

**Half-year Financial Report
at 30 June 2024**

and

**Interim Report on Operations
for Q2 2024**



Interpump Group S.p.A. and subsidiaries

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This document can be accessed on the Internet at:

www.interpumpgroup.it

Interpump Group S.p.A.

Registered office in S. Ilario d'Enza (Reggio Emilia), Via Enrico Fermi 25

Paid-up Share Capital: Euro 56,617,232.88

Reggio Emilia Companies Register – Tax Code 11666900151

Board of Directors

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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)
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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

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Chairman

Mario Tagliaferri
Statutory Auditor

Mirco Zucca
Statutory Auditor

Independent Auditors

PricewaterhouseCoopers S.p.A.

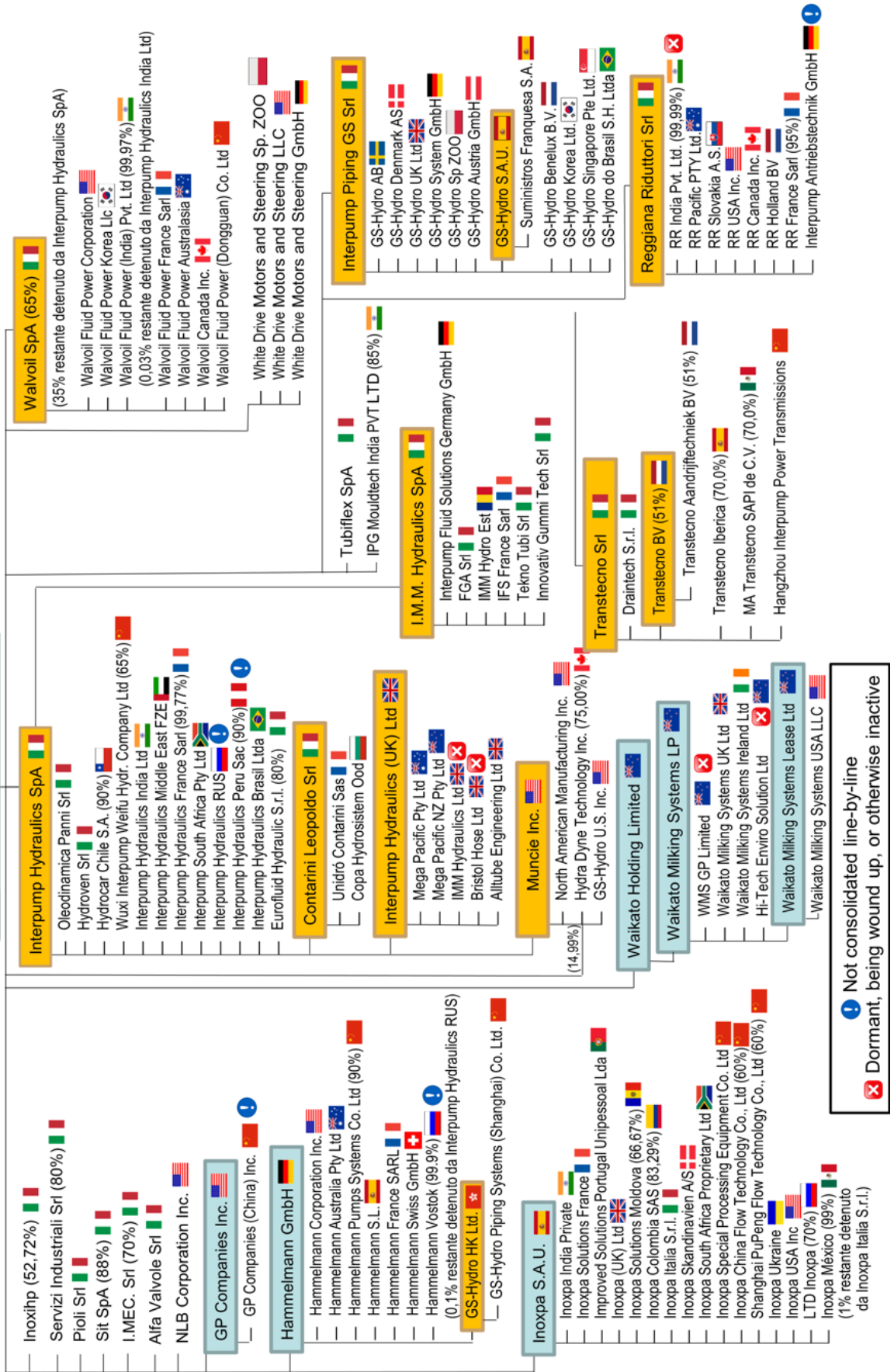
- (a) Member of the Audit and Risks Committee*
- (b) Member of the Remuneration Committee and the Nomination Committee*
- (c) Member of the Related Party Transactions Committee*
- (d) Member of the Sustainability Committee*

as at 30/06/2024

HYDRAULICS

Interpump Group SpA

WATER-JETTING



! Not consolidated line-by-line
x Dormant, being wound up, or otherwise inactive

Interim Report on Operations

**Directors' remarks on performance
in H1 2024**

PERFORMANCE INDICATORS

The Group uses several alternative measures that are not identified as accounting parameters in the framework of IFRS standards, 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 alternative performance indicators are constituted exclusively starting from the Group's historical 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. These indicators refer only to performance in the period illustrated in this Interim Report on Operations and the comparative periods and not to expected performance and must not be taken to replace the indicators required by the reference accounting standards (IFRS). Finally, the alternative indicators are processed consistently, using the same definitions and presentations for all periods for which financial information is included in this Interim Board of Directors' 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:** calculated as 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):** $EBIT / \text{Capital employed}$;
- **Return on equity (ROE):** $\text{Net profit} / \text{Shareholders' equity}$.

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 format complies with the internal reporting and business management methods.

The cash flow statement was prepared using the indirect method.

H1 consolidated income statements

(€/000)	2024	2023
Revenues	1,095,704	1,184,534
Cost of sales	(712,348)	(765,502)
Gross profit	383,356	419,032
<i>% of revenues</i>	<i>35.0%</i>	<i>35.4%</i>
Other net revenues	17,207	22,700
Distribution expenses	(87,274)	(85,366)
General and administrative expenses	(114,608)	(109,359)
Other operating costs	(3,353)	(3,022)
EBIT	195,328	243,985
<i>% of revenues</i>	<i>17.8%</i>	<i>20.6%</i>
Financial income	14,199	12,950
Financial expenses	(30,540)	(35,519)
Equity method contribution	154	329
Profit for the period before taxes	179,141	221,745
Income taxes	(49,089)	(53,291)
Consolidated profit for the period	130,052	168,454
<i>% of revenues</i>	<i>11.9%</i>	<i>14.2%</i>
Attributable to:		
Shareholders of Parent	129,347	166,579
Minority shareholders of subsidiaries	705	1,875
Consolidated profit for the period	130,052	168,454
EBITDA	251,964	295,350
<i>% of revenues</i>	<i>23.0%</i>	<i>24.9%</i>
Shareholders' equity	1,918,422	1,703,936
Net financial position	516,844	578,297
Debts for the acquisition of equity investments	45,823	72,681
Capital employed	2,481,089	2,354,914
Unannualized ROCE	7.9%	10.4%
Unannualized ROE	6.8%	9.9%
Basic earnings per share	1.209	1.558

SIGNIFICANT EVENTS DURING H1 2024

The global economy continued to express considerable uncertainty during the first half of 2024, indicating limited prospects for growth.

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 held throughout the year 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.

The delays in making the interest-rate cuts flagged by the US Federal Reserve might well have an even greater effect on the economic policies of developing countries, whose markets seem to be more sensitive to rate fluctuations than in the past.

In this context of profound uncertainty, governments are facing higher costs given their need to roll-over public debt at increased interest rates, multinational enterprises are slowing 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 that:

- in the Euro area, following an initial reduction in reference rates by 25 basis points (to 4.25% from 4.50%) in June, the ECB still plans to make another two rate cuts during the second semester (one in each quarter), despite the specter of higher inflation. 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, economic activity remains dynamic and, despite a slowdown in Q1 2024, US GDP continues to grow in the wake of healthy household consumption and private investment. Although inflation peaked in mid-2022, the data for H1 2024 does not yet show the expected rapid decline towards the target set by the Central Bank. This suggests that the Federal Reserve might initiate the relaxation of monetary policy with a single rate cut sometime towards year end. Although the monetary policies in the Euro area and the United States do not appear to be synchronized, the euro-dollar exchange rate has continued to fluctuate around 2023 values;
- in China, growth seems to be ahead of forecast, largely due to the buoyancy of manufacturing exports. This overshadows the real estate crisis and the low level of confidence demonstrated by consumers and private investors, as reflected in the weakness of domestic demand and the service sector. The objective for real GDP growth, fixed by the government at “around 5%” for 2024, is expected to be achievable.

OECD projections for the current year confirm modest global growth, with the forecast of 3.1% being unchanged with respect to 2023. Overall inflation in the OECD countries should ease gradually to 5.9% in 2024, and then 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 during H1 2024 that, although down with respect to those achieved in the same period of 2023, remain significantly positive in terms of revenues, margins and cash generation.

Revenues reached € 1,095.7 million, down by 7.5% compared to H1 2023 when they totaled € 1,184.5 million. Analysis by business sector shows that revenues in the Hydraulic Sector were 12.8% lower than in H1 2023, while those in the Water-Jetting Sector were 8.1% ahead.

EBITDA was € 252 million, equivalent to 23% of revenues, following a contraction of 14.7%. In comparison, EBITDA was € 295.4 million in H1 2023 (24.9% of revenues).

Notably, the income statement for H1 2023 benefited from non-recurring insurance proceeds of € 9 million.

Excluding this effect, EBITDA for H1 2024 was 12% lower than the adjusted prior-year comparative amount.

Despite pursuing major investment plans, the Group generated free cash flow of € 80.1 million in H1 2024, compared with € 44.0 million in H1 2023.

The closing net financial position totaled € 516.8 million (€ 578.3 million at 30 June 2023), after paying dividends of € 34.1 million and outflows of € 81.1 million to acquire equity investments and settle payables recorded in prior years with regard to the acquisition of residual non-controlling interests.

Net profit for H1 2024 was € 130.1 million (€ 168.5 million in H1 2023), reflecting a decrease of 22.8%.

The exposure to countries involved in the military conflict in Ukraine remains limited. Specifically, the Interpump Group earned revenues of € 8.4 million from customers in Russia, Belarus and Ukraine during H1 2024, with outstanding receivables at 30 June 2024 of € 2.3 million.

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 a six-monthly coupon of 4.17%. 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.

Compared with H1 2023, the consolidation perimeter of the Water-Jetting sector has changed as follows:

- on 9 April 2024 the Interpump Group announced the acquisition, via Inoxpa S.A.U., of a 60% equity interest in Process Partner China Co., Ltd. (now Shanghai PuPeng Flow Technology Co., Ltd) and an increase to 60%¹ 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 30 June 2024 for three 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 30 June 2024 for one month.
- Lastly, during Q1 2024 the Group acquired an additional 8% of SIT S.p.A. and now holds an 88% interest in that company.

¹ Through Inoxpa SAU, the Group already held 10% of YRP (Shanghai) Flow Technology Co.

Compared with H1 2023, the consolidation perimeter of the Hydraulic sector has changed as follows:

- 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 year², the company 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 for 2 months;
- Reggiana Riduttori (Suzhou) Co. Ltd and Transtecno USA LLC were liquidated during Q1 2024;
- lastly, put options for the remaining 20% interests in Transtecno S.r.l. and Drintech S.r.l. were exercised during Q2 2024, raising Group ownership of both companies from 80% to 100%.

