transtecno Aandrijftechniek - Netherlands	-	51.00%	Amersfoort - Netherlands	Sale of gears and ratiomotors (Hydraulic sector)	1.0	1.2	1	1
White Drive Motors and Steering Sp z oo	33,254	100.00%	Wroclaw - Poland	Production and sale of orbital motors and steering systems (Hydraulic sector)	86.3	150.7	502	609
White Drive Motors and Steering, LLC	77,466	100.00%	Hopkinsville - USA	Production and sale of hydraulic valves and directional controls (Hydraulic sector)	68.3	108	253	366

Companies consolidated line by line	Share capital €/000	Percentage control at 31/12/2024	Location	Main activity	Revenues €/million 31/12/2024	Revenues €/million 31/12/2023	Average number of employees 2024	Average number of employees 2023
Interpump Piping GS S.r.l.	10	100.00%	Reggio Emilia	Piping holding company (Hydraulic sector)	-	-	-	-
GS-Hydro Singapore Pte Ltd	624	100.00%	Singapore	Design, production and sale of piping systems (Hydraulic sector)	2.3	1.4	6	6
GS-Hydro Korea Ltd.	1,892	100.00%	Busan - South Korea	Design, production and sale of piping systems (Hydraulic sector)	11.2	10.6	38	33
GS-Hydro Piping Systems (Shanghai) Co. Ltd.	2,760	100.00%	Shanghai - China	Design, production and sale of piping systems (Hydraulic sector)	6.9	6.8	48	49
GS-Hydro Benelux B.V.	18	100.00%	Barendrecht - Netherlands	Design, production and sale of piping systems (Hydraulic sector)	8.8	6.8	20	17
GS-Hydro Austria GmbH	40	100.00%	Pashing - Austria	Design, production and sale of piping systems (Hydraulic sector)	7.1	8.6	26	26
GS-Hydro Sp z o.o. - Poland	1,095	100.00%	Gdynia - Poland	Design, production and sale of piping systems (Hydraulic sector)	4.2	4.4	27	28
GS-Hydro Denmark AS	67	100.00%	Kolding - Denmark	Design, production and sale of piping systems (Hydraulic sector)	4.1	4	14	15
GS-Hydro S.A.U (Spain)	90	100.00%	Las Rozas - Spain	Design, production and sale of piping systems (Hydraulic sector)	12.8	12.3	62	67
Suministros Franquesa S.A.	160	100.00%	Lleida - Spain	Assembly and sale of hydraulic hoses, fittings and other components (Hydraulic sector)	1.5	1.5	11	10
GS-Hydro U.S. Inc.	9,903	100.00%	Houston - USA	Design, production and sale of piping systems (Hydraulic sector)	2.0	2.2	5	5
GS-Hydro do Brasil Sistemas Hidr. Ltda	252	100.00%	Rio de Janeiro - Brazil	Design, production and sale of piping systems (Hydraulic sector)	1.8	1.8	9	8
GS-Hydro System GmbH (Germany)	179	100.00%	Witten - Germany	Design, production and sale of piping systems (Hydraulic sector)	-	-	1	1
GS-Hydro UK Ltd	5,095	100.00%	Aberdeen - United Kingdom	Design, production and sale of piping systems (Hydraulic sector)	20.7	18.3	93	90

Companies consolidated line by line	Share capital €/000	Percentage control at 31/12/2024	Location	Main activity	Revenues €/million 31/12/2024	Revenues €/million 31/12/2023	Average number of employees 2024	Average number of employees 2023
GS-Hydro Ab (Sweden)	120	100.00%	Kista - Sweden	Design, production and sale of piping systems (Hydraulic sector)	2.0	1.9	**4**	3
GS-Hydro Hong Kong Ltd	1	100.00%	Hong Kong	Design, production and sale of piping systems (Hydraulic sector)	0.3	0.3	-	-
Hi-Tech Enviro Solutions Limited	-	100.00%	Auckland - New Zealand	Inoperative (Water-Jetting sector)	-	-	-	-
WMS GP Limited (NZ)	-	100.00%	Hamilton - New Zealand	Inoperative (Water-Jetting sector)	-	-	-	-
White Drive Motors and Steering GmbH	25	100.00%	Parchim - Germany	in liquidation (Hydraulic sector)	0.1	12.1	8	72
AllTube Engineering Ltd	351	100.00%	Daventry - United Kingdom	Dormant (Hydraulic sector)	0.7	-	11	-
IMM Hydraulics Ltd	-	100.00%	Kidderminster - United Kingdom	Dormant (Hydraulic sector)	-	-	-	-
Bristol Hose Ltd	-	100.00%	Bristol - United Kingdom	Dormant (Hydraulic sector)	-	-	-	-
RR India Pvt. Ltd	52	99.99%	New Delhi - India	Dormant (Hydraulic sector)	-	-	-	-

Companies not consolidated line by line	Share capital €/000	Percentage control at 31/12/2024	Location	Main activity
General Pump China	111	100.00%	Ningbo – China	Sale of components (Water-Jetting sector)
Interpump Hydraulics Perù	318	90.00%	Lima - Peru	Sale of hydraulic pumps and power take-offs (Hydraulic sector)
Interpump Hydraulics Rus	172	100.00%	Moscow - Russia	Sale of hydraulic pumps and power take-offs (Hydraulic sector)
Hammelmann Vostok	86	100.00%	Moscow - Russia	Sale of very high pressure systems and pumps (Water-Jetting sector)
Interpump Antriebstechnik GmbH	25	100.00%	Stuttgart - Germany	Sale of power transmission systems: planetary gears, ratiomotors and drive wheels (Hydraulic sector)
Walvoil Fluid Power Mexico S.A. de C.V.	249	100.00%	Apodaca - Mexico	Production and sale of hydraulic valves and directional controls (Hydraulic sector)

A) = Revenues for 9 months in 2023
B) = Revenues for 7 months in 2023
C) = Revenues for 9 months in 2024
D) = Revenues for 7 months in 2024
E) = Revenues for 6 months in 2024
F) = Revenues for 1 month in 2024

13. EVENTS OCCURRING AFTER THE CLOSE OF THE YEAR AND BUSINESS OUTLOOK

No atypical or unusual transactions have been carried out subsequent to 31 December 2024 that would call for changes to these consolidated financial statements.

The scenarios that marked FY2024 have not changed significantly in the first few weeks of 2025. The environment therefore remains complex and difficult to read: based on activity at the start of the year, the Group estimates - on an organic basis - that annual turnover will fall in the range between +1% and -5%, with the early months of 2025 being the most challenging period of the entire year. With regard to operating activities, the strength of the Water-Jetting division should mitigate the moderate downturn in the Hydraulic division.

At the same time, the Group will continue to implement all countermeasures designed to protect and consolidate margins, with the further objective of maintaining and ideally increasing the already significant level of cash generation.

14. OTHER INFORMATION

With regard to the regulatory requirements envisaged in art.15 of the Consob Market Regulation (previously art. 36, updated by Consob Decision 20249 dated 28 December 2017), on the conditions for listing the parent companies of subsidiaries formed in or governed by the laws of countries that are not EU member states, it is confirmed with respect to the situation at 31 December 2023 that there have not been any changes in the companies of importance to the consolidated financial statements, given their inclusion in the audit plan.

The Interpump Group is especially active in making acquisitions, including of small and medium-sized companies, which is why it comprises a large number of companies, including small enterprises, and has a direct presence in 35 countries.

Sustainability Reporting – CSRD

1. ESRS 2 – GENERAL DISCLOSURES

1.1 PREPARATION CRITERIA

1.1.1 Disclosure requirement BP-1: General basis for preparation of sustainability reports

This ***Sustainability Report*** is prepared on a consolidated basis, meaning that its perimeter is the same as that of the Consolidated Financial Report. Only data relevant to the calculation of Scope 1 and Scope 2 emissions has been considered for companies consolidated using the equity method[8].

See the "Consolidation perimeter" section of the "Notes to the Annual Financial Report" for details of consolidated companies and their locations.

Company	Country	Geographical reporting area	% held at 31/12/2024
Interpump Group S.p.A.	Italy	Italy	
Alfa Valvole S.r.l.	Italy	Italy	100.0%
Contarini Leopoldo S.r.l.	Italy	Italy	100.0%
Eurofluid Hydraulic S.r.l.	Italy	Italy	80.0%
FGA S.r.l.	Italy	Italy	100.0%
H.S. Srl	Italy	Italy	100.0%
Hydroven S.r.l.	Italy	Italy	100.0%
I.mec S.r.l.	Italy	Italy	70.0%
IMM Hydraulics S.p.A.	Italy	Italy	100.0%
Innovativ Gummi Tech S.r.l.	Italy	Italy	100.0%
Inoxihp S.r.l.	Italy	Italy	52.7%
Inoxpa Italia Srl	Italy	Italy	100.0%
Interpump Hydraulics S.p.A.	Italy	Italy	100.0%
Interpump Piping GS S.r.l.	Italy	Italy	100.0%
Oleodinamica Panni S.r.l.	Italy	Italy	100.0%
Pioli s.r.l.	Italy	Italy	100.0%
Reggiana Riduttori Srl	Italy	Italy	100.0%
Servizi Industriali S.r.l.	Italy	Italy	80.0%
SIT S.p.A.	Italy	Italy	88.0%
Tekno Tubi S.r.l.	Italy	Italy	100.0%
Transtecno Srl	Italy	Italy	100.0%
Tubiflex S.p.A.	Italy	Italy	100.0%
Walvoil S.p.A.	Italy	Italy	100.0%
GS-Hydro Austria GmbH	Austria	Europe (Italy excluded)	100.0%
Copa Hydrosystem OOD (Bulgaria)	Bulgaria	Europe (Italy excluded)	100.0%
GS-Hydro Denmark AS	Denmark	Europe (Italy excluded)	100.0%
Inoxpa Skandinavien A/S (Denmark)	Denmark	Europe (Italy excluded)	100.0%

[8] See page 57 for details about the companies not consolidated on a line-by-line basis.

Company	Country	Geographical reporting area	% held at 31/12/2024
Hammelmann France	France	Europe (Italy excluded)	100.0%
IFS FRANCE SARL	France	Europe (Italy excluded)	100.0%
Inoxpa Solutions France Sas	France	Europe (Italy excluded)	100.0%
Interpump Hydraulics France S.a.r.l.	France	Europe (Italy excluded)	99.8%
RR France Sarl	France	Europe (Italy excluded)	95.0%
Unidro Contarini Sas (France)	France	Europe (Italy excluded)	100.0%
Walvoil Fluid Power France Sarl	France	Europe (Italy excluded)	100.0%
GS-Hydro System GmbH (Germany)	Germany	Europe (Italy excluded)	100.0%
Hammelmann GmbH (Germany)	Germany	Europe (Italy excluded)	100.0%
Interpump Fluid Solutions Germany GmbH	Germany	Europe (Italy excluded)	100.0%
White Drive Motors and Steering GmbH (Germany)	Germany	Europe (Italy excluded)	100.0%
Waikato Milking Systems Ireland Limited	Ireland	Europe (Italy excluded)	100.0%
Inoxpa Solutions Moldova	Moldova	Europe (Italy excluded)	66.7%
GS-Hydro Benelux B.V.	Netherlands	Europe (Italy excluded)	100.0%
RR Holland BV	Netherlands	Europe (Italy excluded)	100.0%
Transtecno Aandrijftechniek B.V. (Netherlands)	Netherlands	Europe (Italy excluded)	51.0%
Transtecno BV (Netherlands)	Netherlands	Europe (Italy excluded)	51.0%
GS-Hydro Sp z o.o. - Poland	Poland	Europe (Italy excluded)	100.0%
White Drive Motors and Steering Sp. z o.o. (Poland)	Poland	Europe (Italy excluded)	100.0%
Improved Solutions Unipessoal Ltda (Portugal)	Portugal	Europe (Italy excluded)	100.0%
IMM Hydro Est (Romania)	Romania	Europe (Italy excluded)	100.0%
Inoxpa LTD (Russia)	Russia	Europe (Italy excluded)	70.0%
RR Slovakia A.S.	Slovakia	Europe (Italy excluded)	100.0%
GS-Hydro S.A.U (Spain)	Spain	Europe (Italy excluded)	100.0%
Hammelmann S. L. (Spain)	Spain	Europe (Italy excluded)	100.0%
Inoxpa S.A.U. (Spain)	Spain	Europe (Italy excluded)	100.0%
Suministros Franquesa S.A.	Spain	Europe (Italy excluded)	100.0%
Transtecno Iberica the Modular Gearmotor s.a. (Spain)	Spain	Europe (Italy excluded)	70.0%
GS-Hydro Ab (Sweden)	Sweden	Europe (Italy excluded)	100.0%
Hammelmann Swiss GmbH	Switzerland	Europe (Italy excluded)	100.0%
Inoxpa Ukraine	Ukraine	Europe (Italy excluded)	100.0%
AllTube Engineering Ltd	UK	Europe (Italy excluded)	100.0%
Bristol Hose Limited	UK	Europe (Italy excluded)	100.0%
GS-Hydro UK Ltd	UK	Europe (Italy excluded)	100.0%
IMM Hydraulics Ltd (UK)	UK	Europe (Italy excluded)	100.0%
Inoxpa (UK) Ltd	UK	Europe (Italy excluded)	100.0%

Company	Country	Geographical reporting area	% held at 31/12/2024
Interpump Hydraulics UK	UK	Europe (Italy excluded)	100.0%
Waikato Milking Systems UK Limited	UK	Europe (Italy excluded)	100.0%
Hydra Dyne Technology Inc (Canada)	Canada	North America	90.0%
RR Canada Inc.	Canada	North America	100.0%
Walvoil Canada Inc.	Canada	North America	100.0%
General Pump Inc. (USA)	USA	North America	100.0%
GS-Hydro U.S. Inc.	USA	North America	100.0%
Hammelmann Corporation Inc. (USA)	USA	North America	100.0%
Inoxpa USA Inc.	USA	North America	100.0%
Muncie Inc. (USA)	USA	North America	100.0%
NLB Corporation (USA)	USA	North America	100.0%
North American Manufacturing Inc.	USA	North America	100.0%
RR USA Inc.	USA	North America	100.0%
Waikato Milking Systems USA LLC	USA	North America	100.0%
Walvoil Fluid Power Corp. (USA)	USA	North America	100.0%
White Drive Motors and Steering, LLC (USA)	USA	North America	100.0%
Hammelmann Australia Pty Ltd	Australia	Far East and Pacific Area	100.0%
Mega Pacific Pty Ltd (Australia)	Australia	Far East and Pacific Area	100.0%
RR Pacific PTY LTD (Australia)	Australia	Far East and Pacific Area	100.0%
Walvoil Fluid Power Australasia	Australia	Far East and Pacific Area	100.0%
GS-Hydro Piping Systems (Shanghai) Co. Ltd.	China	Far East and Pacific Area	100.0%
Hammelmann Pump System Ltd (China)	China	Far East and Pacific Area	90.0%
Hangzhou Interpump Power Transmissions Co., Ltd.	China	Far East and Pacific Area	100.0%
Inoxpa China Flow Technology Co., Ltd	China	Far East and Pacific Area	60.0%
Inoxpa Special Processing Equipment Co. Ltd (China)	China	Far East and Pacific Area	100.0%
Shanghai PuPeng Flow Technology Co., Ltd	China	Far East and Pacific Area	60.0%
Walvoil Fluid Power (Dongguan) Co., Ltd	China	Far East and Pacific Area	100.0%
Wuxi Interpump Weifu Hydraulics Company (China)	China	Far East and Pacific Area	65.0%
GS-Hydro Korea Ltd.	South Korea	Far East and Pacific Area	100.0%
Walvoil Fluid Power Korea Llc.	South Korea	Far East and Pacific Area	100.0%
GS-Hydro Hong Kong Ltd	Hong Kong	Far East and Pacific Area	100.0%
Hi-Tech Enviro Solutions Limited (NZ)	New Zealand	Far East and Pacific Area	100.0%
Mega Pacific NZ Pty Ltd (New Zealand)	New Zealand	Far East and Pacific Area	100.0%
Waikato Holding Limited (NZ)	New Zealand	Far East and Pacific Area	100.0%
Waikato Milking Systems L.P. (NZ)	New Zealand	Far East and Pacific Area	100.0%
Waikato Milking Systems Lease Limited (NZ)	New Zealand	Far East and Pacific Area	100.0%

Company	Country	Geographical reporting area	% held at 31/12/2024
WMS GP Limited (NZ)	New Zealand	Far East and Pacific Area	100.0%
GS-Hydro Singapore Pte Ltd	Singapore	Far East and Pacific Area	100.0%
GS-Hydro do Brasil Sistemas Hidráulicos Ltda	Brazil	Rest of the World	100.0%
Hidrover Equipamentos Hidráulicos Ltda	Brazil	Rest of the World	59.0%
Interpump Hydraulics Brasil	Brazil	Rest of the World	100.0%
Hydrocar Chile S.A.	Chile	Rest of the World	90.0%
Inoxpa Colombia Sas	Colombia	Rest of the World	100.0%
Interpump Hydraulics Middle East FZE	United Arab Emirates	Rest of the World	100.0%
Inoxpa India Private Ltd	India	Rest of the World	100.0%
Interpump Hydraulics India Ltd	India	Rest of the World	100.0%
IPG MOULDTECH INDIA PVT LTD.	India	Rest of the World	85.0%
RR India Private Limited	India	Rest of the World	100.0%
Walvoil Fluid Power (India) Pvt. Ltd.	India	Rest of the World	100.0%
Inoxpa Mexico	Mexico	Rest of the World	100.0%
MA Transtecno S.A.P.I. de C.V. (Mexico)	Mexico	Rest of the World	70.0%
Inoxpa South Africa	South Africa	Rest of the World	100.0%
Interpump South Africa Pty Ltd	South Africa	Rest of the World	100.0%

In this reporting year:

- Interpump did not elect to omit specific disclosures about intellectual property, know-how, or the results of innovation;
- there were no situations envisaged in arts. 19 and 29 of Directive 2013/34/EU regarding imminent developments or matters under negotiation.

Additionally, the following companies are either non-operational, dormant and/or in liquidation: Interpump Piping GS S.r.l., White Drive Motors and Steering GmbH (Germany), AllTube Engineering Ltd, Bristol Hose Limited, IMM Hydraulics Ltd (UK), GS-Hydro Hong Kong Ltd, Hi-Tech Enviro Solutions Limited (NZ), Interpump Hydraulics Middle East FZE, WMS GP Limited (NZ), Waikato Holding Limited (NZ), Waikato Milking Systems Lease Limited (NZ) and RR India Private Limited.

When conducting the double materiality assessment (described in more detail in the section entitled "*Disclosure requirement IRO-1: Description of the process to identify and assess material impacts, risks, and opportunities*"), the backbone of this Sustainability Report, the Group considered all stages in the value chain, which comprises both direct operations and upstream and downstream activities.

See the section entitled "*Disclosure requirement SBM-1: Strategy, business model, and value chain*" for a detailed description of the Group's value chain.

On the other hand, the section entitled "*Disclosure requirement SBM-3: Material impacts, risks, and opportunities and their interaction with strategy and business model*" highlights where, within the value chain, material impacts, risks, and opportunities exist for the Interpump Group.

1.1.2 Disclosure requirement BP-2: Disclosures in relation to specific circumstances

No special events or situations significantly influenced the sustainability performance of the Interpump Group during the 2024 reporting year.

When reading the disclosures about the material sustainability impacts, risks, and opportunities for the Interpump Group, note that - in accordance with ESRS 1 - *short* term means one year from the end of this reporting period; *medium* term spans a period from one to five years after this reporting period; and *long* term starts five years after this reporting period.

The following metrics used in this Report are currently subject to uncertainty:

Metrics	Reasons for uncertainty
Scope 3 Greenhouse Gas Emissions	The calculation sometimes relies on non-primary data derived from various estimates (including distances, purchase costs, and emission factors).
Energy consumption	Consumption estimates based on historical trends, or assessments made by management, were used when supplier data was not provided for the latter part of the year.

The following metrics make reference to a perimeter different to that used for the consolidation:

- for Scope 3 emissions, the data for the companies considered, accounting for about 70% of consolidated turnover and 80% of Scope 1 and Scope 2 emissions, was not scaled up. Over the next few years, this perimeter will be extended gradually to include less emissions-heavy companies as well. For more details about how this metric was prepared and its accuracy, see the section entitled “Disclosure requirement E1-6 – Gross Scope 1, 2, 3 GHG emissions and total GHG emissions”;
- for payment practices, a sample of Group companies representing about 24% of consolidated direct purchases (raw materials, semi-finished goods, tools, and outsourced processing) was analyzed. These purchasing categories are among the most significant for the Group’s manufacturing companies and, in fact, match those considered by the project to rate suppliers based on ESG criteria, in the context of the Group’s broader ESG plan. The consolidated data was not scaled up to Group level. We believe this perimeter, which includes the principal companies within the Group, is broad enough to be reasonably representative of the consolidated values; it will be extended further in the coming years, in order become even more representative. See the “Disclosure requirement G1-6 - Payment practices” chapter for a more detailed discussion of the calculation method used.

Since 2024 is the first year in which the Interpump Group has published a Sustainability Report under ESRS standards, no changes have been made to the sustainability disclosures published in previous reports. In this regard, there is no indication that major errors were made in previous reporting periods.

Regarding the disclosures required by other sustainability reporting regulations or guidelines beyond ESRS, note that a number of the principal companies within the Group have implemented management systems and models to monitor, measure, and improve their environmental performance, as well as to help reduce pollution, waste generation, and unintentional discharges into the environment.

At 31 December 2024, about 21% of Group companies - contributing about 43% of consolidated turnover - have obtained ISO 14001 certification for their environmental management systems. About 15% of Group companies, contributing about 28% of consolidated turnover, have not only implemented management systems inspired by ISO 45001, but have also obtained the related certification.

With regard to the 2024 CSRD, Interpump confirms that no information has been included in the form of references.

1.2 Governance

1.2.1 Disclosure requirement GOV-1: The role of the administrative, management, and supervisory bodies

The Board of Directors (Board) of Interpump Group S.p.A., appointed at the Shareholders' Meeting held on 28 April 2023, consists of 10 directors, including: 2 executive directors (20%), 1 non-executive director (10%), and 7 independent non-executive directors (70%).

At present, there are no worker representatives on the Board.
All Board members bring the professionalism and skills needed for the roles assigned to them. They all have experience in the industrial sector, while at least 80% have M&A expertise and 70% have proven knowledge of ESG matters.

The composition of the Board meets suitable diversity standards, in terms of gender and age band, consistent with the principles and recommendations of the Corporate Governance Code for Issuers, which requires at least two-fifths of their Board members to be from the less-represented gender. This requirement is also reflected in the Bylaws of the Company.

In terms of gender, 50% of the directors in office are women, while the remaining 50% are men.

The Board of Directors has been assigned a central role in the corporate governance of Interpump Group S.p.A., with broad powers and responsibilities regarding governance and the system of internal control and risk management, as well as for the definition of sustainability policies in pursuit of sustainable success, via the creation of long-term value for shareholders and other key stakeholders.

The meeting of the Board of Directors held on 28 April 2023 established a standalone Sustainability Committee (previously part of the Control, Risks, and Sustainability Committee) that was assigned investigative, proposal-making, and consultative functions concerning Environmental, Social, and Governance (ESG) matters.

The Board defines the strategy and objectives of the Group, including the sustainability policies that matter in the pursuit of sustainable success, and plays an active role in assessing and managing the material topics discussed in this Sustainability Report. This process is supported by the Sustainability Committee on ESG specifics and by the Control and Risks Committee with regard to the system of internal control and risk management.

The results of the process followed by the Sustainability Committee to identify material topics for inclusion in the Sustainability Report are presented to and discussed with the Board every year. The Committee is also tasked with examining the contents of periodic sustainability reports with the Chief Reporting Officer, before presentation to the Board of Directors for approval. Lastly, the Sustainability Committee also prepares sustainability goals, strategies, and long-term plans for the Board to consider, monitoring their implementation.

Certain impacts, risks, and opportunities (IROs) are implicitly managed within the 2023-2025 ESG Plan. That said, there are no specific IRO procedures in place at the reporting date for their overall management.

The Committee comprises one executive director with sustainability-related powers and two independent directors. Overall, the Committee has adequate skills in the sector in which the Company operates, as well as in relation to its functions and duties concerning the ESG policies adopted by the Group. Specifically, the directors possess significant experience in the areas of finance, ESG, auditing, enterprise risk management, and governance.

1.2.2 Disclosure requirement GOV-2: Information provided to and sustainability matters addressed by the undertaking's administrative, management, and supervisory bodies

Following introduction of the CSRD, the analysis of impacts, risks, and opportunities has been progressively embedded into the broader process of defining the corporate strategy. At least once a year, the Board of Directors receives an update on material impacts, risks, and opportunities, as well as on the results and efficacy of the policies, actions, metrics, and targets adopted. This analysis, backed by the know-how and work of the two Board committees, provides a clear picture of all Impacts, Risks, and Opportunities (IROs).

The system of internal control and risk management adopted by Interpump Group S.p.A. comprises a set of rules, procedures, and organizational functions designed to identify, measure, manage, and monitor the main risks. In particular, Interpump Group S.p.A. has defined an Enterprise Risk Management model (ERM Model or Model) that draws on global best practices (like the CoSO Framework, CoSO ERM WBCSD, and ISO 31000) and implements the recommendations of Corporate Governance Code. This Model takes a systematic approach to identifying, measuring, managing, and monitoring the principal risks that could impact on achievement of the Interpump Group's strategic objectives. The risk assessment inherent in the ERM Model starts by defining the nature and level of risk that fit with the strategic direction set by the Board of Directors. Risks are evaluated periodically based on their: (i) likelihood, being the probability that an event will happen, based on historical analyses, future projections, or subjective assessments by sector experts, and (ii) impacts, being the consequences of an event on the financial, operational, reputational, compliance, and sustainability areas (in terms of their impacts, risks, and opportunities).

The Sustainability Committee also monitors execution of the 20 actions and related targets specified in the 2023-2025 ESG Strategic Plan, approved by the Board on 5 October 2022, that embeds sustainability standards within the business strategy adopted by the Group.

The impacts, risks, and opportunities defined as material for the current reporting year are listed in the section entitled "*Disclosure requirement SBM-3: Material impacts, risks, and opportunities and their interaction with strategy and business model*".

1.2.3 Disclosure requirement GOV-3: Integration of sustainability-related performance in incentive schemes

The Remuneration Policy of the Interpump Group, approved at the Shareholders' Meeting and valid for the three-year period 2023-2025, covers the members of the administrative bodies, including the executive and non-executive directors, the general managers, and the other executives with strategic responsibilities ("Key Management Personnel"), as well as - without prejudice to the provisions of art. 2402 of the Italian Civil Code, the Statutory Auditors of Interpump Group S.p.A.
With specific reference to the remuneration of the Executive Directors and Key Management Personnel, this policy includes a fixed component, a variable short-term component ("MBO",

Management by Objectives), and long-term incentives (“LTI”, Long-Term Incentive Plan), in order to promote the achievement of specific objectives in the interests of all shareholders.

Fixed component

The level of fixed remuneration - linked to professional specialization, position held and responsibilities assigned - is sufficient to remunerate the Director or Executive, even if the variable component is withheld following failure to achieve the performance objectives.

Variable component

The objective of MBO plan described in the Remuneration Policy is to encourage Directors and Executives to achieve specific performance targets. Specific targets and the related parameters are identified after taking account of the need for:

(i) precise, clear, and objectively measurable targets set and communicated in advance;

(ii) alignment with the objectives of the Company and the Group;

(iii) the appropriate progression of performance goals over time, having regard for the sustainability of the remuneration recognized.

The Remuneration Policy allows the Board of Directors to pay discretionary bonuses within predefined limits, and to establish specific vesting periods, deferred payment mechanisms, and ex-post correction mechanisms (e.g. “claw-back” and/or “malus” clauses).

With reference to the long-term incentives, on 29 April 2022 the Shareholders’ Meeting of Interpump Group S.p.A. approved the “Interpump Incentive Plan 2022-2024”, which envisages the assignment of a certain number of options to the “beneficiaries”, being employees, directors and/or collaborators of the Company and/or the Group, identified from among those persons who hold positions and/or perform functions of a strategic nature, with a view to building loyalty and creating future value. The performance objectives are not only economic and financial in nature - associated with the achievement of specific results at Group level - and linked to personal performance, but also correlated in part with the development and consolidation of those ESG topics important to the Group, as measured *inter alia* for disclosure in this Sustainability Report.

The objectives underlying the recognition of remuneration in the form of stock options are not only economic and financial in nature - associated with the achievement of specific results at Group level - and linked to personal performance, but also correlated with the development and consolidation of those ESG topics important to the Group. In particular and solely by way of example, the objectives may relate to the Environmental, Social and Governance areas and any activities that, from time to time, are deemed significant for the Group, as well as measurable and/or measured for reporting in this Sustainability Report:

- Environmental area, the adoption of solutions intended to lower the impact of business activities on the environment (for example, by reducing atmospheric emissions and/or the production of waste, increasing the use of energy derived from renewable sources and lowering water consumption);

- Social area, the adoption of policies intended to improve the social impact of business activities (for example, via initiatives in support of diversity and inclusion, action to reduce the injury rate and the definition of a policy in support of local communities);
- Governance area, the adoption of measures to improve the management and governance of the Company and the Group (for example, by improving the organizational and/or functional structure of the Board of Directors or the training on whistleblowing matters).

In view of the growing awareness about and attention paid to ESG policies, from 2022 the Remuneration Policy of the Company has included additional, non-financial KPIs linked to pursuit and achievement of the objectives indicated in the 2023-2025 ESG Plan.

Specifically, when setting remuneration, the:

- annual incentive system (MBO) envisages correlation with the ESG objectives by identifying precise KPIs linked to achievement of the annual objectives specified in the ESG Plan, assigning them a 15% weighting with respect to the MBO as a whole.
- the medium/long-term incentive system (LTI), represented by the Interpump Incentive Plan for 2022-2024, also envisages that, for 15% of the options offered to each beneficiary, the objectives assigned to them must contribute to the development and consolidation of the ESG topics that *inter alia* are measurable and/or measured for non-financial reporting purposes.

The Remuneration Policy is approved by the Board of Directors, which is responsible for its implementation and revision, based on a proposal from the Remuneration Committee, and after hearing the opinion of the Board of Statutory Auditors. The Policy is also submitted to a binding vote at the Shareholders' Meeting.

1.2.4 Disclosure requirement GOV-4 – Statement on due diligence

The Interpump Group has implemented a due diligence process that seeks to identify actual and potential negative impacts from its activities, and roll out initiatives to prevent or mitigate them (more on this in later sections on the material Topical Standards), implementing the UN Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises. This process still needs some work, in certain cases, in order manage the impacts within the entire value chain.

The table below sets out the core elements of the due diligence on sustainability matters and the related sections in which they are discussed:

Core due diligence elements	Reference (Sections in Sustainability Report)
Embedding due diligence in governance, strategy, and the business model	• GOV-1: The role of the administrative, management, and supervisory bodies • GOV-2: Information provided to and sustainability matters addressed by the undertaking's administrative, management, and supervisory bodies • GOV-3: Integration of sustainability-related performance in incentive schemes
Identifying and assessing negative impacts	• SBM-3: Material impacts, risks, and opportunities and their interaction with strategy and business model • IRO-1: Description of the process to identify and assess material impacts, risks, and opportunities

1.2.5 Disclosure requirement GOV-5 – Risk management and internal controls over sustainability reporting

The Interpump Group has implemented an "internal control model for non-financial reporting" that defines how to identify, measure, manage, and control risks linked to the reporting of non-financial information, as part of the broader system of internal controls over non-financial disclosures that ensures the credibility, accuracy, reliability, and timeliness of the Group's non-financial data and information.

Risk identification for the purpose of reporting non-financial information follows a process-based approach, whereby risks are identified in relation to each process in which they may emerge. Consequently, existing processes and subprocesses are analyzed with reference to the process matrices documented as part of the system of internal controls over non-financial disclosures, and the specific activities involved in each subprocess are identified. After identifying the risks linked to the reporting of non-financial information, the Company maps the actions already in place i.e. each risk-response measure used to tackle the potential risk, by mitigating it or translating it into an opportunity (e.g. measures of an organizational, procedural, IT, or other nature). Risks are ranked by their significance and potential organizational impact.

The system of internal control includes the following information and data:

- Cross-cutting ESRS (ESRS 1 and ESRS 2): these include guidelines for reporting on such general sustainability matters as governance, strategy, risk management, and the transparency of information;
- Topical Standards (E1, E2, E3, E5, S1, S2, S4): material topics identified via the double materiality assessment.

For each ESRS type, the following table indicates the main reporting risks identified and the controls implemented to mitigate them:

ESRS type	Main risks identified	Examples of controls implemented to mitigate risks
Cross-cutting (ESRS 1 and ESRS 2)	• Late production and publication of the Sustainability Report, • Unauthorized access to the reporting system, • Wrong consolidation perimeter defined.	• Access controls to ensure that only authorized personnel can use the reporting system, • Audit checks on the data input to confirm its completeness and accuracy. • Approval procedures for additions and changes to reporting data, plus automated controls to reduce manual errors in the reporting process.
Topical Standards (E1, E2, E3, E5, S1, S2, S4)	• Erroneous collection, processing, and reporting of data on: - energy consumption, - natural gas consumption, - water consumption, - recycled, stored, or reused water, - waste produced, - flows of goods received, - workforce, - employee training, - health and safety of personnel, - wages and remuneration, - human rights violations, - payment practices.	• Checks to ensure the accuracy of data on energy and water consumption. • Verification procedures to ensure the accuracy of information about the waste generated and the flow of goods received. • Controls to monitor the reporting of data about the workforce and human rights, and to ensure the consistency and reliability of the information disclosed.

The results of the risk assessment and the internal control work included in the sustainability reporting process via the adoption of careful, well structured reporting practices. These include the scheduling of reporting tasks, establishing responsibilities and timelines for data collection and validation, and ensuring the traceability of information and actions.

The Chief Reporting Officer ensures the maintenance and adequacy of the system of internal control over non-financial reporting, and is assisted by the Internal Audit, Risk & Compliance Function, which constantly monitors its efficacy via the following actions:

- identification of the perimeter to be analyzed in terms of the Group companies involved, including the related business processes that make a quali-quantitative contribution to preparation of the Sustainability Report of Interpump Group S.p.A.;
- mapping and update of risks and controls relevant for non-financial reporting purposes;

- verification of the adequacy of the design and operational effectiveness of the controls, via independent monitoring and periodic tests;
- working with management (a.k.a. risk owners), who are tasked as part of their duties with implementing line controls for the proper execution of operating activities, including those with an impact on the production of non-financial data, to identify corrective actions (remediation plans) in order to:
  - (i) make necessary corrections,
  - (ii) ensure the proper functioning of the system of internal control.

In order to enable the Interpump Board of Directors to perform its oversight role, the Internal Audit, Risk & Compliance Function prepares summary reports, annually or more frequently, on the results of the work performed. After sharing the results with the Chief Reporting Officer, the Internal Audit, Risk & Compliance Function presents them to the Control and Risks Committee, which opines on the adequacy and effectiveness of the system of internal control over non-financial reporting, considering the characteristics of the business and the risk profile accepted. After making that assessment, the Control and Risks Committee presents the Report to the Board of Directors for review.

1.3 Strategy

1.3.1 Disclosure requirement SBM-1: Strategy, business model, and value chain

The product catalog of the Interpump Group is especially numerous and broad, but essentially defines the two business sectors: Water-Jetting and Hydraulics.

	Water-Jetting sector	Hydraulic sector
Principal products	• Plunger pumps for water (1 to 2,000 HP) with related components and accessories; • Special pumps, mixers, agitators, cleaning systems, valves and tanks; • Automated milking systems.	• Hydraulic components[9]; • Piping systems; • Gears for industrial and domestic machines; • Orbital motors and steering systems.
Principal markets served, by industry	• Agri-food industry; • Cosmetics industry; • Pharmaceutical industry; • Steel industry; • Industrial cleaning services; • Water treatment; • Automotive industry; • Construction machinery sector; • Oil & Gas sector;	• Industrial automation; • Logistics; • Manufacturers of earth-moving, construction, agricultural and lifting equipment; • Mining/extraction sector.

[9] For example: power take-offs, gear pumps, cylinders, hydraulic motors, oil tanks, directional controls and related electronic or mechanical control systems, hydraulic lines (flexible rubber hoses, flexible metal pipes, and rigid pipes), flanges and fittings.

More details about Interpump Group products can be found on the Group website[10].

Geographically, the following markets are served: Italy, Rest of Europe, North America, Far East and Pacific Area, and Rest of the World, as already shown in the "Revenues" section of the income statement chapter in this document.

There were no significant changes in the products sold or the markets served (industry-wise or geographically) by the Interpump Group during 2024.

The following table summarizes employment by the Group in the above geographical areas at 31 December 2024:

	Italy	Rest of Europe	North America	Far East and Pacific Area	Rest of the World	Total
No. employees	3,905	2,192	1,328	772	1,160	9,357

All products comply with current regulations and are not subject to restrictions in any of the markets in which the Interpump Group operates.

In the context of the 2023-2025 ESG Plan, the Group has adopted Ecodesign Guidelines to identify and develop innovative processes that significantly extend product lifecycles, promoting longer useful lives, reuse, and recycling. Each Group company is responsible for the definition of operating procedures to achieve the above Guidelines, together with KPIs to monitor both the environmental impacts of their products and performance over time.

The key principles embodied in these Guidelines include:

- the efficient management of materials - the Group commits to using renewable raw materials, secondary raw materials, by-products, and/or production scrap (especially higher-value materials, like steel, brass, and cast iron) and to optimizing the use of materials in the production process.
- the extension of product lifecycles - the Group pledges to offer customers repair and preventive maintenance services (even via use of the Internet of Things), as well as products designed to facilitate their complete disassembly.

Currently, however, it is still not possible to define quantitative sustainability targets for major groups of products and services, customer categories, geographical areas, or stakeholder relations.

The Interpump Group has always been committed to continuous innovation and the development of cutting-edge technologies. R&D into innovative products that deliver increased efficiency and reliability is a core part of the Interpump business. All this potentially translates into a lower impact on the environment, waste generation, the consumption of natural resources, and the emission of CO2 into the atmosphere. The markets in which the Group operates increasingly seek sustainable solutions that minimize their environmental impacts. In this context, Interpump strives to develop products and technologies that can contribute to environmental sustainability while, at the same time, guaranteeing

[10] See the following webpage: https://www.interpumpgroup.it/it/chi-siamo/business

high standards of quality and performance. The search for better product performance often results in improved profiles for energy and water consumption or for the materials used in production. The Group's R&D efforts find practical application in collaboration with various clients, mostly to create new products and applications, or enhance their performance. These dynamics ripple across all Group companies and their respective products, no matter the geographical area or sector of application.

The Interpump Group has embedded its sustainability and business development strategy into the 2023-2025 ESG Plan: 20 actions to be implemented during the plan period, as also detailed on the website of Interpump Group S.p.A.

The value chain of the Interpump Group

Given the vast range of products and services offered, the value chain of the Interpump Group is somewhat complex.

Upstream, the activities of Interpump are supported by various suppliers located around the world, which can be subdivided into three categories:

- key Group suppliers that provide mechanical components, metal, rubber and plastic semi-finished parts, electrical components and equipment, utensils, and tools for production and assembly purposes. In turn, these suppliers purchase from third parties the raw materials that underpin Interpump's production processes;
- suppliers of water, needed in the various stages of production and testing;
- suppliers of fuel and energy.

Interpump also draws on support from businesses active in the areas of sales and distribution, logistics, processing and production, and in the external provision of professional services (e.g. HR, IT, legal, marketing, tax, and auditing).

In general, given the variety of products and technical solutions sold by the Group in the various geographical areas, the procurement processes followed by companies are often independent of each other. Additionally, the commercial and distribution companies within the Group are able to purchase products from external suppliers, as well as from the Group's manufacturing companies.

Interpump carries out numerous activities directly, with an emphasis on the production and sale of:

- high and very high pressure plunger pumps (*Water-Jetting* sector).
- hydraulic systems and components, flexible rubber hoses and rigid metallic pipes, power transmissions, ratiomotors, orbital motors and steering systems (*Hydraulic* sector).

The products offered on the market by Interpump Group companies are, for the most part, intermediate components that will be used in the assembly of other goods.

In addition to direct production, Interpump also:

- provides after-sales and technical support to customers;
- carries out R&D work, both internally and in collaboration with customers and suppliers;
- resells third-party products;
- carries out testing, quality control and ancillary production processes.

Given the characteristics of the product range, downstream in the value chain the Interpump Group mainly works with B2B customers - original equipment manufacturers (OEMs), distributors, producers, outfitters, and resellers - active in the sectors served by Interpump.

For example, the following table shows the sectors in which the Group's Water-Jetting solutions and Hydraulic components are used.

Application of solutions Water-Jetting sector	Application of components Hydraulic sector
Food-processing industry	Industrial vehicles
Dairy industry	Earth-moving equipment
Cosmetics industry	Construction vehicles
Water treatment	Lifting and transport vehicles
Industrial cleaning	Agricultural vehicles
Oil & Gas industry	Machine tools
Construction industry	
Foundries and steelworks	

Furthermore, again downstream in the value chain, the Interpump Group interfaces with operators engaged in:

- logistics for the transportation and distribution of products;
- management of waste/EOL products.

The Interpump Group has always been committed to continuous innovation and the development of cutting-edge technologies. The Group's R&D efforts find practical application in collaboration with various clients, mostly to create new products and applications, or enhance their performance. Despite the complexity of the collaborative process with customers, Interpump believes that this approach can deliver the following benefits:

- Direct feedback: collaborating closely with customers during the R&D process means that immediate, direct feedback on products and services can be obtained.
- Synergies: involving customers in the early stages of development enables solutions to be created that satisfy their needs and preferences. This approach can lead to the identification of additional products and applications that are even more innovative and suited to the target market.
- Risk reduction: collaborating with customers from the outset helps to reduce risks by identifying potential issues before they become critical or costly to resolve.
- Customer loyalty: involving customers in the development process increases their confidence in Group companies.

1.3.2 Disclosure requirement SBM-2: Interests and views of stakeholders

The Interpump Group periodically interacts with stakeholders to ensure that business decisions align with the expectations and needs of all involved parties.

For each category of stakeholder identified, the Interpump Group has developed specific communications channels via which to listen periodically to their opinions and understand their points of view and needs. The comments and results deriving from the various forms of stakeholder engagement are considered by top management when updating the list of impacts, risks, and opportunities to be monitored.

Interpump Group S.p.A. also recognizes the fundamental importance of discussions with its shareholders and investors, fostering constant, ongoing dialog with a view to creating value over the medium-long term. In particular, at the meeting held on 4 October 2021, the Board of Directors adopted the “Policy for managing dialog with the Shareholders” in order to govern the most appropriate forms of engagement with the shareholders and significant stakeholders.

The principal stakeholders identified by Interpump are listed below, together with the respective engagement methods and frequency.

Stakeholder category (45a i)	Engagement frequency (45a ii, iii)	Engagement method (45a ii, iii)
Employees and collaborators	Continuous	- Periodic assessment of performance and results - Corporate intranet - Specific training programs - Communications from top management - Collective bargaining - Questionnaire to identify significant topics for inclusion in the materiality matrix
Shareholders	Continuous	- Institutional website - Periodic meetings - Shareholders’ meeting - Press releases Adoption of a policy for managing dialog with the shareholders
Local Community	Continuous	- Institutional website - Donations - Meetings for student orientation (apprenticeships/internships)
Competitors	Periodic	- Institutional website - Participation in initiatives, trade fairs, and events
Trade unions	Periodic/ad hoc	Institutional meetings
Trade associations	Continuous	- Institutional meetings - Participation at conferences and information sessions
Providers of finance	Periodic	- Institutional website - Periodic meetings with financial analysts - Press releases
Suppliers	Continuous	- Institutional website - Constant relations with the relevant business functions

Stakeholder category (45a i)	Engagement frequency (45a ii, iii)	Engagement method (45a ii, iii)
		- Participation in initiatives and events
Public administration and control bodies	Continuous	Institutional relations
Customers	Continuous	- Institutional website - Customer service - Catalogs - After-sales service - Trade fairs
Legislator	Continuous	- Institutional website - Consob and stock exchange disclosures - Disclosures upon request - Reports and financial statements - Press releases - Shareholders' meetings

Certain specific stakeholder categories - investors, top management, and members of the Board of Directors - were involved directly in assessing the importance of the various sustainability matters.

As specified above, in the section entitled "*Disclosure requirement GOV-1: The role of the administrative, management, and supervisory bodies*", the results of this analysis are examined annually by the Board of Directors, with assistance from the Sustainability Committee. The Board of Directors is periodically informed about the opinions of stakeholders, based on the engagement activities scheduled throughout the year.

1.3.3 Disclosure requirement SBM-3: Material impacts, risks, and opportunities and their interaction with strategy and business model

The sustainability impacts, risks, and opportunities deemed material by the Interpump Group, following completion of the double materiality analysis that underpinned the preparation of this Report, are described in the tables presented in the remainder of this section.
The following are specified for each risk and/or opportunity:

- where they manifest throughout the value chain;
- whether the effects are current and/or expected, and how the Group plans to respond to them in terms of actions included in the 2023-2025 ESG Plan.

The following are specified with regard to the impacts:

- whether they are negative or positive and how they affect people or the environment;
- the related actions included in the 2023-2025 ESG Strategic Plan;
- the time horizons that are reasonably expected;
- whether they arise in the Group's direct operations or within its value chain as a consequence of its business relationships.

E1 – Climate change – Impacts (1)									
Subtopic	**Sub-subtopic**	**Impact**	**Level of disaggregation**	**Position within value chain**	**Description of impact**	**Current / Potential**	**Positive/ Negative**	**Action in ESG Plan to address effect**	**Time horizon S / M / L**
Mitigation		Energy consumption and greenhouse gas (GHG) emissions	Group	1_Upstream	The Interpump Group contributes to indirect (Scope 3) greenhouse gas (GHG) emissions from processes within the upstream portion of the value chain, thereby contributing to climate change. Specifically, this relates to: purchased goods and services and upstream transportation.	Current	Negative		L
			Group	3_Downstream	The Interpump Group contributes to indirect (Scope 3) greenhouse gas (GHG) emissions from processes within the downstream portion of the value chain, thereby contributing to climate change. Specifically, this relates to: the use of product sold, downstream distribution and transportation.	Current	Negative		L
			Group	2_Direct operations	The procurement, transportation, and production processes necessary to create the Group's products involve energy consumption from non-renewable sources and the related GHG gas emissions, primarily from the use of fossil fuels (Scope 1) and the purchase of electricity from the grid (Scope 2) to operate the Group's plants. Greenhouse gas emissions contribute to climate change and generate negative impacts on a global level.	Current	Negative	Group carbon intensity reduction	L
Energy		Energy consumption and greenhouse	Group	4_Upstream & Downstream	The Interpump Group contributes to indirect (Scope 3) greenhouse gas (GHG) emissions from processes within its value chain, due to	Current	Negative	Group carbon intensity reduction	L

E1 – Climate change – Impacts (1)									
		gas (GHG) emissions			activities linked to fuels and energy (extraction, production, and transportation of fuels consumed within the value chain and for the generation of electricity), thereby contributing to climate change.				
			Group	2_Direct operations	The procurement, transportation, and production processes necessary to create the Group's products involve energy consumption from non-renewable sources and the related GHG gas emissions, primarily from the use of fossil fuels (Scope 1) and the purchase of electricity from the grid (Scope 2) to operate the Group's plants. Greenhouse gas emissions contribute to climate change and generate negative impacts on a global level.	Current	Negative	Carbon neutrality strategy, Group carbon intensity reduction, Increased use of renewable energy sources	L

E2 – Pollution – Impacts (2)									
Subtopic	**Sub-subtopic**	**Impact**	**Level of disaggregation**	**Position within value chain**	**Description of impact**	**Current / Potential**	**Positive/ Negative**	**Action in ESG Plan to address effect**	**Time horizon S / M / L**
Air pollution		Emissions of polluting substances	Group	1_Upstream	Atmospheric emissions include pollutants that have a negative impact on air quality and ecosystems, including human and animal health. During activities within the supply chain, polluting emissions are released into the atmosphere.	Current	Negative		M
Air pollution		Management of polluting discharges	Group	1_Upstream	Water discharges contain pollutants that have a negative impact on water quality. During activities within the supply chain, polluting discharges are released into the water.	Current	Negative		M

E3 – Water and marine resources – Impacts (1)									
Subtopic	**Sub-subtopic**	**Impact**	**Level of disaggregation**	**Position within value chain**	**Description of impact**	**Current / Potential**	**Positive/ Negative**	**Action in ESG Plan to address effect**	**Time horizon S / M / L**
Water	Water consumption	Consumption of water	Group	1_Upstream	The process of producing raw materials, such as metals, requires large quantities of water. Here too, the consumption of water has an impact on the territories in which companies within the value chain operate.	Current	Negative		S
			Group	2_Direct operations	Although limited, water consumption by Group plants has an impact on the territories in which the business operates, especially if located in a water-stressed area, with consequences for its availability for the local community. Among the countries in which the Group operates (32 countries)*, 19 are in medium/low water-stress situations, while 13 (including Italy) fall into medium/high stress categories.	Current	Negative	Implementation of a continuous water withdrawal/discharge monitoring system at Group plants (E6)	S
	Water withdrawal		Group	1_Upstream	The process of producing raw materials, such as metals, requires large quantities of water. Here too, the consumption of water has an impact on the territories in which companies within the value chain operate.	Current	Negative		S
			Group	2_Direct operations	Although limited, water consumption by Group plants has an impact on the territories in which the business operates, especially if located in a water-stressed area, with consequences	Current	Negative	Implementation of a continuous water withdrawal/discharge monitoring system at Group plants (E6)	S

E3 – Water and marine resources – Impacts (1)									
					for its availability for the local community. Among the countries in which the Group operates (32 countries)*, 19 are in medium/low water-stress situations, while 13 (including Italy) fall into medium/high stress categories.				

E5 – Circular economy – Impacts (2)									
Subtopic	**Sub-subtopic**	**Impact**	**Level of disaggregation**	**Position within value chain**	**Description of impact**	**Current / Potential**	**Positive/ Negative**	**Action in ESG Plan to address effect**	**Time horizon S / M / L**
Resource inflows, including resource use		EcoDesign, circular economy, and product innovation	Group	2_Direct operations	The Interpump Group is committed to searching continuously for technical solutions capable of reducing environmental impacts and the consumption of raw materials. The adoption of an eco-design policy also aims to promote the selection of raw materials with a lower impact, increase efficiency during product use, improve the ability to repair components, and optimize end-of-life product management.	Current	Positive	Definition of Group Guidelines for the eco-design of products (E7)	M
Waste		Waste production and disposal	GEO macro area: Rest of the world	2_Direct operations	The quantity, type, and quality of waste generated are a consequence of procurement, production, and product EOL activities. The Group directly generates both hazardous and non-hazardous waste, with the primary waste being ferrous metal filings and turnings (18.9 thousand tonnes in 2022). If not properly managed, waste disposal can generate environmental impacts in the affected territories. This impact depends not only on the specific regulations of the various countries in which the Group operates, but also on the local infrastructure available to manage waste.	Current	Negative	Pilot project in the circular economy field (E4), followed by applicability analysis (E5)	S
Waste		Waste production and disposal	GEO macro area: Europe, North America, Pacific Area	2_Direct operations	The quantity, type, and quality of waste generated are a consequence of procurement, production, and product EOL activities. The Group directly generates both hazardous and non-hazardous waste, with the primary waste being ferrous metal filings and turnings (18.9 thousand tonnes in 2022). If not properly managed, waste disposal can generate environmental impacts in the affected territories. This impact depends not only on the specific regulations of the various countries in which the Group operates, but also on the local infrastructure available to manage waste.	Current	Negative	Pilot project in the circular economy field (E4), followed by applicability analysis (E5)	S

S1 – Own workforce – Impacts (4)

Subtopic	Sub-subtopic	Impact	Level of disaggregation	Position within value chain	Description of impact	Current / Potential	Positive/ Negative	Action in ESG Plan to address effect	Time horizon S / M / L
Equal treatment and opportunities for all	Training and skills development	Organization of resources and human capital	Group	2_Direct operations	Increase the skills of employees via the implementation of training pathways for the entire workforce, based on professional profiles and the required knowledge.	Potential	Positive	Increase average per-capita hours of non-mandatory training at Group level (S3)	M
	Gender equality and equal pay for equal work	Protection of human and workers' rights	GEO macro area: Rest of the world	2_Direct operations	The Group operates in multiple countries worldwide, some of which are more prone to workplace abuses and disputes, low protection of diversity, and discrimination, exposing Interpump to the risk of providing inadequate employment conditions for workers. Such circumstances may lead to the violation of human rights.	Potential	Negative	Assess the working environment to promote diversity & inclusion principles (pilot project) (S7)	S
	Employment and inclusion of people with disabilities		GEO macro area: Rest of the world	2_Direct operations	The Group operates in multiple countries worldwide, some of which are more prone to workplace abuses and disputes, low protection of diversity, and discrimination, exposing Interpump to the risk of providing inadequate employment conditions for workers. Such circumstances may lead to the violation of human rights.	Potential	Negative	Assess the working environment to promote diversity & inclusion principles (pilot project) (S7)	S
	Measures against violence and harassment in the workplace		GEO macro area: Rest of the world	2_Direct operations	The Group operates in multiple countries worldwide, some of which are more prone to workplace abuses and disputes, low protection of diversity, and discrimination, exposing Interpump to the risk of providing inadequate employment conditions for workers. Such	Potential	Negative	Assess the working environment to promote diversity & inclusion principles (pilot project) (S7)	S

S1 – Own workforce – Impacts (4)									
					circumstances may lead to the violation of human rights.				
	Diversity		GEO macro area: Rest of the world	2_Direct operations	The Group operates in multiple countries worldwide, some of which are more prone to workplace abuses and disputes, low protection of diversity, and discrimination, exposing Interpump to the risk of providing inadequate employment conditions for workers. Such circumstances may lead to the violation of human rights.	Potential	Negative	Assess the working environment to promote diversity & inclusion principles (pilot project) (S7)	S
Working conditions	Health and safety	Occupational health and safety	GEO macro area: Rest of the world	2_Direct operations	Processes related to procurement, production, and distribution activities may pose certain health and safety risks for workers depending on their duties, such as the use of heavy machinery, manual handling, repetitive work, etc.; these risks may cause workplace injuries, with potentially serious consequences for individuals.	Potential	Negative	Maintain the 2022-24 “average injury rate” for employees below the average of the last three years, i.e., below the threshold of 2.2 (S1) Extend ISO 45001 to all Group production companies (S2)	S
Other work-related rights	Confidentiality	Management of sensitive data and information	Group	2_Direct operations	Information systems are becoming an ever more fundamental part of the Group’s business, and ensuring their security is a priority. If not adequately protected, sensitive employee data could be disclosed externally and threaten privacy compliance.	Potential	Negative		S

S1 – Own workforce – Impacts (4)

S2 – Workers in the value chain – Impacts (2)

Subtopic	**Sub-subtopic**	**Impact**	**Level of disaggregation**	**Position within value chain**	**Description of impact**	**Current / Potential**	**Positive/ Negative**	**Action in ESG Plan to address effect**	**Time horizon S / M / L**
Other work-related rights	Confidentiality	Management of sensitive data and information	Group	2_Direct operations	Information systems are becoming an ever more fundamental part of the Group's business, and ensuring their security is a priority. If not adequately protected, the sensitive data of suppliers and their employees could be disclosed externally and threaten privacy compliance.	Potential	Negative		S
	Child labor	Protection of human and workers' rights	GEO macro area: Rest of the world	1_Upstream	The Group operates globally and purchase from suppliers present in multiple countries worldwide, some of which are more prone to workplace abuses and disputes, low protection of diversity, and discrimination, exposing these firms to the risk of providing inadequate employment conditions for workers. Such circumstances may lead to the violation of human rights.	Potential	Negative		S
	Forced labor		GEO macro area: Rest of the world	1_Upstream	The Group operates globally and purchase from suppliers present in multiple countries worldwide, some of which are more prone to workplace abuses and disputes, low protection of diversity, and discrimination, exposing these firms to the risk of providing inadequate employment conditions for workers. Such circumstances may lead to the violation of human rights.	Potential	Negative		S

S4 – Consumers and end-users – Impacts (1)									
Subtopic	**Sub-subtopic**	**Impact**	**Level of disaggregation**	**Position within value chain**	**Description of impact**	**Current / Potential**	**Positive/ Negative**	**Action in ESG Plan to address effect**	**Time horizon S / M / L**
Impacts related to the information provided to consumers and/or end-users	Confidentiality	Management of sensitive data and information	Group	2_Direct operations	Information systems are becoming an ever more fundamental part of the Group's business, and ensuring their security is a priority. If not adequately protected, sensitive customer data could be disclosed externally and threaten privacy compliance.	Potential	Negative		S

G1 – Business conduct – Impacts (1)									
Subtopic	**Sub-subtopic**	**Impact**	**Level of disaggregation**	**Position within value chain**	**Description of impact**	**Current / Potential**	**Positive/ Negative**	**Action in ESG Plan to address effect**	**Time horizon S / M / L**
Management of relations with suppliers, including payment practices		Sustainable practices within the supply chain	GEO macro area: Rest of the world	2_Direct operations	The lack of ESG oversight within the supply chain and failure to promote more sustainable practices among suppliers could lead to potential violations of human rights and the exploitation of local communities and the environment, especially in the most upstream stages, such as the mining of metals.	Potential	Negative	Development of a supplier rating model applying environmental and social criteria (pilot project) (S5) Extension of the model at Group level (S6)	M

The following table presents the risks and opportunities identified from the 2024 double materiality analysis.

E1 – Climate change – Risks (2) and Opportunities (2)							
Subtopic	**Sub-subtopic**	**Risk / Opportunity**	**Factor**	**Level of disaggregation**	**Position within value chain**	**Description**	**Time horizon S / M / L**
Climate change mitigation		Opportunities related to the definition of a climate strategy	Actions	GEO macro area: Europe, North America, Pacific Area	2_Direct operations	Monitoring emissions and the definition of a climate strategy are priorities in the Interpump ESG Plan. This ensures that the business remains aligned with growing stakeholder pressures related to climate change. Legislative and regulatory emphasis is also increasing on this topic (EU CSRD). This has encouraged the introduction of tax incentives and assisted financing, opening new pathways for innovative products, services, investments, and strategic market opportunities that can enhance the brand image and market position of the Group.	L
		Opportunities related to the definition of a climate strategy	Actions	GEO macro area: Rest of the world	2_Direct operations	Monitoring emissions and the definition of a climate strategy are priorities in the Interpump ESG Plan. This ensures that the business remains aligned with growing stakeholder pressures related to climate change. Legislative and regulatory emphasis is also increasing on this topic (EU CSRD). This has encouraged the introduction of tax incentives and assisted financing, opening new pathways for innovative products, services, investments, and strategic market opportunities that can enhance the brand image and market position of the Group.	L
		Operational and reputational opportunities related to the energy transition	Dependencies	Group	2_Direct operations	By pursuing financial opportunities linked to the energy transition, Interpump could gain reputational benefits, thereby attracting environmentally-conscious clients and investors. Additionally, the adoption of energy-efficient technologies and sustainable practices leads to significant cost savings. For example, investing in high-energy-efficiency technologies for offices and production processes reduces electricity consumption, with a consequent reduction in operating expenses.	M

E1 – Climate change – Risks (2) and Opportunities (2)							
		Operational and reputational risks related to failure to mitigate climate change	Impact	GEO macro area: Europe, North America, Pacific Area	2_Direct operations	Climate change will result in increased regulatory pressures and obligations for undertakings to reduce their greenhouse gas emissions. Such obligations could generate higher operating costs for IPG. Moreover, customer preferences are shifting towards organizations that are committed to mitigating their GHG emissions. If IPG fails to position itself among these companies, it could suffer reputational damage, which may lead to losses in market share and revenue.	M
Climate change adaptation		Opportunities related to the definition of a climate strategy	Actions	GEO macro area: Europe, North America, Pacific Area	2_Direct operations	Monitoring emissions and the definition of a climate strategy are priorities in the Interpump ESG Plan. This ensures that the business remains aligned with growing stakeholder pressures related to climate change. Legislative and regulatory emphasis is also increasing on this topic (EU CSRD). This has encouraged the introduction of tax incentives and assisted financing, opening new pathways for innovative products, services, investments, and strategic market opportunities that can enhance the brand image and market position of the Group.	L
		Opportunities related to the definition of a climate strategy	Actions	GEO macro area: Rest of the world	2_Direct operations	Monitoring emissions and the definition of a climate strategy are priorities in the Interpump ESG Plan. This ensures that the business remains aligned with growing stakeholder pressures related to climate change. Legislative and regulatory emphasis is also increasing on this topic (EU CSRD). This has encouraged the introduction of tax incentives and assisted financing, opening new pathways for innovative products, services, investments, and strategic market opportunities that can enhance the brand image and market position of the Group.	L

E1 – Climate change – Risks (2) and Opportunities (2)							
		Operational and reputational opportunities related to the energy transition	Dependencies	Group	2_Direct operations	By pursuing financial opportunities linked to the energy transition, Interpump could gain reputational benefits, thereby attracting environmentally-conscious clients and investors. Additionally, the adoption of energy-efficient technologies and sustainable practices leads to significant cost savings. For example, investing in high-energy-efficiency technologies for offices and production processes reduces electricity consumption, with a consequent reduction in operating expenses.	M
		Operational and reputational risks related to failure to mitigate climate change	Impact	GEO macro area: Europe, North America, Pacific Area	2_Direct operations	Climate change will result in increased regulatory pressures and obligations for undertakings to reduce their greenhouse gas emissions. Such obligations could generate higher operating costs for IPG. Moreover, customer preferences are shifting towards organizations that are committed to mitigating their GHG emissions. If IPG fails to position itself among these companies, it could suffer reputational damage, which may lead to losses in market share and revenue.	M
		Physical risks related to failure to mitigate climate change	Impact	Group	2_Direct operations	Climate-related events, such as extreme weather conditions, can cause damage to physical assets, requiring repair costs, replacements, or the impairment of affected assets. The increasing frequency and severity of such events could also necessitate investments in higher insurance premiums and general adaptation measures, leading to increased operating costs. Legal risks are also significant, as such issues could result in lawsuits and financial liabilities.	L
Energy		Opportunities related to the definition of a climate strategy	Actions	GEO macro area: Europe, North America, Pacific Area	2_Direct operations	Monitoring emissions and the definition of a climate strategy are priorities in the Interpump ESG Plan. This ensures that the business remains aligned with growing stakeholder pressures related to climate change. Legislative and regulatory emphasis is also increasing on this topic (EU CSRD). This has encouraged the introduction of tax incentives and assisted financing, opening new pathways for innovative products, services, investments, and	L

E1 – Climate change – Risks (2) and Opportunities (2)							
						strategic market opportunities that can enhance the brand image and market position of the Group.	
		Opportunities related to the definition of a climate strategy	Actions	GEO macro area: Rest of the world	2_Direct operations	Monitoring emissions and the definition of a climate strategy are priorities in the Interpump ESG Plan. This ensures that the business remains aligned with growing stakeholder pressures related to climate change. Legislative and regulatory emphasis is also increasing on this topic (EU CSRD). This has encouraged the introduction of tax incentives and assisted financing, opening new pathways for innovative products, services, investments, and strategic market opportunities that can enhance the brand image and market position of the Group.	L
		Operational and reputational opportunities related to the energy transition	Dependencies	Group	2_Direct operations	By pursuing financial opportunities linked to the energy transition, Interpump could gain reputational benefits, thereby attracting environmentally-conscious clients and investors. Additionally, the adoption of energy-efficient technologies and sustainable practices leads to significant cost savings. For example, investing in high-energy-efficiency technologies for offices and production processes reduces electricity consumption, with a consequent reduction in operating expenses.	M

E3 – Water and marine resources – Risks (2) and Opportunities (2)							
Subtopic	**Sub-subtopic**	**Risk / Opportunity**	**Factor**	**Level of disaggregation**	**Position within value chain**	**Description**	**Time horizon S / M / L**
Water	Water consumption	Reputational and operational risk related to water consumption within the value chain	Impact	Group	1_Upstream	The production and processing of steel and ferrous metals require large quantities of water, particularly for cooling operations and for the emulsions used in the cold-rolling processes. If the resource is withdrawn from areas subject to high water stress, the situation could become severe, considering the risk of increased droughts and water scarcity, with cascading negative effects on Interpump's business.	M
	Water withdrawal	Reputational and operational risk related to water consumption within the value chain	Impact	Group	1_Upstream	The production and processing of steel and ferrous metals require large quantities of water, particularly for cooling operations and for the emulsions used in the cold-rolling processes. If the resource is withdrawn from areas subject to high water stress, the situation could become severe, considering the risk of increased droughts and water scarcity, with cascading negative effects on Interpump's business.	M
	Water consumption	Operational and compliance opportunities related to water resource use	Dependencies	Group	2_Direct operations	Undertakings should explore opportunities to reduce water consumption, for example, through the use of closed-loop water systems. This becomes particularly relevant when water availability may be limited or sourced from water-stressed areas. Water efficiency measures can reduce the amount of wastewater generated and lower wastewater treatment costs and/or discharge fees. Moreover, adopting cutting-edge practices can foster positive reputational effects among stakeholders.	M
	Water withdrawal	Operational and compliance opportunities related to	Dependencies	Group	2_Direct operations	Undertakings should explore opportunities to reduce water consumption, for example, through the use of closed-loop water systems. This becomes particularly relevant when water availability may be limited or sourced from water-stressed areas. Water efficiency measures can reduce the amount of wastewater generated and lower wastewater treatment costs	M

E3 – Water and marine resources – Risks (2) and Opportunities (2)							
		water resource use				and/or discharge fees. Moreover, adopting cutting-edge practices can foster positive reputational effects among stakeholders.	

E5 – Circular economy – Risks (1) and Opportunities (4)							
Subtopic	**Sub-subtopic**	**Risk / Opportunity**	**Factor**	**Level of disaggregation**	**Position within value chain**	**Description**	**Time horizon S / M / L**
Resource inflows, including resource use		Reputational and operational opportunities linked to adopting a sustainable design policy	Actions	Group	2_Direct operations	The Ecodesign Policy will help to steer procurement choices towards solutions more aligned with sustainability standards, while enhancing the efficiency of production processes. In this way, the consumption and extraction of materials will be minimized, thus reducing such potential impacts as biodiversity loss and the depletion of ecosystems. A positive reputational impact among customers can reasonably be expected, with stronger commercial ties (impact on revenues), as well as the optimization of procurement (impact on costs).	M
		Reputational and operational risk linked to the use of virgin metals	Dependencies	Group	2_Direct operations	The processes needed to produce virgin metals generate significant environmental impacts in terms of emissions, since they are very energy-intensive. In addition, those processes participate in the production of scrap, such as metal turnings. With stronger regulatory pressure to curb atmospheric emissions (EU ETS, CBAM) and possible crackdowns on waste, upstream activities could sometimes be found non-compliant with local laws and regulations. These situations could have knock-on effects for Interpump in terms of reputational damage, and even reduced demand from B2B customers.	S
		Reputational opportunities linked to the procurement of recycled metals	Dependencies	Group	2_Direct operations	Opting to purchase recycled metals can save up to 20 times the energy needed for extraction, with direct positive impacts on production costs and CO2 emissions. In addition, the use of recycled metal cuts air pollution, water pollution, and water usage. These positive impacts on the Interpump value chain will boost the Group's image and could stimulate sales to customers with a greater focus on environmental matters.	M

E5 – Circular economy – Risks (1) and Opportunities (4)							
		Operational opportunities linked to sustainable product design	Impact	Group	2_Direct operations	The introduction of eco-design practices and product life cycle assessments (LCA), carried out in collaboration with research partners, may improve the efficiency of raw material usage and industrial processes, thus helping to contain costs. Furthermore, the offer of more sustainable solutions (energy-efficient, longer-lasting, repairable, readily disposable, etc.) may represent a distinctive factor in the marketplace, thus increasing sales and revenues while also responding to future regulatory pressures (lEU Ecodesign for Sustainable Products Regulation).	M
Waste		Reputational and operational opportunities linked to adopting a sustainable design policy	Actions	Group	2_Direct operations	The Ecodesign Policy will help to steer procurement choices towards solutions more aligned with sustainability standards, while enhancing the efficiency of production processes. In this way, the consumption and extraction of materials will be minimized, thus reducing such potential impacts as biodiversity loss and the depletion of ecosystems. A positive reputational impact among customers can reasonably be expected, with stronger commercial ties (impact on revenues), as well as the optimization of procurement (impact on costs).	M
		Adoption of the ecodesign policy will also optimize resource usage throughout the entire value chain	Actions	Group	4_Upstream & Downstream	Adoption of the ecodesign policy will also help to optimize resource usage throughout the entire value chain and the collaborations arranged with key suppliers on ad hoc projects	M

E5 – Circular economy – Risks (1) and Opportunities (4)							
		Operational opportunities linked to sustainable product design	Impact	Group	2_Direct operations	The introduction of eco-design practices and product life cycle assessments (LCA), carried out in collaboration with research partners, may improve the efficiency of raw material usage and industrial processes, thus helping to contain costs. Furthermore, the offer of more sustainable solutions (energy-efficient, longer-lasting, repairable, readily disposable, etc.) may represent a distinctive factor in the marketplace, thus increasing sales and revenues while also responding to future regulatory pressures (lEU Ecodesign for Sustainable Products Regulation).	M

S1 – Own workforce – Risks (2) and Opportunities (3)							
Subtopic	**Sub-subtopic**	**Risk / Opportunity**	**Factor**	**Level of disaggregation**	**Position within value chain**	**Description**	**Time horizon S / M / L**
Equal treatment and opportunities for all	Gender equality and equal pay for equal work	Operational opportunity linked to respecting employee diversity	Actions	GEO macro area: Europe, North America, Pacific Area	2_Direct operations	A diverse workforce can spark greater innovation and creativity, thus driving economic growth and expansion of the business. Furthermore, striving to respect diversity is an element that could better attract and retain talent, cutting employee turnover costs and reducing the legal risks deriving from workplace discrimination claims.	M
		Operational opportunity linked to respecting employee diversity	Actions	GEO macro area: Rest of the world	2_Direct operations	A diverse workforce can spark greater innovation and creativity, thus driving economic growth and expansion of the business. Furthermore, striving to respect diversity is an element that could better attract and retain talent, cutting employee turnover costs and reducing the legal risks deriving from workplace discrimination claims.	M
	Measures against violence and harassment in the workplace	Operational opportunity linked to respecting employee diversity	Actions	Group	2_Direct operations	A diverse workforce can spark greater innovation and creativity, thus driving economic growth and expansion of the business. Furthermore, striving to respect diversity is an element that could better attract and retain talent, cutting employee turnover costs and reducing the legal risks deriving from workplace discrimination claims.	M
	Diversity	Operational opportunity linked to respecting employee diversity	Actions	Group	2_Direct operations	A diverse workforce can spark greater innovation and creativity, thus driving economic growth and expansion of the business. Furthermore, striving to respect diversity is an element that could better attract and retain talent, cutting employee turnover costs and reducing the legal risks deriving from workplace discrimination claims.	M

S1 – Own workforce – Risks (2) and Opportunities (3)							
	Training and skills development	Operational opportunity linked to a more productive and engaged workplace (sense of belonging among employees)	Actions	Group	2_Direct operations	Training initiatives designed to promote for personnel growth and enhance career opportunities can lift employee morale and engagement. The mobility program can also build a sense of belonging and deepen the business awareness of workers. This may enhance internal productivity and the attractiveness of Interpump in the jobs market, as a desirable working environment for experienced personnel.	M
	Employment and inclusion of people with disabilities	Operational opportunity linked to respecting employee diversity	Actions	Group	2_Direct operations	A diverse workforce can spark greater innovation and creativity, thus driving economic growth and expansion of the business. Furthermore, striving to respect diversity is an element that could better attract and retain talent, cutting employee turnover costs and reducing the legal risks deriving from workplace discrimination claims.	M
Working conditions		Operational risks linked to personnel turnover	Dependencies	Group	2_Direct operations	Low workforce morale and the erosion of trust can have a serious impact on the operations and financial performance of a business. These factors can lead to greater employee turnover, lower productivity, additional training and hiring costs, and reputational damage.	M
Other work-related rights	Confidentiality	Compliance risks linked to data breaches	Impact	Group	2_Direct operations	The management of sensitive data belonging to employees, suppliers, and customers is governed by national and international privacy protection laws. If IT systems are not properly protected from unauthorized physical access, or do not comply with all regulatory requirements, Interpump could face fines and penalties.	S

S1 – Own workforce – Risks (2) and Opportunities (3)							
	Child labor	Reputational and operational risks linked to failure to protect the human rights of workers	Impact	GEO macro area: Rest of the world	2_Direct operations	If the human rights of Interpump's workers are violated due to inadequate measures and protocols, the Group could face more disputes, penalties, employee turnover, and reputational losses.	S
	Forced labor	Reputational and operational risks linked to failure to protect the human rights of workers	Impact	GEO macro area: Rest of the world	2_Direct operations	If the human rights of Interpump's workers are violated due to inadequate measures and protocols, the Group could face more disputes, penalties, employee turnover, and reputational losses.	S

S2 – Workers in the Value Chain – Risks (2) and Opportunities (1)							
Subtopic	**Sub-subtopic**	**Risk / Opportunity**	**Factor**	**Level of disaggregation**	**Position within value chain**	**Description**	**Time horizon S / M / L**
Other work-related rights	Child labor	Operational and reputational risks due to shortcomings in the due diligence work performed on the value chain	Dependencies	GEO macro area: Rest of the world	1_Upstream	Interpump must carry out careful due diligence work on all suppliers, in order to avoid situations that are unlawful or contrary to the regulations protecting workers (including human rights), the environment, and society, while ensuring consistent ethical conduct and anti-corruption compliance. Should the regulations governing this topic become tighter (EU CSDDD) and adverse event occur, Interpump could be subjected to penalties and suffer reputational losses.	S
	Forced labor	Operational and reputational risks due to shortcomings in the due diligence work performed on the value chain	Dependencies	GEO macro area: Rest of the world	1_Upstream	Interpump must carry out careful due diligence work on all suppliers, in order to avoid situations that are unlawful or contrary to the regulations protecting workers (including human rights), the environment, and society, while ensuring consistent ethical conduct and anti-corruption compliance. Should the regulations governing this topic become tighter (EU CSDDD) and adverse event occur, Interpump could be subjected to penalties and suffer reputational losses.	S
	Child labor	Reputational opportunity linked to the promotion of human rights in the value chain	Impact	GEO macro area: Europe, North America, Pacific Area	1_Upstream	By ensuring that suppliers respect the human rights of their worker, even with the provision of support to them to ensure the adoption of good practices, Interpump can stand out in the market and to customers as a worker-friendly brand.	M

S2 – Workers in the Value Chain – Risks (2) and Opportunities (1)							
	Child labor	Reputational opportunity linked to the promotion of human rights in the value chain	Impact	GEO macro area: Rest of the world	1_Upstream	By ensuring that suppliers respect the human rights of their worker, even with the provision of support to them to ensure the adoption of good practices, Interpump can stand out in the market and to customers as a worker-friendly brand.	M
	Forced labor	Reputational opportunity linked to the promotion of human rights in the value chain	Impact	GEO macro area: Europe, North America, Pacific Area	1_Upstream	By ensuring that suppliers respect the human rights of their worker, even with the provision of support to them to ensure the adoption of good practices, Interpump can stand out in the market and to customers as a worker-friendly brand.	M
	Forced labor	Reputational opportunity linked to the promotion of human rights in the value chain	Impact	GEO macro area: Rest of the world	1_Upstream	By ensuring that suppliers respect the human rights of their worker, even with the provision of support to them to ensure the adoption of good practices, Interpump can stand out in the market and to customers as a worker-friendly brand.	M
	Child labor	Operational and reputational risks due to shortcomings in the due diligence work performed on the value chain	Dependencies	GEO macro area: Europe, North America, Pacific Area	1_Upstream	Interpump must carry out careful due diligence work on all suppliers, in order to avoid situations that are unlawful or contrary to the regulations protecting workers (including human rights), the environment, and society, while ensuring consistent ethical conduct and anti-corruption compliance. Should the regulations governing this topic become tighter (EU CSDDD) and adverse event occur, Interpump could be subjected to penalties and suffer reputational losses.	S

S2 – Workers in the Value Chain – Risks (2) and Opportunities (1)							
	Forced labor	Operational and reputational risks due to shortcomings in the due diligence work performed on the value chain	Dependencies	GEO macro area: Europe, North America, Pacific Area	1_Upstream	Interpump must carry out careful due diligence work on all suppliers, in order to avoid situations that are unlawful or contrary to the regulations protecting workers (including human rights), the environment, and society, while ensuring consistent ethical conduct and anti-corruption compliance. Should the regulations governing this topic become tighter (EU CSDDD) and adverse event occur, Interpump could be subjected to penalties and suffer reputational losses.	S
	Confidentiality	Compliance risks linked to data breaches	Impact	Group	1_Upstream	The management of sensitive data belonging to employees, suppliers, and customers is governed by national and international privacy protection laws. If IT systems are not properly protected from unauthorized physical access, or do not comply with all regulatory requirements, Interpump could face fines and penalties.	S
S4 - Consumers and End Users – Risks (2) and Opportunities (2)							
Subtopic	**Sub-subtopic**	**Risk / Opportunity**	**Factor**	**Level of disaggregation**	**Position within value chain**	**Description**	**Time horizon S / M / L**
Impacts related to the information provided to consumers and/or end-users	Confidentiality	Compliance risks linked to data breaches	Impact	Group	3_Downstream	The management of sensitive data belonging to employees, suppliers, and customers is governed by national and international privacy protection laws. If IT systems are not properly protected from unauthorized physical access, or do not comply with all regulatory requirements, Interpump could face fines and penalties.	S
Social inclusion of consumers and/or end users	Access to products and services	Operational opportunities linked to products and services	Dependencies	Group	3_Downstream	With product-as-a-service demand climbing alongside the traditional sale of finished products, Interpump can deliver maintenance, repair, refurbishment and other services to customer, thus tapping in new market opportunities. In addition, the tailoring of products for specific environments,	M

S2 – Workers in the Value Chain – Risks (2) and Opportunities (1)							
						the addition of cutting-edge technologies that turn products into solutions, and the training of customers on the effective use and maintenance of products, are all services that can generate recurring income streams and enhance customer loyalty.	
		Operational risk from failure to meet customer expectations	Dependencies	Group	3_Downstream	Lately, customer preferences are turning towards products with lower environmental footprints, better recycling and reuse characteristics, and ethical supply chains. Should Interpump's R&D activities fail to take heed, long-term customer relations could suffer, with impacts on sales, revenues, and market standing.	M
		Opportunities deriving from innovative, more sustainable products and the ability to intercept new market trends	Dependencies	Group	3_Downstream	Customers increasing see a range of sustainable, innovative products as a plus factor, making it a potential driver of business growth and profitability. Accordingly, Interpump can benefit from this opportunity by promoting product performance from a standpoint of sustainable design, lifespan, energy efficiency, and disposal options.	L

G1 – Governance disclosures – Risks (1) and Opportunities (1)							
Subtopic	**Sub-subtopic**	**Risk / Opportunity**	**Factor**	**Level of disaggregation**	**Position within value chain**	**Description**	**Time horizon S / M / L**
Management of relations with suppliers, including payment practices		Reputational and compliance risks due to weak oversight of the supply chain	Impact	GEO macro area: Rest of the world	1_Upstream	Failure to manage the supply chain in a responsible and sustainable manner may generate reputational losses among partners and customers, which demand ever higher environmental and social standards, as well as losses of market share. These cases could result in the payment of penalties should product non-conformities be linked with failures to comply with the regulations governing raw materials (EU CSDDD and Deforestation Regulation).	S
Corporate culture		Operational opportunity due to the existence of a corporate-level committee	Actions	Group	2_Direct operations	The existence of a Group Sustainability Committee that coordinates all high-level decisions and initiatives from a sustainability standpoint means that Interpump has access to strategic guidance and an overview of active projects. In this way, resources can be managed efficiently within the Group.	M

The expected financial effects of material impacts, risks, and opportunities will be identified in the upcoming transition plan and the new 2026-2028 ESG Strategic Plan.

