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Oggetto	:	CAREL - the AGM approves the 2023 annual Report and appoints the new BoDs and Board of Statutory Auditors

Testo del comunicato

Vedi allegato

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N. Reg. Prod. AEE: IT16030000009265

Press Release

The ordinary and extraordinary General Shareholders' meeting of CAREL Industries S.p.A.:

- approved the 2023 Annual Report, the dividend proposal equal to 0.19 Euro per share and the allocation to reserves;
- appointed the members of the Board of Directors for the years 2024-2025-2026:
  - Luigi Rossi Luciani (Chairman) and Luigi Nalini (Vice-Chairman)
  - Gianluigi Vittorio Castelli, Mario Cesari, Cinzia Donalisio, Marina Manna, Francesco Nalini, Carlotta Rossi Luciani e Laura Rovizzi (Directors)
- appointed the members of the Board of Statutory Auditors for the years 2024-2025-2026:
  - Paolo Prandi (Chairman of the Board of Statutory Auditors)
  - Gianna Adami (Standing Auditor)
  - Saverio Bozzolan (Standing Auditor)
  - Fabio Gallio (Alternate Auditor)
  - Elena Angela Maria Valenti (Alternate Auditor)

- examined the Report on the remuneration policy and on the fees paid, approving the remuneration policy for 2024 described in the first section and expressing a favourable opinion on the second section of the same Report
- approved the new Performance Shares plan 2024-2028
- approved the new authorization for the buy-back and disposal of treasury shares, upon revocation, for the part not yet executed, of the authorization approved with a resolution on 21 April 2023.
- approved the statutory amendments to implement the provisions contained in the so-called "Capital Law".

* * * * *

At the end of the Assembly, the new Board of Directors was installed:

- attribution of delegations and powers: Francesco Nalini confirmed as CEO; granting of some delegations in favour of the Chairman Luigi Rossi Luciani, the Vice-Chairman Luigi Nalini and the Director Carlotta Rossi Luciani;
- verified the honourability and independence requirements of the Directors and Statutory Auditors;
- appointed the members of the internal committees of the Board of Directors;
- appointed the Lead Independent Director.

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Brugine, 18 April 2024 – Today the ordinary Annual Shareholders Meeting of Carel Industries S.p.A. ('**Carel**' or the '**Company**) approved the Company's 2023 Annual Report and the allocation of the net profit for 2023 of EUR 44,514,549 as follows:

- **an amount equal to Euro 249,984 to the legal reserve;**
- **an amount equal to Euro 83,296 to the non-distributable "unrealized exchange rate gains" reserve;**
- **to the Shareholders a dividend of EUR 0.19 per share, gross of withholdings required by law, with ex-dividend date of 24 June 2024, record date of 25 June 2024, and date of payment of 26 June 2024;**
- **allocation of the balance to the extra-ordinary reserves.**

Consolidated Results at 31 December 2023

- **Consolidated revenues of € 650.2 million, +19.3% compared to 2022;**
- **Consolidated EBITDA of € 137.2 million (21.1% of revenues), +22.8% compared to 2022;**
- **Consolidated net income of € 70.9 million, +14.2% compared to 2023;**
- **Negative consolidated net financial position of € 35.6 million, compared to € 95.8 million reported on 31 December 2022, including the accounting effect deriving from IFRS16 and equal to € 33.4 million.**

Consolidated revenues

Consolidated revenues came to € 650.2 million, compared to € 544.9 million as at 31 December 2022, an increase of 19.3%. Net of the change in the scope of consolidation related to the acquisitions (€ 58.7 million) and the negative exchange rate effect (€ 7.9 million), the increase would have amounted to 10.0%.