²Financial year from 1 November 2022 to 31 October 2023

REVENUES

Revenues in H1 2024 totaled € 1,095.7 million, down by 7.5% compared with € 1,184.5 million in H1 2023 (-9.4% at constant perimeter and -9.3% also net of exchange differences).

Revenues by business sector and geographical area were as follows:

(€/000)	<u>Italy</u>	<u>Rest of Europe</u>	<u>North America</u>	<u>Pacific Area</u>	<u>Rest of the World</u>	<u>Total</u>
<i>H1 2024</i>						
Hydraulic	136,955	264,960	217,850	77,901	73,825	771,491
Water-Jetting	31,023	118,478	98,846	46,271	29,595	324,213
Total	167,978	383,438	316,696	124,172	103,420	1,095,704
<i>H1 2023</i>						
Hydraulic	168,665	322,926	232,903	89,929	70,319	884,742
Water-Jetting	32,358	110,998	93,648	33,412	29,376	299,792
Total	201,023	433,924	326,551	123,341	99,695	1,184,534
2024/2023 percentage changes						
Hydraulic	-18.8%	-18.0%	-6.5%	-13.4%	+5.0%	-12.8%
Water-Jetting	-4.1%	+6.7%	+5.6%	+38.5%	+0.7%	+8.1%
Total	-16.4%	-11.6%	-3.0%	+0.7%	+3.7%	-7.5%

The changes at constant perimeter are as follows:

2024/2023 percentage changes						
Hydraulic	-18.6%	-18.2%	-6.5%	-13.3%	+4.0%	-12.9%
Water-Jetting	-22.6%	+4.4%	+2.9%	+8.4%	-2.6%	+0.8%
Total	-19.2%	-12.4%	-3.8%	-7.4%	+2.0%	-9.4%

PROFITABILITY

The cost of sales accounted for 65% of revenues (64.6% in H1 2023). Production costs, which totaled € 290.5 million (€ 304.3 million in H1 2023, which however did not include the costs of IPG Mouldtech India Pvt Ltd for 3 months or of I.mec S.r.l. and the Waikato group for 5 months), accounted for 26.5% of revenues (25.7% in the equivalent period of 2023). At constant perimeter, they absorbed 26.7% of revenues. Again at constant perimeter, the purchase cost of raw materials and components sourced on the market, including changes in inventories, was € 411.6 million (€ 461.2 million in the equivalent period of 2023, which however did not include the costs of IPG Mouldtech India Pvt Ltd for 3 months or of I.mec S.r.l. and the Waikato group for 5 months). The incidence of purchase costs, including changes in inventories, was 38.4% compared with 38.9% in H1 2023.

Distribution costs were 1.4% lower at constant perimeter (-1.2% net also of exchange differences) with respect to H1 2023, with an incidence on revenues of 7.8% compared with 7.2% in H1 2023. At constant perimeter, general and administrative expenses were 1.2% higher than in H1 2023 (+1.2% net also of exchange differences) and their incidence on revenues rose by 0.1 percentage points.

Payroll costs totaled € 244.1 million (€ 237.0 million in H1 2023, which however did not include the costs of IPG Mouldtech India Pvt Ltd for 3 months or of I.mec S.r.l. and the Waikato group for 5 months). At constant perimeter, payroll costs amounted to € 238.9 million, up by 0.8% due to a 2.5% increase in per capita cost, as partially offset by a reduction of 157.6 in the average number of employees. The average total number of Group employees in H1 2024 was 9,310 (9,261 at constant perimeter) compared to 9,419 in H1 2023. The reduction in the average headcount during H1 2024 can be broken down as follows: +6 in Europe, -93 in the US and -22 in the Rest of the World. In addition, the Group employed 1,558 temporary workers during the period (1,887 in H1 2023) at a cost of € 15.2 million (€ 22.4 million in H1 2023).

EBITDA was € 252 million (23% of revenues) compared with € 295.4 million in H1 2023. The following table sets out EBITDA by business sector:

	<i>H1 2024</i>		<i>H1 2023</i>		<i>Increase/ Decrease</i>
	<i>€/000</i>	<i>% on total revenues</i>	<i>€/000</i>	<i>% on total revenues</i>	
		<i>*</i>		<i>*</i>	
Hydraulic	166,612	21.6%	211,710	23.9%	-21.3%
Water-Jetting	85,352	26.1%	83,640	27.6%	+2%
Total	251,964	23.0%	295,350	24.9%	-14.7%

* = Total revenues include those relating to other Group companies in the other sector, while the revenues analyzed previously are exclusively those external to the Group (see note 2 in the explanatory notes). Accordingly, for consistency, the percentage is calculated on total revenues rather than on those reported previously.

As stated earlier, H1 2023 benefited from non-recurring insurance proceeds of € 9 million attributable entirely to the Hydraulic Sector. Excluding this amount, total EBITDA would have been 12% lower, while that of the Hydraulic sector would have been 17.8% lower.

EBIT was € 195.3 million (17.8% of revenues) compared with € 244.0 million in H1 2023 (20.6% of revenues), reflecting a decrease of 19.9 percentage points.

The effective tax rate for the period was 27.4% (24.0% in H1 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 Half-year Financial Report at 30 June 2023. Net of that amount, the tax rate in H1 2023 would have been 26.8%).

Net profit for H1 2024 was € 130.1 million (€ 168.5 million in H1 2023) reflecting a decrease of 22.8%.

Basic earnings per share eased from € 1.558 in H1 2023 to € 1.209 in H1 2024.

Capital employed increased from € 2,370.6 million at 31 December 2023 to € 2,481.1 million at 30 June 2024, reflecting continuation of the investment programs and the acquisitions completed during the period.

Unannualized ROCE was 7.9% (10.4% in H1 2023).

Unannualized ROE was 6.8% (9.9% in H1 2023).

CASH FLOW

The change in net indebtedness breaks down as follows:

	<i>H1 2024</i>	<i>H1 2023</i>
	<u>€/000</u>	<u>€/000</u>
Opening net financial position	(486,497)	(541,784)
Adjustment: opening net financial position of companies previously measured using the equity method and now consolidated line by line	-	(1,274)
Adjusted opening net financial position	(486,497)	(543,058)
Liquidity generated by operations	182,412	216,869
Principal portion of leasing installments paid	(9,555)	(10,217)
Cash flow generated (absorbed) by the management of operating capital	(24,826)	(76,947)
Cash flow generated (absorbed) by other current assets and liabilities	12,605	(2,452)
Capital expenditure on tangible fixed assets	(74,343)	(80,191)
Proceeds from the sale of tangible fixed assets	1,719	674
Increase in intangible fixed assets	(4,199)	(2,581)
Financial income received	2,502	1,245
Other	(6,208)	(2,398)
Free cash flow	80,107	44,002
Acquisition of equity investments, including received debt and net of treasury shares assigned	(81,058)	(52,698)
Dividends paid	(34,096)	(32,679)
Disbursements for purchase of treasury shares	-	-
Proceeds from the sale of treasury shares to stock option beneficiaries	28	1,975
Principal portion of leasing installments paid	9,555	10,217
Principal portion of new leasing contracts arranged	(5,618)	(6,310)
Restatement and early redemption of leasing contracts	1,346	684
Change in other financial assets	(263)	(262)
Net cash generated (used)	(29,999)	(35,071)
Exchange differences	(348)	(168)
Closing net financial position	(516,844)	(578,297)

Net liquidity generated by operations totaled € 182.4 million (€ 216.9 million in H1 2023), a decrease of 15.9%. Free cash flow increased markedly to € 80.1 million in H1 2024 (€ 44.0 million in H1 2023), despite the implementation of a major investment program 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:

	30/06/2024	31/12/2023	30/06/2023	31/12/2022
	€/000	€/000	€/000	€/000
Cash and cash equivalents	337,901	334,483	304,834	358,275
Bank debts (advances and STC amounts)	(56,924)	(52,469)	(39,584)	(30,928)
Interest-bearing financial debts (current portion)	(255,358)	(264,911)	(270,880)	(288,456)
Interest-bearing financial debts (non-current portion)	(542,463)	(503,600)	(572,667)	(580,675)
<u>Net financial position</u>	<u>(516,844)</u>	<u>(486,497)</u>	<u>(578,297)</u>	<u>(541,784)</u>
Commitments for the purchase of equity investments (current portion)	(3,964)	(38,354)	(39,769)	(844)
Commitments for the purchase of equity investments (non-current portion)	(41,859)	(42,810)	(32,912)	(61,968)
Total net indebtedness	(562,667)	(567,661)	(650,978)	(604,596)

At 30 June 2024 all loan covenants are complied with in full.

CAPITAL EXPENDITURE

Expenditure on property, plant and equipment totaled € 83.4 million, of which € 4.9 million via the acquisition of equity investments (€ 109.2 million in H1 2023, of which € 11.1 million via the acquisition of equity investments). The additions during the period are analyzed in the following table:

€/000	H1 2024	H1 2023
	€/000	€/000
Increases for the purchase of fixed assets used in the production process	65,692	81,189
Increases for machinery rented to customers	7,147	10,604
Leased assets	5,618	6,310
<i>Capex</i>	<i>78,457</i>	<i>98,103</i>
Increases through the acquisition of equity investments	4,925	11,111
Total increases in the period	83,382	109,214

The increases in H1 2024 include € 33.2 million invested in land and buildings (€ 27.3 million in H1 2023).

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

The increase in intangible fixed assets by € 6.6 million (€ 15.8 million in H1 2023) included € 2.3 million relating to the first-time consolidation of the “I.mec S.r.l.” brand, following an appraisal of its fair value.

INTERCOMPANY AND RELATED PARTY TRANSACTIONS

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 Italian Legislative 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 10 of the Interim Board of Directors’ Report at 30 June 2024.

CHANGES IN GROUP STRUCTURE DURING H1 2024

As described earlier, the scope of consolidation has changed as follows since 31 December 2023:

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 newly-acquired Alfa Valvole S.r.l. has been consolidated from 31 May 2024;
- The Group acquired an additional 8% of SIT S.p.A. during Q1 2024 and now holds an 88% interest in that company.

Hydraulic sector

- The newly-acquired Alltube Engineering Ltd. has been consolidated on a line-by-line basis with effect from 30 April 2024;
- Reggiana Riduttori (Suzhou) Co. Ltd and Transtecno USA LLC were liquidated during Q1 2024.
- Put 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%.

RISK FACTORS

The business of the Group is exposed to various financial risks: market risk (including the exchange rate risk and interest rate risk), credit risk, liquidity risk, price risk and cash flow risk. The risk management program is based on the unpredictability of financial markets and aims to minimize any adverse impacts on the financial performance of the Group. Based on the policy approved by the Board of Directors, Interpump Group may use derivative financial instruments to hedge the exposure to exchange-rate and interest-rate risks, but cannot arrange derivative financial instruments for speculative purposes. Based on this procedure, financial risk hedging is managed by a central department in the parent company in cooperation with individual operating units. Group exposure to financial risks is substantially unchanged with respect to 31 December 2023; accordingly, no hedges were arranged during the first half of 2024.

Exchange 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. On a residual level however, the Group is exposed to the exchange-rate risk that derives from transactions with costs and revenues in different currencies, mainly in relation to the exchange rate with the US Dollar, the Polish Zloty, the Brazilian Real, the Indian Rupee, the Chinese Renminbi and, to a much lesser extent, to the exchange risk deriving from exposure to the UK Pound, the Canadian Dollar, the Australian Dollar, the Russian Ruble, the South African Rand, the UAE Dirham, the Chilean, Mexican and Colombian Pesos, the Danish Krone, the Korean Won, the New Zealand Dollar and the Romanian Leu.