As shown in the tables presented above, there are no material risks or opportunities to be addressed by the business in the short term. Furthermore, the Group does not believe that any existing risks significantly increase the likelihood of major adjustments to its assets and liabilities in the coming year.

The Interpump Group has developed a business strategy that takes into account material impacts and risks, as well as the opportunities that may arise from them. Specifically, the Group has implemented a Risk Assessment process - coordinated by the Internal Audit, Risk & Compliance Function and updated annually - that takes sustainability matters into account.

The sustainability impacts, risks, and opportunities deemed material by the Interpump Group, following completion of the double materiality analysis that underpinned the preparation of this Report, are described in the tables contained in this section.

Analysis of these tables shows that, at present, no impacts, risks, or opportunities are reported by reference to specific additional information provided elsewhere.

1.4 Management of Impacts, Risks, and Opportunities

1.4.1 Disclosure requirement IRO-1: Description of the process to identify and assess material impacts, risks, and opportunities

The ESRS standard establishes that a sustainability matter can be material from one or both of the following standpoints:

- impact dimension: a sustainability matter is material when it relates to the actual or potential impacts, whether positive or negative, of the business on people or the environment over the short, medium, or long term. These impacts can stem from activities under the direct control of the business or from those within the upstream and downstream value chains.
- financial dimension: a sustainability matter is material if it could, or does, give rise to significant financial impacts on the business, whether negative (risks) or positive (opportunities) in nature. These risks and opportunities can stem from activities under the direct control of the business or from those within the upstream and downstream value chains.

The Group has carried out a double materiality analysis, explained below, to identify the material sustainability matters.

Impact Materiality

In order to identify the material sustainability matters, the Interpump Group started by identifying and assessing its impacts on people and the environment. This process was carried out in three phases:

Phase 1 - Understanding the context in which the Interpump Group operates: activities, business relationships, and geographies

The following were considered in order to identify the material impacts of the Interpump Group on people and the environment:

- all productive activities, as detailed in the earlier section entitled “Disclosure requirement SBM-1: Strategy, business model, and value chain”.
- the key business relationships of the Interpump Group, as detailed in the earlier section entitled “Disclosure requirement SBM-1: Strategy, business model, and value chain”.

- all the geographies in which the Interpump Group operates.
- In this regard, the Group - which operates globally - has analyzed the importance of sustainability matters with reference to two geographical macro-areas: *Europe, North America, Pacific Area* and *Rest of the world*. This approach was adopted to highlight the impacts, risks, and opportunities (IROs) that matter most to the Group.

Phase 2 - Identification of the actual and potential impacts of the Group, including via dialog with the stakeholders

Stakeholder involvement was important, especially for the identification of actual and potential negative impacts that could influence their decisions about the Group. For a detailed profile of the stakeholders of the Interpump Group and the related engagement processes, see the earlier section entitled "*Disclosure requirement SBM-2: Interests and views of stakeholders*".

Phase 3 - Assessment and ranking of the materiality of the impacts identified

Two different scales were used to assess and rank the negative and positive impacts identified:

Negative impacts	Positive impacts
Negative impacts were ranked by considering their **likelihood** of occurrence and their severity, based on the following factors: ○ **Scale** how grave the impact is ○ **Scope** how widespread the impact is within the value chain concerned ○ **Irremediable character** to what extent a negative impact can be remediated	Positive impacts were ranked by considering their **likelihood** of occurrence, as well as their **scale** and **scope**.

The Interpump Group assessed each aspect that determines the severity of an impact - scale, scope, irremediable character - scoring them from 1 to 5. The addition of these three separate scores determined the overall severity weighting, in a range from 3 to 15. This value was then multiplied by the likelihood of occurrence, which was considered to range from 0.2 (unlikely) to 1 (certain). All impacts with a final score of less than 5 were deemed to be immaterial; conversely, those above that threshold were deemed t o be material.

Financial Materiality

After having identified the material sustainability impacts, the Group identified and assessed the sustainability risks and opportunities that have, or could have, short-, medium-, or long-term financial impacts on the Interpump Group.
These risks and opportunities were correlated with:

- the material impacts identified as an output from the Impact Materiality analysis;
- the dependencies, being the external factors on which the organization relies in order to carry out its activities and achieve its objectives;
- actions included in the 2023-2025 ESG Plan in order to mitigate negative impacts and/or maximize any positive sustainability impacts.

The importance of each risk and opportunity was assessed and ranked as a combination of their likelihood of occurrence and their anticipated financial effects.

Definition of material sustainability topics

The results of the two analyses – Impact Materiality and Financial Materiality – were aggregated into material impacts, risks, and opportunities, which were then used to define the material sustainability matters.

The Interpump Group involved certain stakeholders - investors, top management, and members of the Board of Directors - in the process of assessing the importance of the material sustainability matters. In addition, as specified in the earlier section entitled "*Disclosure requirement GOV-1: The role of the administrative, management, and supervisory bodies*", the Board - assisted by the Sustainability Committee - is involved, at least yearly, in an examination of the results of the process to identify material topics for inclusion in the Sustainability Report.

In order to map risks fully, the Enterprise Risk Management (ERM) Model identifies sustainability risks using an approach that qualifies risk events as significant if they impacts sustainability factors or topics deemed important for Interpump, including for the purpose of disclosure in this Report. This approach takes account of the assessments made for non-financial reporting purposes, including the outputs from the double materiality analysis. For each impact, the controls implemented by the Group were also identified.

As this section shows, the process followed to identify the material impacts considered all the productive activities carried out by the Interpump Group. As for the assumptions made when preparing this Report, the earlier section entitled *"Disclosure requirement BP-2 – Disclosures in relation to specific circumstances"* shows that the only metrics containing estimates are those relating to Scope 3 Greenhouse Gas Emissions and Payment Practices.

The Interpump Group's 2023 Consolidated Non-Financial Statement was prepared in accordance with the GRI reporting standards issued by the Global Reporting Initiative. As a consequence of the change in applicable standards, it was not considered possible to compare the process of assessing the importance of sustainability matters carried during the current reporting year, with that carried out in the prior year.

Based on the double materiality analyses already carried out by the Group, the IROs linked to biodiversity are not deemed to be material. Given the limited impact of this topic on direct operations, attention was focused on the first cluster of Tier 1 suppliers. That analysis sought to assess the importance attached to biodiversity by the Group's main suppliers of metal semi-finished goods, which are mostly based in Italy. Their registered addresses were used as a proxy for the location of the production plants, in order to check their proximity to MAB (Man and the Biosphere Programme) areas. While this was only a partial analysis, needing more work over time, biodiversity does not currently appear to be a material topic for this first cluster of suppliers.

1.4.2 Disclosure requirement IRO-2: Disclosure requirements in ESRS covered by the undertaking's sustainability report

Following completion of the double materiality analysis, eight topics emerged as material. The following table provides an index to the pages where the respective disclosures can the found:

ESRS	Subtopic / sub-subtopic	Page
E1 - Climate change	Climate change adaptation	125
	Climate change mitigation	125
	Energy	125
E2 - Pollution	Air pollution	141
	Soil pollution	141
E3 - Water and marine resources	Water consumption	143
	Water withdrawals	143
E5 - Resource use and circular economy	Resource inflows, including resource use	149
	Waste	149
S1 – Own workforce	Working conditions - Health and safety	156
	Equal treatment and opportunities for all	156
	Protection of human rights, non-discrimination and equal opportunities	156
	Other work-related rights - Privacy	156
S2 – Workers in the value chain	Protection of human rights, non-discrimination and equal opportunities	173
	Other work-related rights - Privacy	173
S4 – Consumers and end-users	Impacts related to the information provided to consumers and/or end-users - Privacy	177
G1 – Business conduct	Management of relations with suppliers, including payment practices	181

The following table below lists all the data points from EU regulations other than Delegated Regulation 2023/5303 on European Sustainability Reporting Standards. The "Section" column indicates the location of each element within the Report or, alternatively, the wording "Not significant" if the topic was not deemed material following the double materiality analysis:

Disclosure requirement and related	datapoint	SFDR reference[11]	Pillar 3 reference ([12])	Benchmark Regulation reference ([13])	EU Climate Law reference ([14])	Section
ESRS 2 GOV-1 Board's gender diversity	21-d	Annex I, Table 1, Indicator no. 13		Commission Delegated Regulation (EU) 2020/181615, Annex II		1.2.1
ESRS 2 GOV-1 Percentage of board members who are independent	21-e			Commission Delegated Regulation (EU) 2020/1816, Annex II		1.2.1
ESRS 2 GOV-4 Statement on due diligence	30	Annex I, Table 3, Indicator no. 10				1.2.4
ESRS 2 SBM-1 Involvement in activities related to fossil fuel activities	40-d-i	Annex I, Table 1, Indicator no. 4	Article 449a Regulation (EU) 575/2013; Commission Implementing Regulation (EU) 2022/2453 [16] Table 1: Qualitative information on Environmental risk and Table 2: Qualitative information on Social risk	Commission Delegated Regulation (EU) 2020/1816, Annex II		Not significant
ESRS 2 SBM-1 Involvement in activities related to chemical production	40-d-ii	Annex I, Table 2, Indicator no. 9		Commission Delegated Regulation (EU) 2020/1816, Annex II		Not significant

[11] Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019, on sustainability-related disclosures in the financial services sector (SFDR) (OJ L 317, 9.12.2019, p. 1).

[12] Regulation (EU) 575/2013 of the European Parliament and of the Council of 26 June 2013, on prudential requirements for credit institutions and amending Regulation (EU) 648/2012 (Capital Requirements Regulation) (OJ L 176, 27.6.2013, p. 1).

[13] Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016, on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds, and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) 596/2014 (OJ L 171, 29.6.2016, p. 1).

[14] Regulation (EU) 2021/1119 of the European Parliament and of the Council of 30 June 2021, establishing the framework for achieving climate neutrality and amending Regulations (EC) 401/2009 and (EU) 2018/1999 ("European Climate Law") (OJ L 243, 9.7.2021, p. 1).

[15] Commission Delegated Regulation (EU) 2020/1816 of 17 July 2020, supplementing Regulation (EU) 2016/1011 of the European Parliament and of the Council as regards the explanation in the benchmark statement of how environmental, social and governance factors are reflected in each benchmark provided and published (OJ L 406, 3.12.2020, p. 1).

[16] Commission Implementing Regulation (EU) 2022/2453 of 30 November 2022, amending the implementing technical standards laid down in Implementing Regulation (EU) 2021/637 as regards the disclosure of environmental, social, and governance risks (OJ L 324, 19.12.2022, p. 1).

Disclosure requirement and related	datapoint	SFDR reference[11]	Pillar 3 reference ([12])	Benchmark Regulation reference ([13])	EU Climate Law reference ([14])	Section
ESRS 2 SBM-1 Involvement in activities related to controversial weapons	40-d-iii	Annex I, Table 1, Indicator no. 14		Article 12(1) of Commission Delegated Regulation (EU) 2020/1818 and Annex II of Commission Delegated Regulation (EU) 2020/1816		Not significant
ESRS 2 SBM-1 Involvement in activities related to cultivation and production of tobacco	40-d-iv			Article 12(1) of Commission Delegated Regulation (EU) 2020/1818[17] and Annex II of Commission Delegated Regulation (EU) 2020/1816		Not significant
ESRS E1-1 Transition plan to reach climate neutrality by 2050	14				Article 2(1) of Regulation (EU) 2021/1119	3.2.1
ESRS E1-1 Undertakings excluded from Paris-aligned Benchmarks	16-g		Article 449a Regulation (EU) 575/2013; Commission Implementing Regulation (EU) 2022/2453, Template 1: Banking book - Climate Change transition risk: Credit quality of exposures by sector, emissions and residual maturity	Article 12(1) d) to g) of Commission Delegated Regulation (EU) 2020/1818 and Article 12(2)		Not significant
ESRS E1-4 GHG emission reduction targets	34	Annex I, Table 2, Indicator no. 4	Article 449a Regulation (EU) 575/2013; Commission Implementing Regulation (EU) 2022/2453, Template 3: Banking book - transition risk: Climate change transition risk:	Article 6 of Commission Delegated Regulation (EU) 2020/1818		3.2.1

[17] Commission Delegated Regulation (EU) 2020/1818 of 17 July 2020, supplementing Regulation (EU) 2016/1011 of the European Parliament and of the Council, as regards minimum standards for EU Climate Transition Benchmarks and EU Paris-aligned Benchmarks (OJ L 406, 3.12.2020, p. 17).

Disclosure requirement and related	datapoint	SFDR reference[11]	Pillar 3 reference (12)	Benchmark Regulation reference (13)	EU Climate Law reference (14)	Section
			alignment metrics			
ESRS E1-5 Energy consumption from fossil sources disaggregated by sources (only high climate impact sectors)	38	Annex I, Table 1, Indicator no. 5 and Annex I, Table 2, Indicator no. 5				3.4.2
ESRS E1-5 Energy consumption and mix	37	Annex I, Table 1, Indicator no. 5				3.4.2
ESRS E1-5 Energy intensity associated with activities in high climate impact sectors	40-43	Annex I, Table 1, Indicator no. 6				3.4.2
ESRS E1-6 Gross Scopes 1, 2, 3 and Total GHG emissions	44	Annex I, Table 1, Indicator nos. 1 and 2	Article 449a of Regulation (EU) 575/2013; Commission Implementing Regulation (EU) 2022/2453, Template 1: Banking book - Climate change transition risk: Credit quality of exposures by sector, emissions and residual maturity	Articles 5(1), 6 and 8(1) of Commission Delegated Regulation (EU) 2020/1818		3.4.3
ESRS E1-6 Gross GHG emissions intensity	53-55	Annex I, Table 1, Indicator no. 3	Article 449a of Regulation (EU) 575/2013; Commission Implementing Regulation 2022/2453, Template 3: Banking book - transition risk: Climate change transition risk: alignment metrics	Article 8(1) of Commission Delegated Regulation (EU) 2020/1818		3.4.3

Disclosure requirement and related	datapoint	SFDR reference[11]	Pillar 3 reference ([12])	Benchmark Regulation reference ([13])	EU Climate Law reference ([14])	Section
ESRS E1-7 GHG removals and carbon credits	56				Article 2(1) of Regulation (EU) 2021/1119	Not significant
ESRS E1-9 Exposure of the benchmark portfolio to climate-related physical risks	66			Annex II of Commission Delegated Regulation (EU) 2020/1818 and Annex II of Commission Delegated Regulation (EU) 2020/1816		Phase-in
ESRS E1-9 Disaggregation of monetary amounts by acute and chronic physical risk ESRS E1-9 Location of significant assets at material physical risk	66-a; 66-c		Article 449a of Regulation (EU) 575/2013; Commission Implementing Regulation (EU) 2022/2453, paragraphs 46 and 47; Template 5: Banking book - Climate change physical risk: Exposures subject to physical risk			Phase-in
ESRS E1-9 Breakdown of the carrying value of its real estate assets by energy-efficiency classes	67-c		Article 449a of Regulation (EU) 575/2013; Commission Implementing Regulation (EU) 2022/2453, paragraph 34; Template 2: Banking book - Climate change transition risk: Loans collateralized by immovable property - Energy efficiency of the collateral			Phase-in
ESRS E1-9 Degree of exposure of the	69			Annex II of Commission		Phase-in

Disclosure requirement and related	datapoint	SFDR reference[11]	Pillar 3 reference ([12])	Benchmark Regulation reference ([13])	EU Climate Law reference ([14])	Section
portfolio to climate-related opportunities				Delegated Regulation (EU) 2020/1818		
ESRS E2-4 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	28	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 significant
ESRS E3-1 Water and marine resources	9	Annex I, Table 2, Indicator no. 7				5.1.2
ESRS E3-1 Dedicated policy	13	Annex I, Table 2, Indicator no. 8				5.1.2
ESRS E3-1 Sustainable oceans and seas	14	Annex I, Table 2, Indicator no. 12				5.1.2
ESRS E3-4 Total water recycled and reused	28-c	Annex I, Table 2, Indicator no. 6.2				5.2.2
ESRS E3-4 Total water consumption in³ per net revenue from own operations	29	Annex I, Table 2, Indicator no. 6.1				5.2.2
ESRS 2 IRO-1 – E4	16-a-i	Annex I, Table 1, Indicator no. 7				Not significant
ESRS 2 IRO-1 – E4	16-b	Annex I, Table 2, Indicator no. 10				Not significant

Disclosure requirement and related	datapoint	SFDR reference[11]	Pillar 3 reference ([12])	Benchmark Regulation reference ([13])	EU Climate Law reference ([14])	Section
ESRS 2 IRO-1 – E4	16-c	Annex I, Table 2, Indicator no. 14				Not significant
ESRS E4-2 Sustainable land / agriculture practices or policies	24-b	Annex I, Table 2, Indicator no. 11				Not significant
ESRS E4-2 Sustainable oceans / seas practices or policies	24-c	Annex I, Table 2, Indicator no. 12				Not significant
ESRS E4-2 Policies to address deforestation	24-d	Annex I, Table 2, Indicator no. 15				Not significant
ESRS E5-5 Non-recycled waste	37-d	Annex I, Table 2, Indicator no. 13				6.2.3
ESRS E5-5 Hazardous waste and radioactive waste	39	Annex I, Table 1, Indicator no. 9				6.2.3
ESRS 2 SBM3 – S1 Risk of incidents of forced labor	14-f	Annex I, Table 3, Indicator no. 13				7.1.2
ESRS 2 SBM3 – S1 Risk of incidents of child labor	14-g	Annex I, Table 3, Indicator no. 12				7.1.2
ESRS S1-1 Human rights policy commitments	20	Annex I, Table 3, Indicator no. 9 and Annex I, Table 1, Indicator no. 11				7.2.1
ESRS S1-1 Due diligence policies on issues addressed by the fundamental International Labor	21			Commission Delegated Regulation (EU) 2020/1816, Annex II		7.2.1

Disclosure requirement and related	datapoint	SFDR reference[11]	Pillar 3 reference ([12])	Benchmark Regulation reference ([13])	EU Climate Law reference ([14])	Section
Organisation Conventions 1 to 8						
ESRS S1-1 Processes and measures for preventing trafficking in human beings	22	Annex I, Table 3, Indicator no. 11				7.2.1
ESRS S1-1 Workplace accident prevention policy or management system	23	Annex I, Table 3, Indicator no. 1				7.2.1
ESRS S1-3 Grievance/complaints handling mechanisms	32-c	Annex I, Table 3, Indicator no. 5				7.2.3
ESRS S1-14 Number of fatalities and number and rate of work-related accidents	88-b; 88-c	Annex I, Table 3, Indicator no. 2		Commission Delegated Regulation (EU) 2020/1816, Annex II		7.3.7
ESRS S1-14 Number of days lost to injuries, accidents, fatalities or illness	88-e	Annex I, Table 3, Indicator no. 3				7.3.7
ESRS 2 SBM3 – S1 Risk of incidents of forced labor	14-f	Annex I, Table 3, Indicator no. 13				7.1.2
ESRS S1-16 Unadjusted gender pay gap	97-a	Annex I, Table 1, Indicator no. 12		Commission Delegated Regulation (EU) 2020/1816, Annex II		7.3.8
ESRS S1-16 Excessive CEO pay ratio	97-b	Annex I, Table 3, Indicator no. 8				7.3.8
ESRS S1-17 Incidents of discrimination	103-a	Annex I, Table 3, Indicator no. 7				7.3.9
ESRS S1-17 Non-respect of UNGPs on Business and	104-a	Annex I, Table 1, Indicator		Annex II of Commission Delegated		7.3.9

Disclosure requirement and related	datapoint	SFDR reference[11]	Pillar 3 reference ([12])	Benchmark Regulation reference ([13])	EU Climate Law reference ([14])	Section
Human Rights and OECD Guidelines		no. 10 and Annex I, Table 3, Indicator no. 14		Regulation (EU) 2020/1816 and Article 12(1) of Commission Delegated Regulation (EU) 2020/1818		
ESRS 2- SBM-3 – S2 Significant risk of child labor or forced labor in the value chain	11-b	Annex I, Table 3, Indicator nos. 12 and 13				8.1.2
ESRS S2-1 Human rights policy commitments	17	Annex I, Table 3, Indicator no. 9 and Annex I, Table 1, Indicator no. 11				8.2.1
ESRS S2-1 Policies related to value chain workers	18	Annex I, Table 3, Indicator nos. 11 and 4				8.2.1
ESRS S2-1 Non-respect of UNGPs on Business and Human Rights and OECD Guidelines	19	Annex I, Table 1, Indicator no. 10		Annex II of Commission Delegated Regulation (EU) 2020/1816 and Article 12(1) of Commission Delegated Regulation (EU) 2020/1818		8.2.1
ESRS S2-1 Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8	19			Commission Delegated Regulation (EU) 2020/1816, Annex II		8.2.1
ESRS S2-4 Human rights issues and incidents connected to its upstream and downstream value chain	36	Annex I, Table 3, Indicator no. 14				8.2.4

Disclosure requirement and related	datapoint	SFDR reference[11]	Pillar 3 reference ([12])	Benchmark Regulation reference ([13])	EU Climate Law reference ([14])	Section
ESRS S3-1 Human rights policy commitments	16	Annex I, Table 3, Indicator no. 9 and Annex I, Table 1, Indicator no. 11				Not significant
ESRS S3-1 Non-respect of UNGPs on Business and Human Rights, ILO principles and/or OECD Guidelines	17	Annex I, Table 1, Indicator no. 10		Annex II of Commission Delegated Regulation (EU) 2020/1816 and Article 12(1) of Commission Delegated Regulation (EU) 2020/1818		Not significant
ESRS S3-4 Human rights issues and incidents	36	Annex I, Table 3, Indicator no. 14				Not significant
ESRS S4-1 Policies related to consumers and end-users	16	Annex I, Table 3, Indicator no. 9 and Annex I, Table 1, Indicator no. 11				9.2.1
ESRS S4-1 Non-respect of UNGPs on Business and Human Rights and OECD Guidelines	17	Annex I, Table 1, Indicator no. 10		Annex II of Commission Delegated Regulation (EU) 2020/1816 and Article 12(1) of Commission Delegated Regulation (EU) 2020/1818		9.2.1
ESRS S4-4 Human rights issues and incidents	35	Annex I, Table 3, Indicator no. 14				9.2.4
ESRS G1-1 United Nations Convention against Corruption	10-b	Annex I, Table 3, Indicator no. 15				Not significant

Disclosure requirement and related	datapoint	SFDR reference[11]	Pillar 3 reference ([12])	Benchmark Regulation reference ([13])	EU Climate Law reference ([14])	Section
ESRS G1-1 Protection of whistle-blowers	10-d	Annex I, Table 3, Indicator no. 6				10.2.2
ESRS G1-4 Fines for violation of anti-corruption and anti-bribery laws	24-a	Annex I, Table 3, Indicator no. 17		Annex II of Commission Delegated Regulation (EU) 2020/1816		Not significant

The Interpump Group has divided its impacts, risks, and opportunities into three thresholds of significance: *low*, *medium*, and *high*. The significance (*medium* or *high*) of material impacts, risks, and opportunities is detailed in the earlier section entitled “Disclosure requirement SBM-3: Material impacts, risks, and opportunities and their interaction with strategy and business model”.

2. ENVIRONMENTAL INFORMATION

2.1 DISCLOSURE UNDER THE TAXONOMY REGULATION

2.1.1 Introduction

In order to achieve the climate and energy goals set for 2030 and 2050 in the European Green Deal, the European has deemed it essential to guide private sector investment towards sustainable projects and initiatives. For this purpose, the European Taxonomy was introduced with the aim of creating a tool to report, transparently and objectively, those economic activities that contribute substantially to the goals of the European Green Deal. Regulation (EU) 2020/852 (hereinafter, the "Taxonomy Regulation" or "Regulation"), which entered into force on 12 July 2020, defines the criteria under which a given economic activity can be considered environmentally sustainable.

Pursuant to art. 3 of this Regulation, an economic activity is considered "environmentally sustainable" if it:

- complies with the Technical Screening Criteria defined, on a scientific basis, for each activity included in the Taxonomy Regulation. Consistency with the Technical Screening Criteria ensures that an economic activity:
- contributes substantially to one or more of the six environmental objectives set out in Article 9 of the Regulation, which are listed below:
  - Climate change mitigation;
  - Climate change adaptation;
  - The sustainable use and protection of water and marine resources;
  - The transition to a circular economy;
  - Pollution prevention and control;
  - The protection and restoration of biodiversity and ecosystems.
- does no significant harm to any of the five remaining environmental objectives;
- is carried out in compliance with the Minimum Safeguards - specified in art. 18 of the Regulation - to ensure alignment with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights.

From January 2022, companies subject to the obligations of Directive (EU) 2014/95 on non-financial reporting were required to include disclosures pursuant to the Taxonomy Regulation in their Consolidated Non-Financial Statement ("NFS"). Clearly, this obligation remains valid under the CSRD as well.

For non-financial companies, the application of the Regulation has been gradual:

- For the first year of application, being the 2021 financial year, companies had to report the proportion of revenue (Turnover), operating expenses (OpEx), and capital expenditure (CapEx) derived from activities eligible under the Taxonomy Regulation for the objectives related to climate change - climate change mitigation and climate change adaptation – without needing to verify compliance with the Technical Screening Criteria set out in the "Climate Delegated Act" (Commission Delegated Regulation (EU) 2021/2139) and the Minimum Safeguards.
- From 2022, companies were also required to report the proportion of revenue, operating expenses, and capital expenditure related to activities aligned with the Taxonomy Regulation, meaning eligible activities that also satisfy the Technical Screening Criteria established by the "Climate Delegated Act" and comply with the Minimum Safeguards.

- The “Environmental Delegated Act” (Commission Delegated Regulation (EU) 2023/2486) was published in June 2023, defining the activities eligible for the 4 remaining objectives of the Taxonomy Regulation and their related Technical Screening Criteria. For this first year of application of the “Environmental Delegated Act,” non-financial companies are only required to report the proportion of Turnover, CapEx, and OpEx eligible for the four remaining objectives contained in the Regulation (with reference to 2023 data).
- In addition, the proportion of KPIs related to aligned economic activities will be reported from 1 January 2025, with reference to 2024 data. Commission Delegated Regulation (EU) 2023/2846 also establishes the obligation for non-financial companies to disclose their level of eligibility and alignment with environmental objectives, including the specific alignment with each environmental objective of their activities that contribute substantially to the various objectives.

2.2 Assessment of compliance with the Regulation

2.2.1 Eligibility analysis

In 2024, the Interpump Group mapped the activities carried out by individual companies within the Group that can be associated with activities included in the Taxonomy Regulation, checking, in each case, for consistency between the provisions of the Regulation and the substance of their activities. Where necessary, the respective NACE codes were also considered to better corroborate the analysis. Based on these results, the proportion of Turnover, CapEx, and OpEx attributable to “Taxonomy-eligible” activities listed in the “Climate Delegated Act” and the “Environmental Delegated Act” was evaluated with respect to the Climate Change Mitigation (CCM) and Transition to a Circular Economy (CE) objectives. Double counting was avoided by individual examination of each item associated with activities classified as eligible, and completion of the taxonomy templates in accordance with the provisions of the Regulation.

A more in-depth and comprehensive analysis of all potentially eligible activities was carried out in 2024. In particular, values related to construction and other real estate activities were also considered eligible.

Following the analysis, the activities of the Group were associated with the following activities included in the Taxonomy Regulation:

1.2 - Manufacture of electrical and electronic equipment (CE)

Based on the definition of Electrical and Electronic Equipment (EEE), this category could potentially include all equipment that depends on electric currents or electromagnetic fields to function properly.

For the 2024 reporting year, the Group opted for a more restrictive interpretation of the Regulation, considering just electronic products to be eligible, while excluding those that are merely electrical. For this purpose, electromechanical products and systems were included where:

- the electronic component is a defining element of the contribution made by Group companies;
- the added value is primarily attributable to the electronic component and the underlying applied research;
- the purchasing decision made by the customer is essentially linked to the electronic component and its intrinsic connection to the mechanical part.

Based on this approach, the proportion of Turnover, OpEx, and CapEx attributable to this activity, with respect to the related 2024 consolidated amounts, was as follows:

- Turnover 1.2%,
- OpEx 0.6%,
- CapEx 0.2%.

Taking Walvoil S.p.A. (the largest Group company in terms of revenue) as an example, the following products were included in this category: electronic control units, electronic joysticks, hydraulic distributors with sensors, and advanced hydraulic servocontrols. In all these cases, it is possible to identify the presence of an electronic board designed by Walvoil and a programmable electronic component (typically a CPU or an advanced sensor). For Interpump Hydraulics S.p.A. (another important Group company), power take-offs (PTOs) with electric drives were considered, where the electronic board manages their engagement and disengagement as programmed. In the case of Inoxpa (another major Group company), devices for automating the opening and closing of valves were included, since they contain an electronic module with three sensors capable of assessing the various operating parameters.

3.9 Manufacture of iron and steel (CCM)

This category includes the activities of IPG Mouldtech, a Group company engaged in producing grey, vermicular graphite, and ductile iron castings for other Group companies. For this purpose, the CapEx related to foundry management and the associated OpEx linked to the maintenance and repair of the plant were considered in full. Conversely, there are no revenues from third parties, since IPG Mouldtech is fully integrated into the Group's production chain and, therefore, manufactures components used by other companies in Interpump's Hydraulic sector (the Taxonomy Regulation excludes intercompany revenues). For 2024, the incidence of CapEx allocated to this activity on the total consolidated increase in tangible fixed assets was 0.2%, while OpEx accounted for 0.4% of the total.

5.1 - Repair, refurbishment, and remanufacturing (CE)

For the 2024 reporting year, the Group considered as eligible the revenues from repair, refurbishment, and remanufacturing activities by Group companies whose NACE codes are listed in the activity description. Accordingly, only repairs of products manufactured by Interpump Hydraulics and I.mec were considered.

For 2024, the incidence of this revenue on the consolidated total was less than 0.01%.

This category includes restorations following failures during use, which may involve disassembling components, reworking and/or replacing damaged parts, and subsequent reassembly.

5.2 Sale of spare parts (CE)

The Taxonomy Regulation treats as eligible the spare parts used in products manufactured by economic activities associated with the NACE codes listed in the activity description.

Accordingly, for the 2024 reporting year, Interpump has included in the calculation of eligible revenue solely the revenue from the sale of spare parts by Group companies whose NACE codes are listed in the activity description.

Thus, only the sales of spare parts for components manufactured by Interpump Hydraulics (such as hydraulic cylinders and seals) were considered.

For 2024, the incidence of revenue from this activity on the consolidated total was 0.1%.

7.1 Construction of new buildings (CCM/CE)

The Group has considered as eligible, under CapEx C, the increase in tangible fixed assets associated with the construction of new buildings and production plants. This amount includes all systems, connections, and appurtenances that are an integral part of the construction project. For 2024, the incidence of CapEx allocated to this activity on the total consolidated increase in tangible fixed assets was 29.0%.

7.2 Renovation of existing buildings (CCA/CE)

The eligible CapEx C included work, whether or not capitalized, on the extraordinary maintenance of properties and any improvements made to Group buildings. For 2024, the incidence of CapEx allocated to this activity on the total consolidated increase in tangible fixed assets was 7.0%, while OpEx accounted for 2.3% of the total.

7.6 - Installation, maintenance and repair of renewable energy technologies (CCM)

This activity includes the Group's investments in the purchase and installation of photovoltaic panels on the roofs of its business premises (CapEx C). For 2024, the incidence of capital expenditure allocated to this activity on the consolidated total was 1.5%.

Other eligible activities in the construction and real estate category

The eligibility analysis conducted by the Group also identified other investments, less significant in absolute terms, but still classifiable as CapEx C in the construction and real estate category. These include:

- 7.3 Installation, maintenance and repair of energy efficiency equipment (CCM)
- 7.4 Installation, maintenance and repair of on-site charging stations for electric vehicles (CCM)
- 7.5 Installation, maintenance and repair of instruments and devices for measuring, regulating, and controlling the energy performance of buildings (CCM)
- 7.7 Acquisition and ownership of buildings (CCM)

For 2024, the combined incidence of CapEx allocated to these activities on the total consolidated increase in tangible fixed assets was 0.8%. Later tables provide further details about these various different

activities.

8.1 Data processing, hosting, and related activities (CCM)

The Group has considered as eligible, under CapEx C and OpEx C respectively, the increase in tangible fixed assets associated with the establishment of data centers and servers, and the costs attributable to their management and maintenance. For 2024, the incidence of CapEx allocated to this activity on the total consolidated increase in tangible fixed assets was 0.4%, while OpEx accounted for 1.0% of the total.

4.1 Provision of data-driven IT/OT solutions (CE)

The Group has considered as eligible, under CapEx C and OpEx C respectively, the increase in tangible fixed assets and the costs associated with the development, implementation, and maintenance of software and systems to collect and analyze date, and generate insights into operational performance. For 2024, the incidence of capital expenditure allocated to this activity on the consolidated total was 0.1%, while costs accounted for 0.4% of the total.

Alignment analysis

For the 2024 reporting year, the Interpump Group believes that none of the activities considered eligible satisfy the corresponding Technical Screening Criteria mentioned in the Taxonomy Delegated Acts (the "Climate Delegated Act" and "Environmental Delegated Act"). This requirement must be satisfied so that activities can, potentially, qualify as aligned with the Regulation and be considered environmentally sustainable.

With regard to activities 3.9 Manufacture of iron and steel, 7.1 Construction of new buildings, 7.2 Renovation of existing buildings, 7.6 - Installation, maintenance, and repair of renewable energy technologies, and 8.1 Data processing, hosting, and related activities, these considerations apply to the analyses carried out in relation to the Climate Change Mitigation (CCM) objective.

2.3 Minimum Safeguards

Accounting policy and contextual information

Annex I of Delegated Act 2021/2178 (hereinafter "Disclosure Delegated Act") establishes the procedures to follow in order to determine the Turnover, CapEx, and OpEx KPIs associated with the eligible activities identified by the Interpump Group.

The methodology used by the Group to calculate the KPIs detailed below.

Turnover

To determine the proportion of turnover, the numerator included net revenues from products or services, including intangibles, associated with Taxonomy-eligible economic activities, while the denominator comprised the total consolidated net revenues.

The latter included the revenues recognized pursuant to International Accounting Standard (IAS) 1, paragraph 82(a).

The calculation excluded intercompany revenues and the value of the parts used internally, in the production processes of individual Group companies.

CapEx

To determine the proportion of capital expenditure, the numerator included the additions to consolidated fixed assets associated with eligible activities, while the denominator comprised total additions to consolidated fixed assets; both items comply with the criteria defined in point 1.1.2.2 of Annex I to the "Disclosure Delegated Act".

The consolidated total included all 2024 additions to tangible and intangible fixed assets, all increases deriving from business combinations, and the effects of IFRS 16.

OpEx

To determine the proportion of operating expenses, the numerator included the operating expenses associated with eligible activities, defined using the criteria in point 1.1.3.2 of Annex I to the "Disclosure Delegated Act". Specifically, the Group considered the following operating expenses: direct non-capitalized R&D costs, the cost of maintenance and repairs, and other expenses related to asset preservation. The denominator comprised total operating expenses that satisfy the criteria described in point 1.1.3.1 of Annex I to the "Disclosure Delegated Act". Specifically, the following cost items were included: direct non-capitalized costs that relate to research and development, building renovation measures, short-term lease, maintenance and repair, and any other direct expenditures relating to the day-to-day servicing of assets of property, plant and equipment by the undertaking or third party to whom activities are outsourced that are necessary to ensure the continued and effective functioning of such assets.

Taxonomy – KPIs for eligible activities Summary table 2024-2023	Turnover		CapEx		OpEx	
EUR M	**2024**	**2023**	**2024**	**2023**	**2024**	**2023**
Manufacture of electrical and electronic equipment	24.5	9.8	0.3	0.6	0.3	0.1
Sale of spare parts	2.3	-	-	-	-	-
Repair, refurbishment, and remanufacturing	0.3	0.1	-	-	-	-
Manufacture of iron and steel	-	-	0.4	-	0.2	-
Construction of new buildings	-	-	54.7	-	-	-
Renovation of existing buildings	-	-	13.2	-	1.3	-
Installation, maintenance and repair of renewable energy technologies	-	-	2.9	5.0	0.0	-
Installation, maintenance and repair of energy efficiency equipment	-	-	0.8	-	-	-
Data processing, hosting, and related activities	-	-	0.8	-	0.6	-
Other	-	-	0.9	-	0.2	-
Total eligible	**27.0**	**9.9**	**74.1**	**5.6**	**2.6**	**0.1**
Consolidated amounts	2,078.4	2,240.0	188.7	219.0	54.8	59.0
Taxonomy KPIs	1.3%	0.4%	39.2%	2.6%	4.8%	0.1%

	Template 1 - Nuclear and fossil gas related activities	
	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	
1	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	No
2	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
3	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

CAPEX Financial year 2024	**Year**			**Criteria for substantial contribution**						**DNSH criteria** (do no significant harm)									
Economic activities	Code	CapEx (EUR M)	Proportion of CapEx, 2024	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 or eligible CapEx, 2023	Category qualifying activity	Category transitional activity
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1 ECO-SUSTAINABLE ACTIVITIES (TAXONOMY ALIGNED)																			
CapEx of eco-sustainable activities (taxonomy aligned) (A.1)		-	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**								**0.0%**		
of which qualifying		-	-															E	
of which transitional		-	-																T
A.2 Taxonomy-eligible activities that are not eco-sustainable (taxonomy non-aligned activities)																			
Manufacture of electrical and electronic equipment	CE 1.2	0.3	0.2%	N/EL	N/EL	N/EL	N/EL	EL	N/EL								0.3%		T
Provision of data-driven IT/OT solutions	CE 4.1	0.2	0.1%	N/EL	N/EL	N/EL	N/EL	EL	N/EL								0.0%	E	
Manufacture of iron and steel	***CCM 3.9***	0.4	0.2%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.0%		T
Construction of new buildings	***CCM 7.1*** / CE 3.1	54.7	29.0%	EL	N/EL	N/EL	N/EL	EL	N/EL								0.0%		
Renovation of existing buildings	***CCM 7.2*** / CE 3.2	13.2	7.0%	EL	N/EL	N/EL	N/EL	EL	N/EL								0.0%		T
Installation, maintenance and repair of energy efficiency equipment	***CCM 7.3***	0.8	0.4%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.0%	E	
Installation, maintenance and repair of on-site charging stations for electric vehicles	***CCM 7.4***	0.1	0.1%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.0%	E	
Installation, maintenance and repair of instruments and devices for measuring, regulating, and controlling the energy performance of buildings	***CCM 7.5***	0.0	0.0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.0%	E	
Installation, maintenance and repair of renewable energy technologies	***CCM 7.6***	2.9	1.5%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								2.3%	E	
Acquisition and ownership of buildings	***CCM 7.7***	0.6	0.3%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.0%		
Data processing, hosting, and related activities	***CCM 8.1***	0.8	0.4%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.0%		T
CapEx of taxonomy-eligible activities that are not eco-sustainable (taxonomy non-aligned activities) (A.2)		**74.1**	**39.2%**	**39.0%**	**0.0%**	**0.0%**	**0.0%**	**0.3%**	**0.0%**								**2.6%**		
A. CapEx on taxonomy-eligible activities (A.1+A.2)		**74.1**	**39.2%**	**39.0%**	**0.0%**	**0.0%**	**0.0%**	**0.3%**	**0.0%**								**2.6%**		
B. TAXONOMY NON-ELIGIBLE ACTIVITIES																			
CapEx of taxonomy non-eligible activities		**114.7**	**60.8%**																
Total (A+B)		**188.7**	**100.0%**																

Proportion of CapEx	**Taxonomy aligned by objective**	**Taxonomy eligible by objective**
CCM	*0.0%*	*39.0%*
CCA	*0.0%*	*0.0%*
WTR	*0.0%*	*0.0%*
CE	*0.0%*	*0.3%*
PPC	*0.0%*	*0.0%*
BIO	*0.0%*	*0.0%*

TURNOVER **Financial year 2024** **Economic activities**	**Year**			**Criteria for substantial contribution**						**DNSH criteria (do no significant harm)**									
	Code	Turnover (EUR M)	Proportion of Turnover, 2024	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 or eligible Turnover, 2023	Category qualifying activity	Category transitional activity
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1 ECO-SUSTAINABLE ACTIVITIES (TAXONOMY ALIGNED)																			
Turnover of eco-sustainable activities (taxonomy aligned) (A.1)		**-**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**								**0.0%**		
of which qualifying		-	-															E	
of which transitional		-	-																T
A.2 Taxonomy-eligible activities that are not eco-sustainable (taxonomy non-aligned activities)																			
Manufacture of electrical and electronic equipment	CE 1.2	24.5	1.2%	N/EL	N/EL	N/EL	N/EL	EL	N/EL								0.1%		T
Sale of spare parts	CE 5.2	2.3	0.1%	N/EL	N/EL	N/EL	N/EL	EL	N/EL								0.0%		T
Repair, refurbishment, and remanufacturing	CE 5.1	0.3	0.0%	N/EL	N/EL	N/EL	N/EL	EL	N/EL								0.0%		T
Turnover of taxonomy-eligible activities that are not eco-sustainable (taxonomy non-aligned activities) (A.2)		**27.0**	**1.3%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**1.3%**	**0.0%**								0.0%		
A. Turnover of taxonomy-eligible activities (A.1+A.2)		**27.0**	**1.3%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**1.3%**	**0.0%**								0.1%		
B. TAXONOMY NON-ELIGIBLE ACTIVITIES																			
Turnover of taxonomy non-eligible activities		**2,051.4**	**98.7%**																
Total (A+B)		**2,078.4**	**100.0%**																

Proportion of Turnover	**Taxonomy aligned by objective**	**Taxonomy eligible by objective**
CCM	*0.0%*	*0.0%*
CCA	*0.0%*	*0.0%*
WTR	*0.0%*	*0.0%*
CE	*0.0%*	*1.3%*
PPC	*0.0%*	*0.0%*
BIO	*0.0%*	*0.0%*

OPEX **Financial year 2024** **Economic activities**	**Year**			**Criteria for substantial contribution**						**DNSH criteria (do no significant harm)**									
	Code	OpEx (EUR M)	Proportion of OpEx, 2024	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 or eligible OpEx, 2023	Category qualifying activity	Category transitional activity
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1 Eco-sustainable activities (taxonomy aligned)																			
OpEx of eco-sustainable activities (taxonomy aligned) (A.1)		**-**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**								**0.0%**		
of which qualifying		-	-															E	
of which transitional		-	-																T
A.2 Taxonomy-eligible activities that are not eco-sustainable (taxonomy non-aligned activities)																			
Manufacture of electrical and electronic equipment	CE 1.2	0.3	0.6%	N/EL	N/EL	N/EL	N/EL	EL	N/EL								0.4%		
Provision of data-driven IT/OT solutions	CE 4.1	0.2	0.4%	N/EL	N/EL	N/EL	N/EL	EL	N/EL								0.0%	E	
Manufacture of iron and steel	***CCM 3.9***	0.2	0.4%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.0%		T
Renovation of existing buildings	***CCM 7.2*** / CE 3.2	1.3	2.3%	EL	N/EL	N/EL	N/EL	EL	N/EL								0.0%		T
Installation, maintenance and repair of renewable energy technologies	***CCM 7.6***	0.0	0.0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.0%	E	
Data processing, hosting, and related activities	***CCM 8.1***	0.6	1.0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.0%		T
OpEx of taxonomy-eligible activities that are not eco-sustainable (taxonomy non-aligned activities) (A.2)		**2.6**	**4.8%**	**3.8%**	**0.0%**	**0.0%**	**0.0%**	**1.0%**	**0.0%**								0.4%		
A. OpEx of taxonomy-eligible activities (A.1+A.2)		**2.6**	**4.8%**	**3.8%**	**0.0%**	**0.0%**	**0.0%**	**1.0%**	**0.0%**								0.4%		
B. TAXONOMY NON-ELIGIBLE ACTIVITIES																			
Turnover of taxonomy non-eligible activities		**52.2**	**95.2%**																
Total (A+B)		**54.8**	**100.0%**																

Proportion of OpEx	Taxonomy aligned by objective	Taxonomy eligible by objective
CCM	*0.0%*	*3.8%*
CCA	*0.0%*	*0.0%*
WTR	*0.0%*	*0.0%*
CE	*0.0%*	*1.0%*
PPC	*0.0%*	*0.0%*
BIO	*0.0%*	*0.0%*

3. ESRS E1 - CLIMATE CHANGE

3.1 Governance

3.1.1 Disclosure requirement related to ESRS 2 GOV-3 – Integration of sustainability-related performance in incentive schemes

As shown in the earlier section entitled "*Disclosure requirement GOV-3:* Integration of sustainability-related performance in incentive schemes", IPG's Remuneration Policy seeks, *inter alia*, to link the remuneration of Executive Directors and Key Management Personnel with the achievement of ESG objectives, using short- and medium/long-term incentive schemes that apply sustainability metrics.

Specifically, when setting remuneration, the:

- annual incentive system (MBO) envisages correlation with the ESG objectives by identifying precise KPIs linked to achievement of the annual objectives specified in the ESG Plan, assigning them a 15% weighting with respect to the MBO as a whole.
- the medium/long-term incentive system (LTI), represented by the Interpump Incentive Plan for 2022-2024, also envisages that, for 15% of the options offered to each beneficiary, the objectives assigned to them must contribute to the development and consolidation of the ESG topics that *inter alia* are measurable and/or measured for non-financial reporting purposes.

Accordingly, remuneration is based on the results effectively achieved in the ESG areas that are linked both to personal performance and to the creation of medium/long-term value for the Company. At the time of preparing this document, the GHG emission reduction targets envisaged in the Group's Decarbonization Strategy, which exceed those indicated in the 2023-25 ESG Plan (with a time horizon well beyond the end of that Plan), do not influence the short-term variable remuneration (MBO) recognized in the current period or the 2022-24 Long-Term Incentive (LTI) Plan.

3.2 Strategy

3.2.1 Disclosure requirement E1-1 Transition plan for climate change mitigation

On 10 November 2023, the Board of Directors of Interpump Group S.p.A. approved the Group's Decarbonization Strategy for 2023-32. This document lays the foundations for every environmental initiative envisaged in the 2023-25 ESG Plan and represents one of the principal actions taken to embed ESG principles in the Group strategy.

The Decarbonization Strategy approved by the Group is based on the emissions of the companies within the consolidation perimeter of the 2022 NFS[18]. Although the perimeter of the Group has changed since, due to several M&A transactions, the targets set at that time are still considered to be attainable.

A 30% reduction in Group Scope 1 and Scope 2 emissions by 2025 and greater focus on achieving the decarbonization targets set for 2030 and 2050 are key objectives of the Strategy that, consistent with the ESG Plan, applies to the entire Group.

With regard to the medium/long-term decarbonization targets, the Group has committed to reducing its emissions by about 45% by 2032 (limited to Scope 1 and Scope 2 emissions). When preparing this document, the Interpump Group drew inspiration from the Science-Based Targets initiative - SBTi (and

[18] Compared with the 2022 financial consolidation perimeter, the 2022 NFS perimeter did not include Eurofluid Hydraulic S.r.l. because it was acquired subsequent to 30 June 2022. See the Methodological Note in the 2022 NFS for more detailed information.

thus from the broader goal of limiting global warming to 1.5°C as defined in the Paris Agreement), without formally joining it.

In fact, while the Group aims to lower Scope 1 and Scope 2 emissions by 45% by 2032, the SBTi targets a 42% reduction by 2030. This latter target should be reached by the Group between 2030 and 2032. Further, the decarbonization strategy covers approximately 90% of total Scope 1 and Scope 2 emissions, closely approaching the 95% threshold envisaged in the SBTi approach.

While the perimeter and reference targets are inspired by the SBTi methodology, the Group's approach has not been formally validated by external experts.

These targets will be reached by the combined application of three main drivers: additional photovoltaic installations, the purchase of energy from renewable sources and, lastly, structured, long-term power purchase agreements of the type previously mentioned.

Compared with the program envisaged on approval of the ESG Plan, these drivers will be applied more intensively with, in particular, greater emphasis on Europe.

Lastly, it is important to highlight that definition of the ESG Strategy represents clear progress along the Group's Sustainability Path, consistent with the commitment made to deliver constant steady improvement:

1) expansion of the sample: there are now 29 Group companies included in the statistical base underpinning the ESG Strategy, compared with 25 in the ESG Plan. This means that the approximate coverage of turnover and Scope 1 & 2 emissions has risen to 80% and 90% respectively;
2) given that external growth is a core element of Group strategy, the ESG Strategy has been supplemented with analyses designed to understand better the impact of acquisitions in terms of emissions and identify forms of mitigation in such a way that their implementation does not compromise pursuit of the short- and long-term decarbonization targets.

Currently, IPG has not established targets in the form of CapEx/OpEx Plans to align the economic activities of the Group with the criteria specified in Commission Delegated Regulation 2021/2139.

The exclusions envisaged in art. 12 of Regulation 2020/1818 do not apply to the Interpump Group, which is therefore included in the Paris-aligned benchmarks.

The Group's decarbonization strategy represents an initial tool for linking business resilience, environmental parameters, and financial planning. In this phase, the focus has been on tackling the Scope 1 and Scope 2 emissions. However, the decarbonization strategy will be extended to address the Scope 3 emissions, particularly in light of the introduction of the Carbon Border Adjustment Mechanism (CBAM). These latter emissions will most likely impact on the Group's business (directly or indirectly) and will have to be monitored and managed accordingly.

To better understand the alignment of environmental targets, corporate strategy, and financial planning within the Interpump Group, note that the software originally used to collect and consolidate economic-financial data, is now also used to process ESG data. As a result, a specific element analyzed (e.g., electricity consumption) can often be associated with its economic effect (e.g., the cost of purchasing that energy). This level of integration strengthens both datasets (financial and ESG), providing a broader understanding of the dynamics underlying value creation by melding the related industrial and environmental aspects.

Drawing on this extensive database, top management and the representatives of individual Group companies work in close collaboration to define and implement the targets set in the ESG Plan. This approach balances the need for a centrally-defined strategy with the importance of recognizing the specific risks and opportunities existing in the territories where Group companies operate.

In the process of adopting sustainability policies, the Interpump Board draws on important contributions made by the:

- Sustainability Committee, comprising the CEO and two independent directors;
- ESG managerial team, consisting of the CEO, the General Counsel & ESG Director, the CFO, and the Head of the Internal Audit, Risk & Compliance Function.

This structure ensures the efficacy of corporate projects, the accountability of decision-makers, and the steady dissemination of a sustainability culture. The combination of all these elements will be developed more fully in the transition plan, which the Group is currently preparing.

Although the Board of Directors of Interpump Group S.p.A. approved the Group's Decarbonization Strategy for 2023-2032 on 10 November 2023, this only partially represents a transition plan in the strict sense.

When developing the 2026-2028 ESG Plan, Interpump will therefore focus on expanding the analysis of transition targets, risks, and opportunities to craft a strategic plan aligned with the CSRD requirements and the expectations of Group stakeholders. This plan will aim to release synergies among interconnected matters, which span the various technological, climatic, regulatory, and industrial aspects.

Regarding progress on implementing the decarbonization strategy, during 2024:

- additional photovoltaic systems were installed on the roofs of Group facilities;
- a ten-year Power Purchase Agreement (PPA) was signed with Statkraft Markets GmbH, for the annual supply of 20 GWh of certified green electricity;
- Group eco-design guidelines for products were adopted, with a view to reducing the carbon footprint of the production processes and goods manufactured by the Group.

All these efforts have made it possible to maintain the Group's emissions intensity at 0.000034 t CO2eq/EUR, consistent with last year, despite lower revenues in 2024.

The Interpump Group currently lacks a transition plan compliant with ESRS requirements; accordingly, the impacts, risks, and opportunities in this area have only been partially identified and assessed. Once the transition plan has been prepared, Interpump will be in a position to specify how the strategy and business model will be updated for compatibility with the transition to a sustainable economy, how the exposure of corporate assets and activities to transition risks and opportunities will be assessed, and what the short-, medium-, and long-term transition risks and opportunities will be. It will also be possible to quantify the corporate investment and financing allocated to this area, and the "locked-in" GHG emissions potentially attributable to the assets of the Group. Lastly, the comprehensive update of this Group policy will be completed by defining the related targets.

As an integral part of the transition plan, the resilience analysis - not yet available - will describe the key assumptions and time horizons underpinning the strategy and business model adopted to tackle climate change, as well as the mitigation actions and resources dedicated to their implementation.

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

The Interpump Group has identified the primary climate hazards that could affect its assets and has classified them, as envisaged in the principal international reference standards and the European Taxonomy (specifically Annex A of Climate Delegated Act (EU) 2021/2139), into physical risks:

- acute (sudden extreme events),
- chronic (gradual climate changes).

Specific analyses of the risks relating to the Group's value chain are not currently available, but will be developed when preparing the transition plan.

In scenario simulations, the impact of these risks was calculated at individual site level in terms of:

- days of business activity lost,
- physical damage to corporate assets.

At the same time, the Group also sought to identify the transition climate risks specific to the business, based on its characteristics and the results of a benchmark analysis.

The analysis covered almost all Group sites (excluding certain temporary and/or very minor sites), which were categorized as follows:

Site category	No. of sites
Production	50
Warehouses	182
Sales Offices	26
R&D Offices	2
Other (dormitories, land, and non-operational buildings)	34
Total	**294**

In collaboration with external consultants, the geographical coordinates of Group sites were analyzed using a specialized tool, which then assigned the physical risk intensities associated with each location.

Carried out in 2024, the analysis considered three scenarios (Representative Concentration Pathways - RCPs) developed by the Intergovernmental Panel on Climate Change (IPCC), which represent plausible future concentrations of greenhouse gases and aerosols in the atmosphere: RPC 8.5, RPC 4.5 and RPC 2.6.

More specifically, analysis of the geographical coordinates made it possible to assess climate risk and asset vulnerability at each location and, therefore, identify the importance of physical climate hazards for economic activity there.

The data required for the assessment was sourced from the IPCC ATLAS database, from the CORDEX-Copernicus project, and from the literature published in highly reliable sources, such as Nature and MDPI. The software, developed by the consulting firm, simulated the climate change impacts in the different regions where the Group operates, providing an appreciation of average forecast values and their expected variability, given that climate projections can vary significantly from model to model. The analysis focused on storm, wildfire, and flood risks, since these are the most significant in terms of potential damage to corporate assets and business interruption days. The selection of these specific risks reflects their major impacts on the deterioration of physical infrastructure and on business continuity, paying particular attention to the economic and operational consequences of potential interruptions. Although other physical risks were mapped, they were deemed less critical in the specific context and were assigned a lower priority than the primary risks identified.

As mentioned, the Interpump Group currently lacks a transition plan and, therefore, a resilience analysis compliant with ESRS requirements.

Additionally, the Interpump Group is currently leveraging the phase-in provisions for reporting the anticipated financial effects of material physical and transition risks.

Specifically with regard to physical risks, analysis of the projections through 2030 did not identify any significant issues for the Group's production sites. For completeness, moderate but non-material impacts were identified for some locations that primarily host warehouses and logistics areas. Of course, climate change impacts may emerge over long time horizons and these will be addressed properly when preparing future transition plans and resilience analyses.

Turning to the transition, three material climate risks and two opportunities were identified. The risks relate specifically to: i) the systemic effect that the CBAM regulation could have on raw material and semi-finished product prices throughout the supply chain; ii) the cost of complying with the Corporate Sustainability Due Diligence Directive (CSDDD). The analysis also noted that, while the decarbonization process may have adverse impacts in terms of higher compliance costs, it may also offer an opportunity for collaboration with industrial and scientific partners. Potential climate-related opportunities include the definition of a climate strategy and an improvement in the national energy mix, capable of encompassing a broader range of green energy technologies.

3.3 Management of Impacts, Risks, and Opportunities

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

The methodology used to identify the material sustainability impacts, risks, and opportunities took into account the aspects described in the section entitled "Disclosure requirement IRO-1: Description of the process to identify and assess material impacts, risks, and opportunities", included in the chapter on General Disclosures (ESRS 2). This methodology was also applied to the analyses of climate change matters, which involved understanding the operational context, identifying their impacts, risks, and opportunities, and then assessing and prioritizing them.

As indicated in the earlier section entitled "Disclosure requirement SBM-3: Material impacts, risks, and opportunities and their interaction with strategy and business model", included in the chapter on General Disclosures (ESRS 2), the double materiality analysis carried out by the Interpump Group identified one current, material sustainability impact, associated with two sub-topics: energy and climate change mitigation. This impact relates to the greenhouse gas (GHG) emissions into the atmosphere that occur in all phases of the value chain: upstream, direct operations, and downstream.

The Group has mapped all primary sources of purchased energy, assessing their activities in order to correlate them with the respective emission factors and calculate the actual GHG emissions. With regard to potential future sources, no elements that differ from those reported in this document are currently identified.

Concurrently, two material sustainability risks and two opportunities relating to climate change were identified, linked to three sub-topics: climate change mitigation, climate change adaptation, and energy. Both risks and both opportunities arise within the direct operations of the Group.

As indicated in the earlier section entitled "Material impacts, risks, and opportunities and their interaction with strategy and business model (ESRS 2 SBM-3)", the Interpump Group has analyzed the primary climate hazards that could affect its physical assets (plant, machinery, and equipment) and potentially disrupt normal business operations. This analysis considered three IPCC scenarios, including RPC 8.5[19] and RPC 2.6[20], and almost all Group sites.

The analysis of physical climate risks faced by the Interpump Group considered the evolution of impacts over three distinct time horizons: 2030, 2050 and 2080. These time horizons help to develop greater awareness of the potential effects on the Group's tangible fixed assets and long-term business planning. However, focus was placed on the 2030 time horizon in order to present the impacts of these risks in terms of Business Interruption Days (BID). This decision was made because the 2030 horizon provides a clearer and more tangible picture of the effects of acute climate risks, such as river flooding, storms, and forest fires.

The current findings of this analysis, covering both the physical and the transitional risks identified, are summarized in the earlier section on Disclosure requirement ESRS 2 SBM-3.

3.3.2 Disclosure requirement E1-2 – Policies related to climate change mitigation and adaptation

As indicated earlier chapters, Interpump Group S.p.A. has approved a decarbonization strategy that fits within a broader framework of policies aimed at managing the impact of climate change. Specifically, the Interpump Group has not yet defined a transition plan that, inter alia, specifies how to manage the impacts, risks, and opportunities associated with climate change mitigation and adaptation. Accordingly, while the decarbonization strategy represents an initial step in this direction, the policy does not fully address the specific standards and requirements of the ESRS. In the future, the Group will consider defining new policies or updating the current policy to include all the elements required by the above standards.

Again on this topic, note that the Product Ecodesign Guidelines adopted by the Group in the context of the 2023-2025 ESG Plan include considerations relating to the:

- Efficient management of energy resources – in the Guidelines, the Group commits to the more efficient use of energy in its production processes and to the installation of renewable energy production systems at its business locations.
- Promotion of Life Cycle Assessment (LCA) – in the Guidelines, the Group states its goal of implementing LCA for the most important products.

3.3.3 Disclosure requirement E1-3 Actions and resources related to climate change policies

The Interpump Group has not currently adopted actions to manage impacts, risks, and opportunities related to climate change mitigation that can be deemed to comply with ESRS requirements. In the future, the Group will consider defining or updating actions that include all the elements required by the standards. Once the transition plan has been completed, the Group will define policies in this area and the related actions to implement them. The actions envisaged for this area in the 2023-2025 ESG Plan were largely completed during the final months of 2024.

In order to reach the targets envisaged in the Group's decarbonization strategy, two distinct drivers of decarbonization driver were implemented during 2024:

- Use of renewable energy sources: signature of a PPA for the supply of green energy and the purchase of certified green electricity (GO). No direct investments are associated with this driver. The agreement took effect on 1 January 2025;
- overall, 25 GWh of certified green electricity was consumed in 2024;

[19] The most extreme scenario, anticipating a temperature increase of more than 4°C by 2100.
[20] Scenario aligned with the Paris/Kyoto agreements, anticipating a temperature increase of less than 1.5°C by 2100.

- Installation of new photovoltaic systems for energy production. In 2024, the additions to tangible fixed assets attributable to this category totaled € 2.9 million. Operating costs were not material and primarily related to plant maintenance and insurance. These systems provided 7.3 GWh of electricity for use in the Group's business processes.

The reduction in CO2-equivalent emissions was calculated as the difference between the respective emissions reported in the market-based and location-based scenarios.

While referring to the "Disclosure under the Taxonomy Regulation" chapter for a more comprehensive analysis, the taxonomy-eligible CapEx value for the climate change mitigation objective was 39.2% of the total additions to consolidated fixed assets. To date, there is no specific CapEx plan to align the Group's initiatives with the requirements of Commission Delegated Regulation (EU) 2021/2178.

3.4 Metrics and targets

3.4.1 Disclosure requirement E1-4 – Targets related to climate change mitigation and adaptation

As specified in the earlier section entitled "Transition plan for climate change mitigation (E1-1)", the IPG Group's Decarbonization Strategy is based on the emissions of the companies within the consolidation perimeter of the 2022 NFS.

Actions to reach these targets include, in particular, increased purchasing of certified renewable electricity and the installation of new renewable energy production systems at Group facilities.

The Group has committed to reducing its total Scope 1 and 2 emissions to 54,378 tonnes CO2eq by 2030 and 48,969 tonnes CO2eq by 2032, which compare with the 2022 baseline of 90,286 tonnes CO2eq. This target reduction in total Scope 1 and Scope 2 emissions to 48,969 tonnes CO2eq is approximately 40% lower than the 2022 baseline level.

The market-based method was used to calculate the Scope 2 emissions. The targets were determined by summing the expected Scope 1 and 2 emissions; accordingly, no disaggregated details are presented for each Scope. In defining the consolidated emission targets, none were established for Scope 3 emissions.

Additionally, the targets were defined with reference to the 2022 NFS consolidation perimeter, which does not coincide with that used to prepare this 2024 Report. Although the impacts of new acquisitions since the publication of the decarbonization strategy (November 2023) are not significant, the Group has not yet updated the 2030 emission reduction targets for consistency with the 2024 reporting perimeter. Since the publication of the decarbonization strategy in 2023, the perimeter of the Group has expanded as a result, for example, of acquiring the Waikato Group, Hidrover Equipamentos Hidráulicos, and other companies as well. The targets will be updated when preparing the transition plan and updating the decarbonization strategy. As mentioned, the targets have been calculated by summing the expected Scope 1 and Scope 2 emissions.

The process followed to calculate the targets commenced by defining the perimeter to be analyzed, having regard for the importance of companies in terms of their revenues and emissions with respect to the Group totals (regardless of their geographical locations). The possible extension of the decarbonization process to the value chain will be explored in greater detail when preparing the transition plan.

The values indicated are all stated gross, without including the effect of any GHG removals, carbon credits, or other avoided emissions.

As previously mentioned, when setting its decarbonization targets on a Paris-aligned basis, the Interpump Group drew inspiration from, without formally adhering to, the Science-Based Targets initiative (SBTi).

While the Interpump strategy encompasses all companies within the 2022 NFS perimeter, attention has focused on actions that could be implemented by 29 Group companies, responsible for about 88% of consolidated emissions (Scope 1 and Scope 2) and about 80% of third-party turnover.

In the context of defining the Interpump Group's Decarbonization Strategy, the 3 building blocks used for the scenario analysis are detailed below. Specifically, the analyses focused on the regulatory, physical, and industrial sector development environments at national and international level. This assessment of potential future events provides a starting point for the preparation of the Group's decarbonization action plan.

Regarding the regulatory context and the macro environment, the Sustainable Development Scenario (SDS) was adopted, which involves the escalation of clean energy policies and investments in order to align the energy system with the key Sustainable Development Goals (SDGs).

In this scenario, all current net-zero emission commitments are satisfied in full, and extensive efforts are made to secure short-term emission reductions; the advanced economies attain net-zero emissions by 2050, China by around 2060, and all other countries by no later than 2070. Without hypothesizing net-negative emissions, this scenario is consistent with limiting the global temperature rise to 1.65°C (with a 50% probability). With some level of net-negative emissions post-2070, the temperature increase could be curtailed to 1.5°C by 2100.

By contrast with regard to the physical scenario, Interpump's decarbonization strategy is based on the RCP 4.5 scenario. This scenario, developed by the Intergovernmental Panel on Climate Change (IPCC), expects emissions to peak in 2040 and CO2 concentrations to stabilize by the end of the century.

RCP 4.5, often paired with SSP2 (Middle of the Road), represents a plausible, intermediate outcome - given current climate policies - that is compatible with a global average temperature rise in the (highly likely) range from 1.6 to 2.5°C by 2041-2060. By the end of the century, the increase would range from 2.1 to 3.5°C, with a best estimate of 2.7°C (IPCC AR6). All RCP scenarios anticipate reaching +1.5°C between 2021 and 2040. The RCP 4.5 scenario aligns with the upper limit of the combined commitments under the Paris Agreement.

To simulate the effects of industrial sector development based on the Group's historical values and manufacturing sector averages, energy demand is assumed to grow at a compound annual rate (CAGR) of 1.5% in all scenarios, reflecting expansion of the business and technological consumption.

The emission reduction targets are based on certain key drivers (increased purchasing of certified green electricity and installation of photovoltaic systems) and the ancillary contribution of other projects, such as the gradual replacement of production machinery and plants, energy efficiency enhancements, and electric mobility initiatives.

Starting from the 2022 baseline of 90,286 tonnes CO2eq, emissions will fall to 54,378 tonnes CO2eq by 2030, primarily due to the following decarbonization drivers mentioned above:

- Procurement of certified green electricity (effect of 26,225 tonnes CO2eq)
- Installation of new photovoltaic systems (effect of 9,683 tonnes CO2eq)

The effects of the steady, routine replacement of plant and machinery, as well as the substitution of specific products and processes, have not been quantified separately. With regard to the emission reduction objectives, there are currently no plans to adopt new technologies that could diverge significantly from standard industrial practices. Although the Scope 1 and Scope 2 emission targets have not been disclosed separately, the stated decarbonization drivers will impact on the Group's Scope 2 emissions, while the possible effects of actions taken with regard to Scope 1 emissions cannot be unquantifiable.

The Group consistently monitors the results achieved against the GHG emission reduction targets and, at least annually, top management and the board committees are updated on the overall efficacy of the actions taken to achieve those targets. The Board of Directors receives precise periodic updates (at least annually) on the actions completed during the year, and those not yet completed, to reach the stated targets.

The progress made towards the communicated targets in 2024 was consistent with the original plan, and no significant trends or changes are observed that might jeopardize the Group's ability to reach them.

External stakeholders were not involved in the process of defining these targets. In fact, contributions from management and investors were prioritized when setting the quantitative targets.

3.4.2 Disclosure requirement ESRS E1-5 - Energy consumption and mix

The following table below details the Group's energy consumption with a breakdown by source:

Energy consumption and mix	UoM	Total
Total consumption from nuclear sources	**MWh**	**9,609**
Total consumption from fossil sources	**MWh**	**146,004**
1) Fuel consumption from coal and coal products	MWh	-
2) Fuel consumption from crude oil and petroleum products	MWh	24,027
3) Fuel consumption from natural gas	MWh	49,442
4) Fuel consumption from other non-renewable sources	MWh	-
5) Consumption of electricity, heat, steam, and cooling from fossil sources	MWh	72,534
Total energy consumption from renewable sources	**MWh**	**62,694**
6) Fuel consumption for renewable sources, including biomass	MWh	-
7) Consumption of electricity, heat, steam, and cooling from renewable sources	MWh	55,436
8) Consumption of self-produced renewable energy without fuel use	MWh	7,258
Total energy consumption	**MWh**	**218,307**
% incidence on total energy consumption		
Fossil sources	%	66.9%
Nuclear sources	%	4.4%
Renewable sources	%	28.7%
Total	**%**	**100.0%**

The principal methodologies and assumptions used to calculate the numbers in the table are presented below:

- fossil fuel consumption was converted into MWh based on the coefficients published for 2024 by the UK Department for Environment, Food and Rural Affairs (DEFRA)[21],
- electricity withdrawals from the grid were apportioned by source (nuclear, fossil, and renewable) based on national average values published by the International Energy Agency (IEA) for the countries where the Group operates.

[21] See the website: https://www.gov.uk/government/publications/greenhouse-gas-reporting-conversion-factors-2024

Based on the NACE codes of the European Group companies and the conversion of non-European companies codes into NACE codes, all operational activities are deemed attributable to high climate impact sectors.

Consequently, the net revenues from activities in high climate impact sectors are the same as the revenues presented in the financial report.

Similarly, the energy intensity of the high climate impact sectors is the same as the overall Group energy intensity. This value was calculated as the ratio of total energy consumption (in MWh) to consolidated net revenues (€ 2,078 million). The 2024 value is 0.000105 MWh/EUR.

Energy intensity	UoM	2024
Total energy consumption	MWh	218,307
Revenues	M Euro	2,078
Energy intensity	MWh/EUR	0.000105

3.4.3 Disclosure requirement E1-6 Gross Scopes 1, 2, 3 and Total GHG emissions

The greenhouse gas (GHG) emissions of the Interpump Group in 2024 amounted to:

- 2,725,619 tonnes of CO2eq (location-based calculation)
- 2,730,115 tonnes of CO2eq (market-based calculation).

These values are broken down into their three components as follows:

Total Scopes 1, 2, and 3 GHG emissions	Baseline year - 2022	Comparative data - 2023[22]	2024	% 2024 / 2023	Target year (2030)
Scope 1 GHG emissions					
Gross Scope 1 GHG emissions (tCO2eq)	**17,407**	**-**	**16,639**	**-**	**-**
Percentage of Scope 1 GHG emissions covered by regulated emission trading systems (%)	**0%**	-	0%	-	-
Scope 2 GHG emissions					
Gross Scope 2 GHG emissions, location based (tCO2eq)	**60,908**	**-**	**48,703**	**-**	**-**
Gross Scope 2 GHG emissions, market based (tCO2eq)	**72,879**	**-**	**53,199**	**-**	**-**

[22] The Group has exercised the ESRS option not to present comparative data for the first year of ESRS reporting.

Total Scopes 1, 2, and 3 GHG emissions	Baseline year - 2022	Comparative data - 2023[22]	2024	% 2024 / 2023	Target year (2030)
Scope 3 GHG emissions					
Gross Scope 3 GHG emissions (tCO2eq)			**2,660,276**		
1. Purchased goods and services	-	-	496,787	-	-
2. Capital assets	-	-	41,104	-	-
3. Fuel- and energy-related activities	-	-	18,042	-	-
4. Upstream transportation and distribution	-	-	50,616	-	-
5. Waste generated in operations	-	-	4,087	-	-
9. Downstream transportation	-	-	33,732	-	-
11. Use of sold products	-	-	2,015,909	-	-
Total GHG emissions					
Total GHG emissions, location based (tCO2eq)	-	**-**	**2,725,619**	-	-
Total GHG emissions, market based (tCO2eq)	-	**-**	**2,730,115**	-	-

The principal methodologies and assumptions used to calculate CO2-equivalent emissions are discussed below. Precise values were used where available, otherwise conservative estimates were made by choosing environmental performance assumptions that were less favorable for the Company. For instance, suppliers may not have given some companies their consumption data for the final months of the year in time for this report. In such cases, estimates were made based on historical consumption trends or budget figures.

Scope 1 emissions

This category comprises all emissions attributable to direct consumption by the Interpump Group, which primarily involves the use of fuels for heating and vehicle propulsion, as well as the usage of refrigerant gases.

Conversion parameters between the different units of measure and emission factors published for 2024 by DEFRA were used for calculation purposes. The Group does not participate in any emission trading systems. Overall, emissions attributable to the direct operations of Interpump contribute to increasing atmospheric GHG levels and the related phenomena.

Scope 2 emissions

This category includes all emissions indirectly generated by the Group when purchasing energy from suppliers, predominantly in the form of electricity.

The calculation of Scope 2 emissions using the:

- location-based method, employs coefficients published by the European Environment Agency[23], the U.S. Environmental Protection Agency (EPA)[24] and, where these were unavailable, the Terna 2019 coefficients[25]. These coefficients were applied to electricity drawn from the grid in 2024;
- market-based method, employs reference parameters published by the Association of Issuing Bodies (AIB) for 2023[26] and, where absent, the location-based scenario values. The calculation involved applying the emission coefficients to the electricity drawn from the grid, net of the certified green electricity purchased with guarantees of origin (GO).

The Scope 2 emissions derive from the Group's electricity procurement strategy, but are also influenced by the actual energy offer available in the countries where plants are located. Overall, these emissions also contribute to increasing atmospheric GHG levels and the related phenomena.

The Group's Scope 1 and Scope 2 emissions also include 100% of the impact attributable to companies consolidated using the equity method. None of the emission metrics have been validated by an external entity, other than the party that issued the attestation of conformity.

Scope 3 emissions

The following GHG Protocol categories were considered in relation to this emission group, distinguishing between the upstream and downstream value chains:

Upstream

- Cat 1 - Purchased goods and services
- Cat 2 - Capital goods
- Cat 3 - Fuel- and energy-related activities
- Cat 4 - Upstream transportation and distribution
- Cat 5 - Waste generated in operations

Downstream

- Cat 9 - Downstream transportation
- Cat 11 - Use of sold products

The Interpump Group is reporting Scope 3 emissions publicly for the first time in relation to the 2024 financial year. This disclosure forms part of a broader process, which will include the next ESG Plan and subsequent transition plan, to develop a strategy that addresses with precision the risks and opportunities linked to the decarbonization of the Group's value chain.

[23] https://www.eea.europa.eu/en/analysis/indicators/greenhouse-gas-emission-intensity-of-1
[24] www.epa.gov/egrid/summary-data
[25] https://download.terna.it/terna/dds%202019%2010%2015_8d7522176896aeb.pdf
[26] https://www.aib-net.org/facts/european-residual-mix

Among the principal estimates used:

- Cat 1: the average method was applied for raw materials, with alternate calculations based on purchase weights using market values (EUR/tonne);
- Cat 4 and 9: distances traveled, with emission allocation based on transport intermodality;
- Cat 11: product lifespan and consumption profile.

For Categories 1 (limited to goods and services) and 2, the spend-based method was employed. The reference emission factors were those published by Eurostat, databases supplied by specialist providers, DEFRA, and Terna 2019.

To facilitate the standardization of data collection processes over time, the Scope 3 reporting perimeters differs from the financial consolidation perimeter. In particular, 23 larger (mostly production) companies were selected, accounting for about 70% of consolidated sales to third parties and 80% of Scope 1 and Scope 2 emissions. The Scope 3 numbers reported below relate solely and exclusively to this initial sample.

The percentage of emissions calculated with reference to primary data obtained from suppliers or other value chain partners was 0%.

The following categories were excluded from the reporting perimeter:

Upstream

- Cat 6 - Business travel
- Cat 7 - Employee commuting
- Cat 8 - Upstream leased assets

Downstream

- Cat 10 - Processing of sold products
- Cat 12 - End-of-life treatment of sold products
- Cat 13 - Downstream leased assets
- Cat 14 - Franchises
- Cat 15 - Investments

These categories were excluded from the inventory following a qualitative assessment process that considered the Group’s structure and industrial sector. In some instances, these categories are not applicable (e.g., franchises and investments), while in others, they are deemed minimally or marginally impactful (e.g., employee commuting or business travel) in comparison with the categories reported in this document.

The GHG emission intensity relative to consolidated net revenues is presented below:

GHG intensity relative to net revenues	Comparative data - 2023[27]	2024	% 2023 / 2024
Total GHG emissions (location-based) relative to net revenues (tCO2eq/EUR)		0.001311	
Total GHG emissions (market-based) relative to net revenues (tCO2eq/EUR)		0.001314	

Emission intensity was calculated using consolidated net revenues (€ 2,078 million), without adding the third-party revenues of companies consolidated using the equity method. Accordingly, this value agrees with that indicated in the section entitled "Revenues" in the "Consolidated Income Statement" chapter.

The emissions were calculated using emission factors obtained from a recognized international data provider, Eurostat[28], DEFRA 2021[29], DEFRA 2023[30], and Terna International Comparisons 2019[31]. In detail, the Group used the following methods and emission factors for each category:

Upstream

• Cat 1 - Purchased goods and services: spend-based, with Eurostat emission factors for goods and services; average-based, with emission factors obtained from a recognized international data provider

• Cat 2 - Capital goods: spend-based, with Eurostat emission factors

• Cat 3 - Fuel- and energy-related activities: average data, with DEFRA 2023 WTT – Fuels, DEFRA 2021 WTT – UK & overseas electricity, and DEFRA 2023 – Transmission and distribution emission factors

• Cat 4 - Upstream transportation: distance-based, with DEFRA 2023 - freighting goods emission factors

• Cat 5 - Waste generated in operations: waste-type-specific, with DEFRA 2023 – waste disposal emission factors

Downstream

• Cat 9 - Downstream transportation: distance-based, with DEFRA 2023 - freighting goods emission factors

• Cat 11 - Use of sold products: custom method, as required by the GHG standard, applied only to products directly consuming energy during use, with Terna International Comparisons 2019 and DEFRA 2023 - Fuels - Liquid Fuel emission factors

Given the nature of the Group's activities, no biogenic CO2 emissions from biomass combustion or biodegradation are present.