In Europe and the United States, 2023 was characterised by a particularly challenging macroeconomic scenario as a result of the ECB and the Fed continuing to raise interest rates with the aim of reducing inflation. These interventions did indeed affect the inflationary phenomenon, which in the Eurozone went from +8.6% in January to +2.9% in December. However, they also had an impact on current and prospective growth. Eurostat estimates, in fact, target a 2023 GDP growth of only 0.5% for the European Union, with a flat fourth quarter. As far as the Asian continent, and more specifically China, is concerned, 2023 ended with GDP growth of just over 5%, characterised, however, by the crisis in the real estate market and particularly high youth unemployment. Associated with this situation is a very complex geopolitical scenario: in addition to the conflict between Russia and Ukraine, there is also the Israeli-Palestinian conflict.

In this turbulent context, the Group performed very well, posting double-digit organic revenue growth. In particular, during 2023, together with the recovery of the backlog created in previous periods and due to the shortage of electronic material, the same trends already partially present in the previous year continued, with sustained demand in several air-conditioning segments among which certain applications such as data centres and heat pumps stand out. The growth rate of heat pumps, however, decelerated sharply between September and December due to a number of factors, both regulatory and related to the energy and macroeconomic scenario. In the refrigeration sector, the approach to the investment cycle was particularly prudent in both the retail and food-service segments. This timidity is largely linked to inflation, which, particularly in Europe, has caused a slowdown in consumption, and to rising interest rates that make it more expensive to renovate existing shops and open new ones.

The Group's most important region, EMEA (Europe, Middle East, Africa), from which 69% of revenues are derived, closed 2023 with an increase at constant exchange rates of 17.9% (on a like-for-like basis, growth would have been about 8%): this performance benefits both from a significant contribution from the acquisitions made in the last 2 years, and from certain positive trends in HVAC already recorded during this period, such as the cooling of data centres. In relation to high-efficiency heat pumps, as mentioned above, after a two-year period of double-digit percentage market growth, the last few months have witnessed a strong sequential correction mainly affecting a number of countries, including Germany, Poland and Italy. This is generally due to regulatory and macroeconomic factors combined with high inventory levels along the supply and distribution chain. Revenues in Refrigeration, on the other hand, are basically at the same level as in 2022, and this despite the significant slowdown in investments in the sector.

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APAC (Asia-Pacific), which accounts for approximately 14% of the Group's revenues, reports growth at constant exchange rates of 21.7% compared to as recorded in 2022. These results benefited from good performance in most of the region (India and South Korea in particular, thanks also to the disposal of the previous backlog), to which the contribution of the newly acquired Eurotec was added. As far as China is concerned, it is worth mentioning some business opportunities that the Group has been able to seize, for instance in new applications related to electrification despite the fact that the signs of a possible acceleration in the economic recovery in that country are not yet evident.

Revenues from North America, which account for about 15% of the total, grew by 40.7% at constant exchange rates and benefited from excellent performance in the HVAC sector, particularly in data centre cooling and other innovative industrial applications, together with the contribution of the newly acquired company SENVA, active in the sensor sector. Also important, from a strategic point of view, was the success of the products for air handling units developed by Enginia, a company acquired in 2021, which led the Group to implement part of the production process for this reference in its plant in Pennsylvania. In contrast, a weak demand scenario persists in the food-service area. Looking ahead, the growing interest in food-retail towards solutions increasingly oriented towards the use of refrigerants with a low polluting impact, mainly natural refrigerants, is particularly positive, also following some regulatory confirmations that have occurred over the last few months. Finally, South America (which represents approximately 2% of the Group's total turnover) reported slightly growing results compared to 2022: the good performance recorded in Brazil was partly offset by less satisfactory results in other South American countries, mainly due to the difficult macro-economic situation.

As far as the individual business areas are concerned, the HVAC segment ended 2023 with a growth of 27.0% (28.7% at constant exchange rates). Even excluding the change in scope due to the Merger&Acquisition activities, amounting to approximately € 52 million, the increase would still be robust at around 14%. In the industrial sector, the excellent performance related to the cooling of data centres continued and the Group was able to seize important opportunities in new segments such as "Battery Energy Storage Systems - BESS". In relation to high-efficiency heat pumps, after a particularly favourable first part of the year, a strong slowdown in Europe was confirmed in the last quarter. With regard to the Refrigeration segment, revenues increased by 3.7% (5.6% at constant exchange rates), due in part to the contribution from the change in the scope of consolidation due to the acquisitions of Eurotec and Kiona. The slowdown in the investment cycle that has been affecting the sector for about a year in multiple regions showed no signs of improvement in the fourth quarter of the year.