In view of the significant natural hedge described above, management again decided not to arrange specific hedges during H1 2024, reserving the option to do so should significant individual or sporadic transactions arise.

In relation to financial exposure, intercompany loans totaling € 0.5 million were granted in H1 2024 and loans of € 3.6 million were repaid in currencies other than those utilized by the debtor companies. At 30 June 2024 loans granted in currencies other than those used by the debtor companies total € 63.1 million, down by € 2.3 million from € 65.4 million at 31 December 2023. The Group decided to continue the strategy of not hedging this exposure in H1 2024 as well.

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 charges.

It is Group policy not to arrange hedges, in view of the short average duration of the existing loans (around 3.5 years) and the issue of a fixed-rate bond.

Fixed-rate indebtedness at 30 June 2024 totaled € 103.2 million (€ 3.2 million at 31 December 2023).

At the same date, cash on hand totaling € 32.9 million was held on short-term deposit at fixed interest rates, while the remainder was held at floating rates.

Credit risk

The Group is not exposed to any significant concentrations of revenues and historically it has not suffered any significant losses on receivables thanks also to its attentive policy of selling to customers only following a careful assessment of their credit rating and also within preset credit limits. At present, the Group considers the receivables situation to be sound, as evidenced - among other considerations - by losses on receivables at 30 June 2024 totaling € 1.363 million (0.1% of revenues), compared to losses on receivables in H1 2023 of € 1.041 million (0.1% of revenues). The potential risk has already been assessed and provided against in the financial statements.

Liquidity risk

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. Current cash on hand at 30 June 2024 totals € 338 million. The amount of cash on hand and the cash generated from the operating activities of the Group, during H1 2024 as in prior periods, are definitely factors that will make it possible to reduce the exposure of the Group to liquidity risk.

Price risk

The Group is exposed to risks deriving from fluctuations in the prices of the metals utilized, namely brass, aluminum, steel, stainless steel, cast iron and, to a lesser extent, copper, sheet steel and mild steel. Even though Group sectors have a similar exposure to such risks, they adopt different risk reduction strategies depending on the specific metals involved. Please refer to the notes to the financial statements at 31 December 2023 for more complete information.

In this context, the Group monitors commodity price trends constantly, seeking to adopt the most effective policies that minimize risk exposure.

Climate change risk

With regard to climate change, the Interpump Group does not fall within 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 CO₂ 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 ESG Plan 2023-2025, 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 2023 and those envisaged for 2024 seek to embed the fundamental ESG principles within the Group's strategies, creating an organizational framework that recognizes the underlying core values, while the later actions are designed to support achievement by the Group of its decarbonization objectives for 2030 and 2050.

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. Climate change matters will be reported annually in accordance with the Corporate Sustainability Reporting Directive (CSRD), which strengthens and extends the sustainability reporting requirements

imposed on companies by Directive 2014/95/EU (the so-called “*Non Financial Reporting Directive*” or NFRD). This Interpump report describes at Group level the primary risks generated and/or sustained, the policies applied, the performance indicators and the corporate organization, management and control model.

EVENTS AFTER THE END OF H1 2024

No atypical or unusual transactions have been carried out subsequent to 30 June 2024 that would call for changes to these consolidated financial statements.

**Directors' remarks on performance
in Q2 2024**

Q2 consolidated income statements

(€/000)	2024	2023
Revenues	549,837	592,189
Cost of sales	(358,157)	(384,530)
Gross profit	191,680	207,659
<i>% of revenues</i>	34.9%	35.1%
Other net revenues	8,706	12,368
Distribution expenses	(45,141)	(43,175)
General and administrative expenses	(58,155)	(55,719)
Other operating costs	(1,561)	(1,743)
EBIT	95,529	119,390
<i>% of revenues</i>	17.4%	20.2%
Financial income	6,316	7,057
Financial expenses	(14,766)	(19,384)
Equity method contribution	40	179
Profit for the period before taxes	87,119	107,242
Income taxes	(24,619)	(24,819)
Consolidated profit for the period	62,500	82,423
<i>% of revenues</i>	11.4%	13.9%
Attributable to:		
Shareholders of Parent	62,111	81,461
Minority shareholders of subsidiaries	389	962
Consolidated profit for the period	62,500	82,423
EBITDA	124,589	145,687
<i>% of revenues</i>	22.7%	24.6%
Shareholders' equity	1,918,422	1,703,936
Net financial position	516,844	578,297
Debts for the acquisition of equity investments	45,823	72,681
Capital employed	2,481,089	2,354,914
Unannualized ROCE	3.9%	5.1%
Unannualized ROE	3.3%	4.8%
Basic earnings per share	0.581	0.762

REVENUES

Revenues in Q2 2024 totaled € 549.8 million, down by 7.2% compared with € 592.2 million in Q2 2023 (-9.3% at constant perimeter and -9.5% also net of exchange differences).

Revenues in Q2 are analyzed below by business sector and geographical area:

(€/000)	<u>Italy</u>	<u>Rest of Europe</u>	<u>North America</u>	<u>Pacific Area</u>	<u>Rest of the World</u>	<u>Total</u>
<i>Q2 2024</i>						
Hydraulic	66,341	131,548	105,413	39,210	37,251	379,763
Water-Jetting	16,537	59,535	50,394	26,794	16,814	170,074
Total	82,878	191,083	155,807	66,004	54,065	549,837
<i>Q2 2023</i>						
Hydraulic	83,233	158,546	114,030	46,270	36,179	438,258
Water-Jetting	18,250	56,402	47,367	18,738	13,174	153,931
Total	101,483	214,948	161,397	65,008	49,353	592,189
2024/2023 percentage changes						
Hydraulic	-20.3%	-17%	-7.6%	-15.3%	+3.0%	-13.3%
Water-Jetting	-9.4%	+5.6%	+6.4%	+43.0%	+27.6%	+10.5%
Total	-18.3%	-11.1%	-3.5%	+1.5%	+9.5%	-7.2%

The changes at constant perimeter are as follows:

2024/2023 percentage changes						
Hydraulic	-19.8%	-17.4%	-7.5%	-15.2%	+1.7%	-13.5%
Water-Jetting	-27.0%	+2.5%	+4.3%	+12.2%	+25.7%	+2.7%
Total	-21.1%	-12.2%	-4.1%	-7.3%	+8.1%	-9.3%

At constant perimeter and exchange rates, the Hydraulic sector contracted by 13.7%, while the Water-Jetting sector achieved organic growth of 2.4%.

PROFITABILITY

The cost of sales accounted for 65.1% of revenues (64.9% in Q2 2023). Production costs, which totaled € 145.6 million (€ 153.1 million in Q2 2023, which however did not include the costs of I.mec S.r.l. and the Waikato group for 2 months), accounted for 26.5% of revenues (25.9% in the equivalent period of 2023).

At constant perimeter, production costs in Q2 2024 were 26.8% of revenues (-6% compared with the same period in 2023). The purchase cost of raw materials and components sourced on the market, including the change in inventories at constant perimeter, was € 206.3 million (€ 231.4 million in the equivalent period of 2023, which however did not include the costs of I.mec S.r.l. and the Waikato group for 2 months). The decrease in purchase costs, including the change in inventories at constant perimeter, was 10.9%.

At constant perimeter, distribution costs rose by 0.4% with respect to Q2 2023, with an 0.8 percentage points rise in their incidence on revenues.

Again at constant perimeter, general and administrative expenses rose by 0.9% with respect to Q2 2023, and their incidence on revenues rose by 1.1 percentage points.

EBITDA totaled € 124.6 million (22.7% of revenues) compared to € 145.7 million in Q2 2023 (24.6% of revenues), reflecting a decrease of 14.5%. The following table sets out EBITDA by business sector:

	<i>Q2 2024</i>	<i>% on</i>	<i>Q2 2023</i>	<i>% on</i>	
	<i>€/000</i>	<i>total</i>	<i>€/000</i>	<i>total</i>	<i>Increase/</i>
		<i>revenues</i>		<i>revenues</i>	<i>Decrease</i>
		*		*	
Hydraulic	81,059	21.3%	102,983	23.5%	-21.3%
Water-Jetting	43,530	25.5%	42,704	27.5%	+1.9%
Total	124,589	22.7%	145,687	24.6%	-14.5%

* = Total revenues include those relating to other Group companies in the other sector, while the revenues analyzed previously are exclusively those external to the Group (see note 2 in the explanatory notes). Accordingly, for consistency, the percentage is calculated on total revenues rather than on those reported previously.

As previously stated, Q2 2023 benefited from non-recurring insurance proceeds of € 5.4 million attributable entirely to the Hydraulic Sector. Excluding this amount, total EBITDA would have been 11% lower, while that of the Hydraulic sector would have been 16.9% lower.

EBIT amounted to € 95.5 million (17.4% of revenues) compared with € 119.4 million in Q2 2023 (20.2% of revenues), down by 20.0%.

Q2 closed with a consolidated net profit of € 62.5 million (€ 82.4 million in Q2 2023), reflecting a decrease of 24.2%.

Basic earnings per share were € 0.581, compared to € 0.762 in Q2 2023.

BUSINESS OUTLOOK

The highly complex general conditions faced by the Hydraulic division since the start of the financial year have not changed and, instead of a recovery, various sectors (agriculture, hydraulics and transmissions) are tackling prolonged stagnation or persistently weak conditions. By contrast, the reassuring trend reported by the Water-Jetting division helps to mitigate, albeit only in part, the above situation. As a consequence, on an organic basis for the full year, the Group expects a contraction in turnover measured in the high single digits. The actions taken to safeguard profitability that are gradually taking effect will minimize the impact of lower turnover, enabling the Group to both confirm the threshold of excellence reached, with an EBITDA margin of around 23%, and continue the pursuit of enhanced cash generation.

Sant’Ilario d’Enza (RE), 7 August 2024

For the Board of Directors
Fulvio Montipò
Executive Chairman

Mauro Barani, the manager responsible for drafting the company's accounting documents, declares - pursuant to article 154-(2), subsection 2, TUF - that the accounting disclosures in this document correspond to the contents of the underlying documents, the accounting books and the accounting entries.