[27] The Group has exercised the ESRS option not to present comparative data for the first year of ESRS reporting.
[28] Methodology - Environment - Eurostat
[29] Greenhouse gas reporting: conversion factors 2021 - GOV.UK
[30] Greenhouse gas reporting: conversion factors 2023 - GOV.UK
[31] Terna Confronti Internazionali 2019

3.4.4 Disclosure requirement E1-7 GHG removals and emission mitigation projects funded through carbon credits

The Interpump Group has neither initiated projects for GHG removal or storage within its direct operations nor collaborated on similar initiatives within its value chain.

3.4.5 Disclosure requirement E1-8 - Internal carbon pricing

The Interpump Group did not employ internal carbon pricing systems as part of its climate-related strategy in 2024.

3.4.6 Disclosure requirement E1-9 - Anticipated financial effects from material physical and transition risks and potential climate-related opportunities

This datapoint has not been reported, as allowed by the phase-in provisions.

4. ESRS E2 - POLLUTION

4.1 Management of Impacts, Risks, and Opportunities

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

With regard to the perimeter of the Group's direct operations, no business processes generate significant pollutant emissions, with an impact on the atmosphere - other than the GHG emissions addressed in chapter E1 - the soil or the waters, that could exceed the materiality thresholds. The majority of activities carried out directly by Group companies comprise mechanical processing and assembly, while other more impactful industrial processes are marginal. Even where such activities are present, albeit marginal in absolute terms, the Group implements necessary controls to monitor their impacts and ensure compliance with local regulations. The Group's value chain does however include suppliers that may have a greater environmental impact. In this regard and consistent with the phase-in provisions, appropriate analyses are being developed to report the related IROs.

The methodology used to identify the impacts, risks, and opportunities took into account the aspects described in the section entitled "Disclosure requirement IRO-1: Description of the processes to identify and assess material impacts, risks, and opportunities", included in the chapter on General Disclosures (ESRS 2). This methodology was also applied to the analyses of pollution, which involved understanding the operational context, identifying their impacts, risks, and opportunities, and then assessing and prioritizing them.
As indicated in the earlier section entitled "Disclosure requirement SBM-3: Material impacts, risks, and opportunities and their interaction with strategy and business model", included in the chapter on General Disclosures (ESRS 2), the double materiality analysis carried out by the Interpump Group identified two current, material sustainability impacts linked to pollution, associated with two sub-topics: water pollution and air pollution. Both impacts occur upstream in the Group's value chain.
No material risks or opportunities linked to pollution were identified, neither in relation to dependencies nor to the actions envisaged in the 2023-2025 ESG Plan.
No specific consultations regarding pollution in the context of the Group's direct operations have been held with stakeholder groups, with efforts instead focused on areas deemed more significant in terms of the scale and breadth of the impacts generated.

4.1.2 Disclosure requirement E2-1 – Policies related to pollution

The Interpump Group is committed to safeguarding and continuously improving environmental protection, since these aspects are seen as essential for sustainable development and value creation. This commitment and the policies adopted to manage material pollution-related impacts are reflected in the Code of Ethics and the HSE Policy (described more fully in chapter S1). Given the characteristics of the Interpump Group, these policies represent high-level directives on environmental protection and primarily focus on the direct operations of the Group, without specifically addressing the related impacts, risks, and opportunities within the value chain. Consequently, this aspect does not satisfy fully the requirements indicated in the MDR-P section of the ESRS. In the future, the Group will consider defining new policies or updating the current policy to include all the elements required by the ESRS.

4.1.3 Disclosure requirement E2-2 – Actions and resources related to pollution

The Interpump Group has not currently adopted actions to manage pollution-related impacts within the upstream value chain that can be deemed to comply with ESRS requirements. Given that the double materiality analysis highlighted the materiality of this topic in relation to the upstream supply chain, a broader analysis is necessary to define actions that precisely address each requirement indicated in the MDR-A section of the CSRD. In the future, the Group will consider defining or updating actions that include all the elements required by the standards.

4.2 Metrics and targets

4.2.1 Disclosure requirement E2-3 – Targets related to pollution

The Interpump Group has not identified targets for managing pollution-related impacts, risks, and opportunities that can be considered aligned with the ESRS. The considerations expressed in the section on actions also apply to the targets to be reached and reported in accordance with the requirements indicate in the MDR-T section of the CSRD. In future, the Group will consider defining targets in this area.

5. ESRS E3 - WATER AND MARINE RESOURCES

5.1 Management of Impacts, Risks, and Opportunities

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

As highlighted earlier, the Group is active in two macro-sectors: Water Jetting and Hydraulics. In general, water resources are a fundamental element in various production processes; however, for the Interpump Group, they are particularly critical for the Water-Jetting business.

Consequently, analysis placed greater emphasis on those Group companies that produce and sell plunger pumps with power ratings from 1 to 2,000 HP (0.7 to 1,500 kW) and related components since, in these cases, both the quality testing and subsequent usage phases make especially heavy use of water.

The methodology used to identify the impacts, risks, and opportunities took into account the aspects described in the section entitled "*Disclosure requirement IRO-1: Description of the process to identify and assess material impacts, risks, and opportunities*", included in the chapter on General Disclosures (ESRS 2). This methodology was also applied to the analyses of water-related matters, which involved understanding the operational context, identifying their impacts, risks, and opportunities, and then assessing and prioritizing them.

As indicated in the earlier section entitled "*Disclosure requirement SBM-3: Material impacts, risks, and opportunities and their interaction with strategy and business model*", the double materiality analysis carried out by the Interpump Group identified one current, material sustainability impact, associated with two sub-topics: water consumption and water withdrawals. This impact relates to water consumption and was identified in two phases of the value chain: upstream and direct operations, linked to the Group's production activities.

No material water-related risks or opportunities were identified, neither in relation to dependencies nor to the actions envisaged in the 2023-2025 ESG Plan.

The following provides specific detail, highlighting how the Interpump Group has:

- considered all water consumption, both for industrial and civilian use, accurately quantifying its withdrawals. Attention focused on industrial discharges, on the assumption that civilian discharges have no significant impact in the circumstances;
- qualitatively explored certain impacts within the supply chain, particularly with regard to foundries and steelworks. In general, given the limited volume of information and data available in this first reporting year, the adoption of conservative assumptions has resulted in this topic being classified as material;
- qualitatively assessed water consumption linked to its products sold on the market, particularly those in the high- and very-high-pressure pump sector. In this case too, it is reasonable to assume that the consumed water contains no pollutants beyond those withdrawn and that consumption occurs near the withdrawal point.

The methodology used to identify the impacts, risks, and opportunities took into account the aspects described in the section entitled "Disclosure requirement IRO-1: Description of the processes to identify and assess material impacts, risks, and opportunities", included in the chapter on General Disclosures (ESRS 2). This methodology was also applied to the analyses of water-related matters, which involved understanding the operational context, identifying their impacts, risks, and opportunities, and then assessing and prioritizing them.

The Group's water-related materiality analyses made use of Aqueduct, a tool developed by the World Resources Institute (WRI) to map, measure, and manage water-related risks.

No specific consultations regarding the use of water resources in the context of the Group's direct operations have been held with stakeholder groups, with efforts instead focused on areas deemed more significant in terms of the scale and breadth of the impacts generated.

5.1.2 Disclosure requirement E3-1 – Policies related to water and marine resources

The Interpump Group has adopted a policy for managing water-related impacts. This policy is reflected in the HSE Policy (described more fully in chapter S1). This policy establishes high-level environmental protection directives for all Group companies and the value chain, but does not specify in detail how the Group manages the impacts, risks, and opportunities linked to water resources, as required by the ESRS. In the future, the Group will consider defining a new policy or updating the current policy to include all the elements required by the above standards.

In order to prevent, reduce and mitigate the possible consequences of its activities on the environment, the Interpump Group has adopted Guidelines on environmental protection, included in its Global Compliance Program, that have been disseminated to all subsidiaries. These Guidelines establish the actions that companies must implement, without exception, in order to:

- avoid discharging water without authorization from the local authorities,
- comply with limits set by local regulations,
- prevent accidental spills of pollutants and, if they occur, promptly report them to the local authorities and the Group Compliance Function,
- take appropriate action to restore the surrounding environment and prevent further occurrences in future,
- take random samples to detect, measure and monitor any concentrations of pollutants that exceed the local regulatory limits.

Among the various business processes, water is primarily used:

- to test pumps, hoses and pipes before they are sold,
- to produce steam,
- in the washing and lubrication cycles of machining centers,
- for industrial cooling.

The water used at Group plants is mainly withdrawn from the public supply (about 73%), but sometimes from owned wells or concessions (about 25%).

Given the way that water is used at Group plants, pre-treatment prior to discharge is not required in most instances. However, when water resources are used in galvanizing, painting, and other less significant (in volume terms) industrial processes, the wastewater is often managed as special waste and thus not discharged into the sewers.

Certain discharges from industrial processes may be contaminated with pollutants. The Group monitors them constantly, in collaboration with the competent authorities, when they are released into the sewers or other surface waters.

Given the increasing attention paid by various stakeholders, the Interpump Group adopted new Product Ecodesign Guidelines in 2024 as part of work to implement the current ESG Plan. The objective is to promote a reduction in environmental impact through the progressive adoption of innovative and sustainable solutions. In a context that places growing emphasis on greater efficiency and sustainability, the Group's R&D departments strive not only to create products with longer useful lives, but also to optimize their consumption of resources. Specifically, with regard to the efficient management of water resources, the Group's goal is to:

- design products capable of optimizing water consumption by end-users,
- recover water from the Group's production processes for reuse in the production cycle, without the need for substantial new withdrawals.

Among the countries in which Interpump operates, 21 are classified by Aqueduct World Resources Institute as subject to medium/low levels of water stress (category <=2), while 13 (including Italy) are classified as areas of high water stress.

Regarding the classification of countries at water risk, 25 (including Italy) face medium-low risk conditions (category <=2), while the remaining 9 are grouped in high water risk classes.

Currently, the Interpump Group has not established quantitative commitments for the reduction of water consumption in the water-risk areas in which it operates, neither for its direct operations nor for those within its value chain. Plants in countries considered to have high water stress are not currently covered by policies compliant with the requirements of ESRS 2 MDR-P. In particular, although the Group's operational guidelines currently emphasize careful water resource management, their conformity cannot be asserted here and, accordingly, the Group undertakes to update them.

The Interpump Group has not adopted policies related to the sustainability of the oceans and seas, as these aspects are not especially relevant to the business model adopted.

In addition to applying the instructions contained in the Global Compliance Program, some of the larger Group companies have implemented management models and systems that structure and monitor their quality and environmental performance, with a view to constant improvement. Furthermore, most of them have obtained UNI EN ISO 14001 - Environmental management systems and UNI EN ISO 9001 - Quality management systems certifications. For further information, see the section entitled "Disclosure requirement BP-2: Disclosures in relation to specific circumstances" in the "ESRS 2 – General Disclosures" chapter.

5.1.3 Disclosure requirement E3-2 – Actions and resources related to water and marine resources

The Interpump Group has not currently adopted actions to manage impacts, risks, and opportunities related to water and marine resources that can be deemed to comply with ESRS requirements. The 2023-2025 ESG Plan envisages actions that cannot be regarded as aligned with the Standard's requirements, since they are not associated with specific quantitative targets to be reached within a specified time horizon. In future, based on the policies identified, the Group will consider defining or updating actions that include all the elements required by the standards.

Nevertheless, with regard to the conservation of water resources, the Interpump Group is committed to implementing the following best practices:

- continuous monitoring of water withdrawals and discharges at production plants,
- promotion of new products and solutions to reduce water consumption while maintaining performance,
- analysis and assessment of water management within the supply chain,
- implementation of systems for the recovery and reuse of water when testing pump quality.

Again, in the context of the Group's ESG Plan, the Italian Group companies have commenced the initial collection and assessment of data from their principal suppliers, partly based on certain environmental parameters. These include aspects linked to the monitoring of water consumption by suppliers, the quality of discharges, and any measures in place to ensure the proper management of water resources.

5.2 Metrics and targets

5.2.1 Disclosure requirement E3-3 – Targets related to water and marine resources

The Interpump Group's ESG Plan identifies targets for managing the impacts, risks, and opportunities associated with water resource use; however, these cannot be considered aligned with the ESRS, since they do not address with precision each requirement in the MDR-T section of the CSRD (e.g. the quantification of measurable water withdrawal targets). In future, the Group will consider defining targets in this area.

That said, the Interpump Group's 2023-2025 ESG Plan seeks to safeguard water resources by implementing a system for the continuous monitoring of withdrawals (civilian and industrial) and discharges (industrial only) by 2025.

The Group is committed to ensuring and communicating proper water resource management at plant level. The ongoing phases of the project comprise:

- Phase 1: verification of current monitoring practices, reference regulations, and available technologies, not least to assess and adjust the measurement criteria used, ensuring the application of consistent criteria for the differentiation of civilian and industrial discharges;
- Phase 2: implementation of a system to monitor continuously water withdrawals and discharges by Group plants.

This more precise monitoring may well identify additional opportunities to reduce water withdrawals and promote reuse, particularly when testing pumps for quality control purposes. This expectation is supported, for example, by the recent efforts of NLB Corp to optimize water consumption, as well as those - nearing completion - of Interpump Group S.p.A. In both cases, the approach involved creating a tank (natural or artificial) from which water was drawn to test the pumps, and into which it was returned after use.

The Group has not identified targets for managing the impacts, risks, and opportunities related to marine resources, since the materiality analysis found that this aspect was not significant.

Similarly, the Interpump Group has not defined quantitative targets for the reduction of water consumption in low- and high-risk areas, including those subject to elevated water stress. In this context, no known legal requirements specifically target this area, since the corresponding policies and actions have not yet been defined.

5.2.2 Disclosure requirement E3-4 – Water consumption

The following table indicates the water consumed by the Interpump Group in 2024, calculated as the net effect of water withdrawals, discharges, recycling, and storage. Since 2024 is the first reporting year, the change in water storage levels was not calculated.

Water consumption	UoM	2024
Total water consumption	**m^3**	**1,676**
of which in water risk areas	m^3	-
of which in high water stress areas	m^3	1,674

Water consumption details	UoM	2024
Recycled and reused	m^3	6,836
Stored	m^3	1,676
Change in stored water	m^3	-

Only industrial discharges were reported in previous years, while civilian discharges were not quantified. Starting in 2024, barring the effects of storage, recycling, and reuse, it is assumed that all withdrawn water is subsequently discharged. Process water managed as waste (rather than as discharges) and evaporation are not factored into this calculation.

Water stress in the various countries in which the Group operates was estimated using the Aqueduct database, using the related capital cities as reference points rather than the individual corporate locations.

Based on the data collected, the Group's 2024 water consumption intensity was as follows:

Water consumption intensity	UoM	2024
Utilities	m^3	1,676
Revenues	M Euro	2,078
Water intensity	m^3/M EUR	0.81

The Group's water withdrawals are analyzed by source below:

Water withdrawal details	UoM	2024
Public supply (mains)	m^3	320,299
Owned wells/concessions	m^3	109,683
Other sources	m^3	6,180
Surface waters	m^3	-
Total	**m^3**	**436,162**

The Group's industrial discharges are analyzed by destination below:

Industrial water discharges	UoM	2024
Sewer system	m^3	226,275
Surface waters	m^3	22,064
Other	m^3	10,908
Total	m^3	**259,247**

The metrics presented in this chapter have not been validated by an external entity, other than the party that issued the attestation of conformity.

5.2.3 Disclosure requirement E3-5 – Anticipated financial effects from impacts, risks, and opportunities related to water and marine resources

This datapoint has not been reported, as allowed by the phase-in provisions.

6. ESRS E5 - RESOURCE USE AND CIRCULAR ECONOMY

6.1 Management of Impacts, Risks, and Opportunities

6.1.1 Disclosure requirement related to ESRS 2 IRO-1 – Description of the processes to identify and assess material impacts, risks, and opportunities related to resource use and circular economy

The methodology used to identify the impacts, risks, and opportunities took into account the aspects described in the section entitled “Disclosure requirement IRO-1: Description of the processes to identify and assess material impacts, risks, and opportunities”, included in the chapter on General Disclosures (ESRS 2). This methodology was also applied to the analyses carried out regarding waste and the incoming and outgoing flows of resources, which involved understanding the operational context, identifying their impacts, risks, and opportunities, and then assessing and prioritizing them.

As indicated in the earlier section entitled “Disclosure requirement SBM-3: Material impacts, risks, and opportunities and their interaction with strategy and business model”, the double materiality analysis carried out by the Interpump Group identified two current, material sustainability impacts linked to the use of resources and to the circular economy, associated with two sub-topics: waste and the flows of resources, including their use. Both impacts derive from the direct operations of the Group.

In this regard, one material sustainability risk and four opportunities related to efficient resource use and circular economy were identified. Both the risk (probable) and the four opportunities (three certain, one probable) arise in relation to the direct operations of the Group.

No specific consultations regarding resource use and circular economy in the context of the Group’s direct operations have been held with stakeholder groups, with efforts instead focused on areas deemed more significant in terms of the scale and breadth of the impacts generated.

6.1.2 Disclosure requirement E5-1 – Policies related to resource use and circular economy

The Interpump Group has adopted a policy for managing impacts associated with resource use and circular economy. This policy is reflected in the HSE Policy (described more fully in chapter S1). This policy establishes high-level environmental protection directives for all Group companies and the value chain, but does not specify in detail how the Group manages the impacts, risks, and opportunities linked to resource use and circular economy, as required by the ESRS. In the future, the Group will consider defining a new policy or updating the current policy to include all the elements required by the above standards.

That said, Eco-design Guidelines for Interpump Group products were defined in 2024, with the following principal objectives:

- promote sustainability through the effective use of resources and by extending the lifespan of products,
- support the development of a circular economy based on the incoming/outgoing flows at each plant.

In this way, the Group seeks - at least for its direct operations and, where feasible, downstream within the value chain - to limit waste generation and focus more on the use of resources within the various production processes. Achieving these ambitious objectives necessarily requires cross-functional collaboration, which depends on:

- active engagement of employees, industrial partners, suppliers, and customers;

- integration of eco-design in all product development phases (from R&D and procurement to marketing and sales).

Accordingly, these guidelines aim to formalize the Group’s commitment to reducing environmental impacts. These effects are typical in the manufacturing sector, which transforms raw materials into components and equipment; however, the ongoing commitment to modernize production processes and the applications available to customers plays a central role in the reduction of environmental impacts throughout the entire value chain.

6.1.3 Disclosure requirement E5-2 – Actions and resources related to resource use and circular economy

The Interpump Group has not currently adopted actions to manage impacts, risks, and opportunities related to resource use and circular economy that can be deemed to comply with ESRS requirements. The 2023-2025 ESG Plan envisages actions that cannot be regarded as aligned with the Standard’s requirements, since they are not associated with specific quantitative targets to be reached within a specified time horizon. In the future, the Group will consider defining or updating actions, based on the policies defined for this area, that include all the elements required by the standards.

That said, the 2023-2025 ESG Plan of the Interpump Group aims to explore the circular economy from two interconnected standpoints:

(i) the recovery of production scrap in collaboration with the suppliers of raw materials and semi-finished products;

(ii) the design of products and solutions that enhance the recovery of materials from EOL products.

In this regard, the Group is finalizing a pilot project that will qualify certain metallic residues from mechanical processing as by-products (pursuant to art. 184-*(2)* of Decree 152/2006). This objective of the 2023-2025 ESG Plan facilitates the exploration of circular processes and their effects, and strengthens the Group's relations with selected suppliers in Italy.

Also in this context, Interpump plans to assess the feasibility of qualifying additional types of waste as by-products, thus extending the pilot project to a number of other Group companies.

Although not formally part of the ESG Plan, efforts are underway to explore production solutions that reduce the environmental impact of certain Group components; in particular, IMM Group companies are developing:

- lead-free fittings,
- hydraulic hose covers with compounds formulated to optimize the recycling of rubber materials.

6.2 Metrics and targets

6.2.1 Disclosure requirement E5-3 – Target related to resource use and circular economy

The Interpump Group’s ESG Plan identifies targets for managing the impacts, risks, and opportunities associated with resource use and circular economy; however, these cannot be considered aligned with the ESRS, since they do not address with precision each requirement in the MDR-T section of the CSRD (e.g. the quantification of measurable waste reduction targets). In future, the Group will consider defining targets in this area.

That said, as already mentioned, the ESG Plan did commit to the publication of ecodesign guidelines in 2024. This objective was achieved, and instructions aimed at improving the circularity statistics have been distributed to Group companies.

The metrics presented in this chapter have not been validated by an external entity, other than the party that issued the attestation of conformity.

6.2.2 Disclosure requirement E5-4 – Resource inflows

Given the heterogeneous nature of the companies and economic sectors concerned, the Group's supply chain primarily comprises the supply of:

- raw materials, including metals that combine virgin materials with recycled materials available on the market;
- commercial components, consumables and related ancillary services;
- semi-finished parts;
- consumables and equipment for production and assembly;
- tools.

The Interpump Group identifies and classifies as "raw materials" those products that, despite being processed, retain their fundamental characteristics. These include, for example, semi-finished or finished products (such as sheets, castings, tubes, bars, blocks) that primarily consist of a single metal or alloy.

Indicatively, the following technical materials, consumed directly during the Group's production processes or expressed as an equivalent weight of purchased semi-finished products and primary components, were received in 2024:

Raw material inflows (tonnes)	UoM	2024
RM equivalents received	**tonnes**	**55,329**
Ferrous metals	tonnes	47,694
Non-ferrous metals	tonnes	7,314
Plastics	tonnes	321

Given the nature of the Group's manufacturing activities, no biological materials are utilized in production processes. Conservatively, the proportion of packaging received from sustainable supply chains is also deemed to be zero.

The weight, in absolute and percentage terms, of reused or recycled secondary components and intermediate secondary products and materials (including packaging), has also been set conservatively at zero in the first reporting year. Only inflows defined as "raw materials" in Category 1 of the Scope 3 emissions were considered. The values reported in the above table are thus subject to the same reasons for uncertainty as those outlined in the section on emissions within the value chain.

6.2.3 Disclosure requirement E5-5 – Resource outflows

In essence, as with all manufacturing activities, Interpump's operations generate two principal macro-categories of outflows:

- Products
- Scrap from processing

The principal products output by each sector of the Interpump Group are presented below.

Sector	Principal products output
Water	- Plunger pumps with power ratings from 1 to 2,000 CV (from 0.7 to 1,500 HP), and related components and accessories, - Special pumps, - Mixers, - Agitators, - Cleaning systems, - Valves and tanks for the food processing, cosmetics and pharmaceutical industries.
Hydraulic	- Power take-offs, - Gear pumps, - Cylinders, - Hydraulic motors, - Oil tanks, - Flexible rubber hoses / metal pipes, and rigid pipes, - Flanges, - Fittings, - Gears, - Orbital motors, - Steering systems, - Hydraulic distributors and related electronic or mechanical control systems.

Since the Ecodesign Guidelines were only distributed to Group companies in 2024, it is premature to report on the results achieved in terms of designing products and materials in accordance with circularity principles.

Nonetheless, the document certainly seeks to encourage designs that reduce the consumption of materials in production and extend the lifespan of products, including by preventive maintenance where feasible.

Waste

The weight of waste leaving Group plants (used as a proxy for waste produced) is analyzed by principal category below, with all other residual substances grouped under "Other". CER codes were used for waste mapping purposes, including for the waste of non-European companies.

Resource outflows - by type	UoM	2024
Non-hazardous waste		
12.01.01 - Ferrous metal filings and turnings	Tonnes	13,626
12.01.02 - Ferrous metal powders and particulates	Tonnes	696
12.01.99 - Unspecified waste	Tonnes	650
15.01.01 - Paper and board packaging	Tonnes	450
17.04.05 - Iron and steel	Tonnes	2,110
20.03.01 - Non-differentiated urban waste	Tonnes	830
Other	Tonnes	74
Total - Non-hazardous	**Tonnes**	**22,283**
Hazardous waste		
12.01.09* - Emulsions and solutions for machinery	Tonnes	5,110
12.03.01* - Water-based washing solutions	Tonnes	650
13.08.02* - Other emulsions	Tonnes	65
15.02.02* - Absorbents, filtering materials	Tonnes	288
11.01.09* - Sludges and filtering residues	Tonnes	125
Other	Tonnes	79
Total - Hazardous	**Tonnes**	**8,346**
Total waste	**Tonnes**	**30,628**

The weight of waste to be disposed or recovered is analyzed below, distinguishing between hazardous and non-hazardous waste.

Resource outflows - by type	UoM	2024
1) Hazardous waste	**Tonnes**	**8,346**
Diverted from disposal	**Tonnes**	**807**
of which prepared for re-use	Tonnes	80
of which recycled	Tonnes	98
of which other recovery operations	Tonnes	630
Disposed	**Tonnes**	**7,538**

Resource outflows - by type	UoM	2024
of which incinerated (with energy recovery)	Tonnes	51
of which incinerated (without energy recovery)	Tonnes	135
of which landfilled	Tonnes	447
of which other disposal operations	Tonnes	6,904
2) Non-hazardous waste	**Tonnes**	**22,283**
Diverted from disposal	**Tonnes**	**20,467**
of which prepared for re-use	Tonnes	476
of which recycled	Tonnes	14,776
of which other recovery operations	Tonnes	5,215
Disposed	**Tonnes**	**1,816**
of which incinerated (with energy recovery)	Tonnes	130
of which incinerated (without energy recovery)	Tonnes	85
of which landfilled	Tonnes	1,018
of which other disposal operations	Tonnes	583
Total (1+2)	**Tonnes**	**30,628**
Diverted from disposal	**Tonnes**	**21,274**
of which prepared for re-use	Tonnes	556
of which recycled	Tonnes	14,874
of which other recovery operations	Tonnes	5,845
Disposed	**Tonnes**	**9,354**
of which incinerated (with energy recovery)	Tonnes	181
of which incinerated (without energy recovery)	Tonnes	221
of which landfilled	Tonnes	1,465
of which other disposal operations	Tonnes	7,487

Considering the Group's total waste, the percentage of non-recycled waste amounted to 31% in 2024, while the remaining 69% was directed to recycling and/or recovery streams.

Regarding the management of outflows, metallic waste and the waste from mechanical processing represent the primary categories associated directly with the Group's manufacturing activities. Given the CER codes considered, the following types of waste material can be identified: ferrous metal filings, shavings, and dust, as well as equipment emulsions, washing solutions, and packaging of various kinds. The quantity and composition of this waste vary significantly from one plant to another, depending on the types of activity carried out.

Most of these flows already go for recycling and recovery, thus helping to curb the consumption of raw materials and reduce the emission of pollutants into the atmosphere. Given the breadth of the Interpump Group's activities and geographies, waste management and disposal decisions are made autonomously by each Group company, in compliance with the applicable local laws and using authorized operators.

The ESG Plan also reflects the Group's ambition to increase the reuse opportunities for industrial waste, by qualifying it as by-products. In this context, only an industrial approach to the circular economy can activate new collaborations with strategic suppliers, thereby reducing environmental impacts and the related costs.

Given the nature of the Group's industrial processes, radioactive waste is not included among the waste produced.

Estimates were used to calculate the incoming and outgoing flows when exact quantities were unavailable. In particular, the mass of incoming flows was sometimes determined by dividing the purchase cost of materials by the average unit purchase cost (EUR/tonne).

If weight information was not available for outgoing flows, it was approximated with reference to disposed volumes and the related specific weights typically applicable, or to historical data updated with reference to 2024 revenues.

6.2.4 Disclosure requirement E5-6 – Anticipated financial effects from impacts, risks, and opportunities related to resource use and circular economy

This datapoint has not been reported, as allowed by the phase-in provisions.

7. ESRS S1 – OWN WORKFORCE

7.1 Strategy

7.1.1 Interests and views of stakeholders (related to ESRS 2 SBM-2)

The Interpump Group is committed to ongoing dialog with all stakeholders, in order to take their individual needs and ideas for improvement into consideration. Employees and collaborators are recognized as stakeholders.

Acting within a Group-inspired framework, every Interpump company has developed specific communications channels for each category of stakeholder, in order to listen periodically and understand their points of view and needs. The Group engages with employees and collaborators in the following ways:

- periodic assessment of performance and results;
- specific training programs;
- communications from top management;
- collective bargaining;
- Questionnaire to identify material sustainability topics.

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

As shown in the earlier section entitled "Disclosure requirement SBM-3: Material impacts, risks, and opportunities and their interaction with strategy and business model", included in the chapter on General Disclosures (ESRS 2), the Interpump Group has identified four potential impacts associated with its own workforce.

Of these, three are reflected in objectives specified in the 2023-2025 ESG Plan adopted by the Interpump Group, which have already been listed in the earlier section entitled "Disclosure requirement SBM-1: Strategy, business model, and value chain":

Impact	Corresponding ESG Plan objective
Organization of resources and human capital	- Increase of about 35% in average per-capita hours of non-mandatory training at Group level.
Occupational health and safety	- Maintain the "average injury rate" of employees in the three-year period 2022-2024 below the average for the three-year period 2019-2021 (2.2); - Extend adoption of the ISO 45001 Management System by Group production companies, increasing coverage from 22% to 45% of turnover.
Protection of human and workers' rights	- Initiate and complete a pilot project to assess the workplace environment with a view to promoting the principles of diversity and inclusion.

In this regard, the double materiality analysis identified three material sustainability risks and two opportunities; however, none correlate directly with the objectives included in the 2023-2025 ESG Plan adopted by the Interpump Group.

The considerations expressed in the “General Disclosures” section (ESRS 2) apply to all workers potentially subject to material impacts generated by the Group. Interpump Group companies employed a total of 9,357 persons at 31 December 2024.

Given the nature of the sector in which the Group operates, the workforce mostly comprises men (81%), while the female component remains at 19%, which is higher than it was several years ago. In addition to temporary staff, the non-employed workforce includes a total of 26 apprentices, interns, and external consultants. The large majority of employees are on full-time permanent contracts, while other contract categories are marginal.

Three of the four sustainability impacts related to the Interpump Group’s own workforce are considered negative. Of these, only “Management of sensitive data and information” is common to all contexts in which the Group operates, while the others, “Employee health and safety” and “Protection of human and workers’ rights”, occur only in countries outside the macro-group (Europe, North America, and Australia).

The sole positive impact identified by the Group relates to the “Organization of resources and human capital,” which is associated with the training pathways implemented by the Group for the entire workforce, based on professional profiles and the required knowledge.

Of the three identified risks, one derives from the Group’s own employees, while the other two stem from material sustainability impacts, namely “Management of sensitive data and information” and “Protection of human and workers’ rights”. On the other hand, the two opportunities derive from three actions in the 2023-2025 ESG Plan adopted by the Interpump Group, being:

- increase in the average per-capita hours of non-mandatory training at Group level;
- development of the Group's global mobility program;
- pilot project to assess the workplace environment with a view to promoting the principles of diversity and inclusion.

None of the material sustainability impacts on the Group’s own workforce are correlated with actions included in a transition plan to reduce negative environmental impacts.

As described in the section entitled “Disclosure requirement S1-1 – Policies related to own workforce,” on 14 February 2020 the Interpump Group adopted “Human Rights Guidelines” that prohibit the exploitation of child labor in its operations. Accordingly, the workforce is not exposed to operations deemed to be at risk of forced or child labor.

All material sustainability risks and opportunities identified by the Interpump Group extend uniformly to all members of its own workforce, regardless of the geographies in which they operate or the activities they perform. Currently, no activities or geographies have been identified as notably more exposed to sustainability risks than others.

7.2 Management of Impacts, Risks, and Opportunities

7.2.1 Disclosure requirement S1-1 – Policies related to own workforce

The Interpump Group has adopted a policy for managing the impacts, risks, and opportunities associated with its own workforce. This policy is reflected in the Policies and Guidelines adopted at Group level to safeguard and develop topics pertinent to its own workforce, such as working conditions, equal opportunities and treatment, skills development, and occupational health and safety. These Policies and Guidelines are embedded in the Corporate Governance framework adopted by the Interpump Group. They have been approved by the Board of Directors of Interpump Group S.p.A., and their adoption and implementation are mandatory for all subsidiaries, thereby binding the conduct of all workers and, to the extent applicable, the conduct of third parties that maintain relations with Interpump Group companies.

Engagement of own workforce

The Interpump Group believes in the fundamental importance of engaging with and listening to employees, in order to cultivate a corporate culture based on collaboration, dialog, and participation. These aspects are consistent with the outcomes of the double materiality analysis, from which the impacts, risks, and opportunities concerning occupational health and safety, diversity and inclusion emerged as material. These significant matters are addressed in the policies defined subsequently.

Training of own workforce

Interpump guarantees opportunities for professional growth and development for all employees, without discrimination of any kind. The principles underpinning this policy are documented in the Code of Ethics, the "HSE Policy", and the "DEI Policy". This orientation, also reflected in the actions identified in the 2023-2025 ESG Plan, rests on the principle of equitable access to individual learning opportunities, with training programs tailored to develop specific professional competencies, qualifications, and performance. Given the characteristics of the Group, each company is responsible for making specific training programs accessible to their employees, having regard for their respective geographical and technical requirements.

Cybersecurity guidelines

As identified in the double materiality analysis, cybersecurity is one of the risks associated with the activities of Group employees. Interpump Group S.p.A. approved Cybersecurity Guidelines on 15 March 2019, distributing them to all Group companies, with a view to defining the minimum IT security measures that each company must adopt in order to prevent the risk of cyber attacks (regardless of geographical or size considerations). Adoption of the above Guidelines is mandatory for all Group companies and their proper implementation is checked by the Internal Audit, Risk & Compliance Function, which carries out the related pre-planned audit work.

An internal functional committee (IT Security Committee) was established on 31 October 2023, tasked with defining a governance framework for managing cybersecurity risks and overall IT security within the Interpump Group. The principal objectives of this internal functional committee are indicated below:

- assess the status of IT systems and provide related support to Group companies, with a particular emphasis on cybersecurity risks;
- provide assistance to Group companies on matters concerning their cyber-incident prevention and response plans, including escalation protocols for reporting incidents promptly to, as appropriate, top management, the Control and Risks Committee, and the Board of Directors of Interpump Group S.p.A.;
- help the Board of Directors of Interpump Group S.p.A. to address any cybersecurity and IT security emergencies;
- examine and discuss cybersecurity best practices with Group senior management, in order to determine whether the existing IT systems, processes, policies, and controls align with benchmark standards;
- assess the need for and adequacy of insurance to cover losses caused by cybersecurity-related incidents;
- make proposals to Group senior management regarding optimal allocation of the resources dedicated to cybersecurity.

Membership of the IT Security Committee comprises the Chief Executive Officer of Interpump Group S.p.A., as Committee Chair, the Head of the Internal Audit, Risk & Compliance Function, the General Counsel & ESG Director, the Group Chief Financial Officer and, as subject matter experts, six representatives from the IT and cybersecurity domains of the principal subsidiaries. The Internal Audit, Risk & Compliance Function is tasked with distributing this policy to designated contacts within each Group company. Given the characteristics of the Interpump Group, the CEOs of each company are responsible for implementing this policy.

Health, safety and environment policy

A culture of workplace safety and respect for the environment is essential for the Interpump Group, which fosters and encourages responsible behavior, while also making available all the organizational and financial resources needed to prevent incidents and occupational illnesses, enhance occupational health and safety, and protect the environment. The Board of Directors of Interpump Group S.p.A. approved an updated version of the "HSE Policy" on 22 January 2024, in order to embed the sustainability principles and commitments made by the Interpump Group on adopting the ESG Plan. The new Policy focuses more on sustainable development, energy saving, resource utilization, the reduction of environmental impacts, and employee training. The Policy gives all Group companies a set of rules and minimum measures designed to protect workers and minimize the impacts of Group activities on the environment and surrounding landscapes. Each Interpump Group company is required to adopt this Policy promptly, by resolution of the Board of Directors or, in its absence, the equivalent body. The above resolutions must then be forwarded to the Group Internal Audit, Risk & Compliance Function, which is tasked with monitoring their proper and timely implementation.

Among the aspects related to occupational health and safety, the Policy:

- promotes the exchange of information and dialog with workers at all levels, in order to gather the information needed to prevent hazards and workplace incidents on a timely basis;
- establishes requirements for identifying and assessing the risks and hazards deriving from routine or non-routine activities and situations within company processes, interactions with external parties with access to corporate locations, and off-site activities carried out at the premises of customers, suppliers, or other Group companies;
- ensures that employees receive adequate instructions on how to perform their duties safety, avoiding situations that endanger their personal health and safety;
- steadfastly pursues the "zero injuries" objective via the continuous identification, assessment, prevention of, and protection against health and safety risks, the swift removal of potential hazards, and the implementation of employee health monitoring plans tailored to specific roles;
- minimizes the health and safety risks faced by workers from external companies and/or entities who are required to carry out tasks at Interpump Group plants, such as the maintenance of plant and machinery, construction work, and cleaning or security services;
- promotes the adoption of these values and principles governing health and safety matters by all parties within the supply chain.

By implementing the principles embedded in the "HSE Policy", Interpump respects the UN Sustainable Development Goals (SDGs) and the OECD Guidelines for Multinational Enterprises.

Beyond this and to strengthen the oversight of occupational health and safety matters, certain Group companies have also adopted and implemented management systems certified in accordance with international standard UNI EN ISO 45001:2018. See the specific sections on environmental and personnel-related matters for further details.

Human Rights Guidelines

In conducting its business and activities, Interpump champions the protection of and respect for human and workers' rights. This commitment is embedded in the Code of Ethics, in strict compliance with the related international Conventions and other current and locally-applicable regulations.

The Board of Directors of Interpump Group S.p.A. adopted the "Human Rights Guidelines" on 14 February 2020 as a set of instructions and rules of conduct designed to prevent all forms of discrimination, including those linked to the personal circumstances of individuals, and combat exploitation in the workplace and child labor. These Guidelines support strongly the principles of dignity, freedom and equality, and the protection of working conditions, union rights and occupational health and safety.

The adoption and implementation of these instructions and rules of conduct are mandatory for all Interpump Group companies and, therefore, employees and all those who act in the name and/or on behalf of Interpump Group companies, as well as advisors, suppliers and other third parties, including customers, are requested to make every effort to respect the Guidelines and the principles embodied therein.

In particular, the "Human Rights Guidelines":

- recognize the right of employees to establish or participate in organizations and associations that defend and promote workers' rights and interests, and prohibit discriminatory practices that penalize them based on their membership of, or participation in, union organizations and associations;
- recognize the right of workers to collective bargaining and to be represented by unions or other forms of representation elected or formed in compliance with the regulations or practices prevailing in the countries in which they work;
- condemn all forms of exploitation of labor, whether forced by threats, intimidation, punishment, reprisals or physical violence, or achieved by the serious restriction of personal freedoms, such as the confiscation of money or identity documents, human trafficking or modern slavery;
- ban the exploitation of child labor;
- ban discriminatory practices in any form, whether based on race, religious belief, age, ethnic origin, civil status, disability, sexual orientation, pregnancy or on any other personal condition;
- seek to ensure that all employees and candidates for employment are treated with full respect for diversity, promoting the principle of equal opportunities both when the working relationship is established and in all subsequent phases;
- prohibit as unacceptable any type of physical, verbal, sexual, or psychological harassment, as well as any form of abuse, threat, or intimidation in the workplace;
- recognize the importance of mentoring and professional training for the development of human resources and their skills, promoting all forms of involvement and participation by employees and their representatives;
- promote respect for human rights by all parties within the supply chain.

The "Human Rights Guidelines" draw inspiration from the principles of the UN Universal Declaration of Human Rights, the Fundamental Conventions of the International Labor Organisation (ILO), the OECD Guidelines for Multinational Enterprises, and the principles embodied in the UN Global Compact.

The principles established in the "Human Rights Guidelines" also make reference to the standards and rules of conduct for combating corruption, as specified in the "Anti-Corruption Guidelines," for protecting and respecting the environment, as detailed in the "HSE Policy," and for enhancing diversity and inclusion, as embodied in the "DEI Policy".

Diversity, Equity and Inclusion Policy

The Interpump Group guarantees working conditions that respect individual dignity and are free from all acts of violence, attitudes or behaviors that are discriminatory, or damaging to individuals, their beliefs, or their preferences. For this purpose, the Board of Directors of Interpump Group S.p.A. approved the “Diversity, Equity, and Inclusion Policy” on 22 January 2024. By adopting this set of principles, objectives, and commitments, the Group seeks to promote diversity, ensure equity, and foster inclusion within the organizational structure and externally, thereby supporting the advancement of an inclusive society.

The Policy aims to cultivate a corporate culture founded on inclusion and mutual respect, in the conviction that diversity, equity and inclusion, as well as the protection of workers’ rights, are essential aspects of the Interpump Group’s activities and, as such, applicable to all Group companies.

In this light, the DEI Policy:

- recognizes diversity as a value that sparks innovation, productivity, and the creation of ideas, lifts the climate in the workplace, and encourages a blended cultural environment;
- safeguards diversity in all its forms, including gender, age, culture, physical and mental abilities and vulnerabilities, gender identity and sexual orientation, religious belief, and all other differences;
- guarantees fair access, treatment, opportunities, and professional growth in the workplace, removing barriers unrelated to merit that might hinder full participation;
- promotes professional development and the recognition of individual talent via growth pathways that respect diversity and inclusion;
- ensures the gender-neutrality of remuneration and incentive policies and practices, basing them solely on equity and the recognition of merit;
- advances individual well-being and work-life balance, protecting the more vulnerable categories and ensuring fair access to work opportunities.

The principles reflected in the “DEI Policy” are consistent with the values embedded in Interpump’s Code of Ethics and draw inspiration from the principles that underpin the UN Universal Declaration of Human Rights, the Fundamental Conventions of the International Labor Organisation (ILO), the OECD Guidelines for Multinational Enterprises, and the UN Global Compact.

Each Interpump Group company is required to adopt this Policy promptly, by resolution of the Board of Directors or, in its absence, the equivalent body. The above resolutions must then be forwarded to the Group Internal Audit, Risk & Compliance Function, which is tasked with monitoring their proper and timely implementation.

Remuneration Policy

The Remuneration Policy, inspired by the principles promoted in the Corporate Governance Code and aligned with corporate values and the expectations of stakeholders, applies to all Group employees, irrespective of their geographical location or local business specifics. Acting on a proposal from the Remuneration Committee, this Policy is first approved by the Board of Directors of Interpump Group S.p.A. and then submitted to binding vote at the Shareholders’ Meeting.

Via this Policy, the Interpump Group seeks to:

- attract and motivate experienced professional resources in pursuant of the financial and non-financial objectives of the Company and the Group, as well as to incentivize the long-term loyalty of those persons who, given their skills and professional qualities, are able to manage and operate within the Company and the Group for the achievement of those objectives;

- grow the medium/long-term value of the Interpump Group in a sustainable manner, facilitating alignment of the interests of management with the those of the shareholders, having regard for the interests of other stakeholders that are important for the Company and the Group.

Beyond close ties with the established economic-financial objectives, the Remuneration Policy also strives to pursue the sustainable success of the Interpump Group. For this purpose, the 2023-2025 ESG Plan adopted by Interpump contains specific objectives for each sustainability domain - Environmental, Social, and Governance - in order to embed a long-term, realistic approach to sustainability within the strategic objectives of the Company and the Group. This Policy applies to all Group employees, although its significance is greater for those employees whose potential departure would have a more substantial impact by crystallizing a risk that was identified in the double materiality analysis.

These Policies and Guidelines are published on the website at the following link: *https://www.interpumpgroup.it/it/governance/documenti-societari*, to ensure accessibility and clarity for all stakeholders. The 2023-2025 Remuneration Policy is, instead, available at the following link: *https://www.interpumpgroup.it/it/governance/politiche-di-remunerazione*

7.2.2 Disclosure requirement S1-2 – Processes for engaging with own workers and workers' representatives about impacts

The Interpump Group consistently prioritizes active workforce participation in matters relating to inclusion, diversity, occupational health and safety, and the material impacts arising from sustainability processes.

The objectives of the Policies and Guidelines that safeguard personnel management and occupational health and safety include increasing the involvement of Group workers in the management of these matters, thus strengthening cohesion and employee well-being.

Given the characteristics and diversification of the Interpump Group, each subsidiary is directly responsible for local personnel management, working conditions, equal opportunities and treatment, skills development, and occupational health and safety. For this purpose, they have designated internal bodies and functions (including HR and the prevention and protection (safety) office) to manage these aspects.

Processes for engaging the Interpump workforce are facilitated through direct participation, as envisaged by local regulations, or, in certain instances, through the involvement of formally-recognized workers' representatives. Additionally, certain Group companies have established joint worker-management committees to exchange information and propose initiatives on occupational health and safety matters, such as health monitoring, risk assessment, incident investigation, and the promotion of corrective actions to enhance health and safety conditions, as well as initiatives related to solidarity, inclusion, diversity, and sustainability in general. These internal committees convene periodically throughout the year to ensure the continuous and updated monitoring of working conditions.

7.2.3 Disclosure requirement S1-3 – Processes to remediate negative impacts and channels for own workers to raise concerns

The Interpump Group strives to ensure that all workers can express their concerns, suggestions or complaints about any potential or actual adverse impacts deriving from Group activities, including with regard to the protection of human rights. This commitments is made explicit in the Code of Ethics and stated in the Global Compliance Program with reference to each material topic reported in this sustainability report. In particular, the Interpump Group recognizes the right of employees to establish or participate in organizations and associations that defend and promote workers' rights and interests and, consequently, discriminatory practices that penalize them based on their membership of, or participation in, union organizations and associations, are prohibited. Additionally, the Group recognizes the right of its employees to collective bargaining and to be represented by unions or other forms of representation, whether elected or formed in compliance with the regulations or practices prevailing in the countries in which it operates. The Interpump Group does not allow the exploitation of child labor. Group companies must ensure that their activities and those carried out by third parties, especially those in the supply chain, are free from all forms of exploitation of child labor, as defined in the ILO C138 Minimum Age Convention.

Negative impacts deriving, directly or indirectly, from the activities of the Group may be reported by the persons concerned to the individual contact points in the companies involved, who are obliged to initiate all appropriate remedial action to prevent, mitigate and make good the related consequences. In addition, the corporate and control bodies of the Group companies involved in the event must be informed promptly by the individual contact points about any developments and the remedial measures adopted. Depending on the severity of the impacts, the responsible bodies within the Parent Company may be involved, as well as the Board of Directors.

During the reference period for this report, no complaints were received about actual or potential events deriving from Group activities that might have generated negative impacts.

Whistleblowing Procedure

The Interpump Group has published a "Whistleblowing Procedure" on the corporate website that explains how to submit and process reports on actual or alleged infringements of the principles and rules specified in the Code of Ethics, the Organization, Management and Control Model pursuant to Decree 231/2001, Group policies and procedures and, more broadly, the applicable laws and regulations. The above Procedure describes and regulates the reporting process by giving the reporter (whistleblower) clear operational instructions about the subject, content and recipients of reports, as well as on how to submit them, guaranteeing to keep confidential the identity of the reporter from the moment in which the report is received, as well as to forbid any direct or indirect reprisals or discrimination against the whistleblower, in accordance with the applicable current regulations. The Procedure also governs determination of the validity and truth of the reports, so that appropriate corrective and disciplinary actions can be taken on a timely basis. Reports are directed to Report Managers, who are appointed by the supervisory bodies of all Group companies from within the Internal Audit, Risk & Compliance Function. Reports may be submitted through three preferential channels: web platform, telephone contact, or regular mail. The Report Managers are responsible for administering all reports received, assessing their justification and determining whether or not additional checks are needed. Without prejudice to the requirement to disclose certain events on a timely basis, each year or more frequently the Report Managers must guarantee a flow of summary information to top management and the Board of Directors about the reports received and administered.

During the reference period for this report, no significant reports were received via the preferential channels about alleged irregularities or unlawful activities.

7.2.4 Disclosure requirement 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

The Interpump Group has adopted actions to manage impacts, risks, and opportunities related to its own workforce that - by focusing on the perimeter of the ESG Plan, which differs from the reporting perimeter used for this document - cannot be deemed aligned with ESRS requirements. In future, the Group will consider defining or updating actions in this area.

Nevertheless, as shown in the earlier section entitled "Disclosure requirement SBM-3: Material impacts, risks, and opportunities and their interaction with strategy and business model", included in this chapter (and to which reference is made), the Interpump Group has included actions in the 2023-2025 ESG Plan that address the following

material sustainability impacts on its own workforce:

- organization of resources and human capital;
- occupational health and safety;
- protection of human and workers' rights.

The actions effectively seek to mitigate material negative impacts ("employee health and safety" and "protection of human and workers' rights") or generate material positive impacts ("organization of resources and human capital") for the Group's employees. The outcomes of these actions are monitored by the Interpump Group to determine whether or not they satisfy the desired expectations. Periodically, top management and board committees receive updates on these matters, including an analysis of workplace injuries and the measures taken to reduce them. At present, no specific monetary or non-monetary resources have been identified that can be reported separately from expenditures on normal business processes, in which such actions are inherent and not separately identifiable.

The ESG Plan and related actions were devised by the Group ESG function under the supervision of the General Counsel & ESG Director. The Plan was crafted after benchmarking the position of the Interpump Group within its sector of operations, and considering key sustainability macro-trends.

As shown in the following table, the actions included in the ESG Plan may also help to mitigate sustainability risks or pursue any material sustainability opportunities identified:

ESG Plan objective	Sustainability risk to be mitigated	Sustainability opportunity to be pursued
Maintain the "average injury rate" of employees in the three-year period 2022-2024 below the average for the three-year period 2019-2021	- Operational risks linked to personnel turnover - Reputational and operational risks linked to failure to protect the human rights of workers	- Operational opportunity linked to a more productive and engaged workplace (sense of belonging among employees)
Extend adoption of the ISO 45001 Management System by Group production companies, increasing coverage from 22% to 45% of turnover.	- Reputational and operational risks linked to failure to protect the human rights of workers	- Operational opportunity linked to a more productive and engaged workplace (sense of belonging among employees)
Increase of about 35% in average per-capita hours of non-mandatory training at Group level.	- Operational risks linked to personnel turnover	- Operational opportunity linked to a more productive and engaged workplace (sense of belonging among employees)
Development of a Group global mobility program	- Operational risks linked to personnel turnover	- Operational opportunity linked to a more productive and engaged workplace (sense of belonging among employees)
Pilot project to assess the workplace environment with a view to promoting the principles of diversity and inclusion.	- Operational risks linked to personnel turnover - Reputational and operational risks linked to failure to protect the human rights of workers	- Operational opportunity linked to respecting employee diversity - Operational opportunity linked to a more productive and engaged workplace (sense of belonging among employees)

For information about how Interpump seeks to ensure that its practices do not cause or contribute to material negative impacts on its own workforce, reference is made to the controls described in the earlier sections entitled “Disclosure requirement S1-1 – Policies related to own workforce” and “Disclosure requirement S1-3 – Processes to remediate negative impacts and channels for own workers to raise concerns”.

7.3 Metrics and targets

7.3.1 Disclosure requirement S1-5 – Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

The Interpump Group has identified targets for managing the impacts, risks, and opportunities related to its own workforce, but only in the context of the 2023-2025 ESG Plan that, however, cannot be deemed aligned with ESRS requirements. In future, the Group will consider defining targets in this area.

The metrics presented in this chapter have not been validated by an external entity, other than the party that issued the attestation of conformity.

7.3.2 Disclosure requirement S1-6 – Characteristics of the undertaking's employees

The Group has 9,357 employees at 31 December 2024, mostly concentrated in Italy, the United States, India, Germany, and China; however, the incidence of employees in Italy and the USA each exceeds 10% of the total. Permanent, full-time contracts are undoubtedly the most prevalent.

Preservation of the bond between newly-acquired companies and their local territories is distinguishing characteristic of the Interpump Group, upheld over time and through multiple M&A transactions. This approach not only maintains the local corporate identity, but also safeguards the social fabric of the territory, the local sources of employment, and the respective supplier networks.

The tables present the actual employee headcount at 31/12, rather than averages or FTEs. No particular assumptions have been made with regard to this indicator, as reference is always made to the exact numbers.

The Group's employees are analyzed by gender below, together with specific details for Italy and the USA. Employment in each of these two countries exceeds 50 persons and they each account for more than 10% of the total Group workforce.

The number of employees at 31 December 2024 is reported here as an integer, whereas the "Group companies" chapter of the financial statements presents the average number of employees during the year.

Employees by gender	Italy	USA	Other countries	Group
Men	3,106	919	3,522	7,547
Women	799	245	763	1,807
Other	-	-	3	3
Not specified	-	-	-	-
Total	**3,905**	**1,164**	**4,288**	**9,357**
%	42%	12%	46%	100%

The following table reports employee information by type of contract and gender.

Employees by contract type	Men	Women	Other	Not specified	Total
No. of employees	7,547	1,807	3	-	**9,357**
of which on permanent contracts	7,363	1,745	3	-	**9,111**
of which on fixed-term contracts	184	62	-	-	**246**
of which on variable-hours contracts	4	-	-	-	**4**
of which on full-time contracts	7,490	1,576	3	-	**9,069**
of which on part-time contracts	57	231	-	-	**288**

The turnover rate reflects the ratio of the number of employees who departed to the number of persons employed at 31 December 2024.

Terminations	2024
Employees at 31/12	9,357
No. of terminations	1,480
of which resignations	*776*
of which retirements	*118*
of which dismissals	*407*
of which contract expiry	*153*
of which failure to pass the probationary period	*26*
Turnover rate	15.8%

The following analysis by region provides better insight into the geographical distribution of employees among the various countries in which the Group operates. This distribution is consistent with that used in earlier sections to allocate revenues by geographical area.

Employees by type of contract and geographical area	Italy	Rest of Europe	North America	Far East / Pacific Area	Rest of the World	Total
No. employees	3,905	2,192	1,328	772	1,160	9,357
of which on permanent contracts	3,833	2,089	1,318	712	1,159	9,111
of which on fixed-term contracts	72	103	10	60	1	246
of which on variable-hours contracts	-	4	-	-	-	4
of which on full-time contracts	3,722	2,119	1,309	760	1,159	9,069
of which on part-time contracts	183	73	19	12	1	288

All tables present the actual number of employees at 31 December 2024. Accordingly, no assumptions or methodologies have been used.

7.3.3 Disclosure requirement S1-8 – Collective bargaining coverage and social dialog

Overall, 68% of Group employees are covered by collective bargaining agreements. Coverage is however uneven due to the variety of countries in which the Group operates, with 100% cover in countries like Italy and much lower percentages elsewhere.

The following table presents the coverage of collective bargaining agreements and social dialog in the two countries (Italy and the USA) whose Group employees each account for more than 10% of the total workforce:

	Coverage of collective bargaining		Social dialog
Coverage rate	Employees - EEA countries	Employees - non-EEA countries	Workplace representation
0 - 19%	-	USA	USA
20 - 39%	-	-	-
40 - 59%	-	-	-
60 - 79%	-	-	-
80 - 100%	Italy	-	Italy

In Italy, the number of employees covered by collective bargaining agreements may exceed the number of union members, as these agreements apply to both union members and non-members.

Again in Italy, social dialog is certainly facilitated by the activities of Workers' Safety Representatives (RLS) and, where present, by Local Union Representatives (RSU). While social dialog is recognized as a fundamental component of the European social model, the penetration of employee participation in other countries is much lower.

7.3.4 Disclosure requirement S1-9 – Diversity metrics

The term "senior management" refers to the first and second organizational levels that report to the administrative and supervisory bodies of Interpump Group S.p.A. Overall, this set of employees corresponds to the executives working at the various Group companies.

The following tables analyze the distribution of senior management by gender, in numerical and percentage terms.

Composition of senior management	Number	%
Men	197	88.3%
Women	26	11.7%
Other	-	-
Not specified	-	-
Total	**223**	**100.0%**

The next table analyzes the distribution of Group employment by age band.

Employees by age band	Number	%
< 30	1,333	14.2%
30 - 50	5,018	53.6%
> 50	3,006	32.1%
Total	**9,357**	**100.0%**

7.3.5 Disclosure requirement S1-10 – Adequate wages

In order to analyze the adequacy of wages, Interpump identified the annualized total gross remuneration (including any income components additional to gross annual pay) of all employees on the payroll at 31 December 2024. This process normalized their remuneration on an annual basis, overcoming any differences linked to the timing of hiring during the year or between full-time and part-time contracts.

The resulting amount was compared with 60% of the national median income indicated by the relevant state authorities or, alternately, with 50% of the average remuneration reported by the OECD or another authoritative data provider on its website. Where the remuneration of an individual did not exceed these thresholds, a check was made to ensure that it was still adequately greater than the legal minimum.

This analysis confirmed that all Group employees receive an adequate wage.

7.3.6 Disclosure requirement S1-13 – Training and skills development metrics

Corporate training and skills development are a cornerstone of the Group's growth strategy. For this purpose, Interpump plans and organizes training courses designed to develop the abilities needed to perform the duties assigned and grow the skills of management. Adequate preparation and training also increases the knowledge of operational processes, improving quality standards and, at the same time, mitigating injury risks.

Given the importance of training, this topic was also addressed in the 2023-2025 ESG Plan, which sets a target increase in the average non-mandatory training hours per capita at Group level. Considering the targets set for the reduction of injury rates, all training hours other than for "Health and Safety" were treated as non-mandatory.

The following table analyzes the 2024 training hours by topic and gender:

Training hours by type	Men	Women	Other	Not specified	Total
Anti-corruption	981	183	-	-	1,164
Cyber security - IT	3,431	877	-	-	4,309
Compliance	638	335	-	-	973
Health and safety	27,895	5,204	-	-	33,098
Foreign languages	4,098	1,710	-	-	5,808
Leadership	2,534	959	-	-	3,493
Soft skills	5,713	5,342	-	-	11,055
Technical training	35,515	10,125	-	-	45,641
Other	12,567	3,561	-	-	16,128
Total	**93,373**	**28,296**	**-**	**-**	**121,668**

Per capita training hours in 2024:

Training hours per capita	Men	Women	Other	Not specified	Total
Per capita - All categories	12.4	15.7	-	-	**13.0**
Per capita - Excluding HSE	8.7	12.8	-	-	**9.5**

All training hours delivered to enhance the professional and personal skills of employees were considered for reporting purposes, provided they were documented formally and can be verified ex post (demonstrability criterion). OTJ training, training workers for another role, and other training hours arranged independently by individuals (e.g., study leave) were excluded from the above calculation. Accordingly, this metric does not contain any estimates or approximations.

7.3.7 Disclosure requirement S1-14 – Health and safety metrics

Consistent with the structure of the Group, all Interpump employees are covered by the health and safety management systems adopted by their respective companies. During 2024, there were no fatalities due to work-related injuries or illnesses among Group employees or other workers operating at Group sites.

The following table presents the number and rate of injuries, distinguishing those injuries that caused an absence from work for:

- Up to one day
- More than a day

Work-related injuries - employees	2024
No. of deaths from work-related injuries	-
Days lost for deaths from work-related injuries	-
Work-related injuries with absences <= 1 day	
No. of injuries	88
Work-related injury rate	5.5
Work-related injuries with absences > 1 day	
No. of injuries	118
Work-related injury rate	7.3
Total work-related injuries	
Hours worked	16,058,275
No. of injuries	206
Days lost	2,859
Work-related injury rate	12.8

The injury rates were calculated in accordance with EU regulations, using a multiplier of 1,000,000 (equivalent to annual working hours), so that the injury rate equals the number of injuries * 1,000,000 / actual hours worked. For completeness, this indicator previously used 200,000 hours as the multiplier.

The following table is provided for work-related illnesses:

Work-related illnesses - employees	2024
No. of deaths from work-related illnesses	-
Days lost for deaths from work-related illnesses	-
No. of work-related illnesses	2
Days lost due to work-related illnesses	86

7.3.8 Disclosure requirement S1-16 – Compensation metrics (pay gap and total compensation)

The ratio of the highest total annual remuneration within the organization to the median wage of Group employees was calculated using both the fixed and variable components of gross remuneration, after normalizing the amounts to make them consistent and comparable. The above ratio, excluding the long-term incentive component of remuneration (share-based incentive plans), was about 56 in 2024. Including the stock option plans detailed in the Report on

Remuneration Policy and Compensation Paid, the above ratio rises to about 176.

To better present how this ratio is calculated, the Group only considered employees on the payroll at 31 December 2024. The remuneration of employees with part-time contracts and of those persons hired during the year was normalized, to make it equivalent to that of an employee with a full-time contract from 1 January to 31 December 2024. Employees who terminated the working relationship during the year were excluded from the calculation. Total annual remuneration includes:

- fixed components: normalized annual basic pay, including any references made to the collective bargaining and personal agreements;
- variable components, only if actually received (cash basis), including remuneration for overtime hours, bonuses and awards, incentives, commissions, fringe and flexible benefits;
- long-term bonuses and stock options (where applicable), measured at fair value if specified in the Remuneration Policy, or otherwise as income in kind.

In order to calculate the gender pay gap, the Group reduced the gross annual pay (RAL) of employees to an hourly rate (calculated as RAL / contractually agreed working hours). At Group level, the ratio of the average hourly pay of women to that recognized to men was 94% in 2024.

7.3.9 Disclosure requirement S1-17 Incidents, complaints and severe human rights impacts

Interpump has not received any reports of work-related incidents and/or complaints through direct channels or via its subsidiaries.

Accordingly, no episodes of work-related discrimination based on gender, race or ethnicity, nationality, religion or personal beliefs, disability, age, sexual orientation, or other relevant forms of discrimination involving stakeholders were recorded in 2024.

There were no severe incidents involving human rights during 2024.

8. ESRS S2 – WORKERS IN THE VALUE CHAIN

8.1 Strategy

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

The Interpump Group is committed to ongoing dialog with all stakeholders, in order to take their individual needs and ideas for improvement into consideration. However, value chain workers are not currently included among the stakeholder categories identified by the Group.

8.1.2 Disclosure requirement related to ESRS 2 SBM-3 – Material impacts, risks, and opportunities and their interaction with the strategy and business model

As shown in the earlier section entitled "*Disclosure requirement SBM-3: Material impacts, risks, and opportunities and their interaction with strategy and business model*", included in the chapter on General Disclosures (ESRS 2), the Interpump Group has identified two potential impacts relating to value chain workers, associated with the sub-topic "*other work-related rights*".

However, at present, the 2023-2025 ESG Plan does not include actions or targets related to the sustainability impacts identified in connection with its value chain.

At the same time, following the double materiality analysis, two risks and one opportunity associated with the sub-topic "*other work-related rights*" were identified as material. Similar to the impacts identified, none of them directly correlates with the objectives included in the Group's 2023-2025 ESG Plan.

The considerations expressed in the "General Disclosures" section (ESRS 2) apply to the following categories of workers in the Interpump Group's value chain:

- workers present at Group locations, but not part of its own workforce, such as agency and maintenance personnel;
- workers upstream in the value chain, involved in the initial stages of the Group's production activities, such as foundry workers and persons employed by the suppliers of semi-finished products;
- workers downstream in the value chain, such as those employed in logistics, distribution, and after-sales services.

There are no workers particularly vulnerable to negative impacts in the Interpump Group's value chain.

The Board of Directors of the Interpump Group adopted the "Human Rights Guidelines" on 14 February 2020, as a set of instructions intended to combat exploitation in the workplace and child labor. The adoption and implementation of these instructions and rules of conduct are mandatory for all Interpump Group companies and, therefore, employees and all those who act in the name and/or on behalf of Interpump Group companies, as well as advisors, suppliers and other third parties, including customers, are requested to make every effort to respect the Guidelines and the principles embodied therein.

All the sustainability impacts on the value chain workers identified by Interpump Group are considered negative. Of these, only "*Management of sensitive data and information*" is common to all contexts in which the Group operates, while the "*Protection of human and workers' rights*" occurs only in countries outside the macro-group (Europe, North America, and Australia).

Of the two identified risks, one derives from the Group's dependencies (specifically suppliers), while the other arises from a material sustainability impact (specifically "*Management of sensitive data and information*"). The opportunity also arises from a material impact, "*Protection of human and workers' rights*".

All material sustainability risks and opportunities identified by the Interpump Group extend uniformly to all value chain workers included in the perimeter analyzed (listed above), regardless of the geographies in which they operate or the activities they perform. Currently, no activities or geographies have been identified as notably more exposed to sustainability risks than others.

8.2 Management of Impacts, Risks, and Opportunities

8.2.1 Disclosure requirement S2-1 – Policies related to value chain workers

Given the strategic importance of the entities that operate within the value chain, the Interpump Group has decided to strengthen relationships and promote sustainability practices throughout the value chain, and has adopted a policy for managing the impacts, risks, and opportunities related to value chain workers.

To this end, the Interpump Group has established a set of corporate governance rules and a Global Compliance Program that define policies and guidelines to mitigate significant impacts on or create opportunities for value chain workers. This program is rooted in the principles and values embodied in the Code of Ethics, which protects and promotes the value of human resources, both its own and those in the value chain, in order to enhance and develop their wealth of knowledge and skills. In all its activities, Interpump pursues and promotes respect for human rights and, in particular, the respect for human life, the freedom and dignity of individuals, justice, fairness and solidarity. The physical and moral integrity of personnel, whether or not direct employees, is guaranteed via the provision of working conditions that respect their personal dignity and working environments that are safe and healthy.

The Policies and Guidelines, referenced in chapters ESRS S1 and ESRS G1, mandate all Interpump Group companies to disseminate and promote their principles and values among their employees and all value chain workers. These Policies and Guidelines are consistent with the values embodied in Interpump's Code of Ethics and the guidelines, standards and laws promulgated at an international level, including the UN Universal Declaration of Human Rights, the Fundamental Conventions of the International Labor Organisation (ILO), the OECD Guidelines for Multinational Enterprises, and the UN Global Compact.

They establish high-level directives for the protection and development of topics relevant to value chain workers, but do not specify in detail how the Group manages the related impacts, risks, and opportunities, as required by the ESRS. In future, the Group will consider defining or updating the current Policies and Guidelines in order to align their principles with the requirements of the CSRD.

No instances of non-compliance with the guiding principles of the UN Universal Declaration of Human Rights, the Fundamental Conventions of the International Labor Organisation (ILO), or the OECD Guidelines for Multinational Enterprises, that involve upstream and downstream value chain workers were highlighted during the reference period of this report.

The Interpump Group does not currently have a Suppliers' Code of Conduct.

8.2.2 Disclosure requirement S2-2 – Processes for engaging with value chain workers about impacts

As stated in the earlier section entitled "*Disclosure requirement related to ESRS 2 SBM-2 – Interests and views of stakeholders*", included in this section, value chain workers are not currently among the categories involved in the stakeholder engagement process developed by the Group.

However, initiatives have been implemented to reduce any actual and potential negative impacts on value chain workers resulting from the Group's activities. In particular with regard to the supply chain, a supplier rating model based on environmental, social, and governance criteria has been implemented. All suppliers are rated on each of the following areas of interest and with regard to their

ESG-related policies and certifications, their procedures for defining and monitoring the related KPIs, and their improvement targets. The metrics used include:

- respect for human rights, child labor and forced labor practices, and general working conditions;
- personnel management, respect for diversity, and equal opportunities;
- occupational health and safety;
- cybersecurity and data protection.

By analyzing the information received via the supplier rating model, the Interpump Group is able to identify possible issues and the viewpoints of value chain workers.

Given the specific characteristics of each company within the Interpump Group, it is currently not possible to provide specific information about how they engage with workers throughout the value chain. Accordingly, in the near future, Interpump will define a structured engagement process for these workers, in order to identify more precisely any actual and potential impacts deriving from Group activities.

8.2.3 Disclosure requirement S2-3 – Processes to remediate negative impacts and channels for value chain workers to raise concerns

The Interpump Group strives to ensure that all value chain workers can express their concerns or complaints about any potential or actual adverse impacts deriving from Group activities, including with regard to working conditions and the protection of human rights. In particular, as envisaged in ILO Convention 138, human trafficking and the exploitation of child, forced or compulsory labor are not tolerated.

Any concerns or complaints can be reported to contact points at each Group company, including their HSE managers, who are required to take remedial action to prevent, mitigate, and remediate negative impacts. The processes implemented by the Interpump Group to mitigate negative impacts are considered to be effective.

The corporate and control bodies of the Group companies concerned are informed promptly about developments and the remedial measures adopted. Depending on the severity of the impacts, the responsible bodies within the Parent Company may be involved, as well as the Board of Directors.

Each Interpump Group company adopts its own procedures for monitoring and addressing concerns or complaints received from value chain workers.

During the reference period for this report, no complaints or concerns about events that caused negative impacts were reported by value chain workers or entities. The Interpump "Whistleblowing Procedure" described in Chapter ESRS S1 also establishes procedures for submitting and processing reports concerning any alleged infringements, misconduct, or concerns identified by value chain workers.

To ensure that value chain workers are aware of the channels available to raise their concerns, Group companies employ various methods to inform them about their existence and the rules for their use. Additionally, all Group companies publish the "Whistleblowing Procedure" on their websites, thus ensuring greater visibility for and access to this information. In order to protect the value chain workers who use these channels to raise their concerns, Interpump has implemented non-retaliation policies that prohibit any form of retaliation against workers who report concerns or use the remediation processes. The above policies ensure that all reports are processed confidentially to protect the identities of the workers concerned.

8.2.4 Disclosure requirement 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

The Interpump Group promotes proper collaboration with all value chain workers but, given the geographical spread of the Group, no specific actions aligned with ESRS requirements are envisaged at this time. In future, the Group will consider defining or updating actions in this area.

No severe human rights issues or incidents within the upstream and downstream value chains were identified during the reference period for this report.

At present, no specific monetary or non-monetary resources have been identified that can be reported separately from expenditures on normal business processes, in which such actions are inherent and not separately identifiable.

8.3 Metrics and targets

8.3.1 Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities (S2-5)

As previously stated, given the specific characteristics of the Group and the fragmentation of the value chain, the Interpump Group has not yet identified targets in relation to this aspect. In future, the Group will consider defining targets in relation to value chain workers.

9. ESRS S4 – CONSUMERS AND END-USERS

9.1 Strategy

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

The Interpump Group is committed to ongoing dialog with all stakeholders, in order to take their individual needs and ideas for improvement into consideration. Customers and end users are recognized as stakeholders.
For each category of stakeholder, the Group has established specific communications channels via which to listen periodically and understand their points of view and needs.
The Group engages with customers and end users in the following ways:

- corporate websites;
- management of complaints;
- catalogs;
- after-sales service;
- trade fairs.

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

As shown in the earlier section entitled "*Disclosure requirement SBM-3: Material impacts, risks, and opportunities and their interaction with strategy and business model*", included in the chapter on General Disclosures (ESRS 2), the Interpump Group has identified just one potential impact relating to consumers and end users, associated with the sub-topic "*Impacts related to the information provided to consumers and/or end-users*".

However, at present, the 2023-2025 ESG Plan does not include actions or targets related to the sustainability impacts identified in connection with its value chain.

At the same time, following the double materiality analysis, two risks and one opportunity associated with the sub-topics "*Impacts related to the information provided to consumers and/or end-users*" and "*Social inclusion of consumers and/or end users*" were identified as material. Similar to the impacts identified, none of them directly correlates with the objectives included in the Group's 2023-2025 ESG Plan.

The considerations expressed in the "General Disclosures" section (ESRS 2) apply specifically to the end users of the Interpump Group, are dependent on accurate and accessible product- or service-related information, such as manuals and product labels, to avoid potentially damaging use of a product or service.

As indicated in the earlier section entitled "Disclosure requirement SBM-1: Strategy, business model, and value chain", the Interpump Group mostly collaborates with B2B customers and, accordingly, it is difficult to identify end-users of the multiple applications of the Group's products who might be exposed to value chain risks. Nevertheless, the Group is committed to the continuous improvement and expansion of the range of products offered, not least by achieving a greater understanding of their compatibility with the broader system in which they are used. Internally designed control systems and test equipment have enabled the Group to obtain a series of approvals from International Certification Bodies, attesting to the high quality and verified compatibility of the products checked. This commitment is confirmed by the Group's affiliation with the major standardization bodies, including the Italian Standards Body (UNI).

The sustainability impact on consumers and/or end-users in the value chain identified by the Interpump Group (*Management of sensitive data and information*) is assessed as negative and is common to all contexts in which the Group operates.

Of the two identified risks, one derives from the Group's dependencies ("*customers*"), while the other arises from a material sustainability impact ("*Management of sensitive data and information*"). Both opportunities stem from the Group's dependencies, specifically: "*customers (B2B)*".

9.2 Management of Impacts, Risks, and Opportunities

9.2.1 Disclosure requirement S4-1 – Policies related to consumers and end-users

Given the strategic importance of the entities that operate within the value chain, the Interpump Group has decided to strengthen relationships and promote sustainability practices throughout the value chain, and has adopted a policy for managing the impacts, risks, and opportunities related to customers and end-users.

In particular, within the Global Compliance Program (which includes a set of corporate governance rules), Interpump has defined responsible practices that, in particular, promote the safe use of its products and solutions by end-users. These practices aim to ensure that the best preventive measures are adopted to avoid risks or harm from use of the products sold, while also guaranteeing compliance with high quality standards. The Interpump Group is unwaveringly committed to strict compliance with the regulations in force in the countries where it operates and at international level (including ATEX, EMC, REACH, ROHS, and Proposition 65) that safeguard and protect customers and end-users.

In addition, the Code of Ethics defines principles and values that safeguard and protect all actors in the value chain. Lastly, the Policies and Guidelines, referenced in chapters ESRS S1 and ESRS G1, mandate all Interpump Group companies to disseminate and promote the above-mentioned principles and values.

At the date of this report, no infringements of the values and principles applicable to end-users, as embodied in the Interpump Code of Ethics, the UN Global Compact, and the OECD Guidelines for Multinational Enterprises, have been identified in the downstream value chain.

The Policies and Guidelines establish high-level directives for the protection and development of topics relevant to customers and end-users, but do not specify in detail how the Group manages the related impacts, risks, and opportunities, as required by the ESRS. In future, the Group will consider defining or updating the current Policies and Guidelines in order to align their principles with the requirements of the CSRD.

The Interpump Group is unwaveringly committed to strict compliance with the regulations in force in the countries where it operates that safeguard and protect customers and end-users.

9.2.2 Disclosure requirement S4-2 – Processes for engaging with consumers and end-users about impacts

Establishing dialog and clear, accessible communications with customers and end-users about the characteristics of its products, solutions, and services, is a priority for the Interpump Group. Transparent communications build trust in business relations and help customers and end-users to make informed decisions.

The Interpump Group has developed specific channels for sharing and exchanging communications and information with customers and end-users. Specifically, in addition to complaint management, after-sales service, and information about trade fairs, the websites of Group companies and their social media platforms ensure continuous communications and frequent engagement.

The commercial functions within Interpump Group companies ensure that the feedback from end-users, received via customers, is collected and used to improve the products and services offered. This activity includes managing customer relations via various communication channels and analyzing the data collected to identify trends and the emerging needs of end-users. In addition, top management at Group level ensures that corporate strategies are focused on sustainability and that the indirect feedback from end-users is considered when making business decisions. Top management must oversee and regularly assess the ESG performance of the Group, ensuring that sustainability targets are achieved and that business practices are transparent and accountable. This integrated approach, focused on customers and end-users, is essential so that the Group can build trust and maintain a positive market reputation.

Feedback from customers and end-users provides valuable insights into areas for improvement and, by leveraging this information, the Group can optimize its processes, products, and services, enhancing their quality and efficiency. This approach to continuous contributes to the Interpump Group's long-term competitiveness and sustainability.

Given the specific characteristics of each company within the Interpump Group, it is currently not possible to provide specific information about how they engage with customers and end-users. In the near future, Interpump will consider how to define a structured engagement process for these counterparties, in order to identify more precisely any actual and potential impacts deriving from Group activities.

9.2.3 Disclosure requirement S4-3 – Processes to remediate negative impacts and channels for customers and end-users to raise concerns

The Interpump Group strives to ensure that customers, and even end-users, can express their concerns or complaints about any potential or actual adverse impacts deriving from Group activities, either by direct contact with the business functions concerned or via the digital channels made available by the Group.

This commitment not only enhances transparency and trust in the business, but also contributes to corporate accountability and sustainability. In particular, no form of retaliation is tolerated and, as a result, all customers and end-users can feel safe when reporting doubts or issues. This fosters an environment in which they can express concerns freely, without fear of adverse consequences.

Any concerns or complaints can be reported to contact points at each Group company, including their sales and IT personnel, who are required to take remedial action to prevent, mitigate, and remediate negative impacts.

The corporate and control bodies of the Group companies concerned are informed promptly about developments and the remedial measures adopted. Depending on the severity of the impacts, the responsible bodies within the Parent Company may be involved, as well as the Board of Directors.

During the reference period for this report, no complaints or concerns about events that caused negative impacts were reported by value chain workers or entities. The Interpump "Whistleblowing Procedure" described in Chapter ESRS S1 also establishes procedures for submitting and processing reports concerning any alleged infringements, misconduct, or concerns identified by value chain workers. During the reference period for this report, no reports were received via the available channel about alleged irregularities or unlawful activities.

To ensure that end-users are aware of the channels available to raise their concerns, all Group companies publish the "Whistleblowing Procedure" on their websites, thus ensuring greater visibility for and access to this information. In order to protect the end-users who use these channels to raise their concerns, Interpump has implemented non-retaliation policies that prohibit any form of retaliation against those who report concerns or use the remediation processes. The above policies ensure that all reports are processed confidentially to protect the identities of the reporters.

9.2.4 Disclosure requirement S4-4 – Taking action on material impacts on customers and end-users, and approaches to managing material risks and pursuing material opportunities related to customers and end-users, and effectiveness of those actions

The Interpump Group is committed to establishing clear and accessible dialog and communications with all customers but, given the diversity of its product markets and sectors of application, no specific cross-cutting actions aligned with ESRS requirements are envisaged at this time. In future, the Group will consider defining or updating actions in this area.

That said, the Interpump Group adopts the following practices and initiatives that have a positive influence on customers and end-users:

- promotion of corporate sustainability: adoption of environmentally-friendly sustainable practices that raise awareness among customers and end-users about the importance of sustainability;
- innovation and continuous improvement: investment in research and development for the continuous innovation and enhancement of products and services;
- protections for counterparts: adoption of flexible returns policies, product warranties, and efficient customer services;
- customer loyalty: establishment of strong relations with customers and end-users, in order to create a positive ripple effect that strengthens the customer base and lowers customer acquisition costs.

Additionally, in the context of the ESG Plan, the Interpump Group has adopted Product Ecodesign Guidelines with a view to reducing the environmental impact of its activities via the adoption of innovative and sustainable solutions. The circular economy is based on the idea of creating a virtuous system for the use of resources, encouraging the reuse, recycling, and regeneration of materials, in order to minimize the consumption of natural resources and reduce the production of waste. In this context, ecodesign is an essential dimension to be addressed, and the above Guidelines represent a further step towards creating a sustainable and responsible business, capable of looking to the future with a far-sighted, environmentally-respectful approach.