Table 1- Revenue by business area (*thousands of euros)*

	31.12.2023	31.12.2022	Delta %	Delta fx %
HVAC revenue	472,144	371,852	27.0%	28.7%
REF revenue	175,141	168,934	3.7%	5.6%
Total core revenue	**647,285**	**540,786**	**19.7%**	**21.5%**
Non-core revenue	2,962	4,066	(27.2%)	(23.9%)
Total Revenue	**650,247**	**544,852**	**19.3%**	**21.1%**

Table 2 Revenue by geographical area (*thousands of euros)*

	31.12.2023	31.12.2022	Delta %	Delta fx %
EMEA	450,231	382,730	17.6%	17.9%
APAC	89,310	78,186	14.2%	21.7%
North America	97,192	70,974	36.9%	40.7%
South America	13,514	12,962	4.3%	3.9%
Total Revenue	**650,247**	**544,852**	**19.3%**	**21.1%**

Consolidated EBITDA

Consolidated EBITDA for the period ended 31 December 2023 stood at € 137.2 million, up sharply (+22.8%) compared to € 111.7 million recorded in 2022. Excluding non-recurring costs mainly arising from the Merger&Acquisition activity performed during the period, Adjusted EBITDA amounted to € 139.9 million. Profitability, understood as the ratio of EBITDA to Revenues reached 21.1%, (21.5% excluding the non-recurring costs reported above), a significant increase compared to 2022 (20.5%): the positive effect of operating leverage together with an excellent product mix that benefited from the easing of the shortage and the deployment of some sales price increases made in the last eighteen months offset the inflationary phenomenon that, although to a lesser extent than last year, was also present in 2023.

Consolidated net income

The consolidated net income of € 70.9 million shows a double-digit increase (+14.2%) compared to € 62.1 million as at 31 December 2022, thanks to the excellent operating results and the contribution from the change in the scope of consolidation. Financial expenses amounted to € 9.7 million, a significant increase over the same period last year, mainly due to notional interest related to put-call options on minority interests in certain companies recently acquired by the Group and the contingent element related to the bridging loan taken out for the acquisition of Kiona. The tax rate is 20.1%. The decrease compared to both the first nine months of the year and the figure recorded at the end of 2022 is mainly attributable to a different country mix.

Consolidated net financial position

The consolidated net financial position was a negative € 35.6 million, including the accounting effect related to the application of IFRS16 amounting to € 33.4 million, a sharp decrease compared to the figure recorded as at 31 December 2022 and amounting to € 95.8 million. In fact, the robust cash generation easily covered investments of about € 27.4 million, the payment of operating dividends of € 21.2 million, and the increase in net working capital of about € 16.7 million. It is important to emphasise the considerable reduction of the same during the last quarter of the year, mainly due to effective inventory containment initiatives. Finally, we note the negative impact of the M&A transactions concluded during the year in the amount of approximately € 184.0 million (acquisition of 82.4% of the share capital of Kiona Holding AS and 100% of the share capital of Eurotec) and the positive impact of the increase concluded on 7 December 2023 in the amount of € 196.4 million.

Sustainability and European Taxonomy

Also in 2023, the efforts made by CAREL regarding sustainability were recognized by some of the main ESG rating providers globally: for the second consecutive year Ecovadis awarded the silver medal to CAREL, which was positioned among the best 16% in their reference sector; MSCI confirmed the "AA" rating for the company and its positioning in the category of "ESG leaders", i.e. the category of those companies that, in their sector, best manage the risks and opportunities relating to ESG. In addition to this, CDP (formerly Carbon Disclosure Project), the global non-profit organization that monitors, among others, corporate performance in the fight against climate change has improved its score on CAREL for the second consecutive year by assigning it a " B“ (in 2022 the rating was “B-”), strengthening its positioning in the “Management” category, i.e. within that panel of companies that work to manage their impact on the environment. From this point of view, it is important to underline that during 2023 the Group completed the analysis of its carbon footprint, also including the complete picture of relevant and applicable Scope3 emissions. On the basis of this, a structured decarbonisation path has been started according to the models of the "Science Based Targets initiative (SBTis)" whose first step, the sending of the "commitment letter" to this organisation, will be taken shortly.