Sant’Ilario d’Enza (RE), 7 August 2024

Mauro Barani
Manager responsible for drafting
the company's accounting documents

Financial statements and notes

Consolidated statement of financial position

(€/000)	<u>Notes</u>	<u>30/06/2024</u>	<u>31/12/2023</u>
ASSETS			
Current assets			
Cash and cash equivalents		337,901	334,483
Trade receivables		453,446	414,787
Inventories	4	713,060	696,428
Tax receivables		49,381	46,306
Other current assets		36,146	27,693
Total current assets		<u>1,589,934</u>	<u>1,519,697</u>
Non-current assets			
Property, plant and equipment	5	819,678	785,911
Goodwill	1	820,129	784,571
Other intangible fixed assets		71,377	70,773
Other financial assets		3,536	3,293
Tax receivables		3,193	4,297
Deferred tax assets		44,544	72,509
Other non-current assets		3,011	2,912
Total non-current assets		<u>1,765,468</u>	<u>1,724,266</u>
Assets held for sale	6	-	-
Total assets		<u>3,355,402</u>	<u>3,243,963</u>

(€/000)	<u>Notes</u>	<u>30/06/2024</u>	<u>31/12/2023</u>
LIABILITIES			
Current liabilities			
Trade payables		263,873	262,941
Bank debts		56,924	52,469
Interest-bearing financial debts (current portion)		255,358	264,911
Tax liabilities		39,824	39,323
Other current liabilities		145,413	159,029
Provisions for risks and charges		8,550	8,525
Total current liabilities		<u>769,942</u>	<u>787,198</u>
Non-current liabilities			
Interest-bearing financial debts		542,463	503,600
Liabilities for employee benefits		21,561	21,061
Deferred tax liabilities		30,759	54,524
Tax liabilities		165	331
Other non-current liabilities		59,190	60,990
Provisions for risks and charges		12,900	13,355
Total non-current liabilities		<u>667,038</u>	<u>653,861</u>
Total liabilities		<u>1,436,980</u>	<u>1,441,059</u>
SHAREHOLDERS' EQUITY			
	7		
Share capital		55,625	55,625
Legal reserve		11,323	11,323
Share premium reserve		49,599	46,938
Remeasurement reserve for defined benefit plans		(5,945)	(5,922)
Translation reserve		27,770	11,850
Other reserves		1,769,024	1,673,764
Group shareholders' equity		<u>1,907,396</u>	<u>1,793,578</u>
Non-controlling interests		11,026	9,326
Total shareholders' equity		<u>1,918,422</u>	<u>1,802,904</u>
Total shareholders' equity and liabilities		<u>3,355,402</u>	<u>3,243,963</u>

H1 consolidated income statements

(€/000)	<i>Note</i> <i>s</i>	<u>2024</u>	<u>2023</u>
Revenues		1,095,704	1,184,534
Cost of sales		(712,348)	(765,502)
Gross profit		383,356	419,032
Other net revenues		17,207	22,700
Distribution expenses		(87,274)	(85,366)
General and administrative expenses		(114,608)	(109,359)
Other operating costs		(3,353)	(3,022)
EBIT		195,328	243,985
Financial income	8	14,199	12,950
Financial expenses	8	(30,540)	(35,519)
Equity method contribution		154	329
Profit for the period before taxes		179,141	221,745
Income taxes		(49,089)	(53,291)
Consolidated profit for the period		130,052	168,454
Attributable to:			
Shareholders of Parent		129,347	166,579
Minority shareholders of subsidiaries		705	1,875
Consolidated profit for the period		130,052	168,454
Basic earnings per share	9	1.209	1.558
Diluted earnings per share	9	1.206	1.551

H1 comprehensive consolidated income statements

(€/000)	<u>2024</u>	<u>2023</u>
Consolidated profit (A)	130,052	168,454
Other comprehensive income (losses) which will subsequently be reclassified to consolidated profit		
<i>Gains (losses) on translating the financial statements of foreign companies</i>	16,026	(2,334)
<i>Gains (losses) from companies accounted for using the equity method</i>	-	(261)
<i>Applicable taxes</i>	-	-
Total other consolidated income (losses) which will subsequently be reclassified to consolidated profit, net of the tax effect (B)	16,026	(2,595)
<i>Profit (Loss) deriving from the remeasurement of defined benefit plans</i>	(30)	-
<i>Applicable taxes</i>	7	-
Total other comprehensive profit (loss) that will not be subsequently reclassified to consolidated profit (C)	(23)	-
Comprehensive consolidated profit for the period (A) + (B) + (C)	146,055	165,859
Attributable to:		
Shareholders of Parent	145,267	164,704
Minority shareholders of subsidiaries	788	1,155
Comprehensive consolidated profit for the period	<u>146,055</u>	<u>165,859</u>

H1 consolidated cash flow statements

(€/000)	<u>2024</u>	<u>2023</u>
Cash flows from operating activities		
Profit before taxes	179,141	221,745
Adjustments for non-cash items:		
Losses (gains) on the sale of fixed assets	(3,220)	(1,465)
Amortization and depreciation	54,939	49,744
Costs recognized in the income statement relative to stock options that do not involve monetary outflows for the Group	2,633	2,582
Losses (profits) from equity investments	(154)	(329)
Net change in risk provisions and allocations to employee benefit provisions	(986)	(245)
Expenditures for tangible fixed assets to be leased	(6,912)	(10,727)
Proceeds from the disposal of leased tangible fixed assets	7,268	2,879
Net financial expenses (revenues)	16,341	22,569
Other	128	(4)
	<u>249,178</u>	<u>286,749</u>
(Increase) decrease in trade receivables and other current assets	(33,708)	(45,862)
(Increase) decrease in inventories	(1,067)	(33,130)
Increase (decrease) in trade payables and other current liabilities	22,554	(407)
Interest paid	(15,866)	(13,417)
Realized exchange differences	1,548	(3,349)
Taxes paid	(52,448)	(53,114)
Net cash from operating activities	<u>170,191</u>	<u>137,470</u>
Cash flows from investing activities		
Payments for the purchase of equity investments, net of cash received and	(79,017)	(36,105)
Capital expenditure on property, plant and equipment	(74,343)	(80,191)
Proceeds from the sale of tangible fixed assets	1,719	674
Increase in intangible fixed assets	(4,199)	(2,581)
Financial income received	2,502	1,245
Other	(1,048)	(391)
Net cash (used in) investing activities	<u>(154,386)</u>	<u>(117,349)</u>
Cash flows from financing activities		
Disbursals (repayments) of loans and bonds	26,033	(37,970)
Disbursals (repayments) of shareholder loans	(189)	(567)
Dividends paid	(34,096)	(32,679)
Disbursements for purchase of treasury shares	-	-
Proceeds from the sale of treasury shares to stock option beneficiaries	28	1,975
Change in other financial assets	(263)	(262)
Payment of finance lease installments (principal)	(9,555)	(10,217)
Net cash generated by (used in) financing activities	<u>(18,042)</u>	<u>(79,720)</u>
Net increase (decrease) in cash and cash equivalents	<u>(2,237)</u>	<u>(59,599)</u>

(€/000)	<u>2024</u>	<u>2023</u>
Net increase (decrease) in cash and cash equivalents	(2,237)	(59,599)
Translation differences for cash held by non-EU companies	1,200	(2,498)
Opening cash and cash equivalents of companies consolidated on a line-by-line basis for the first time	-	-
Cash and cash equivalents at the beginning of the period	282,014	327,347
Cash and cash equivalents at the end of the period	280,977	265,250

Cash and cash equivalents consist of the following:

	30/06/2024	31/12/2023
	€/000	€/000
Cash and cash equivalents as per the consolidated statement of financial position	337,901	334,483
Bank debts (overdrafts and subject-to-collection advances)	(56,924)	(52,469)
Cash and cash equivalents as per the consolidated cash flow statement	280,977	282,014

Consolidated statement of changes in shareholders' equity

	Share capital	Legal reserve	Share premium reserve	Remeasurement reserve for defined benefit plans	Translation reserve	Other reserves	Group shareholder's equity	Non-controlling interests	Total
<i>At 1 January 2023</i>	55,584	11,323	39,444	(5,320)	18,379	1,434,138	1,553,548	12,562	1,566,110
Charge to the income statement of fair value of stock options granted and exercisable	-	-	2,582	-	-	-	2,582	-	2,582
Purchase of treasury shares	-	-	-	-	-	-	-	-	-
Sale of treasury shares to stock option beneficiaries	36	-	1,939	-	-	-	1,975	-	1,975
Purchase of residual interests in subsidiaries	-	-	-	-	-	-	-	-	-
Dividends paid	-	-	-	-	-	(32,075)	(32,075)	(419)	(32,494)
Dividends resolved	-	-	-	-	-	-	-	(96)	(96)
Comprehensive profit (loss) for H1 2023	-	-	-	-	(1,875)	166,579	164,704	1,155	165,859
<i>Balances at 30 June 2023</i>	55,620	11,323	43,965	(5,320)	16,504	1,568,642	1,690,734	13,202	1,703,936
Charge to the income statement of fair value of stock options granted and exercisable	-	-	2,707	-	-	-	2,707	-	2,707
Sale of treasury shares to stock option beneficiaries	5	-	266	-	-	-	271	-	271
Purchase of residual interests in subsidiaries	-	-	-	-	-	(2,569)	(2,569)	(3,431)	(6,000)
Dividends paid	-	-	-	-	-	1	1	(2,032)	(2,031)
Dividends resolved	-	-	-	-	-	-	-	96	96
Comprehensive profit (loss) for H2 2023	-	-	-	(602)	(4,654)	107,690	102,434	1,491	103,925
<i>At 31 December 2023</i>	55,625	11,323	46,938	(5,922)	11,850	1,673,764	1,793,578	9,326	1,802,904
Charge to the income statement of fair value of stock options granted and exercisable	-	-	2,633	-	-	-	2,633	-	2,633
Sale of treasury shares to stock option beneficiaries	-	-	28	-	-	-	28	-	28
Change in consolidation basis	-	-	-	-	-	-	-	1,533	1,533
Purchase of residual interests in subsidiaries	-	-	-	(23)	-	144	121	(138)	(17)
Dividends paid	-	-	-	-	-	(33,747)	(33,747)	(502)	(34,249)
Dividends resolved	-	-	-	-	-	(484)	(484)	(1)	(485)
Comprehensive profit (loss) for H1 2024	-	-	-	-	15,920	129,347	145,267	788	146,055
<i>Balances at 30 June 2024</i>	55,625	11,323	49,599	(5,945)	27,770	1,769,024	1,907,396	11,026	1,918,422

Q2 consolidated income statements

(€/000)		<u>2024</u>	<u>2023</u>
Revenues		549,837	592,189
Cost of sales		(358,157)	(384,530)
Gross profit		191,680	207,659
Other net revenues		8,706	12,368
Distribution expenses		(45,141)	(43,175)
General and administrative expenses		(58,155)	(55,719)
Other operating costs		(1,561)	(1,743)
EBIT		95,529	119,390
Financial income	8	6,316	7,057
Financial expenses	8	(14,766)	(19,384)
Equity method contribution		40	179
Profit for the period before taxes		87,119	107,242
Income taxes		(24,619)	(24,819)
Consolidated profit for the period		62,500	82,423
Attributable to:			
Shareholders of Parent		62,111	81,461
Minority shareholders of subsidiaries		389	962
Consolidated profit for the period		62,500	82,423
Basic earnings per share	9	0.581	0.762
Diluted earnings per share	9	0.580	0.758

Q2 comprehensive consolidated income statements

(€/000)	2024	2023
Consolidated profit for the period (A)	62,500	82,420
Other comprehensive income (losses) which will subsequently be reclassified to consolidated profit		
<i>Gains (losses) on translating the financial statements of foreign companies</i>	6,389	8,426
<i>Gains (losses) from companies accounted for using the equity method</i>	95	(364)
<i>Applicable taxes</i>	-	-
Total other consolidated income (losses) which will subsequently be reclassified to consolidated profit, net of the tax effect (B)	6,484	8,062
<i>Profit (Loss) deriving from the remeasurement of defined benefit plans</i>	-	-
<i>Applicable taxes</i>	-	-
Total other comprehensive profit (loss) that will not be subsequently reclassified to consolidated profit (C)	-	-
Comprehensive consolidated profit for the period (A) + (B) + (C)	68,984	90,482
Attributable to:		
Shareholders of Parent	68,525	90,089
Minority shareholders of subsidiaries	459	393
Comprehensive consolidated profit for the period	68,984	90,482

Notes to the consolidated financial statements

General information

Interpump Group S.p.A. is a company domiciled in Sant'Ilario d'Enza (Reggio Emilia, Italy) and incorporated under Italian law. 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, equipment for the food processing industry, chemicals, cosmetics, pharmaceuticals, mechanical sifters and automated milking systems (Water-Jetting sector), power take-offs, gear pumps, hydraulic cylinders, valves and directional controls, hydraulic hoses and fittings, gears, 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, Bulgaria, Romania, Canada, Poland, New Zealand and South Korea.