The viewpoint of end-users is a “tool” that Interpump uses to understand better their perceptions and expectations on the topic of sustainability; in this way, the Group's ESG strategies can be adapted effectively and the related actions monitored. On this last point, Interpump gathers opinions and suggestions from customers, which in turn reflect the experiences of their end-users. The analysis of product sales and usage data also provides insights into how the actions taken to reach the targets set in the ESG Plan influence the conduct of both customers and end-users.

9.2.5 Disclosure requirement S4-5 – Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

As previously stated, given the variety of products and the specific characteristics of markets in which the Group operates, Interpump has not yet identified targets in relation to this aspect. In future, the Group will consider defining targets in relation to end-users.

10. ESRS G1 - GOVERNANCE INFORMATION

10.1 Governance

10.1.1 Disclosure requirement related to ESRS 2 GOV-1 – The role of the administrative, management, and supervisory bodies

As specified in the earlier section entitled "*Disclosure requirement GOV-1: The role of the administrative, management, and supervisory bodies*, included in the General Disclosures chapter (ESRS 2), the Board of Directors plays a central role in the corporate governance of the Interpump Group and in the definition of sustainability policies, including those related to business conduct.

On 28 April 2023, the Board established a Sustainability Committee (separating it from the previous Control, Risks, and Sustainability Committee) with powers to advise, consult, and make recommendations on ESG matters. This Committee, comprising the Chief Executive Officer and two independent directors, develops sustainability goals, strategies, and plans for the Board to consider, monitoring their implementation.

All Board members bring the professionalism and skills needed for the roles assigned to them, as detailed in the section of chapter ESRS 2 entitled Disclosure requirement GOV-1: The role of the administrative, management, and supervisory bodies. With regard to expertise in business conduct, the Board of Directors of Interpump Group S.p.A. has extensive knowledge and experience on the topics of corporate ethics and culture, combating bribery corruption, and managing stakeholder relations.

10.2 Management of Impacts, Risks, and Opportunities

10.2.1 Disclosure requirement related to ESRS 2 IRO-1 – Description of the process to identify and assess material impacts, risks, and opportunities related to business conduct

The methodology used to identify the impacts, risks, and opportunities took into account the aspects described in the section entitled "*Disclosure requirement IRO-1: Description of the process to identify and assess material impacts, risks, and opportunities*", included in the chapter on General Disclosures (ESRS 2). This methodology was also applied to the analyses of matters related to business conduct, which involved understanding the operational context, identifying their impacts, risks, and opportunities, and then assessing and prioritizing them. Specifically, the analysis considered the geographical areas in which the Group operates, including the geographical distribution of suppliers and the value chain as a whole. The results of the above analysis were also determined in light of the manufacturing nature of the principal Interpump Group companies, as well as the different business sectors in which they operate and their respective organizational structures.

In the process of identifying impacts related to business conduct, just one potential, material impact was identified, associated with two sub-topics: corporate ethics and culture, and sustainable practices within the supply chain. This impact was identified in just one phase of the value chain: direct operations, linked to the Group's production activities.

With regard to the identification of risks and opportunities, a reputational and compliance risk was identified due to poor supply chain oversight, associated with business conduct in the sub-topic "*management of supplier relations*". This risk is generated from the related impact "sustainable practices within the supply chain", which arises in the upstream value chain.

10.2.2 Disclosure requirement G1-1 – Business conduct policies and corporate culture

The governance system defined by Interpump Group S.p.A., comprising a set of rules, policies, and organizational structures, seeks to ensure effective and efficient corporate governance, consistent with the characteristics and strategic objectives of the Group, while pursuing the sustainability of its activities over the medium-long term.

To this end, the Board of Directors of Interpump Group S.p.A. has established non-negotiable principles and policies for business conduct that underpin the system of corporate governance, promoting the spread of a transparent corporate culture based on integrity. These principles are shared with key clients, suppliers and, in general, all third parties that maintain commercial relations with Group companies, regardless of their geographical location.

The Interpump Group has established a Global Compliance Program (GCP) in order to disseminate throughout the Group a culture for the conduct of business based on ethics and corporate social responsibility. This program comprises a series of instruments, such as the Code of Ethics, the Organization, Management and Control Model pursuant to Decree 231/2001 and the guidelines on combating corruption, workplace safety, environmental protection and human rights, that are intended to promote among employees and all those who interact with the Group, even if only occasionally or on a temporary basis, respect for the rules of conduct and the values recognized by Interpump, as well as respect for the principle of legality in the conduct of business.

In order to identify, assess, and manage impacts, risks, and opportunities arising from matters related to business conduct and culture, the Interpump Group has established the following Guidelines:

Anti-corruption Guidelines

The Anti-corruption Guidelines were approved by the Board of Directors of Interpump Group S.p.A. in March 2019 and represent a set of rules and procedures designed to eliminate the risk of corrupt conduct by all employees and collaborators of Group companies, as well as by all persons who, for any reason and regardless of their contractual status, work in the name of or on behalf of Group companies.

The Anti-corruption Guidelines promote the principle of zero tolerance for all forms of corruption, and support full and unconditional compliance with the domestic and international laws and standards on combating corruption. Special attention is dedicated to the selection of commercial partners, including the management of contracts and verification of the satisfaction of ethical requirements, the offer and acceptance of gifts, hospitality and presents, public relations, political contributions and donations to charities. Adoption and implementation of the Anti-corruption Guidelines is mandatory for all Group companies and, consequently, binds all employees, collaborators and, where applicable, advisors, suppliers and other third parties, including customers, that maintain relations with Interpump Group companies. The Internal Audit, Risk & Compliance Function of the Group is responsible for monitoring proper application of the Anti-corruption Guidelines, organizing and encouraging suitable training initiatives on this topic for collaborators including, in particular, those who - given the nature of their work - are most exposed to the risk of committing crimes of corruption including, in particular, the corporate functions responsible for commercial relationships with customers and suppliers.

These Guidelines are published on the website at the following link: https://www.interpumpgroup.it/it/governance/documenti-societari.

Management of reports and complaints

The Interpump Group strives to ensure that all stakeholders can express their concerns, suggestions or complaints about any potential or actual adverse impacts deriving from Group activities, including with regard to corruption and the protection of human rights. This commitment is made explicit in the Code of Ethics and stated in the Global Compliance Program. Events with a negative impact deriving, directly or indirectly, from the activities of the Group may be reported by the persons concerned to the individual contact points in the companies involved, who are obliged to initiate all appropriate remedial action to prevent, mitigate and make good the adverse consequences reported. In addition, the corporate and control bodies of the Group companies involved in the event must be informed promptly by the individual contact points about any developments and the remedial measures adopted. Depending on the severity of the impacts, the responsible bodies within Interpump Group S.p.A. must be involved, as well as the Board of Directors.

Whistleblowing Procedure

The Whistleblowing Procedure of the Interpump Group governs the submission and processing of reports about alleged concerns, irregularities or unlawful business conduct observed by an individual. The objective of this procedure is to describe and regulate the reporting process by giving the reporter (whistleblower) clear operational instructions about the subject, content and recipients of reports, as well as on how to submit them, guaranteeing to keep confidential the identity of the reporter from the moment in which the report is received, and forbidding any direct or indirect reprisals or discrimination against the whistleblower, in accordance with the applicable current regulations. The procedure also governs determination of the validity and truth of the reports, so that appropriate corrective and disciplinary actions can be taken on a timely basis. Reports are submitted to Report Managers via three preferential channels (web platform, telephone contact, or regular mail), in addition to verbal communication. The Report Managers are responsible for administering all reports received, assessing their justification and determining whether or not additional checks are needed. Without prejudice to the requirement to disclose certain events on a timely basis, each year or more frequently the Report Managers must guarantee a flow of summary information to top management and the Board of Directors about the reports received and administered. The Interpump Group does not tolerate any direct or indirect reprisals and/or discrimination against reporters, with impacts on their working conditions for reasons related to the report. Retaliatory and/or discriminatory measures refer to any conduct, act, or omission, even if only attempted or threatened, carried out as a result of the report and that causes or could cause unjust harm. Protections against retaliation or discrimination apply not only during the legal relationship between the reporter and Interpump Group companies, but also during the selection process or other pre-contractual phases, during the probationary period, or after termination of the relationship, if the information about alleged infringements was acquired during those periods.

Group employees and collaborators are informed and trained on the importance of respecting the rules contained in the Anti-Corruption Guidelines, as well as the on the procedures for submitted and processing reports and complaints. The procedures for informing and training employees and collaborators are determined at Group company level. The “Whistleblowing Procedure” is available on the corporate intranet, posted on noticeboards, and/or sent or delivered to all employees. The procedures for submitting a whistleblowing report and contacting the Report Managers are also available on the corporate websites of all Interpump Group companies. The Group Internal Audit, Risk & Compliance Function, in collaboration with the Supervisory Bodies established pursuant to Decree 231/2001, organizes training sessions on the principles and measures contained in the “Whistleblowing Procedure”, as part of the training delivered on the Organization, Management, and Control Model pursuant to Decree 231/2001.

In addition, the actions planned for the next three years include equipping all Italian Group companies with an Organization, Management, and Control Model pursuant to Decree 231/2001, in order to strengthen dissemination of the corporate culture and ethics. During 2024, three companies initiated a project to adopt this Model. Selected was based on their size or specific organizational needs. The stakeholders were not specifically involved in the definition of this objective, since it represents an area common to all stakeholder categories.

Given that the Group has not yet defined a timeline for addressing material sustainability matters, the above objective cannot be considered aligned with ESRS requirements. The Internal Audit, Risk & Compliance Function monitors the achievement of this objective and the effectiveness of the actions taken for this purpose.

10.2.3 Disclosure requirement G1-2 - Management of relationships with suppliers

The sharing of values, commitments, and responsibilities underpins the Interpump Group's relations with the suppliers of goods and services. To ensure a structured approach that systematically involves the supply chain, the Interpump Group has embarked on a journey that should result in the improvement and sustainable development of its suppliers, taking into account the diversity and specific characteristics of the companies involved. The main initiatives to embed ESG aspects within the supply chain processes include:

- updating the Code of Ethics (completed in 2023) in order to activate the embedded sustainability principles and commitments accepted by the Interpump Group on approval of the 2023-2025 ESG Plan. In particular, the updated version of the Code of Ethics adopted by all Group companies places greater emphasis on sustainable development, the protection of human and workers' rights, energy saving, the reduction of environmental impacts, the training of employees, transparency and corporate responsibility via dialog with and involvement of the stakeholders, including those within the supply chain;
- defining a supplier assessment process, based on their maturity with regard to specified ESG parameters. This assessment is based on a questionnaire to determine their operational practices with regard to such matters as environmental protection, social and workplace safety aspects, respect for human and workers' rights, and the prevention of and fight against corruption. For each sustainability area, the questionnaire assigns a score based on the responses provided by the supplier, contributing to the determination of an overall rating. For certain priority topics, the receipt of specific positive or negative responses triggers an assessment and further investigation of the topic concerned by a given deadline, which may include an on-site audit or exclusion of the supplier from the qualification and selection process;
- promoting best practices in sustainability by supporting suppliers with various ESG compliance matters, particularly by sharing the principles contained in the Code of Ethics, policies, and guidelines developed by the Interpump Group.

Interpump believes that managing supply chain risks, particularly those related to environmental protection, social and economic growth and development, as well as ethical and reputational matters, is an integral part of the Group's strategy to reduce the potential effects of supply chain issues and disruptions. To this end, Interpump Group companies adopt structured supplier qualification processes within their respective organizational models to verify, *inter alia*, the reliability of their counterparts on ESG matters. The sharing of sustainability principles and commitments, via the signing or acceptance of Interpump's Code of Ethics, is a key element in this regard. This document effectively signposts the conduct expected from suppliers during their collaboration with the Group. Additionally, respect for certain ESG criteria is assessed prior to accepting offers of goods and services from suppliers deemed "critical". In this way, the Group seeks to leverage the commitment and contribution of those suppliers to better achieve the sustainability goals described in the 2023-2025 ESG Plan. The business functions involved in the supply chain process at Group companies conduct risk-based audits of these counterparts, assessing the adequacy of the ESG criteria adopted by them with respect to the Group's targets and objectives.

The Interpump Group is committed to fostering cooperative and stable relations with all suppliers, regardless of their size and/or geographical location. For this reason, Interpump makes a special effort to protect its small and medium-sized suppliers of goods and services, by adopting payment policies intended to avoid placing them under economic-financial strain. Payment terms and conditions are agreed with the supplier before signing the order, and any changes must be approved by the business functions responsible for overseeing the underlying process, after obtaining the supplier's agreement and confirmation.

Among the actions planned to promote sustainable supply chain practices, Interpump's goal is to adopt a Suppliers' Code of Conduct that will encourage respect for the established sustainability principles throughout the supply chain. The Group's stakeholders, particularly its suppliers, were not specifically involved in the definition of this goal.

Given that the Group has not yet defined a timeline for addressing material sustainability matters, the above goal cannot be considered aligned with ESRS requirements. Once the Suppliers' Code of Conduct has been implemented, the Internal Audit, Risk & Compliance Function will monitor its adoption and dissemination by all Group companies.

10.3 Metrics and targets

10.3.1 Disclosure requirement G1-6 – Payment practices

Within the broader spectrum of sustainable practices within the supply chain, the Interpump Group is committed to respecting the payment terms agreed with suppliers. In the context of managing operational working capital, Interpump has not yet developed a policy for managing delayed payments to SMEs, although standard business practice is to settle their accounts on the contractually-agreed terms. See the previous chapter for other actions and targets relating to these aspects.

Data has been collected to calculate this metric, principally from the Group's largest manufacturing companies, with a focus on the procurement costs associated with their production processes:

- Purchase of raw materials, semi-finished and finished products
- Outsourced processing
- Miscellaneous small tools
- Consumable materials

In value terms, the companies involved make about 24% of consolidated purchases in these supply categories. This sample will be progressively expanded in future to make the results even more representative, while ensuring adequate data consistency among the various Group companies that, often, employ their own management systems and operational specifics.

The statistics presented below reflect a stratification of the above sample based on the value of the purchase invoices considered. No other adjustments were made in order to determine the consolidated averages for the Group as a whole.

Payment practices	Standard payment terms (average days) (33 b)	Average payment time (days) (33 a)	% payments made on standard terms (33 b)	% payments not made on standard terms
Micro	83	84	78%	22%
Small	82	81	83%	17%
Medium	91	88	83%	17%
Large	79	76	62%	38%
Total	**84**	**82**	**78%**	**22%**

Being weighted by invoice amount, the values reported in the table reflect the most significant standard and actual payment terms in terms of supply value. The companies included in the sample do not always calculate payment days in the same way (e.g., inclusion of holidays in the calculation of delays), so minor differences may exist.

In 2024, no legal action was taken by suppliers against Group companies due to payment delays.

Sant'Ilario d'Enza (RE), 21 March 2025

For the Board of Directors

Fulvio Montipò

Chairman of the Board of Directors

CONSOLIDATED FINANCIAL STATEMENT

AS AT 31/12/2024

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

ASSETS €/000	*Notes*	*31/12/2024*	*31/12/2023*
Current assets			
Cash and cash equivalents	6	392,637	334,483
Trade receivables	7, 30	385,963	414,787
Inventories	8	700,614	696,428
Tax receivables	9	56,381	46,306
Other current assets	9, 30	34,647	27,693
Total current assets		**1,570,242**	**1,519,697**
Non-current assets			
Property, plant and equipment	10	853,747	785,911
Goodwill	11	837,798	784,571
Other intangible fixed assets	12	76,896	70,773
Other financial assets	13, 30	3,948	3,293
Tax receivables		2,635	4,297
Deferred tax assets	14	43,640	72,509
Other non-current assets		2,866	2,912
Total non-current assets		**1,821,530**	**1,724,266**
Assets held for sale	15	-	-
Total assets		***3,391,772***	***3,243,963***

LIABILITIES **€/000**	***Notes***	***31/12/2024***	***31/12/2023***
Current liabilities			
Trade payables	17, 30	237,371	262,941
Bank debts	16, 30	33,236	52,469
Interest-bearing financial debts (current portion)	16, 30	241,919	264,911
Tax liabilities	17	28,360	39,323
Other current liabilities	17, 30	148,792	159,029
Provisions for risks and charges	18	8,858	8,525
Total current liabilities		**698,536**	**787,198**
Non-current liabilities			
Interest-bearing financial debts	16, 30	526,526	503,600
Liabilities for employee benefits	19	21,292	21,061
Deferred tax liabilities	14	32,753	54,524
Tax liabilities		164	331
Other non-current liabilities	20, 30	80,028	60,990
Provisions for risks and charges	18	13,136	13,355
Total non-current liabilities		**673,899**	**653,861**
Total liabilities		***1,372,435***	***1,441,059***
SHAREHOLDERS' EQUITY			
Share capital	21	55,505	55,625
Legal reserve	22	11,323	11,323
Share premium reserve	21, 22	42,564	46,938
Remeasurement reserve for defined benefit plans	22	(5,923)	(5,922)
Translation reserve	22	38,108	11,850
Other reserves	22	1,866,775	1,673,764
Group shareholders' equity		**2,008,352**	**1,793,578**
Non-controlling interests	23	10,985	9,326
Total shareholders' equity		**2,019,337**	**1,802,904**
Total shareholders' equity and liabilities		***3,391,772***	***3,243,963***

CONSOLIDATED INCOME STATEMENT

€/000	*Notes*	*2024*	*2023*
Revenues	24	**2,078,399**	**2,240,039**
Cost of sales	25	(1,364,753)	(1,460,068)
Gross profit		**713,646**	**779,971**
Other net revenues	24	36,714	42,154
Distribution expenses	25	(173,890)	(169,744)
General and administrative expenses	25, 26	(227,118)	(214,594)
Other operating costs	25	(11,538)	(8,968)
EBIT		**337,814**	**428,819**
Financial income	27	35,296	26,515
Financial expenses	27	(62,380)	(78,174)
Equity method		302	627
contribution			
Profit for the year before taxes		**311,032**	**377,787**
Income taxes	28	(82,562)	(100,271)
Consolidated profit for the year		**228,470**	**277,516**
Attributable to:			
Shareholders of Parent		227,051	274,269
Minority shareholders of subsidiaries		1,419	3,247
Consolidated profit for the year		**228,470**	**277,516**
Basic earnings per share	29	2.124	2.565
Diluted earnings per share	29	2.120	2.556

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

€/000	*Notes*	*2024*	*2023*
Consolidated profit for the year (A)		**228,470**	**277,516**
Gains (losses) on translating the financial statements of foreign companies		*26,317*	*(6,855)*
Gains (losses) from companies accounted for using the equity method		*(132)*	*(273)*
Applicable taxes		-	-
Total other comprehensive income (loss) which will subsequently be reclassified to consolidated profit, net of tax effect (B)	22	**26,185**	**(7,128)**
Other comprehensive income (loss) which will not subsequently be reclassified to consolidated profit			
Gains (losses) deriving from the remeasurement of defined benefit plans		*(1)*	*(795)*
Applicable taxes		-	*191*
Total other comprehensive income (loss) which will not subsequently be reclassified to consolidated profit, net of tax effect (B)	22	**(1)**	**(604)**
Consolidated comprehensive profit for the year (A) + (B) + (C)		**254,654**	**269,784**
Attributable to:			
Shareholders of Parent		*253,308*	*267,138*
Minority shareholders of subsidiaries		*1,346*	*2,646*
Comprehensive consolidated profit for the year		**254,654**	**269,784**

CONSOLIDATED CASH FLOW STATEMENT

€/000	Notes	2024	2023
Cash flows from operating activities			
Profit before taxes		311,032	377,787
Adjustments for non-cash items:			
Losses (gains) on the sale of fixed assets		(5,582)	(2,753)
Amortization and depreciation	25	113,870	103,510
Costs recognized in the income statement relative to stock options that do not involve monetary outflows for the Group	25	5,262	5,290
Losses (profits) from equity investments		(302)	(627)
Net change in risk provisions and allocations to employee benefit provisions	18, 19	(2,260)	(4,788)
Expenditures for tangible fixed assets to be leased	10	(11,250)	(14,035)
Proceeds from the disposal of leased tangible fixed assets	10	10,967	7,663
Net financial expenses (income)	27	27,084	51,659
Other		(26)	5
		448,795	**523,711**
(Increase) decrease in trade receivables and other current assets	7, 9	44,108	33,735
(Increase) decrease in inventories	8	21,406	(6,688)
Increase (decrease) in trade payables and other current liabilities	17	(15,634)	(66,715)
Interest paid	27	(41,881)	(32,901)
Realized exchange differences	27	3,902	(7,015)
Taxes paid	28	(103,618)	(111,576)
Net cash from operating activities		**357,078**	**332,551**
Cash flows from investing activities			
Payments for the purchase of investments, net of cash received and excluding treasury shares assigned		(89,211)	(40,153)
Capital expenditure on property, plant and equipment	10	(129,186)	(161,712)
Proceeds from the sale of tangible fixed assets	10	2,980	3,372
Increase in intangible fixed assets	12	(9,044)	(6,608)
Financial income received	27	7,435	4,377
Other		1,459	1,222
Net cash (used in) investing activities		**(215,567)**	**(199,502)**

(€/000)	Notes	2024	2023
Cash flows from financing activities			
Disbursals (repayments) of loans	16	925	(120,640)
Dividends paid	22	(34,986)	(34,761)
Disbursements for purchase of treasury shares		(10,337)	-
Proceeds from the sale of treasury shares to stock option beneficiaries	21	581	2,246
Disbursements (repayments) of shareholder loans		(567)	(946)
Change in other financial assets		(526)	(555)
Payment of finance lease installments (principal)	16	(19,749)	(20,540)
Net cash generated by (used in) financing activities		**(64,659)**	**(175,196)**
Net increase (decrease) in cash and cash equivalents		**76,852**	**(42,147)**
Exchange differences on translating the liquidity of foreign companies		535	(3,186)
Opening cash and equivalents of companies consolidated for the first time using the line-by-line method		-	-
Cash and cash equivalents at the beginning of the year	32	282,014	327,347
Cash and cash equivalents at the end of the year	32	**359,401**	**282,014**

See Note 32 for the reconciliation of cash and cash equivalents.

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

€/000	Notes	Share capital	Legal reserve	Share premium reserve	Remeasurement reserve for defined benefit plans	Translation reserve	Other reserves	Group shareholders' equity	Non-controlling interests	Total
At 1 January 2023		***55,584***	***11,323***	***39,444***	***(5,320)***	***18,379***	***1,434,138***	***1,553,548***	***12,562***	***1,566,110***
Recognition in the income statement of the fair value of stock options		-	-	5,289	-	-	-	5,289	-	5,289
Sale of treasury shares to stock option beneficiaries		41	-	2,205	-	-	-	2,246	-	2,246
Purchase of residual interests in subsidiaries		-	-	-	-	-	(2,569)	(2,569)	(3,431)	(6,000)
Dividends paid		-	-	-	-	-	(32,074)	(32,074)	(2,451)	(34,525)
Dividends resolved		-	-	-	-	-	-	-	-	-
Comprehensive income (loss) for 2023		-	-	-	(602)	(6,529)	274,269	267,138	2,646	269,784
At 31 December 2023	***21, 22***	***55,625***	***11,323***	***46,938***	***(5,922)***	***11,850***	***1,673,764***	***1,793,578***	***9,326***	***1,802,904***
Recognition in the income statement of the fair value of stock options		-	-	5,262	-	-	-	5,262	-	5,262
Purchase of treasury shares		(130)	-	(10,207)	-	-	-	(10,337)	-	(10,337)
Sale of treasury shares to stock option beneficiaries		10	-	571	-	-	-	581	-	581
Purchase of residual interests in subsidiaries		-	-	-	-	-	191	191	1,090	1,281
Dividends paid		-	-	-	-	-	(34,231)	(34,231)	(777)	(35,008)
Comprehensive income (loss) for 2024		-	-	-	(1)	26,258	227,051	253,308	1,346	254,654
At 31 December 2024	***21, 22***	***55,505***	***11,323***	***42,564***	***(5,923)***	***38,108***	***1,866,775***	***2,008,352***	***10,985***	***2,019,337***

NOTES TO THE ANNUAL FINANCIAL REPORT

1. General information

Interpump Group S.p.A. is an Italian company domiciled in Sant'Ilario d'Enza (RE). The company is listed on the Milan stock exchange in the Euronext Star Milan segment.

The Group manufactures and markets high and very high pressure plunger pumps, very high pressure systems, machines for the food processing industry, chemicals, cosmetics, pharmaceuticals, mechanical sifters and automated milking systems (Water-Jetting sector), power take-offs, gear pumps, hydraulic cylinders, directional controls, valves, gears and dispersion devices, hydraulic hoses and fittings, orbital motors, steering systems (hydroguide) and other hydraulic components (Hydraulic sector). The Group has production facilities in Italy, the US, Germany, China, India, France, Portugal, Spain, Brazil, Poland, Bulgaria, Romania, Canada, New Zealand and South Korea.

The consolidated financial statements include Interpump Group S.p.A. and its directly or indirectly controlled subsidiaries (hereinafter "the Group").

This consolidated Annual Financial Report at 31 December 2024, prepared on a going concern basis, was approved at the meeting of the Board of Directors held on 21 March 2025 (today).

2. Consolidation perimeter

The 2024 consolidation perimeter includes the Parent Company and the following subsidiaries consolidated on a line-by-line basis (with the information required on the basis of Consob communication DEM/6064293 of 28/07/2006):

Company	Location	Share capital €/000	Sector	Percentage held at 31/12/2024
Alfa Valvole S.r.l.	Casorezzo (MI)	1,560	Water-Jetting	100.00%
GP Companies Inc.	Minneapolis (USA)	1,854	Water-Jetting	100.00%
Hammelmann Australia Pty Ltd (1)	Melbourne (Australia)	472	Water-Jetting	100.00%
Hammelmann Corporation Inc (1)	Miamisburg (USA)	39	Water-Jetting	100.00%
Hammelmann France S.a.r.l. (1)	Etrichè (France)	50	Water-Jetting	100.00%
Hammelmann GmbH	Oelde (Germany)	25	Water	100.00%
Hammelmann Pumps Systems Co Ltd (1)	Tianjin (China)	871	Water	90.00%
Hammelmann S. L. (1)	Zaragoza (Spain)	500	Water	100.00%
Hammelmann Swiss GmbH (1)	Dudingen (Switzerland)	89	Water	100.00%
Hi-Tech Enviro Solution Limited (NZ) (dormant) (18)	Auckland (New Zealand)	-	Water	100.00%
I.mec S.r.l.	Reggio Emilia	100	Water	70.00%
Improved Solutions Portugal Unipessoal Ltda (Portugal) (3)	Vale de Cambra (Portugal)	760	Water	100.00%
Inoxihp S.r.l.	Nova Milanese (MI)	119	Water	52.72%
Inoxpa (UK) Ltd (3)	Eastbourne (UK)	1,942	Water	100.00%
Inoxpa Colombia SAS (3)	Bogotá (Colombia)	133	Water	100.00%
Shanghai PuPeng Flow Technology Co. Ltd. (3)	Shanghai (China)	1,170	Water	60.00%

Company	Location	Share capital €/000	Sector	Percentage held at 31/12/2024
Inoxpa China Flow Technology Co. Ltd. (3)	Shanghai (China)	1,536	Water	60.00%
Inoxpa India Private Ltd (3)	Pune (India)	6,779	Water	100.00%
Inoxpa Italia S.r.l. (3)	Mirano (VE)	100	Water	100.00%
INOXPA LTD (Russia) (3)	Podolsk (Russia)	1,435	Water	70.00%
Inoxpa Mexico S.A. de C.V. (3)	Mexico City (Mexico)	309	Water	100.00%
Inoxpa S.A.	Banyoles (Spain)	23,000	Water	100.00%
Inoxpa Skandinavien A/S (3)	Horsens (Denmark)	134	Water	100.00%
Inoxpa Solutions France (3)	Gleize (France)	2,071	Water	100.00%
Inoxpa Solutions Moldova (3)	Chisinau (Moldova)	317	Water	66.67%
Inoxpa South Africa Proprietary Ltd (3)	Gauteng (South Africa)	104	Water	100.00%
Inoxpa Special Processing Equipment Co. Ltd (3)	Jianxing (China)	1,647	Water	100.00%
Inoxpa Ukraine (3)	Kiev (Ukraine)	113	Water	100.00%
Inoxpa USA Inc. (3)	Santa Rosa (USA)	1,426	Water	100.00%
NLB Corporation Inc.	Detroit (USA)	12	Water	100.00%
Pioli S.r.l.	Reggio Emilia (RE)	10	Water	100.00%
Servizi Industriali S.r.l.	Ozzano Emilia (BO)	100	Water	80.00%
SIT S.p.A.	S.Ilario d'Enza (RE)	105	Water	88.00%
Waikato Holding Limited (NZ)	Auckland (New Zealand)	29,480	Water	100.00%
Waikato Milking Systems Ireland Limited (18)	Dublin (Ireland)	1	Water	100.00%
Waikato Milking Systems L.P. (NZ) (17)	Auckland (New Zealand)	46,803	Water	100.00%
Waikato Milking Systems Lease Limited (NZ) (18)	Auckland (New Zealand)	-	Water	100.00%
Waikato Milking Systems UK Limited (18)	Shrewsbury (United Kingdom)	-	Water	100.00%
Waikato Milking Systems USA LLC (19)	Verona (USA)	-	Water	100.00%
WMS GP Limited (NZ) (18) (dormant)	Hamilton (New Zealand)	-	Water	100.00%
AllTube Engineering Ltd (dormant) (6)	Daventry (United Kingdom)	351	Hydraulic	100.00%
Bristol Hose Ltd (dormant) (6)	Bristol (United Kingdom)	-	Hydraulic	100.00%
Contarini Leopoldo S.r.l. (4)	Lugo (RA)	47	Hydraulic	100.00%
Copa Hydrosystem Ood (5)	Troyan (Bulgaria)	3	Hydraulic	100.00%
Eurofluid Hydraulic S.r.l. (4)	Albinea (RE)	100	Hydraulic	80.00%
FGA S.r.l. (8)	Fossacesia (CH)	10	Hydraulic	100.00%
GS Hydro Denmark AS (10)	Kolding (Denmark)	67	Hydraulic	100.00%
GS- Hydro UK Ltd (10)	Aberdeen (United Kingdom)	5,095	Hydraulic	100.00%
GS-Hydro Ab (Sweden) (10)	Kista (Sweden)	120	Hydraulic	100.00%
GS-Hydro Austria GmbH (10)	Pashing (Austria)	40	Hydraulic	100.00%
GS-Hydro Benelux B.V. (10)	Barendrecht (Netherlands)	18	Hydraulic	100.00%
GS-Hydro do Brasil Sistemas Hidráulicos Ltda (10)	Rio de Janeiro (Brazil)	252	Hydraulic	100.00%
GS-Hydro Hong Kong Ltd (1)	Hong Kong	1	Hydraulic	100.00%
GS-Hydro Korea Ltd. (10)	Busan (South Korea)	1,892	Hydraulic	100.00%
GS-Hydro Piping Systems (Shanghai) Co. Ltd. (11)	Shanghai (China)	2,760	Hydraulic	100.00%
GS-Hydro S.A.U (Spain) (10)	Las Rozas (Spain)	90	Hydraulic	100.00%
GS-Hydro Singapore Pte Ltd (10)	Singapore	624	Hydraulic	100.00%
GS-Hydro Sp z oo (Poland) (10)	Gdynia (Poland)	1,095	Hydraulic	100.00%
GS-Hydro System GmbH (Germany) (10)	Witten (Germany)	179	Hydraulic	100.00%
GS-Hydro U.S. Inc. (7)	Houston (USA)	9,903	Hydraulic	100.00%
Hangzhou Interpump Power Transmissions Co. Ltd (13)	Hangzhou (China)	575	Hydraulic	100.00%
H.S. S.r.l. (20)	Sulbiate (MB)	99	Hydraulic	100.00%
Hidrover Equipamentos Hidráulicos Ltda. (21)	Flores da Cunha (Brazil)	10,107	Hydraulic	59.00%
Hydra Dyne Tech Inc (7)	Ingersoll (Canada)	80	Hydraulic	89.99%

Company	Location	Share capital €/000	Sector	Percentage held at 31/12/2024
Hydrocar Chile S.A. (4)	Santiago (Chile)	129	Hydraulic	90.00%
Hydroven S.r.l. (4)	Tezze sul Brenta (VI)	200	Hydraulic	100.00%
IFS France S.a.r.l. (8)	Strasbourg (France)	162	Hydraulic	100.00%
IMM Hydraulics Ltd (dormant) (6)	Kidderminster (United Kingdom)	-	Hydraulic	100.00%
IMM Hydraulics S.p.A. (4)	Atessa (Switzerland)	520	Hydraulic	100.00%
IMM Hydro Est (8)	Catcau Cluj Napoca (Romania)	3,155	Hydraulic	100.00%
Innovativ Gummi Tech S.r.l. (8)	Ascoli Piceno (AP)	4,100	Hydraulic	100.00%
Interpump Fluid Solutions Germany GmbH (8)	Meinerzhagen (Germany)	52	Hydraulic	100.00%
Interpump Hydraulics (UK) Ltd. (4)	Kidderminster (United Kingdom)	13	Hydraulic	100.00%
Interpump Hydraulics Brasil Ltda (4)	Caxia do Sul (Brazil)	15,126	Hydraulic	100.00%
Interpump Hydraulics France S.a.r.l. (4)	Ennery (France)	76	Hydraulic	99.77%
Interpump Hydraulics India Private Ltd (4)	Hosur (India)	682	Hydraulic	100.00%
Interpump Hydraulics Middle East FZE (4)	Dubai (UAE)	1,226	Hydraulic	100.00%
Interpump Hydraulics S.p.A.	Calderara di Reno (BO)	2,632	Hydraulic	100.00%
Interpump Piping GS S.r.l.	Reggio Emilia	10	Hydraulic	100.00%
Interpump South Africa Pty Ltd (4)	Johannesburg (South Africa)	-	Hydraulic	100.00%
IPG Mouldtech India Pvt Ltd (9)	Coimbatore (India)	298	Hydraulic	85.00%
MA Transtecno S.A.P.I. de C.V. (13)	Apodaca (Mexico)	124	Hydraulic	70.00%
Mega Pacific NZ Pty Ltd (6)	Mount Maunganui (New Zealand)	557	Hydraulic	100.00%
Mega Pacific Pty Ltd (6)	Newcastle (Australia)	335	Hydraulic	100.00%
Muncie Power Prod. Inc. (4)	Muncie (USA)	784	Hydraulic	100.00%
North American Manufacturing Inc. (7)	Fairmount (USA)	3,410	Hydraulic	100.00%
Oleodinamica Panni S.r.l. (4)	Tezze sul Brenta (VI)	2,000	Hydraulic	100.00%
Reggiana Riduttori S.r.l.	S.Polo d'Enza (RE)	6,000	Hydraulic	100.00%
RR Canada Inc. (12)	Vaughan (Canada)	1	Hydraulic	100.00%
RR France S.a.r.l. (12)	Thouare sur Loire (France)	400	Hydraulic	95.00%
RR Holland BV (12)	Oosterhout (Netherlands)	19	Hydraulic	100.00%
RR India Pvt. Ltd (12) (dormant)	New Delhi (India)	52	Hydraulic	99.99%
RR Pacific Pty Ltd (12)	Victoria (Australia)	249	Hydraulic	100.00%
RR Slovakia A.S. (12)	Zvolen (Slovakia)	340	Hydraulic	100.00%
RR USA Inc. (12)	Boothwyn (USA)	1	Hydraulic	100.00%
Suministros Franquesa S.A. (16)	Lleida (Spain)	160	Hydraulic	100.00%
Tekno Tubi S.r.l. (8)	Terre del Reno (FE)	100	Hydraulic	100.00%
Transtecno Aandrijftechniek (Netherlands) (14)	Amersfoort (Netherlands)	-	Hydraulic	51.00%
Transtecno BV (13)	Amersfoort (Netherlands)	18	Hydraulic	51.00%
Transtecno Iberica the Modular Gearmotor S.A. (13)	Gava (Spain)	203	Hydraulic	70.00%
Transtecno S.r.l.	Anzola dell'Emilia (BO)	100	Hydraulic	100.00%
Tubiflex S.p.A.	Orbassano (TO)	515	Hydraulic	100.00%
Unidro Contarini S.a.s. (5)	Barby (France)	8	Hydraulic	100.00%
Walvoil Canada Inc. (9)	Terrebonne, Quebec (Canada)	76	Hydraulic	100.00%
Walvoil Fluid Power (Dongguan) Co., Ltd (9)	Dongguan (China)	3,720	Hydraulic	100.00%
Walvoil Fluid Power (India) Pvt. Ltd. (9)	Bangalore (India)	4,803	Hydraulic	100.00%
Walvoil Fluid Power Australasia (9)	Melbourne (Australia)	7	Hydraulic	100.00%
Walvoil Fluid Power Corp. (9)	Tulsa (USA)	137	Hydraulic	100.00%
Walvoil Fluid Power France S.a.r.l. (9)	Vritz (France)	10	Hydraulic	100.00%
Walvoil Fluid Power Korea Llc. (9)	Pyeongtaek (South Korea)	453	Hydraulic	100.00%
Walvoil S.p.A.	Reggio Emilia	7,692	Hydraulic	100.00%
White Drive Motors and Steering Sp z oo	Wroclaw (Poland)	33,254	Hydraulic	100.00%

Company	Location	Share capital €/000	Sector	Percentage held at 31/12/2024
White Drive Motors and Steering GmbH	Parchim (Germany)	25	Hydraulic	100.00%
White Drive Motors and Steering, LLC	Hopkinsville (USA)	77,466	Hydraulic	100.00%
Wuxi Interpump Weifu Hydraulics Company Ltd (4)	Wuxi (China)	2,095	Hydraulic	65.00%

(1) = controlled by Hammelmann GmbH
(2) = controlled by NLB Corporation Inc.
(3) = controlled by Inoxpa Group S.A.
(4) = controlled by Interpump Hydraulics S.p.A.
(5) = controlled by Contarini Leopoldo S.r.l.
(6) = controlled by Interpump Hydraulics (UK) Ltd.
(7) = controlled by Muncie Power Prod. Inc.
(8) = controlled by IMM Hydraulics S.p.A.
(9) = controlled by Walvoil S.p.A.
(19) = controlled by Waikato Milking Systems Lease LTD
(21) = controlled by Interpump Hydraulics Brasil Ltda
(10) = controlled by Interpump Piping GS S.r.l.
(11) = controlled by GS Hydro Hong Kong Ltd
(12) = controlled by Reggiana Riduttori S.r.l.
(13) = controlled by Transtecno S.r.l.
(14) = controlled by Transtecno B.V.
(15) = controlled by MA Transtecno S.A.P.I. de C.V.
(16) = controlled by GS Hydro S.A.U
(17) = controlled by Waikato Holding Limited
(18) = controlled by Waikato Milking Systems LP
(20) = controlled by Inoxihp S.r.l.

The other companies are controlled by Interpump Group S.p.A.

Compared with 2023, Reggiana Riduttori (Suzhou) Co. Ltd and Transtecno USA LLC, both in the Hydraulic sector, were liquidated during 2024. The newly-acquired Alltube Engineering Ltd. has been consolidated from 30 April 2024, while the newly-acquired H.S S.r.l. has been consolidated from 1 July 2024. Put and call options for the residual 20% interests in Transtecno S.r.l. and Draintech S.r.l. were exercised during Q2 2024, raising Group ownership of both companies from 80% to 100%. Subsequently, Draintech S.r.l. was absorbed by Transtecno S.r.l. during Q3 2024, with retroactive effect from 1 January 2024. The newly-acquired Hidrover Equipamentos Hidráulicos Ltda has been consolidated from 30 November 2024. Lastly, Walvoil Fluid Power Mexico was formed in Q4 2024 and has been consolidated using the equity method from December 2024.

In the Water-Jetting sector, the newly-acquired YRP (Shanghai) Flow Technology Co., Ltd. (now Inoxpa China Flow Technology Co., Ltd) and Process Partner China Co., Ltd (now Shanghai PuPeng Flow Technology Co., Ltd.) have been consolidated from 31 March 2024; The Group acquired an additional 8% of SIT S.p.A. during Q1 2024 and now holds an 88% interest in that company; The newly-acquired Alfa Valvole S.r.l. has been consolidated from 31 May 2024; Lastly, during Q3 2024 the Group acquired an additional 16.71% of Inoxpa Colombia SAS and now holds the entire equity interest in that company.

In the Hydraulic sector, IPG Mouldtech India Pvt Ltd was consolidated for the whole of 2024, having been consolidated for 9 months in 2023 while, in the Water-Jetting sector, I.mec Srl and the Waikato group were consolidated for the entire year compared with 7 months in 2023.

2.1 Rights of minorities to dispose of their holdings (put options)

The minority quotaholder of Inoxihp S.r.l. is entitled to dispose of its holdings starting from the approval of the 2025 financial statements up to the 2035 financial statements, on the basis of the average results of the company in the last two financial statements for the years ended before the exercise of the option.

The minority shareholder of Inoxpa Solution Moldova is entitled to dispose of its holdings from October 2020, based on the most recent statement of financial position of that company.

2.2 Rights and obligations of minorities to dispose of their holdings (put & call options)

The minority shareholder of Hydra Dyne has the right and obligation to dispose of its holdings starting from approval of the 2028 financial statements based on the average of the results for the two years prior to exercise of the option.

The minority quotaholder of Eurofluid Hydraulic S.r.l. has the right and obligation to dispose of its holdings on the approval date of the financial statements at 31 December 2025. The price of this option has been fixed by contractual agreement.

The minority shareholder of IPG Mouldtech India Pvt Ltd has the right and obligation to dispose of its holdings by 30 June 2027, based on the results for the financial year prior to exercise of the option.

The minority quotaholder of I.mec S.r.l. has the right and obligation to dispose of its holdings in two tranches, the first starting sixty days after approval of the 2025 financial statements, and the second starting from approval of the 2027 financial statements.

The minority shareholders of Hidrover Equipamentos Hidráulicos Ltda have the right and obligation to dispose of their residual 41% equity interest in four tranches, based on the results for the financial year prior to exercise of the option. The first two tranches, corresponding to a 16% interest, will be exercisable following approval of the 2026 financial statements. The other two tranches, corresponding to the remaining 25% interest, will be exercisable following approval of the 2029 financial statements.

2.3 Obligations of the Group to purchase minority holdings

Interpump Group S.p.A. is required to purchase the residual 20% interest in Servizi Industriali S.r.l. in due tranches, the first starting from approval of the 2024 financial statements, and the second - following new agreements reached with the non-controlling interest during the year - starting from approval of the 2026 financial statements.

In compliance with the requirements of IFRS 10 and IFRS 3, Inoxihp S.r.l., Inoxpa Solution Moldova, Hydra Dyne Tech Inc., Servizi Industriali S.r.l., Eurofluid Hydraulic S.r.l., IPG Mouldtech India Pvt Ltd, I.mec S.r.l. and Hidrover Equipamentos Hidráulicos Ltda have been consolidated in full, recording a payable representing an estimate of the present value of the exercise price of the options determined with reference to the business plans of the companies and/or on the basis of specific contractual agreements. Any changes in the above payable identified within 12 months of the date of acquisition, as a result of additional or better information, will be recorded as an adjustment of goodwill, while any changes emerging more than 12 months after the date of acquisition will be recognized in the income statement.

Equity investments in other companies, including subsidiaries, that have not been consolidated due to their insignificance are measured at fair value.

3. Accounting standards adopted

3.1 Reference accounting standards

The annual financial report as of 31 December 2024 has been prepared in compliance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board and adopted by the European Union, as well as with the enabling measures for art. 9 of Law 38 dated 28 February 2005. “IFRS” also means the International Accounting Standards (“IAS”) currently in force and all the interpretative documents issued by the IFRS Interpretation Committee, previously denominated International Financial Reporting Interpretations Committee (“IFRIC”) and still earlier known as the Standing Interpretations Committee (“SIC”).

The consolidated financial statements are presented in thousands of euro. The financial statements are prepared using the cost method, with the exception of financial instruments and the obligations deriving from options to acquire minority interests in certain subsidiaries, which are measured at fair value.

Preparation of financial statements in compliance with IFRS (International Financial Reporting Standards) calls for judgments, estimates, and assumptions that have an effect on assets, liabilities, costs and revenues. The final results may differ from the results obtained using estimates of this type. The captions of the financial statements that call for more subjective appraisal by the directors when preparing estimates and for which a change in the conditions underlying the assumptions utilized could have a significant effect on the financial statements are: goodwill, amortization and depreciation of fixed assets, deferred tax assets and liabilities, the allowance for doubtful accounts and the allowance for inventories, provisions for risks and charges, defined benefit plans for employees, and liabilities for the acquisition of investments included under other liabilities.

Notably, discretionary measurements and significant accounting estimates concern the recoverable value of non-financial assets calculated as the greater amount between the fair value minus the cost of sale and the value in use. The value-in-use calculation is based on a discounted cash flow model. The recoverable value is highly dependent on the discount rate used in the model, as well as on the expected future cash flows and the growth rate applied. The key assumptions used to determine the recoverable value for the two cash flow generating units, including a sensitivity analysis, are described in Note 11 to the Consolidated Financial Statements at 31 December 2024.

Moreover, the use of accounting estimates and significant assumptions concerns also the determination of the fair values of the assets and liabilities acquired in the framework of business combinations. In fact, at the acquisition date the Group must record, separately from the associated fair value, assets, liabilities and potential liabilities identifiable and acquired or assumed in the context of the business combination, and also determine the current value of the exercise price of any purchase options on minority interests. This process calls for the preparation of estimates, based on measurement techniques that involve making judgments about future cash flows and other hypotheses about the long-term growth rates and discount rates used in models developed with, in some cases, assistance from external experts. The accounting impacts of determination of the fair value of acquired assets and assumed liabilities, and of the options to purchase minority interests for operations of business combinations that occurred during the year, are provided in Note 5. Business combinations.

The reporting formats and related classification criteria adopted by the Group are indicated below.

In the context of the options envisaged in IAS 1 - Presentation of financial statements, the consolidated statement of financial position classifies assets and liabilities in accordance with the “current/non-current” criterion.

The consolidated income statement classifies operating costs by the purpose for which they were incurred; in compliance with IFRS requirements, the consolidated statement of comprehensive income includes, in addition to the results for the year, income and costs not recognized in the income statement for the year, as required by the IFRS issued by the International Accounting Standards Board and adopted by the European Union.

The consolidated cash flow statement presents the cash flows from operating activities using the “indirect method”.

3.1.1 Accounting standards, amendments and interpretations in force from 1 January 2024 and adopted by the Group

As from 2024 the Group has applied the following new accounting standards, amendments and interpretations, reviewed by IASB:

- *Amendments to IAS 1 – Presentation of Financial Statements: Classification of Liabilities as Current or Non-current.* The IASB published this amendment on 23 January 2020 in order to clarify the presentation of liabilities in the statement of financial position. In particular, the amendment clarifies that:
    - the classification of liabilities as current or non-current should be based on the rights existing at the end of the reporting period and, in particular, on the right to defer payment for at least 12 months;
    - classification is not influenced by expectations regarding decisions by the entity to exercise its right to defer the payment of a liability;
    - payment refers to the transfer to the counterparty of cash, equity instruments, other assets or services.

  The amendment took effect on 1 January 2024.

- *Amendments to IAS 7 - Statement of Cash Flows and IFRS 7 - Financial Instruments:* On 25 May 2023, in response to investor needs, the IASB published an amendment to the related disclosures that improves transparency with regard to financial indebtedness and its effects on financial liabilities, cash flows and the exposure to liquidity risk.
  The amendment took effect on 1 January 2024.

- *IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information:* In June 2023 the ISSB published a standard that establishes general requirements for the disclosure of sustainability-related financial information. The amendment took effect on 1 January 2024.
- *IFRS S2 Climate-related Disclosures:* In June 2023 the ISSB published a standard that requires the disclosure of supplementary information about climate-related risks and opportunities. The amendment took effect on 1 January 2024.

The adoption of these standards had no significant effects on the financial statements of the Group.

3.1.2 *Accounting standards, amendments and interpretations taking effect as from 1 January 2024 but not relevant for the Group*

- *Amendments to IFRS 16 "Leases: Lease Liability in a Sale and Leaseback".* On 22 September 2022 the IASB published the document entitled *Lease Liability in a Sale and Leaseback*, which amends IFRS 16 and clarifies how to account for a sale and leaseback after the date of the transaction. The amendment applies to reporting periods beginning on or after 1 January 2024. Early application was allowed.

3.1.3 *New accounting standards and amendments not yet applicable and not adopted early by the Group*

- *Amendments to IAS 21 - The effects of changes in foreign exchange rates: lack of exchangeability:* The IASB published an amendment on 15 August 2023 that contains guidelines to clarify when one currency is exchangeable into another currency and how to determine the exchange rate when, by contrast, it is not exchangeable. The new amendment applies to reporting periods beginning on or after 1 January 2025 and early adoption is allowed.
- *IFRS 18 - Presentation and Disclosure in Financial Statements:* On 9 April 2024 the IASB published a new standard that introduces certain important disclosures to be made in the explanatory notes to the financial statements when Management-defined Performance Measures are used. This ensures more transparent and comparable information for investors on the financial results of companies. This standard will apply to all companies that report under the IFRS issued by the International Accounting Standards Board and adopted by the European Union.
  It will apply to reporting periods beginning on or after 1 January 2027. Early application is allowed.

- *IFRS 19 Subsidiaries without Public Accountability: Disclosures.* On 9 May 2024, the IASB published a new standard for subsidiaries without public accountability, which allows qualifying subsidiaries to apply IFRS with limited disclosures. The application of IFRS 19 will reduce the cost of preparing the financial statements of subsidiaries, while retaining the usefulness of the information provided to the users of their accounts.
  The standard will apply to reporting periods beginning on or after 1 January 2027. Early application is allowed.

- *Amendments to IFRS 9 and IFRS 7, Amendments to the Classification and Measurement of Financial Instruments.* On 30 May 2024, the IASB published an Exposure Draft that amends in particular IFRS 9 (Financial Instruments) and IFRS 7 (Financial Instruments: Disclosures), proposing amendments to ensure *inter alia* that the financial statements reflect more fairly the effects that contracts for renewable electricity have on a company.
  The standard will apply to reporting periods beginning on or after 1 January 2026. Early application is allowed.

- *"Annual improvements to IFRS – Volume 11"*: On 19 July 2024, the IASB published the Annual Improvements to IFRS Accounting Standards - Volume 11, which contains clarifications, simplifications, corrections and amendments to the IFRS that improve their internal consistency. The following accounting standards were modified: IFRS 1 First-time Adoption of International Financial Reporting Standards, IFRS 7 Financial Instruments: Disclosures and its accompanying Guidance on implementing IFRS 7, IFRS 9 Financial Instruments, IFRS 10 Consolidated Financial Statements e IAS 7 Statement of Cash Flows.
  The amendments are applicable from 1 January 2026. Early adoption is allowed.

- *"Amendments to IFRS 9 and IFRS 7, Amendments to the Contracts Referencing Nature-dependent Electricity":* On 18 December 2024, the IASB published amendments to IFRS 9 *Financial Instruments* and IFRS 7 *Financial Instruments: Disclosures*, to help entities report better the financial effects of contracts structured as Power Purchase Agreements (PPAs), so that investors receive clearer information about their financial performance and expected cash flows.
  The standard will apply to reporting periods beginning on or after 1 January 2026. Early application is allowed.

The Group is currently assessing the possible impacts of the new standards included in this section.

3.2 Consolidation principles

(i) Subsidiaries

Companies are subsidiaries when the Parent Company is exposed to or is entitled to variable returns deriving from its investment relationship and, at the same time, is able to influence such returns by exercising its power over the entity concerned.

Specifically, the Group controls an investment if, and only if, the Group has:

- power over the entity in which the investment is held (i.e. holds valid rights granting the real ability to direct the significant activities of that entity);
- exposure to or rights to variable returns deriving from its investment relationship with the entity concerned;
- the ability to exercise its power over the entity concerned in order to influence the amounts of its returns.

Generally, ownership of the majority of voting rights is presumed to result in control. In support of this presumption and when the Group holds less than the majority of voting rights (or similar), the Group considers all significant facts and circumstances in order to determine whether or not it controls the entity concerned, including:

- contractual agreements with other owners of voting rights;
- rights deriving from contractual agreements;
- voting rights and potential voting rights held by the Group that are not freely exercisable or convertible.

The Group reviews whether or not it controls an entity, if the facts and circumstances indicate changes in one or more of the three elements that are significant for the definition of control. Such potential voting rights are not considered for consolidation purposes at the time of allocation to non-controlling interests of their portion of the economic results and shareholders' equity. The financial statements of several subsidiaries have not been consolidated in consideration of their limited significance; these investments are carried in accordance with the principles illustrated in Note 3.9.

The financial statements of subsidiaries are consolidated starting from the date on which the Group acquires control, and deconsolidated from the date on which control is relinquished. They are prepared with reference to the same accounting period and using the same accounting standards as the Parent Company.

Acquisitions of stakes in subsidiaries are recorded in accordance with the purchase account method. The acquisition cost corresponds to the current value of the acquired assets, shares issued, or liabilities assumed at the date of acquisition. Ancillary expenses associated with the acquisition are generally recognized in the income statement when they are incurred. The excess of acquisition cost over the

Group interest in the current value of the net assets acquired is recognized in the statement of financial position as goodwill. For all business combinations, the Group decides whether to measure the non-controlling interest in the acquired entity at fair value, or in proportion to the minority equity interest acquired. Any negative goodwill is recorded in the income statement at the date of acquisition.

If the business combination is achieved in several phases, the equity interest previously held is remeasured at fair value at the acquisition date and any profits or losses are recognized in the income statement.

The fair value of any contingent consideration payable is recognized by the purchaser at the acquisition date. Changes in the fair value of contingent consideration classified as an asset or a liability, as a financial instrument governed by IFRS 9 Financial instruments: recognition and measurement, are recognized in the income statement or in the statement of other comprehensive income. Any contingent consideration not falling within the scope of IFRS 9 is measured at fair value and the changes in fair value are recognized in the income statement. If the contingent consideration is classified in equity, its value is not remeasured and the effect of subsequent settlement is also recognized in equity.

After the Group has obtained control of an entity, subsequent acquisitions of interests in said entity that result in an increase or decrease in acquisition cost with respect to the amount attributable to the Group are recognized as equity transactions.

Subsidiaries are consolidated on a line-by-line basis, which combines the entire amount of their assets and liabilities and all their costs and revenues, irrespective of the percentage of control. The accounting value of consolidated equity investments is therefore eliminated against the related interest in their shareholders' equity. The portions of shareholders' equity and profits of non-controlling interests are shown respectively in a specific caption under shareholders' equity and on a separate line of the consolidated income statement. The Group is required to allocate the total statement of comprehensive income to the owners of the parent and to the non-controlling interests, even if this means that the latter have a negative balance.

If the Group losses control over a subsidiary, the related assets (including goodwill), liabilities, non-controlling interests and other components of equity are deconsolidated, while any profits or losses are recognized in the income statement. Any equity interest retained is recognized at fair value.

(ii) Associates

Associates are companies over which the Group has significant influence, without exercising control over their operations. The considerations made in order to determine the existence of significant interest or joint control are similar to those made to determine the existence of control over subsidiaries. The Group's investments in associates are measured using the equity method.

Under the equity method, the investment in an associate is initially measured at cost. The carrying amount of the investment is increased or decreased to recognize the interest of the investor in the profits and losses earned by the entity subsequent to the acquisition date. Any goodwill for an associate is included in its carrying amount and is not subject to separate impairment testing.

The income statement reflects the Group's interest in the results for the year of the associate. All changes in the other comprehensive income reported by associates are recognized as part of the other comprehensive income of the Group. In addition, if an associate recognizes a change directly in equity, the Group also recognizes its share of that change, where applicable, in the statement of changes in shareholders' equity. Any unrealized profits and losses deriving from transactions between the Group and associates are eliminated in proportion to the interests held in them.

The total interest of the Group in the results for the year of associates is classified in the income statement below the operating results line. This interest represents their results after taxation and the portion attributable to the other owners of the associate. The financial statements of associates are prepared at the same reporting date as that used by the Group. Where necessary, they are adjusted to reflect the accounting policies adopted by the Group.

Subsequent to application of the equity method, the Group considers if it is necessary to recognize any impairment in the value of its interests in associates. On each reporting date, the Group determines if there is any objective evidence that the carrying amount of associates might be impaired. If so, the Group calculates the loss as the difference between the recoverable value of the associate and its carrying amount, and charges it to the "interest in the results of associates" caption of the income statement.

When significant interest over an associate is lost, the Group measures and recognizes the residual investment at its fair value. The difference between the carrying amount of an investment on the date when significant influence is lost, and the fair value of the residual investment plus the consideration received, is recognized in the income statement.

(iii) Equity investments in other companies

Information about the equity investments in other companies that represent financial assets is provided in section 3.11 Financial assets (Trade receivables, Other financial assets and Other assets).

(iv) Transactions eliminated in the consolidation process

Intercompany balances and gains and losses arising from intercompany transactions are omitted in the consolidated financial statements. Intercompany gains deriving from transactions with associated companies are omitted in the valuation of the investment with the net equity method. Intercompany losses are only omitted in the presence of evidence that they have not been incurred in relation to third parties.

3.3 Business sector information

Based on the definition provided in IFRS 8, an operating segment is a component of an entity:

- that undertakes business activity that generates costs and revenues;
- the operating results of which are periodically reviewed at the highest decisional/operating level of the entity in order to make decisions concerning the resources to allocate to the segment and the measurement of the results;
- for which separate accounting information is available.

The business sectors in which the Group operates are determined on the basis of the reporting utilized by Group top management to make decisions, and they have been identified as the water-Jetting sector and the Hydraulic sector:

- the Water-Jetting sector essentially comprises high and very high-pressure pumps and very high-pressure pumping systems used in a wide range of industrial sectors for the conveyance of fluids. The sector also includes high pressure homogenizers, mixers, agitators, piston pumps, valves, mechanical sifters, automated milking systems and other machines mainly used in the food processing, chemicals, cosmetics and pharmaceuticals industries;
- the Hydraulic sector includes power take-offs, hydraulic cylinders and pumps, directional controls and hydraulic valves, rotary unions, hydraulic hoses and fittings, gears, orbital motors, steering systems (hydroguide) and other hydraulic components. This sector also includes piping systems used in the industrial, naval and offshore sectors.

With the aim of providing more comprehensive disclosure, information is also provided for the geographical areas in which the Group operates, namely Italy, Europe (including non-EU European countries and excluding Italy), North America, Far East and Pacific Area, and the Rest of the World.

3.4 Treatment of foreign currency transactions

(i) Foreign currency transactions

The functional and presentation currency adopted by the Interpump Group is the euro. Foreign currency transactions are translated to euro using the exchange rates in force on the date of the transaction. Monetary assets and liabilities are translated at the exchange rate in force on the reporting date. Foreign exchange differences arising from the translation are recognized in the income statement. Non-monetary assets and liabilities measured at historical cost are translated at the exchange rates in force on the date of the related transactions. Monetary assets and liabilities stated at fair value are translated to euro at the exchange rate in force on the reporting date in respect of which their fair value was determined.

(ii) Translation to euro of financial statements in foreign currencies

The assets and liabilities of companies not residing in the European Union (EU) and whose functional currency is not the Euro, including the goodwill adjustments deriving from the consolidation process and the fair-value adjustments generated by the acquisition of a foreign company outside the EU, are translated at the exchange rates in force on the reporting date. Revenues and costs of the same companies are translated at the average exchange rate for the year, which approximates the exchange rates in force on the dates on which the individual transactions were carried out. Foreign exchange differences arising from translation are allocated to a specific equity reserve designated Translation Reserve. At the time of disposal of a foreign economic entity, accumulated exchange differences reported in the Translation Reserve will be recognized in the income statement. The exchange rates used for the translation to euro of the amounts booked to the income statements and statements of financial position of companies with functional currency other than the euro are as follows:

Currency	2024 averages	At 31 December 2024	2023 averages	At 31 December 2023
Danish Krone	7.459	7.458	7.451	7.453
Swedish Krona	11.432	11.459	11.479	11.096
UAE Dirham	3.975	3.815	3.971	4.058
Australian Dollar	1.640	1.677	1.629	1.626
Canadian Dollar	1.482	1.495	1.459	1.464
Hong Kong Dollar	8.445	8.069	8.465	8.631
New Zealand Dollar	1.788	1.853	1.762	1.750
Singapore Dollar	1.446	1.416	1.452	1.459
US Dollar	1.082	1.039	1.081	1.105
Swiss Franc	0.953	0.941	0.972	0.926
Ukrainian Hryvnia	43.490	43.685	39.540	41.996
Moldovan Leu	19.196	19.088	19.593	19.167
Romanian Leu	4.975	4.974	4.947	4.976
Bulgarian Lev	1.956	1.956	1.956	1.956
New Peruvian Sol	4.062	3.905	4.047	4.082
Chilean Peso	1,020.658	1,033.760	908.197	977.070
Columbian Peso	4,407.144	4,577.550	4,675.001	4,267.520
South African Rand	19.830	19.619	19.955	20.348
Mexican Peso	19.831	21.550	19.183	18.723
Brazilian Real	5.828	6.425	5.401	5.362

Currency	2024 averages	At 31 December 2024	2023 averages	At 31 December 2023
Russian Ruble	100.280	106.103	92.874	99.192
Indian Rupee	90.556	88.933	89.300	91.905
UK Pound	0.847	0.829	0.870	0.869
South Korean Won	1,475.404	1,532.150	1,412.880	1,433.660
Chinese Yuan	7.787	7.583	7.660	7.851
Polish Zloty	4.306	4.275	4.542	4.340

The economic values of companies that entered the consolidation perimeter during the year were translated using the average exchange rate for the period in which they contributed to the Group results.

3.5 Property, plant and equipment

(i) Recognition and measurement

Property, plant and equipment are measured at the historical cost and stated net of accumulated depreciation (see next point *iii*) and impairment losses (see section 3.8). The cost of goods produced internally includes the cost of raw materials, directly related labor costs, and a portion of indirect production costs. The cost of assets, whether purchased externally or produced internally, includes the ancillary costs that are directly attributable and necessary for use of the asset and, when they are significant and in the presence of contractual obligations, the current value of the cost estimated for the dismantling and removal of the related assets.

Financial expenses relative to loans utilized for the purchase of tangible fixed assets are recorded in the income statement on an accruals basis if they are not specifically allocated to the purchase or construction of the asset, otherwise they are capitalized.

Assets held for sale are measured at the lower of the fair value net of selling-related costs and their book value.

(ii) Subsequent costs

The replacement costs of certain parts of assets are capitalized when it is expected that said costs will result in future economic benefits and they can be measured in a reliable manner. All other costs, including maintenance and repair costs, are recognized in the income statement when they are incurred.

(iii) Depreciation

Depreciation is charged to the income statement on a straight-line basis over the estimated residual useful lives of the related capitalized assets. Land is not depreciated. The estimated useful lives of assets are as follows:

Property	20-30 years
Plant and machinery	10-12.5 years
Industrial and commercial equipment	3-6 years
Other assets	3-8 years

The estimated useful lives of assets are reviewed on an annual basis, and any changes in the rates of depreciation are applied, where necessary, on a prospective basis.

For assets purchased and/or that became operational in the year, depreciation is calculated utilizing annual rates reduced by 50%. Historically, this method has been representative of the effective utilization of the assets concerned.

Any profits/losses emerging on the derecognition of assets, i.e. on disposal (from the date on which the purchaser obtains control over them) or when no further economic benefits are expected from their use or disposal, (being the difference between their carrying amount and the net consideration obtained) are recognized in the income statement at that time.

(iv) Leasing

Right-of-use assets are measured at cost and stated net of accumulated depreciation and impairment. They are also adjusted following remeasurement of the related lease liabilities. The cost of right-of-use assets comprises the amount of the lease liabilities recognized, the initial direct costs incurred and the lease payments made at the start date or in advance, net of any and all incentives received. Right-of-use assets are depreciated on a straight-line basis from the start date until the end of the useful life of the asset, being the end of the usage right (duration of the lease contract). The corresponding liability to the lessor is classified among the financial debts.

(v) Leasehold improvements

Any leasehold improvements with the same characteristics as fixed assets are capitalized in the asset category to which they relate and depreciated over their useful lives or, if shorter, over the residual life of the lease.

3.6 Goodwill

As stated in section 3.2 Consolidation principles, goodwill represents the excess amount of the purchase cost with respect to the Group portion of the fair value of current and potential assets and liabilities at the date of purchase.

Goodwill is recorded at cost, net of impairment losses.

Goodwill is allocated to the cash-generating units identified with reference to the organization, management and control structure of the Group, which coincide with the two operational sectors identified by the Group. The book value is measured in order to assess the absence of impairment (see section 3.8). Goodwill related to non-consolidated subsidiaries and associates is included in the value of the investment.

Any negative goodwill originating from acquisitions is entered directly in the income statement.

If the goodwill was allocated to a cash generating unit and the entity retires part of that unit's activities, the goodwill associated with the retired assets is added to their carrying amount when determining the profit or loss on retirement. The goodwill associated with the retired activity is determined with reference to the value of the retired assets with respect to those retained by the cash generating unit.

3.7 Other intangible fixed assets

(i) Research and development costs

Research costs for the acquisition of new technical know-how are charged to the income statement as incurred.

Development costs relating to the creation of new products/accessories or new production processes are capitalized if the Group's companies can prove:

- the technical feasibility and intention of completing the intangible asset in such a way that it is available for use or for sale;
- their ability to use or sell the asset;
- the forecast volumes and realization values indicate that the costs incurred for development activities will generate future economic benefits;
- that the costs are measurable in a reliable manner;
- that resources exist to complete the development project.

The capitalized cost includes the cost of raw materials, directly related labor costs and a portion of indirect costs. Capitalized development costs are valued at cost, net of accumulated amortization, (see next point *v*) and impairment (see section 3.8). Other development costs are ascribed to the income statement when they arise.

(ii) Loan ancillary costs

Loan ancillary costs are treated as outlined in section 3.11. Ancillary costs relating to loans not yet received are recorded as current assets and reclassified as a deduction from the loans on their receipt.

(iii) Other intangible assets

Other intangible assets, all having a defined useful life, are measured at cost and recorded net of accumulated amortization (see next point *v*) and impairment (see section 3.8).

Trademarks and patents, which constitute almost the entirety of this caption, are amortized as follows: the Hammelmann trademark, the NLB trademark and patents, the Inoxihp trademark, the Inoxpa trademark, the American Mobile trademark, the Waikato trademark and the Alfa Valvole trademark are amortized over 15 years, this period being considered representative of the expected useful life, in consideration of their positions as world leaders in their respective niche markets. The Walvoil, Reggiana Riduttori, Transtecno, White Drive, Berma, Eurofluid and Hidrover trademarks are amortized over 10 years, in consideration of their leadership positions in highly competitive markets.

Software licenses are amortized over their period of utilization (3-5 years).

The costs incurred internally for the creation of trademarks or goodwill are recognized in the income statement when they are incurred.

(iv) Subsequent costs

Costs incurred subsequently relative to intangible fixed assets are capitalized only if they increase the future economic benefits of the specific capitalized asset, otherwise they are entered in the income statement when they are sustained.

(v) Amortization

Amortization is charged to the income statement on a straight-line basis over the estimated useful lives of the related capitalized assets. The estimated useful lives of assets are as follows:

Patents and trademarks	5-18 years
Development costs	5 years
Granting of software and other licenses	3-5 years

Useful lives are reviewed on an annual basis and any changes in the rates are applied, where necessary, on a prospective basis.

3.8 Impairment of assets

The book values of assets, with the exception of inventories (see section 3.12), financial assets regulated by IFRS 9, deferred tax assets (see section 3.16), and non-current assets held for sale regulated by IFRS 5, are subject to measurement at the reporting date in order to identify the existence of possible indicators of impairment. If the valuation process identifies the presence of such indicators, the presumed recoverable value of the asset is calculated using the methods indicated in the following point (*i*).

The recoverable value of goodwill and intangible assets not yet in use is estimated at least annually, or more frequently if specific events provide evidence of possible impairment.

If the estimated recoverable value of the asset or its cash generating unit is lower than its net book value, the asset to which it refers is consequently adjusted for impairment loss with entry into the income statement.

Adjustments for impairment losses made in relation to the cash generating units are allocated initially to goodwill, and, for the remainder, to other assets on a proportional basis.

Goodwill is tested for impairment on a yearly basis even if there are no indicators of potential impairment.

(i) Calculation of estimated recoverable value

The estimated recoverable value of other assets is equal to their fair value less selling costs or, if greater, their value in use. The value in use is equivalent to the projected future cash flows, discounted to present value at a rate, including tax, that takes account of the market value, of interest rates and specific risks of the asset to which the presumed realization value refers. For assets that do not give rise to independent cash flows the presumed realization value is determined with reference to the cash generating unit to which the asset belongs.

(ii) Reinstatement of impairment losses

An impairment relating to other assets is reinstated if a change has occurred in their estimated recoverable value.

Impairment is reinstated to the extent of the corresponding book value that would have been determined, net of depreciation/amortization, had no impairment loss ever been recognized.

Impairment related to goodwill is never reinstated.

3.9 Equity investments

Investments in associates are measured using the equity method, as envisaged in IAS 28 (see section 3.2 (ii) Associates).

Information about the investments in equity instruments (investments in other companies) is provided in section 3.11 Financial assets (Trade receivables, Other financial assets and Other assets).

3.10 Cash and cash equivalents

Cash and cash equivalents include cash on hand, bank and post office deposits, and securities having original maturity date of less than three months. Current account overdrafts and advances with recourse are deducted from cash only for the purposes of the cash-flow statement.

3.11 Financial assets (Trade receivables, Other financial assets and Other assets)

On initial recognition, the classification of financial assets depends on how they will be measured subsequently: at amortized cost, at fair value through other components of comprehensive income or at fair value through profit or loss. Again at the time of initial recognition, financial assets are classified with reference to the characteristics of the related contractual cash flows and the business model used by the Group for their management. With the exclusion of trade receivables that do not contain a significant financing component, the Group initially measures financial assets at their fair value, including transaction costs in the case of those not measured at fair value through profit and loss. Trade receivables that do not have a significant financial component are measured at their transaction price, as defined in accordance with IFRS 15.

Financial assets are measured at amortized cost if they are held in order to collect contractual cash flows (*Held to Collect*), represented solely by the payment of principal and interest on the amount of principal still be repaid. All receivables are included in this category. These assets are measured at amortized cost, in accordance with the effective interest criterion, and stated net of impairment losses. Interest income, exchange gains and losses, and impairment losses are recognized in the profit (loss) for the year, as are derecognition gains and losses.

Financial assets are measured at fair value through other comprehensive income if they are held by the Group both to collect contractual cash flows, represented solely by the payment of principal and interest on the amount of principal to be repaid, and to sell them *(Held to Collect and Sell).*

If a financial asset is not measured in one of the two ways described above, it must be measured at fair value through profit or loss. Accordingly, this category includes the assets held for trading and the assets designated on initial recognition as financial assets at fair value through profit or loss, as well as the financial assets whose measurement at fair value is mandatory. The fair value of the financial assets held for trading is determined with reference to market prices on the relevant annual or interim reporting date, or using financial valuation techniques and models.

In accordance with IFRS 9, commencing on 1 January 2018 the Group adopted a new impairment model for financial assets measured at amortized cost or at fair value through other components of comprehensive income, with the exception of equity securities and assets deriving from customer contracts. This new model is based on determining the expected credit loss (ECL), which replaced the incurred loss model envisaged previously. The new standard envisages adoption of the following methodologies: the General deterioration method and the Simplified approach. With regard to the simplified approach adopted by the Group, the standard does not specify how to segment customers, leaving each entity free to select the sample subsets in a manner consistent with its own circumstances. Within the simplified model, an analytical approach has been applied in relation to trade receivables deemed by management to be individually significant, and for which more detailed information is available about the significant increase in credit risk.

A financial asset (or, where applicable, part of a financial asset or part of a group of similar financial assets) is derecognized (i.e. removed from the statement of financial position) when:

- the right to receive cash flows deriving from the asset has expired, or
- the Company has transferred the right to receive cash flows deriving from the asset to a third party, or has accepted a contractual obligation to pay them over in full and without delay and (a) has transferred substantially all the risks and benefits of ownership of the financial asset, or (b) has not transferred or retained substantially all the risks and benefits of ownership of the financial asset, but has transferred control over it.

The profit (loss) on a financial asset that is measured at amortized cost and is not included in a hedging relationship must be recognized in profit (loss) in the year in which it is derecognized or reclassified, or via the amortization process or when impairment adjustments are recorded.

3.12 Inventories

Inventories are measured at the lower of purchase cost or their estimated realizable value. Cost is determined on a weighted-average basis and includes all costs incurred to purchase the materials and transform them into their state and condition at the reporting date. The cost of semi-finished goods and finished products includes a portion of indirect costs determined on the basis of normal production capacity. Write down provisions are calculated for materials, semi-finished goods and finished products considered to be obsolete or slow moving, taking account of their expected future usefulness and their realizable value. Net realizable value is estimated with reference to market price in the ordinary course of business, less any completion and selling costs to be incurred.

3.13 Share capital and treasury shares

The price paid to purchase of treasury shares, inclusive of any directly-attributable ancillary charges, is deducted from share capital for the portion concerning the nominal value of shares and from other shareholders' equity for the remainder. When treasury shares are resold or reissued, the price collected, net of any directly-attributable ancillary charges and the related tax effect, is recorded as share capital for the portion concerning the nominal value of shares and as other shareholders' equity for the remainder.

3.14 Financial liabilities (Trade payables, Bank debts, Interest-bearing financial debts and Other liabilities)

On initial recognition, financial liabilities are measured at fair value through profit and loss and classified either as loans or as derivatives designated as hedging instruments. All financial liabilities are initially recognized at fair value, including directly-attributable transaction costs in the case of loans and payables. Following initial recognition, loans are measured at amortized cost using the effective interest method. The effective interest rate is the rate that exactly discounts the estimated collections over the expected life of the financial instrument or the future payments to the gross carrying amount of the financial asset or the amortized cost of the financial liability. Profits and losses are recognized in the income statement when liabilities are settled, as well as via the amortization process. Amortization using the effective interest rate is classified among the financial expenses in the income statement.

A financial liability is derecognized when the underlying obligation expires or when the obligation specified in the contract is settled, canceled or expires.

Trade payables and other debts, the relative due date of which is within normal commercial terms, are not discounted to present value and are entered at the amortized cost representative of their discharge value.

Current financial liabilities include the short-term portions of the interest-bearing financial debts, bank and lease payables and other financial liabilities.

3.15 Liabilities for employee benefits

(i) Defined contribution plans

The Group participates in defined pension plans with public administration or private plans on a compulsory, contractual, or voluntary basis. The payment of contributions fulfills the Group's obligations towards its employees. The contributions therefore constitute costs of the period in which they are due.

(ii) Defined benefit plans

Defined benefits for employees disbursed on termination of their employment with the Group or thereafter, and which include severance indemnity of Italian companies, are calculated separately for each plan, using actuarial techniques to estimate the amount employees have accrued in the year and in previous years. The resulting benefit is discounted to present value and recorded net of the fair value of any related assets.

The defined benefit obligation is calculated on an annual basis by an independent actuary using the projected unit credit method.

If the plan benefits increase, the prior-service portion of the increase is charged to the income statement on a straight-line basis over the period in which the related rights will be acquired. If the rights are acquired immediately, the increase is recognized immediately in the income statement.

Actuarial profits and losses are recognized in a specific equity reserve on an accrual basis.

Until 31 December 2006 the severance indemnity provision (TFR) of Italian companies was considered to be a defined benefits plan. The rules governing the provision were amended by Law no. 296 of 27 December 2006 (“2007 Finance Act”) and by subsequent Decrees and Regulations enacted in the initial months of 2007. In the light of these changes, and in particular with reference to companies with at least 50 employees, the TFR severance indemnity should now be classified as a defined benefits plan exclusively for the portions accrued prior to 1 January 2007 (and not yet paid out at the date of the financial statements), while after that date TFR should be considered as a defined contributions plan.

(iii) Stock options

On the basis of the stock option plans currently in existence, certain employees and directors are entitled to purchase treasury shares from Interpump Group S.p.A. The options are measured at their fair value, which is charged to the income statement as an increase in the cost of personnel and directors, with a matching entry to the share premium reserve for share-based payment transactions. Fair value is measured at the grant date of the option and recorded in the income statement in the period that runs between said date and the date on which the options become exercisable (vesting period), after the conditions relating to the achievement of objectives and/or the provision of services have been met.

The cumulative costs recognized in relation to these operations at each reporting date until the vesting date are determined with reference to the length of the vesting periods and the best estimate of the number of participating instruments that will actually vest. The cost or income reported in the income statement reflects the change in the accumulated costs between the start and the end of the year.

No costs are recognized for rights that do not vest, except in the case of rights whose assignment is dependent on market conditions or a non-vesting condition. These are treated as if vested, regardless of whether or not the market conditions or other non-vesting conditions have been satisfied, without prejudice to the fact that all other performance and/or service conditions must still be satisfied. If the plan conditions are amended, the minimum cost recognized is that which would have been incurred without the plan amendment. A cost is also recognized for each amendment that increases the total fair value of the payment plan, or that is in any case favorable for employees; this cost is measured with reference to the amendment date.

The diluting effect of unexercised options is reflected in the calculation of diluted earnings per share.

The fair value of the option is determined using the applicable options measurement method (specifically, the binomial lattice model), taking account the terms and conditions at which the options were granted.

3.16 Income taxes

Income taxes disclosed in the income statement include current and deferred taxes. Income taxes are generally disclosed in the income statement, except when they refer to types of items that are recorded directly under shareholders' equity. In this case, the income taxes are also recognized directly in equity.

Current taxes are taxes that are expected to be due, calculated by applying to the taxable income the tax rate in force at the reporting date and the adjustments to taxes of prior years.

Deferred taxes are calculated using the liability method on the timing differences between the amount of assets and liabilities in the consolidated financial statements and the corresponding values recognized for tax purposes. Deferred tax liabilities are recognized in relation to all taxable temporary differences, except for:

- the deferred tax liabilities deriving from the initial recognition of goodwill or an asset or liability in a transaction that does not represent a business combination and, at the time of the transaction, does not affect the reported results or taxable income;
- reversals of taxable temporary differences, associated with investments in subsidiaries, associates and joint ventures, that can be controlled and that are unlikely to occur in the foreseeable future.

Deferred tax assets are recognized in relation to all deductible temporary differences, tax credits and unused tax losses carried forward, to the extent that future taxable income is likely to be sufficient to allow the recovery of the deductible temporary differences, tax credits and tax losses carried forward, except for:

- the deferred tax assets linked to deductible temporary differences that derive from the initial recognition of an asset or liability in a transaction that does not represent a business combination and, at the time of the transaction, does not affect the reported results or taxable income;
- the deferred tax assets linked to deductible temporary differences associated with investments in subsidiaries, associates and joint ventures, which are only recognized if they are likely to reverse in the foreseeable future and there will be sufficient taxable income from them to recover such temporary differences.