Finally, also from an ESG risk management point of view, CAREL's efforts were recognized by Sustainalytics which maintained a score of "17", placing it in the "low risk" category and among the best 4% in its sector membership.

In relation to the so-called “European Taxonomy”, CAREL confirms the excellent results already achieved in 2022. In particular, out of the total revenues, equal to 650 million euros, 540 million euros fall within the scope of the taxonomic analysis, equal to 83% of the total as part of the revenues generated by the Group derive from products purchased and resold and furthermore the scope of analysis was that of December 2022 (the businesses of the companies acquired during the year were therefore excluded).

As regards analyzed investments, 97.8% are eligible while 67.4% are both eligible and aligned (in 2022 there were 66.5% eligible respectively of which 50.2% were both eligible and aligned); 2.2% were ineligible while the remaining portion was not the subject of analysis.

For further information, please refer to the relevant paragraph of the consolidated Non-Financial Statement, published within the legal deadlines.

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OTHER ORDINARY AND EXTRAORDINARY SHAREHOLDERS' MEETING RESOLUTION

Appointment of the Board of Directors

The ordinary Shareholders' meeting appointed, through the slate voting mechanism, the new Board of Directors of CAREL, defining the number of members in nine and establishing the duration of the relevant office in 3 financial years (and so up to the date of the Shareholders' Meeting called for the approval of the financial statements for the financial year that will end on 31 December 2026).

The members of the Board of Directors appointed by today's Shareholders' Meeting are therefore:

- Luigi Rossi Luciani (Chairman), Luigi Nalini (Vice-Chairman), Mario Cesari, Cinzia Donalisio, Marina Manna, Francesco Nalini, Carlotta Rossi Luciani e Laura Rovizzi, all drawn from the majority slate ("Slate no. 1") submitted by the Shareholders Luigi Rossi Luciani S.A.P.A. and Athena FH S.p.A.- holders of overall no. 59,340,283 shares, representing 52.75% of CAREL'S share capital and 69.06% of the related voting rights - which obtained 84.11% favorable votes of the total voting rights represented in the Shareholders' meeting.

- Gianluigi Vittorio Castelli drawn from the minority slate ("Slate no. 2") submitted by the Shareholders Algebris Core Italy Fund; Amundi Asset Management SGR S.p.A. manager of the funds: Amundi Risparmio Italia, Amundi Sviluppo Attivo Italia, Amundi Impegno Italia - B, Amundi Valore Italia PIR; Anima Sgr S.P.A. manager of the fund Anima Iniziativa Italia; Arca Fondi Sgr S.P.A. manager of the funds: Fondo Arca Azioni Italia, Fondo Arca Economia Reale Bilanciato Italia 30, Fondo Arca Economia Reale Equity Italia; AXA Investment Managers Paris manager of the fund AXA WF Italy Equity; BancoPosta Fondi S.p.A. SGR manager of the fund Bancoposta Rinascimento; Eurizon Capital S.A. manager of the fund Eurizon Fund comparto Italian Equity Opportunities; Eurizon Capital SGR S.p.A manager of the funds: Eurizon Am Rilancio Italia Tr, Eurizon Pir Italia Azioni, Eurizon Azioni Italia, Eurizon Azioni Pmi Italia, Eurizon Pir Italia 30, Eurizon Progetto Italia 70, Eurizon Progetto Italia 20, Eurizon Progetto Italia 40; Fideuram Asset Management Ireland manager of the fund Fonditalia Equity Italy; Fideuram Intesa Sanpaolo Private Banking Asset Management Sgr S.p.A. manager of the funds: Fideuram Italia, Piano Azioni Italia, Piano Bilanciato Italia 30, Piano Bilanciato Italia 50; Interfund Sicav - Interfund Equity Italy; Mediolanum International Funds Limited - Challenge Funds - Challenge Italian Equity; Mediolanum Gestione Fondi Sgr S.P.A. manager of the funds: Mediolanum Flessibile Futuro Italia, Mediolanum Flessibile Sviluppo Italia, - holders of overall no. 3,074,895 shares of the Company equal to 2,73326% of the Company's share capital and 1.79% of the related voting rights - which obtained 15.76% favorable vote of the total voting rights represented in the Shareholders' meeting.