Revenues are not affected by any significant degree of seasonality.

The consolidated financial statements include Interpump Group S.p.A. and its directly or indirectly controlled subsidiaries (hereinafter "the Group").

The consolidated financial statements at 30 June 2024 were approved by the Board of Directors today (7 August 2024).

Basis of preparation

The consolidated financial statements at 30 June 2024 were prepared in compliance with the international accounting standards (IAS/IFRS) endorsed by the European Union for interim financial statements (IAS 34). The tables have been prepared in compliance with IAS 1, while the notes have been prepared in condensed form, as allowed by IAS 34, and therefore do not include all the information required for annual financial statements prepared in compliance with IFRS standards. Accordingly, the consolidated financial statements at 30 June 2024 should be read together with the consolidated financial statements for the year ended 31 December 2023.

The accounting standards and criteria adopted in the consolidated financial statements at 30 June 2024 may conflict with IFRS provisions in force on 31 December 2024, due to the effect of future orientations of the European Commission with regard to the approval of international accounting standards or the issue of new standards, interpretations or implementing guidelines by the International Accounting Standards Board (IASB) or the International Financial Reporting Interpretations Committee (IFRIC).

Preparation of interim financial statements in compliance with IAS 34 - Interim Financial Reporting calls for judgments, estimates, and assumptions that have an effect on assets, liabilities, costs and revenues and on information regarding contingent assets and liabilities at the reporting date. Any estimates made may differ from the actual results obtained in the future. In addition, some measurement processes, notably those that are more complex, such as the determination of impairment losses on non-current assets, are generally only performed in a comprehensive manner at the time of preparing the annual financial statements, when all the necessary information is available, except in cases in which evidence of impairment exists, when the immediate measurement of any losses in value is required. Likewise, the actuarial valuations required to determine the liability for employee benefits are normally made when preparing the annual financial statements.

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, which are measured at fair value.

Accounting standards

The accounting standards adopted are those described in the consolidated financial statements at 31 December 2023, with the exception of those adopted as from 1 January 2024 as described hereunder, and they were uniformly applied to all Group companies and all periods presented.

a) Accounting standards, amendments and interpretations in force from 1 January 2024 and adopted by the Group

- *Amendments to “IAS 1 - Presentation of Financial Statements”*. The IASB published this amendment on various dates between January 2020 and October 2022, 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 new amendment applies to reporting periods beginning on or after 1 January 2024 and must be applied retrospectively.

- *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 new amendment applies to reporting periods beginning on or after 1 January 2024.

The adoption of these standards had no significant effects on the financial statements of the Group.

The *International Tax Reform – Pillar Two Model Rules* took effect from 1 January 2024.

In December 2023, Decree 209/2023 (Implementation of international tax reforms) transposed into Italian law the GloBE Model Rules adopted by the European Union in Directive 2022/2523/EU; additionally, on 20 May 2024, the Deputy Minister of the economy and finance published a Decree allowing simplified transitional arrangements for domestic and multinational groups subject to the global minimum tax rules. In the same way, other countries have adopted or are about to adopt the Pillar Two Rules.

In addition, at 31 December 2023 the Interpump Group 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 Harbor. 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.

Based on an update of these analyses, carried out in order to prepare this Half-year Financial

Report at 30 June 2024, there are no indications that the global minimum tax will have a significant impact on the Interpump Group during 2024.

b) 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 is allowed.

c) 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. All companies that adopt IFRS will apply this standard.
The standard 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.

The Group is currently assessing the possible impacts of the new standards included in this section.

Notes to the consolidated financial statements at 30 June 2024

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1. Scope of consolidation and goodwill

The consolidation basis at 30 June 2024 includes the Parent Company and the following subsidiaries:

<u>Company</u>	<u>Location</u>	<u>Share capital €/000</u>	<u>Sector</u>	<u>% held at 30/06/2024</u>
GP Companies Inc.	Minneapolis (USA)	1,854	Water-Jetting	100.00%
Hammelmann GmbH	Oelde (Germany)	25	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 S. L. (1)	Zaragoza (Spain)	500	Water-Jetting	100.00%
Hammelmann Pumps Systems Co Ltd (1)	Tianjin (China)	871	Water-Jetting	90.00%
Hammelmann France S.a.r.l. (1)	Etrichè (France)	50	Water-Jetting	100.00%
Hammelmann Swiss GmbH (1)	Dudingén (Switzerland)	89	Water-Jetting	100.00%
Inoxihp S.r.l.	Nova Milanese (MI)	119	Water-Jetting	52.72%
NLB Corporation Inc.	Detroit (USA)	12	Water-Jetting	100.00%
Inoxpa S.A.	Banyoles (Spain)	23,000	Water-Jetting	100.00%
Inoxpa India Private Ltd (3)	Pune (India)	0	Water-Jetting	100.00%
Inoxpa Solutions France (3)	Pune (India)	6,779	Water-Jetting	100.00%
Improved Solutions Portugal Unipessoal Ltda (Portugal) (3)	Gleize (France)	2,071	Water-Jetting	100.00%
Inoxpa (UK) Ltd (3)	Vale de Cambra (Portugal)	760	Water-Jetting	100.00%
Inoxpa Solutions Moldova (3)	Eastbourne (UK)	1,942	Water-Jetting	100.00%
Inoxpa Colombia SAS (3)	Chisinau (Moldova)	317	Water-Jetting	66.67%
Inoxpa Italia S.r.l. (3)	Bogotá (Colombia)	133	Water-Jetting	83.29%
Inoxpa Skandinavien A/S (3)	Mirano (VE)	100	Water-Jetting	100.00%
Inoxpa South Africa Proprietary Ltd (3)	Horsens (Denmark)	134	Water-Jetting	100.00%
Inoxpa Special Processing Equipment Co. Ltd (3)	Gauteng (South Africa)	104	Water-Jetting	100.00%
Inoxpa Ukraine (3)	Jianxing (China)	1,647	Water-Jetting	100.00%
INOXPA LTD (Russia) (3)	Kiev (Ukraine)	113	Water-Jetting	100.00%
Inoxpa Mexico S.A. de C.V. (3)	Santa Rosa (USA)	1,426	Water-Jetting	100.00%
Inoxpa China Flow Technology Co., Ltd (3)	Podolsk (Russia)	1,435	Water-Jetting	70.00%
Shanghai PuPeng Flow Technology Co.,	Mexico City (Mexico)	309	Water-Jetting	100.00%
Pioli S.r.l.	Shanghai (China)	1,536	Water-Jetting	60.00%
Servizi Industriali S.r.l.	Shanghai (China)	1,170	Water-Jetting	60.00%
SIT S.p.A.	Reggio Emilia (RE)	10	Water-Jetting	100.00%
Interpump Hydraulics S.p.A.	Ozzano Emilia (BO)	100	Water-Jetting	80.00%
Contarini Leopoldo S.r.l. (4)	S. Ilario d'Enza (RE)	105	Water-Jetting	88.00%
Unidro Contarini S.a.s. (5)	Calderara di Reno (BO)	2,632	Hydraulic	100.00%
Copa Hydrosystem Ood (5)	Lugo (RA)	47	Hydraulic	100.00%
Hydrocar Chile S.A. (4)	Barby (France)	8	Hydraulic	100.00%
Hydroven S.r.l. (4)	Troyan (Bulgaria)	3	Hydraulic	100.00%
Interpump Hydraulics Brasil Ltda (4)	Santiago (Chile)	129	Hydraulic	90.00%
Interpump Hydraulics France S.a.r.l. (4)	Tezze sul Brenta (VI)	200	Hydraulic	100.00%
Interpump Hydraulics India Private Ltd (4)	Caxia do Sul (Brazil)	15,126	Hydraulic	100.00%
Interpump Hydraulics Middle East FZE (4)	Ennery (France)	76	Hydraulic	99.77%
Interpump South Africa Pty Ltd (4)	Hosur (India)	682	Hydraulic	100.00%
	Dubai (UAE)	326	Hydraulic	100.00%
	Johannesburg (South Africa)	-	Hydraulic	100.00%

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<i>Company</i>	<i>Location</i>	<i>Share capital €/000</i>	<i>Sector</i>	<i>% held at 30/06/2024</i>
Eurofluid Hydraulic S.r.l. (4)	Albinea (RE)	100	Hydraulic	80.00%
Interpump Hydraulics (UK) Ltd. (4)	Kidderminster (United Kingdom)	13	Hydraulic	100.00%
Alltube Engineering Ltd	Daventry (United Kingdom)	351	Hydraulic	100.00%
Mega Pacific Pty Ltd (6)	Newcastle (Australia)	335	Hydraulic	100.00%
Mega Pacific NZ Pty Ltd (6)	Mount Maunganui (New Zealand)	557	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%
Hydra Dyne Tech Inc (7)	Ingersoll (Canada)	80	Hydraulic	89.99%
Oleodinamica Panni S.r.l. (4)	Tezze sul Brenta (VI)	2,000	Hydraulic	100.00%
Wuxi Interpump Weifu Hydraulics Company Ltd (4)	Wuxi (China)	2,095	Hydraulic	65.00%
IMM Hydraulics S.p.A. (4)	Atessa (Switzerland)	520	Hydraulic	100.00%
IFS France S.a.r.l. (8)	Strasbourg (France)	162	Hydraulic	100.00%
Interpump Fluid Solutions Germany GmbH (8)	Meinerzhagen (Germany)	52	Hydraulic	100.00%
IMM Hydro Est (8)	Catcau Cluj Napoca (Romania)	3,155	Hydraulic	100.00%
FGA S.r.l. (8)	Fossacesia (CH)	10	Hydraulic	100.00%
Innovativ Gummi Tech S.r.l. (8)	Ascoli Piceno (AP)	4,100	Hydraulic	100.00%
Tekno Tubi S.r.l. (8)	Terre del Reno (FE)	100	Hydraulic	100.00%
Tubiflex S.p.A.	Orbassano (TO)	515	Hydraulic	100.00%
Walvoil S.p.A.	Reggio Emilia	7,692	Hydraulic	100.00%
Walvoil Fluid Power Corp. (9)	Tulsa (USA)	137	Hydraulic	100.00%
Walvoil Fluid Power (India) Pvt. Ltd. (9)	Bangalore (India)	4,803	Hydraulic	100.00%
Walvoil Fluid Power Korea Llc. (9)	Pyeongtaek (South Korea)	453	Hydraulic	100.00%
Walvoil Fluid Power France S.a.r.l. (9)	Vritz (France)	10	Hydraulic	100.00%
Walvoil Fluid Power Australasia (9)	Melbourne (Australia)	7	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%
IPG Mouldtech India Pvt Ltd (9)	Coimbatore (India)	298	Hydraulic	85.00%
Reggiana Riduttori S.r.l.	S.Polo d'Enza (RE)	6,000	Hydraulic	100.00%
RR USA Inc. (12)	Boothwyn (USA)	1	Hydraulic	100.00%
RR Canada Inc. (12)	Vaughan (Canada)	1	Hydraulic	100.00%
RR Holland BV (12)	Oosterhout (Netherlands)	19	Hydraulic	100.00%
RR France S.a.r.l. (12)	Thouare sur Loire (France)	400	Hydraulic	95.00%
RR Slovakia A.S. (12)	Zvolen (Slovakia)	340	Hydraulic	100.00%
RR Pacific Pty Ltd (12)	Victoria (Australia)	249	Hydraulic	100.00%
RR India Pvt. Ltd (12) (dormant)	New Delhi (India)	52	Hydraulic	99.99%
Transtecno S.r.l.	Anzola dell'Emilia (BO)	100	Hydraulic	100.00%
Draintech S.r.l. (13)	Anzola dell'Emilia (BO)	10	Hydraulic	100.00%
Hangzhou Interpump Power Transmissions Co. Ltd (13)	Hangzhou (China)	575	Hydraulic	100.00%
Transtecno Iberica the Modular Gearmotor S.A. (13)	Gava (Spain)	203	Hydraulic	70.00%
MA Transtecno S.A.P.I. de C.V. (13)	Apodaca (Mexico)	124	Hydraulic	70.00%
Transtecno BV (13)	Amersfoort (Netherlands)	18	Hydraulic	51.00%
Transtecno Aandrijftechniek (Netherlands) (14)	Amersfoort (Netherlands)	-	Hydraulic	51.00%
White Drive Motors and Steering Sp zoo	Wroclaw (Poland)	33,254	Hydraulic	100.00%
White Drive Motors and Steering GmbH	Parchim (Germany)	33,595	Hydraulic	100.00%
White Drive Motors and Steering, LLC	Hopkinsville (USA)	67,920	Hydraulic	100.00%
Interpump Piping GS S.r.l.	Reggio Emilia	10	Hydraulic	100.00%