Deferred taxes are calculated in accordance with the envisaged method of transfer of timing differences, using the tax rate in force at the reference date of years in which the timing differences arose.

Deferred tax assets are recognized exclusively in the event that it is probable that in future years sufficient taxable incomes will be generated for the realization of said deferred taxes. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that future taxable income is no longer likely to be sufficient to allow the recovery of such assets, in whole or in part. Any unrecognized deferred tax assets are reviewed at each reporting date and recognized to the extent that it has become is probable that future taxable income will be sufficient to allow their recovery.

3.17 Provisions for risks and charges

In cases where the Group has a legal or substantial obligation resulting from a past event, and when it is probable that the loss of economic benefits must be sustained in order to fulfill such an obligation, a specific provision for risks and charges is created. If the temporal factor of the envisaged loss of benefits is significant, the amount of the future cash outflows is discounted to present values at a rate, gross of taxes, that takes account of the market interest rates and the specific risk of the liability referred to.

(i) Product warranty provision

Liabilities for warranty repairs are allocated to the specific product warranty provision at the time of sale of the products. The provision is determined on the basis of historic data describing the cost of warranty repairs.

(ii) Restructuring provision

A restructuring provision is formed exclusively in the event that the Group has approved a formal and detailed restructuring plan and has started to implement it or has published it before the reporting date. In other cases, the future costs are not set aside.

(iii) Onerous contracts

When the forecast future benefits of a contract are less than the non-eliminable costs relating to it, a specific provision is created equivalent to the difference.

3.18 Revenues

(i) Revenues from the sale of goods and services

Revenues deriving from contracts with customers are recognized on the basis of the following 5 steps: (i) identification of the contract with the customer; (ii) identification of the contractual performance obligations to be transferred to the customer in exchange for the transaction price; (iii) determination of the transaction price; (iv) allocation of the transaction price to the individual performance obligations; (v) recognition of the revenue when the associated performance obligation is fulfilled. Revenues are recognized at the amount of the consideration to which the Group considers it is entitled on satisfaction of the obligation, when the customer acquires control over the goods or services transferred. The Group has identified a single revenue stream from the sale of products and spare parts representing the obligations satisfied at a given point in time. Revenues from the sale of products are recognized when the significant risks and benefits associated with control over the goods are transferred to the purchaser. The change of control coincides with the transfer of ownership or possession of the goods to the purchaser and, therefore, generally occurs on shipment or on completion of the service.

(ii) State grants

State grants are recorded as deferred revenue under other liabilities when it becomes reasonably certain that they will be disbursed and when the Group has fulfilled all the necessary conditions to obtain them. Grants received against costs sustained are recorded in the income statement systematically in the same periods in which the relative costs are incurred.

3.19 **Costs**

(ii) Lease installments

The principal portion of lease installments is deducted from the financial payable, while the interest portion is charged to the income statement.

(ii) Financial income and charges

Financial income and charges are recorded on an accruals basis with reference to the interest matured on the net value of the financial assets and liabilities concerned, using the effective interest rate. Financial income and charges include the exchange gains and losses and gains and losses on derivative instruments that must be charged to the income statement (see section 3.11).

The other cost captions are described in the previous sections of Note 3.

4. Business sector information

Business sector information is supplied with reference to the operating sectors. The information by geographical area required under the IFRS issued by the International Accounting Standards Board and adopted by the European Union is also provided. The information provided about business sectors reflects the Group's internal reporting structure.

The value of components and products transferred between sectors is generally the effective sales price between Group companies and corresponds to the best customer sale prices.

Sector information includes directly attributable costs and costs allocated on the basis of reasonable estimates. Holding company costs, i.e. remuneration of directors, statutory auditors and functions of the Group's financial management, control and internal auditing, and also consultancy costs and other related costs, are allocated to each sector on the basis of their revenues.

The Group comprises the following business sectors:

Water-Jetting sector. This sector is mainly composed of high and very high-pressure pumps and pumping systems used in a wide range of industrial sectors for the conveyance of fluids. High pressure plunger pumps are the main component of professional pressure washers. These pumps are also utilized for a broad range of industrial applications including car wash installations, forced lubrication systems for machine tools, and inverse osmosis systems for water desalination plants. Very high-pressure pumps and systems are used for cleaning surfaces, ships, various types of pipes, and also for removing machining burr, cutting and removing cement, asphalt, and paint coatings from stone, cement and metal surfaces, and for cutting solid materials. The sector also includes high pressure homogenizers, mixers, agitators, piston pumps, valves, mechanical sifters, automated milking systems and other machines produced mainly for the food processing industry, but also used in the chemicals and cosmetics sectors.

Hydraulic sector. This sector includes the production and sale of power take-offs, hydraulic cylinders and pumps, directional controls, valves, rotary unions, hydraulic hoses and fittings, gears, orbital motors, steering systems (hydroguide) and other hydraulic components. Power take-offs are mechanical units used to transmit energy from the engine or gearbox of an industrial vehicle in order to drive, via hydraulic components, its various applications. These products, combined with other hydraulic components (spool valves, controls, etc.) allow the execution of special functions such as lifting tipping bodies, operating truck-mounted cranes and operating mixer trucks. Hydraulic cylinders are components of the hydraulic system of various vehicle types employed in a wide range of applications depending on the type. Front-end and underbody cylinders (single acting) are fitted mainly on industrial vehicles in the building construction sector, while double acting cylinders are employed in a range of applications: earthmoving machinery, agricultural machinery, cranes and truck cranes, waste compactors, etc. The hydraulic hoses and fittings are designed for use in a broad range of hydraulic systems and also for very high pressure water systems. Gears facilitate the mechanical transmission of energy, with applications in various industrial sectors including agriculture, materials handling, mining, heavy industry, marine & offshore, aerial platforms, forestry and sugar production. Orbital motors are used on industrial vehicles, in the construction sector, in earth-moving equipment and in agricultural equipment. The Group also designs and makes piping systems for the industrial, naval and offshore sectors.

Interpump Group business sector information	Hydraulic		Water		Elimination entries		Interpump Group	
€/000	2024	2023	2024	2023	2024	2023	2024	2023
Revenues outside the Group	1,407,494	1,634,323	670,905	605,716	-	-	2,078,399	2,240,039
Inter-sector revenues	2,656	2,685	4,301	5,196	(6,957)	(7,881)	-	-
Total revenues	**1,410,150**	**1,637,008**	**675,206**	**610,912**	**(6,957)**	**(7,881)**	**2,078,399**	**2,240,039**
Cost of sales	(996,640)	(1,130,870)	(375,121)	(337,127)	7,008	7,929	(1,364,753)	(1,460,068)
Gross profit	**413,510**	**506,138**	**300,085**	**273,785**	**51**	**48**	**713,646**	**779,971**
% of revenues	*29.3%*	*30.90%*	*44.40%*	*44.80%*			*34.30%*	*34.80%*
Other net revenues	28,747	34,643	8,922	8,409	(955)	(898)	36,714	42,154
Distribution expenses	(99,618)	(102,914)	(74,603)	(67,222)	331	392	(173,890)	(169,744)
General and administrative expenses	(143,508)	(142,675)	(84,183)	(72,377)	573	458	(227,118)	(214,594)
Other operating costs	(8,040)	(7,602)	(3,498)	(1,366)	-	-	(11,538)	(8,968)
EBIT	**191,091**	**287,590**	**146,723**	**141,229**	**-**	**-**	**337,814**	**428,819**
% of revenues	*13.60%*	*17.60%*	*21.70%*	*23.10%*			*16.30%*	*19.10%*
Financial income	20,324	18,865	17,584	11,909	(2,612)	(4,259)	35,296	26,515
Financial expenses	(25,972)	(41,827)	(39,020)	(40,606)	2,612	4,259	(62,380)	(78,174)
Dividends	-	-	55,386	36,475	(55,386)	(36,475)	-	-
Equity method contribution	338	615	(1,547)	(4,933)	1,511	4,945	302	627
Profit for the year before taxes	**185,781**	**265,243**	**179,126**	**144,074**	**(53,875)**	**(31,530)**	**311,032**	**377,787**
Income taxes	(48,514)	(68,134)	(34,048)	(32,137)	-	-	(82,562)	(100,271)
Consolidated profit for the year	**137,267**	**197,109**	**145,078**	**111,937**	**(53,875)**	**(31,530)**	**228,470**	**277,516**
Attributable to:								
Shareholders of Parent	136,575	194,839	144,351	110,960	(53,875)	(31,530)	227,051	274,269
Minority shareholders of subsidiaries	692	2,270	727	977	-	-	1,419	3,247
Consolidated profit for the year	**137,267**	**197,109**	**145,078**	**111,937**	**(53,875)**	**(31,530)**	**228,470**	**277,516**
Further information required by IFRS 8								
Amortization, depreciation and write-downs	85,079	78,193	28,898	25,317	-	-	113,977	103,510
Other non-monetary costs	8,043	7,490	8,995	9,094	(1,511)	(4,945)	15,527	11,639

Financial position	**Hydraulic**		**Water**		**Elimination entries**		**Interpump Group**	
€/000	**31 Dec. 2024**	**31 Dec. 2023**	**31 Dec. 2024**	**31 Dec. 2023**	**31 Dec. 2024**	**31 Dec. 2023**	**31 Dec. 2024**	**31 Dec. 2023**
Assets of the sector	2,109,648	2,131,325	950,754	858,703	(61,267)	(81,548)	2,999,135	2,909,480
Assets held for sale	-	-	-	-	-	-	-	-
Assets of the sector (A)	**2,109,648**	**2,131,325**	**950,754**	**858,703**	**(61,267)**	**(81,548)**	**2,999,135**	**2,909,480**
Cash and cash equivalents							392,637	334,483
Total assets							**3,391,772**	**3,243,963**
Liabilities of the sector (B)	**357,197**	**443,088**	**207,753**	**177,375**	**(61,267)**	**(81,548)**	**503,683**	**538,915**
Debts for the acquisition of equity investments							67,071	81,164
Bank debts							33,236	52,469
Interest-bearing financial debts							768,445	768,511
Total liabilities							**1,372,435**	**1,441,059**
Total assets, net (A-B)	**1,752,451**	**1,688,237**	**743,001**	**682,328**			**2,495,452**	**2,370,565**
Further information required by IFRS 8								
Investments measured using the equity method	1,402	1,025	580	563			1,982	1,588
Non-current assets other than financial assets and deferred tax assets	1,278,703	1,215,942	495,239	432,522			1,773,942	1,648,464

The comparison of the Water-Jetting sector - the only sector affected by business combinations during the year - at constant perimeter is as follows:

€/000	Year 2024	2023
Revenues outside the Group	631,934	605,716
Inter-sector revenues	4,300	5,196
Total revenues	**636,234**	**610,912**
Cost of sales	(351,583)	(337,127)
Gross profit	**284,651**	**273,785**
% of revenues	*44.7%*	*44.8%*
Other net revenues	8,596	8,409
Distribution expenses	(69,606)	(67,222)
General and administrative expenses	(78,266)	(72,377)
Other operating costs	(3,140)	(1,366)
EBIT	**142,235**	**141,229**
% of revenues	*22.4%*	*23.1%*
Financial income	16,496	11,909
Financial expenses	(37,959)	(40,606)
Dividends	55,386	36,475
Equity method	(1,547)	(4,933)
contribution		
Profit for the year before taxes	**174,611**	**144,074**
Income taxes	(31,994)	(32,137)
Consolidated profit for the year	**142,617**	**111,937**
Attributable to:		
Shareholders of Parent	141,992	110,960
Minority shareholders of subsidiaries	625	977
Consolidated profit for the year	**142,617**	**111,937**

Cash flows for the year by business sector are as follows:

€/000	Hydraulic		Water		Total	
Cash flows from:	**2024**	**2023**	**2024**	**2023**	**2024**	**2023**
Operating activities	259,065	256,131	98,013	76,420	357,078	332,551
Investing activities	(109,700)	(142,175)	(105,867)	(57,327)	(215,567)	(199,502)
Financing activities	(92,639)	(78,756)	27,980	(96,440)	(64,659)	(175,196)
Total	**56,726**	**35,200**	**20,126**	**(77,347)**	**76,852**	**(42,147)**

Investing activities in the Hydraulic sector included € 14,887 thousand associated with the acquisition of equity investments (€ 2,171 thousand in 2023) and expenditure on property, plant and equipment totaling € 95,857 thousand (€ 139,505 thousand in 2023).

The investing activities of the Water-Jetting sector included € 74,324 thousand associated with the acquisition of equity investments (€ 37,982 thousand in 2023).

The cash flows deriving from the financing activities of the Water-Jetting sector included proceeds from the sale of treasury shares to the beneficiaries of stock options totaling € 581 thousand (€ 2,246 thousand in 2023), € 10,337 thousand for the purchase of treasury shares (zero outlays in 2023) and dividend payments of € 34,379 thousand (€ 32,567 thousand in 2023).

The cash flows deriving from the financing activities of the Hydraulic sector include the payment of dividends to Water-Jetting Sector companies totaling € 55,375 thousand (€ 36,475 thousand in 2023).

Geographical areas

Revenues are analyzed below by the five geographical areas identified:

€/000	2024	%	2023	%	Growth
Italy	310,453	15	363,734	16	-14.6%
Europe (Italy excluded)	720,058	35	804,889	36	-10.5%
North America	576,076	28	626,968	28	-8.1%
Far East and Pacific Area	261,309	13	238,646	11	9.5%
Rest of the World	210,503	10	205,802	9	2.3%
Total	**2,078,399**	**100**	**2,240,039**	**100**	**-7.2%**

Non-current assets other than financial assets and deferred tax assets are analyzed by geographical area below, based on their location:

€/000	31/12/2024	31/12/2023
Italy	939,351	883,133
Europe (Italy excluded)	436,710	430,586
North America	265,125	244,650
Far East and Pacific Area	46,311	44,331
Rest of the World	86,444	45,764
Total	**1,773,941**	**1,648,464**

The geographical areas to which operations are assigned depend on the nationality of the company performing them. No companies have operations in more than one area.

5. Business combinations

IPG Mouldtech India Pvt Ltd.

On 20 February 2023, 85% of the capital of Indoshell Automotive System India P.L., now IPG Mouldtech Invia Pvt Ltd., was purchased from Indoshell Mould Limited, an Indian group specialized in the casting of ferrous and non-ferrous metals (cast iron and aluminum). The definitive purchase price allocation was unchanged with respect to the provisional PPA published in the 2023 Annual Financial Report, to which reference is made for further details.

I.mec S.r.l.

On 20 April 2023 Interpump Group announced the acquisition of 70% of the capital of and control over I.mec S.r.l.

Formed in 1989 and based in Reggio Emilia, this company is specialized in the production of mechanical sifters for various sectors of application, including ceramics, recycling, filtration, food processing and cosmetics. The value of this operation has been fixed at approximately € 14 million and "put and call" mechanisms have defined, through which the counterparties can purchase and sell the remaining 30% in two tranches, the first exercisable from June 2026 and the second from April 2028.

The definitive purchase price allocation is presented below:

€/000	Amounts acquired	Adjustments to fair value	Carrying amounts in the acquiring company
Cash and cash equivalents	2,721	-	2,721
Trade receivables	6,092	-	6,092
Inventories	2,350	-	2,350
Tax receivables	493	-	493
Other current assets	305	-	305
Property, plant and equipment	3,033	-	3,033
Other intangible assets	16	2,286	2,302
Other financial fixed assets	12	-	12
Deferred tax assets	126	-	126
Other non-current assets	67	-	67
Trade payables	(3,126)	-	(3,126)
Bank debts	-	-	-
Tax liabilities	(52)	-	(52)
Other current liabilities	(650)	-	(650)
Lease payables	(2,519)	-	(2,519)
Deferred tax liabilities	(4)	(655)	(659)
Provision for risks and charges	(80)	-	(80)
Employee benefits (severance indemnity provision)	(943)	-	(943)
Net assets acquired	**7,841**	**1,631**	**9,472**
Goodwill related to the acquisition			13,628
Total net assets acquired			**23,100**
Total amount paid in cash			14,000
Amount paid by assigning treasury shares			-
Amount payable			9,100
Total acquisition cost (A)			**23,100**

€/000	Amounts acquired	Adjustments to fair value	Carrying amounts in the acquiring company
Net financial position acquired (B)			(202)
Total amount paid in cash			14,000
Amount payable			9,100
Total change in net financial position			**22,898**
Capital employed (A) + (B)			**22,898**

The transaction was accounted for using the acquisition method.

The goodwill was allocated in full to the Water-Jetting CGU and is not relevant for tax purposes.

Waikato group

On 18 May 2023 Interpump Group announced the acquisition of 100% of the capital of and control over the Waikato group.

With more than 50 years of history, this group leads the automated milking market in New Zealand and Australia. This reflects the constant development and technological innovation that has enabled progression from the design and production of components in the late 1970s, to the current offer of automated and integrated systems.

The definitive purchase price allocation is presented below:

€/000	Amounts acquired	Adjustments to fair value	Carrying amounts in the acquiring company
Cash and cash equivalents	1,837	-	1,837
Trade receivables	9,200	-	9,200
Inventories	13,009	-	13,009
Tax receivables	159	-	159
Other current assets	1,054	-	1,054
Property, plant and equipment	4,815	-	4,815
Other intangible assets	13,018	-	13,018
Deferred tax assets	728	-	728
Other non-current assets	-	-	-
Trade payables	(4,475)	-	(4,475)
Bank debts	(11,013)	-	(11,013)
Tax liabilities	(134)	-	(134)
Other current liabilities	(3,783)	-	(3,783)
Lease payables	(3,922)	-	(3,922)
Deferred tax liabilities	(2,990)	-	(2,990)
Provision for risks and charges	-	-	-
Employee benefits (severance indemnity provision)	-	-	-
Net assets acquired	**17,503**	**-**	**17,503**
Goodwill related to the acquisition			2,726
Total net assets acquired			**20,229**
Total amount paid in cash			20,229
Amount paid by assigning treasury shares			-

€/000	Amounts acquired	Adjustments to fair value	Carrying amounts in the acquiring company
Amount payable			-
Total acquisition cost (A)			**20,229**
Net financial position acquired (B)			13,098
Total amount paid in cash			20,229
Amount payable			-
Total change in net financial position			**33,327**
Capital employed (A) + (B)			**33,327**

The transaction was accounted for using the acquisition method.

The amounts for group companies not resident in the EU were translated using the exchange rates at 31 May 2023.

The goodwill was allocated in full to the Water-Jetting CGU and is not relevant for tax purposes.

Inoxpa China Flow Technology Co., Ltd

On 9 April 2024 Interpump Group announced the acquisition, via Inoxpa SAU, of a 60%[32] equity interest in YRP (Shanghai) Flow Technology Co., Ltd. (now Inoxpa China Flow Technology Co., Ltd.). With support from the Inoxpa group, the company was formed in 2016 to distribute components, valves, pumps and actuators in China, as the exclusive distributor for the Inoxpa group in the region. The total value of the transaction was set at about € 1.5 million.

The provisional purchase price allocation is presented below:

€/000	Amounts acquired	Adjustments to fair value	Carrying amounts in the acquiring company
Cash and cash equivalents	945	-	945
Trade receivables	798	-	798
Inventories	802	-	802
Tax receivables		-	
Other current assets	399	-	399
Property, plant and equipment	1,573	-	1,573
Other intangible fixed assets	-	-	-
Other financial assets	-	-	-
Deferred tax assets	109	-	109
Other non-current assets	47	-	47
Trade payables	(1,364)	-	(1,364)
Leasing payables (current portion)	(115)	-	(115)
Tax liabilities	(6)	-	(6)
Other current liabilities	(114)	-	(114)
Provision for risks and charges (non-current portion)	-	-	-

[32] Through Inoxpa SAU, the Group already held 10% of Inoxpa China Flow Technology Co., Ltd.

€/000	Amounts acquired	Adjustments to fair value	Carrying amounts in the acquiring company
Leasing payables (non-current portion)	(1,264)	-	(1,264)
Employee benefits (severance indemnity provision)	-	-	-
Deferred tax liabilities	-	-	-
Non-controlling interests	(854)	-	(854)
Net assets acquired	**956**	**-**	**956**
Goodwill related to the acquisition			688
Total net assets acquired			**1,644**
Total amount paid in cash			1,544
10% interest already held by Inoxpa SAU			100
Payables related to the acquisition of investments			-
Total acquisition cost (A)			**1,644**
Net financial position acquired (B)			434
Total amount paid in cash			1,544
10% interest already held by Inoxpa SAU			100
Amount payable			-
Total change in net financial position			**2,078**
Capital employed (A) + (B)			**2,078**

The amounts for the company were translated using the exchange rates at 31 March 2024.

The company has been consolidated on a line-by-line basis from 1 April 2024.

The transaction was accounted for using the acquisition method.

The goodwill was allocated in full to the Water-Jetting CGU and is not relevant for tax purposes.

Since the acquisition date, the company has contributed € 5.4 million to the revenues of the Group, with an insignificant effect on net profit. Had the business combination taken place at the start of 2024, the contribution to Group revenues would have been € 5.6 million, with an insignificant effect on net profit.

Shanghai PuPeng Flow Technology Co., Ltd

On 9 April 2024 Interpump Group announced the acquisition, via Inoxpa SAU, of a 60% equity interest in Process Partner China Co., Ltd., now Shanghai PuPeng Flow Technology Co., Ltd. This company was founded in 2015 and specializes in the production and sale of plant and complete solutions for the food processing industry, especially dairy. The total value of the transaction was set at about € 1.4 million.

The provisional purchase price allocation is presented below:

€/000	Amounts acquired	Adjustments to fair value	Carrying amounts in the acquiring company
Cash and cash equivalents	1,494	-	1,494
Trade receivables	2,217	-	2,217
Inventories	134	-	134
Tax receivables	-	-	-
Other current assets	662	-	662
Property, plant and equipment	129	-	129

Other intangible fixed assets	-	-	-
€/000	**Amounts acquired**	**Adjustments to fair value**	**Carrying amounts in the acquiring company**
Other financial assets	-	-	-
Deferred tax assets	-	-	-
Other non-current assets	2	-	2
Trade payables	(1,940)	-	(1,940)
Financial debts to banks - loans (current portion)	(384)	-	(384)
Leasing payables (current portion)		-	
Tax liabilities	(46)		(46)
Other current liabilities	(520)	-	(520)
Provision for risks and charges (non-current portion)	-	-	-
Leasing payables (non-current portion)	-	-	-
Employee benefits (severance indemnity provision)	-	-	-
Deferred tax liabilities	-	-	-
Non-controlling interests	(699)	-	(699)
Net assets acquired	**1,049**	**-**	**1,049**
Goodwill related to the acquisition			351
Total net assets acquired			**1,400**
Total amount paid in cash			1,400
Amount payable			-
Total acquisition cost (A)			**1,400**
Net financial position acquired (B)			(1,110)
Total amount paid in cash			1,400
Amount payable			-
Total change in net financial position			**290**
Capital employed (A) + (B)			**290**

The amounts for the company were translated using the exchange rates at 31 March 2024.

The company has been consolidated on a line-by-line basis from 1 April 2024.

The transaction was accounted for using the acquisition method.

Since the acquisition date, the company has contributed € 2.5 million to the revenues of the Group, with an insignificant effect on net profit. Had the business combination taken place at the start of 2024, the contribution to Group revenues would have been € 4.2 million, with an insignificant effect on net profit.

Alltube Engineering Ltd

On 22 April 2024, Interpump Group announced the acquisition, through Interpump Hydraulics Ltd., a British subsidiary, of the entire share capital of Alltube Engineering Ltd. Founded in 1986 and backed by decades of design and manufacturing experience, this company specializes in the processing of rigid and flexible hydraulic hoses. In the previous financial year[33], the company generated turnover of about € 5 million, with an EBITDA margin of about 15%. The total consideration paid for the transaction was € 2.3 million.

The provisional purchase price allocation is presented below:

€/000	Amounts acquired	Adjustments to fair value	Carrying amounts in the acquiring company
Cash and cash equivalents	1,399	-	1,399
Trade receivables	817	-	817
Inventories	507	-	507
Tax receivables	-	-	-
Other current assets	41	-	41
Property, plant and equipment	382	-	382
Other intangible fixed assets	-	-	-
Other financial assets	-	-	-
Deferred tax assets	-	-	-
Other non-current assets	-	-	-
Trade payables	(397)	-	(397)
Financial debts to banks - loans (current portion)	-	-	
Leasing payables (current portion)	-	-	
Tax liabilities	(378)		(378)
Other current liabilities	(58)	-	(58)
Provision for risks and charges (non-current portion)	-	-	
Leasing payables (non-current portion)	-	-	
Employee benefits (severance indemnity provision)	-	-	
Deferred tax liabilities	(54)	-	(54)
Non-controlling interests	-	-	-
Net assets acquired	**2,259**	**-**	**2,259**
Goodwill related to the acquisition			377
Total net assets acquired			**2,636**
Total amount paid in cash			2,636
Payables related to the acquisition of investments			-
Total acquisition cost (A)			**2,636**
Net financial position acquired (B)			(1,399)
Total amount paid in cash			2,636
Amount payable			-
Total change in net financial position			**1,237**
Capital employed (A) + (B)			**1,237**

The amounts for the company were translated using the exchange rates at 30 April 2024.

[33] Financial year from 1 November 2022 to 31 October 2023

The company has been consolidated on a line-by-line basis from 1 May 2024.

The transaction was accounted for using the acquisition method.

The goodwill was allocated in full to the Hydraulic CGU and is not relevant for tax purposes.

Since the acquisition date, the contribution of the company to the revenues of the Group has not been significant.

Alfa Valvole S.r.l.

On 3 June 2024 Interpump Group announced the acquisition of 100% of the capital of Alfa Valvole S.r.l. from IDEX Corporation, a US company.

The company is positioned in the high-end segment of the valves sector, given the quality and services offered to customers. Following the absorption of OBL (specialist in the design and production of volumetric pumps) in 2021, the company became a provider of integrated solutions for the movement and management of industrial fluids. In 2023, the company generated turnover of about € 28 million, with an EBITDA margin of about 26%. The total price agreed for the transaction was € 55.2 million.

The provisional purchase price allocation is presented below:

€/000	Amounts acquired	Adjustments to fair value	Carrying amounts in the acquiring company
Cash and cash equivalents	13,375	-	13,375
Trade receivables	7,992	-	7,992
Inventories	6,675	-	6,675
Tax receivables	384	-	384
Other current assets	301	-	301
Property, plant and equipment	2,841	7,273	10,114
Other intangible fixed assets	100	4,971	5,071
Other financial assets	-	-	-
Deferred tax assets	654	-	654
Other non-current assets	22	-	22
Trade payables	(3,274)	-	(3,274)
Financial debts to banks - loans (current portion)	-	-	-
Leasing payables (current portion)	(100)	-	(100)
Tax liabilities	(750)		(750)
Other current liabilities	(2,146)	-	(2,146)
Provisions for risks and charges (current portion)	(60)	-	(60)
Leasing payables (non-current portion)	(178)	-	(178)
Employee benefits (severance indemnity provision)	(941)	-	(941)
Deferred tax liabilities	(15)	(3,416)	(3,431)
Non-controlling interests	(502)	-	(502)
Net assets acquired	**24,378**	**8,828**	**33,206**
Goodwill related to the acquisition			21,740
Total net assets acquired			**54,946**
Total amount paid in cash			54,946
Payables related to the acquisition of investments			-

Total acquisition cost (A)			**54,946**
Net financial position acquired (B)			(13,097)
Total amount paid in cash			54,946
Amount payable			-
Total change in net financial position			**41,849**
Capital employed (A) + (B)			**41,849**

The transaction was accounted for using the acquisition method.

The company has been consolidated on a line-by-line basis from 1 June 2024. The goodwill was allocated in full to the Water-Jetting CGU and is not relevant for tax purposes.

Since the acquisition date, the company has contributed € 16.2 million to the revenues of the Group and € 2.7 million to net profit. Had the business combination taken place at the start of 2024, the contribution to Group revenues would have been € 28.4 million, with an effect on net profit of € 4.4 million.

H.S. S.r.l.

On 11 July 2024, Interpump Group indirectly acquired 100% of H.S. S.r.l. via Inoxihp S.r.l., a subsidiary.

This company, active in the hydraulic sector, specializes in the design and production of hydraulic systems and circuits known for their high qualitative and manufacturing standards. In 2023, the company generated turnover of about € 4 million. The total price agreed for the transaction was € 0.1 million.

The provisional purchase price allocation is presented below:

€/000	Amounts acquired	Adjustments to fair value	Carrying amounts in the acquiring company
Cash and cash equivalents	88	-	88
Trade receivables	2,311	-	2,311
Inventories	1,078	-	1,078
Tax receivables	44	-	44
Other current assets	8	-	8
Property, plant and equipment	385	-	385
Other intangible fixed assets	10	-	10
Deferred tax assets	228	-	228
Other non-current assets	50	-	50
Trade payables	(1,549)	-	(1,549)
Bank debts	(569)	-	(569)
Financial debts to banks - loans (current portion)	(216)	-	(216)
Leasing payables (current portion)	(124)	-	(124)
Tax liabilities	(71)	-	(71)
Other current liabilities	(284)	-	(284)
Financial debts to banks – loans (medium-/long-term portion)	(256)	-	(256)
Provisions for risks and charges (current portion)	-	-	-

Leasing payables (non-current portion)	(194)	-	(194)
Employee benefits (severance indemnity provision)	(652)	-	(652)
Deferred tax liabilities	(8)		(8)
Net assets acquired	**279**	**-**	**279**
Negative goodwill related to the acquisition			(179)
Total net assets acquired			**100**
€/000	**Amounts acquired**	**Adjustments to fair value**	**Carrying amounts in the acquiring company**
Total amount paid in cash			100
Payables related to the acquisition of investments			-
Total acquisition cost (A)			**100**
Net financial position acquired (B)			1,271
Total amount paid in cash			100
Amount payable			-
Total change in net financial position			**1,371**
Capital employed (A) + (B)			**1,371**

The transaction was accounted for using the acquisition method.

The company has been consolidated on a line-by-line basis from 1 July 2024.

The goodwill was allocated in full to the Hydraulic CGU and is not relevant for tax purposes.

Since the acquisition date, the company has contributed € 2.5 million to the revenues of the Group, with an insignificant effect on net profit. Had the business combination taken place at the start of 2024, the contribution to Group revenues would have been € 5.9 million, with an insignificant effect on net profit.

Hidrover Equipamentos Hidráulicos Ltda

On 24 October 2024, the Interpump Group signed a binding agreement to purchase, via Interpump Hydraulics Brasil Ltda., 59% of the capital of Hidrover Equipamentos Hidráulicos Ltda., which operates in the hydraulic cylinders sector.

This company specializes in the production of hydraulic cylinders, covering the entire production process and focusing on the construction and agricultural markets. The price paid for operation was approximately € 17.5 million and "put&call" mechanisms have already been defined, through which the Group may acquire the residual 41% equity interest in four tranches. The first two (corresponding to a 16% interest) will be exercisable following approval of the 2026 financial statements, while the other two (corresponding to the remaining 25% interest) will be exercisable following approval of the 2029 financial statements.

The provisional purchase price allocation is presented below:

€/000	Amounts acquired	Adjustments to fair value	Carrying amounts in the acquiring company
Cash and cash equivalents	3,626	-	3,626
Trade receivables	2,990	-	2,990
Inventories	5,083	-	5,083

€/000	Amounts acquired	Adjustments to fair value	Carrying amounts in the acquiring company
Tax receivables	291	-	291
Other current assets	63	-	63
Property, plant and equipment	4,023	-	4,023
Other intangible fixed assets	29	3,018	3,047
Deferred tax assets	628	-	628
Other non-current assets	10	-	10
Trade payables	(1,931)	-	(1,931)
Bank debts	-	-	-
Financial debts to banks - loans (current portion)	(2)	-	(2)
Leasing payables (current portion)	-	-	-
Tax liabilities	(210)	-	(210)
Other current liabilities	(1,065)	-	(1,065)
Financial debts to banks – loans (medium-/long-term portion)	(138)	-	(138)
Provisions for risks and charges (current portion)	(24)	-	(24)
Provision for risks and charges (non-current portion)	(691)	-	(691)
Employee benefits (severance indemnity provision)	-	-	-
Deferred tax liabilities	-	(1,026)	(1,026)
Net assets acquired	**12,682**	**1,992**	**14,674**
Goodwill related to the acquisition			24,781
Total net assets acquired			**39,455**
Total amount paid in cash			10,893
Payables related to the acquisition of investments			-
Total acquisition cost (A)			**39,455**
Net financial position acquired (B)			(3,486)
Total amount paid in cash			10,893
Amount payable			28,562
Total change in net financial position			**35,969**
Capital employed (A) + (B)			**35,969**

The amounts for the company were translated using the exchange rates at 30 November 2024.

The company has been consolidated on a line-by-line basis from 1 December 2024.

The transaction was accounted for using the acquisition method.

The goodwill was allocated in full to the Hydraulic CGU and is not relevant for tax purposes.

Since the acquisition date, the company has contributed € 1.2 million to the revenues of the Group, with an insignificant effect on net profit. Had the business combination taken place at the start of 2024, the contribution to Group revenues would have been € 23.9 million, with an effect on net profit of € 4.5 million.

6. Cash and cash equivalents

€/000	31/12/2024	31/12/2023
Cash	91	91
Bank deposits	380,117	331,143
Other liquid funds	12,429	3,249
Total	**392,637**	**334,483**

Cash and cash equivalents at 31 December 2024 include amounts denominated in foreign currencies, as shown below:

	Amounts in €/000	Amount in original currency /000
Euro	270,905	270,905
US Dollar	49,135	51,137
Chinese Renminbi	26,288	199,497
Indian Rupee	12,904	1,147,666
Brazilian Real	12,199	78,387
UK Pound	5,868	4,857
Korean Won	4,522	6,928,837
New Zealand Dollar	2,077	3,849
Columbian Peso	1,740	7,962,802
Australian Dollar	1,599	2,680
Russian Ruble	932	98,905
Polish Zloty	913	3,903
Bulgarian Lev	910	1,780
Danish Krone	705	5,257
Swedish Krona	453	5,196
South African Rand	440	8,618
Ukrainian Hryvnia	224	9,784
Singapore Dollar	216	306
Swiss Franc	187	176
Canadian Dollar	146	196
Chilean Peso	140	144,078
Mexican Peso	77	1,653
Romanian Leu	28	139
UAE Dirham	25	98
Other minor currencies	4	n.a.
Total	**392,637**	

At 31 December 2024, bank deposits include deposits and restricted accounts with a total notional balance of € 85.6 million at an average fixed interest rate of 3.77%.

Investment of the Group's liquidity made it possible to achieve an average yield of 1.86% in 2024 (1.24% in 2023).

7. Trade receivables

€/000	31/12/2024	31/12/2023
Trade receivables, gross	400,994	428,779
Bad debt provision	(15,031)	(13,992)
Trade receivables, net	**385,963**	**414,787**

Changes in the bad debt provision were as follows:

€/000	*2024*	*2023*
Opening balances	**13,992**	**13,460**
Exchange difference	170	(153)
Change in consolidation perimeter	431	377
Reclassifications	-	8
Provisions in the year	2,994	2,620
Decreases in the year due to surpluses	(1,248)	(1,759)
Utilizations in the year	(1,308)	(561)
Closing balance	**15,031**	**13,992**

Provisions in the year are booked under other operating costs. At 31 December 2024, trade receivables due beyond 12 months total € 202 thousand, while trade payables due beyond 12 months amount to € 25 thousand. Further information is provided in Note 31 "Information on financial risks".

8. Inventories

€/000	31/12/2024	31/12/2023
Raw materials and components	266,682	243,157
Semi-finished products	187,291	214,571
Finished products	246,641	238,700
Total inventories	**700,614**	**696,428**

Inventories are stated net of an allowance that has changed as indicated below:

€/000	*2024*	*2023*
Opening balances	**48,971**	**46,749**
Exchange difference	739	(695)
Change in consolidation perimeter	3,315	1,575
Provisions for the year	6,994	4,522
Utilizations in the year	(2,326)	(2,221)
Reversal of provisions due to surpluses	(1,225)	(959)
Closing balance	**56,468**	**48,971**

9. Tax receivables and Other current assets

Tax receivables are analyzed below:

€/000	31/12/2024	31/12/2023
Current taxes	25,468	7,696
VAT recoverable	18,588	18,282
Withholding taxes	1,757	1,123
Other tax receivables	10,568	19,205
Total tax receivables	**56,381**	**46,306**

Other tax receivables include other indirect tax credits (including flat tax credits).

Other current assets are analyzed below:

€/000	31/12/2024	31/12/2023
Accrued income and prepaid expenses	11,701	11,159
Price adjustments receivable	1,894	3,335
Other receivables	17,918	8,078
Other current assets	3,134	5,121
Total other current assets	**34,647**	**27,693**

The Other receivables and Other current assets captions report all receivables and assets not classified in the other receivables captions, such as advances to suppliers, grants receivable, amounts due from employees and social security institutions, and guarantee deposits paid, recoverable within twelve months.

10. Property, plant and equipment

€/000	Land and buildings	Plant and machinery	Equipment	Other assets	Total
At 31 December 2022					
Cost	432,617	649,155	176,890	130,001	1,388,663
Accumulated depreciation	(111,289)	(369,981)	(141,796)	(84,502)	(707,568)
Net carrying amount	***321,328***	***279,174***	***35,094***	***45,499***	***681,095***
Changes in 2023					
Opening net carrying amount	***321,328***	***279,174***	***35,094***	***45,499***	***681,095***
Exchange differences	(2,127)	(1,598)	(612)	(1,275)	(5,612)
Change in consolidation	7,487	2,267	124	1,138	11,016
Additions	53,159	88,514	14,979	21,930	178,582
Recognition of right-to-use assets	25,077	291	192	3,814	29,374
Disposals	(2,488)	(2,096)	(740)	(3,228)	(8,552)
Early close-out of right-to-use	(8,120)	-	-	(108)	(8,228)
Remeasurement of right-to-use	71	-	-	77	148
Reclassifications	1,646	(2,227)	(743)	325	(999)
Reclassification of assets held for	1,291	-	-	-	1,291
Capitalized depreciation	(68)	(8)	(6)	(1)	(83)
Write-downs	(336)	(342)	(25)	(25)	(728)
Depreciation	(25,560)	(42,460)	(11,111)	(12,262)	(91,393)
Closing net carrying amount	***371,360***	***321,515***	***37,152***	***55,884***	***785,911***
At 31 December 2023					
Cost	482,226	724,681	186,700	146,889	1,540,496
Accumulated depreciation	(110,866)	(403,166)	(149,548)	(91,005)	(754,585)
Net carrying amount	***371,360***	***321,515***	***37,152***	***55,884***	***785,911***

€/000	Land and buildings	Plant and machinery	Equipment	Other assets	Total
Changes in 2024					
Opening net carrying amount	***371,360***	***321,515***	***37,152***	***55,884***	***785,911***
Exchange differences	5,175	4,061	818	2,257	12,311
Change in consolidation	11,778	3,981	182	658	16,599
Additions	44,296	63,497	11,310	19,974	139,077
Recognition of right-to-use assets	8,557	242	103	4,632	13,534
Disposals	(729)	(2,889)	-	(4,812)	(8,430)
Early close-out of right-to-use	(3,670)	(21)	(21)	(275)	(3,987)
Remeasurement of right-to-use	140	1	-	24	165
Reclassifications	49	(3,540)	3,068	172	(251)
Capitalized depreciation	(72)	(9)	(5)	(1)	(87)
Revaluations	-	107	-	-	107
Write-downs	-	(203)	(68)	-	(271)
Depreciation	(26,736)	(49,447)	(11,262)	(13,486)	(100,931)
Closing net carrying amount	***410,148***	***337,295***	***41,277***	***65,027***	***853,747***
At 31 December 2024					
Cost	538,804	789,440	200,917	164,319	1,693,480
Accumulated depreciation	(128,656)	(452,145)	(159,640)	(99,292)	(839,733)
Net carrying amount	***410,148***	***337,295***	***41,277***	***65,027***	***853,747***

The cost of assets under construction, included in the net carrying amounts disclosed in the previous table, is as follows:

€/000	Land and buildings	Plant and machinery	Equipment	Other assets	Total
At 1 January 2023	10,349	32,946	836	237	44,368
At 31 December 2023	32,631	40,130	457	195	73,413
At 31 December 2024	24,521	45,689	620	462	71,292

The net carrying amount of leased assets at 31 December is analyzed below:

€/000	Land and buildings	Plant and machinery	Equipment	Other assets	Total
At 31 December 2023	90,166	2,270	1,561	7,013	101,010
At 31 December 2024	81,330	1,643	1,262	8,786	93,021

Depreciation of € 83,779 thousand was charged to the cost of sales (€ 75,983 thousand in 2023), € 7,581 thousand to distribution costs (€ 6,975 thousand in 2023) and € 9,571 thousand to general and administrative expenses (€ 8,439 thousand in 2023).

At 31 December 2024 the Group has contractual commitments for the purchase of property, plant and equipment totaling € 9,601 thousand (€ 4,341 thousand at 31 December 2023).

At 31 December 2024 property, plant and equipment are not burdened by mortgages and/or specific guarantees.

Further information is provided in Notes 32 “Notes to the cash flow statement” and 33 “Commitments”.

11. Goodwill

Changes in goodwill were as follows in 2024:

€/000	Balance at 31/12/2023	Increases (Decreases) in the year	Changes due to exchange-rate differences	Balance at 31/12/2024
Water-Jetting	230,092	23,560	2,520	256,172
Hydraulic	554,479	25,158	1,989	581,626
Total goodwill	**784,571**	**48,718**	**4,509**	**837,798**

The increases in the Hydraulic sector during 2024 relate entirely to the acquisitions of Alltube Engineering and Hidrover Equipamentos Hidráulicos Ltda, while in the Water-Jetting sector they relate to the acquisitions of Inoxpa China Flow Technology Co. Ltd, Shanghai PuPeng Flow Technology Co. Ltd and Alfa Valvole S.r.l. for a total of € 22,779 thousand, as well as to the adjustments made following completion in 2024 of the PPA processes relating to I.mec S.r.l. and the Waikato group, totaling € 781 thousand.

The changes due to foreign exchange differences relate to the goodwill denominated in foreign currencies.

The goodwill acquired via business combinations was allocated, on checking for impairment, to the Water-Jetting and Hydraulic CGUs, which correspond to the two operating sectors about which specific information has been provided.

The Group carried out an impairment test on 31 December 2024. When reviewing its impairment indicators, among other factors the Group also takes into consideration its stock market capitalization, which exceeded the shareholders' equity of the Group throughout 2024. The recoverable value identified from the impairment test was determined from the value-in-use calculation carried out using the Discounted Cash Flow (DCF) method, net of current taxes. Expected cash flows utilized in the calculation of DCF were determined on the basis of 5-year business plans (2025-2029) that take account of the various reference scenarios, and of growth forecasts in the various markets.

With regard to preparation of the five-year business plans, the Group recognizes some exposure to the impacts of future, more restrictive laws and regulations governing energy efficiency and climate change, which cannot be quantified at this time. The five-year business plans that support the impairment test of goodwill do not contain specific risk provisions in this regard but, nevertheless, were prepared in a prudent manner that contain the expected level of future cash flows.

In particular, the Group considers that the sales policies adopted in prior years, aimed at improving the integration of its production and distribution networks and consolidating the growth of several important outlet markets for the Group, will make it possible to increase revenues in the period 2025-2029 by around 4% for the “Water Jetting” CGU and about 6% for the “Hydraulic” CGU, with essentially stable margins. A perpetual growth rate of 1% was applied for periods after 2029 for the “Hydraulic” CGU, while a perpetual growth rate of 1.5% was applied for the “Water Jetting Sector” CGU due to the sustainability over time of the competitive advantages of the individual CGUs.

The projected cash flows determined in this manner were reduced by a discount factor in order to take account of the risk that future plans could become impracticable. The weighted average cost of capital (WACC) after tax was measured for the various CGUs as follows:

CGU	WACC
Water-Jetting	8.31%
Hydraulic	8.79%
Weighted average cost of capital	**8.62%**

The WACC utilized in 2023 was 8.82%.

The sensitivity analysis required in the joint Bank of Italy, Consob, ISVAP document dated 3 March 2010 was also carried out. No impairment losses on goodwill were identified on reducing the expected cash flows of each CGU by 10%, or on increasing by 0.5% the cost of capital used to discount those expected cash flows.

12. Other intangible fixed assets

€/000	*Product development expenses*	*Patents, trademarks and related rights, and industrial rights*	*Other intangible assets*	*Total*
At 31 December 2022				
Cost	43,569	105,266	31,020	179,855
Accumulated amortization	(33,185)	(61,784)	(23,023)	(117,992)
Net carrying amount	***10,384***	***43,482***	***7,997***	***61,863***
Changes in 2023				
Opening net carrying amount	***10,384***	***43,482***	***7,997***	***61,863***
Exchange differences	50	173	(93)	130
Change in consolidation perimeter	2,393	*10,726*	-	*13,119*
Increases	2,040	597	4,184	6,821
Decreases	(114)	(8)	(25)	(147)
Reclassifications	(146)	88	426	368
Write-downs	(87)	-	(102)	(189)
Capitalized amortization	-	-	-	-
Amortization	(1,537)	(7,008)	(2,647)	(11,192)
Closing net carrying amount	***12,983***	***48,050***	***9,740***	***70,773***
At 31 December 2023				
Cost	47,408	116,261	32,508	196,177
Accumulated amortization	(34,425)	(68,211)	(22,768)	(125,404)
Net carrying amount	***12,983***	***48,050***	***9,740***	***70,773***
Changes in 2024				
Opening net carrying amount	***12,983***	***48,050***	***9,740***	***70,773***
Exchange differences	(161)	(457)	118	(500)
Change in consolidation perimeter	-	10,215	199	10,414
Increases	2,977	446	5,693	9,116
Decreases	(28)	-	-	(28)
Reclassifications	(1,442)	82	1,256	(104)
Write-downs	(88)	(8)	-	(96)
Capitalized amortization	-	-	-	-
Amortization	(1,718)	(7,819)	(3,142)	(12,679)
Closing net carrying amount	***12,523***	***50,509***	***13,864***	***76,896***
At 31 December 2024				
Cost	48,530	126,835	40,464	215,829
Accumulated amortization	(36,007)	(76,326)	(26,600)	(138,933)
Net carrying amount	***12,523***	***50,509***	***13,864***	***76,896***

The cost of assets in progress, included in the net carrying amounts reported above, is as follows:

€/000	*Product development expenses*	*Patents, trademarks and related rights, and industrial rights*	*Other intangible assets*	*Total*
At 1 January 2023	8,512	16	1,743	10,271
At 31 December 2023	10,361	16	3,733	14,110
At 31 December 2024	8,141	16	5,461	13,618

Amortization was charged in full to general and administrative costs. Product development costs consist mainly of capitalized internal costs.

13. Other financial assets

This item comprises:

€/000	31/12/2024	31/12/2023
Investments in non-consolidated subsidiaries	1,982	1,588
Assets servicing employee benefits	1,652	1,317
Other financial assets	314	388
Total	**3,948**	**3,293**

The following changes were recorded:

€/000	2024	2023
Opening balance	***3,293***	***2,961***
Exchange differences	(225)	(319)
Change in consolidation perimeter	196	(219)
Reclassifications	(28)	(158)
Increases for the year	741	1,263
Change in fair value	32	25
Decreases for the year	(61)	(260)
Closing balance	***3,948***	***3,293***

Breakdown of the value of investments in non-consolidated subsidiaries:

€/000 Company	31/12/2024	% held	31/12/2023	% held
Interpump Hydraulics RUS	1,170	100.0%	999	100.0%
General Pump China	580	100.0%	563	100.0%
Interpump Antriebstechnik GmbH	36	100.0%	26	100.0%
Walvoil Fluid Power Mexico S.A. DE C.V.	196	100%	-	-
Hammelmann Vostok	-	100%	-	100%
Interpump Hydraulics Perù S.a.c.	-	90%	-	90%
Total non-consolidated subsidiaries	***1,982***		***1,588***	

General Pump China, Interpump Hydraulics RUS, Interpump Hydraulics Perù, Hammelmann Vostok, Interpump Antriebstechnik and Walvoil Mexico are all subsidiaries, but they have not been consolidated in view of their limited size.

The value of the investment in Interpump Hydraulics Perù, a distribution company based in Lima incorporated at the end of 2015 with the aim of strengthening the Group's direct presence in South America, has been reduced to zero and a provision for risks of € 140 thousand has been created to cover losses, which were mainly incurred by the company during the start-up phase and in subsequent years.

Hamlemann Vostok was formed at the end of 2021 in order to support the sales of Hammelmann in Russia and ensure an increased presence in that market. The value of this investment has been written off, in view of the ongoing Russia-Ukraine conflict.

Walvoil Fluid Power Mexico was established during 2024 in order to develop, over the coming years, the sales of hydraulic and electronic products in the local market. The company did not commence operational activities during the year.

In relation to financial instruments recorded at fair value in the statement of financial position (assets servicing employee benefits and other financial assets), international accounting standards require that said values be classified on the basis of a hierarchy of levels that reflects the significance of the inputs utilized to establish the fair value and subdivided on the basis of the recurrence in their measurement. International accounting standards identify the following levels:

- Level 1 quotations recorded on an active market for assets and liabilities subject to measurement;
- Level 2 inputs other than the price quotations mentioned in the above point, which are directly (prices) or indirectly (price derivatives) observable in the market;
- Level 3 inputs that are not based on empirical market data.

The following table shows the financial instruments measured at fair value at 31 December 2024, broken down by level:

€/000	Level 1	Level 2	Level 3	Total
Other financial assets	1,814	-	152	1,966
Total assets	**1,814**	**-**	**152**	**1,966**

No transfers between levels were carried out in 2024.

All fair value measurements shown in the above table are to be considered as recurring; the Group did not perform any non-recurring fair value measurements in 2024.

14. Deferred tax assets and liabilities

The changes in the year of deferred tax assets and liabilities are listed below:

	Deferred tax assets		Deferred tax liabilities	
€/000	2024	2023	2024	2023
At 31 December of the previous year	**72,509**	**66,184**	**54,524**	**56,947**
Exchange differences	148	(337)	993	(776)
Change in consolidation perimeter	2,196	496	8,203	14
Recognized in the income statement	(6,371)	6,042	(2,248)	(1,606)
Reclassifications	(24,855)	(53)	(28,732)	(41)
Recognized directly in equity	13	177	13	(14)
At 31 December of the current year	**43,640**	**72,509**	**32,753**	**54,524**

The deferred taxes recognized directly in equity arise from remeasurement of defined benefit plans.

Deferred tax assets and liabilities refer to the following items in the statement of financial position:

	Deferred tax assets		Deferred tax liabilities	
€/000	2024	2023	2024	2023
Property, plant and equipment	14,938	15,983	29,312	27,144
Rights of use	-	-	21,978	24,094
Intangible fixed assets	14,010	12,151	24,030	18,937
Equity investments	506	337	29	23
Inventories	25,566	24,061	0	536
Receivables	1,331	1,350	5	50
Liabilities for employee benefits	1,037	1,020	99	80
Leasing liabilities	17,505	19,580	-	-
Provisions for risks and charges	4,255	3,788	-	-
Losses to be carried forward	3,212	4,949	-	-
Other	7,480	8,870	3,500	3,240
Offset of deferred taxes	(46,200)	(19,580)	(46,200)	(19,580)
Total	**43,640**	**72,509**	**32,753**	**54,524**

No deferred tax liabilities have been recorded for reserves qualifying for tax relief as they are not expected to be distributed (see Note 22).

15. Assets and liabilities held for sale

The Group did not have any assets classified as held for sale at 31 December 2024.

16. Interest-bearing financial debts and Bank debts

The main loans are all subject to the following financial covenants, calculated on the consolidated values:

- Net indebtedness / Shareholders' equity;
- Net indebtedness / EBITDA;
- EBITDA / Financial expenses.

At 31 December 2024 all financial covenants are amply respected.

€/000	31/12/2024	31/12/2023
Current		
Bank debts	33,236	52,469
Bank loans	223,029	246,495
Leases	18,795	18,323
Other financial debts	95	93
Total current, interest-bearing financial debts	**241,919**	**264,911**
Non-current		
Bank loans	368,174	435,827
Bonds	99,424	-
Leases	58,630	66,813
Shareholder loans	-	567
Other financial debts	298	393
Total non-current, interest-bearing financial debts	**526,526**	**503,600**

At 31 December 2024, fixed-rate, interest-bearing loans amount to € 103,207 thousand, while the remainder are at floating rates.

Bank debts and interest-bearing loans include € 30,872 thousand in currencies other than the euro, mainly comprising US dollars, Chinese renminbi, UK pounds, New Zealand dollars, Indian rupees, Australian dollars, Romanian lei, Canadian dollars, Chilean pesos, and Brazilian reals relating to foreign subsidiaries. Amounts in currencies other than the euro are as follows:

€/000	Bank debts	Current, interest-bearing financial debts	Non-current, interest-bearing financial debts	Total
US Dollar	5	3,193	4,950	**8,148**
Chinese Renminbi	6	2,622	1,873	**4,501**
UK Pound	12	956	2,568	**3,536**
New Zealand Dollar	-	595	2,188	**2,783**
Indian Rupee	6	758	1,858	**2,622**
Australian Dollar	5	630	1,561	**2,196**
Romanian Leu	1,964	6	11	**1,981**
Canadian Dollar	87	309	767	**1,163**
Chilean Peso	-	222	917	**1,139**
Brazilian Real	9	229	801	**1,039**
South African Rand	-	148	257	**405**
Mexican Peso	5	102	289	**396**
Danish Krone	-	214	94	**308**
Korean Won	-	46	251	**297**
Polish Zloty	-	54	61	**115**
Swiss Franc	-	45	39	**84**
Russian Ruble	-	38	46	**84**
Singapore Dollar	-	40	13	**53**
Bulgarian Lev	-	3	8	**11**
Columbian Peso	-	11	-	**11**
Total	**2,099**	**10,221**	**18,552**	**30,872**

The following rates were charged on the interest-bearing financial debts:

%	31/12/2024	31/12/2023
Bank loans	Euribor + 0.82 (average spread)	Euribor + 0.72 (average spread)
Bonds	4.17	-
Finance leases	6.01	4.94

No outstanding loans are backed by guarantees at 31 December 2024 or were backed by guarantees during the year.

Breakdown of lease payables at 31 December:

	31-Dec-24					31-Dec-23			
€/000	**Within 1 year**	**Between 1 and 5 years**	**Beyond 5 years**	**Total**		**Within 1 year**	**Between 1 and 5 years**	**Beyond 5 years**	**Total**
Payment of leasing installments	22,633	46,800	23,791	**93,224**		22,861	54,070	29,049	**105,980**
Interest	(3,838)	(9,548)	(2,413)	**(15,799)**		(4,538)	(9,949)	(6,357)	**(20,844)**
Present value of financial leasing payables	**18,795**	**37,252**	**21,378**	**77,425**		**18,323**	**44,121**	**22,692**	**85,136**

At 31 December 2024 the Group is party to several leasing contracts for industrial buildings, plant and machinery, the carrying amount of which, totaling € 93,021 thousand (€ 101,010 thousand at 31 December 2023), is classified under Property, plant and equipment (Note 10).

Non-current, interest-bearing financial debts fall due as follows:

€/000	31/12/2024	31/12/2023
Within 2 years	200,357	210,931
Between 2 and 5 years	220,284	268,503
Beyond 5 years	105,885	24,166
Total	**526,526**	**503,600**

The Group has the following unused lines of credit at year-end:

€/000	31/12/2024	31/12/2023
Export advances and Italian portfolio	165,248	139,313
Current account overdrafts	-	77
Medium/long-term bonds	183,617	-
Total	**348,865**	**139,390**

Further information about liquidity and interest-rate risks is provided in Note 31 "Information on financial risks".

Net indebtedness, including payables and commitments, determined in accordance with ESMA guidance 32-382-1138 and included in Consob notice no. 5/21, comprises:

€/000	31/12/2024	31/12/2023	31/12/2022
Cash and cash equivalents	392,637	334,483	358,275
Bank debts (advances and STC amounts)	(33,236)	(52,469)	(30,928)
Interest-bearing financial debts (current portion)	(241,919)	(264,911)	(288,456)
Interest-bearing financial debts (non-current portion)	(526,526)	(503,600)	(580,675)
Net financial position	***(409,044)***	***(486,497)***	***(541,784)***
Commitments for the purchase of equity investments (current portion)	(5,725)	(38,354)	(844)
Commitments for the purchase of equity investments (non-current portion)	(61,346)	(42,810)	(61,968)
Total net indebtedness	***(476,115)***	***(567,661)***	***(604,596)***

17. Trade payables and Other current liabilities

Trade payables total € 237,371 thousand (€ 262,941 thousand in 2023) and principally comprise amounts payable to suppliers for goods and services.

Tax payables are analyzed below:

€/000	31/12/2024	31/12/2023
Current taxes	15,101	27,459
VAT payable	5,642	3,941
Other tax payables	7,617	7,923
Total tax payables	**28,360**	**39,323**

Other tax payables principally comprise withholding taxes.

Other current liabilities are analyzed below:

€/000	31/12/2024	31/12/2023
Payables related to the acquisition of investments	5,725	38,354
Other short-term payables	132,199	111,262
Government grants	444	-
Other	10,424	9,413
Total	**148,792**	**159,029**

The increase in payables related to the acquisition of investments principally reflects the reclassification to short term, from other non-current liabilities, of put and call options on the minority interests in subsidiaries (see Note 20).

Other short-term payables are mainly due to personnel, directors, statutory auditors and social security institutions.

18. Provisions for risks and charges

Changes were as follows:

€/000	Product warranty provision	Directors' termination indemnity provision	Agents' termination indemnity provision	Provision for returns on sales	Provision for risks on equity investments	Other	Total
Balance at 31/12/2023	**6,726**	**8,193**	**912**	**406**	**166**	**5,477**	**21,880**
Exchange difference	118	-	-	1	2	(39)	82
Increase in the year	3,915	-	69	115	-	831	4,930
Surplus released to the income statement	(906)	-	-	(7)	-	(110)	(1,023)
Change in consolidation perimeter	32	-	-	728	-	715	775
Reclassifications	14	-	541	-	(28)	(39)	488
Utilizations in the year	(2,391)	-	(162)	-	-	(2,585)	(5,138)
Balance at 31/12/2024	**7,508**	**8,193**	**1,360**	**543**	**140**	**4,250**	**21,994**

The balance of other provisions at 31 December 2024 refers to various disputes or estimated liabilities in group companies. The reduction during the year mainly relates to product warranty provision. The Directors' termination indemnity provision was recorded in favor of Fulvio Montipò, founder of the Group, by decision of the Board of Directors on 16 March 2020.

The closing balance is classified as follows in the statement of financial position:

€/000	31/12/2024	31/12/2023
Current	8,858	8,525
Non-current	13,136	13,355
Total	**21,994**	**21,880**

The Parent company and some of its subsidiaries are directly involved in lawsuits for limited amounts. The settlement of said lawsuits is not expected to generate any significant liabilities for the Group that are not covered by the risk provisions already made.

19. Liabilities for employee benefits

Liabilities for defined benefit plans

The following movements were recorded in liabilities:

€/000	2024	2023
Liabilities at 1 January	***21,061***	***20,088***
Amount charged to the income statement in the year	1,722	1,527
Reclassifications to other current liabilities	(75)	(129)
Recognition in equity of actuarial results	(6)	795
Change in consolidation perimeter	1,593	943
Payments	(3,003)	(2,163)
Liabilities at 31 December	***21,292***	***21,061***

The following items were recognized in the income statement:

€/000	2024	2023
Current service cost	972	935
Financial expenses (Income)	750	592
Past service cost	-	-
Total recognized in the income statement	**1,722**	**1,527**

Items recognized in the income statement were booked as follows:

€/000	2024	2023
Cost of sales	538	530
Distribution expenses	211	195
General and administrative expenses	223	210
Financial expenses (Income)	750	592
Total	**1,722**	**1,527**

Liabilities for defined benefit plans (Severance indemnity - TFR) were established using the following actuarial assumptions:

	Unit of measurement	2024	2023
Discount rate	%	3.24	3.33
Expected rate of increase in remuneration*	%	2.50	2.51
Percentage of employees expected to resign (turnover)**	%	5.84	5.58
Annual cost-of-living increase	%	2.00	2.10
Average period of employment	Years	13.46	13.00

** = arithmetic average of the rates of increase in remuneration by category, used in the actuarial valuation, weighted by the remuneration of each category.*

*** = average annual turnover rate for all causes, in the first ten years following the valuation.*

The following table summarizes the sensitivity analysis carried out on the discount rate, showing the effects (absolute amount) of reasonable changes in the rate at 31 December 2024.

Sensitivity analysis		TFR €/000
Change in discount rate	+ 0.5%	20,426
Change in discount rate	- 0.5%	22,224

The discount rate on the reporting date is calculated as required by IAS 19 with reference to the market yield of high quality corporate bonds. Only the securities of corporate issuers with an "AA" rating are considered, on the assumption that this class identifies a high rating level in the context of "Investment Grade" securities, with the exclusion, therefore, of higher risk securities. Given that IAS 19 does not make explicit reference to a specific business category, the Group has opted for a “Composite” market yield curve that, accordingly, summarizes market conditions on the measurement date for the securities issued by companies active in various sectors, including utilities, telephony, finance, banking and industrials.

20. Other non-current liabilities

€/000	2024	2023
Payables related to the acquisition of investments	61,346	42,810
Long-term employee benefits	2,649	2,862
Other	16,033	15,318
Total	**80,028**	**60,990**

The changes in other non-current liabilities were as follows:

€/000	2024	2023
Liabilities at 1 January	**60,990**	**76,745**
Exchange difference	(173)	(120)
Change in consolidation perimeter	502	348
Amount charged to the income statement in the year	1,938	1,445
Reclassifications to other current liabilities	(2,156)	(31,787)
Change in fair value	(6,698)	6,018
Increase in medium/long-term payables	29,708	15,229
Payments	(4,083)	(6,888)
Liabilities at 31 December	**80,028**	**60,990**

The portion of other non-current liabilities charged to the income statement mainly relates to the interest expense on put options, while the changes in fair value reflect positive and negative adjustments to the non-current portion of the estimated payables for the acquisition of equity investments.

21. Share capital

Share capital comprises 108,879,294 ordinary shares with a unit par value of € 0.52 totaling € 56,617,232.88. However, the share capital reported in the financial statements amounts to € 55.505 million, since the nominal value of purchased treasury shares, net of those sold, has been deducted from share capital in compliance with the reference accounting standards. At 31 December 2024 Interpump S.p.A. holds 2,138,363 treasury shares in the portfolio, corresponding to 1.964% of share capital, acquired at an average unit cost of € 39.08417.

The changes in treasury shares over the past two years were as follows:

	Number
Balance at 31/12/2022	***1,987,863***
2023 purchases	-
Sale of shares to finance subsidiaries' purchases	-
Sale of shares for the exercise of stock options	(79,000)
Balance at 31/12/2023	***1,908,863***
2024 purchases	250,000
Sale of shares for the exercise of stock options	(20,500)
Balance at 31/12/2024	***2,138,363***

Taking treasury shares into consideration, the following changes were recorded in the number of shares in circulation:

	2024	2023
	Number of shares	**Number of shares**
Ordinary shares in existence at 1 January	**108,879,294**	**106,891,431**
Treasury shares held	(1,908,863)	(1,987,863)
Shares in circulation at 1 January	106,970,431	104,903,568
Treasury shares purchased	(250,000)	-
Treasury shares sold	20,500	79,000
Total shares in circulation at 31 December	**106,740,931**	**104,982,568**

The aims identified by the Group in the management of capital are the creation of value for all shareholders and supporting development of the group, both through internal means and by means of targeted acquisitions. The Group therefore intends to maintain an adequate level of capitalization, which simultaneously makes it possible to generate a satisfactory economic return for shareholders and to guarantee economically effective access to external sources of borrowing. The Group constantly monitors the evolution of the debt to equity ratio and the generation of cash through its industrial operations. In order to attain the aforementioned goals, the Group constantly monitors the cash flows generated by the business sectors in which it operates, both through improvement or maintenance of profitability, and careful management of working capital and of other expenditure. Capital is construed as both the value contributed by Interpump Group shareholders (share capital and share premium reserve, totaling € 98,069 thousand at 31 December 2024 and € 102,563 thousand at 31 December 2023), and the value generated by Group operations (other reserves and legal reserve, including profit for the year, totaling € 1,878,098 thousand at 31 December 2024 and € 1,685,087 thousand at 31 December 2023, excluding the translation reserve and the remeasurement reserve for defined benefit plans).

Treasury shares purchased

The amount of the treasury shares held by Interpump Group S.p.A. is recorded in an equity reserve. Interpump Group acquired 250,000 treasury shares for € 10,337 thousand in 2024 (no treasury shares were purchased in 2023).

Treasury shares sold

In the framework of the exercise of stock options, a total of 20,500 options were exercised, resulting in proceeds of € 581 thousand (79,000 options were exercised for € 2,246 thousand in 2023). As in 2023, no treasury shares were divested during 2024 in payment for equity investments.

Stock options

The fair value of the 2019/2021 and 2022/2024 stock option plans was recorded in the 2024 and 2023 financial statements in compliance with IFRS 2. Costs of € 5,262 thousand (€ 5,289 thousand in 2023) relating to the stock option plans were therefore recognized in the 2024 income statement, with a matching entry to the share premium reserve. Said costs represent the portion for the year of the value of the options granted to employees and directors, established at the allocation date, corresponding to the value of the services rendered by the latter in addition to normal remuneration.

Items recognized in the income statement were booked as follows:

€/000	2024	2023
Cost of sales	-	-
Distribution expenses	56	56
General and administrative expenses	5,206	5,233
Total	**5,262**	**5,289**

Changes in the share premium reserve were as follows:

€/000	2024	2023
Share premium reserve at 1 January	**46,938**	**39,444**
Increase in the year due to recognizing the fair value of stock options assigned in the income statement	5,262	5,289
Increases on assignment of treasury shares as payment for subsidiaries acquired	-	-
Increases on assignment of treasury shares following exercise of stock options	571	2,205
Utilization to cover purchase of treasury shares	(10,207)	-
Share premium reserve at 31 December	**42,564**	**46,938**

The Shareholders' Meeting held on 30 April 2019 approved a stock option plan, known as the "*Interpump Incentive Plan 2019-2021*", which envisages granting a maximum of 2,500,000 options at an exercise price of Euro 28.4952 each and, for options granted after 30 April 2020, at the official price quoted on the Italian Stock Exchange on the day prior to the grant date. The meeting of the Board of Directors held on 27 June 2019 decided that 2,500,000 options would be granted, determined the total number of options in each tranche (750,000 for the first tranche, 875,000 for the second tranche and 875,000 for the third tranche) and established conditions for exercising the options that are linked to the achievement of specific financial statement parameters; in addition, 1,800,000 options were granted to Fulvio Montipò, the Executive Chairman, and 418,500 options were granted to other beneficiaries. A further 20,000 options were granted to other beneficiaries on 3 June 2020. Overall, a total of 2,238,500 options have therefore been granted (of which 144,500 were subsequently canceled). The options can be exercised from 30 June 2022 to 31 December 2025.

The changes in options in 2024 and 2023 were as follows:

	2024 Number of options	2023 Number of options
Options granted at 1 January	**101,276**	**180,276**
Options granted in the year	-	-
Options exercised in the year	(20,500)	(79,000)
Options canceled in the year	-	-
Total options granted at 31 December	**80,776**	**101,276**

The fair value of the stock options and the actuarial assumptions utilized in the binomial lattice model are as follows:

2019-2021 Plan

First grant	Unit of measurement	
Shares granted,	no.	2,218,500
Grant date		28 June 2019
Exercise price		28.4952
Vesting date		30 June 2022
Fair value per option at the grant date	€	4.562
Expected volatility (weighted average of volatility values used to build the binomial lattice model)	%	30
Expected average duration of the plan life	years	4.76
Expected dividends (compared with share value)	%	1.00
Risk-free interest rate (calculated by linear interpolation of Euro swap rates at 28 July 2019)	%	-0.0182

2019-2021 Plan

Second grant	Unit of measurement	
Shares granted,	no.	20,000
Grant date		3 June 2020
Exercise price		27.9868
Vesting date		30 June 2022
Fair value per option at the grant date	€	5.226
Expected volatility (weighted average of volatility values used to build the binomial lattice model)	%	30
Expected average duration of the plan life	years	3.83
Expected dividends (compared with share value)	%	1.00
Risk-free interest rate (calculated by linear interpolation of Euro swap rates at 3 July 2020)	%	0.1557

The Shareholders' Meeting held on 29 April 2022 approved a new stock option plan, the "Interpump Incentive Plan 2022/2024", that envisages the assignment of up to 2,250,000 options at an exercise price of € 38.6496 and, for options assigned after 29 April 2023, at the official price determined by Borsa Italiana on the trading day prior to their assignment. At the meeting held on 29 April 2022, the Board of Directors granted 1,620,000 options to Executive Chairman Fulvio Montipò, while on 23 May 2022, 20 October 2022 and 28 April 2023, respectively 288,000 (of which 45,000 to Chief Executive Officer Fabio Marasi), 6,000 and 35,000 (including 15,000 to Chief Executive Officer Fabio Marasi) options were granted to other beneficiaries. Overall, a total of 1,949,000 options have therefore been granted. A total of 21,200 options were canceled in 2024 (2,000 in 2023 and 7,000 in 2022). The options can be exercised between 30 June 2025 and 31 December 2028.

The changes in options in 2024 and 2023 were as follows:

	2024 Number of options	2023 Number of options
Options granted at 1 January	**1,940,000**	**1,907,000**
Options granted in the year	-	35,000
Options exercised in the year	-	-
Options canceled in the year	(21,200)	(2,000)
Total options granted at 31 December	**1,918,800**	**1,940,000**

2022-2024 Plan

First grant	**Unit of measurement**	
Shares granted,	no.	1,620,000
Grant date		29 April 2022
Exercise price		38.6496
Vesting date		30 June 2025
Fair value per option at the grant date	€	8.4601
Expected volatility (weighted average of volatility values used to build the binomial lattice model)	%	31
Expected average duration of the plan life	years	4.93
Expected dividends (compared with share value)	%	1.00
Risk-free interest rate (calculated by linear interpolation of Eur Composite AA rates at 29 July 2022)	%	1.5540

Second grant	**Unit of measurement**	
Shares granted,	no.	288,000
Grant date		23 May 2022
Exercise price		38.6496
Vesting date		30 June 2025
Fair value per option at the grant date	€	8.804
Expected volatility (weighted average of volatility values used to build the binomial lattice model)	%	31
Expected average duration of the plan life	years	4.86
Expected dividends (compared with share value)	%	1.00
Risk-free interest rate (calculated by linear interpolation of Eur Composite AA rates at 23 May 2022)	%	1.6911

Third grant	**Unit of measurement**	
Shares granted,	no.	6,000
Grant date		20 October 2022
Exercise price		38.6496
Vesting date		30 June 2025
Fair value per option at the grant date	€	8.7606
Expected volatility (weighted average of volatility values used to build the binomial lattice model)	%	34
Expected average duration of the plan life	years	4.45
Expected dividends (compared with share value)	%	1.00
Risk-free interest rate (calculated by linear interpolation of Eur Composite AA rates at 20 October 2022)	%	3.5668

Fourth grant	Unit of measurement	
Shares granted,	no.	35,000
Grant date		28 April 2023
Exercise price		38.6496
Vesting date		30 June 2025
Fair value per option at the grant date	€	16.011
Expected volatility (weighted average of volatility values used to build the binomial lattice model)	%	34
Expected average duration of the plan life	years	3.93
Expected dividends (compared with share value)	%	1.00
Risk-free interest rate (calculated by linear interpolation of Eur Composite AA rates at 28 April 2023)	%	3.5748

The expected volatility of the underlying variable (Interpump Group share) is a measure of the prospect of price fluctuations in a specific period. The indicator that measures volatility in the model utilized to evaluate the options is the mean square annualized deviation of compound returns of the Interpump Group share through time.

22. Reserves

Translation reserve

This comprises the exchange differences deriving from translation of the financial statements of foreign consolidated companies resident outside of the EU area, as well as fluctuations in the goodwill attributable to those companies due to exchange-rate fluctuations.

Reserve from remeasurement of defined benefit plans

Includes the actuarial component of defined benefit plans (TFR).

Classification of net equity depending on possibility of utilization

€/000	Amount	Possibility of utilization	Available portion	Tax payable in the event of distribution	Summary of utilizations over the past three years	
					to cover losses	for other reasons
Share capital	56,617	B	-	-	-	-
Nominal value of treasury stock in the portfolio	(1,112)					
Total share capital	**55,505**					
Capital reserves						
From Parent Company's financial statements:						
Legal reserve	6,860	B	-	-	-	-
Share premium reserve	-	A, B, C	-	-	-	33,575
Total from Parent Company's financial statements	6,860		-			
Consolidation entries	36					
Total from consolidated financial statements	***6,896***					
Profit reserves						
From Parent Company's financial statements:						
Legal reserve	4,463	B	-	-	-	-
Share premium reserve	42,389	A, B, C	38,725	1,232	-	2,387
Extraordinary reserve	508,642	A, B, C	506,486	7,164	-	-
Reserve for share capital reduction	1,112	-	-	-	-	-
First Time Adoption Reserve	(82)		-	-	-	-
Merger surplus	863	A, B, C	698	-	-	-
Remeasurement reserve for defined benefit plans	(2,074)	-	-	-	-	-
Profit for the year	101,342	A, B, C	101,342	-	-	-
Total from Parent Company's financial statements	*656,655*		*647,251*			
Consolidation entries	1,289,296					
Total from consolidated financial statements	***1,945,951***					
Reserve for treasury shares held	83,576	-	-	-	-	105,130
Treasury shares	(83,576)					
Non-distributable portion*			(3,452)			
Remaining distributable portion			**643,799**			

A: for capital increase B: for coverage of losses C: for distribution to shareholders

*= represents the non-distributable portion destined to cover deferred costs that have not yet been amortized.

Utilizations refer to dividends, purchases of treasury shares and reductions of reserves for other causes and do not include transfers between reserves. In particular, the changes in the past three years reflect the purchases of treasury shares and use of the share premium reserve on the sale of treasury shares for less than their carrying amount, following the exercise of stock options.

On the basis of Italian tax legislation the reserves and profits are freely distributable and do not attract tax even in the case of distribution, on the condition that the reserves and residual profits exceed the negative components of income ascribed exclusively in the tax return; otherwise, distributed reserves and profits would be subject to tax in the measure in which the residual reserves and profits were lower than the negative components of income that have been ascribed exclusively to the tax return. At 31 December 2024, this condition has been complied with in full, hence no taxes were payable in the event of distribution of the Parent company's entire profits for the year and the entirety of available reserves, beyond the taxes already indicated in the prior statement.

Breakdown of components recorded directly in equity

	2024			2023		
€/000	**Pre-tax amount**	**Taxation**	**Amount net of taxes**	**Pre-tax amount**	**Taxation**	**Amount net of taxes**
Gains (losses) on translating the financial statements of foreign companies	26,317	-	26,317	(6,855)	-	(6,855)
Profits (Losses) of companies measured using the equity method	(132)	-	(132)	(273)	-	(273)
Actuarial Profits (Losses) deriving from the remeasurement of defined benefit plans	(1)	-	(1)	(795)	191	(604)
Total	**26,184**	**-**	**26,184**	**(7,923)**	**191**	**(7,732)**

23. Non-controlling interests

This is the portion of consolidated shareholders' equity attributable to the minority shareholders of consolidated subsidiaries. The subsidiaries with minority shareholders are not individually or cumulatively significant to the Interpump Group.

24. Revenues and Other operating income

Revenues amounted to € 2,078.4 million in 2024 (€ 2,240.0 million in 2023). Revenues are analyzed by business sector and geographical area in the Directors' Report on Operations in 2024.

Other operating income is analyzed as follows:

€/000	2024	2023
Reimbursement of expenses	11,458	11,330
Income from the sale of waste and scrap	5,906	5,696
Release of surplus provisions and allocations	2,330	2,203
Capital gains from the sale of property, plant and equipment	1,456	1,092
Gains on the disposal of intangible fixed assets	2	-
Income from rent/royalties	405	462
Refunds from insurance	2,029	10,048
Profit from early close-out of right-of-use assets	83	170
Other	13,045	11,153
Total	**36,714**	**42,154**

With respect to 2023, the decrease in the Refunds from insurance principally relates to the indemnity for the 2022 fire at IMM Hydro Est.

Other operating income also includes reimbursements linked to the purchase of investments, as envisaged in the related contracts.

Additionally, this caption includes the operating grants received by the Group.

The grants, subsidies, contributions and aid (in cash and/or in kind), not of a general nature and not representing consideration, remuneration or compensation for losses, received by the Group from Public Administrations during 2024, pursuant to subsection 125-*(2)* of art. 1 of Law 124/2017, were not significant.

See the National Register of State Aid, kept pursuant to art. 52 of Law 234 dated 24 December 2012, for information about any State aid not mentioned in this disclosure (www.rna.gov.it).

25. Costs by nature

€/000	2024	2023
Raw materials and components	808,304	871,830
Personnel and temporary staff	498,498	503,301
Services	224,739	234,781
Depreciation and amortization of tangible and intangible fixed assets (Notes 10 and 12)	113,610	102,589
Directors' and statutory auditors' remuneration	11,035	11,913
Hire purchase and leasing charges	6,101	6,429
Provisions and impairment of tangible and intangible fixed assets (Notes 10, 12 and 18)	5,198	5,313
Other operating costs	109,814	117,218
Total cost of sales, distribution costs, general and administrative expenses, other operating costs and impairment losses on tangible and intangible fixed assets	**1,777,299**	**1,853,374**

In accordance with the requirements of article 149-*(12)* of the Issuers' Regulation as amended by Consob Resolution no. 15915 of 3 May 2007 published in the Official Journal of the Italian Republic no. 111 of 15 May 2007 (S.O. no. 115), the remuneration amounts for 2024 are listed below for services rendered to the Group by the independent auditors and the entities belonging to the network of the independent auditors:

- audit engagements - Parent Company, € 97 thousand;
- audit engagements - subsidiaries, € 665 thousand;
- limited assurance of the Parent Company's Non-Financial Statements, € 105 thousand;
- attestation services - Parent Company and subsidiaries, € 11 thousand.

The above amounts are included under Other costs within general and administrative expenses.