The Board of Directors thus composed complies with the recent provisions on gender quotas in the corporate bodies of listed companies (art. 147-ter, paragraph 1-ter, of the TUF, as amended by Budget Law No. 160/2019).

Based on the documentation submitted to the company by the interested parties, the Directors Gianluigi Vittorio Castelli, Mario Cesari, Cinzia Donalisio, Marina Manna, Laura Rovizzi, declared that they possess the independence requirements provided for by art. 148, paragraph 3, of Legislative Decree 58/1998 (the "TUF"), as referred to in art. 147-ter, paragraph 4, of the TUF, as well as the Corporate Governance Code.

In execution of the provisions of art. IA.2.6.7, paragraph 3, of the Instructions to the Stock Exchange Regulations the following direct equity interests in CAREL were declared by the Directors at the date of the appointment: Luigi Rossi Luciani (Chairman) holder of no. 2,068 CAREL Industries S.p.A. shares; Luigi Nalini (Vice-Chairman) holder of no. 17,154 CAREL Industries S.p.A. shares; Francesco Nalini (Director) holder of no.6,458 CAREL Industries S.p.A. shares; Carlotta Rossi Luciani (Director) holder of no. 515 CAREL Industries S.p.A. shares. As far as the company is aware of, the remaining members of the Board of Directors do not hold CAREL Industries S.p.A. shares, at the time of appointment,

The Ordinary Shareholders' Meeting also confirmed Luigi Rossi Luciani as Chairman of the Board of Directors and Luigi Nalini as Deputy Chairman of the Board of Directors.

The Ordinary Shareholders' Meeting also resolved to pay the Board of Directors an overall fixed annual gross remuneration - including the remuneration paid to the members of the internal committees appointed by the Board - equal to Euro 1,200,000.00, which will be distributed by the Board of Directors itself among the various members, it being understood that the additional fixed and variable remuneration in favor of the members of the Board of Directors vested with particular offices will be determined by the Board of Directors, after consulting the Remuneration Committee and the Board of Statutory Auditors, in compliance with the criteria determined by the remuneration policy adopted by the Company.

The curriculum vitae of the members of the Board of Directors and the additional accompanying documentation required by current legislation are available on the Company's website www.carel.com in the Corporate Governance/Government Structure section.

Appointment of the Board of Statutory Auditors

The ordinary Shareholders' meeting appointed as well, through the slate voting mechanism, the new Board of Statutory Auditors of CAREL, which will remain in charge for the years 2024-2026 and more precisely up to the date of the Shareholders' Meeting called for the approval of the financial statements for the financial year that will end on 31 December 2026.

The members of the Board of Statutory Auditors appointed by today's Shareholders' Meeting are therefore:

- Saverio Bozzolan (Standing Auditor), Gianna Adami (Standing Auditor) and Fabio Gallio (Alternate Auditor) all drawn from the majority slate ("slate no. 1") submitted by the Shareholders Luigi Rossi Luciani S.A.P.A. and Athena FH S.p.A.- holders of overall no. 59,340,283 shares, representing 52.75% of CAREL'S share capital and 69.06% of the related voting rights - which obtained 84.08% favorable votes of the total voting rights represented in the Shareholders' meeting.