Interim Report on Operations at 30 June 2024 – Interpump Group

<u>Company</u>	<u>Location</u>	<u>Share capital</u> <u>€/000</u>	<u>Sector</u>	<u>% held</u> <u>at 30/06/2024</u>
GS-Hydro Singapore Pte Ltd (10)	Singapore	624	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 Benelux B.V. (10)	Barendrecht (Netherlands)	18	Hydraulic	100.00%
GS-Hydro Austria GmbH (10)	Pashing (Austria)	40	Hydraulic	100.00%
GS-Hydro Sp Z O O (Poland) (10)	Gdynia (Poland)	1,095	Hydraulic	100.00%
GS Hydro Denmark AS (10)	Kolding (Denmark)	67	Hydraulic	100.00%
GS-Hydro S.A.U (Spain) (10)	Las Rozas (Spain)	90	Hydraulic	100.00%
Suministros Franquesa S.A. (16)	Lleida (Spain)	160	Hydraulic	100.00%
GS-Hydro U.S. Inc. (7)	Houston (USA)	9,903	Hydraulic	100.00%
GS-Hydro do Brasil Sistemas Hidraulicos Ltda (10)	Rio de Janeiro (Brazil)	252	Hydraulic	100.00%
GS-Hydro System GmbH (Germany) (10)	Witten (Germany)	179	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 Hong Kong Ltd (1)	Hong Kong	1	Hydraulic	100.00%
IMM Hydraulics Ltd (dormant) (6)	Kidderminster (United Kingdom)	-	Hydraulic	100.00%
Bristol Hose Ltd (dormant) (6)	Bristol (United Kingdom)	-	Hydraulic	100.00%
Alfa Valvole S.r.l	Cesorezzo (MI)	1,560	Water-Jetting	100.00%
Lmec S.r.l.	Reggio Emilia	100	Water-Jetting	70.00%
Waikato Holding Limited (NZ)	Auckland (New Zealand)	32,210	Water-Jetting	100.00%
Waikato Milking Systems L.P. (NZ) (17)	Auckland (New Zealand)	46,803	Water-Jetting	100.00%
Waikato Milking Systems Lease Limited (NZ) (18)	Auckland (New Zealand)	-	Water-Jetting	100.00%
Waikato Milking Systems USA LLC (19)	Verona (USA)	-	Water-Jetting	100.00%
Waikato Milking Systems UK Limited (18)	Shrewsbury (United Kingdom)	-	Water-Jetting	100.00%
Waikato Milking Systems Ireland Limited (18)	Dublin (Ireland)	1	Water-Jetting	100.00%
Hi-Tech Enviro Solution Limited (NZ) (dormant) (18)	Auckland (New Zealand)	-	Water-Jetting	100.00%
WMS GP Limited (NZ) (18) (dormant)	Hamilton (New Zealand)	-	Water-Jetting	100.00%

(1) = controlled by Hammelmann GmbH

(2) = controlled by NLB Corporation Inc. .

(3) = controlled by Inoxpa 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.

(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

(19) = controlled by Waikato Milking Systems Lease LTD

The other companies are controlled by Interpump Group S.p.A.

The scope of consolidation has changed as follows since 31 December 2023:

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 newly-acquired Alfa Valvole S.r.l. has been consolidated from 31 May 2024;
- The Group acquired an additional 8% of SIT S.p.A. during Q1 2024 and now holds an 88% interest in that company.

Hydraulic sector

- The newly-acquired Alltube Engineering Ltd. has been consolidated on a line-by-line basis with effect from 30 April 2024;
- Reggiana Riduttori (Suzhou) Co. Ltd and Transtecno USA LLC were liquidated during Q1 2024;
- Put 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%.

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.

Rights and obligations of minorities to dispose of their holdings (put & call options)

The minority shareholder of Hydra Dyne Technology Inc. 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.

Obligations of the Group to purchase minority holdings

Interpump Group S.p.A. is required to purchase the residual 20% interest of Servizi Industriali S.r.l. with two 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 Technology Inc., Servizi Industriali S.r.l., Eurofluid Hydraulic S.r.l., IPG Mouldtech India Pvt Ltd and I.mec S.r.l. have been fully consolidated, 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. 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.

Changes in goodwill in H1 2024 are as follows:

<u>Company:</u>	<u>Balance at 31/12/2023</u>	<u>Increases in the year</u>	<u>(Decreases) in the year</u>	<u>Changes due to foreign exchange differences</u>	<u>Balance at 30/06/2024</u>
Water-Jetting	230,092	32,492	-	1,350	263,934
Hydraulic	554,479	377	-	1,339	556,195
Total goodwill	784,571	32,869	-	2,689	820,129

The increases in H1 2024 reflect the acquisitions of Inoxpa China Flow Technology Co., Ltd, Shanghai PuPeng Flow Technology Co., Ltd, Alltube Engineering Ltd, and Alfa Valvole S.r.l, as well as adjustments to the purchase price allocations made in 2023 and finalized in 2024, while the changes due to foreign exchange differences relate to the goodwill denominated in foreign currencies.

The successful impairment test carried out in December 2023 was not repeated at 30 June 2024, since the directors believe that there were no indicators of possible losses in the value of the measured assets during H1 2024 that would require specific checks on their recoverability to be carried out.

As discussed in the section entitled “Directors' remarks on performance in H1 2024”, neither CGU reached their sales and profitability targets at 30 June 2024, but both achieved their cash flow targets for the first semester of 2024.

Additionally, should the current uncertain macroeconomic situation continue over the medium-long term, the Group believes that the cash flows generated by the Group will easily be sufficient to justify the carrying amounts of the assets subject to impairment testing.

Lastly, as an additional positive element supporting the recoverability of goodwill, the stock market capitalization at 30 June 2024 exceeds the shareholders' equity of the Group, as it did throughout the entire first half of 2024. During July 2024, the average market value of Interpump Group stock was essentially consistent with the price at 30 June 2024.

2. Business sector information

Business sector information is supplied with reference to the operating sectors. The information required by IFRS by geographical area is also presented. The information provided about business sectors reflects the Group's internal reporting structure.

The values of components or products transferred between sectors are the effective sales price between Group companies, which correspond to the selling prices applied to the best customers.

Sector information includes directly attributable costs and costs allocated on the basis of reasonable estimates. The holding costs, i.e. remuneration of directors and statutory auditors of the parent company and functions of the Group's financial management, control and internal auditing department, and also consultancy costs and other related costs were booked to the sectors on the basis of revenues.

Business sectors

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, 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 equipment, 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

(Amounts shown in €/000)

Cumulative to 30 June (six months)

	Hydraulic		Water-Jetting		Elimination entries		Interpump Group	
	2024	2023	2024	2023	2024	2023	2024	2023
Revenues outside the Group	771,491	884,742	324,213	299,792	-	-	1,095,704	1,184,534
Inter-sector revenues	1,309	1,516	2,545	2,742	(3,854)	(4,258)	-	-
Total revenues	772,800	886,258	326,758	302,534	(3,854)	(4,258)	1,095,704	1,184,534
Cost of sales	(535,310)	(602,778)	(180,916)	(167,007)	3,878	4,283	(712,348)	(765,502)
Gross profit	237,490	283,480	145,842	135,527	24	25	383,356	419,032
<i>% of revenues</i>	<i>30.7%</i>	<i>32.0%</i>	<i>44.6%</i>	<i>44.8%</i>			<i>35.0%</i>	<i>35.4%</i>
Other net revenues	13,263	19,475	4,414	3,665	(470)	(440)	17,207	22,700
Distribution expenses	(50,907)	(53,247)	(36,571)	(32,320)	204	201	(87,274)	(85,366)
General and administrative expenses	(73,627)	(74,645)	(41,223)	(34,928)	242	214	(114,608)	(109,359)
Other operating costs	(2,122)	(2,455)	(1,231)	(567)	-	-	(3,353)	(3,022)
EBIT	124,097	172,608	71,231	71,377	-	-	195,328	243,985
<i>% of revenues</i>	<i>16.1%</i>	<i>19.5%</i>	<i>21.8%</i>	<i>23.6%</i>			<i>17.8%</i>	<i>20.6%</i>
Financial income	8,846	9,568	6,870	5,460	(1,517)	(2,078)	14,199	12,950
Financial expenses	(12,724)	(20,299)	(19,333)	(17,298)	1,517	2,078	(30,540)	(35,519)
Dividends	-	-	46,750	36,250	(46,750)	(36,250)	-	-
Equity method contribution	204	349	(50)	(20)	-	-	154	329
Profit for the period before taxes	120,423	162,226	105,468	95,769	(46,750)	(36,250)	179,141	221,745
Income taxes	(32,085)	(43,710)	(17,004)	(9,581)	-	-	(49,089)	(53,291)
Consolidated profit for the period	88,338	118,516	88,464	86,188	(46,750)	(36,250)	130,052	168,454
Attributable to:								
Shareholders of Parent	88,023	117,082	88,074	85,747	(46,750)	(36,250)	129,347	166,579
Minority shareholders of subsidiaries	315	1,434	390	441	-	-	705	1,875
Consolidated profit for the period	88,338	118,516	88,464	86,188	(46,750)	(36,250)	130,052	168,454
<u>Further information required by IFRS 8</u>								
Amortization, depreciation and write-downs	41,201	37,932	13,738	11,812	-	-	54,939	49,744
Other non-monetary costs	2,558	2,652	3,280	1,623	-	-	5,838	4,275

Interpump Group business sector information
(Amounts shown in €/000)