26. Directors' and statutory auditors' remuneration

The emoluments of the Directors and Statutory Auditors of Interpump Group S.p.A., for their functions performed at the Parent Company and at other consolidated companies, are summarized below:

€/000	2024	2023
Parent Company	7,446	8,048
Statutory auditors	121	105
Total remuneration	**7,567**	**8,153**

The amounts include the emoluments authorized at the Shareholders' Meeting and those established by the Board of Directors for directors with special duties, including bonuses, fringe benefits, payments to cover the cost of personal security, adjustment of the termination indemnities of the Executive Chairman, and the components of remuneration deriving from salaries and stock option plans. The last mentioned are represented by the period portion of the fair value of the options calculated at the grant date. Further details about the compensation due to persons with power and strategic responsibilities at Interpump Group S.p.A. are provided in the Report on Remuneration Policy and Compensation Paid.

27. Financial income and expenses

€/000	2024	2023
Financial income		
Interest income from liquid funds	7,440	4,162
Interest income from other assets	179	213
Exchange gains	20,302	21,580
Financial income to adjust estimated debt for commitment to purchase residual interests in subsidiaries	7,118	495
TFR financial income	-	-
Other financial income	257	65
Total financial income	**35,296**	**26,515**
Financial expenses		
Interest expense on bank loans	31,710	32,010
Interest expense on bond	3,912	-
Lease interest expense	4,873	3,808
Interest expense on put options	2,587	3,099
Financial expenses for adjustment of estimated debt for commitment to purchase residual interests in subsidiaries	594	6,836
TFR financial expenses	752	593
Foreign exchange losses	17,642	31,592
Other financial expenses	310	236
Total financial expenses	**62,380**	**78,174**
Total financial expenses (income), net	**27,084**	**51,659**

The interest expense on put options relates to the release of the discounting effect on payables for the purchase of equity investments. Adjustments of the estimated liability for the purchase of residual interests in subsidiaries may result in financial expenses due to an increase in the liability, if the actual performance of the companies concerned is better than initially expected, or if the related put options are exercised later than initially expected. Conversely, financial income is recognized if actual performance is worse than initially expected, or if the put options are exercised earlier than initially expected.

Compared with the prior year, the increase in bank interest expense was mainly attributable to the rise in official interest rates during the year.

28. Income taxes

The effective tax rate for the year was 26.5% (26.5% in 2023).

Taxes recognized in the income statement can be broken down as follows:

€/000	2024	2023
Current taxes	(75,193)	(106,498)
Current taxes for prior financial years	(3,247)	(1,427)
Flat tax	-	1
Deferred taxes	(4,122)	7,653
Total taxes	**(82,562)**	**(100,271)**

The deferred taxes recognized in the income statement are analyzed as follows:

€/000	2024	2023
Deferred tax assets generated in the year	7,001	12,061
Deferred tax liabilities generated in the year	(3,654)	(3,732)
Deferred tax assets reversed to the income statement	(13,365)	(6,012)
Deferred tax liabilities reversed to the income statement	5,902	5,338
Deferred tax assets resulting from change in tax rate	-	-
Deferred tax liabilities resulting from change in tax rate	-	-
Derecognized deferred tax assets	-	-
Deferred taxes not calculated in previous years	(6)	(2)
Total deferred taxes	**(4,122)**	**7,653**

The reconciliation of taxes calculated on the basis of the nominal rates in force in the different countries and the effective tax burden is as follows:

€/000 **IRES/National tax**	**2024**	**2023**
Profit before taxes from the income statement	311,033	377,787
Theoretical taxes at the Italian rate (24.0%)	74,648	90,669
Effect of different rates applicable to foreign subsidiaries	(3,547)	(7,227)
Tax on dividends from consolidated companies	4,210	2,521
Higher taxes due to non-deductible adjustments to the value of investments	-	1,187
Higher (Lower) taxes resulting from the measurement of investments at equity	(72)	(150)
Higher tax for non-deductible stock option costs	70	75
Lower taxes due to IRAP deduction relating to expenses for employees and similar in the year	(137)	(384)
Lower taxes due to IRAP deduction on interest expenses in the year	(82)	(160)
Lower taxes due to super- and hyper-depreciation	(2,668)	(3,039)
Lower taxes resulting from Economic Growth Assistance (ACE)	-	(1,710)
Lower taxes due to tax benefit of franking goodwill	-	-
Higher taxes on the franking of goodwill	-	-
Lower taxes due to tax benefit of revaluing plant and machinery	-	-
Lower taxes due to tax benefit of revaluing trademarks	-	-
Higher taxes due to not recognizing deferred tax assets on tax losses	14	294
Lower taxes due to not recognizing deferred tax assets on prior year tax losses	(504)	(2,492)
Taxes relating to previous years (current plus deferred)	(2,500)	(2,826)
Higher taxes on ancillary costs incurred to purchase investments	-	-
Higher (Lower) taxes on financial expenses related to discounting of debts for the acquisition of equity investments and related adjustments	(990)	2,299
Effect of change in the tax rate of Indian companies from 2020	-	-
Higher (Lower) taxes for non-taxable revenues and non-deductible costs	(1,504)	351
Total IRES/National tax	**66,938**	**79,408**

€/000 IRAP/Local income taxes	2024	2023
Profit before taxes from the income statement	311,033	377,787
Theoretical taxes at the Italian rate (3.9%)	12,130	14,734
Effect of different rates applicable to foreign subsidiaries and for holding companies	3,715	(7)
Higher taxes for non-deductible payroll costs	160	567
Higher taxes for non-deductible directors' emoluments	386	413
Higher (Lower) taxes due to non-deductible financial expense and non-taxable financial income	143	673
Higher taxes due to measuring investments at equity	(14)	(24)
Lower taxes due to tax benefit of franking goodwill	-	-
Higher taxes on the franking of goodwill	-	-
Lower taxes due to tax benefit of revaluing plant and machinery	-	-
Lower taxes due to tax benefit of revaluing trademarks	-	-
Lower taxes on exemption from IRAP payments	-	-
Taxes relating to previous years (current plus deferred)	(727)	4,253
Tax effect of not recognizing deferred tax assets on tax losses	2	116
Higher taxes due to non-deductible adjustments to the value of investments	-	230
Higher (Lower) taxes for non-taxable revenues and non-deductible costs	(171)	(92)
Total IRAP/Local income taxes	**15,624**	**20,863**

Total income taxes recognized in the income statement	**82,562**	**100,271**

During 2024, Interpump Group S.p.A. confirmed once again the domestic tax group election made together with Interpump Piping S.r.l. that, from the 2024 tax year, also includes Walvoil S.p.A.

Pillar Two - Global minimum tax

On 8 October 2021 over 135 member countries of the Inclusive Framework agreed to a two-Pillar solution intended to reform the international tax system, ensuring that multinational companies pay a reasonable rate of tax wherever they operate and generate profits.

On 15 December 2022, the Council of the European Union formally approved Directive (EU) 2022/2523 on ensuring a global minimum level of taxation for multinational enterprise groups and large-scale domestic groups in the Union, with a view to guaranteeing a minimum level of taxation (effective tax rate) in each jurisdiction of 15%, consistent with the rules defined by the Organisation for Economic Cooperation and Development (OECD), the so-called “GloBE Rules”.

Commission Regulation (EU) 2023/2468 was issued on 8 November 2023, amending Regulation (EU) 2023/1803 as regards IAS 12 - Income taxes.

On 28 December 2023, Italy transposed Directive (EU) 2022/2523 on ensuring a global minimum level of taxation by publishing Decree 209/2023 in the Italian Official Gazette, effective for reporting periods beginning after 31 December 2023.

In this regard, the OECD has published technical guidance and an overview of the potential impacts of applying the “Pillar Two” regulation in accordance with IAS 12 - Income taxes.

Furthermore, on 20 May 2024, the Decree of the Deputy Minister for the economy and finance was published with regard to the regulation of transitional safe harbors (the “TSH” regulation), based on which - for the three-year period 2024/2026 - the additional taxation due in a given jurisdiction is deemed to be zero if the companies resident there pass at least one of the three tests specified in the regulation.

At 31 December 2023, the Interpump Group had already applied the exemption concerning the identification and disclosure of deferred tax assets and liabilities arising in relation to income taxes, as envisaged in the amendment to IAS 12 published in April 2023. As stated in the Annual Financial Report at 31 December 2023, to which reference is made for additional information, the Interpump Group had already made a preliminary assessment of the data relating to the 2022 tax year, which was used by the Ultimate Parent Entity to prepare the Country-by-Country Report (CbCR), in order to check the applicability of the Transitional CbCR Safe Harbors. The same assessment was also made with reference to the data for the 2023 tax year. These analyses did not identify any material impacts for the Interpump Group, had the regulation concerned already been applicable from 2023.

The above analyses were updated and, in particular, the TSH regulation was applied using the information available at 31 December 2024, considering the “aggregated data” of the Interpump Group entities in each jurisdiction where the Group operates (jurisdictional approach).

This work identified that at least one of the Transitional CbCR Safe Harbor tests was passed for each jurisdiction in which the Group operates. Accordingly, there is no exposure to additional taxation deriving from the Pillar Two regulation.

In future, the Group will continue to monitor and assess any impacts of this regulation with reference to the latest data.

Lastly, it is confirmed - as required by the amendment to IAS 12 published in April 2023 - that the entry into force of the Pillar Two rules from 1 January 2024 has not had any effect on the deferred taxation recognized by the Group.

29. Earnings per share

Basic earnings per share

Basic earnings per share are calculated as the consolidated net profit attributable to the owners of the Parent Company divided by the weighted average number of ordinary shares, as follows:

	2024	2023
Consolidated profit for the period attributable to parent company shareholders (€/000)	227,051	274,269
Average number of shares in circulation	106,916,468	106,939,951
Basic earnings per share (€)	**2.124**	**2.565**

Diluted earnings per share

Diluted earnings per share are calculated on the basis of diluted consolidated profit for the period attributable to the Parent company's shareholders, divided by the weighted average number of ordinary shares in circulation adjusted by the number of potentially dilutive ordinary shares. The calculation is as follows:

	2024	2023
Consolidated profit for the period attributable to parent company shareholders (€/000)	227,051	274,269
Average number of shares in circulation	106,916,468	106,939,951
Number of potential shares for stock option plans (*)	*188,423*	*374,316*
Average number of shares (diluted)	107,104,891	107,314,267
Diluted earnings per share (€)	**2.120**	**2.556**

(*) calculated as the number of shares assigned for in-the-money stock option plans multiplied by the ratio between the difference of the average value of the share in the year and the exercise price at the numerator, and the average value of the share in the year at the denominator.

A dividend for 2024 of Euro 0.33 (Euro 0.32 in 2023) has been allocated to each outstanding share.

30. Information on financial assets and liabilities

Financial assets and liabilities, broken down by the categories identified by IFRS 7, are summarized in the following table:

€/000	*Financial assets at 31/12/2023*				*Financial liabilities at 31/12/2023*	
	At fair value through profit and loss		Measured at amortized cost	At fair value through other comprehensive income	Measured at amortized cost	Total
	Initially	Subsequently				
Trade receivables	-	-	385,963	-	-	**385,963**
Other current assets	-	-	22,946	-	-	**22,946**
Other financial assets	3,948	-	-	-	-	**3,948**
Trade payables	-	-	-	-	(237,371)	**(237,371)**
Bank debts	-	-	-	-	(33,236)	**(33,236)**
Current, interest-bearing financial debts	-	-	-	-	(241,919)	**(241,919)**
Other current liabilities	-	-	-	-	(138,368)	**(138,368)**
Non-current, interest-bearing financial debts	-	-	-	-	(526,526)	**(526,526)**
Other non-current liabilities	-	-	-	-	(80,028)	**(80,028)**
Total	**3,948**	**-**	**408,909**	**-**	**(1,257,448)**	**(844,591)**

€/000	Financial assets at 31/12/2023				Financial liabilities at 31/12/2023	
	At fair value through profit and loss		Measured at amortized cost	At fair value through other comprehensive income	Measured at amortized cost	Total
	Initially	Subsequently				
Trade receivables	-	-	414,787	-	-	**414,787**
Other current assets	-	-	16,534	-	-	**16,534**
Other financial assets	3,293	-	-	-	-	**3,293**
Trade payables	-	-	-	-	(262,941)	**(262,941)**
Bank debts	-	-	-	-	(52,469)	**(52,469)**
Current, interest-bearing financial debts	-	-	-	-	(264,911)	**(264,911)**
Other current liabilities	-	-	-	-	(149,616)	**(149,616)**
Non-current, interest-bearing financial debts	-	-	-	-	(503,600)	**(503,600)**
Other non-current liabilities	-	-	-	-	(60,990)	**(60,990)**
Total	**3,293**	**-**	**431,321**	**-**	**(1,294,527)**	**(859,913)**

The financial assets measured at amortized cost generated revenues and costs. Revenues comprise exchange gains of € 9,542 thousand (€ 8,546 thousand in 2023). Costs, on the other hand, comprise losses on receivables of € 3,121 thousand (€ 3,034 thousand in 2023), classified in the income statement as other operating costs, and exchange losses of € 7,005 thousand (€ 15,995 thousand in 2023).

The financial liabilities measured at amortized cost also generated costs and revenues in the income statement. Revenues comprise exchange gains of € 4,122 thousand (€ 8,244 thousand in 2023), while costs refer to exchange losses of € 4,122 thousand (€ 9,836 thousand in 2023) and the portion of ancillary charges initially incurred to obtain the loans and subsequently expensed over the duration of the loan in accordance with the financial method. The amount charged to the 2024 income statement was € 302 thousand (€ 189 thousand in 2023).

Financial assets and liabilities measured at amortized cost generated respectively interest income of € 7,297 thousand (€ 708 thousand in 2023) and interest expense of € 43,724 thousand (€ 45,822 thousand in 2023); in addition, general and administrative expenses include commission amounts and bank charges of € 2,350 thousand (€ 2,141 thousand in 2023).

31. Information on financial risks

The Group is exposed to financial risks associated with its activities:

- market risk (mainly related to currency exchange rates and interest rates) since the Group does business internationally and is exposed to the exchange risk;
- credit risk connected with business relations with customers;
- liquidity risk, with special reference to the availability of financial resources and access to the lending market and financial instruments in general;
- price risk in relation to metal price fluctuations that constitute a significant portion of the raw materials purchase price.

The Group is not exposed to significant risk concentrations.

As described in the Board of Directors' Report, the Interpump Group constantly monitors the financial risks to which it is exposed so that the potential negative effects can be evaluated in advance and appropriate actions can be taken to mitigate them.

With specific reference to the direct and indirect risks deriving from the macroeconomic environment and the Russia-Ukraine conflict, the exposure of the Group remains limited - as already stated in the Board of Directors' Report and confirmed by the economic results achieved in recent years.

The following section provides reference qualitative and quantitative indications concerning the uncertainty of such risks for the Interpump Group.

The quantitative data given below are not to be construed as forecasts; specifically, the sensitivity analyses concerning market risks are unable to reflect the complexity and correlated relations of markets that may derive from each prospected change.

31.1 Exchange risk

The Group is exposed to risks deriving from fluctuations in currency exchange rates that can impact on the economic result and shareholders' equity value. Specifically, it clarifies that:

- Some of the Group's subsidiaries are located in countries outside the Eurozone, notably in the USA, Mexico, Canada, Brazil, Chile, Peru, Australia, New Zealand, China, Hong Kong, Singapore, India, South Korea, Denmark, Sweden, Poland, Romania, Moldova, Bulgaria, Ukraine, UK, UAE, Russia, Colombia and South Africa. Since the Group's functional currency is the euro, the income statements of these companies are translated into euro at the average exchange rate of the year. Changes in exchange rates can impact on the corresponding value of revenues, costs and economic result in euro.
- The assets and liabilities of consolidated companies whose account currency is different from the euro can assume different equivalent euro values depending on the rates of exchange. As provided for by the reference accounting standards, the effects of changes in the exchange rate are recognized directly in equity in the Translation reserve. The Group monitors the main exposures to translation risk; at the date of the financial statements no hedges have been arranged in relation to these exposures.
- Wherever Group companies generate revenues in currencies other than the currencies in which the respective costs are denominated, exchange rate fluctuations can impact on the relative companies' operating profit.

  In 2024 the total amount of cash flows directly exposed to exchange risks corresponded to approximately 15% of Group revenues (approximately 17% in 2023). The main exchange rates to which the Group is exposed are:

- Euro/USD in relation to dollar sales of high pressure pumps, very high pressure systems, directional controls, gears and valves in North America and Mexico through the Group's distribution companies and, to a lesser degree, to customers external to the Group;
- Euro/CAD in relation to sales in Canadian dollars of valves and directional controls on the Canadian market to customers external to the Group;
- Euro/AUD in relation to sales in Australian dollars of very high pressure systems in Australia through one of the Group's distribution companies;
- USD/Euro in relation to euro sales of high pressure pumps, directional controls and valves in North America by the Group's distribution companies;
- RON/Euro in relation to euro sales of hoses and fittings made in Romania for the Italian market;
- Renminbi/USD, Indian rupee/USD, Renminbi/Euro, Indian rupee/Euro, in relation to euro and dollar sales of components for food processing machines, hydraulic components, directional controls, gears and valves in North America, Korea and Italy;
- Mexican Peso/USD in relation to sales in US dollars of gears in North America through the Group's distribution companies;
- Polish Zloty/EUR in relation to sales in Euro of hydroguides and orbital motors in the European market to customers external to the Group;
- Polish Zloty/USD in relation to sales in US dollars of hydroguides and orbital motors in North America through the Group's distribution companies;
- CAD/USD, in relation to sales in US dollars of cylinders and hydraulic fittings in North America.

When it is not possible to establish macro hedges between revenues and costs in foreign currency, current Group policy is to hedge exchange risks solely for commercial transactions that are unusual, either in terms of their amount or the frequency with which they occur. To proceed in this manner, the Interpump Group has set up a hedging procedure for commercial transactions in foreign currency, in the framework of which the most effective derivative instruments for the achievement of the preset goals have been identified and the associated responsibilities, duties and system of delegations have been attributed.

- Whenever Group companies sustain costs denominated in foreign currencies other than the currencies of denomination of the relative revenues, fluctuations in the exchange rates can affect the operating profit of the companies concerned.

In 2024 the commercial cash flows directly exposed to exchange risks were equivalent to approximately 30% of Group purchases (34% in 2023) and mainly related to intercompany transactions and the USD/Euro, Renminbi/Euro, Zloty/USD, Indian Rupee/Euro, AUD/Euro, Euro/USD, Brazilian Real/Euro, GBP/Euro and Zloty/Euro exchange rates and, to a lesser extent, the Romanian Leu/Euro, CAD/EUR, Korean Won/Euro, USD/Renminbi, Russian Ruble/Renminbi and CAD/USD exchange rates. Current Group policy regarding purchases in currencies other than those used locally does not envisage systematic hedges. The decision to refrain from systematic hedging is due to the large number of transactions, usually between Group companies, that occur constantly throughout the year and that can therefore be considered to be recurrent in terms of amount and also of the frequency with which they take place. However, the Group monitors this phenomenon constantly both in relation to exchange rate trends and also the evolution of business.

- Again in relation to commercial activities, Group companies may be obliged to hold trade receivables or payables denominated in currencies other than the account currency of the holding entity. Fluctuations in exchange rates can therefore result in the realization or assessment of positive or negative exchange differences.

- In relation to financial exposure, wherever the monetary outflows/inflows are denominated in a currency other than the account currency utilized by the creditor/debtor company, fluctuation of the exchange rates can impact negatively on the net profits of said companies. In relation to financial exposures, € 15.1 million of intercompany loans were disbursed and € 24.2 million collected during 2024 in currencies other than those utilized by the debtor or creditor companies. At 31 December 2024 loans granted in currencies other than those used by the debtor or creditor companies totaled € 58.0 million, down by € 7.5 million since 31 December 2023. Once again in 2024, the Group made the strategic decision not to hedge these exposures.

The nature and structure of the exposure to exchange risk and the related hedging policies adopted by the Group were substantially unchanged in 2024 and 2023.

31.2 Exchange risk sensitivity analysis

The potential loss deriving from the change in the fair value of financial assets and liabilities caused by a hypothetical and sudden increase in the value of the Euro of 10% with respect to the main foreign currencies would be approximately € 7,081 thousand at 31 December 2024 (€ 8,737 thousand at 31 December 2023).

The sensitivity analysis did not take account of changes in the receivables and payables in relation to which the hedge operations were arranged. It is reasonable to assume that the fluctuation in exchange rates could produce an opposite economic effect on the derivative financial instruments of an amount that is identical to the change in the underlying hedged transactions, thereby effectively offsetting the fluctuation.

31.3 Interest-rate risk

Group companies use external financial resources in the form of debt and employ cash on hand available in bank deposits. Changes in the market interest rate influence the cost and return of various forms of financing and investment, thus impacting on the Group's level of financial expenses.

It is Group policy not to arrange hedges, in view of the short average duration of the existing bank loans (around 3.5 years). As more fully described in Note 16, loans bearing interest at fixed rates total € 103,207 thousand at 31 December 2024.

At 31 December 2024, liquidity of € 86.0 million is held in the form of unrestricted deposits at fixed interest rates, while the remainder is held at floating rates consistent with the Group's financial and bank debt.

31.4 Sensitivity analysis related to interest-rate risk

The effects on the Group of a hypothetical and immediate upward variation in interest rates of 50 basis points would be higher financial expenses of € 1,694 thousand (€ 2,163 thousand in 2023). It is reasonable to assume that a 50 basis points decrease in interest rates would produce an equivalent effect, although this time in terms of lower financial expenses. The sensitivity analysis did not take account of loans in relation to which hedges have been arranged, those at fixed interest rates and liquidity invested at fixed rates. It is reasonable to assume that the fluctuation in interest rates could produce an opposite economic effect on the derivative financial instruments of an amount that is identical to the change in the underlying hedged transactions, thereby effectively offsetting the fluctuation.

31.5 Credit risk

The maximum theoretical credit risk exposure of the Group at 31 December 2024 and 2023 is represented by the carrying value of the financial assets recorded in the financial statements.

Historically, the Group has not suffered significant bad debts (incidence of direct losses charged to the income statement and bad debt provisions of 0.1% of revenues in both 2024 and 2023). This is because Group companies generally grant extended payment terms only to their long-term customers of known solvency and reliability. In contrast, after having passed an initial credit rating analysis, new customers are required to make payments in advance or to open a letter of credit for amounts due.

Individual write-downs are applied in relation to positions, if of significant magnitude, in relation to which an objective condition of uncollectability is present for all or part of the outstanding amount. The amount of the write-down takes account of an estimate of the recoverable flows and the associated collection date, and the expenses and costs for future debt recovery. Collective provisions are allocated in relation to receivables that are not subject to individual write-downs, taking account of the historic exposure and statistical data.

At 31 December 2023 the Loans and Receivables booked under financial assets for the purposes of IFRS 7 total € 408,909 thousand (€ 431,321 thousand at 31 December 2023), and include € 15,031 thousand related to written down receivables (€ 13,992 thousand at 31 December 2023); on the residual amount, payments overdue by less than three months total € 68,168 thousand (€ 82,402 thousand at 31 December 2023), while those overdue beyond three months total € 25,387 thousand (€ 28,526 thousand at 31 December 2023).

The Group is not exposed to any significant concentrations of revenues. In fact, in 2024 the top customer in terms of revenues accounted for about 2% (2% in 2023), while the top 15 customers accounted for about 12% of revenues (about 13% in 2023). At sector level, the top customer accounted for around 1% of revenues in the Water-Jetting Sector and around 2% in the Hydraulic Sector, while the top 15 customers accounted for around 12% of revenues in the Water-Jetting sector and 17% in the Hydraulic sector.

31.6 Liquidity risk

The liquidity risk can arise if it becomes impossible to obtain, on acceptable economic conditions, the financial resources needed for the Group's business operations.

The two main factors that define the Group's liquidity situation are the resources generated by or used in operating and spending activities, and the characteristics of expiry and renewal of debt or liquidity of financial investments and the relative market conditions.

The Group has adopted a series of policies and processes aimed at optimizing the management of resources in order to reduce the liquidity risk:

- retention of an appropriate level of cash on hand;
- diversification of the banks with which the Group operates;
- access to adequate lines of credit;
- negotiation of covenants at a consolidated level;
- monitoring of the prospective conditions of liquidity in relation to the corporate process.

The maturity characteristics of interest bearing financial debts and bank debts are described in Note 16.

Together with the resources generated by operating and financing activities, management considers that the funds and lines of credit currently available will enable the Group to meet the requirements deriving from investing activities, the management of working capital and the settlement of payables as they fall due, while also supporting the pursuit of a growth strategy that includes targeted acquisitions capable of creating value for the shareholders. Liquid funds at 31 December 2024 total € 392.6 million. These funds, combined with the significant cash generation from operations that the Group has proved able to achieve in 2024 and in prior years, are definitely factors that make it possible to reduce the Group's exposure to liquidity risk. The decision to maintain a high level of liquidity was taken in order to pick up on any acquisition opportunities that may arise and to minimize the liquidity risk due to possible periods of uncertainty of the macroeconomic context that may emerge in the future.

31.7 Price risk

The Group is exposed to risks deriving from fluctuations in the prices of metals that can impact on economic results and profit margins. Specifically, the incidence of costs for the purchase of metals was 29% of total Group purchase costs of raw materials, semi-finished products and finished products in 2024 (32% in 2023). The main metals utilized by the Group include steel, cast iron, mild steel, stainless steel, aluminum, brass and, to a lesser extent, copper and sheet metal.

The prices charged for steel (both stainless and for reinforcement and restoration purposes) did not fluctuate much in 2024, remaining stable compared with the prior year. By contrast, those charged for brass and aluminum rose considerably, with maximums near the peaks seen in H2 2022. Although the principal supply chain problems were overcome during the prior year, the Group has sometimes decided to purchase larger quantities in order to guarantee the availability of the materials needed for production purposes. Further, the Group constantly monitors the price trend of these raw materials, seeking to adopt the most effective policies that minimize the exposure to this risk. The Group sectors feature differing levels of propensity towards the risk of fluctuations in the prices of metals, notably:

- in the Water-Jetting sector the cost of metals constituted approximately 19% of costs for the purchase of raw materials, semi-finished products and finished products in 2024 (16% in 2023). The metals utilized are primarily stainless steel, brass, aluminum, copper, steel and cast iron. Agreements in place at 31 December 2024 covered about 76% of projected brass consumption and about 47% of projected aluminum consumption in 2025 (at 31 December 2023: coverage of the entire projected brass consumption and about 35% coverage of projected aluminum consumption in 2024). Projected brass and aluminum consumption in 2025 is further covered if, in addition to the agreements signed, the inventories held at 31 December 2024 are considered (entire projected brass consumption covered and about 74% of aluminum consumption);
- the cost of metals in the Hydraulic sector represented about 34% of purchase costs for raw materials, semi-finished products and finished products in 2024 (37% in 2023). The metals utilized are primarily steel, cast iron, mild steel and aluminum. The prices of these commodities, with the exception of aluminum, are not historically subject to significant fluctuations; accordingly, the Group has always considered the careful analysis of price trends to be sufficient to mitigate price risk. No agreements for the coverage of consumption needs are signed in relation to aluminum, since the volume of purchases in limited.

The various Group companies usually revise their selling prices every year, in the absence of exceptional dynamics that require action to be taken during the year as well.

The Group is also monitoring developments carefully with regard to the import tariffs imposed on countries by the United States, and the counter-measures taken by them, analyzing the potential impacts on the business and studying the actions to be taken to mitigate their potential adverse effects.

31.8 Climate risks

With regard to climate change, the Interpump Group does not fall with the scope of Directive 2003/87/EC (as amended most recently by Directive (EU) 2018/410), which introduced and governs the European Union Emissions Trading System (EU ETS). The ETS is the principal tool adopted by the European Union to reach the CO_2 reduction targets established for the principal industrial sectors and aviation. Although the Interpump Group is not included in the industrial sectors covered by the ETS, the Group is nevertheless committed to combat climate change. The 2023-2025 ESG Plan, approved by the Board of Directors on 5 October 2022, includes actions in support of the ESG strategy that are intended to have a significant, concrete impact on the development of the business. In particular, the Plan not only adopts environmental protection and social inclusion objectives, but also strengthens the correlation between achievement of the ESG Plan objectives and the remuneration of top management.

In particular, the actions completed in 2024 were designed to help the Group reach its decarbonization targets for 2030 and 2050. Group strategy envisages the reduction of emissions via increased recourse to certified green electricity, the installation of new renewable energy plants and the optimization of energy consumption within the organization.

The path of sustainable growth and environmental protection taken by the Interpump Group also means devising processes that support the circular economy of products, the more efficient management of water resources and the development of technical solutions for the eco-design of products. The entire process will be achieved *inter alia* by leveraging throughout the organization the best practices developed in specific areas by each component part of the Group.

Given the above analyses and, in particular, the assessments made of the physical risks (acute and chronic) at Group locations, the resulting potential impacts on assets and revenues were not considered significant and, accordingly, no specific provisions or asset writedowns were recorded at 31 December 2024.

Again in view of the above, the forecasts reflected in the 2025-2029 business plans used for the impairment tests were not significantly affected by the above physical, climate-related risks but, nevertheless, were prepared in a prudent manner that contains the expected level of future cash flows.

The Group is also potentially exposed to risks deriving from the impacts of future, more restrictive laws and regulations governing energy efficiency and climate change, that might result in increased operating costs.

32. Notes to the cash flow statement

32.1 Property, plant and equipment

In 2024, the Group purchased property, plant and machinery totaling € 139,077 thousand (€ 178,582 thousand in 2023). This investment involved payments of € 140,436 thousand, including the purchase of assets for subsequent rental and considering the dynamics of the payables incurred for this reason (€ 175,747 thousand in 2023).

32.2 Cash and cash equivalents

This item can be broken down as follows:

€/000	31/12/2024	31/12/2023
Cash and cash equivalents as per the consolidated statement of financial position	392,637	334,483
Bank debts (overdrafts and subject-to-collection advances)	(33,236)	(52,469)
Cash and cash equivalents as per the consolidated cash flow statement	**359,401**	**282,014**

32.3 Net financial position and cash flow statement

See the "Cash Flow" chapter in the Report on operations more information about the main components of the net financial position and the changes that occurred in 2024 and 2023.

33. Commitments

At 31 December 2024 the Group has commitments to purchase raw materials totaling € 90 thousand (€ 3,142 thousand at 31 December 2023).

Furthermore, the Group has commitments to purchase property, plant and equipment totaling € 10,208 thousand (€ 9,704 thousand at 31 December 2023), and intangible fixed assets totaling € 148 thousand (zero at 31 December 2023).

The Group has also received guarantees for the purchase of equity investments totaling € 4,538 thousand (€ 9,400 thousand at 31 December 2023) and has given secured guarantees to third parties totaling € 5,329 thousand (€ 21,246 thousand at 31 December 2023, of which € 16,859 thousand already closed out by the date of approval of the prior Annual Financial Report).

34. Transactions with related parties

The Group has non-significant business relations with unconsolidated subsidiaries, associates and other related parties at arm's length conditions considered to be normal in the relevant reference markets, taking account of the characteristics of the goods and services rendered. Transactions between Interpump Group S.p.A. and its consolidated subsidiaries, which are related parties of the Company, were eliminated in the consolidated financial statements and are not described in this note.

The effects on the Group's consolidated income statements for 2024 and 2023 are shown below:

	2024					
€/000	Consolidated Total	Non-consolidated subsidiaries	Associates	Other related parties	Total related parties	% incidence on F.S. caption
Revenues	2,078,399	927	-	2,075	3,002	0.10%
Cost of sales	1,364,753	572	-	4,865	5,437	0.40%
Other net revenues	36,714	23	-	-	23	0.10%
Distribution expenses	173,890	374	-	588	962	0.60%
General and administrative expenses	227,118	-	-	653	653	0.30%
Financial expenses	62,380	-	-	691	691	1.10%

	2023					
€/000	Consolidated Total	Non-consolidated subsidiaries	Associates	Other related parties	Total related parties	% incidence on F.S. caption
Revenues	2,240,039	774	-	1,070	1,844	0.10%
Cost of sales	1,460,068	402	-	6,232	6,634	0.50%
Other net revenues	42,154	3	-	-	3	0.00%
Distribution expenses	169,744	190	-	744	934	0.60%
General and administrative expenses	214,594	-	-	633	633	0.30%
Financial expenses	78,146	-	-	662	662	0.80%

The effects on the consolidated statement of financial position at 31 December 2024 and 2023 are described below:

	31 December 2024					
€/000	Consolidated Total	Non-consolidated subsidiaries	Associates	Other related parties	Total related parties	% incidence on F.S. caption
Trade receivables	385,963	1,568	-	505	2,073	0.54%
Trade payables	237,371	120	-	650	770	0.32%
Interest-bearing financial debts (current and non-current portion)	768,445	-	-	12,914	12,914	1.68%

€/000	31 December 2023 Consolidated Total	Non-consolidated subsidiaries	Associates	Other related parties	Total related parties	% incidence on F.S. caption
Trade receivables	414,787	1,373	-	425	1,798	0.40%
Trade payables	262,941	47	-	703	750	0.30%
Interest-bearing financial debts (current and non-current portion)	768,511	-	-	16,299	16,299	2.10%

34.1 Relations with non-consolidated subsidiaries

Relations with non-consolidated subsidiaries are as follows:

€/000		Receivables		Revenues
	2024	2023	2024	2023
General Pump China Inc.	41	109	274	211
Interpump Hydraulics Perù	1,473	1,263	663	397
Interpump Hydraulics Russia	-	1	-	169
Hammelmann Russia	-	-	-	-
Interpump Antriebstechnik GmbH	2	-	-	-
Walvoil Mexico	52	-	13	-
Benmec	-	-	-	-
Total subsidiaries	**1,568**	**1,373**	**950**	**777**

€/000		Payables		Costs
	2024	2023	2024	2023
General Pump China Inc.	83	47	683	558
Interpump Hydraulics Perù	-	-	13	8
Interpump Hydraulics Russia	-	-	-	-
Hammelmann Russia	-	-	-	-
Interpump Antriebstechnik GmbH	37	-	250	26
Walvoil Mexico	-	-	-	-
Benmec	-	-	-	-
Total subsidiaries	**120**	**47**	**946**	**592**

34.2 Relations with associates

The Group does not hold any associated companies.

34.3 Transactions with other related parties

The 2024 income statement includes consultancy provided by entities associated with Group directors and statutory auditors totaling € 45 thousand (€ 51 thousand in 2023). The consultancy costs were charged in full to general and administrative expenses in both 2024 and 2023. Revenues from sales in 2024 included those made to companies owned by Group shareholders or directors totaling € 2,075 thousand (€ 1,070 thousand in 2023). In addition, the cost of sales includes purchases from companies controlled by minority shareholders or Group company directors totaling € 4,844 thousand (€ 5,891 thousand in 2023).

35. Events occurring after the close of the year

No other significant events worthy of mention have taken place subsequent to 31 December 2024.

Annex 1: Certification of the consolidated financial statements pursuant to art. 81-*(3)* of Consob regulation no. 11971 of 14 May 1999, as amended

1. The undersigned, Fulvio Montipò and Mauro Barani, respectively Executive Chairman and Manager responsible for drafting the accounting documents of Interpump Group S.p.A., taking account also of the provisions of art. 154-*(2)*, subsections 3 and 4 of Decree 58 dated 24 February 1998, attest to:

   – the adequacy in relation to the characteristics of the business and

   – the effective application

of the administrative and accounting procedures for the formation of the consolidated financial statements during 2024.

2. It is further attested that the consolidated financial statements of Interpump Group S.p.A. and its subsidiaries for the year ended 31 December 2024, which report consolidated total assets of € 3,391,772 thousand, consolidated net profit of € 228,470 thousand and consolidated shareholders' equity of € 2,019,337 thousand:

a) correspond to the results of the company books and accounting entries;
b) were prepared in compliance with the international accounting standards approved by the European Commission pursuant to Regulation (EC) no. 1606/2002 of the European Parliament and of the Council of 19 July 2002, and the enabling measures for art. 9 of Decree 38/2005, and are capable of providing a true and fair representation of the economic and financial position of the Parent Company and the group of companies included within the consolidation perimeter;
c) include the report on operations, which contains a reliable analysis of performance and results and the situation of the issuer and the companies included in the consolidation together with a description of the main risks and uncertainties to which they are exposed.

Sant'Ilario d'Enza (RE), 21 March 2025

Fulvio Montipò
Executive Chairman

Mauro Barani
Manager responsible for drafting the company's accounting documents

Annex 2: Attestation of the sustainability report pursuant to art. 81-*(3)*, sub-section 1, of Consob Regulation no. 11971 of 14 May 1999, as amended

The undersigned, Fulvio Montipò and Mauro Barani, respectively Executive Chairman and Manager responsible for drafting the accounting documents of Interpump Group S.p.A., attest, pursuant to art. 154-*(2)*, sub-section 5-*(3)* of Decree 58 dated 24 February 1998, that the sustainability report included in the report on operations was prepared:

a) in conformity with the reporting standards applied pursuant to Directive 2013/34/EU of the European Parliament and of the Council of 26 June 2013, and Decree 125 dated 6 September 2024;
b) applying the specifications adopted pursuant to art. 8, sub-section 4, of Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020.

Sant'Ilario d'Enza (RE), 21 March 2025

Fulvio Montipò

Executive Chairman

Mauro Barani

Manager responsible for drafting
the company's accounting documents

Statutory Auditors' Report to the Shareholders' Meeting of
"Interpump Group S.p.A.",
pursuant to art. 153 of Decree 58/1998
and article 2429, subsection 2 of the Italian civil code

To the Shareholders' Meeting of Interpump Group S.p.A.

Introduction

The Board of Statutory Auditors of Interpump Group S.p.A. (hereinafter also referred to as "IPG" or the "Company") is required, pursuant to art. 153 of Decree no. 58/1998 (hereinafter also referred to as the "TUF") and art. 2429, subsection 2 of the Italian Civil Code, and in compliance with the recommendations provided by CO.N.SO.B. ("CONSOB") with Communication no. DEM/1025564 of 6 April 2001 and amendments, to report to the Shareholders' Meeting, called to approve the financial statements for the year ended 31 December 2024, on the supervisory activities carried out during the year in the fulfillment of our duties, in part in our role as the Audit Committee, as well as on any omissions or inappropriate conduct that we identified, and on the results of the year. We are also required to make proposals regarding the financial statements, their approval and other matters for which we are responsible.

In the year ended 31 December 2024, and subsequently to date, the Board of Statutory Auditors has carried out the supervisory activities required by law, taking account of the Rules of conduct for Boards of Statutory Auditors of listed companies (hereinafter also the Rules) issued by the Italian Accounting Profession and updated on 27 December 2024, the CONSOB instructions on company audits, and the provisions of art. 19 of Decree no. 39/2010.

The separate and consolidated financial statements of IPG were prepared in accordance with IAS/IFRS international accounting and financial reporting standards issued by the International Accounting Standards Board (IASB) and endorsed by the European Union, and with the CONSOB instructions implementing art. 9, subsection 3 of Decree no. 38/2005.

The financial statements were prepared in compliance with the law and are accompanied by the documents specified by the Italian civil code and the TUF. Moreover, in accordance with legal requirements, the Company has also presented consolidated financial statements and the related Directors' Report inclusive of the Consolidated Sustainability Report required by Decree no. 125/2024.

We obtained the information needed to carry out our assigned supervisory activities by attending the meetings of the Board of Directors and the established Board Committees, as well as by interviewing the management of the Company and the Group, gathering information from the competent corporate functions, and performing additional monitoring activities. This Board has further enhanced the exchanges of information with Board Committees and the Independent Auditors of the Company, having due regard for the contents of the Notice issued by CONSOB on 16 February 2021 and of Notice no. 2 dated 20 December 2024 on the climate disclosures to be included in the financial statements.

Composition, operation and Independence of the Board of Statutory Auditors

The Board of Statutory Auditors in office at the date of this Report was appointed by the Shareholders' Meeting of 28 April 2023: its members are Anna Maria Allievi (Chair), Mario Tagliaferri (Statutory Auditor), Mirco Zucca (Statutory Auditor), plus Roberta Senni and Andrea Romersa (Alternate Auditors). The Board will remain in office for three years until the date of approval of the financial statements at 31 December 2025.

The appointments were made from the two lists submitted, one by the majority shareholder and one by a number of institutional investors representing non-controlling interests, in compliance with the law, applicable regulations and the corporate bylaws. The Chair of the Board of Statutory Auditors and Alternate Auditor Roberta Senni were drawn from the minority list. The composition of the Board of Statutory Auditors complies with the gender balance criterion specified in art. 148, subsection 1-*bis* of Decree no. 58/1998 (TUF), as amended by art. 1, subsection 303, of Law no. 160 of 27 December 2019 and taking account of the clarifications contained in CONSOB Communication no. 1/2020 of 30 January 2020.

Pursuant to art. 144-*quinquesdecies* of the Issuers' Code, the list of offices covered by members of the Board of Statutory Auditors at the companies as at Book V, Title V, chapters V, VI and VII of the Italian civil code, is published by CONSOB on its own website (www.CONSOB.it). Note that art. 144-*quaterdecies* of the Issuers' Code (CONSOB disclosure obligations) requires that whosoever takes office as a member of the board of statutory auditors of a single issuer is not subject to the disclosure obligations set down in the mentioned article, and in that case is not present in the lists published by CONSOB. In the Report on Corporate Governance and the Ownership Structure the Company discloses the main offices covered by members of the Board of Statutory Auditors. The Board of Statutory Auditors acknowledges herewith that it has checked compliance, by all its members, of the mentioned regulatory provisions of CONSOB concerning the "cumulative limit of offices held".

The Board of Statutory Auditors checked its satisfaction of the independence requirements upon appointment and in each subsequent year. Most recently, the Board performed this check on 10 February 2025, applying the criteria envisaged in art. 148, sub-section 3, TUF and those recommended in the Corporate Governance Code adopted, as well as in compliance with the Rules published by the Italian Accounting Profession on 26 April 2018, as amended in May 2019 and updated on 27 December 2024. The result of these checks and that of the self-assessment were communicated – pursuant to art. 144-*novies* subsection 1-*ter* of CONSOB Regulation no. 11971 and Recommendation 10 of the Corporate Governance Code – to the Board of Directors, as acknowledged by the Board at the meeting held on 14 February 2025.

Supervisory and control activities of the Board of Statutory Auditors

Supervision of compliance with the law and the bylaws

In the performance of its duties, the Board of Statutory Auditors has carried out the supervisory activities required by art. 2403 of the Italian Civil Code, art. 149 of Decree no. 58/1998, art. 19 of Decree no. 39/2010, and the CONSOB recommendations on company audits and the activities of the Board of Statutory Auditors, while also making reference to the provisions of the Corporate Governance Code and the Standards of Conduct for Boards of Statutory Auditors issued by the Italian Accounting Profession and updated on 27 December 2024. The Board has also taken account of the new requirements deriving from adoption of the Corporate Sustainability Reporting Directive (CSRD), transposed into Italian law by Decree no. 125/2024 and in force from 25 September 2024.

In the context of those duties, the Board of Statutory Auditors therefore:

- attended the meetings of the Shareholders and the Board of Directors, supervising their compliance with the bylaws, current legislation and the regulations governing the operation of corporate bodies, as well as with the principles of proper administration;
- monitored, to the extent of its responsibilities, the adequacy of the organizational structure of the Company and compliance with the principles of proper administration, by means of direct observation, collection of information from the managers of certain business functions, and meetings with the Independent Auditors as part of the reciprocal exchange of data and significant information;
- assessed and monitored the adequacy of the internal control system and the administrative and accounting system, and the reliability of the latter

in terms of representing operating events correctly, by means of the information provided by the managers of the respective functions, examination of the corporate documents and analysis of the results of the work carried out by the Independent Auditors;

- held 9 meetings in total, attended by all members, with an average duration of about 2 hours and 30 minutes each. The Board also attended all 6 meetings of the Board of Directors, as well as the meetings the Board Committees with all or one of its members (Control and Risks Committee, Sustainability Committee, Related-Party Transactions Committee, Remuneration Committee and Nomination Committee);
- supervised the adequacy of the reciprocal flow of information between IPG and its subsidiaries pursuant to art. 114, subsection 2, of Decree no. 58/1998, which complies with the instructions issued by the management of the Company to the various Group companies;
- monitored compliance with the "Market abuse", "Investor protection" and "Internal dealing" rules, with special reference to the treatment of inside information and the procedures for the dissemination of communications and information to the public and monitored the changes made to the procedure adopted by the Company for the management of inside and significant information, having regard for CONSOB Guidelines no. 1/2017;

Moreover, the Board of Statutory Auditors:

- obtained adequate information from the Directors about the activities undertaken and the operations of greatest economic, financial and capital significance performed by the Company and its subsidiaries pursuant to art. 150, subsection 1, TUF. In this regard, both jointly and individually, the Board of Statutory Auditors paid special attention to ensuring that the operations authorized and carried out were performed in compliance with the law and with the bylaws, and were not imprudent or subject to undue risk, in contrast with resolutions adopted at the Shareholders' Meeting, in potential conflict of interest, or capable of jeopardizing the integrity of net equity;
- held meetings with the representatives of the Independent Auditors pursuant to art. 150, subsection 3, TUF, from which no significant data and/or information emerged that should be mentioned in this Report;
- exchanged information with the boards of statutory auditors of the companies directly or indirectly controlled by IPG pursuant to art. 151, paras. 1 and 2, TUF;
- The Board of Statutory Auditors has also constantly monitored, by reference to the reports of the Chief Administration & Financial Officer, the company's administrative and accountancy structure and, in particular,

adequacy of the personnel in charge, the duties, responsibilities and the controls pursuant to the new crisis and insolvency code.

- supervised the practical implementation of the rules of corporate governance set down in the Corporate Governance Code to which the Company has adhered, as adequately described in the Report on Corporate Governance and the Ownership Structure, in compliance with art. 124-*ter* TUF and art. 89-*bis* of the Issuers' Code;
- checked, in relation to the periodic assessment required pursuant to the Corporate Governance Code, in the framework of our supervision of the practical implementation of the corporate governance rules, the proper application of the appraisal criteria and procedures adopted by the Board of Directors to confirm the Directors' independence.

The Board of Statutory Auditors has issued opinions or expressed observations required by statutory legislation in relation to the remuneration policies contained in the 2024 Policy Report concerning remuneration and compensation paid, with reference to the Executive Director and the Chief Executive. The Board also issued an opinion dated 16 January 2024, pursuant to and for the purposes of art. 2412, sub-section 1, of the Italian Civil Code, concerning the issue of an unsecured, non-convertible and non-subordinate senior bond pursuant to art. 2410 et seq. of the Italian Civil Code for € 100 million that was approved by the Board of Directors on 22 January 2024.
The Board expressed an opinion in favor of expanding the powers of the Chief Reporting Officer, Mauro Barani, as envisaged in art. 154-*bis*, sub-section 5-*ter*, of Decree no. 125/2024 with regard to the attestation of the Sustainability Report included in the Report on Operations prepared in accordance with the European Sustainability Reporting Standards (ESRS) with effect from 14 February 2025.
The Board of Statutory Auditors agreed with the positive evaluation expressed by the Nomination Committee and adopted by the Board of Directors at its meeting of 14 February 2025, as required by the Corporate Governance Code, concerning the size and composition of the administrative body and its operation, and the size, composition and operation of the board committees. The assessment was carried out using specific measurement criteria, based on the results of a self-assessment questionnaire revised and reformulated in February 2025 by the Nomination Committee and completed by all members of the Board of Directors.

The Board of Statutory Auditors also issued its opinion pursuant to art. 2389, subsection 3, of the Italian Civil Code, having regard for the conclusions of the Remuneration Committee concerning the proposal made for the remuneration of the Directors with special duties.

Supervision of the adequacy of the administrative-accounting system and the legal audit of the accounts

Pursuant to art. 19 of Decree no. 39/2010 (consolidated legal auditing law), in its role as the "Internal Control and Audit Committee" the Board of Statutory Auditors is required to supervise:

– the financial reporting process;
– the efficacy of the internal control and risk management system;
– the legal audit of the annual and consolidated financial statements;
– the independence of the Independent Auditors, particularly with regard to the provision of non-auditing services.

The Board of Statutory Auditors performed this work in collaboration with the current Control and Risks Committee in order to coordinate the respective duties and avoid overlapping of activities.

Financial reporting process

The Board of Statutory Auditors checked on the existence of rules and procedures governing the preparation and dissemination of financial information. In this regard, the Report on corporate governance and the ownership structure illustrates the ways in which the Group has defined its Internal Control and Risks Management System in relation to the financial reporting process at a consolidated level. On 28 April 2023, the Board of Directors appointed Mauro Barani as the Chief Reporting Officer responsible for drafting the company's accounting documents, pursuant to art. 154-*bis* TUF and, on 14 February 2024, also resolved to extend his powers to cover the requirements of Decree no. 125/2024, which made significant changes to the TUF in terms of coordination, including the addition of sub-section 5-*ter* to art. 154-*bis* on the attestation of the Sustainability Report included in the Report on Operations prepared in accordance with the European Sustainability Reporting Standards (ESRS), again after receiving the opinion of this Board.
The Chief Reporting Officer makes use of support from the Internal Audit function to check the operation of the administrative and accounting procedures via the testing of controls. The Board of Statutory Auditors confirms the receipt of adequate information about the monitoring of corporate processes with an administrative-accounting impact that was carried out, within the framework of the internal control system, both during the year in relation to the interim financial reports, and at the time of closing the accounts for preparation of the financial statements, in compliance with the monitoring and attestation obligations to which IPG is subject pursuant to Law no. 262/2005. In particular, the Board of Statutory Auditors took due account of the Risk Assessment and the half-yearly update of test activities pursuant to Law no. 262/2005.

The adequacy of the administrative-reporting system was also assessed via the acquisition of information from the managers of the respective functions and analysis of the results of the work carried out by the Independent Auditors.

No particular issues or impediments emerged to prevent the release of an attestation by the Chief Reporting Officer and the Chief Executive Officer concerning the adequacy of the administrative and accounting procedures for the preparation of the separate financial statements of IPG and the consolidated financial statements for 2024.

With regard to the formation of the annual financial statements and consolidated financial statements for the year ending 31 December 2024, the Board of Statutory Auditors acknowledges that the Board of Directors, independently and in advance with respect to approval of the financial statements at 31 December 2024 (see Joint document of Banca d'Italia, CONSOB and Isvap of 3 March 2010), approved compliance of the impairment test procedure with the prescriptions of international accounting standard IAS 36, further to an examination of the same with the Control and Risks Committee and with the Board of Statutory Auditors.

The Chief Reporting Officer has not identified any problems with the preparation of the Consolidated Sustainability Report that would impede issue of the attestation.

The Board of Statutory Auditors supervised compliance with the rules concerning the preparation and publication of the Interim Financial Report and the Interim Board of Directors' Reports, their format and the proper application of accounting standards, partly by reference to information obtained from the Independent Auditors.

Furthermore, it is acknowledged that:

- the Independent Auditors responsible for the legal audit of the accounts explained their work to the Board of Statutory during the periodic meetings held, without raising any significant matters;
- the Board of Statutory Auditors supervised the audit of the annual and consolidated financial statements, obtaining information from and holding discussions with the Independent Auditors, which also covered the innovations introduced with regard to their auditors' report with special reference to key audit matters.

With regard to the above, the Board of Statutory Auditors was informed of all the main stages of the auditing activity, including identification of the areas of risk, with a description of the related procedures adopted, and the main accounting policies applied by IPG. The Board of Statutory Auditors also acknowledges that PwC S.p.A., the Independent Auditors, has issued its opinions on the separate and consolidated financial statements today (31 March 2025).

Also, the Board of Statutory Auditors will report to the Board of Directors concerning the significant matters indicated in the Report of the Independent Auditors pursuant to the provisions of articles 14 and 16 of Decree no. 39/2010, as amended by Decree no. 135/2016, without deeming it necessary to add its remarks to the report. The required and constant attention of the Board of Statutory Auditors is assured for continuous improvement of the financial reporting process; the additional report, already brought to the attention of the administrative body, is construed as a synthesis of elements already shared in time.
We draw your attention to the fact that the report in question also includes the Audit firm's independence declaration required by art. 6, sub-section 2(a) of Regulation (EU) 537/2014. During its mandate, the Board of Statutory Auditors monitored the independence of Independent Auditors "PwC S.p.A.", checking the nature and extent of any services rendered other than the audit of IPG and subsidiaries, and has also obtained explicit confirmation from the Independent Auditors that their independence requirements have been met.
Finally, the Board of Statutory Auditors acknowledged the Transparency Report prepared by the Independent Auditors, published on its website pursuant to art. 18 of Decree 39/2010.

In accordance with the requirements of article 149-*duodecies* of the Issuers' Regulation as amended by CONSOB Resolution no. 15915 of 3 May 2007 published in the Official Journal of the Italian Republic no. 111 of 15 May 2007 (S.O. no. 115), the remuneration amounts for 2024 are listed below for services rendered to the Group by the independent auditors and the entities belonging to the network of the independent auditors:

- audits of the Parent Company, € 97 thousand;
- audit engagements – subsidiaries, € 665 thousand;
- limited assurance of the Parent Company's Non-Financial Statements, € 105 thousand;
- attestation services – Parent Company and subsidiaries, € 11 thousand.

The above amounts are included under Other costs within general and administrative expenses.

In view of the regulatory changes and consequent expansion of the required audit work, it was necessary to increase the consideration specified in the Letter of Appointment. As indicated in Assonime Circular no. 21 dated 7 November 2024 and in view of the principle of avoiding additional economic and procedural costs for entities already required to publish Non-Financial Statements, changes to the original contractual conditions are considered to within the responsibility of the Board of Directors; despite this, on 21 March 2025, the Board resolved to inform the Shareholders' Meeting called for 29 April 2025 about the following consideration agreed for the financial years from 2024 to 2031:

- total fees of € 105,000 for the limited assurance work performed on the Consolidated Sustainability Report for the year ended 31 December 2024;
- total fees of € 80,000 for the limited assurance work performed on the Consolidated Sustainability Report from the year ended 31 December 2025 to that ended on 31 December 2031.

In the light of the matters presented above, the Board of Statutory Auditors has expressed an opinion in favor of the above increase in fees and believes that the independence requirement for the Independent Auditors "PwC S.p.A." has been met.

Supervision of the adequacy of the system of internal control and the organizational structure

The Board of Statutory Auditors has assessed and supervised the adequacy of the internal controls and the efficacy of the internal control and risk management system. We confirm that we have checked the most significant activities performed by the internal control and risk management system, taken as a whole, by attending the meetings of the Control and Risks Committee and the Related-Party Transactions Committee together with:

- the Director in charge of the internal control and risk management system;
- the Internal Audit, Risk & Compliance function;
- the Chief Reporting Officer;
- the Supervisory Body;
- the Information Systems Manager;
- the Investor Relations Officer.

In the framework of this activity, in particular, the Board of Statutory Auditors confirms receipt and examination of:

- the periodic work reports prepared by the Control and Risks Committee and by the Internal Audit, Risk & Compliance function;
- the reports prepared by the Internal Audit, Risk & Compliance function on completion of its checking and monitoring activities, including the results obtained, the actions recommended and the checks carried out on their implementation;

– periodic updates on the changes in the risk management process, the results of the monitoring and assessment activities performed by the Internal Audit, Risk & Compliance function and the Group Risk Management & Corporate Finance function, and the objectives reached.

The Board of Statutory Auditors acknowledges and agrees with the update of the risk management policy adopted by the IPG Group. The Board of Statutory Auditors examined, on a half-yearly basis, the periodic reports on the activities carried out by the Supervisory Body, and also examined the related plan of activities and the 2025 budget. Similarly, the Board of Statutory Auditors acknowledges the work performed on compliance with Decree no. 231/2001 and the plan of activities for 2025, examining and agreeing the proposed update to the Organization and Management Model pursuant to Decree no. 231/2001.

The Board of Statutory Auditors has also acknowledged, and analyzed in a dedicated meeting, the Tax Control Framework (TCF) adopted by the Group for tax compliance purposes, which was approved at the meeting of the Board of Directors held on 14 November 2024.

The Board of Statutory Auditors has also checked implementation by the Interpump Group of an "internal control model for non-financial information" that defines how to identify, measure, monitor and control the risks associated with the reporting of non-financial information, within the more general system of internal control over non-financial information, designed to ensure the credibility, accuracy, reliability and timeliness of the Group's non-financial data and information.

The Chief Reporting Officer ensures the maintenance and adequacy of the System of Internal Control over financial and other reporting, and is assisted by the Internal Audit, Risk and Compliance function, which monitors constantly its efficacy.

Further to our activity during the year, as illustrated in detail above, we agreed with the positive assessment expressed by the Control and Risks Committee regarding the adequacy of the Internal control and risks management system.

Supervision of compliance with the principles of proper administration

Based on the information obtained and the analyses performed as part of the above supervisory work, this Board confirms that the transactions of greatest economic and financial significance carried out by the Company, or via directly-held subsidiaries, are those described below and illustrated in detail in the Board of Directors' Report.

In particular, as in prior years, the operations of Interpump Group S.p.A. consisted in ordinary industrial activities, the strategic and operational coordination of the Group, the drive to optimize the Group's cash flows, and the search for and selection of new equity investments that can help to accelerate the growth of the Group.

In 2024 the company completed the following significant transactions (acquisitions and extraordinary transactions:

- On 31 January 2024, after receiving the opinion of the Board of Statutory Auditors, Interpump Group S.p.A. announced the signature of an agreement with PGIM Inc. for a Note Purchase and Private Shelf Agreement ("Shelf Facility") amounting to US$ 300 million, and the simultaneous issue, in the form of a US Private Placement, of initial bonds backed by the above facility totaling € 100 million.
- The Group acquired an additional 8% of SIT S.p.A. during Q1 2024 and now holds an 88% interest in that company.
- Reggiana Riduttori (Suzhou) Co. Ltd and Transtecno USA LLC were liquidated during Q1 2024.
- On 9 April 2024 the Interpump Group acquired, via Inoxpa S.A.U., a 60% equity interest in Process Partner China Co., Ltd. (now Shanghai PuPeng Flow Technology Co., Ltd) and increased to 60% its investment in YRP (Shanghai) Flow Technology Co., Ltd. (now Inoxpa China Flow Technology Co., Ltd), both businesses operating in China. Both companies have been consolidated on a line-by-line basis from 31 March 2024 and, therefore, have contributed to the consolidated results at 31 December 2024 for nine months.
- On 22 April 2024, the Interpump Group acquired, through Interpump Hydraulics Ltd., the entire share capital of Alltube Engineering Ltd., a British operator in the hydraulic hoses and fittings sector. The company has been consolidated on a line-by-line basis from 30 April 2024 and, therefore, has contributed to the consolidated results at 31 December for eight months.
- On 3 June 2024 the Interpump Group acquired 100% of the capital of Alfa Valvole S.r.l. from IDEX Corporation, a US company. The total price agreed for the transaction was € 55.2 million. The company has been consolidated on a line-by-line basis from 31 May 2024 and, therefore, has contributed to the consolidated results at 31 December 2024 for seven months.

- Put options for the remaining 20% interests in Transtecno S.r.l. and Draintech S.r.l. were exercised during Q2 2024, raising Group ownership of both companies from 80% to 100%.
- On 11 July 2024, Interpump Group indirectly acquired 100% of H.S. S.r.l. via Inoxihp S.r.l., a subsidiary. The company has been consolidated on a line-by-line basis from 30 June 2024 and, therefore, has contributed to the consolidated results at 31 December for six months.
- Draintech S.r.l. was absorbed by Transtecno S.r.l. during Q3 2024, with retroactive effect from 1 January 2024.
- During Q3 2024, the Group acquired an additional 16.71% of Inoxpa Colombia SAS and now holds the entire equity interest in that company.
- On 2 December 2024, the Interpump Group signed a binding agreement to purchase, via IPH Brazil, 59% of the capital of Hidrover Equipamentos Hidraulicos Ltda., which operates in the hydraulic cylinders sector. The consideration for the transaction was approximately € 17.5 million and a decision on the "put&call" mechanisms was made whereby Interpump Group can acquire the residual equity interest. The company has been consolidated on a line-by-line basis from 1 December 2024 and, therefore, has contributed to the consolidated results at 31 December 2024 for one month.
- On 21 November 2024, Interpump Group S.p.A. signed a Corporate Power Purchase Agreement with Statkraft Markets GmbH, for the supply over ten years of energy generated 100% from renewable sources.
- Walvoil Fluid Power Mexico was formed in Q4 2024 and has been consolidated using the equity method from December 2024.

All the actions envisaged in the ESG Plan 2023-2025, approved by the Board of Directors on 5 October 2022, were completed during 2024.
In particular, a "Sustainability Committee" was established pursuant to the resolution adopted at the Shareholders' Meeting held on 28 April 2023 and, on 10 November 2023, the Board of Directors approved the Decarbonization Strategy 2023-2032 and formalized the Succession Plan. The pilot project in the circular economy field was completed during 2024, and the implementation of a vendor rating model that applies environmental and social criteria was extended to all Italian production companies. Lastly, investors have been informed on an appropriate, constant and timely basis about the progress made towards achieving the objectives established in the ESG Plan. Again in 2024, the Group

adopted Guidelines for the Eco Design of its products and a Global Mobility policy for the promotion of diversity, equity and inclusion within the organization, facilitating cultural exchange and global collaboration. In December 2024, the Group signed a Corporate Power Purchase Agreement for the supply over ten years of energy generated 100% from renewable sources. The Group draws inspiration from and has adopted the OECD Guidelines for multinational enterprises and the United Nations Guiding Principles for business and human rights, as well as the International Labour Organization (ILO) conventions and the principles embodied in the UN Global Compact. The Interpump Group received the "*Best Performer of the Year*" award, promoted by the SDA Bocconi School of Management, on 16 February 2024.

Within the ordinary industrial activities of the Group, efforts continue to tackle sustainability issues, consistent with the guidelines for strategic development of the Group.
Further to the activity of supervision and control performed in the year, the Board of Statutory Auditors attests that:

- the activities performed did not reveal any omissions, irregularities, inappropriate conduct or significant violations that should be reported to the supervisory authorities or mentioned in this Report;
- we have not received any complaints pursuant to art. 2408 of the Italian Civil Code, nor have we received petitions from third parties;
- no transactions with third parties, within the Group and/or with related parties were found to be atypical or unusual in terms of their content, type, size, or timing.
- we have made any recommendations to the administrative body pursuant to article 25-*octies* of Decree 14/2019, we have received no reports from qualified public creditors, pursuant to art. 25-*novies* of Decree 14/2019, and we have received no reports from financial intermediaries further to notifications to the Company of changes, revisions, or revocations of credit lines, pursuant to art. 25-*decies* of Decree 14/2019.

Supervision of the implementation of corporate governance rules

The Board of Statutory Auditors assessed application of the rules of corporate governance set down in the Corporate Governance Code adopted by IPG, principally by analyzing the Report on Corporate Governance and the Ownership Structure and comparing its contents with the results of the general supervisory activities carried out. In particular, the degree of compliance by IPG with the requirement to inform the market, in the report on corporate governance, about its application of the Code, having regard for the provisions of art. 123-*bis* TUF, was assessed.

The Shareholders' Meeting held on 28 April 2023 appointed a Board of Directors composed of ten members to remain in office until the date of approval of the Financial statements at 31 December 2025, headed by Executive chairman Fulvio Montipò. For composition of the Company's Board of Directors an adequate level of diversity was achieved considering not only gender, but also such aspects such as age, training, and professional experience.

The Board of Directors meeting of 28 April 2023 appointed Fabio Marasi – executive director as per the Corporate Governance Code in the previous mandate – as IPG Chief Executive, with company representation and signing powers as per the second section of art. 17 in the current bylaws.

The Board of Statutory Auditors believes that the Report on Corporate Governance has been prepared in accordance with the instructions accompanying the Regulations for Markets Organized and Managed by Borsa Italiana.

Supervision of the Consolidated Sustainability Report

Directive (EU) 2022/2464, the "Corporate Sustainability Reporting Directive" (CSRD or Directive), transposed into Italian law by Decree no. 125/2024, entered into force on 25 September 2024 and requires certain companies, including IPG, to prepare a new Sustainability Report in place of the NFS from the 2024 financial year. The principal regulatory changes are indicated below:

- abrogation of Decree no. 254/2016, which governed the NFS;
- preparation of the new Report on the basis of the new European Sustainability Reporting Standards (ESRS) and the disclosures required by art. 8 of Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 (the Taxonomy Regulation);
- inclusion of the Report in a specific section of the Consolidated Report on Operations;
- addition of art. 14-*bis* of Decree no. 39/2010 governing the legal audit of the accounts, which requires the auditor of the Report to express, in a separate attestation, considerations about the conformity of the Report with the provisions of the Decree and the Taxonomy Regulation;
- maintenance of the appointment to attest to the conformity of the NFS, previously granted to the legal auditors pursuant to Decree no. 254/2016

until the agreed expiry date, for the purpose of attesting to the conformity of the new Report without need to make a new appointment.

In particular, art. 10, sub-section 1, of Decree no. 125/2024, which transposed the CSRD, envisages that, «*in the performance of the functions assigned by the Civil Code, the control body supervises compliance with the instructions contained in this Decree and makes reference to that activity in its annual report to the Shareholders' Meeting*» (this requirement was already contained in Decree no. 254/2016 on the Non-Financial Statement, which was abrogated).

In particular, the Board of Statutory Auditors checked that the Consolidated Sustainability Report was prepared and published in conformity with the provisions specified in Decree no. 125/2024, and supervised the adequacy of the organizational, administrative, reporting and control system adopted to present in the Report, in a proper and complete manner, the work performed, the results and the impacts on non-financial topics.

For this purpose, the Board checked the adequacy of that presentation in terms of its clarity, completeness and consistency with the economic and financial data presented. The internal control systems and processes for the collection, processing and disclosure of non-financial information were checked in accordance with the European Sustainability Reporting Standards (ESRS).

In the performance of its supervisory activities, the Board met with the Independent Auditors and the advisors assigned to prepare the "Consolidated Sustainability Report", in order to check the progress of the project work performed to implement in full the Regulatory Framework pursuant to the CSRD. The Report is subject to limited assurance work performed by the Independent Auditors, which are required to attest to the absence of elements indicating that the Consolidated Sustainability Report and the EU Taxonomy disclosures made therein, were not prepared, in all material respects, in conformity with - respectively - the reporting standards adopted by the European Commission pursuant to Directive 2013/34/EU and art. 8 of Regulation (EU) 852 of 18 June 2020. The Board of Statutory Auditors obtain the attestation issued by "PwC S.p.A.", the designated auditor, on 31 March 2025. This activity did not reveal any matters that should be mentioned in this report.

Additional supervisory activity in relation to the separate financial statements, the consolidated financial statements and the related Directors' Report, inclusive of the Consolidated Sustainability Report required by Decree no. 125/2024

With regard to the financial statements of the Parent Company at 31 December 2024, the consolidated financial statements at that date and the related Board of Directors' Report, your attention is drawn to the following matters:

- by both direct checks and information obtained from the Independent Auditors, the Board of Statutory Auditors has ascertained compliance with the laws governing the preparation and content of the separate financial statements, the consolidated financial statements and the Board of Directors' Report, as well as the formats adopted for the accounting schedules, confirming proper application of the accounting standards and policies described in the notes to the financial statements and in the Board of Directors' Report;
- in application of CONSOB Resolution no. 15519/2006, the effects of transactions with related parties are expressly indicated in the accounting schedules;
- We also note that, in application of Commission Delegated Regulation (EU) 2019/815 (ESEF Regulation) implementing Directive 2013/50/EU which, from 1 January 2021, requires listed issuers to prepare their Annual Financial Reports (AFR) in the European Single Electronic Format (ESEF), the Company completed the project to implement the requirements of the ESEF Regulation in 2021. The Consolidated Annual Financial Report of Interpump Group S.p.A. at 31 December 2024 was therefore prepared in XHTML format, marking certain information in the IFRS consolidated statements and related explanatory notes with *Inline* XBRL specifications.
- the financial statements reflect the events and information that came to the attention of the Board of Statutory Auditors when performing the required supervisory, monitoring and inspection activities;
- based on the information available to us, in drafting the financial statements the Directors made no exceptions to law in relation to the provisions of art. 2423, subsection 5, of the Italia Civil Code;
- the Chief Executive Officer and the Chief Reporting Officer have issued the statement required by art. 81-*ter* of CONSOB Regulation no. 11971/1999 as amended, and by art. 154-*bis* of Decree no. 58/1998 (TUF);
- the Board of Directors' Report complies with the relevant legal requirements and is consistent with the data and results reflected in the financial statements; it makes the necessary disclosures about the significant activities and transactions that were drawn to the attention of the Board of Statutory Auditors during the year, about the principal risks faced by the Company and its subsidiaries, about intercompany and related-party transactions, and about the alignment of the organization with the principles of corporate governance, consistent with the Corporate Governance Code for listed companies.
- pursuant to art. 123-*ter* of Decree no. 58/1998 (TUF), the Shareholders'

Meeting will receive the Remuneration report, the format for which was examined and agreed by the Board of Statutory Auditors at a joint meeting held with the Remuneration Committee;

Current scenario micro and macroeconomic impact assessment

The global economy continued to exhibit moderate but stable growth during 2024, even though future prospects remain clouded by uncertainty caused, not least, by persistent geopolitical tensions in various strategic areas. In this context, the Interpump Group has continued to generate results that, although down with respect to those achieved in 2023, remain significantly positive in terms of revenues, margins and cash generation. The Interpump Group continues to have limited exposure to the countries involved in the military conflict in Ukraine, as well as to comply with the policy banning further work with those countries imposed by European regulations.

In relation to methods of conducting the Shareholders' Meeting called to approve the financial statements, the matter was again deferred in order to facilitate the process of virtual meetings, also in departure from different statutory provisions. In particular, the "One Thousand Extensions Decree" (Decree no. 202/2024, enacted by Law no. 15/2025, published in the Italian Official Gazette on 24 February 2025) extended to 31 December 2025 the simplifications introduced during the pandemic period by art. 160 of Decree no. 18/2020 (previously extended until 30.04.2024 by art. 3, sub-section 12-*duodecies* of Decree no. 215/2023, the "One Thousand Extensions Decree", and then until 31 December 2024 by Law no. 21/2024). Authorization is granted for ordinary and extraordinary meetings to be held "behind closed doors", enabling companies to include in their notices of calling, as exceptions to the requirements of their bylaws, recourse to instruments - such as voting by correspondence, electronic voting, meeting attendance via remote communications, appointment of a designated representative - that allow participation and the exercise of voting rights without need for the physical presence of the shareholders in a single location.
In this regard, the Board of Statutory Auditors will work closely with the Board of Directors, so that the Shareholders' Meeting can be held in an orderly manner, with the proper exercise of shareholder rights in compliance with the above instructions.

Proposals to the Shareholders' Meeting regarding the separate financial statements for the year ended 31 December 2024 and allocation of the results for the year

Considering the specific duties assigned to the Independent Auditors in terms of checking the accounting records and verifying reliability of the separate financial statements for the year ended 31 December 2024, the Board of Statutory Auditors takes due note and has no objections to their approval or to the resolution proposed by the Board of Directors to make a partial distribution from the Extraordinary Reserve, by paying a dividend of € 0.33 to each share in circulation, inclusive of the right specified in art. 2357–*ter*, subsection 2, of the Italian Civil Code.

S. Ilario d'Enza (RE), 31 March 2025

Board of Statutory Auditors

Anna Maria Allievi, Chair ________________

Mirco Zucca _________________

Mario Tagliaferri _________________

Independent auditor's report

in accordance with article 14 of Legislative Decree No. 39 of 27 January 2010 and article 10 of Regulation (EU) No. 537/2014

To the shareholders of
Interpump Group SpA

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Interpump Group SpA (hereinafter also the "Company") and its subsidiaries (hereinafter also the "Interpump Group"), which comprise the consolidated statement of financial position as of 31 December 2024, the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in shareholders' equity, consolidated cash flow statement for the year then ended, and 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 Interpump Group as of 31 December 2024, and of the result of its operations and cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and adopted by the European Union, as well as with the regulations issued to implement article 9 of Legislative Decree No. 38/05.

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 this report. We are independent of Interpump Group SpA pursuant to the regulations and standards on ethics and independence applicable to audits of financial statements under Italian law. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

PricewaterhouseCoopers SpA

Sede legale: **Milano** 20145 Piazza Tre Torri 2 Tel. 02 77851 Fax 02 7785240 Capitale Sociale Euro 6.890.000,00 i.v. C.F. e P.IVA e Reg. Imprese Milano Monza Brianza Lodi 12979880155 Iscritta al n° 119644 del Registro dei Revisori Legali - Altri Uffici: **Ancona** 60131 Via Sandro Totti 1 Tel. 071 2132311 - **Bari** 70122 Via Abate Gimma 72 Tel. 080 5640211 - **Bergamo** 24121 Largo Belotti 5 Tel. 035 229691 - **Bologna** 40124 Via Luigi Carlo Farini 12 Tel. 051 6186211 - **Brescia** 25121 Viale Duca d'Aosta 28 Tel. 030 3697501 - **Catania** 95129 Corso Italia 302 Tel. 095 7532311 - **Firenze** 50121 Viale Gramsci 15 Tel. 055 2482811 - **Genova** 16121 Piazza Piccapietra 9 Tel. 010 29041 - **Napoli** 80121 Via dei Mille 16 Tel. 081 36181 - **Padova** 35138 Via Vicenza 4 Tel. 049 873481 - **Palermo** 90141 Via Marchese Ugo 60 Tel. 091 349737 - **Parma** 43121 Viale Tanara 20/A Tel. 0521 275911 - **Pescara** 65127 Piazza Ettore Troilo 8 Tel. 085 4545711 - **Roma** 00154 Largo Fochetti 29 Tel. 06 570251 - **Torino** 10122 Corso Palestro 10 Tel. 011 556771 - **Trento** 38122 Viale della Costituzione 33 Tel. 0461 237004 - **Treviso** 31100 Viale Felissent 90 Tel. 0422 696911 - **Trieste** 34125 Via Cesare Battisti 18 Tel. 040 3480781 - **Udine** 33100 Via Poscolle 43 Tel. 0432 25789 - **Varese** 21100 Via Albuzzi 43 Tel. 0332 285039 - **Verona** 37135 Via Francia 21/C Tel. 045 8263001 - **Vicenza** 36100 Piazza Pontelandolfo 9 Tel. 0444 393311

www.pwc.com/it

pwc

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, 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.

Key Audit Matters	*Auditing procedures performed in response to key audit matters*
Recoverability of goodwill *Sections 3.6 "Goodwill" and 3.8 "Impairment of assets", Note 11 "Goodwill" of the notes to the consolidated financial statements* As of 31 December 2024, the carrying amount of goodwill in the Group's consolidated financial statements totalled Euro 838 million, representing the 25 per cent of total assets. Goodwill is allocated to two cash generating units ("CGUs"), "Water-Jetting" for Euro 256 million and "Hydraulics" for Euro 582 million. The CGUs were identified using criteria consistent with those applied in the previous year and coincide with the two business segments identified by the Group. The Company is required to verify the recoverability of goodwill at least annually. The recoverable amounts of the CGUs to which the goodwill amounts have been allocated are determined through the calculation of value in use, which is equal to the estimated future cash flows discounted to present value at a rate that takes into account market interest rates and the risks specific to the asset to which the estimated realisable value refers. The valuation models underlying the calculation of the recoverable amounts of the above-mentioned CGUs were prepared taking into consideration the cash flows derived from the 2025-2029 business plans and are based on complex evaluations and estimates performed by management. In detail, the assumptions in the models are affected by future market conditions	We understood and evaluated the procedures adopted by the Group to verify the recoverability of goodwill. We examined the methodology adopted by the Group to prepare the impairment test, approved by the Company's board of directors on 14 February 2025. As part of our audit we performed, among other things, the following main procedures: • We verified the reasonableness of the key assumptions reflected in the valuation models (Discounted Cash Flow Method) prepared by the Company, specifically the discount rate and the perpetual growth rate, against valuation practice normally adopted for entities in the industry in which the Interpump Group operates; • We verified the accuracy of allocation to the individual CGUs of the carrying amounts of assets and liabilities; • We verified the consistency of the cash flows included in the valuation models with those included in the financial projections in the 2025-2029 business plans mentioned above; • We verified the mathematical accuracy of the valuation models prepared by the Company.

with regard to the estimated future cash flows, the perpetual growth rate and the discount rate.

The recoverability of the goodwill amounts was considered a key matter in our statutory audit of the consolidated financial statements in consideration of the significant impact of these items on the Group's financial position, in light of the complexity of the assumptions used to determine the recoverable amounts of the CGUs to which the goodwill amounts were allocated, which are related to future, uncertain events.

In the performance of our procedures we used the support of PwC network experts in the industry in which the Interpump Group operates, to analyse the reasonableness of the above-mentioned financial projections, and of business valuation experts from the PwC network, who performed an independent recalculation and carried out sensitivity analyses of the key assumptions to determine the changes in those assumptions that could have a significant impact on the measurement of the recoverable amounts of the CGUs.

Finally, we verified the adequacy and completeness of disclosures provided in the notes to the consolidated financial statements in relation to the method adopted to determine the recoverable amounts of the CGUs to which goodwill has been allocated, the results of valuations performed and the sensitivity analyses performed by the Company.

Responsibilities of the Directors and the Board of Statutory Auditors for the Consolidated Financial Statements

The directors are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and adopted by the European Union, as well as with the regulations issued to implement article 9 of Legislative Decree No. 38/05 and, in the terms prescribed by law, for such internal control as they determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

The directors are responsible for assessing the Interpump Group's ability to continue as a going concern and, in preparing the consolidated financial statements, for the appropriate application of the going concern basis of accounting, and for disclosing matters related to going concern. In preparing the consolidated financial statements, the directors use the going concern basis of accounting unless they either intend to liquidate Interpump Group SpA or to cease operations or have no realistic alternative but to do so.

The board of statutory auditors is responsible for overseeing, in the terms prescribed by law, the Interpump Group's financial reporting process.

pwc

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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the consolidated financial statements.

As part of our audit conducted in accordance with International Standards on Auditing (ISA Italia), we exercised professional judgement and maintained professional scepticism throughout the audit. Furthermore:

- We identified and assessed the risks of material misstatement of the consolidated financial statements, whether due to fraud or error; we designed and performed audit procedures responsive to those risks; we 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 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 evaluated the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors;
- We concluded on the appropriateness of the 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 Interpump 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 consolidated financial statements or, if such disclosures are inadequate, to modify 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 Interpump Group to cease to continue as a going concern;
- We 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 obtained sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Interpump 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 on the consolidated financial statements.

We 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 identified during our audit.

We also provided those charged with governance with a statement that we complied with the regulations and standards on ethics and independence applicable under Italian law and communicated with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate the related risks, or safeguards applied.

From the matters communicated with those charged with governance, we determined those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We described these matters in our auditor's report.

Additional Disclosures required by Article 10 of Regulation (EU) No. 537/2014

On 30 April 2021, the shareholders of Interpump Group SpA in general meeting engaged us to perform the statutory audit of the Company's and the consolidated financial statements for the years ending 31 December 2023 to 31 December 2031.