- Paolo Prandi (Chairman of the Board of Statutory Auditors) and Elena Angela Maria Valenti (Alternate Auditor) drawn from the minority slate ("slate no. 2") submitted by the Shareholders Algebris Core Italy Fund; Amundi Asset Management SGR S.p.A. manager of the funds: Amundi Risparmio Italia, Amundi Sviluppo Attivo Italia, Amundi Impegno Italia - B, Amundi Valore Italia PIR; Anima Sgr S.P.A. manager of the fund Anima Iniziativa Italia; Arca Fondi Sgr S.P.A. manager of the funds: Fondo Arca Azioni Italia, Fondo Arca Economia Reale Bilanciato Italia 30, Fondo Arca Economia Reale Equity Italia; AXA Investment Managers Paris manager of the fund AXA WF Italy Equity; BancoPosta Fondi S.p.A. SGR manager of the fund Bancoposta Rinascimento; Eurizon Capital S.A. manager of the fund Eurizon Fund comparto Italian Equity Opportunities; Eurizon Capital SGR S.p.A manager of the funds: Eurizon Am Rilancio Italia Tr, Eurizon Pir Italia Azioni, Eurizon Azioni Italia, Eurizon Azioni Pmi Italia, Eurizon Pir Italia 30, Eurizon Progetto Italia 70, Eurizon Progetto Italia 20, Eurizon Progetto Italia 40; Fideuram Asset Management Ireland manager of the fund Fonditalia Equity Italy; Fideuram Intesa Sanpaolo Private Banking Asset Management Sgr S.p.A. manager of the funds: Fideuram Italia, Piano Azioni Italia, Piano Bilanciato Italia 30, Piano Bilanciato Italia 50; Interfund Sicav - Interfund Equity Italy; Mediolanum International Funds Limited - Challenge Funds - Challenge Italian Equity; Mediolanum Gestione Fondi Sgr S.P.A. manager of the funds: Mediolanum Flessibile Futuro Italia, Mediolanum Flessibile Sviluppo Italia, - holders of overall no. 3,074,895 shares of the Company equal to 2,73326% of the Company's share capital and 1.79% of the related voting rights - which obtained 15.74% favorable vote of the total voting rights represented in the Shareholders' meeting.

The Board of Statutory Auditors thus composed complies with the recent provisions on gender quotas in the corporate bodies of listed companies (art. 148-ter, paragraph 1-bis, of the TUF, as amended by Budget Law No. 160/2019).

In execution of the provisions of art. IA.2.6.7, paragraph 3, of the Instructions to the Stock Exchange Regulations, as far as the company is aware, the members of the Board of Statutory Auditors (standing and alternate) do not hold CAREL Industries S.p.A. shares.

The Ordinary Shareholders' Meeting also resolved to set the remuneration due to the Standing Auditors, set at a total of Euro 135,000,000 per year, in addition to the reimbursement of expenses incurred due to their office to be recognized in accordance with company policies, as follows: (i) to the Chairman, Euro 55,000.00 per year; (ii) to each of the Standing Auditors, Euro 40,000.00 per year.

The curriculum vitae of the members of the Board of Directors and the additional accompanying documentation required by current legislation are available on the Company's website www.carel.com in the Corporate Governance/Government Structure section.

Report on the remuneration policy and paid fees

The Annual Shareholders' meeting examined the Report on the remuneration policy and on the fees paid, approving the remuneration policy for 2024 described in the first section and expressing a favourable opinion on the second section of the same Report concerning the fees paid in or related to 2023; pursuant to Article 123-*ter,* Legislative decree 58/1998 and pursuant to art. 84-quarter of the Consob Regulation n. 11971/1999.

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Performance share plan *2024-2028*

Today, the ordinary Shareholders' meeting approved also an incentive plan concerning the free-of-charge granting of CAREL ordinary shares, called *"2024-2028 Performance Shares Plan"* (the **"Plan"**), reserved to specific beneficiaries to be identified individually, also on several occasions, by the Board of Directors, after hearing the opinion of the Remuneration Committee, among the executive directors, the executive managers having strategic responsibilities, and the employees of the Company or its subsidiaries who fulfil strategically important roles.