Q2

	Hydraulic		Water-Jetting		Elimination entries		Interpump Group	
	2024	2023	2024	2023	2024	2023	2024	2023
Revenues outside the Group	379,763	438,258	170,074	153,931	-	-	549,837	592,189
Inter-sector revenues	694	657	817	1,614	(1,511)	(2,271)	-	-
Total revenues	380,457	438,915	170,891	155,545	(1,511)	(2,271)	549,837	592,189
Cost of sales	(264,359)	(300,132)	(95,320)	(86,686)	1,522	2,288	(358,157)	(384,530)
Gross profit	116,098	138,783	75,571	68,859	11	17	191,680	207,659
<i>% of revenues</i>	<i>30.5%</i>	<i>31.6%</i>	<i>44.2%</i>	<i>44.3%</i>			<i>34.9%</i>	<i>35.1%</i>
Other net revenues	6,928	10,800	2,094	1,882	(316)	(314)	8,706	12,368
Distribution expenses	(25,831)	(27,310)	(19,497)	(16,048)	187	183	(45,141)	(43,175)
General and administrative expenses	(37,067)	(37,734)	(21,206)	(18,099)	118	114	(58,155)	(55,719)
Other operating costs	(958)	(1,446)	(603)	(297)	-	-	(1,561)	(1,743)
EBIT	59,170	83,093	36,359	36,297	-	-	95,529	119,390
<i>% of revenues</i>	<i>15.6%</i>	<i>18.9%</i>	<i>21.3%</i>	<i>23.3%</i>			<i>17.4%</i>	<i>20.2%</i>
Financial income	4,184	4,957	2,868	3,210	(736)	(1,111)	6,316	7,056
Financial expenses	(5,684)	(10,168)	(9,818)	(10,326)	736	1,111	(14,766)	(19,383)
Dividends	-	-	46,750	36,250	(46,750)	(36,250)	-	-
Equity method contribution	70	172	(30)	7	-	-	40	179
Profit for the period before taxes	57,740	78,054	76,129	65,438	(46,750)	(36,250)	87,119	107,242
Income taxes	(15,891)	(22,836)	(8,728)	(1,983)	-	-	(24,619)	(24,819)
Consolidated profit for the period	41,849	55,218	67,401	63,455	(46,750)	(36,250)	62,500	82,423
Attributable to:								
Shareholders of Parent	41,679	54,476	67,182	63,235	(46,750)	(36,250)	62,111	81,461
Minority shareholders of subsidiaries	170	742	219	220	-	-	389	962
Consolidated profit for the period	41,849	55,218	67,401	63,455	(46,750)	(36,250)	62,500	82,423
Further information required by IFRS 8								
Amortization, depreciation and write-downs	21,098	19,211	6,891	6,101	-	22	27,989	25,334
Other non-monetary costs	1,378	1,472	2,152	893	-	-	3,530	2,365

Statement of financial position
(Amounts shown in €/000)

	Hydraulic		Water-Jetting		Elimination entries		Interpump Group	
	30 June 2024	31 December 2023	30 June 2024	31 December 2023	30 June 2024	31 December 2023	30 June 2024	31 December 2023
Assets by sector	2,150,409	2,131,325	962,589	859,703	(95,497)	(81,548)	3,017,501	2,909,480
Assets held for sale	-	-	-	-	-	-	-	-
Assets of the sector (A)	2,150,409	2,131,325	962,589	859,703	(95,497)	(81,548)	3,017,501	2,909,480
Cash and cash equivalents							337,901	334,483
Total assets							3,355,402	3,243,963
Liabilities of the sector (B)	428,292	443,088	203,617	177,375	(95,497)	(81,548)	536,412	538,915
Debts for the acquisition of equity investments							45,823	81,164
Bank debts							56,924	52,469
Interest-bearing financial debts							797,821	768,511
Total liabilities							1,436,980	1,441,059
Total assets, net (A-B)	1,722,117	1,688,237	758,972	682,328	-	-	2,481,089	2,370,565
<u>Further information required by IFRS 8</u>								
Equity investments measured using the equity method	1,193	999	524	563	-	-	1,717	1,562
Non-current assets other than financial assets and deferred tax assets	1,236,139	1,215,942	481,249	432,522	-	-	1,717,388	1,648,464

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The changes in the consolidation perimeter of the Hydraulic sector during the period did not generate significant changes in its economic data.

The H1 and Q2 comparison of the Water-Jetting sector at constant perimeter is as follows:

	H1		Q2	
	2024	2023	2024	2023
Revenues outside the Group	302,041	299,792	158,095	153,931
Inter-sector revenues	2,545	2,742	817	1,614
Total revenues	304,586	302,534	158,912	155,545
Cost of sales	(167,055)	(167,007)	(87,879)	(86,686)
Gross profit	137,531	135,527	71,033	68,859
<i>% of revenues</i>	45.2%	44.8%	44.7%	44.3%
Other net revenues	4,174	3,665	2,038	1,882
Distribution expenses	(33,474)	(32,320)	(17,738)	(16,048)
General and administrative expenses	(37,438)	(34,928)	(19,330)	(18,099)
Other operating costs	(994)	(567)	(607)	(297)
EBIT	69,799	71,377	35,396	36,297
<i>% of revenues</i>	22.9%	23.6%	22.3%	23.3%
Financial income	5,820	5,460	2,796	3,210
Financial expenses	(18,369)	(17,298)	(9,163)	(10,326)
Dividends	46,750	36,250	46,750	36,250
Equity method contribution	(50)	(20)	(30)	7
Profit for the period before taxes	103,950	95,769	75,749	65,438
Income taxes	(15,812)	(9,581)	(8,421)	(1,983)
Consolidated profit for the period	88,138	86,188	67,328	63,455
Attributable to:				
Shareholders of Parent	87,806	85,747	67,167	63,235
Minority shareholders of subsidiaries	332	441	161	220
Consolidated profit for the period	88,138	86,188	67,328	63,455

Cash flows by business sector for H1 are as follows:

€/000	Hydraulic		Water-Jetting		Total	
	2024	2023	2024	2023	2024	2023
Cash flows from:						
Operating activities	122,867	111,075	47,324	26,395	170,191	137,470
Investing activities	(64,051)	(70,944)	(90,335)	(46,405)	(154,386)	(117,349)
Financing activities	(58,564)	(35,918)	40,522	(43,802)	(18,042)	(79,720)
Total	252	4,213	(2,489)	(63,812)	(2,237)	(59,599)

Investing activities in the Hydraulic sector included payments of € 5.255 million to settle payables recorded in prior years for the acquisition of residual non-controlling interests, as well as new equity investments (€ 0.339 million in H1 2023) together with expenditure on property, plant and equipment totaling € 58.157 million (€ 69.587 million in H1 2023)

Investing activities in the Water-Jetting sector included payments of € 75.053 million associated with the acquisition of equity investments (€ 35.766 million in H1 2023) and expenditure on property, plant and equipment totaling € 16.186 million (€ 10.604 million in H1 2023).

The cash flows deriving from the financing activities of the Water-Jetting Sector include € 100

million on collection of the bond tranche, net of the repayment of loans. The financing activities of the Hydraulic sector included payments of dividends to Water-Jetting Sector companies totaling € 23.875 million (€ 18.125 million in H1 2023).

3. 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	Adjustment to fair value	Carrying values 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

€/000	Amounts acquired	Adjustment to fair value	Carrying values in the acquiring company
Total amount paid in cash			14,000
Amount paid by assigning treasury shares			-
Amount payable			9,100
Total acquisition cost (A)			23,100
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	Adjustment to fair value	Carrying values 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

€/000	Amounts acquired	Adjustment to fair value	Carrying values in the acquiring company
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			-
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%³ 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	Adjustment at <i>fair value</i>	Carrying values 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 (non-current portion)			
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
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 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.

³ Through Inoxpa SAU, the Group already held 10% of Inoxpa China Flow Technology Co., Ltd.

Since the acquisition date, the company has contributed € 1.9 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 € 2.1 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	Adjustment <u>al fair value</u>	Carrying values 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			-
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 (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
Goodwill related to the acquisition			351
Total net assets acquired			1,400
Total amount paid in cash			1,400
Payables related to the acquisition of investments			-
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 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 € 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 € 2.9 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, the company specializes in the processing of rigid and flexible hydraulic hoses. In the previous financial year⁴, 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	Amount acquired	Adjustment at <i>fair value</i>	Carrying values 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 (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
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

⁴Financial year from 1 November 2022 to 31 October 2023

Capital employed (A) - (B)

1,237

The amounts for the company were translated using the exchange rates at 30 April 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 € 0.7 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 € 2.0 million, with an insignificant effect on net profit.

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	Amount s acquire d	Adjustment <u>al fair value</u>	Carrying values 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		2,841
Other intangible fixed assets	100		100
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	(832)		(832)
Other current liabilities	(1,853)		(1,853)
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)		(15)
Other medium/long-term liabilities	(502)		(502)
Net assets acquired			24,589
Goodwill related to the acquisition			30,672
Total net assets acquired			55,261
Total amount paid in cash			55,261
Payables related to the acquisition of investments			-
Total acquisition cost (A)			55,261
Net financial position acquired (B)			(13,097)
Total amount paid in cash			55,261
Amount payable			-
Total change in net financial position			42,164

Capital employed (A) - (B) **42,164**

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 € 2.3 million to the revenues of the Group and € 0.4 million to net profit. Had the business combination taken place at the start of 2024, the contribution to Group revenues would have been € 14.5 million, with an effect on net profit of € 2.1 million.

4. Inventories and detail of changes in the Inventories allowance

	30/06/2024	31/12/2023
	€/000	€/000
Inventories, gross value	766,657	745,399
Allowance for inventories	(53,597)	(48,971)
Inventories	713,060	696,428

Changes in the allowance for inventories were as follows:

	H1 2024	Year 2023
	€/000	€/000
Opening balances	48,971	46,749
Exchange rate difference	392	(695)
Change in consolidation basis	2,667	1,575
Provisions for the period	2,753	4,522
Releases in the year to cover losses	(1,004)	(2,221)
Release of excess provisions in the period	(182)	(959)
Closing balance	53,597	48,971

5. Property, plant and equipment

Purchases and disposals

In H1 2024 Interpump Group purchased assets for € 83.382 million, of which € 4.925 million via the acquisition of equity investments (€ 109.214 million in H1 2023, of which € 11.111 million via the acquisition of equity investments). Assets with a net carrying amount of € 5.809 million were sold during H1 2024 (€ 2.120 million in H1 2023). Divested assets generated a net capital gain of € 3.220 million (€ 1.465 million in H1 2023).

Contractual commitments

At 30 June 2024 the Group had contractual commitments for the purchase of tangible fixed assets totaling € 11.758 million (€ 4.633 million at 30 June 2023). The change since 2023 mainly reflects commitments signed for the construction of new buildings.

6. Assets held for sale

The Group did not have any assets classified as held for sale at 30 June 2024 or at 31 December 2023.

7. Shareholders' equity

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 € 55.625 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 30 June 2024 Interpump S.p.A. held 1,907,863 treasury shares in the portfolio corresponding to 1.752% of share capital, acquired at an average unit cost of € 38.7871.

Treasury shares purchased

The amount of the treasury shares held by Interpump Group S.p.A. is recorded in an equity reserve. Interpump Group did not purchase any treasury shares during H1 2024 (no purchases of treasury shares in H1 2023 either).

Treasury shares sold

In relation to stock option plans, a total of 1,000 options were exercised resulting in the receipt of € 28 thousand (69,500 options exercised in H1 2023, generating receipts of € 1.975 million).

Dividends

An ordinary dividend (coupon clipping date of 20 May 2024) of € 0.32 per share was distributed on 22 May 2024 (€ 0.30 in 2023).

Stock options

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 and 45,000 options to Chief Executive Officer Fabio Marasi; while on 23 May 2022, 20 October 2022 and 28 April 2023, respectively 243,000, 6,000 and 35,000 options (including 15,000 for Chief Executive Officer Fabio Marasi) were granted to other beneficiaries. 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 18,200 options were canceled in H1 2024 (2,000 in 2023).

See the 2023 Annual Financial Report for information about the fair value of the stock options and the actuarial assumptions used in the binomial lattice model, since no changes were made during H1 2024.