We declare that we did not provide any prohibited non-audit services referred to in article 5, paragraph 1, of Regulation (EU) No. 537/2014 and that we remained independent of the Company in conducting the statutory audit.

We confirm that the opinion on the consolidated financial statements expressed in this report is consistent with the additional report to the board of statutory auditors, in its capacity as audit committee, prepared pursuant to article 11 of the aforementioned Regulation.

Report on Compliance with other Laws and Regulations

Opinion on compliance with the provisions of Commission Delegated Regulation (EU) 2019/815

The directors of Interpump Group SpA are responsible for the application of the provisions of Commission Delegated Regulation (EU) 2019/815 concerning regulatory technical standards on the specification of a single electronic reporting format (ESEF - European Single Electronic Format) (hereinafter, the "Commission Delegated Regulation") to the consolidated financial statements as of 31 December 2024, to be included in the annual report.

We have performed the procedures specified in auditing standard (SA Italia) No. 700B in order to express an opinion on the compliance of the consolidated financial statements with the provisions of the Commission Delegated Regulation.

In our opinion, the consolidated financial statements as of 31 December 2024 have been prepared in XHTML format and have been marked up, in all significant respects, in compliance with the provisions of the Commission Delegated Regulation.

pwc

Due to certain technical limitations, some information included in the illustrative 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 format.

Opinions and statement in accordance with article 14, paragraph 2, letters e), e-bis) and e-ter) of Legislative Decree No. 39/10 and with article 123-bis, paragraph 4, of Legislative Decree No. 58/98

The directors of Interpump Group SpA are responsible for preparing a report on operations and a report on the corporate governance and ownership structure of Interpump Group as of 31 December 2024, including their consistency with the relevant consolidated financial statements and their compliance with the law.

We have performed the procedures required under auditing standard (SA Italia) No. 720B in order to:

- express an opinion on the consistency of the report on operations and of the specific information included in the report on corporate governance and ownership structure referred to in article 123-bis, paragraph 4, of Legislative Decree No. 58/98, with the consolidated financial statements;
- express an opinion on the compliance with the law of the report on operations, excluding the section on the consolidated sustainability reporting, and of the specific information included in the report on corporate governance and ownership structure referred to in article 123-bis, paragraph 4, of Legislative Decree No. 58/98;
- issue a statement on material misstatements, if any, in the report on operations and in the specific information included in the report on corporate governance and ownership structure referred to in article 123-bis, paragraph 4, of Legislative Decree No. 58/98.

In our opinion, the report on operations and the specific information included in the report on corporate governance and ownership structure referred to in article 123-bis, paragraph 4, of Legislative Decree No. 58/98 are consistent with the consolidated financial statements of Interpump Group as of 31 December 2024.

Moreover, in our opinion, the report on operations, excluding the section on the consolidated sustainability reporting, and the specific information included in the report on corporate governance and ownership structure referred to in article 123-bis, paragraph 4, of Legislative Decree No. 58/98 are prepared in compliance with the law.

With reference to the statement referred to in article 14, paragraph 2, letter e-ter), of Legislative Decree No. 39/10, issued on the basis of our knowledge and understanding of the Company and its environment obtained in the course of the audit, we have nothing to report.

Our opinion on compliance with the law does not extend to the section of the report on operations relating to the consolidated sustainability reporting. The conclusions on the compliance of that section with the rules governing its preparation and on compliance with the disclosure requirements established by article 8 of Regulation (EU) 2020/852 are expressed by ourselves in the report prepared in accordance with article 14-bis of Legislative Decree No. 39/10.

Parma, 31 March 2025

PricewaterhouseCoopers SpA

Signed by

Nicola Madureri
(Partner)

As disclosed by the Directors on page 1, the accompanying consolidated financial statements of Interpump Group *S.p.A. constitute a non-official version which is not compliant with the provisions of the Commission Delegated Regulation (EU) 2019/815. 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.*

pwc

Independent auditor's limited assurance report on the consolidated sustainability report

in accordance with article 14-bis of Legislative Decree No. 39 of 27 January 2010

To the shareholders of
Interpump Group SpA

Conclusion

In accordance with articles 8 and 18, paragraph 1 of Legislative Decree No. 125 of 6 September 2024 (hereinafter also the "Decree"), we have undertaken a limited assurance engagement on the consolidated sustainability report of the Interpump Group SpA (hereinafter also the "Company") and its subsidiaries (hereinafter also the "Interpump Group" or the "Group") for the year ended 31 December 2024 (hereinafter also the "CSR") prepared in accordance with article 4 of the Decree, presented in the specific section of the consolidated report on operations.

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

- the CSR of the Interpump Group for the year ended 31 December 2024 is not prepared, in all material respects, in accordance with the reporting criteria adopted by the European Commission pursuant to Directive (EU) 2013/34/UE (*European Sustainability Reporting Standards*, hereinafter also the "ESRS");
- the information set out in paragraph *2.1 Disclosure under the taxonomy regulation* of the CSR is not prepared, in all material respects, in accordance with article 8 of Regulation (UE) No. 852 of 18 June 2020 (hereinafter also the "Taxonomy Regulation").

Basis for conclusion

We conducted our limited assurance engagement in accordance with the Standard on Sustainability Assurance Engagements - SSAE (Italia). The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Our responsibilities under this Standard are further described in the *Auditor's Responsibilities for the Limited Assurance Conclusion on the Consolidated Sustainability Report* section of this report.
We are independent in accordance with the principles of ethics and independence applicable to assurance engagements on CSR under Italian law.

Our firm applies International Standard on Quality Management 1 ISQM (Italia) 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Other matters - Comparative information

The consolidated sustainability report for the year ended 31 December 2024 contains, in the specific section 2.1 *Disclosure under the taxonomy regulation*, the comparative information referred to in article 8 of the Taxonomy Regulation in relation to the year ended 31 December 2023, which was not subjected to any assurance procedures.

Responsibilities of the directors and the board of statutory auditors of Interpump Group SpA for the consolidated sustainability report

The directors of Interpump Grroup SpA are responsible for developing and implementing the procedures adopted to identify the information included in the CSR in accordance with the provisions of the ESRS (hereinafter the "materiality assessment process") and for describing those procedures in the note "1.4.1. *Disclosure requirement related to IRO-1 – Description of the process to identify and assess material climate-related impacts, risks, and opportunities*" of the consolidated sustainability report.

The directors are also responsible for preparing the CSR, which contains the information identified through the materiality assessment process, in accordance with the provisions of article 4 of the Decree, including:

- its compliance with the ESRS;
- its compliance with article 8 of the Taxonomy Regulation of the information set out in paragraph *2.1 Disclosure under the taxonomy regulation*.

That responsibility involves designing, implementing and maintaining, in the terms prescribed by law, such internal control as they determine is necessary to enable the preparation of a consolidated sustainability report in accordance with article 4 of the Decree that is free from material misstatement, whether due to fraud or error. That responsibility also involves selecting and applying appropriate methods for processing the information, as well as developing hypotheses and estimates about specific items of sustainability information that are reasonable in the circumstances.

The board of statutory auditors is responsible for overseeing, in the terms prescribed by law, compliance with the Decree.

pwc

Inherent limitations in the preparation of the consolidated sustainability report

The following limitations, as specified in the subject, are hereby reported:

(i) for the purpose of reporting forward-looking information in accordance with ESRS, the Directors are required to prepare such information on the basis of assumptions, described in the CSR, about future events and possible future actions by the Group. Because of the uncertainty connected with any future event, in terms both of occurrence and of the extent and timing of occurrence, variances between actual results and forward-looking information may be significant.

(ii) the disclosure about Scope 3 emissions is subject to greater inherent limitations compared with Scope 1 and 2 emissions, because of the poor availability and relative accuracy of the information used to define both qualitative and quantitative information on Scope 3 emissions related to the value chain.

Auditor's responsibilities for the limited assurance conclusion on the consolidated sustainability report

Our objectives are to plan and perform procedures to obtain limited assurance about whether the CSR is free from material misstatement, whether due to fraud or error, and to issue a limited assurance report that contains our conclusion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users taken on the basis of the CSR.

As part of our engagement designed to achieve limited assurance in accordance with the Standard on Sustainability Assurance Engagements - SSAE (Italia), we exercised professional judgement and maintained professional scepticism throughout the engagement.

Our responsibilities include:

- Performing risk assessment procedures to identify the disclosures where a material misstatement, whether due to fraud or error, is likely to arise;
- Designing and performing procedures to verify the disclosures where a material misstatement is likely to arise. 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;
- Directing, supervising and performing a limited assurance engagement on the CSR and assuming full responsibility for the conclusion on the CSR.

Summary of the work performed

An engagement designed to obtain limited assurance involves performing procedures to obtain evidence as a basis for our conclusion.

pwc

The procedures performed were based on our professional judgement and included inquiries, primarily of personnel of Interpump Group SpA responsible for the preparation of the information presented in the CSR, analyses of documents, recalculations and other procedures designed to obtain evidence considered useful.

We performed the following main procedures:

- We understood the Group's business model and strategies, and the environment in which it operates with reference to sustainability issues;
- We understood the processes underlying the generation, collection and management of the qualitative and quantitative information included in the CSR;
- We understood the process implemented by the Group to identify and assess the material impacts, risks and opportunities, in accordance with the double materiality principle, related to sustainability issues and, based on the information thus obtained, we considered whether any contradictory items emerged that could point to the existence of sustainability issues not considered by the Company in the materiality assessment process;
- We identified the disclosures where a material misstatement is likely to arise;
- We defined and performed procedures, based on our professional judgement, to address the risks of material misstatement identified;
- We understood the process implemented by the Group to identify the eligible economic activities and to determine whether they are aligned in accordance with the provisions of the Taxonomy Regulation, and we verified the related disclosures in the CSR;
- We reconciled the information reported in the CSR with the information reported in the consolidated financial statements in accordance with the applicable financial reporting framework, or with the accounting information used for the preparation of the consolidated financial statements, or with management accounting information;
- We verified the structure and presentation of disclosures included in the CSR in accordance with the ESRS;
- We obtained management's representation letter.

Parma, 31 March 2025

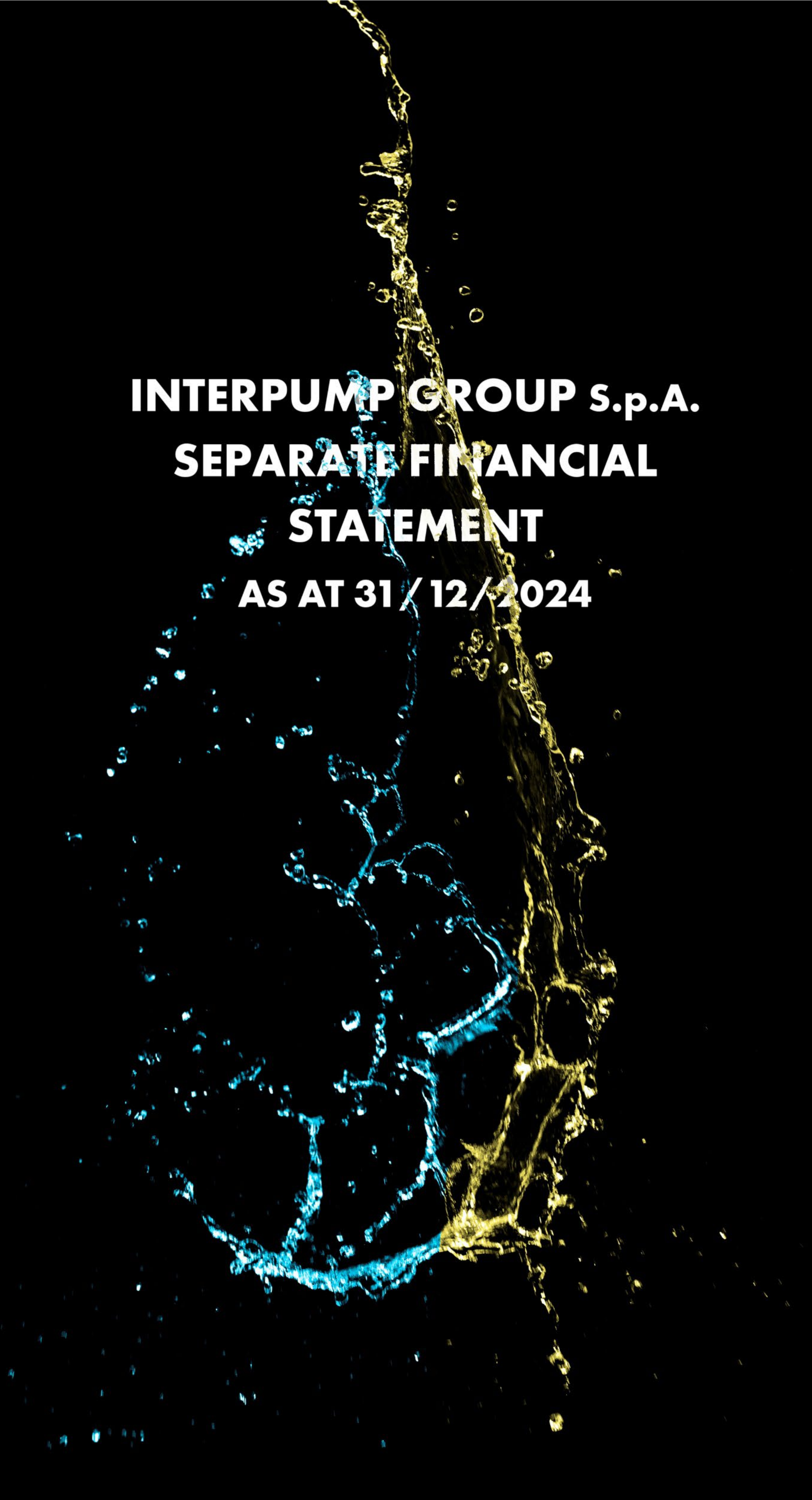
PricewaterhouseCoopers SpA

Signed by

Nicola Madureri
(Partner)

This report has been translated from the Italian original solely for the convenience of international readers.

INTERPUMP GROUP S.p.A.
SEPARATE FINANCIAL STATEMENT
AS AT 31 / 12 / 2024



CONTENTS

Board of Directors' Report for 2024 of the Parent Company Interpump Group S.p.A.

ALTERNATE PERFORMANCE MEASURES

The Company monitors its operations using several alternative performance measures that are not identified as accounting parameters in the IFRS issued by the International Accounting Standards Board and adopted by the European Union, to allow better evaluation of the trend of economic operations and the Company's financial position; such measures are also tools that can assist the directors in identifying operating trends and in making decisions on investments, resource allocation and other business matters. The measurement criterion applied by the Company may therefore differ from the criterion adopted by other companies and hence the Company may not be comparable with such other companies. Such alternative performance measures are constituted exclusively starting from the Company's historic data and measured in compliance with the matters established by the Guidelines on Alternative Performance Measures issued by ESMA/2015/1415 and adopted by Consob with communication no. 92543 of 3 December 2015. The measures in question refer only to performance in the accounting period illustrated in this Annual Financial Report and the periods placed in comparison with it, and not to the expected performance and they must not be considered to replace the indicators provided by the reference accounting standards (IFRS). Finally, the alternate measures are processed consistently and with uniformity of definition and representation for all periods for which financial information is included in this Annual Financial Report.

The performance indicators used by the Company are defined as follows:

- **Earnings/(Losses) before interest and tax (EBIT)**: Revenues plus Other operating income less Operating costs (Cost of sales, Distribution costs, General and administrative expenses, and Other operating costs);
- **Earnings/(Losses) before interest, tax, depreciation and amortization (EBITDA)**: EBIT plus Depreciation, Amortization, Writedowns and Provisions;
- **Net Financial Position**: the sum of Financial debts and Bank debts less Cash and cash equivalents;
- **Capital expenditure (CAPEX)**: the sum of investment in tangible and intangible fixed assets, net of divestments;
- **Free Cash Flow**: the cash flow available for the Company, defined as the difference between the Cash flow from operating activities and the Cash flow absorbed by investments in tangible and intangible fixed assets;
- **Capital employed**: calculated as the sum of Shareholders' equity and Net financial position, including Debts for the acquisition of equity investments.

The income statement of Interpump Group S.p.A. is prepared by functional area (also called the "cost of sales" method). This format is deemed to be more representative than its “type of expense” counterpart, which is nevertheless included in the notes to the Annual Financial Report. The chosen form, in fact, complies with the internal reporting and business management methods.

The cash flow statement was prepared using the indirect method.

PROFITABILITY

The global economy continued to exhibit moderate but stable growth during 2024, even though future prospects remain clouded by uncertainty caused, not least, by persistent geopolitical tensions in various strategic areas.

On the one hand, geopolitical tensions are fueling doubts about the health of trading conditions, with the risk of heightened protectionist policies in certain countries. On the other, the outcome of political elections in the final quarter might alter current equilibriums, leading to new inflationary pressures and, in response, restrictive monetary policies intended to contain price increases.

Additionally, given persistent troubles in the principal conflict zones, the re-routing of global trade could have a significant impact, with higher shipping costs and extended delivery lead times.

In this context of profound uncertainty, governments have had to face higher costs given their need to roll-over public debt at increased interest rates, multinational enterprises have slowed the implementation of their long-term investment projects, and private consumers have reduced their propensity to borrow in view of the high rates offered.

The macroeconomic indicators available for the leading economies indicate:

- in the Euro area, continuation of the policy to support the economy by lowering reference interest rates (2.9% at the end of December 2024). Given ECB forecasts, overall inflation is expected to come in at 2.1% in 2025, 1.9% in 2026 and 2.1% in 2027, when the expanded EU emissions trading system (EU ETS II) is due to come into force. Growth prospects appear to be stable across the entire area, given sound conditions in the jobs market and lower prices. Furthermore, investment financed by the Next Generation EU program is expected to stimulate economic activity there;
- in the United States, contained annual GDP growth, albeit mitigated by the relaxation of monetary policy, resulting in forecast economic growth of 1.6% in 2025.
- in China, a slowdown in growth to 4.5% in 2025, with the effects of additional monetary policy stimulus offset by weak consumer demand and a major correction in the real estate market, which is currently in crisis.

Projections indicate that the growth in global GDP will stabilize at 3.2% in 2025, accompanied by further deflation, an improvement in real incomes, and less restrictive monetary policies in many economies, which will help to support demand.

Overall inflation in the OECD countries should ease gradually to 3.4% in 2025, edging closer in the leading economies to the objectives set by their central banks.

The exposure of the Company to the countries involved in the Russia-Ukraine conflict remains limited. Specifically, revenues of € 0.2 million were invoiced to customers in Russia, Belarus and Ukraine during 2024 (€ 2.1 million in 2023), with no outstanding receivables at 31 December 2024 or 2023.

As in previous years, the operations of Interpump Group S.p.A. have, in addition to ordinary industrial activities, concentrated on the strategic and managerial coordination of the Group, on the optimization of its financial flows, and on the search for and selection of equity investments to acquire, with the aim of accelerating the growth of the Group. The following companies were acquired during 2024 in the context of this external growth strategy: Shanghai PuPeng Flow Technology Co., Ltd, Inoxpa China Flow Technology Co., Ltd, Alltube Engineering Ltd., Alfa Valvole S.r.l., H.S. S.r.l., and Hidrover Equipamentos Hidráulicos Ltda. A more complete discussion of these operations is given in the “Report on operations” accompanying the Consolidated Annual Financial Report at 31 December 2024.

Against this complex and uncertain macro and microeconomic background, the Company continues to demonstrate an ability to manage its manufacturing capacity efficiently.

Interpump Group S.p.A. booked net revenues of € 115.5 million in 2024 (€ 117.2 million in 2023). An analysis by geographical area of the revenues from sales and services is given in the commentary on this item in Note 22 to the financial statements.

The cost of sales accounted for 63.0% of revenues (63.3% in 2023). Production costs, which totaled € 35.7 million (€ 37.1 million in 2023), accounted for 30.9% of revenues in 2024 (31.6% in 2023). The purchase cost of raw materials and components sourced on the market, including changes in inventories, totaled € 37.1 million equivalent to 32.1% of revenues (€ 37.2 million in 2023).

Distribution costs totaled € 6.5 million (€ 6.2 million in 2023), reflecting an increase in their incidence on revenues by 0.3 percentage points compared to 2023.

General and administrative expenses amounted to € 23.1 million (€ 22.5 million in 2023) and their incidence on revenues rose by 0.8 percentage points compared to 2023.

Payroll costs totaled € 29.1 million (€ 28.7 million in 2023) with an average of 449 employees (455 employees in 2023). The per capita cost was slightly higher than in the prior year (+2.8%). In addition, the Company employed an average of 11 temporary workers during the year (28 temporary workers in 2023) at a cost of € 0.6 million (€ 1.4 million in 2023).

The reconciliation of the income statement to obtain sub-totals is shown below:

€/000	*2024*	*% of revenues*	*2023*	*% of revenues*
Ordinary profit before financial expenses	125,840		91,265	
Dividends	(108,297)		(77,532)	
Impairment losses on investments	1,620		4,945	
Operating profit (EBIT)	***19,163***	***16.6%***	***18,678***	***15.9%***
Amortization, depreciation and write-downs	6,062		6,214	
Gross operating profit (EBITDA)	***25,225***	***21.8%***	***24,892***	***21.2%***

EBIT amounted to € 19.2 million (16.6% of revenues) compared with € 18.7 million in 2023 (15.9% of revenues).

EBITDA totaled € 25.2 million or 21.8% of revenues, compared with € 24.9 million in 2023 or 21.2% of revenues.

The year ended 31 December 2024 closed with a net profit of € 101.3 million (€ 76.1 million in 2023). Dividends from subsidiaries recognized in the income statement totaled € 108.3 million in 2024 and € 77.5 million in 2023.

STATEMENT OF FINANCIAL POSITION

The following statement of financial position is classified in terms of the sources and applications of funds.

€/000	*31/12/2024*	*%*	*31/12/2023*	*%*
Trade receivables	16,005		16,927	
Net inventories	29,890		31,843	
Other current assets	36,610		40,566	
Trade payables	(17,594)		(14,789)	
Current taxes payable	(470)		(234)	
Other current liabilities	(7,813)		(8,413)	
Net working capital	**56,628**	**4.5**	**65,900**	**5.5**
Net intangible and tangible fixed assets	39,062		40,509	
Goodwill	44,537		44,537	
Equity investments	1,103,475		1,020,959	
Other financial fixed assets	17,177		38,785	
Other non-current assets	7,417		10,810	
Liabilities for employee benefits	(3,373)		(3,775)	
Non-current portion of provisions for risks and charges	(8,233)		(8,231)	
Other non-current liabilities	(3,126)		(2,980)	
Total net fixed assets	**1,196,936**	**95.5**	**1,140,614**	**94.5**
Total capital employed	***1,253,564***	***100***	***1,206,514***	***100***
Financed by:				
Total shareholders' equity	**719,020**	**57.4**	**656,362**	**54.4**
Cash and cash equivalents	(109,558)		(88,280)	
Bank debts	4,588		5,242	
Interest-bearing financial debts (current portion)	209,448		233,343	
Total current financial debts (liquid funds)	**104,478**	**8.3**	**150,305**	**12.5**
Total non-current financial debts	**430,066**	**34.3**	**399,847**	**33.1**
Total sources of financing	***1,253,564***	***100***	***1,206,514***	***100***

The format of the reclassified statement of financial position makes it possible to appreciate the financial strength of the Company, highlighting its ability to maintain financial equilibrium over the long term.

1. Capital expenditure

Capital expenditure on tangible fixed assets was € 4.0 million (€ 3.6 million in 2023) and related to the normal renewal and modernization of plant and equipment. The difference with respect to the expenditure recorded in the cash flow statement is due to the dynamics of payments.

Increases in intangible fixed assets amounted to € 0.8 million (€ 0.6 million in 2023), mostly due to the capitalization of product development costs.

2. Cash flows

The net financial position at 31 December 2024 is € 534.5 million (€ 550.2 million at 31 December 2023). The changes during the year are analyzed in the table below:

€/000	*2024*	*2023*
Opening net financial position	**(550,152)**	**(558,108)**
Cash flow from operations	195	721
Principal portion of lease installments paid	(813)	(824)
Liquidity generated (absorbed) by operating capital	3,301	(1,836)
Liquidity generated (absorbed) by other current assets and liabilities	236	(9,511)
Net investment in tangible and intangible fixed assets	(4,229)	(4,839)
Financial income received	5,819	6,577
Other	1,629	(999)
Free cash flow	*6,138*	*(10,711)*
Proceeds (payments) from the disposal (purchase) of investments	(82,553)	(38,961)
Purchase of treasury shares	(10,337)	-
Proceeds from sales of treasury shares for stock options	581	2,246
Principal portion of lease installments paid	813	824
Principal portion of new leasing contracts arranged	(265)	(127)
Restatement and early redemption of leasing contracts	24	34
Dividends received from subsidiaries	108,285	77,547
Dividends paid	(34,231)	(32,300)
Change in other financial assets	(178)	(1,324)
Reimbursement (Disbursement) of loans from (to) subsidiaries	27,331	10,728
Net cash generated (used)	*15,608*	*7,956*
Net financial position at end of year	***(534,544)***	***(550,152)***

Net indebtedness, including payables and commitments, determined in accordance with ESMA guidance 32-382-1138 and included in Consob notice no. 5/21, comprises:

€/000	*31/12/2024*	*31/12/2023*	*01/01/2023*
Cash and cash equivalents	109,558	88,280	188,778
Current financial debts (excluding the current portion of non-current financial debts)	(5,447)	(6,042)	(3,367)
Current portion of non-current financial debts	(208,589)	(232,543)	(256,194)
Current net indebtedness	***(104,478)***	***(150,305)***	***(70,783)***
Non-current financial debts	(430,066)	(399,847)	(487,325)
Net financial position	***(534,544)***	***(550,152)***	***(558,108)***
Commitments for the acquisition of investments	-	-	-
Total net indebtedness	**(534,544)**	**(550,152)**	**(558,108)**

At 31 December 2024 all financial covenants are amply respected.

3. Relations with subsidiaries

The Company also operates through subsidiaries with which it maintains commercial and financial relations. These relations are detailed in the table below.

€/000	*Trade receivables*		*Revenues*	
Subsidiaries	*31/12/2024*	*31/12/2023*	*2024*	*2023*
GP Companies Inc.	3,382	3,659	26,061	24,506
NLB Corporation Inc.	699	811	5,534	3,852
Interpump Hydraulics India Ltd	268	835	1,166	1,418
Muncie Power Inc.	86	120	460	511
Hammelmann GmbH	94	6	361	3
IMM Hydraulics S.p.A.	131	169	350	398
General Pump China Inc.	41	108	231	197
Interpump Hydraulics Brasil	57	171	151	655
GS-Hydro UK Ltd	41	28	137	109
Inoxpa S.A.	25	18	132	245
Hammelmann S. L.	19	48	131	179
Inoxihp S.r.l.	42	50	116	147
Inoxpa South Africa	27	1	115	186
Inoxpa Solutions France Sas	18	21	114	387
Pioli S.r.l.	-	-	89	88
Hammelmann Australia Pty Ltd	69	-	78	6
GS-Hydro Austria GmbH	16	10	55	40
GS-Hydro Korea Ltd	13	-	53	43
Alfa Valvole S.r.l.	33	-	52	-
GS-Hydro Piping Systems Co. Ltd	12	11	48	45
GS-Hydro S.A.U	13	8	39	31
GS-Hydro Benelux B.V.	11	8	37	30
Interpump Hydraulics France S.a.r.l.	6	10	35	67
Inoxpa China Flow Technology Co., Ltd	1	-	33	-
GS-Hydro Sp z o.o.	10	7	32	28
GS-Hydro Denmark AS	9	6	30	23
Inoxpa Colombia Sas	3	20	30	30
Interpump Hydraulics (UK) Ltd	-	-	30	29
SIT S.p.A.	-	-	26	29
Improved Solutions Unipessoal Ltda	-	3	17	43
Inoxpa Ukraine	-	-	15	15
Transtecno BV	-	-	13	1
Walvoil S.p.A.	22	23	12	14
Hydroven S.r.l.	4	6	12	12
Interpump Hydraulics S.p.A.	24	67	11	31
Interpump Piping GS S.r.l.	6	6	10	10
GS-Hydro Ab	3	1	10	5
Eurofluid Hydraulic S.r.l.	1	1	9	11
Hydrocar Chile S.A.	-	-	9	-
Unidrò Contarini Sarl	2	2	7	2
GS-Hydro U.S. Inc.	2	1	7	5
Tubiflex S.p.A.	1	1	6	3

€/000	Trade receivables		Revenues	
Subsidiaries	31/12/2024	31/12/2023	2024	2023
Mega Pacific NZ Pty Ltd	-	-	6	-
GS-Hydro Singapore Pte Ltd	1	2	5	7
Servizi Industriali S.r.l.	-	3	5	5
GS-Hydro do Brasil Sistemas Hidráulicos Ltda	1	1	4	4
Inoxpa Italia S.r.l.	-	137	4	192
Inoxpa Solutions Moldova	3	-	3	4
Tekno Tubi S.r.l.	1	1	3	3
Reggiana Riduttori S.r.l.	17	8	2	2
Transtecno S.r.l.	3	2	2	2
I.mec S.r.l.	-	2	1	1
Inoxpa Skandinavien A/S	-	-	1	13
White Drive Motors and Steering LLC	8	8	-	-
White Drive Motors and Steering Sp. z o.o.	6	5	-	-
Hydra Dyne Technology Inc.	3	-	-	-
Contarini Leopoldo S.r.l.	2	2	-	-
Oleodinamica Panni S.r.l.	2	2	-	-
American Mobile Power Inc.	1	-	-	-
Waikato Holding Limited	1	1	-	-
Interpump South Africa Pty Ltd	-	1	-	87
White Drive Motors and Steering GmbH	-	1	-	-
Inoxpa Ltd	-	-	-	226
Interpump Hydraulics Middle East FZE	-	-	-	2
GS-Hydro System GmbH	-	-	-	1
Interpump Fluid Solutions Germany GmbH	-	-	-	1
Total	***5,240***	***6,412***	***35,900***	***33,984***

The Company also has a payable to Interpump Piping GS S.r.l. of € 52 thousand (receivable of € 2 thousand in 2023) following membership of the domestic tax group from 2018, as subsequently renewed.

€/000	Trade payables		Costs	
Subsidiaries	31/12/2024	31/12/2023	2024	2023
Pioli S.r.l.	119	187	945	1,090
Interpump Hydraulics S.p.A.	162	149	373	398
Hammelmann GmbH	1	23	252	225
IMM Hydraulics S.p.A.	56	29	223	187
SIT S.p.A.	52	69	160	208
Improved Solutions Unipessoal Ltda	-	-	138	70
Inoxihp S.r.l.	28	20	91	38
General Pump China Inc.	25	19	79	48
Walvoil S.p.A.	17	26	66	186
Inoxpa Italia S.r.l.	-	33	52	67
GP Companies Inc.	16	9	50	42
Hydroven S.r.l.	12	16	35	47
Transtecno S.r.l.	9	6	32	26
Reggiana Riduttori S.r.l.	-	-	10	-

€/000 Subsidiaries	Trade payables 31/12/2024	 31/12/2023	Costs 2024	 2023
I.mec S.r.l.	1	-	8	-
Hydrocar Chile S.A.	-	-	2	-
Inoxpa S.A.	-	-	1	-
Servizi Industriali S.r.l.	-	-	-	10
Inoxpa Ltd	-	-	-	8
Contarini Leopoldo S.r.l.	-	1	-	1
Interpump Hydraulics India Ltd	-	17	-	-
Interpump Hydraulics (UK) Ltd	-	4	-	-
Total	***498***	***608***	***2,517***	***2,651***

The Company also has a payable to Walvoil S.p.A. of € 1,895 thousand following membership of the domestic tax group from the 2024 tax year.

Financial relations are outlined below:

€/000 Subsidiaries	Loans granted 31/12/2024	 31/12/2023	Interest income 2024	 2023
IMM Hydraulics S.p.A.	15,000	22,000	927	1,136
Tubiflex S.p.A.	7,500	10,000	402	233
Interpump Hydraulics S.p.A.	8,000	11,000	339	1,107
Muncie Power Inc.	-	8,145	326	484
White Drive Motors and Steering GmbH	4,000	4,000	230	203
Hydra Dyne Technology Inc.	4,154	8,308	130	186
GS-Hydro Korea Ltd	2,100	2,100	63	63
Interpump Piping GS S.r.l.	-	1,000	18	113
GS-Hydro UK Ltd	160	390	15	18
Tekno Tubi S.r.l.	-	310	7	54
Inoxihp S.r.l.	-	633	5	19
White Drive Motors and Steering LLC	-	-	-	621
Waikato Holding Limited	-	-	-	333
Transtecno S.r.l.	-	-	-	31
Unidrò Contarini Sarl	-	-	-	1
Total	***40,914***	***67,886***	***2,462***	***4,602***

The intercompany loans outstanding at 31 December 2024 earn interest at 3-month Euribor uplifted by a spread that fluctuated between 100 and 200 basis points, except for certain fixed-rate loans granted in a range between 1.95% and 4.00%. At 31 December 2024, interest receivable amounts to € 402 thousand (€ 869 thousand at 31 December 2023), as analyzed below:

€/000 Subsidiaries	Interest receivable 31/12/2024	 31/12/2023
IMM Hydraulics S.p.A.	182	298
Tubiflex S.p.A.	79	111
White Drive Motors and Steering GmbH	54	61
Interpump Hydraulics S.p.A.	44	193
Hydra Dyne Technology Inc.	25	43
GS-Hydro Korea Ltd	16	16

€/000 Subsidiaries	Interest receivable 31/12/2024	 31/12/2023
GS-Hydro UK	2	5
Muncie Power Inc.	-	109
Interpump Piping GS S.r.l.	-	21
Tekno Tubi S.r.l.	-	8
Inoxihp S.r.l.	-	4
Total	***402***	***869***

The following dividends have been credited to the income statement:

€/000 Subsidiaries	Dividends receivable 31/12/2024	 31/12/2023	Dividends 2024	 2023
Hammelmann GmbH	-	-	30,000	22,500
Walvoil S.p.A.	-	-	22,750	16,250
Reggiana Riduttori S.r.l.	-	-	20,000	20,000
Inoxpa S.A.	-	-	10,000	10,000
Transtecno S.r.l.	-	-	8,000	-
GP Companies Inc.	-	-	6,545	4,169
Interpump Piping GS S.r.l.	-	-	4,000	-
NLB Corporation Inc.	-	-	3,730	3,653
I.mec S.r.l.	-	-	1,540	-
Servizi Industriali S.r.l.	-	-	1,200	960
Inoxihp S.r.l.	-	-	527	-
Walvoil Fluid Power Pvt Ltd.	-	-	5	-
Tubiflex S.p.A.	1,280	1,280	-	-
Total	***1,280***	***1,280***	***108,297***	***77,532***

4. Transactions with related parties

In accordance with IFRS 16, the financial statements report interest-bearing financial debts of € 1,445 thousand (€ 2,122 thousand at 31 December 2023) and financial expenses due to discounting the rentals payable to related parties of € 84 thousand (€ 106 thousand at 31 December 2023). Other costs totaling € 12 thousand (€ 12 thousand in 2023 as well) have also been charged to the income statement.

The above transactions were carried out on arm's-length conditions.

5. Exposure to risks and uncertainties and Financial risk factors

The Company is exposed to the normal risks and uncertainties of any business activity. The markets in which the Company operates are world niche markets of moderate size and with few competitors. These market characteristics constitute a high barrier to the entry of new competitors, due to significant economy of scale effects against the backdrop of uncertain economic returns for potential new entrants. The Company retains world leadership positions that mitigate the risks and uncertainties of the business activity.

The business of the Company is exposed to various financial risks: market risk (including the exchange rate risk and interest rate risk), credit risk and liquidity risk. The financial risks management program is based on the unpredictability of financial markets and it is aimed at minimizing any negative impact on the Company's financial performance. Interpump Group S.p.A. can use derivative financial instruments to hedge against exchange and interest rate risks. The Company does not hold derivative financial instruments of a speculative nature, in compliance with the rulings established by the procedure approved by the Board of Directors.

5.1 Market risks

a) Exchange rate risk

The Company does business internationally and is principally exposed to the exchange risk related to business conducted in US dollars. In this context, the Company invoices its US subsidiaries and a major US customer in dollars. The Company's current policy is to refrain from hedging recurring transactions and instead to hedge only exposures that are non-recurring in terms of amount or frequency of occurrence.

(b) Interest-rate risk

Interest-rate risk derives from medium/long-term loans granted at floating rates. It is currently Company policy not to arrange hedges, in view of the short average duration of the existing bank debts (around 3.5 years).

5.2 Credit risk

The Company does not have any significant concentrations of receivables. It is Company policy to make sales to customers following a careful assessment of their credit rating and therefore within preset credit limits. Historically, the Company has not had to support any significant losses on receivables.

5.3 Liquidity risk

Prudent management of liquidity risk involves the retention of an appropriate level of cash on hand and sufficient access to lines of credit. Because of the dynamic nature of the business, which includes frequent acquisitions, it is Company policy to have access to stand-by lines of credit that can be utilized at short notice.

5.4 Price and cash flow risk

The Company is subject to constant changes in metal prices, especially brass, aluminum, stainless steel and steel. It is Company policy to hedge this risk where possible by way of medium-term commitments with suppliers or stockpiling policies when prices are at the low point of their cycle. The prices charged for steel (both stainless and for reinforcement and restoration purposes) did not fluctuate much in 2024, remaining stable compared with the prior year. By contrast, those charged for brass and aluminum rose considerably, with maximums near the peaks seen in H2 2022. Although the principal supply chain problems were overcome during the prior year, the Company has sometimes decided to purchase larger quantities in order to guarantee the availability of the materials needed for production purposes. The Company constantly monitors the price trend of these raw materials in the attempt to adopt the most effective policies to minimize potential exposure to this risk.

The income and cash flow from the Company's operating activities are not influenced much by changes in interest generating assets.

The Company is monitoring developments carefully with regard to the import tariffs imposed on countries by the United States, and the counter-measures taken by them, analyzing the potential impacts on the business and studying the actions to be taken to mitigate their potential adverse effects.

5.5 Climate change risk

With regard to climate change, the Company does not fall with the scope of Directive 2003/87/EC (as amended most recently by Directive (EU) 2018/410), which introduced and governs the European Union Emissions Trading System (EU ETS). The ETS is the principal tool adopted by the European Union to reach the CO_2 reduction targets established for the principal industrial sectors and aviation. Although the Company is not included in the industrial sectors covered by the ETS, it is nevertheless committed to combat climate change.

Commencing from 2024, in accordance with Directive (EU) 2022/2426 (Corporate Sustainability Reporting Directive - CSRD), adopted in Italy by Decree 125/2024, the Interpump Group reports the material impacts, risks, opportunities, policies, actions, objectives, business model and performance metrics in section E1 of the CSRD chapter in the Consolidated Annual Financial Report.

Based on an initial scenario analysis of corporate locations, the impacts of physical risks (acute and chronic) on assets and revenues were not considered significant and, accordingly, no specific provisions or asset writedowns have been recorded at 31 December 2024.

Again in view of the above, the forecasts reflected in the five-year business plan used for the impairment test of goodwill were not significantly affected by the above physical, climate-related risks but, nevertheless, were prepared in a prudent manner that contains the expected level of future cash flows.

The Company is also potentially exposed to risks deriving from the impacts of future, more restrictive laws and regulations governing energy efficiency and climate change, that may result in increased operating costs.

6. Environment, health and safety

The Company is engaged exclusively in mechanical engineering and components assembly activities that are not accompanied by the emission of pollutants into the environment. The production process is performed in compliance with statutory legislation. The Company is exposed to risks associated with occupational health and safety and the environment, typical of a company that performs manufacturing and sales activities in different geographical contexts.

In relation to occupational health and safety and the environment the Company applies international standards ISO 9001, ISO 14001 and OHSAS 18001.

7. Other information

Six new projects were completed in 2024, of which one related to new mechanical components for very high pressure pumps, another related to a new homogenizer, one related to optimization of the use of raw materials in production, and two related to the development of new pumps; in addition, work commenced on eleven new projects.

During 2024, the activities of the Company included those deemed eligible pursuant to the 2020 Budget Law (Law 160/2019, as amended), involving a significant commitment of resources to the implementation of projects to acquire the new knowledge and technical skills needed to develop:

- innovative technical solutions specific to the food and pharmaceuticals sectors;
- an experimental and pre-competitive family of high-performance homogenizers with extended reliability over time;
- small experimental and pre-competitive machines with design optimized to maximize performance in combination with compact size and low power rating;

- experimental and innovative solutions that complete and expand the range of products offered by the Company, surpassing the results already achieved and the technological level of current solutions by using new materials and new processes;
- experimental technical solutions that allow water to be recycled for industrial applications.

The positive outcome of these innovations should generate good results in terms of revenues, with a beneficial effect on the performance of the business.

With regard to these R&D activities, the Company intends to apply the tax credit envisaged in the 2020 Budget Law (art. 1, subsections 198/209, of Law 160/2019), as amended by the 2021 Budget Law (art. 1, subsection 1064, of Law 178/2020, as amended); this tax credit amounted to about € 18 thousand in 2024 (€ 24 thousand in 2023).

It is Company policy to continue to invest heavily in research and development in future years in order to add further impetus to organic growth. Product development costs totaling € 507 thousand were capitalized in 2024, since they will benefit future years, while an amount of € 196 thousand was charged to the income statement.

At 31 December 2024, the Company holds 2,138,363 treasury shares corresponding to 1.964% of share capital, acquired at an average unit cost of € 39.08417.

With regard to stock option plans and the shares in the Company and in subsidiaries held by directors, statutory auditors and general managers, you are invited to consult the “Board of Directors' Report”, which is attached to the Consolidated Annual Financial Report.

The Company is not subject to management and coordination activities. Leila Montipò e Sorelle S.A.p.A., formed on 6 November 2020, holds a controlling interest pursuant to art. 2359, subsection 2, of the Italian Civil Code in Gruppo IPG Holding S.p.A. and, accordingly, is the company required to prepare the consolidated financial statements of the largest group, given the exemption clauses envisaged in art. 27 of Decree 127 dated 9 April 1991: the financial statements that include the data of Interpump Group S.p.A. and its subsidiaries are prepared in accordance with the IFRS issued by the International Accounting Standards Board and adopted by the European Union, and are available from the Milan Companies Register.

Leila Montipò e Sorelle S.A.p.A. does not carry out management and coordination activities in relation to Gruppo IPG Holding S.p.A. and is also not subject to any management and coordination activities.

In turn, Gruppo IPG Holding S.p.A. prepares consolidated financial statements on a voluntary basis, although this is no longer required from FY 2021, since that requirement is now placed on its parent company, “Leila Montipò e Sorelle S.A.p.A.”.

Gruppo IPG Holding S.p.A. does not carry out any management or coordination activities in relation to Interpump Group S.p.A. and is also not subject to any management and coordination activities.

8. Events occurring after the close of the year and business outlook

No atypical or unusual transactions have been carried out subsequent to 31 December 2024 that would call for changes to these separate financial statements.

The scenarios that marked FY2024 have not changed significantly in the first few weeks of 2025. The environment therefore remains complex and difficult to read, with the early months of 2025 expected to be the most challenging period of the entire year. In this highly complex international context, the Company will continue to implement all countermeasures designed to protect and consolidate its margins, with the further objective of maintaining and ideally increasing the level of cash generation.

9. Proposal to the Shareholders' Meeting

The profit for the year was € 101,341,740. We propose:

- allocation of the net profit for the year to the Extraordinary Reserve, since the legal reserve has already reached the limit of one-fifth of the subscribed and paid-up share capital;
- partial distribution of the Extraordinary Reserve formed from profits, by declaring a dividend of € 0.33 for each share outstanding including the right envisaged in art. 2357-*(3)* subsection 2, of the Italian Civil Code.

Sant'Ilario d'Enza (RE), 21 March 2025

For the Board of Directors

Fulvio Montipò

Executive Chairman

SEPARATE FINANCIAL STATEMENTS AT 31 DECEMBER 2024 OF THE PARENT COMPANY INTERPUMP GROUP S.p.A.

INTERPUMP GROUP S.p.A.
Registered Office: S. Ilario d'Enza (RE)
Via E. Fermi 25
Share Capital: € 56,617,232.88
Tax Code and Companies Register number 11666900151
VAT number 01682900350

STATEMENT OF FINANCIAL POSITION

ASSETS *Euro*	*Notes*	*31/12/2024*	*31/12/2023*
Current assets			
Cash and cash equivalents	3	109,557,623	88,280,082
Trade receivables	4, 20	16,004,542	16,926,865
Dividends receivable	20	1,279,700	1,279,700
Inventories	5	29,889,948	31,842,597
Tax receivables		7,492,231	4,113,745
Current financial assets	11, 20	23,737,000	29,100,692
Other current assets	6, 20	4,101,539	6,072,054
Total current assets		**192,062,583**	**177,615,735**
Non-current assets			
Property, plant and equipment	7	35,609,868	37,244,125
Goodwill	8	44,536,997	44,536,997
Other intangible fixed assets	9	3,452,030	3,265,813
Investments in subsidiaries	10	1,103,474,536	1,020,959,070
Other financial assets	11, 20	17,177,155	38,784,744
Tax receivables		235,074	1,419,643
Deferred tax assets	12	7,170,853	9,377,871
Other non-current assets		11,551	11,900
Total non-current assets		**1,211,668,064**	**1,155,600,163**
Total assets		***1,403,730,647***	***1,333,215,898***

LIABILITIES AND SHAREHOLDERS' EQUITY *Euro*	*Notes*	*31/12/2024*	*31/12/2023*
Current liabilities			
Trade payables	14, 20	17,593,743	14,788,655
Bank debts	13, 20	4,588,052	5,242,086
Interest-bearing financial debts (current portion)	13, 20	209,448,074	233,343,505
Tax liabilities		469,738	234,142
Other current liabilities	14, 20	7,519,543	8,138,231
Accrued expenses and deferred income		293,981	274,522
Total current liabilities		**239,913,131**	**262,021,141**
Non-current liabilities			
Interest-bearing financial debts	13, 20	430,066,153	399,846,593
Liabilities for employee benefits	16	3,372,606	3,775,161
Deferred tax liabilities	12	674,287	680,421
Other non-current liabilities	17	2,451,203	2,300,053
Provisions for risks and charges	15	8,232,784	8,230,452
Total non-current liabilities		**444,797,033**	**414,832,680**
Total liabilities		**684,710,164**	**676,853,821**
SHAREHOLDERS' EQUITY			
Share capital	18	55,505,284	55,624,624
Legal reserve	19	11,323,447	11,323,447
Share premium reserve	18	42,390,099	46,883,075
Reserve from remeasurement of defined benefit plans	19	(2,074,358)	(2,114,858)
Other reserves	19	611,876,011	544,645,789
Total shareholders' equity		**719,020,483**	**656,362,077**
Total shareholders' equity and liabilities		***1,403,730,647***	***1,333,215,898***

INCOME STATEMENT

Euro	*Notes*	*2024*	*2023*
Revenues	22	**115,520,783**	**117,224,247**
Cost of sales	24	(72,778,100)	(74,252,740)
Gross profit		**42,742,683**	**42,971,507**
Other net revenues	23	7,695,496	4,598,464
Distribution expenses	24	(6,499,664)	(6,220,702)
General and administrative expenses	24	(23,055,002)	(22,471,647)
Impairment losses on assets	9, 10	(1,707,505)	(5,056,467)
Other operating costs	24	(1,633,751)	(87,509)
Dividends	10	108,297,476	77,531,823
EBIT		**125,839,733**	**91,265,469**
Financial income	25	6,232,311	6,983,402
Financial expenses	25	(31,133,398)	(29,774,773)
Profit for the year before taxes		**100,938,646**	**68,474,098**
Income taxes	26	403,094	7,579,789
Net profit for the year		***101,341,740***	***76,053,887***
Basic earnings per share	27	0.948	0.711
Diluted earnings per share	27	0.946	0.709

COMPREHENSIVE INCOME STATEMENT

€/000	*Notes*	*2024*	*2023*
Net profit (A)		**101,342**	**76,054**
Profit (loss) that will not subsequently be reclassified to consolidated profit			
Profit (Loss) deriving from the restatement of defined benefit plans		*53*	*(60)*
Applicable taxes		*(12)*	*14*
Total other comprehensive income (loss) that will not subsequently be reclassified to consolidated profit, net of tax effect (B)	19	**41**	**(46)**
Comprehensive net profit (A) + (B)		***101,383***	***76,008***

CASH FLOW STATEMENT

€/000	*Notes*	*2024*	*2023*
Cash flows from operating activities			
Profit before taxes		100,939	68,474
Adjustments for non-cash items:			
Losses (gains) on the sale of fixed assets		(17)	(12)
Amortization and depreciation of tangible and intangible fixed assets	24	6,060	6,141
Costs recognized in the income statement relative to stock options that do not involve monetary outflows for the Company	24	4,970	4,978
Impairment losses (writebacks) on assets	10	1,620	4,945
Net change in risk provisions and allocations to employee benefit provisions		580	(588)
Dividends credited to the income statement	10	(108,297)	(77,532)
Net financial expenses (income)	25	24,901	22,791
		30,756	***29,197***
(Increase) decrease in trade receivables and other current assets	4, 6	(4,067)	5,414
(Increase) decrease in inventories	5	1,953	1,288
Increase (decrease) in trade payables and other current liabilities	4, 14	5,651	(18,049)
Taxes paid	26	1,170	(2,629)
Interest paid	25	(31,988)	(25,665)
Realized exchange differences		257	(182)
Net cash from operating activities		**3,732**	**(10,626)**
Cash flows from investing activities			
Outlay for the acquisition of equity investments net of treasury shares assigned	10	(82,553)	(38,961)
Disbursements for purchase of treasury shares		(10,337)	-
Proceeds from sales of treasury shares for stock options	18	581	2,246
Capital expenditure on tangible fixed assets	7	(3,619)	(4,427)
Proceeds from the sale of tangible fixed assets	7	83	72
Increase in intangible fixed assets	9	(693)	(484)
Financial income received	25	5,819	6,577
Other		(178)	(1,324)
Net liquidity generated (used) by investing activities		**(90,897)**	**(36,301)**

€/000	Notes	2024	2023
Cash flows from financing activities			
Dividends received from subsidiaries	10	108,285	77,547
Dividends paid	19	(34,231)	(32,300)
(Disbursal) Repayment of intercompany loans, net of treasury shares assigned	11	27,331	10,728
Disbursals (repayments) of loans and bonds	13	8,091	(113,177)
Payment of finance lease installments (principal)		(813)	(824)
Other		434	1,732
Net cash generated by (used in) financing activities		**109,097**	**(56,294)**
Net increase (decrease) in cash and cash equivalents		**21,932**	**(103,221)**
Cash and cash equivalents at the beginning of the year	28	**83,038**	**186,259**
Cash and cash equivalents at the end of the year	28	**104,970**	**83,038**

See Note 28 for the reconciliation of cash and cash equivalents.

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

€/000	Notes	Share capital	Legal reserve	Share premium reserve	Remeasurement reserve for defined benefit plans	Other reserves	Total shareholders' equity
At 1 January 2023		***55,584***	***11,323***	***39,348***	***(2,069)***	***500,707***	***604,893***
Dividends paid		-	-	-	-	(32,074)	*(32,074)*
Recognition in the income statement of the fair value of stock options assigned to and exercisable by Interpump Group S.p.A. employees.		-	-	4,978	-	-	*4,978*
Fair value measurement of the stock options assigned to and exercisable by employees of subsidiaries		-	-	311	-	-	*311*
Sale of treasury shares to stock option beneficiaries		41	-	2,246	-	(41)	*2,246*
Comprehensive net profit for the year		-	-	-	(46)	76,054	*76,008*
At 31 December 2023	***18, 19***	***55,625***	***11,323***	***46,883***	***(2,115)***	***544,646***	***656,362***
Dividends paid		-	-	-	-	(34,231)	*(34,231)*
Recognition in the income statement of the fair value of stock options assigned to and exercisable by Interpump Group S.p.A. employees.		-	-	4,970	-	-	*4,970*
Fair value measurement of the stock options assigned to and exercisable by employees of subsidiaries		-	-	292	-	-	*292*
Purchase of treasury shares		(130)	-	(10,337)	-	130	*(10,337)*
Sale of treasury shares to stock option beneficiaries		10	-	581	-	(10)	*581*
Comprehensive net profit for the year		-	-	-	41	101,342	*101,383*
At 31 December 2024	***18, 19***	***55,505***	***11,323***	***42,389***	***(2,074)***	***611,877***	***719,020***

NOTES TO THE FINANCIAL STATEMENTS OF INTERPUMP GROUP S.p.A.

1. General information

Interpump Group S.p.A. is a company, incorporated under Italian law with registered offices in Sant'Ilario d'Enza (RE), that is listed on the Milan Stock Exchange.

The Company manufactures and markets high and very high pressure plunger pumps, and has direct and indirect controlling interests in 121 companies. Interpump Group S.p.A. has production facilities in Sant'Ilario d'Enza (RE). For information on the Group's operations, refer to the “Board of Directors' Report” attached to the Consolidated Financial Report.

The financial statements at 31 December 2024, prepared on a going concern basis, were approved by the Board of Directors at the meeting held on 21 March 2025.

2. Accounting standards adopted

2.1 Reference accounting standards

The financial statements at 31 December 2024 have been prepared in compliance with the International Financial Reporting Standards (“IFRS”) issued by the International Accounting Standards Board (“IASB”) and endorsed by the European Union. “IFRS” also means the International Accounting Standards (“IAS”) currently in force and all the interpretative documents issued by the IFRS Interpretation Committee, previously denominated International Financial Reporting Interpretations Committee (“IFRIC”) and still earlier known as the Standing Interpretations Committee (“SIC”).

The statement of financial position and the income statement are presented in euro, while the other schedules and notes are presented in thousands of euro. The financial statements are prepared using the cost method, with the exception of financial instruments, which are measured at fair value.

Preparation of a report in compliance with IFRS (International Financial Reporting Standards) calls for judgments, estimates, and assumptions that effect assets, liabilities, costs and revenues. The final results may differ from the results obtained using estimates of this type. The captions of the financial statements that call for more subjective appraisal by the directors when preparing estimates and for which a change in the conditions underlying the assumptions utilized could have a significant effect on the financial statements are: goodwill, amortization and depreciation of fixed assets, deferred tax assets and liabilities, the allowance for doubtful accounts and the allowance for inventories, provisions for risks and charges, defined benefit plans for employees, the recoverability of the value of investments and liabilities for the acquisition of investments included under other liabilities.

In particular, discretionary measurements and significant accounting estimates are made to determine the recoverable value of each equity investment. Their purpose is to identify possible evidence of impairment, forecast profitability over the period covered by the Group Business Plan, determine the normalized cash flows needed to estimate terminal value, and establish the long-term growth and discounting rates applied to the forecasts of future profitability. The key assumptions used to measure equity investments, including a sensitivity analysis, are described in Note 10.

The Company's income statement is prepared by functional areas (or cost of sales), this form being considered more representative than presentation by type of sales, this information being specified in the notes to the financial statements. The chosen form, in fact, complies with the internal reporting and business management methods. For a comprehensive analysis of the Group's economic results, see the “Board of Director's Report” attached to the Consolidated Annual Financial Report.

The reporting formats and related classification criteria adopted by the Company are indicated below.

In the context of the options envisaged in IAS 1 - Presentation of financial statements, the consolidated statement of financial position classifies assets and liabilities in accordance with the "current/non-current" criterion.

The consolidated income statement classifies operating costs by the purpose for which they were incurred; in compliance with IFRS requirements, the consolidated statement of comprehensive income includes, in addition to the results for the year, income and costs not recognized in the income statement for the year, as required by the IFRS issued by the International Accounting Standards Board and adopted by the European Union.

The cash flow statement presents the cash flows from operating activities using the "indirect method".

2.1.1 Accounting standards, amendments and interpretations in force from 1 January 2024 and adopted by the Company

As from 2024 the Company has applied the following new accounting standards, amendments and interpretations, reviewed by IASB:

- *Amendments to IAS 1 – Presentation of Financial Statements: Classification of Liabilities as Current or Non-current.* The IASB published this amendment on 23 January 2020 in order to clarify the presentation of liabilities in the statement of financial position. In particular, they clarify that:
  - the classification of liabilities as current or non-current should be based on the rights existing at the end of the reporting period and, in particular, on the right to defer payment for at least 12 months;
  - classification is not influenced by expectations regarding decisions by the entity to exercise its right to defer the payment of a liability;
  - payment refers to the transfer to the counterparty of cash, equity instruments, other assets or services.

  The amendments took effect on 1 January 2024.

- *Amendments to IAS 7 - Statement of Cash Flows and IFRS 7 - Financial Instruments*. On 25 May 2023, in response to investor needs, the IASB published an amendment to the related disclosures that improves transparency with regard to financial indebtedness and its effects on financial liabilities, cash flows and the exposure to liquidity risk. The amendment took effect on 1 January 2024.

- *IFRS S1 - General Requirements for Disclosure of Sustainability-related Financial Information.* In June 2023 the ISSB published a standard that establishes general requirements for the disclosure of sustainability-related financial information. The amendment took effect on 1 January 2024.

- *IFRS S2 - Climate-related Disclosures.* In June 2023 the ISSB published a standard that requires the disclosure of supplementary information about climate-related risks and opportunities. The amendment took effect on 1 January 2024.

The adoption of these standards had no significant effects on the financial statements of the Company.

2.1.2 Accounting standards, amendments and interpretations in force from 1 January 2024 but not relevant for the Company

- Amendments to *IFRS 16 - Leases: Lease Liability in a Sale and Leaseback.* On 22 September 2022 the IASB published the document that amends IFRS 16, clarifying how to account for a sale and leaseback after the date of the transaction. This amendment took effect on 1 January 2024. Early adoption is allowed.

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

- *Amendments to IAS 21 - The effects of changes in foreign exchange rates: lack of exchangeability.* The IASB published an amendment on 15 August 2023 that contains guidelines to clarify when one currency is exchangeable into another currency and how to determine the exchange rate when, by contrast, it is not exchangeable. The amendment took effect on 1 January 2025. Early adoption is allowed.

- *IFRS 18 - Presentation and Disclosure in Financial Statements.* On 9 April 2024, the IASB published a new standard that introduces certain important disclosures to be made in the explanatory notes to the financial statements when performance indicators are used that, as per the new standard, fall within so-called Management-defined Performance Measures. This ensures more transparent and comparable information for investors on the financial results of companies. This standard will apply to all companies that report under the IFRS issued by the International Accounting Standards Board and adopted by the European Union. The standard is effective for annual periods beginning on or after 1 January 2027. Early adoption is allowed.

- *IFRS 19 - Subsidiaries without Public Accountability: Disclosures.* On 9 May 2024, the IASB published a new standard for subsidiaries without public accountability, which allows qualifying subsidiaries to apply IFRS with limited disclosures. The application of IFRS 19 will reduce the cost of preparing the financial statements of subsidiaries, while retaining the usefulness of the information provided to the users of their accounts. The standard is effective for annual periods beginning on or after 1 January 2027. Early adoption is allowed.

- *Amendments to IFRS 9 and IFRS 7, Amendments to the Classification and Measurement of Financial Instruments.* On 30 May 2024, the IASB published an Exposure Draft that amends in particular IFRS 9 (Financial Instruments) and IFRS 7 (Financial Instruments: Disclosures), proposing amendments to ensure *inter alia* that the financial statements reflect more fairly the effects that contracts for renewable electricity have on a company. The amendments are effective for annual periods beginning on or after 1 January 2026. Early adoption is allowed.

i. *Annual improvements to IFRS - Volume 11*. On 19 July 2024, the IASB published this document containing clarifications, simplifications, corrections and amendments to the IFRS that improve their internal consistency. The following accounting standards were modified: IFRS 1 First-time Adoption of International Financial Reporting Standards, IFRS 7 Financial Instruments: Disclosures and its accompanying Guidance on implementing IFRS 7, IFRS 9 Financial Instruments, IFRS 10 Consolidated Financial Statements and IAS 7 Statement of Cash Flows. The amendments are effective from 1 January 2026. Early adoption is allowed.

- *Amendments to IFRS 9 and IFRS 7, Amendments to the Contracts Referencing Nature-dependent Electricity.* On 18 December 2024, the IASB published amendments to IFRS 9 *Financial Instruments* and IFRS 7 *Financial Instruments: Disclosures*, to help entities report better the financial effects of contracts structured as Power Purchase Agreements (PPAs), so that investors receive clearer information about their financial performance and expected cash flows. The amendments are effective for annual periods beginning on or after 1 January 2026. Early adoption is allowed.

The Company is currently assessing the possible impacts of the new standards included in this section.

2.2 Business sector information

Based on the definition provided by standard IFRS 8 an operating segment is a component of an entity:

- that undertakes a business activity that generates costs and revenues;
- the operating results of which are periodically reviewed at the highest decisional/operating level of the entity in order to make decisions concerning the resources to allocate to the segment and the measurement of the results;
- for which separate accounting information is available.

The business sectors in which the Group operates are determined on the basis of the reporting utilized by top management to make decisions, and they have been identified as the Water-Jetting sector, which basically includes high and very-high pressure pumps, very high pressure systems, high pressure homogenizers, separators, mixers, agitators, piston pumps, valves, mechanical sifters, automated milking systems and other machinery, primarily for the food industry, but also for the chemicals, cosmetics and pharmaceuticals sectors, as well as the Hydraulic sector, which includes power take-offs, gear pumps, hydraulic cylinders, directional controls, valves, gears and dispersion devices used to spread solid biological fertilizers, hoses and fittings, right-angle drives, orbital motors, steering systems (hydroguides) and other hydraulic components. Interpump Group S.p.A. operates entirely in the Water-Jetting sector, so it was not considered necessary to present the associated sector information.

With the aim of providing more comprehensive disclosure, information is provided for the geographical areas in which the Company operates, namely Italy, Europe (including non-EU European countries and excluding Italy) and the Rest of the World.

2.3 Treatment of foreign currency transactions

The functional and presentation currency adopted by Interpump Group S.p.A. is the euro. Foreign currency transactions are translated to euro using the exchange rates in force on the date of the transaction. Monetary assets and liabilities are translated at the exchange rate in force on the reporting date. Foreign exchange differences arising from the translation are recognized in the income statement. Non-monetary assets and liabilities measured at historical cost are translated at the exchange rates in force on the date of the related transactions. Monetary assets and liabilities stated at fair value are translated to euro at the exchange rate in force on the date in respect of which the relative fair value was determined.

2.4 Property, plant and equipment

i. Recognition and measurement

Property, plant and equipment are measured at the historical cost and stated net of accumulated depreciation (see next point *iii*) and impairment losses (see section 2.7). The cost of goods produced internally includes the cost of raw materials, directly related labor costs, and a portion of indirect production costs. The cost of assets, whether purchased externally or produced internally, includes the ancillary costs that are directly attributable and necessary for use of the asset and, when they are significant and in the presence of contractual obligations, the current value of the cost estimated for the dismantling and removal of the related assets.

Financial expenses relating to loans utilized for the purchase of tangible fixed assets are recorded in the income statement on an accruals basis if they are not specifically allocated to the purchase or construction of the asset, otherwise they are capitalized.

Assets held for sale are measured at the lower of the fair value net of ancillary charges to the sale and their book value at the time of classification of said captions as held for sale.

ii. Subsequent costs

The replacement costs of certain parts of assets are capitalized when it is expected that said costs will result in future economic benefits and they can be measured in a reliable manner. All other costs, including maintenance and repair costs, are recognized in the income statement when they are incurred.

iii. Depreciation

Depreciation is charged to the income statement on a straight-line basis over the estimated residual useful lives of the related capitalized assets. Land is not depreciated. The estimated useful lives of assets are as follows:

- Buildings 25 years
- Plant and equipment 12.5 years
- Industrial and commercial equipment 4 years
- Other assets 4-8 years

The estimated useful lives of assets are reviewed on an annual basis, and any changes in the rates of depreciation are applied, where necessary, on a prospective basis.

For assets purchased and/or that became operational in the year, depreciation is calculated utilizing annual rates reduced by 50%. Historically, this method of calculation has been representative of the effective use of the assets in question.

Any profits/losses emerging on the derecognition of assets, on disposal (from the date on which the purchaser obtains control over them) or when no further economic benefits are expected from their use or disposal (being the difference between their carrying amount and the net consideration obtained), are recognized in the income statement at that time.

iv. Leases

Right-of-use assets are measured at cost and stated net of accumulated depreciation and impairment. They are also adjusted following remeasurement of the related lease liabilities. The cost of right-of-use assets comprises the amount of the lease liabilities recognized, the initial direct costs incurred and the lease payments made at or before the start date, net of any and all incentives received. Right-of-use assets are depreciated on a straight-line basis from the start date until the end of the useful life of the asset, being the end of the usage right (duration of the lease contract). The corresponding liability to the lessor is classified among the financial debts.

v. Leasehold improvements

Any leasehold improvements with the same characteristics as fixed assets are capitalized in the asset category to which they relate and depreciated over their useful lives or, if shorter, over the residual life of the lease.

2.5 Goodwill

Goodwill is represented by the merger deficit portions paid for this reason and arising from the merger operations.

Goodwill is recorded at cost, net of impairment losses. Goodwill is allocated to a single cash generating unit and is no longer amortized as from 1 January 2004. The book value is measured in order to assess the absence of impairment (see section 2.7).

2.6 Other intangible fixed assets

i. Research and development costs

Research costs for the acquisition of new technical know-how are charged to the income statement as incurred.

Development costs relating to the creation of new products/accessories or new production processes are capitalized if the Company can prove:

- the technical feasibility and intention of completing the intangible asset in such a way that it is available for use or for sale;
- its ability to use or sell the asset;
- the forecast volumes and realization values indicate that the costs incurred for development activities will generate future economic benefits;
- those costs are measurable in a reliable manner;
- the resources exist to complete the development project.

The capitalized costs relate to development projects that meet the requirements for deferral. Capitalized development costs are valued at cost, net of accumulated amortization, (see next point *v*) and impairment (see section 2.7).

ii. Loan ancillary costs

Loan ancillary costs are deducted from the nominal amount of the loan and treated as outlined in section 2.13.

iii. Other intangible fixed assets

Other intangible assets, all having a defined useful life, are measured at cost and recorded net of accumulated amortization (see next point *v*) and impairment (see section 2.7).

Software licenses are amortized over their period of utilization (5 years).

The costs incurred internally for the creation of trademarks or goodwill are recognized in the income statement when they are incurred.

iv. Subsequent costs

Costs incurred subsequently relative to intangible fixed assets are capitalized only if they increase the future economic benefits of the specific capitalized asset, otherwise they are entered in the income statement when they are sustained.

v. Amortization

Amortization is charged to the income statement on a straight-line basis over the estimated useful lives of the related capitalized assets. The estimated useful lives of assets are as follows:

- Patents and trademarks	5-18 years
- Development costs	5 years
- Software licenses	5 years

The estimated useful life is reviewed on an annual basis and any changes in the rates are made, where necessary, for future amounts.

2.7 Impairment of assets

The book values of assets, with the exception of inventories (see section 2.11), financial assets regulated by IFRS 9, deferred tax assets (see section 2.15), and non-current assets held for sale regulated by IFRS 5, are subject to measurement at the reporting date in order to identify the existence of possible indicators of impairment. If the valuation process identifies the presence of such indicators, the presumed recoverable value of the asset is calculated using the methods indicated in the following point (*i*).

The presumed recovery value of goodwill and intangible assets that have not yet been used is estimated at intervals of no longer than once a year or more frequently if specific events occur that point to the possible existence of impairment. If the estimated recoverable value of the asset or its cash generating unit is lower than its net book value, the asset to which it refers is consequently adjusted for impairment loss with entry into the income statement.

Goodwill is systematically measured (impairment test) at least once a year or more as prescribed by IAS 36.

i. Calculation of estimated recoverable value

The estimated recoverable value of other assets is equal to their fair value less selling costs or, if greater, their value in use. The value in use is equivalent to the projected future cash flows, discounted to present value at a rate, including tax, that takes account of the market value, of interest rates and specific risks of the asset to which the presumed realization value refers. For assets that do not give rise to independent cash flows the presumed realization value is determined with reference to the cash generating unit to which the asset belongs.

ii. Reinstatement of impairment losses

An impairment relating to other assets is reinstated if a change has occurred in their estimated recoverable value.

Impairment is reinstated to the extent of the corresponding book value that would have been determined, net of depreciation/amortization, had no impairment loss ever been recognized. Impairment related to goodwill is never reinstated.

2.8 Equity investments

Investments in subsidiaries and associates are measured at cost. Should any impairment of value arise at the reporting date in comparison to the value determined according to the above method, the investment in question will be written down.

2.9 Cash and cash equivalents

Cash and cash equivalents include cash on hand, bank and post office deposits, and securities having original maturity date of less than three months. Current account overdrafts and advances with recourse are deducted from cash only for the purposes of the cash-flow statement.

2.10 Financial assets (Trade receivables, Other financial assets and Other assets)

On initial recognition, the classification of financial assets depends on how they will be measured subsequently: at amortized cost, at fair value through other components of comprehensive income or at fair value through profit or loss. Again at the time of initial recognition, financial assets are classified with reference to the characteristics of the related contractual cash flows and the business model used by the Company for their management. With the exclusion of trade receivables that do not contain a significant financing component, the Company initially measures financial assets at their fair value, including transaction costs in the case of those not measured at fair value through profit and loss. Trade receivables that do not have a significant financial component are measured at their transaction price, as defined in accordance with IFRS 15.

Financial assets are measured at amortized cost if they are held in order to collect contractual cash flows (*Held to Collect*), represented solely by the payment of principal and interest on the amount of principal still be repaid. All receivables are included in this category. These assets are measured at amortized cost, in accordance with the effective interest criterion, and stated net of impairment losses. Interest income, exchange gains and losses, and impairment losses are recognized in the profit (loss) for the year, as are derecognition gains and losses.

Financial assets are measured at fair value through other comprehensive income if they are held by the Company both to collect contractual cash flows, represented solely by the payment of principal and interest on the amount of principal to be repaid, and to sell them (*Held to Collect and Sell*).

If a financial asset is not measured in one of the two ways described above, it must be measured at fair value through profit or loss. Accordingly, this category includes the assets held for trading and the assets designated on initial recognition as financial assets at fair value through profit or loss, as well as the financial assets whose measurement at fair value is mandatory. The fair value of the financial assets held for trading is determined with reference to market prices on the relevant annual or interim reporting date, or using financial valuation techniques and models.

In accordance with IFRS 9, commencing on 1 January 2018 the Company adopted a new impairment model for financial assets measured at amortized cost or at fair value through other components of comprehensive income, with the exception of equity securities and assets deriving from customer contracts. This new model is based on determining the expected credit loss (ECL), which replaced the incurred loss model previously envisaged in IAS 39.

The new standard envisages adoption of the following methodologies: the General deterioration method and the Simplified approach. The standard does not define specific criteria for the segmentation of customers, leaving entities free to select the sampling subsets in a manner that ensures consistency with historical experience.

Within the simplified model, an analytical approach has been applied in relation to trade receivables deemed by management to be individually significant, and for which more detailed information is available about the significant increase in credit risk.

A financial asset (or, where applicable, part of a financial asset or part of a group of similar financial assets) is derecognized (i.e. removed from the statement of financial position) when:

- the right to receive cash flows deriving from the asset has expired, or
- the Company has transferred the right to receive cash flows deriving from the asset to a third party, or has accepted a contractual obligation to pay them over in full and without delay and (a) has transferred substantially all the risks and benefits of ownership of the financial asset, or (b) has not transferred or retained substantially all the risks and benefits of ownership of the financial asset, but has transferred control over it.

The profit (loss) on a financial asset that is measured at amortized cost and is not included in a hedging relationship must be recognized in profit (loss) in the year in which it is derecognized or reclassified, or via the amortization process or to recognize the gains or loss on impairment adjustments.

2.11 Inventories

Inventories are measured at the lower of purchase cost or their estimated realizable value. Cost is determined on a weighted-average basis and includes all costs incurred to purchase the materials and transform them into their state and condition at the reporting date. The cost of semi-finished goods and finished products includes a portion of indirect costs determined on the basis of normal production capacity. Write down provisions are calculated for materials, semi-finished goods and finished products considered to be obsolete or slow moving, taking account of their expected future usefulness and their realizable value. Net realizable value is estimated with reference to market price in the ordinary course of business, less any completion and selling costs to be incurred.

2.12 Share capital and Treasury shares

The price paid to purchase of treasury shares, inclusive of any directly-attributable ancillary charges, is deducted from share capital for the portion concerning the nominal value of shares and from other shareholders' equity for the remainder. When treasury shares are sold or reissued, the price collected, net of any directly attributable ancillary charges and the associated tax effect, is recorded as share capital for the portion concerning the nominal value of shares and as shareholders' equity for the surplus.

2.13 Financial liabilities (Trade payables, Bank debts, Interest-bearing financial debts and Other liabilities)

On initial recognition, financial liabilities are measured at fair value through profit and loss and classified either as loans or as derivatives designated as hedging instruments. All financial liabilities are initially recognized at fair value, including directly-attributable transaction costs in the case of loans and payables. Following initial recognition, loans are measured at amortized cost using the effective interest method. The effective interest rate is the rate that exactly discounts the estimated collections over the expected life of the financial instrument or the future payments to the gross carrying amount of the financial asset or the amortized cost of the financial liability. Profits and losses are recognized in the income statement when liabilities are settled, as well as via the amortization process. Amortization using the effective interest rate is classified among the financial expenses in the income statement.

A financial liability is derecognized when the underlying obligation expires or when the obligation specified in the contract is settled, canceled or expires.

Trade payables and other debts, the relative due date of which is within normal commercial terms, are not discounted to present value and are entered at the amortized cost representative of their discharge value.

Current financial liabilities include the short-term portions of the interest-bearing financial debts, bank and lease payables and other financial liabilities.

2.14 Liabilities for employee benefits

i. Defined contribution plans

The Company participates in defined pension plans with public administration or private plans on a compulsory, contractual or voluntary basis. The payment of contributions fulfills the Company's obligations towards its employees. The contributions therefore constitute costs of the period in which they are due.

ii. Defined benefit plans

Defined benefit plans for employees - disbursed at the time of termination of the period of employment with the Company or thereafter - that include severance indemnity, are calculated separately for each plan, estimating the amount of the future benefit that the employees have accrued during the year and in previous years by means of actuarial techniques. The resulting benefit is discounted to present value and recorded net of the fair value of any related assets. The discount rate at the reporting date is calculated as required by IAS 19 with reference to the market yields of high quality corporate bonds. Only the securities of corporate issuers with an "AA" rating are considered, on the assumption that this class identifies a high rating level in the context of "Investment Grade" securities, with the exclusion, therefore, of higher risk securities. Given that IAS 19 does not make explicit reference to a specific business category, the Group has opted for a “Composite” market yield curve that, accordingly, summarizes market conditions on the measurement date for the securities issued by companies active in various sectors, including utilities, telephony, finance, banking and industrials.

The defined benefit obligation is calculated on an annual basis by an independent actuary using the projected unit credit method. If the plan benefits increase, the prior-service portion of the increase is charged to the income statement on a straight-line basis over the period in which the related rights will be acquired. If the rights are acquired immediately, the increase is recognized immediately in the income statement.

Actuarial profits and losses are recognized in a specific equity reserve on an accrual basis.

Until 31 December 2006 the severance indemnity provision (TFR) of Italian companies was considered to be a defined benefits plan. The rules governing the provision were amended by Law no. 296 of 27 December 2006 (“2007 Finance Act”) and by subsequent Decrees and Regulations enacted in the initial months of 2007. In the light of these changes, and in particular with reference to companies with at least 50 employees, as is the case of Interpump Group S.p.A., the TFR severance indemnity provision should now be classified as a defined benefits plan exclusively for the portions accrued prior to 1 January 2007 (and not yet paid out at the date of the financial statements), while after that date TFR should be considered as a defined contributions plan.

iii. Stock options

On the basis of the stock option plans currently in existence, certain employees and directors are entitled to purchase treasury shares from Interpump Group S.p.A. The options are measured at fair value, this being booked to the income statement as an addition to the cost of personnel and directors, with a matching entry in the share premium reserve. The fair value is measured at the grant date of the option and recorded in the income statement in the period that runs between said date and the date on which the options become exercisable (vesting period). The fair value of the option is determined using the applicable options measurement method (specifically, the binomial lattice model), taking account the terms and conditions at which the options were granted.

The remuneration component deriving from stock option plans with Interpump Group S.p.A. shares as the underlying, in accordance with the matters envisaged by interpretation IFRIC 11, is recognized as a capital grant disbursed to subsidiaries wherein the beneficiaries of the stock option plans are employees and consequently recorded as an increase of the relative value of the shareholdings, with a matching entry recorded directly in equity.

2.15 Income taxes

Income taxes disclosed in the income statement include current and deferred taxes. Income taxes are generally disclosed in the income statement, except when they refer to types of items that are recorded directly under shareholders' equity. In this case, the income taxes are also recognized directly in equity.

Current taxes are taxes that are expected to be due, calculated by applying to the taxable income the tax rate in force at the reporting date and the adjustments to taxes of prior years.

Deferred taxes are calculated using the liability method on the temporary differences between the amount of assets and liabilities in the financial statements and the corresponding values recognized for tax purposes. Deferred tax liabilities are recognized in relation to all taxable temporary differences, except for:

- the deferred tax liabilities deriving from the initial recognition of goodwill or an asset or liability in a transaction that does not represent a business combination and, at the time of the transaction, does not affect the reported results or taxable income;
- reversals of taxable temporary differences, associated with investments in subsidiaries, associates and joint ventures, that can be controlled and that are unlikely to occur in the foreseeable future.

Deferred tax assets are recognized in relation to all deductible temporary differences, tax credits and unused tax losses carried forward, to the extent that future taxable income is likely to be sufficient to allow the recovery of the deductible temporary differences, tax credits and tax losses carried forward, except for:

- the deferred tax assets linked to deductible temporary differences that derive from the initial recognition of an asset or liability in a transaction that does not represent a business combination and, at the time of the transaction, does not affect the reported results or taxable income;
- the deferred tax assets linked to deductible temporary differences associated with investments in subsidiaries, associates and joint ventures, which are only recognized if they are likely to reverse in the foreseeable future and there will be sufficient taxable income for the recovery of such temporary differences. Deferred taxes are calculated in accordance with the envisaged method of transfer of timing differences, using the tax rate in force at the reference date of years in which the timing differences arose.

Deferred taxes are calculated in accordance with the envisaged method of transfer of timing differences, using the tax rate in force at the reference date of years in which the timing differences arose.

Deferred tax assets are recognized exclusively in the event that it is probable that in future years sufficient taxable incomes will be generated for the realization of said deferred taxes. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that future taxable income is no longer likely to be sufficient to allow the recovery of such assets, in whole or in part. Any unrecognized deferred tax assets are reviewed at each reporting date and recognized to the extent that it has become probable that future taxable income will be sufficient to allow their recovery.