For more information on the Plan, reference is made to the information document, prepared in accordance with art. 114-bis of the TUF (Consolidated Law on Finance) and with art. 84-bis of the Issuers Regulation, which has been made available to the public at the Company's registered office, at Borsa Italiana S.p.A., on the Company's website at www.carel.com, section IR/Shareholders Meeting, as well as on the authorised data storage facility "eMarket STORAGE" at www.emarketstorage.com.

The stock at the service of the Plan will be exclusively made up of treasury shares, subject to authorisation by the Shareholders' meeting, pursuant to Article 2357-ter of the Italian Civil Code.

Proposal for the authorisation to buy and sell treasury shares

The Annual Shareholders' meeting revoked, for the part not yet executed, the authorization for the buy-back and the disposal of treasury shares, granted to the Board of Directors of the Company with a resolution resolved upon on 21 April 2023.

At the same time, the Annual Shareholders' meeting conferred new authorization to the Board of Directors of the Company to buy treasury shares, in one go or several instalments, up to a maximum number which, taking into account the treasury shares in the Company's portfolio, at any given time, or those of its subsidiaries, cannot, in total, exceed 5,624,960 shares, equal to 5% of the share capital of the Company, for the purpose of: (i) complying with the obligations arising from stock option plans other allocation of shares to employees, or to members of the administrative or control bodies of the Company or its associates or subsidiaries; (ii) proceed with the purchase of treasury shares owned by employees of the Company or of its subsidiaries and assigned or subscribed pursuant to art. 2349 and 2441, par. 8, of the Italian Civil Code or deriving from compensation plans approved pursuant to art. 114-bis TUF (iii) carrying out transactions supporting market liquidity in order to promote the smooth operation of trading avoiding price variations decoupled with market developments; and (iv) implementing sales, exchanges, trade-ins or contribution transactions or any other acts of disposal of treasury shares through the acquisition of equity investments and/or property and/or the conclusion of agreements with strategic partners, and/or through the implementation of industrial projects or extraordinary finance transactions, which come under the expansion objectives of the company and the Carel Group.

Authorisation to buy treasury shares is requested for the maximum duration provided for by Article 2357, paragraph 2 of the Italian Civil Code, equal to eighteen months from the resolution of the meeting granting authorisation.

The purchase of treasury shares shall take place within the limits of the distributable earnings and the available reserves resulting from the latest financial statements approved at the time of each transaction, (i) at a price which is not more than 20% lower or higher than the benchmark price of the stock at the Stock Exchange session on the day prior to each individual transaction, and, in any event, (ii) at a price which is not higher than the higher price between the price of the latest independent transaction and the highest current independent takeover bid price during the trading session where the purchase is being made.

The company currently holds 6,355 treasury shares in its portfolio, equal to 0.0056% of the share capital.

The Shareholders' meeting, for the same purposes outlined above, authorized the Board of Directors of the Company to sell (in full or in part, and even on several occasions) treasury shares in the portfolio, in accordance with Article 2357 of the Italian Civil Code, without any time constraints, even before having exhausted the maximum quantity of shares that can be purchased and to potentially buy back the actual shares to the extent that the treasury shares held by the Company and, if applicable, its subsidiaries, does not exceed the limit set by the authorisation.

The resolution was also passed with the vote in favour of the majority of the Shareholders of Carel present at the Shareholders Meeting, other than shareholders who separately or collectively hold the majority interest, including in relative terms, provided that it exceeds ten (10) percent (i.e. Luigi Rossi Luciani S.a.p.a. and Athena FH S.p.A.), and the exemption under Art. 106, paragraphs 1, 1-*bis* and 1-*ter*, to the extent applicable, and Art. 3 of the Consolidated Finance Act and Art. 44-*bis*, paragraph 2, of the Issuers Regulation therefore applies in respect of the aforesaid shareholders.

<u>Consolidated Non-Financial Report</u>

The ordinary Annual Shareholders Meeting acknowledged the 2023 Consolidated Non-Financial Report drafted in accordance with Legislative Decree No. 254 of 30 December 2016.