8. Financial income and expenses

The breakdown for H1 is shown below:

	2024	2023
	<u>€/000</u>	<u>€/000</u>
<u>Financial income</u>		
Interest income from liquid funds	4,123	1,343
Interest income from other assets	52	167
Exchange gains	9,968	11,358
Financial income to adjust estimated debt for commitment to purchase residual interests in subsidiaries	20	32
Other financial income	36	50
<i>Total financial income</i>	<i>14,199</i>	<i>12,950</i>
<u>Financial expenses</u>		
Interest expense on bank loans	16,924	13,701
Interest expense on bond	1,778	-
Lease interest expense	2,413	1,645
Interest expense on put options	1,326	1,648
Financial charges for adjustment of estimated debt for commitment to purchase residual interests in subsidiaries	8	527
Foreign exchange losses	8,018	17,888
Other financial expenses	73	110
<i>Total financial expenses</i>	<i>30,540</i>	<i>35,519</i>
Total financial expenses (income), net	16,341	22,569

The breakdown for Q2 is as follows:

	2024	2023
	<u>€/000</u>	<u>€/000</u>
<u>Financial income</u>		
Interest income from liquid funds	2,239	790
Interest income from other assets	26	142
Exchange gains	4,029	6,064
Financial income to adjust estimated debt for commitment to purchase residual interests in subsidiaries	12	32
Other financial income	10	29
<i>Total financial income</i>	<i>6,316</i>	<i>7,057</i>

	<u>2024</u>	<u>2023</u>
	<u>€/000</u>	<u>€/000</u>
<u>Financial expenses</u>		
Interest expense on bank loans	8,276	7,544
Interest expense on bond	1,067	-
Lease interest expense	1,230	881
Interest expense on put options	591	615
Financial charges for adjustment of estimated debt for commitment	-	527
to purchase residual interests in subsidiaries		
Foreign exchange losses	3,587	9,772
Other financial expenses	15	45
<i>Total financial expenses</i>	<i>14,766</i>	<i>19,384</i>
Total financial charges (income), net	8,450	12,327

9. 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:

	<u>2024</u>	<u>2023</u>
<i>H1</i>		
Consolidated net profit attributable to the owners of the Parent company (€/000)	129,347	166,579
Average number of shares in circulation	106,971,058	106,914,242
Basic earnings per share for the period (€)	1.209	1.558
<i>Q2</i>	<u>2024</u>	<u>2023</u>
Consolidated net profit attributable to the owners of the Parent company (€/000)	62,111	81,458
Average number of shares in circulation	106,970,868	106,928,770
Basic earnings per share for the quarter (€)	0.581	0.762

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:

	<u>2024</u>	<u>2023</u>
<i>H1</i>		
Consolidated net profit attributable to the owners of the Parent company (€/000)	129,347	166,579
Average number of shares in circulation	106,971,058	106,914,242
Number of potential shares for stock option plans (*)	242,119	466,164
Average number of shares (diluted)	107,213,177	107,380,406
Earnings per diluted share for the year (€)	1.206	1.551

Q2	2024	2023
Consolidated net profit attributable to the owners of the Parent company (€/000)	62,111	81,461
Average number of shares in circulation	106,970,868	106,928,770
Number of potential shares for stock option plans (*)	199,901	479,822
Average number of shares (diluted)	107,170,769	107,408,592
Earnings per diluted share for the quarter (€)	0.580	0.758

(*) calculated as the number of shares assigned for in-the-money stock option plans multiplied by the ratio of the difference between the average share price during the period and the exercise price on the numerator, to the average share price during the period on the denominator.

10. Transactions with related parties

The Group has relations with non-consolidated subsidiaries and other related parties at arm's length conditions considered to be normal in the respective 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 from the interim consolidated financial statements and are not detailed in these notes.

The effects in the Group's consolidated income statements for H1 2024 and H1 2023 are shown below:

(€/000)	H1 2024					% incidence on F.S. caption
	Consolidated Total	Non-consolidated subsidiaries	Associates	Other related parties	Total related parties	
Revenues	1,095,704	561	-	563	1,124	0.1%
Cost of sales	712,348	243	-	2,492	2,735	0.4%
Distribution expenses	87,274	164	-	324	488	0.6%
G&A expenses	114,608	-	-	323	323	0.3%
Financial expenses	30,540	-	-	365	365	1.2%

(€/000)	H1 2023					% incidence on F.S. caption
	Consolidated Total	Non-consolidated subsidiaries	Associates	Other related parties	Total related parties	
Revenues	1,184,534	429	-	480	909	0.1%
Cost of sales	765,502	226	-	3,683	3,909	0.5%
Distribution expenses	85,366	81	-	427	508	0.6%
G&A expenses	109,359	-	-	326	326	0.3%
Financial expenses	35,519	-	-	309	309	0.9%

The effects on the consolidated statement of financial position at 30 June 2024 and 2023 are described below:

(€/000)	30 June 2024					
	Consolidated Total	Non-consolidated subsidiaries	Associates	Other related parties	Total related parties	% incidence on F.S. caption
Trade receivables	453,446	1,614	-	288	1,902	0.4%
Trade payables	263,873	115	-	718	833	0.3%
Interest-bearing financial debts (current and non-current portions)	797,821	-	-	14,324	14,324	1.8%

(€/000)	30 June 2023					
	Consolidated Total	Non-consolidated subsidiaries	Associates	Other related parties	Total related parties	% incidence on F.S. caption
Trade receivables	498,151	1,407	-	195	1,602	0.3%
Trade payables	319,732	45	-	1,064	1,109	0.3%
Interest-bearing financial debts (current and non-current portions)	843,547	-	-	16,235	16,235	1.9%

Relations with non-consolidated subsidiaries

Relations with non-consolidated subsidiaries are as follows:

(€/000)	Receivables		Revenues	
	<u>30/06/2024</u>	<u>30/06/2023</u>	<u>2024</u>	<u>2023</u>
Interpump Hydraulics Perù	1,413	1,191	341	171
General Pump China Inc.	199	144	224	89
Interpump Hydraulics Russia	-	72	-	169
Interpump Antriebstechnik GmbH	2	-	-	-
Total subsidiaries	1,614	1,407	565	429

(€/000)	Payables		Costs	
	<u>30/06/2024</u>	<u>30/06/2023</u>	<u>2024</u>	<u>2023</u>
General Pump China Inc.	97	44	313	306
Interpump Hydraulics Perù	-	1	12	1
Interpump Hydraulics Russia	-	-	-	-
Interpump Antriebstechnik GmbH	18	-	82	-
Total subsidiaries	115	45	407	307

Relations with associates

The Group does not hold equity investments in associated companies.

Transactions with other related parties

The H1 2024 income statement includes consultancy provided by entities associated with Group directors and statutory auditors totaling € 20 thousand (€ 21 thousand in H1 2023). These consultancy costs were allocated in full to general and administrative expenses in both H1 2024 and H1 2023. Revenues in the period to 30 June 2024 included revenues from sales to companies held by Group shareholders or directors totaling € 0.563 million (€ 0.480 million in H1 2023). In addition, the cost of sales includes purchases made from companies controlled by minority shareholders or directors of Group companies for € 2.469 million (€ 3.493 million in H1 2023).

11. 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)	<i>Financial assets at 30/06/2024</i>			<i>Financial liabilities at 30/06/2024</i>		Total
	At fair value through profit and loss		Measured at amortized cost	At fair value through other comprehensive income		
	Initially	Subsequently		Measured at amortized cost		
Trade receivables	-	-	453,446	-	-	453,446
Other current assets	-	-	36,146	-	-	36,146
Other financial assets	3,536	-	-	-	-	3,536
Trade payables	-	-	-	-	(263,873)	(263,873)
Bank debts	-	-	-	-	(56,924)	(56,924)
Current interest-bearing financial debts	-	-	-	-	(255,358)	(255,358)
Other current liabilities	-	-	-	-	(145,413)	(145,413)
Non-current interest-bearing financial debts	-	-	-	-	(542,463)	(542,463)
Other non-current - non-current	-	-	-	-	(59,190)	(59,190)
Total	3,536	-	489,592	-	(1,323,221)	(830,093)

(€/000)	<i>Financial assets at 31/12/2023</i>			<i>Financial liabilities at 31/12/2023</i>		Total
	At fair value through profit and loss		Measured at amortized cost	At fair value through other comprehensive income		
	Initially	Subsequently		Measured at amortized cost		
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 - non-current	-	-	-	-	(60,990)	(60,990)
Total	3,293	-	431,321	-	(1,294,527)	(859,913)

12. Disputes, Contingent liabilities and Contingent assets

The Parent company and some of its subsidiaries are directly involved in lawsuits for limited amounts. The settlement of said lawsuits will not generate any significant liabilities for the Group that are not covered by the risk provisions already made. There are no substantial changes to report in relation to the disputes or contingent liabilities that were outstanding at 31 December 2023.

Attestation of the condensed half-year consolidated financial statements pursuant to art. 154 bis of Decree 58/98

1. The undersigned, Fulvio Montipò and Mauro Barani, respectively Executive Chairman and the Manager responsible for drafting the accounting documents of Interpump Group S.p.A., taking account of the provisions of art. 154-bis, paras. 3 and 4, of Decree 58 of 24 February 1998, hereby 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 condensed half-year consolidated financial statements during H1 2024.

2. It is also confirmed that:

2.1 the condensed half-year consolidated financial statements of Interpump Group S.p.A. and its subsidiaries at 30 June 2024, which report consolidated total assets of € 3,355.402 million, consolidated net profit of € 130.052 million and consolidated shareholders' equity of € 1,918.422 million:

- were prepared in compliance with the international accounting standards endorsed by the European Commission pursuant to Regulation (EC) no. 1606/2002 of the European Parliament and of the Council of 19 July 2002, and, in particular, with *IAS 34 - Interim Financial Reporting*, and the enabling regulations for art. 9 of Decree no. 38/2005;
- correspond to the results of the company books and accounting entries;
- are capable of providing a truthful and fair representation of the equity, economic and financial situation of the issuer and the group of companies included in the scope of consolidation;

2.2 the interim board of directors' report on operations contains references to the key events that occurred in the first six months of the financial year and their influence on the condensed half-year consolidated financial statements, together with a description of the main risks and uncertainties relating to the remaining months of the year and information on significant transactions conducted with related parties.

Sant'Ilario d'Enza (RE), 7 August 2024

Executive Chairman
Fulvio Montipò

Manager responsible for drafting
the accounting documents of the company
Mauro Barani



REVIEW REPORT ON CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

To the Shareholders of
Interpump Group SpA

Foreword

We have reviewed the consolidated condensed interim financial statements, comprising the consolidated statement of financial position, the consolidated income statements, the comprehensive consolidated income statements, the consolidated statement of changes in shareholders' equity, the consolidated cash flow statements and related illustrative notes of Interpump Group SpA and its subsidiaries (hereinafter also the "Interpump Group") as of 30 June 2024. The Directors are responsible for the preparation of the consolidated condensed interim financial statements in accordance with the international accounting standard applicable to interim financial reporting (IAS 34) as adopted by the European Union. Our responsibility is to express a conclusion on these consolidated condensed interim financial statements based on our review.

Scope of Review

We conducted our work in accordance with the criteria for a review recommended by Consob in Resolution No. 10867 of 31 July 1997. A review of consolidated condensed interim financial statements consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than a full-scope audit conducted in accordance with International Standards on Auditing (ISA Italia) and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion on the consolidated condensed interim financial statements.

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Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the consolidated condensed interim financial statements of Interpump Group as of 30 June 2024 are not prepared, in all material respects, in accordance with the international accounting standard applicable to interim financial reporting (IAS 34) as adopted by the European Union.

Parma, 7 August 2024

PricewaterhouseCoopers SpA

Signed by

Nicola Madureri
(Partner)

This review 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.