2.16 Provisions for risks and charges

In cases wherein the Company has a legal or substantial obligation resulting from a past event, and when it is probable that the loss of economic benefits must be sustained in order to fulfill such an obligation, a specific provision for risks and charges is created. If the temporal factor of the envisaged loss of benefits is significant, the amount of the future cash outflows is discounted to present values at a rate, gross of taxes, that takes account of the market interest rates and the specific risk of the liability referred to.

2.17 Revenues

i. Revenues from the sale of goods and services

Revenues deriving from contracts with customers are recognized on the basis of the following 5 steps: (i) identification of the contract with the customer; (ii) identification of the contractual performance obligations to be transferred to the customer in exchange for the transaction price; (iii) determination of the transaction price; (iv) allocation of the transaction price to the individual performance obligations; (v) recognition of the revenue when the associated performance obligation is fulfilled. Revenues are recognized at the amount of the consideration to which the Company considers it is entitled on satisfaction of the obligation, when the customer acquires control over the goods or services transferred. The Company has identified a single revenue stream from the sale of products and spare parts representing the obligations satisfied at a given point in time. Revenues from the sale of products are recognized when the significant risks and benefits associated with control over the goods are transferred to the purchaser. The change of control coincides with the transfer of ownership or possession of the goods to the purchaser and, therefore, generally occurs on shipment or on completion of the service.

ii. Dividends

Dividends are recognized in the income statement on the date they became payable, and are classified under ordinary earnings before interest and tax because they are considered to represent the ordinary holding activities performed by the Company.

2.18 Costs

i. Lease installments

The principal portion of lease installments is deducted from the financial payable, while the interest portion is charged to the income statement.

ii. Financial income and expenses

Financial income and charges are recorded on an accrual basis in accordance with the interest matured on the net value of the relative financial assets and liabilities, using the effective interest rate. Financial income and charges include foreign exchange gains and losses and the gains and losses on derivative instruments booked to the income statement.

3. Cash and cash equivalents

€/000	31/12/2024	31/12/2023
Cash	11	13
Bank deposits	109,547	88,267
Total	***109,558***	***88,280***

Bank deposits include € 337 thousand held in US dollars ($ 350 thousand).

The Company continued its strategy of maintaining immediately available liquidity throughout 2024.

4. Trade receivables

€/000	*31/12/2024*	*31/12/2023*
Trade receivables, gross	16,857	17,724
Bad debt provision	(852)	(797)
Trade receivables, net	***16,005***	***16,927***

Changes in the bad debt provision were as follows:

€/000	*2024*	*2023*
Opening balance	**797**	**720**
Provisions in the year	79	82
Releases in the year to cover losses	(24)	(5)
Closing balance	***852***	***797***

Provisions in the year are booked under other operating costs.

Receivables denominated in US dollars total € 3,967 thousand ($ 4,122 thousand). At 31 December 2024 no receivables were hedged against the risk of exchange rate fluctuations.

No trade receivables or payables are due beyond twelve months.

Further information is provided in Note 21 - *Information on financial risks*.

5. Inventories

€/000	*31/12/2024*	*31/12/2023*
Raw materials and components	16,819	16,715
Semi-finished products	11,237	11,721
Finished products	1,834	3,407
Total inventories	***29,890***	***31,843***

Inventories are stated net of an allowance that has changed as indicated below:

€/000	2024	2023
Opening balance	**2,920**	**2,748**
Provisions in the year	568	234
Releases in the year to cover losses	(380)	(62)
Closing balance	***3,108***	***2,920***

6. Other current assets

This item comprises:

€/000	31/12/2024	31/12/2023
Price adjustments receivable	1,894	3,335
Other current assets	1,180	2,137
Other receivables	207	175
Accrued income and prepaid expenses	820	424
Total	***4,101***	***6,071***

7. Property, plant and equipment

€/000	Land and buildings	Plant and machinery	Equipment	Other assets	Total
At 1 January 2023					
Cost	16,436	61,549	22,456	5,120	105,561
Accumulated depreciation	(6,275)	(35,843)	(19,905)	(3,998)	(66,021)
Allowance for impairment	-	(4)	(146)	-	(150)
Net carrying amount	***10,161***	***25,702***	***2,405***	***1,122***	***39,390***
Changes in 2023					
Opening net carrying amount	**10,161**	**25,702**	**2,405**	**1,122**	**39,390**
Additions	137	2,475	712	193	3,517
Recognition of right-to-use assets (IFRS 16)	-	-	-	127	127
Disposals	-	(53)	-	(7)	(60)
Early close-out (IFRS 16)	(49)	-	-	-	(49)
Remeasurement (IFRS 16)	15	-	-	-	15
Reclassifications	17	-	-	(17)	-
Write-downs	-	-	(25)	-	(25)
Capitalized depreciation	(68)	(8)	(6)	(1)	(83)
Depreciation	(844)	(3,258)	(1,054)	(432)	(5,588)
Closing net carrying amount	***9,369***	***24,858***	***2,032***	***985***	***37,244***
At 31 December 2023					
Cost	15,827	63,913	22,605	5,003	107,348
Accumulated depreciation	(6,458)	(39,051)	(20,402)	(4,018)	(69,929)
Allowance for impairment	-	(4)	(171)	-	(175)
Net carrying amount	***9,369***	***24,858***	***2,032***	***985***	***37,244***

€/000	Land and buildings	Plant and machinery	Equipment	Other assets	Total
Changes in 2024					
Opening net carrying amount	**9,369**	**24,858**	**2,032**	**985**	**37,244**
Additions	131	3,229	283	102	3,745
Recognition of right-to-use assets (IFRS 16)	-	-	-	265	265
Disposals	-	(15)	(4)	(48)	(67)
Early close-out (IFRS 16)	-	-	-	(27)	(27)
Remeasurement (IFRS 16)	(2)	-	-	6	4
Reclassifications	6	-	-	(6)	-
Capitalized depreciation	(72)	(9)	(5)	(1)	(87)
Depreciation	(832)	(3,326)	(925)	(384)	(5,467)
Closing net carrying amount	***8,600***	***24,737***	***1,381***	***892***	***35,610***
At 31 December 2024					
Cost	15,278	66,142	21,982	4,850	108,252
Accumulated depreciation	(6,678)	(41,401)	(20,430)	(3,958)	(72,467)
Allowance for impairment	-	(4)	(171)	-	(175)
Net carrying amount	***8,600***	***24,737***	***1,381***	***892***	***35,610***

The cost of assets under construction, included in the net carrying amounts disclosed in the previous table, is as follows:

€/000	Land and buildings	Plant and machinery	Equipment	Other assets	Total
At 1 January 2023	-	1,460	138	-	1,598
At 31 December 2023	-	970	168	6	1,144
At 31 December 2024	62	2,414	143	26	2,645

The net carrying amount of leased assets is analyzed below:

€/000	Land and buildings	Plant and machinery	Equipment	Other assets	Total
At 31 December 2023	2,037	-	-	307	2,344
At 31 December 2024	1,357	-	-	407	1,764

Depreciation of € 4,906 thousand was charged to the cost of sales (€ 4,985 thousand in 2023), € 34 thousand to distribution costs (€ 36 thousand in 2023) and € 527 thousand for general and administrative costs (€ 567 thousand in 2023).

At 31 December 2024 the Company has contractual commitments for the purchase of tangible fixed assets totaling € 1,719 thousand (€ 1,083 thousand at 31 December 2023).

At 31 December 2024 tangible fixed assets are not burdened by mortgages and/or specific guarantees.

Further information is provided in Notes 28 “Notes to the cash flow statement” and 29 “Commitments”.

8. Goodwill

Goodwill is represented by the merger deficit portions paid for this reason and arising from the merger operations. Goodwill at 31 December 2024 amounts to € 44,537 thousand (€ 44,537 thousand at 31 December 2023 as well). The value of goodwill is allocated to the sole CGU in which the Company is active.

The Company carried out an impairment test on 31 December 2024. When reviewing its impairment indicators, the Company considered inter alia its stock market capitalization. In fact, the stock market capitalization of Interpump Group S.p.A. was far higher than the net assets of the Company and the Group, inclusive of goodwill, throughout 2024. The recoverable value identified from the impairment test was determined from the value-in-use calculation carried out using the Discounted Cash Flow (DCF) method, net of taxation. The projected cash flows used in the DCF calculation is determined on the basis of a 5-year business plan that takes account of the various reference scenarios and on the basis of growth forecasts in the various markets. A perpetual growth rate of 1.5% was used for periods after 2029. The projected cash flows determined in this manner were reduced by a discount factor in order to take account of the risk that future plans could become impracticable. The after tax weighted average cost of capital (WACC) was measured at 8.85%. The WACC was 9.13% at 31 December 2023. The sensitivity analysis required in the joint Bank of Italy, Consob, ISVAP document dated 3 March 2010 was also carried out. Even reducing the projected cash flows of the CGU by 10% would not have led to any impairment, and nor would an 0.5% increase in the cost of capital used to actualize the projected cash flows.

9. Other intangible fixed assets

€/000	*Product development expenses*	*Patents trademarks and industrial rights*	*Other intangible fixed assets*	*Total*
At 1 January 2023				
Cost	23,546	149	3,169	26,864
Accumulated amortization	(19,243)	(145)	(2,881)	(22,269)
Allowance for impairment	(1,369)	-	-	(1,369)
Net carrying amount	***2,934***	***4***	***288***	***3,226***
Changes in 2023				
Opening net carrying amount	**2,934**	**4**	**288**	**3,226**
Increases	501	-	66	567
Write-downs	(87)	-	-	(87)
Amortization	(335)	(1)	(105)	(441)
Closing net carrying amount	***3,013***	***3***	***249***	***3,265***
At 31 December 2023				
Cost	23,960	149	3,235	27,344
Accumulated amortization	(19,578)	(146)	(2,986)	(22,710)
Allowance for impairment	(1,369)	-	-	(1,369)
Net carrying amount	***3,013***	***3***	***249***	***3,265***

€/000	Product development expenses	Patents trademarks and industrial rights	Other intangible fixed assets	Total
Changes in 2024				
Opening net carrying amount	**3,013**	**3**	**249**	**3,265**
Increases	507	-	273	780
Write-downs	(88)	-	-	(88)
Amortization	(374)	-	(131)	(505)
Closing net carrying amount	***3,058***	***3***	***391***	***3,452***
At 31 December 2024				
Cost	24,379	149	3,508	28,036
Accumulated amortization	(19,952)	(146)	(3,117)	(23,215)
Allowance for impairment	(1,369)	-	-	(1,369)
Net carrying amount	***3,058***	***3***	***391***	***3,452***

Product development costs refer to the cost of developing new products, which is capitalized when the criteria set down in IAS 38 are satisfied. The Company writes down any capitalized project costs that are no longer deemed to be recoverable.

The other intangible assets mainly relate to the cost of purchasing licenses and an ERP system.

The cost of assets under construction, included in the net carrying amounts disclosed in the previous table, is as follows:

€/000	Product development expenses	Other intangible fixed assets	Total
At 1 January 2023	2,556	92	2,648
At 31 December 2023	2,133	116	2,249
At 31 December 2024	2,208	105	2,313

Amortization of € 505 thousand (€ 441 thousand in 2023) was booked entirely to general and administrative expenses.

10. Investments in subsidiaries

€/000	*Balance at 31 December 2023*	*Increases due to assignment of stock options*	*Increases / (Decreases)*	*Impairment*	*Balance at 31 December 2024*
Walvoil S.p.A.	118,172	-	-	-	118,172
Walvoil Fluid Power India Pvt. Ltd.	14	-	-	-	14
NLB Corporation Inc.	62,048	-	-	-	62,048
GP Companies Inc.	8,903	-	-	-	8,903
Interpump Hydraulics S.p.A.	104,258	-	-	-	104,258
Hammelmann GmbH	26,032	-	-	-	26,032
Inoxpa S.A.	93,127	-	-	-	93,127
Reggiana Riduttori S.r.l.	165,226	-	-	-	165,226
Transtecno S.r.l.	57,765	-	31,818	-	89,583
Inoxihp S.r.l.	8,704	-	-	-	8,704
Interpump Piping GS S.r.l.	310	-	-	-	310
SIT S.p.A.	891	-	43	-	934
Tubiflex S.p.A.	34,485	-		-	34,485
Pioli S.r.l.	3,008	-		-	3,008
Servizi Industriali S.r.l.	4,059	-	-	-	4,059
White Drive Motors and Steering Sp. z o.o.	184,698	-	-		184,698
White Drive Motors and Steering GmbH	30,446	-	-	(1,511)	28,935
White Drive Motors and Steering LLC	55,882	-	9,546	-	65,428
IPG Mouldtech India Pvt Ltd.	7,861	-	-	-	7,861
Waikato Holding Limited	33,130	-	(2,730)	(109)	30,291
Hydra Dyne Technology Inc	4,507	-	-	-	4,507
I.mec S.r.l.	14,062	-	-	-	14,062
Alfa Valvole S.r.l.	-	-	45,167	-	45,167
Fair value of the stock options assigned to the employees of subsidiaries	3,371	292	-	-	3,663
Total subsidiaries	***1,020,959***	***292***	***83,844***	***(1,620)***	***1,103,475***

The Company acquired an additional 8% of SIT S.p.A. during Q1 2024 and now holds an 88% interest in that company;

The entire equity interest in Alfa Valvole S.r.l. was acquired from IDEX Corporation, a US company, on 3 June 2024. This international player is positioned in the high-end segment of the valves sector, given the quality and services offered to customers in the form of integrated solutions for the movement and management of industrial fluids. The principal reference markets comprise water treatment, mining, Oil&Gas, maritime and rail transportation, food processing and pharmaceuticals. In 2023, the company generated turnover of about € 28 million, with an EBITDA margin of about 26%. The total price of the operation was fixed at € 55.2 million; during the year, Alfa Valvole partially reimbursed the initial investment made by the Company, making a payment of € 10 million.

The put option for the remaining 20% interest in Transtecno S.r.l. was exercised during Q2 2024, raising ownership of the company from 80% to 100%.

The increase in the investment in White Drive Motors and Steering LLC reflects the capital increase authorized during the year in order to capitalize the company, which is investing heavily in additional production capacity. The impairment of White Drive Motors and Steering GmbH was due to the alignment of its carrying amount with the corresponding equity value, given the liquidation process currently under way.

The decrease in the carrying amount of Waikato Holding Limited was due to partial repayment of the capital employed.

Share-based payment agreements (stock option plans) that make equity instruments of the Parent company available to employees of its subsidiaries are recognized in accordance with IFRIC 11. The fair value of the stock options granted to and exercisable by employees of subsidiaries, € 292 thousand, has been added to the value of the investments, with an increase in the share premium reserve as the matching entry. All the equity investments held by Interpump Group S.p.A., with the exception of the investment in Sit S.p.A., are considered financial fixed assets from the date of acquisition and, therefore, not held-for-sale instruments (as defined in IFRS 9). The dividends credited to the income statement during the year totaled € 108,297 thousand (€ 77,532 thousand in 2023), as analyzed below (amounts shown in €/000):

Subsidiaries	*2024*	*2023*
Hammelmann GmbH	30,000	22,500
Walvoil S.p.A.	22,750	16,250
Reggiana Riduttori S.r.l.	20,000	20,000
Inoxpa S.A.	10,000	10,000
Transtecno S.r.l.	8,000	-
GP Companies Inc.	6,545	4,169
Interpump Piping GS S.r.l.	4,000	-
NLB Corporation Inc.	3,730	3,653
I.mec S.r.l.	1,540	-
Servizi Industriali S.r.l.	1,200	960
Inoxihp S.r.l.	527	-
Walvoil Fluid Power Pvt Ltd.	5	-
Total	***108,297***	***77,532***

The following breakdown shows the cost of investments in subsidiaries at 31 December 2024, compared with the related portion of the adjusted shareholders' equity (as described better below) pertaining to Interpump Group S.p.A.:

€/000	Share capital	Shareholders' equity	Profit (loss)	% held	Carrying amount	Adjusted shareholders' equity	% Adjusted shareholders' equity	Difference adjusted shareholders' equity
Walvoil S.p.A.	7,692	231,948	34,910	65%	118,172	284,897	185,183	67,011
Walvoil Fluid Power India Pvt. Ltd.	4,803	40,432	6,052	-	14	40,432	48	34
NLB Corporation Inc.	12	129,931	7,738	100%	62,048	167,146	167,146	105,098
GP Companies Inc.	1,854	26,678	5,992	100%	8,903	32,731	32,731	23,828
Interpump Hydraulics S.p.A.	2,632	379,382	34,390	100%	104,258	398,373	398,373	294,115
Hammelmann GmbH	25	166,915	49,952	100%	26,032	227,644	227,644	201,612
Inoxpa S.A.	23,000	68,000	12,266	100%	93,127	113,824	113,824	20,697
Reggiana Riduttori S.r.l.	6,000	105,169	19,420	100%	165,226	190,050	190,050	24,824
Transtecno S.r.l.	100	43,248	11,655	100%	89,583	101,305	101,305	11,722
Inoxihp S.r.l.	119	19,516	4,229	53%	8,704	42,084	22,187	13,483
Interpump Piping GS S.r.l.	10	5,940	3,179	100%	310	5,940	5,940	5,630
SIT S.p.A.	105	1,915	(113)	88%	934	1,915	1,685	751
Tubiflex S.p.A.	515	23,179	1,691	100%	34,485	43,272	43,272	8,787
Pioli S.r.l.	10	3,775	161	100%	3,008	5,511	5,511	2,503
Servizi Industriali S.r.l.	100	2,881	1,259	80%	4,059	6,149	4,919	860
White Drive Motors and Steering Sp. z o.o.	33,254	108,492	4,289	100%	184,698	271,360	271,360	86,662
White Drive Motors and Steering GmbH	25	28,996	(1,451)	100%	28,935	28,935	28,935	-
White Drive Motors and Steering LLC	77,466	51,227	(11,753)	100%	65,428	54,871	54,871	(10,557)
IPG Mouldtech India Pvt Ltd.	298	5,368	885	85%	7,861	11,568	9,833	1,972
Waikato Holding Limited	29,480	28,169	(148)	100%	30,291	30,895	30,895	604
Hydra Dyne Technology Inc	80	18,458	438	15%	4,507	30,514	4,574	67
I.mec S.r.l.	100	10,174	2,399	70%	14,062	25,847	18,093	4,031
Alfa Valvole S.r.l.	1,560	17,065	2,693	100%	45,167	50,796	50,796	5,629

Para. 4 of IAS 36 establishes that financial assets classified as subsidiaries in accordance with IAS 27 must be stated at a value that does not exceed their recoverable amount. An asset is stated at more than its recoverable amount if its carrying amount exceeds the amount obtainable from its use or sale; in that case, IAS 36 requires recognition of the impairment identified.

In order to identify circumstances that might indicate the impairment of equity investments, management carries out the following procedures every year, or more frequently if necessary:

- comparison of the value of equity investments with the corresponding shareholders' equity, suitably adjusted at the reporting date by the additional value identified at the time of acquisition and included in the Purchase Price Allocation (PPA), as reported in the consolidated financial statements of the Interpump Group;
- in the case of negative differentials, analysis of expected future performance, as reflected in the budgets used for impairment testing purposes when preparing the consolidated financial statements;
- where potential impairment concerns remain, subjects each investment concerned to impairment testing via the Discounted Cash Flow (DCF) method applied net of taxation using the "equity-side" approach, in which its recoverable amount - equal to the Enterprise Value (as determined at a consolidated level via the DCF method using the "asset-side" approach) less the net financial position (usually referred to as the Equity Value) - must be compared with its carrying amount.

No lasting impairment was identified by the above work in any of the cases examined.

Comparison at the reporting date of the carrying amount of each equity investment with its corresponding adjusted equity value, determined as described above, only identified one negative difference in relation to the investment in White Drive Motors and Steering LLC.

For that investment, the expectations for future performance reflected in the 2025-2029 business plan (used for the impairment tests carried out for consolidation purposes) were analyzed, and a specific impairment test was carried out using the same methodologies and parameters as those adopted at Group level. In particular, the Discounted Cash Flow (DCF) method was applied net of taxation using the "equity-side" approach, where the recoverable amount is deemed equal to the Enterprise Value (as determined at a consolidated level via the DCF method using the "asset-side" approach) less the net financial position (usually referred to as the Equity Value). The value calculated in this way exceeds the carrying amount of the investment reported in the financial statements.

11. Other financial assets

Other financial assets mostly comprise loans granted to subsidiaries.

The following table shows existing financial relations (amounts expressed in €/000):

€/000	*Loans granted*		*Interest income*	
Subsidiaries	***31/12/2024***	***31/12/2023***	***2024***	***2023***
IMM Hydraulics S.p.A.	15,000	22,000	927	1,136
Tubiflex S.p.A.	7,500	10,000	402	233
Interpump Hydraulics S.p.A.	8,000	11,000	339	1,107
Muncie Power Inc.	-	8,145	326	484
White Drive Motors and Steering GmbH	4,000	4,000	230	203
Hydra Dyne Technology Inc.	4,154	8,308	130	186
GS-Hydro Korea Ltd	2,100	2,100	63	63

€/000 Subsidiaries	Loans granted 31/12/2024	 31/12/2023	Interest income 2024	 2023
Interpump Piping GS S.r.l.	-	1,000	18	113
GS-Hydro UK Ltd	160	390	15	18
Tekno Tubi S.r.l.	-	310	7	54
Inoxihp S.r.l.	-	633	5	19
White Drive Motors and Steering LLC	-	-	-	621
Waikato Holding Limited	-	-	-	333
Transtecno S.r.l.	-	-	-	31
Unidrò Contarini Sarl	-	-	-	1
Total	***40,914***	***67,886***	***2,462***	***4,602***

The intercompany loans outstanding at 31 December 2024 earn interest at 3-month Euribor uplifted by a spread that fluctuated between 100 and 200 basis points, except for certain fixed-rate loans granted in a range between 1.95% and 4.00%.

In relation to the loans granted, € 23,737 thousand are current, while the remaining € 17,177 thousand are considered non-current.

12. Deferred tax assets and liabilities

The changes during the year in deferred tax assets and liabilities are analyzed below:

€/000	Deferred tax assets 2024	 2023	Deferred tax liabilities 2024	 2023
At 1 January	**9,378**	**7,286**	**680**	**706**
Recognized in the income statement	(2,194)	2,100	(6)	(26)
Recognized in equity reserves	(13)	14	-	-
Other changes	-	(22)	-	-
At 31 December	***7,171***	***9,378***	***674***	***680***

Deferred tax assets and liabilities may be classified in the following captions of the statement of financial position:

€/000	Deferred tax assets 31/12/2024	 31/12/2023	Deferred tax liabilities 31/12/2024	 31/12/2023
Property, plant and equipment	52	80	611	613
Intangible fixed assets	3,518	3,518	-	-
Other financial assets	-	148	-	-
Inventories	890	837	-	-
Receivables	58	77	-	-
Dividends receivable	-	-	15	15
Equity investments	441	318	10	10
Liabilities for employee benefits	(529)	(568)	38	39
Provision for risks	1,968	1,968	-	-
Tax losses carried forward	-	2,002	-	-
Shareholders' equity:				
- liabilities for employee benefits	655	668	-	-

€/000	Deferred tax assets 31/12/2024	Deferred tax assets 31/12/2023	Deferred tax liabilities 31/12/2024	Deferred tax liabilities 31/12/2023
Other	118	330	-	3
Total	***7,171***	***9,378***	***674***	***680***

Deferred taxes recognized directly in equity are related to remeasurement of liabilities for employee benefits (TFR) connected to the actuarial component.

No deferred tax liabilities were recorded on provisions qualifying for tax relief due to the fact that distribution is not anticipated (see Note 19).

13. Interest-bearing financial debts and bank debts

The principal interest-bearing financial debts are all subject to compliance with the following covenants, calculated on the consolidated values:

- Net indebtedness / Shareholders' equity;
- Net indebtedness / EBITDA;
- EBITDA / Financial expenses.

At 31 December 2024 all financial covenants are amply respected.

Interest-bearing financial debts at 31 December 2024 include the bond issued in January 2024 that amounts to € 99,424 thousand. A more complete discussion of this operation is available in the "Report on operations" accompanying the Consolidated Annual Financial Report at 31 December 2024.

Interest-bearing financial debts at 31 December 2024 also include lease payables under IFRS 16 of € 1,872 thousand (€ 2,444 thousand in 2023), as analyzed below:

	31 December 2024				31 December 2023			
€/000	Within 1 year	Between 1 and 5 years	Beyond 5 years	Total	Within 1 year	Between 1 and 5 years	Beyond 5 years	Total
Payment of lease installments	954	1,070	-	2,024	885	1,720	-	2,605
Interest	(95)	(57)	-	(152)	(85)	(76)	-	(161)
Present value of lease payables	***859***	***1,013***	***-***	***1,872***	***800***	***1,644***	***-***	***2,444***

Non-current, interest-bearing financial debts fall due as follows:

€/000	31/12/2024	31/12/2023
Between 1 and 2 years	170,184	178,969
Between 2 and 5 years	175,458	220,878
Beyond 5 years	84,424	-
Total	***430,066***	***399,847***

The following average interest rates were charged on the interest-bearing financial debts:

%	*31/12/2024*	*31/12/2023*
Bank debts	4.62	3.89
Bonds	4.17	-
Finance leases	4.47	4.04

At 31 December 2024, all bank debts bear interest at floating rates, while the bond bears interest at a fixed rate.

No outstanding loans are backed by guarantees at 31 December 2024 or were backed by guarantees during the year.

The Company has the following lines of credit which were unused at year-end:

€/000	*31/12/2024*	*31/12/2023*
Current account overdrafts and export advances	17,100	17,100
Bonds	183,617	-
Total	***200,717***	***17,100***

Further information about liquidity and interest-rate risks is provided in Note 21 "Information on financial risks".

Net indebtedness, including payables and commitments, determined in accordance with ESMA guidance 32-382-1138 and included in Consob notice no. 5/21, comprises:

€/000	*31/12/2024*	*31/12/2023*	*01/01/2023*
Cash and cash equivalents	109,558	88,280	188,778
Current financial debts (excluding the current portion of non-current financial debts)	(5,447)	(6,042)	(3,367)
Current portion of non-current financial debts	(208,589)	(232,543)	(256,194)
Current net indebtedness	***(104,478)***	***(150,305)***	***(70,783)***
Non-current financial debts	(430,066)	(399,847)	(487,325)
Net financial position	***(534,544)***	***(550,152)***	***(558,108)***
Commitments for the acquisition of investments	-	-	-
Total net indebtedness	***(534,544)***	***(550,152)***	***(558,108)***

14. Trade payables and Other current liabilities

Trade payables total € 17,594 thousand (€ 14,789 thousand in 2023) and principally comprise amounts payable to suppliers for goods and services.

Other current liabilities are analyzed below:

€/000	*31/12/2024*	*31/12/2023*
Payables to personnel	3,611	3,833
Payables to social security institutions	1,746	1,536
Customer advances	1,401	1,313
Customer credit balance	145	172
Customers for credit notes to issue	47	42
Payables for remuneration of directors/auditors	331	1,130
Other	238	112

€/000	*31/12/2024*	*31/12/2023*
Total	***7,519***	***8,138***

15. Provisions for risks and charges

€/000	*Directors' termination indemnity provision*	*Agents' termination indemnity provision*	*Total*
Balance at 31 December 2023	8,193	38	8,231
Increase in the year	-	2	2
Surplus released to the income statement	-	-	-
Utilizations in the year	-	-	-
Balance at 31 December 2024	***8,193***	***40***	***8,233***

The principal item relates to the termination indemnity provision recorded in favor of the Executive Chairman, founder of the Group, by decision of the Board of Directors on 16 March 2020.

16. Liabilities for employee benefits

Liabilities for defined benefit plans

The changes in these liabilities are analyzed below:

€/000	*2024*	*2023*
Liability at 1 January 2023	**3,775**	**4,138**
Amount charged to the income statement in the year	130	117
Recognition in equity of actuarial results	(53)	60
Reclassifications	(56)	(23)
Payments	(423)	(517)
Liability at 31 December 2024	***3,373***	***3,775***

The following items were recognized in the income statement:

€/000	*2024*	*2023*
Current service cost	-	-
Financial Income / Expenses	130	117
Past service cost	-	-
Total recognized in the income statement	***130***	***117***

See the chapter of "Profitability" in the "Report on operations" for an analysis of payroll costs.

The average number of employees broken down by category is as follows:

	2024	*2023*
Executives	17	16
Managers	14	14
White collar	120	119

	2024	2023
Blue collar	294	304
Fixed-contract personnel	4	2
Total	***449***	***455***

The Company has 444 employees at 31 December 2024.

Liabilities for defined benefit plans (Severance indemnity - TFR) are determined using the following actuarial assumptions:

	Unit of measurement	*2024*	*2023*
Discount rate	%	3.24	3.33
Percentage of employees expected to resign before retirement age (turnover)*	%	7.18	6.69
Annual cost-of-living increase	%	2.0	2.1
Average period of employment	Years	17.61	17.65

** = average annual turnover rate for all causes, in the first ten years following the valuation.*

The following table summarizes the sensitivity analysis carried out on the discount rate, showing the effects (absolute amount) of reasonable changes in the rate at 31 December 2024.

Sensitivity analysis	*Sensitivity*	*TFR €/000*
Change in discount rate	+ 0.5%	3,267
Change in discount rate	- 0.5%	3,484

The discount rate on the reporting date is calculated as required by IAS 19 with reference to the market yield of high quality corporate bonds. Only the securities of corporate issuers with an "AA" rating are considered, on the assumption that this class identifies a high rating level in the context of "Investment Grade" securities, with the exclusion, therefore, of higher risk securities. Given that IAS 19 does not make explicit reference to a specific business category, the Group has opted for a “Composite” market yield curve that, accordingly, summarizes market conditions on the measurement date for the securities issued by companies active in various sectors, including utilities, telephony, finance, banking and industrials.

At 31 December 2024, analysis of the yield curve for “AA” securities, described above and used for actuarial valuation purposes, indicates a reduction in expected yields over the short term (up to the seventh year) compared with that at 31 December 2023.

This reduction is consistent with market sentiment: the bond markets have been buoyed by significantly lower short-term rates, while long dates are essentially stable despite some volatility. This reflects the continuity of economic growth and enables investors to benefit from good returns. The global economy continued to grow during 2024, with moderate expansion in the Eurozone and more sustained growth in the United States. Nevertheless, the situation remains influenced by geopolitical concerns, such as the Israel-Palestine conflict and the economic policies adopted by President Trump, which have fueled uncertainties in the US economy and, by extension, in the global economy as well. Inflation has remained moderate and, overall, in line with the targets set by central banks, which steadily eased their restrictive monetary policies throughout the year.

17. Other non-current liabilities

The deferred income classified among the non-current liabilities, € 2,452 thousand at 31 December 2024 (€ 2,300 thousand at 31 December 2023), relates to tax credits for the purchase of non-Industry 4.0 tangible fixed assets (2020 Budget Law - art. 1 of Law 160/2019, as amended by the 2021 Budget Law - art. 1 of Law 178/2020, and extended by art. 1, subsection 44, of Budget Law 2022 - Law 234/2021), which are deferred as future income and released to the income statement on an accruals basis, to match the depreciation charged on the assisted assets.

18. Share capital

Share capital comprises 108,879,294 ordinary shares with a unit par value of € 0.52 totaling € 56,617,232.88. However, the share capital reported in the financial statements amounts to € 55.505 million, since the nominal value of purchased treasury shares, net of those sold, has been deducted from share capital in compliance with the reference accounting standards. At 31 December 2024 Interpump S.p.A. holds 2,138,363 treasury shares in the portfolio, corresponding to 1.964% of share capital, acquired at an average unit cost of € 39.08417.

The changes in treasury shares over the past two years were as follows:

	Number
Balance at 1 January 2023	***1,987,863***
Sale of shares on the exercise of stock options	(79,000)
Balance at 31 December 2023	***1,908,863***
2024 purchases	250,000
Sale of shares on the exercise of stock options	(20,500)
Balance at 31 December 2024	***2,138,363***

Taking treasury shares into consideration, the following changes were recorded in the number of shares in circulation:

	Number of shares	
	2024	*2023*
Ordinary shares in existence at 1 January	108,879,294	108,879,294
Treasury shares held	(1,908,863)	(1,987,863)
Shares in circulation at 1 January	**106,970,431**	**106,891,431**
Treasury shares purchased	(250,000)	-
Treasury shares sold	20,500	79,000
Total shares in circulation at 31 December	***106,740,931***	***106,970,431***

The aims identified by the Group in the management of capital are the creation of value for all shareholders and supporting development of the group, both through internal means and by means of targeted acquisitions. The Group therefore intends to maintain an adequate level of capitalization that, at the same time, makes it possible to generate a satisfactory economic return for shareholders and to guarantee economically effective access to external sources of borrowing. The Group constantly monitors the evolution of the debt to equity ratio and the generation of cash through its industrial operations. In order to attain the aforementioned goals, the Group constantly monitors the cash flows generated by the business sectors in which it operates, both through improvement or maintenance of profitability, and careful management of working capital and of other expenditure. Capital is construed as both the value contributed by Interpump Group shareholders (share capital and share premium reserve, totaling € 97,894 thousand at 31 December 2024 and € 102,508 thousand at 31 December 2023), and the value generated by Group operations (other reserves and legal reserve, including profit for the year, totaling € 623,200 thousand at 31 December 2024 and € 555,969 thousand at 31 December 2023, excluding the translation reserve and the remeasurement reserve for defined benefit plans).

- *Treasury shares purchased*

The amount of the treasury shares held by Interpump Group S.p.A. is recorded in an equity reserve. The Company purchased 250,000 treasury shares in 2024 (none in 2023) for € 10,337 thousand at an average price of € 41.3496 each.

- *Treasury shares sold*

In the framework of the execution of stock option plans, a total of 20,500 options have been exercised resulting in the collection of € 581 thousand (79,000 options were exercised for € 2,246 thousand in 2023). No treasury shares were divested during 2024 or 2023 in payment for equity investments.

- *Stock options*

The fair value of the 2022/2024 stock option plan was recorded in the 2024 and 2023 financial statements in compliance with IFRS 2. Costs of € 4,970 thousand (€ 4,978 thousand in 2023) relating to this stock option plan were therefore recognized in the 2024 income statement, with a matching entry to the share premium reserve. Said costs represent the portion for the year of the value of the options granted to employees and directors, established at the allocation date, corresponding to the value of the services rendered by the latter in addition to normal remuneration.

The income statement effects were booked as follows:

€/000	*2024*	*2023*
Distribution expenses	25	25
General and administrative expenses	4,945	4,953
Total	***4,970***	***4,978***

Changes in the share premium reserve were as follows:

€/000	*2024*	*2023*
Share premium reserve at 1 January	**46,883**	**39,348**
Increase in the year due to recognizing in the income statement the fair value of stock options assigned	4,970	4,978
Increase in the year due to recognizing in equity the fair value of stock options assigned to the employees of subsidiaries	292	311
Increases on assignment of treasury shares as payment for subsidiaries acquired	-	-
Increases on assignment of treasury shares following the exercise of stock options	581	2,246
Utilization to cover purchase of treasury shares	(10,337)	-
Share premium reserve at 31 December	***42,389***	***46,883***

The Shareholders' Meeting held on 30 April 2019 approved a stock option plan, known as the "*Interpump Incentive Plan 2019-2021*", which envisages granting a maximum of 2,500,000 options at an exercise price of Euro 28.4952 each and, for options granted after 30 April 2020, at the official price quoted on the Italian Stock Exchange on the day prior to the grant date. At the meeting held on 27 June 2019, the Board of Directors granted 1,800,000 options to Executive Chairman Fulvio Montipò, while 418,500 options were granted to other beneficiaries during 2019. A further 20,000 options were granted to other beneficiaries on 3 June 2020. Overall, a total of 2,238,500 options have therefore been granted. The options can be exercised from 30 June 2022 to 31 December 2025.

On 18 March 2024, the Board of Directors deemed it appropriate to identify the persons in certain key roles within the Company and the Group as "Key Management Personnel", recalling that, pursuant to the Consob Regulation on Related-Party Transactions, adopted by Resolution no. 17221 dated 12 March 2010, such persons are those who "*have the power and responsibility, directly or indirectly, to plan, manage, and control the activities of the company*".

The options granted to the executives concerned were initially classified among the "other beneficiaries".

The changes in options in 2024 and 2023 were as follows:

	Number of options	
	2024	***2023***
Options granted at 1 January	**101,276**	**180,276**
Options granted in the year	-	-
Options exercised in the year	(20,500)	(79,000)
Options canceled in the year	-	-
Total options granted at 31 December	***80,776***	***101,276***

The Shareholders' Meeting held on 29 April 2022 approved a new stock option plan, known as the "*Interpump Incentive Plan 2022-2024*", which envisages granting a maximum of 2,250,000 options at an exercise price of Euro 38.6496 each and, for options granted after 29 April 2023, at the official price quoted on the Italian Stock Exchange on the day prior to the grant date. The meeting of the Board of Directors held on the same date granted 1,620,000 options to Fulvio Montipò, the Executive Chairman. On, respectively, 23 May 2022, 20 October 2022 and 28 April 2023, a further 288,000 (of which 45,000 to Chief Executive Officer Fabio Marasi), 6,000 and 35,000 (including 15,000 to Chief Executive Officer Fabio Marasi) options were granted to other beneficiaries (including those granted to Key Management Personnel, as identified at the above-mentioned Board meeting held on 18 March 2024). Overall, a total of 1,949,000 options have therefore been granted. The options can be exercised between 30 June 2025 and 31 December 2028. A total of 21,200 options were canceled in 2024 (2,000 options canceled in 2023).

The changes in options in 2024 and 2023 were as follows:

	Number of options	
	2024	*2023*
Number of rights granted at 1 January	**1,940,000**	**1,907,000**
Number of rights granted	-	35,000
Number of shares purchased	-	-
Number of rights canceled	(21,200)	(2,000)
Total number of rights not yet exercised at 31 December	***1,918,800***	***1,940,000***

The fair value of the stock options and the actuarial assumptions utilized in the binomial lattice model are as follows:

2019-2021 Plan

First grant	*Unit of measurement*	
Shares granted	no.	2,218,500
Grant date		28 June 2019
Exercise price		28.4952
Vesting date		1 July 2022
Fair value per option at the grant date	€	4.562
Expected volatility (weighted average of volatility values used to build the binomial lattice model)	%	30
Expected average duration of the plan life	years	4.76
Expected dividends (compared with share value)	%	1.00
Risk-free interest rate (calculated by linear interpolation of Euro swap rates at 28 July 2019)	%	-0.0182

Second grant	*Unit of measurement*	
Shares granted	no.	20,000
Grant date		3 June 2020
Exercise price		27.9868
Vesting date		1 July 2022
Fair value per option at the grant date	€	5.226
Expected volatility (weighted average of volatility values used to build the binomial lattice model)	%	30
Expected average duration of the plan life	years	3.83
Expected dividends (compared with share value)	%	1.00
Risk-free interest rate (calculated by linear interpolation of Euro swap rates at 3 July 2020)	%	0.1557

2022-2024 Plan

First grant	***Unit of measurement***	
Shares granted	no.	1,620,000
Grant date		29 April 2022
Exercise price		38.6496
Vesting date		30 June 2025
Fair value per option at the grant date	€	8.4601
Expected volatility (weighted average of volatility values used to build the binomial lattice model)	%	31
Expected average duration of the plan life	years	4.93
Expected dividends (compared with share value)	%	1.00
Risk-free interest rate (calculated by linear interpolation of Eur Composite AA rates at 29 July 2022)	%	1.5540

Second grant	***Unit of measurement***	
Shares granted	no.	288,000
Grant date		23 May 2022
Exercise price		38.6496
Vesting date		30 June 2025
Fair value per option at the grant date	€	8.8040
Expected volatility (weighted average of volatility values used to build the binomial lattice model)	%	31
Expected average duration of the plan life	years	4.86
Expected dividends (compared with share value)	%	1.00
Risk-free interest rate (calculated by linear interpolation of Eur Composite AA rates at 23 May 2022)	%	1.6911

Third grant	***Unit of measurement***	
Shares granted	no.	6,000
Grant date		20 October 2022
Exercise price		38.6496
Vesting date		30 June 2025
Fair value per option at the grant date	€	8.7606
Expected volatility (weighted average of volatility values used to build the binomial lattice model)	%	34
Expected average duration of the plan life	years	4.45
Expected dividends (compared with share value)	%	1.00
Risk-free interest rate (calculated by linear interpolation of Eur Composite AA rates at 20 October 2022)	%	3.5668

Fourth grant	*Unit of measurement*	
Shares granted	no.	35,000
Grant date		28 April 2023
Exercise price		38.6496
Vesting date		30 June 2025
Fair value per option at the grant date	€	16.011
Expected volatility (weighted average of volatility values used to build the binomial lattice model)	%	34
Expected average duration of the plan life	years	3.93
Expected dividends (compared with share value)	%	1.00
Risk-free interest rate (calculated by linear interpolation of Eur Composite AA rates at 28 July 2023)	%	3.5748

The expected volatility of the underlying variable (Interpump Group share) is a measure of the prospect of price fluctuations in a specific period. The indicator that measures volatility in the model utilized to evaluate the options is the mean square annualized deviation of compound returns of the Interpump Group share through time.

19. Reserves

- *Reserve from remeasurement of defined benefit plans*

Includes the actuarial component of defined benefit plans (TFR).

- *Classification of net equity depending on possibility of utilization*

€/000	Amount	Possibility of utilization	Available portion	Tax payable in the event of distribution	Summary of utilizations over the past three years	
					to cover losses	for other reasons
Share capital						
Subscribed and fully paid-up share capital	56,617	B	-	-	-	-
Nominal value of treasury stock in the portfolio	(1,112)	-	-	-	-	-
Total share capital	*55,505*					
Capital reserves						
Legal reserve	6,860	B	-	-	-	-
Share premium reserve	-	A, B, C	-	-	-	33,575
Total capital reserves	*6,860*		-			
Profit reserves						
Legal reserve	4,463	B	-	-	-	-
Share premium reserve	42,389	A, B, C	38,725	1,232	-	2,387
Extraordinary reserve	508,642	A, B, C	506,486	7,164	-	-
Reserve for share capital reduction	1,112	-	-	-	-	-
First Time Adoption Reserve	(82)	-	-	-	-	-
Merger surplus	863	A, B, C	698	-	-	-
Remeasurement reserve for defined benefit plans	(2,074)	-	-	-	-	-
Profit for the year	101,342	A, B, C	101,342	-	-	-
Total profit reserves	*656,655*		*647,251*			
Reserve for treasury shares held	83,576	-	-	-	-	105,130
Treasury shares	(83,576)	-	-	-	-	-
Non-distributable portion*			(3,452)			
Remaining distributable portion			643,799			

A: for capital increase *B: for coverage of losses* *C: for distribution to shareholders*

**= represents the non-distributable portion destined to cover deferred costs that have not yet been amortized.*

The share premium reserve includes € 12,987 thousand subject to the deferral of taxation since, for tax purposes, it was formed from the revaluation reserves pursuant to Law 342/2000 and Law 266/2005.

The extraordinary reserve includes € 33,089 thousand subject to the deferral of taxation following the recognition for tax purposes of the net carrying amount of the goodwill recorded in the financial statements at 31 December 2019 pursuant to art. 110, subsection 8-*(2)*, of Decree 104/2020, as amended by art. 1, subsection 83, of Law 178 dated 30 December 2020.

Utilizations refer to dividends, purchases of treasury shares and reductions of reserves for other causes and do not include transfers between reserves. In particular, the changes in the past three years reflect the purchases of treasury shares and use of the share premium reserve on the sale of treasury shares for less than their carrying amount, following the exercise of stock options.

On the basis of tax legislation the reserves and profits are freely distributable and do not attract tax even in the case of distribution, on the condition that the reserves and residual profits exceed the negative components of income ascribed exclusively to the tax return; otherwise, distributed reserves and profits are subject to tax in the measure in which the residual reserves and profits are lower than the negative components of income that have been ascribed exclusively to the tax return. This condition is satisfied at 31 December 2024, hence no taxes would be payable in the event of distribution of the Company's entire profit for the year and all available reserves, beyond those already indicated in the prior statement.

- *Breakdown of components recorded directly in equity*

	2024			*2023*		
€/000	***Pre-tax amount***	***Taxation***	***Amount net of taxes***	***Pre-tax amount***	***Taxation***	***Amount net of taxes***
Remeasurement of defined benefit plans	53	(12)	41	(60)	14	(46)
Total	***53***	***(12)***	***41***	***(60)***	***14***	***(46)***

20. Information on financial assets and liabilities

Financial assets and liabilities, broken down by the categories identified by IFRS 7, are summarized in the following tables:

€/000	*Financial assets at 31/12/2024*				*Financial liabilities at 31/12/2024*	
	At fair value through profit and loss		*Measured at amortized cost*	*At fair value through other comprehensive income*	*Measured at amortized cost*	*Total*
	Initially	*Subsequently*				
Trade receivables	-	-	16,005	-	-	**16,005**
Dividends receivable			1,280			**1,280**
Other current assets	-	-	2,101	-	-	**2,101**
Other current financial assets	-	-	23,737	-	-	**23,737**
Other non-current financial assets	-	-	17,177	-	-	**17,177**
Trade payables	-	-	-	-	(17,594)	**(17,594)**
Current, interest-bearing financial debts	-	-	-	-	(214,036)	**(214,036)**
Other current liabilities	-	-	-	-	(7,519)	**(7,519)**
Non-current, interest-bearing financial debts	-	-	-	-	(430,066)	**(430,066)**
Total	**-**	**-**	***60,300***	**-**	***(669,215)***	***(608,915)***

€/000	*Financial assets at 31/12/2023*				*Financial liabilities at 31/12/2023*	
	At fair value through profit and loss		Measured at amortized cost	At fair value through other comprehensive income	Measured at amortized cost	Total
	Initially	Subsequently				
Trade receivables	-	-	16,927	-	-	**16,927**
Dividends receivable			1,280			**1,280**
Other current assets	-	-	3,510	-	-	**3,510**
Other current financial assets	-	-	29,101	-	-	**29,101**
Other non-current financial assets	-	-	38,785	-	-	**38,785**
Trade payables	-	-	-	-	(14,789)	**(14,789)**
Current, interest-bearing financial debts	-	-	-	-	(238,585)	**(238,585)**
Other current liabilities	-	-	-	-	(8,138)	**(8,138)**
Non-current, interest-bearing financial debts	-	-	-	-	(399,847)	**(399,847)**
Total	**-**	**-**	***89,603***	**-**	***(661,359)***	***(571,756)***

The financial assets measured at amortized cost generated revenues and costs. Revenues comprise exchange gains of € 827 thousand (€ 175 thousand in 2023). Costs, on the other hand, refer to exchange losses of € 209 thousand (€ 1,263 thousand in 2023) and to bad debts for € 79 thousand (€ 82 thousand in 2023) classified under other operating costs.

Financial assets and liabilities measured at amortized cost generated interest income of € 2,462 thousand (€ 4,602 thousand in 2023), interest expense of € 30,391 thousand (€ 28,065 thousand in 2023) and interest expense on lease payables of € 95 thousand (€ 113 thousand in 2023); in addition, general and administrative expenses include commission amounts and bank charges of € 70 thousand (€ 79 thousand in 2023).

21. Information on financial risks

The Company is exposed to financial risks associated with its activities:

- market risks (mainly related to currency exchange rates and interest rates) since the Company does business internationally and is exposed to the exchange risk deriving from exposure to the US dollar;
- credit risk connected with business relations with customers;
- liquidity risk, with special reference to the availability of financial resources and access to the lending market and financial instruments in general;
- price risk in relation to metal price fluctuations that constitute a significant portion of the raw materials purchase price.

The Company is not exposed to significant concentrations of risk.

The Company constantly monitors the financial risks to which it is exposed in such a way as to make an advance assessment of potential negative effects and take appropriate actions to mitigate them.

With specific reference to the direct and indirect risks deriving from the macroeconomic environment and the Russia-Ukraine conflict, the exposure of the Company remains limited - as already stated in the Board of Directors' Report and confirmed by the economic results achieved in recent years.

The following section contains reference qualitative and quantitative indications regarding the uncertainty of these risks for Interpump Group S.p.A.

The quantitative data given below are not to be construed as forecasts; specifically, the sensitivity analyses concerning market risks are unable to reflect the complexity and correlated relations of markets that may derive from each prospected change.

21.1 Exchange risk

The Company is exposed to risks arising from fluctuations in currency exchange rates, which may affect economic results. Specifically, it clarifies that:

- for revenues denominated in currencies other than the currencies in which the respective costs are denominated, exchange rate fluctuations can impact on the Company's operating profit.

  In 2024 the total amount of cash flow exposed directly to exchange risks was approximately 28% of Company revenues (about 24% in 2023), none of which is hedged against the risk of exchange-rate fluctuations.

The principal exchange rates to which the Company is exposed are EUR/USD in relation to sales in dollars of high pressure pumps in North America through GP Companies Inc., which is located in this market, and in direct relation to an important US customer. The Company also bills in USD to its other US subsidiary, NLB Corporation Inc.

The Interpump Group has adopted a policy of hedging commercial transactions denominated in foreign currency in the framework of which the most effective derivative instruments for the achievement of the preset goals have been identified and the relative responsibilities, duties and system of delegations have been defined.

In relation to the dollar exposure on recurring sales in the American market, Company policy is not to hedge those foreign currency transactions, while in relation to non-recurring sales in the US market (in terms of their amount or frequency), it is Company policy to arrange hedges only when deemed appropriate.

- Again in relation to commercial activities, the Company may be in a position wherein it holds commercial receivables denominated in currencies other than the account currency. Fluctuations in exchange rates can therefore result in the realization or assessment of positive or negative exchange differences.
- In relation to the financial exposures, wherever the monetary outflows are denominated in a currency other than the account currency, fluctuation of the exchange rates can impact the net profits of the Company negatively. No intercompany loans were granted in currencies other than the Euro during 2024, while collections totaled € 8.5 million. At 31 December 2024, there are no loans granted in currencies other than the functional currency of the Company.

The nature and structure of the exposure to exchange risk and the related hedging policies were substantially unchanged in 2024 and 2023.

21.2 Exchange risk sensitivity analysis

The potential profit deriving from the change in the fair value of financial assets and liabilities caused by a hypothetical and immediate increase in the value of the euro of 10% with respect to the US dollar would be about € 388 thousand (€ 1,141 thousand in 2023).

21.3 Interest-rate risk

It is currently Company policy not to arrange hedges, in view of the short average duration of the existing bank debts (around 3.5 years). At 31 December 2024, financial debts totaling € 99.4 million bear interest at fixed rates, while the remainder bear interest at floating rates.

At 31 December 2024, liquid funds totaling € 30 million are unrestricted and earn interest at fixed rates, while the remainder earn interest at floating rates.

In addition, in 2024 and in prior years the Company granted loans to subsidiaries totaling € 40.9 million (€ 67.9 million at 31 December 2023). As described in Note 11, these loans were all granted at floating rates, with the exception of those made to GS-Hydro Korea Ltd, Tubiflex S.p.A., and Hydra Dyne Technology Inc.

21.4 Sensitivity analysis related to interest-rate risk

The effects of a hypothetical and immediate upward variation in interest rates of 50 basis points would subject Interpump Group S.p.A. to higher financial expenses, net of the increase in financial income, totaling € 2,168 thousand (€ 2,157 thousand in 2023). It is reasonable to assume that a 50 basis points decrease in interest rates would produce an equivalent effect, although this time in terms of lower financial expenses.

21.5 Credit risk

The maximum theoretical credit risk exposure of the Company at 31 December 2024 and 2023 is represented by the accounting value of the financial assets recorded in the financial statements.

Historically the Company has not suffered any significant losses on receivables. This is because the Company generally allows extended payments only to its long-term customers, whose solvency and economic stability are known. In contrast, after having passed an initial credit rating analysis, new customers are required to make payments in advance or to open a letter of credit for amounts due.

Individual write-downs are applied in relation to positions, if of significant magnitude, in relation to which an objective condition of uncollectability is present for all or part of the outstanding amount. The amount of the write-down takes account of an estimate of the recoverable flows and the associated collection date, and the expenses and costs for future debt recovery. Collective provisions are allocated in relation to receivables that are not subject to individual write-downs, taking account of the historic exposure and statistical data.

At 31 December 2024, Loans and Receivables from financial activities total € 60,300 thousand (€ 89,603 thousand at 31 December 2023), and include € 852 thousand for written down receivables (€ 797 thousand at 31 December 2023); amounts overdue by less than three months are € 2,209 thousand (€ 2,538 thousand at 31 December 2023), while those overdue beyond three months total € 151 thousand (€ 286 thousand at 31 December 2023).

The Company is not exposed to any significant concentrations of revenues. In fact, the top customer in terms of revenues is part of the Interpump Group and accounted for about 22% of total revenues in 2024 (21% in 2023). The top customer outside the Group accounted for approximately 3% of revenues in 2024 (3% in 2023 as well) while, in total, the top 10 customers after the first intercompany customer accounted for 21% of revenues (20% in 2023).

21.6 Liquidity risk

The liquidity risk can arise if it becomes impossible to obtain, at acceptable economic conditions, the financial resources needed for the Company's business operations. The two main factors that define the Company's liquidity situation are the resources generated by or used in business activities and investment, and the characteristics of expiry and renewal of debt or liquidity of financial investments and the relative market conditions.

The Company has adopted a series of policies and processes aimed at optimizing the management of resources in order to reduce the liquidity risk:

- retention of an appropriate level of cash on hand;
- diversification of the banks with which the Company operates;
- access to adequate lines of credit;

- negotiation of covenants at a consolidated level;
- monitoring of the prospective conditions of liquidity in relation to the corporate process.

The maturity characteristics of interest bearing financial debts and bank debts are described in Note 13. Together with the resources generated by operating and financing activities, as well as from the collection of dividends from affiliates, management considers that the funds and lines of credit currently available, or at an advanced stage of negotiation, will enable the Company to meet the requirements deriving from investing activities, the management of working capital and the settlement of payables as they fall due, while also supporting the pursuit of a growth strategy that includes targeted acquisitions capable of creating value for the shareholders. Liquid funds at 31 December 2024 total € 109.6 million. These funds, together with the cash generated in the manner described above, are definitely factors that reduce the exposure of the Company to liquidity risk. The decision to maintain a high level of cash was adopted in order to minimize the liquidity risk, which is considered important given the current state of uncertainty of the economy, and to pick up on any acquisition opportunities that may arise.

21.7 Price risk

Interpump Group S.p.A. is exposed to risks deriving from price fluctuations of metals, which may affect economic results and profitability. Specifically, the purchase cost of metals accounted for about 25% of the purchase cost of the Company's raw materials, semi-finished products and finished products (24% in 2023). The main metals utilized by the Company include brass, aluminum, stainless steel and steel.

Company policy is to transfer the cost of stocking materials to suppliers; in this scenario the risk is hedged by means of orders for specific periods and quantities agreed at a fixed price; at 31 December 2024 signed commitments are in place covering 85% of the projected 2025 consumption of brass (100% at 31 December 2023), 48% of the projected 2025 aluminum consumption (36% at 31 December 2023), 41% of the projected 2025 steel consumption (88% at 31 December 2023), 41% of the projected 2025 stainless steel consumption (25% at 31 December 2023) and none of the projected 2025 copper consumption (also none at 31 December 2023). In addition, at 31 December 2024 stocks covered about 37% of forecast steel consumption of (71% at 31 December 2023), about 31% of brass consumption (39% at 31 December 2023), about 30% of stainless steel consumption (58% at 31 December 2023) and about 17% of aluminum consumption (40% at 31 December 2023).

The prices for non-energy raw materials have remained high with respect to the pre-Covid period, despite the prolonged global economic slowdown, with fluctuations during the year depending on the commodity concerned. On the one hand, steel prices tended towards stability following the decline in 2023 while, on the other, aluminum and brass prices rose, except in the summer months. Copper prices rose strongly in 2024, once again reaching the peaks recorded in 2022. The prices of energy raw materials trended upwards at year end: in particular, methane gas closed the final quarter noticeably higher, albeit under control, than in the same period of the prior year.

In terms of procurement, the principal issues encountered during 2022 are now in the past, but with certain warning signs for specific types of steel and aluminum. Accordingly, the Company has maintained focus on the organization of processes, accompanied by constant monitoring of the supply chain, sometimes deciding to purchase larger quantities or making stand-by arrangements, in order to guarantee the availability of the materials needed for production purposes.

The Group is also monitoring developments carefully with regard to the import tariffs imposed on countries by the United States, and the counter-measures taken by them, analyzing the potential impacts on the business and studying the actions to be taken to mitigate their potential adverse effects.

21.8 Climate change risk

With regard to climate change, the Company does not fall with the scope of Directive 2003/87/EC (as amended most recently by Directive (EU) 2018/410), which introduced and governs the European Union Emissions Trading System (EU ETS). The ETS is the principal tool adopted by the European Union to reach the CO_2 reduction targets established for the principal industrial sectors and aviation. Although the Company is not included in the industrial sectors covered by the ETS, it is nevertheless committed to combat climate change.

Commencing from 2024, in accordance with Directive (EU) 2022/2426 (Corporate Sustainability Reporting Directive - CSRD), adopted in Italy by Decree 125/2024, the Interpump Group reports the material impacts, risks, opportunities, policies, actions, objectives, business model and performance metrics in section E1 of the CSRD chapter in the Consolidated Annual Financial Report.

Based on an initial scenario analysis of corporate locations, the impacts of physical risks (acute and chronic) on assets and revenues were not considered significant and, accordingly, no specific provisions or asset writedowns have been recorded at 31 December 2024.

Again in view of the above, the forecasts reflected in the five-year business plan used for the impairment test of goodwill were not significantly affected by the above physical, climate-related risks but, nevertheless, were prepared in a prudent manner that contains the expected level of future cash flows.

The Company is also potentially exposed to risks deriving from the impacts of future, more restrictive laws and regulations governing energy efficiency and climate change, that may result in increased operating costs.

22. Revenues

The following table analyzes net revenues by geographical area:

€/000	*2024*	*2023*
Italy	23,391	24,210
Europe (Italy excluded)	33,073	36,780
Rest of the World	59,057	56,234
Total	***115,521***	***117,224***

Details of revenues in each invoicing currency are provided below:

€/000	*2024*	*2023*
Euro	83,519	88,551
USD	31,975	28,644
GBP	27	29
Total	***115,521***	***117,224***

Revenues in USD refer primarily to invoices issued to the US subsidiaries GP Companies Inc. and NLB Corporation Inc.

23. Other net revenues

Other operating income is analyzed as follows:

€/000	*2024*	*2023*
Capital gains on the sale of tangible assets	38	18
Income from rent/royalties	410	435
Revenues from consultancy	10	10
Sale of scrap	125	116
Reimbursement of expenses	899	886
Release of excess provisions	-	4
Refunds from insurance	4	5
Other	6,209	3,124
Total	***7,695***	***4,598***

Other operating income principally includes reimbursements linked to the purchase of investments, as envisaged in the related contracts.

24. Costs by nature

€/000	*2024*	*2023*
Consumption of raw materials and components	37,108	37,191
Personnel and temporary staff	29,642	30,068
Services	16,817	16,086
Depreciation and amortization of tangible and intangible fixed assets (Notes 7 and 9)	5,972	6,029
Directors' and statutory auditors' remuneration	7,247	7,840
Hire purchase and leasing charges	301	253
Provisions and impairment of tangible and intangible fixed assets (Notes 7, 9 and 15)	89	185
Other operating costs	6,879	5,493
Total cost of sales, distribution costs, general and administrative expenses, other operating costs and impairment losses on tangible and intangible fixed assets	***104,055***	***103,145***

The emoluments of the Directors and Statutory Auditors of Interpump Group S.p.A. in 2024 were, respectively, € 7,142 thousand and € 105 thousand and they include remuneration resolved by the Shareholders' Meeting, the remuneration established by the Board of Directors for directors vested with special offices, including bonuses and the remunerative component deriving from stock option plans represented by the fair value of the options calculated at the time of their allocation, for the current portion.

Other operating costs mainly include other industrial costs, such as consumables, small tools and ancillary items, and other general and administrative expenses.

25. Financial income and expenses

€/000	2024	2023
Financial income		
Interest income from liquid funds	2,902	2,143
Interest income from financial assets (intercompany loans)	2,462	4,602
Other financial income	1	1
Exchange gains	867	238
Total	***6,232***	***6,984***

€/000	2024	2023
Financial expenses		
Interest expense on bank loans	26,752	28,254
Interest expense on bond	3,912	-
Interest expense on lease payables (IFRS 16)	95	113
Other financial expenses	165	145
Foreign exchange losses	209	1,263
Total	***31,133***	***29,775***

The increases in interest income and expense were mainly attributable to the rise in official interest rates during the year.

26. Income taxes

The reconciliation of taxes calculated on the basis of the nominal rates in force and the effective tax burden is a follows:

€/000	2024	2023
IRES		
Profit before taxes from the income statement	100,939	68,474
Theoretical taxes at nominal rate (24%)	24,225	16,434
Lower taxes for non-taxable dividends	(24,563)	(17,575)
Higher taxes due to non-deductible adjustments to the value of investments	376	1,187
Lower taxes due to IRAP deduction relating to expenses for employees and similar	(28)	(76)
Lower taxes due to IRAP deduction on interest expenses	(3)	(12)
Lower taxes due to super and hyper depreciation	(597)	(614)
Lower taxes resulting from Economic Growth Assistance (ACE)	-	(891)
Higher (Lower) taxes due to tax benefit of franking goodwill	(164)	(164)
Taxes for prior financial years	-	(5,458)
Other	224	(35)
Total IRES	***(530)***	***(7,204)***

€/000	*2024*	*2023*
IRAP (regional tax)		
Profit before taxes from the income statement	100,939	68,474
Theoretical taxes at nominal rate (4.65%)	4,694	3,184
Lower taxes for non-taxable dividends	(5,036)	(3,605)
Higher (Lower) taxes due to tax benefit of franking goodwill	(32)	(32)
Higher taxes for non-deductible payroll costs	21	37
Higher taxes for non-deductible directors' emoluments	316	344
Higher (Lower) taxes due to non-deductible financial expenses	34	106
Taxes for prior financial years	1	(637)
Higher taxes due to non-deductible adjustments to the value of investments	73	230
Other	56	(3)
Total IRAP	***127***	***(376)***
Total income taxes recognized in the income statement	***(403)***	***(7,580)***

Taxes recognized in the income statement can be broken down as follows:

€/000	*2024*	*2023*
Current taxes	2,592	(641)
Current taxes for prior financial years	(1)	6,095
Deferred taxes	(2,188)	2,126
Total taxes	**403**	**7,580**

The deferred taxes recognized in the income statement are analyzed as follows:

€/000	*2024*	*2023*
Deferred tax assets generated in the year	1,044	3,061
Deferred tax liabilities generated in the year	(906)	(566)
Deferred tax assets reversed to the income statement	(3,238)	(961)
Deferred tax liabilities reversed to the income statement	912	592
Total deferred taxes	***(2,188)***	***2,126***

During 2024, the Company confirmed once again the domestic tax group election made together with Interpump Piping S.r.l. that, from the 2024 tax year, also includes Walvoil S.p.A. This expansion of the perimeter has had a positive effect on the current tax charge for the year, given the immediate possibility to realize tax assets held by the Company that were only partially recognized in the deferred tax calculation.

By comparison, taxes in the prior year were mainly influenced by the reversal of earlier tax provisions, € 6.1 million, after receiving a favorable response from the Tax Authorities to a question posed by the Company during 2023.

Given the size thresholds envisaged in the regulations, the multinational group to which the Company belongs is subject to application of the Global Minimum Tax (Pillar II) regulation from FY2024. In this regard and with specific reference to Italian law, the Group has identified the existence of at least one of the three CbCR Safe Habors for the year ended 31 December 2024 and, accordingly, the Company has not recorded any national minimum tax charge. See Note 26 to the consolidated financial statements for a full discussion of the topic at Group level.

27. Earnings per share

Basic earnings per share

Earnings per share are calculated on the basis of profit for the year divided by the weighted average number of ordinary shares during the year as follows:

	2024	*2023*
Profit for the year attributable to shareholders (€/000)	101,342	76,054
Average number of shares in circulation	106,961,468	106,939,951
Basic earnings per share for the year (€)	***0.948***	***0.711***

Diluted earnings per share

Diluted earnings per share are calculated on the basis of diluted profit of the year attributable to the Parent company's shareholders, divided by the weighted average number of ordinary shares in circulation adjusted by the number of potentially dilutive ordinary shares. The calculation is as follows:

	2024	*2023*
Profit for the year attributable to shareholders (€/000)	101,342	76,054
Average number of shares in circulation	106,961,468	106,939,951
Number of potential shares for stock option plans (*)	188,423	374,316
Average number of shares (diluted)	107,104,891	107,314,267
Earnings per diluted share at 31 December (Euro)	***0.946***	***0.709***

(*) calculated as the number of shares assigned for in-the-money stock option plans multiplied by the ratio between the difference of the average value of the share in the year and the exercise price at the numerator, and the average value of the share in the year at the denominator.

A dividend for 2024 of € 0.32 (€ 0.32 in 2023) was allocated to each outstanding share.

28. Notes to the cash flow statement

28.1 Property, plant and equipment

In 2024 the Company purchased property, plant and equipment totaling € 3,745 thousand (€ 3,517 thousand in 2023). This expenditure involved the payment of € 3,619 thousand, inclusive of the payment of past debts for the same purpose and net of payables deferred to the following year (€ 4,427 thousand in 2023).

28.2 Cash and cash equivalents

This item can be broken down as follows:

€/000	*31/12/2024*	*31/12/2023*	*01/01/2023*
Cash and cash equivalents as per the consolidated statement of financial position	109,558	88,280	188,778
Bank debts (for current account overdrafts, subject-to-collection advances and accrued interest)	(4,588)	(5,242)	(2,519)
Cash and cash equivalents as per the consolidated cash flow statement	***104,970***	***83,038***	***186,259***

28.3 Net financial position and cash flow statement

For the amount and details of the main components of the net financial position and the changes in 2024 and 2023, see the "Cash flow" section of the "Report on operations" presented together with the separate financial statements at 31 December 2024 of Interpump Group S.p.A.

29. Commitments

The Company has commitments to purchase tangible fixed assets totaling € 1,719 thousand (€ 1,083 thousand at 31 December 2023), but no commitments for intangible fixed assets (none at 31 December 2023 either).

The Company has also received guarantees for the purchase of equity investments totaling € 4,400 thousand (€ 9,400 thousand at 31 December 2023) and has given secured guarantees to third parties totaling € 274 thousand and to consolidated companies totaling € 350 thousand (respectively € 16,889 thousand, of which €16,859 thousand closed out by the date of approval of the financial statements for the prior year, and € 1,850 thousand at 31 December 2023).

30. Transactions with related parties

With regard to transactions with Group companies, please see sections 3 and 4 of the "Report on operations" accompanying the financial statements of Interpump Group S.p.A. at 31 December 2024.

The above transactions were carried out on arm's-length conditions.

31. Events occurring after the close of the year

No atypical or unusual transactions have been carried out subsequent to 31 December 2024 that would call for changes to these separate financial statements.

See the "Report on operations" accompanying the Consolidated Annual Financial Report at 31 December 2024 for information about subsequent events relating to the Group.

32. Proposal to the Shareholders' Meeting

The profit for the year was € 101,341,740. We propose:

- allocation of the net profit for the year to the Extraordinary Reserve, since the legal reserve has already reached the limit of one-fifth of the subscribed and paid-up share capital;
- partial distribution of the Extraordinary Reserve formed from profits, by declaring a dividend of € 0.33 for each share outstanding including the right envisaged in art. 2357-*(3)* subsection 2, of the Italian Civil Code.

Annex 1: Attestation of the separate financial statements pursuant to art. 81-*(3)* of Consob regulation no. 11971 of 14 May 1999, as amended

1. The undersigned, Fulvio Montipò and Mauro Barani, respectively Executive Chairman and Manager responsible for drafting the accounting documents of Interpump Group S.p.A., taking account also of the provisions of art. 154-*(2)*, subsections 3 and 4 of Decree 58 dated 24 February 1998, attest to:
   - adequacy in relation to the characteristics of the business and
   - effective application of the administrative and accounting procedures for formation of the financial statements during 2024.

2. We further confirm that the separate financial statements of Interpump Group S.p.A. for the year ended 31 December 2024, reporting total assets of € 1,403,730,647, net profit of € 101,341,740 and shareholders' equity of € 719,020,483:
   a. correspond to the results of the company books and accounting entries;
   b. were prepared in compliance with the international accounting standards approved by the European Commission further to the enforcement of Ruling (CE) no. 1606/2002 of the European Parliament and the European Council of 19 July 2002, and the provisions issued in implementation of art. 9 of Italian legislative decree 38/2005 and the contents are suitable for providing a truthful and fair representation of the equity, economic and financial situation of the Company;
   c. include the Board of Directors' Report, which contains a reliable analysis of performance and results and the situation of the issuer together with a description of the main risks and uncertainties to which it is exposed.

Sant’Ilario d’Enza (RE), 21 March 2025

Fulvio Montipò	Mauro Barani
Executive Chairman	Manager responsible for drafting the company’s accounting documents

pwc

Independent auditor's report

in accordance with article 14 of Legislative Decree No. 39 of 27 January 2010 and article 10 of Regulation (EU) No. 537/2014

To the shareholders of
Interpump Group SpA

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Interpump Group SpA (hereinafter also the "Company"), which comprise the statement of financial position as of of 31 December 2024, the income statement, the comprehensive income statement, statement of changes in equity, statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the financial statements give a true and fair view of the financial position of the Company as of 31 December 2024, and of the result of its operations and cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and adopted by the European Union, as well as with the regulations issued to implement article 9 of Legislative Decree No. 38/05.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISA Italia). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of this report. We are independent of the Company pursuant to the regulations and standards on ethics and independence applicable to audits of financial statements under Italian law. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

PricewaterhouseCoopers SpA

Sede legale: **Milano** 20145 Piazza Tre Torri 2 Tel. 02 77851 Fax 02 7785240 Capitale Sociale Euro 6.890.000,00 i.v. C.F. e P.IVA e Reg. Imprese Milano Monza Brianza Lodi 12979880155 Iscritta al n° 119644 del Registro dei Revisori Legali - Altri Uffici: **Ancona** 60131 Via Sandro Totti 1 Tel. 071 2132311 - **Bari** 70122 Via Abate Gimma 72 Tel. 080 5640211 - **Bergamo** 24121 Largo Belotti 5 Tel. 035 229691 - **Bologna** 40124 Via Luigi Carlo Farini 12 Tel. 051 6186211 - **Brescia** 25121 Viale Duca d'Aosta 28 Tel. 030 3697501 - **Catania** 95129 Corso Italia 302 Tel. 095 7532311 - **Firenze** 50121 Viale Gramsci 15 Tel. 055 2482811 - **Genova** 16121 Piazza Piccapietra 9 Tel. 010 29041 - **Napoli** 80121 Via dei Mille 16 Tel. 081 36181 - **Padova** 35138 Via Vicenza 4 Tel. 049 873481 - **Palermo** 90141 Via Marchese Ugo 60 Tel. 091 349737 - **Parma** 43121 Viale Tanara 20/A Tel. 0521 275911 - **Pescara** 65127 Piazza Ettore Troilo 8 Tel. 085 4545711 - **Roma** 00154 Largo Fochetti 29 Tel. 06 570251 - **Torino** 10122 Corso Palestro 10 Tel. 011 556771 - **Trento** 38122 Viale della Costituzione 33 Tel. 0461 237004 - **Treviso** 31100 Viale Felissent 90 Tel. 0422 696911 - **Trieste** 34125 Via Cesare Battisti 18 Tel. 040 3480781 - **Udine** 33100 Via Poscolle 43 Tel. 0432 25789 - **Varese** 21100 Via Albuzzi 43 Tel. 0332 285039 - **Verona** 37135 Via Francia 21/C Tel. 045 8263001 - **Vicenza** 36100 Piazza Pontelandolfo 9 Tel. 0444 393311

www.pwc.com/it

pwc

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matters	*Auditing procedures performed in response to key audit matters*
Investments in subsidiaries *Sections 2.7 "Impairment of assets" and 2.8 "Equity investments", Note 10 "Investments in subsidiaries" of the notes to the financial statements* As of 31 December 2024, equity investments in subsidiaries reported in the Company's financial statements totalled Euro 1,103 million, representing the 79 per cent of total assets. On annual basis the Company verifies if any indicators exist that the investments may have become impaired and, where necessary, compares the carrying amounts with the estimated recoverable amounts in accordance with the provisions of IAS 36 "Impairment of assets". The recoverable amounts of equity investments are determined as the higher of fair value less costs to sell and value in use, which is equal to the estimated future cash flows from the assets discounted to present value at a rate that takes into account market interest rates and the risks specific to the asset to which the estimated realisable value refers. We identified the evaluation of equity investments as a key audit matter in light of the materiality of the financial statements item and of the complexity of the assumptions used by the directors to identify possible impairment indicators and consequently to determine the recoverable amounts of equity investments.	We understood and evaluated the procedures adopted by the Company to verify the carrying amounts of investments in subsidiaries and the existence of possible indicators that they may have become impaired. We examined the method, approved by the Company's board of directors on 14 February 2025, used by the directors to identify and evaluate possible impairment indicators. With reference to the investment in White Drive Motors and Steering, LLC, for which impairment indicators were identified, our audit procedures also included verifying the mathematical accuracy of the valuation models prepared by the Company and the reasonableness of the key assumptions reflected in the models (Discounted Cash Flow Method) prepared by the Company, specifically the discount rate and the perpetual growth rate, in respect of the valuation practice normally adopted for entities in the industry in which the entity operates. To this end, we also used the support of business valuation experts from the PwC network, who performed an independent recalculation and carried out sensitivity

pwc

analyses of the key assumptions to determine the changes in those assumptions that could have a significant impact on the measurement of the recoverable amount of the equity investment.

We analysed the 2025-2029 business plans of the main subsidiaries. In this connection we involved PwC network experts in the industry in which the Company operates, who supported us in analysis of the reasonableness of the forecasts made by the directors in the business plans, also by comparing management's assumptions with historical information and available inputs from external sources.

Finally, we verified the adequacy of disclosures provided in the financial statements against the requirements of international financial reporting standards with reference to the financial and other information obtained during the performance of the audit.

Responsibilities of the Directors and the Board of Statutory Auditors for the Financial Statements

The directors are responsible for the preparation of financial statements that give a true and fair view in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and adopted by the European Union, as well as with the regulations issued to implement article 9 of Legislative Decree No. 38/05 and, in the terms prescribed by law, for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The directors are responsible for assessing the Company's ability to continue as a going concern and, in preparing the financial statements, for the appropriate application of the going concern basis of accounting, and for disclosing matters related to going concern. In preparing the financial statements, the directors use the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

The board of statutory auditors is responsible for overseeing, in the terms prescribed by law, the Company's financial reporting process.

pwc

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with International Standards on Auditing (ISA Italia) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of our audit conducted in accordance with International Standards on Auditing (ISA Italia), we exercised our professional judgement and maintained professional scepticism throughout the audit. Furthermore:

- We identified and assessed the risks of material misstatement of the financial statements, whether due to fraud or error; we designed and performed audit procedures responsive to those risks; we 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 obtained an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control;
- We evaluated the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors;
- We concluded on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern;
- We evaluated the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We 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 identified during our audit.

We also provided those charged with governance with a statement that we complied with the regulations and standards on ethics and independence applicable under Italian law and communicated with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate the related risks, or safeguards applied.

pwc

From the matters communicated with those charged with governance, we 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 described these matters in our auditor's report.

Additional Disclosures required by Article 10 of Regulation (EU) No 537/2014

On 30 April 2021, the shareholders of Interpump Group SpA in general meeting engaged us to perform the statutory audit of the Company's and consolidated financial statements for the years ending 31 December 2023 to 31 December 2031.

We declare that we did not provide any prohibited non-audit services referred to in article 5, paragraph 1, of Regulation (EU) No. 537/2014 and that we remained independent of the Company in conducting the statutory audit.

We confirm that the opinion on the financial statements expressed in this report is consistent with the additional report to the board of statutory auditors, in its capacity as audit committee, prepared pursuant to article 11 of the aforementioned Regulation.

Report on Compliance with other Laws and Regulations

Opinion on compliance with the provisions of Commission Delegated Regulation (EU) 2019/815

The directors of Interpump Group SpA are responsible for the application of the provisions of Commission Delegated Regulation (EU) 2019/815 concerning regulatory technical standards on the specification of a single electronic reporting format (ESEF - European Single Electronic Format) (hereinafter, the "Commission Delegated Regulation") to the financial statements as of 31 December 2024, to be included in the annual report.

We have performed the procedures specified in auditing standard (SA Italia) No. 700B in order to express an opinion on the compliance of the financial statements with the provisions of the Commission Delegated Regulation.

In our opinion, the financial statements as of 31 December 2024 have been prepared in XHTML format in compliance with the provisions of the Commission Delegated Regulation.

Opinions and statement in accordance with article 14, paragraph 2, letters e), e-bis) and e-ter) of Legislative Decree No. 39/10 and with article 123-bis, paragraph 4, of Legislative Decree No. 58/98

The directors of Interpump Group SpA are responsible for preparing a report on operations and a report on the corporate governance and ownership structure of Interpump Group SpA as of 31

pwc

December 2024, including their consistency with the relevant financial statements and their compliance with the law.

We have performed the procedures required under auditing standard (SA Italia) No. 720B in order to:

- express an opinion on the consistency of the report on operations and of the specific information included in the report on corporate governance and ownership structure referred to in article 123-bis, paragraph 4, of Legislative Decree No. 58/98, with the financial statements;
- express an opinion on the compliance with the law of the report on operations and of the specific information included in the report on corporate governance and ownership structure referred to in article 123-bis, paragraph 4, of Legislative Decree No. 58/98;
- issue a statement on material misstatements, if any, in the report on operations and in the specific information included in the report on corporate governance and ownership structure referred to in article 123-bis, paragraph 4, of Legislative Decree No. 58/98.

In our opinion, the report on operations and the specific information included in the report on corporate governance and ownership structure referred to in article 123-bis, paragraph 4, of Legislative Decree No. 58/98 are consistent with the financial statements of Interpump Group SpA as of 31 December 2024 and prepared in compliance with the law.

With reference to the statement referred to in article 14, paragraph 2, letter e-ter), of Legislative Decree No. 39/10, issued on the basis of our knowledge and understanding of the Company and its environment obtained in the course of the audit, we have nothing to report.

Parma, 31 March 2025

PricewaterhouseCoopers SpA

Signed by

Nicola Madureri
(Partner)

As disclosed by the Directors on page 1, the accompanying financial statements of Interpump Group S.p.A. constitute a non-official version which is not compliant with the provisions of the Commission Delegated Regulation (EU) 2019/815. 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.

interpumpgroup.it

INTERPUMP GROUP