It bears recalling that the Annual Financial Report of Carel Industries as of and for the year ended 31 December 2023 approved by the Annual Shareholders Meeting, including, *inter alia*, the separate and consolidated financial statements, together with the Consolidated Non-Financial Report, the Corporate Governance and Ownership Structure Report, the reports of the Board of Statutory Auditors and the independent auditors and the Board of Directors' reports on the other items on the agenda are available to the public from the Company's registered offices and the website www.carel.it. The additional documentation set out in Art. 77, paragraph 2-*bis*, of the Issuers Regulation is available from the public from the registered office.

In accordance with applicable legislation, a condensed tally of the votes, containing the number of shares represented at the Annual Shareholders Meeting and the shares for which the vote was cast, the percentage of capital represented by the said shares, the number of votes in favour of and against the resolution and the number of abstentions will be made available to the public within five days of the date of the Annual Shareholders Meeting on the Company's website. The minutes of the Annual Shareholders Meeting will be made available to the public within 30 days of the date of the Annual Shareholders Meeting according to the same methods.

<u>Approval of the statutory amendments to implement the provisions contained in the so-called "Capital Law"</u>

The Extraordinary Meeting of CAREL Shareholders approved the proposed amendments to articles 9, 10, 19 and 24 of the Articles of Association, mainly concerning the methods of intervention and representation in the meeting, as well as the methods of convening and functioning of the board meetings and the Board of Statutory Auditors, with the aim of reflecting in the Articles of Association some provisions contained in law no. 21 of 5 March 2024 (so-called "Capital Law"), which came into force on 27 March 2024.

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At the end of the meeting of CAREL Sharolders, the new Board of Directors met for the first time, chaired by Luigi Rossi Luciani, to pass some governance resolutions, also pursuant to the applicable legislation and the Corporate Governance Code.

The new Board of Directors appointed today by the Shareholders' meeting is composed of: - Luigi Rossi Luciani (Chairman); - Luigi Nalini (Vice-Chairman); - Francesco Nalini; - Carlotta Rossi Luciani; - Marina Manna (Independent Director); - Cinzia Donalisio (Independent Director); - Mario Cesari (Independent Director); - Laura Rovizzi (Independent Director); and - Gianluigi Vittorio Castelli (Independent Director).

The Board appointed Francesco Nalini as Chief Executive Officer also for the purposes of the Corporate Governance Code, guaranteeing full continuity in the management of the business.

The CEO Francesco Nalini, as Chief Executive Officer of the Company, was also confirmed as Director in charge of the internal control and risk management system in compliance with the recommendations of the Corporate Governance Code.

The Board of Directors has also granted some powers of a strategic nature to the Chairman Luigi Rossi Luciani and to the Vice-Chairman Luigi Nalini (who has also been granted the same powers attributed to the CEO in the event of his absence or impediment), as well as some operational and sustainability delegations to the Director Carlotta Rossi Luciani, always in full continuity with the previous management of the business.

The new Board of Directors is therefore composed of the executive Chairman and Vice-Chairman, the Chief Executive Officer, another executive Director and n. 5 non-executive and independent directors, of which one taken from the minority list ("List no. 2").

The Board of Directors, on the basis of the declarations made by the interested parties and the information available to the Company, following the appropriate checks, assessed the existence of the independence requirements established by the law and the Corporate Governance Code, for the Directors Gianluigi Vittorio Castelli, Mario Cesari, Cinzia Donalisio, Marina Manna and Laura Rovizzi.

In this regard, in today's meeting, the Board of Directors, for the purposes of this assessment, also defined, according to Recommendation 7 of the Corporate Governance Code, the quantitative and qualitative criteria for assessing the significance of the relationships that may compromise the independence of the administrators.

During today's board meeting, the new Board of Auditors verified the correct application of the criteria and the assessment procedures adopted by the Board to evaluate the independence of its members. The Board of Directors deemed that all members of the Board of Statutory Auditors met the independence requirements established by law and the Corporate Governance Code.

The Board of Directors has also appointed the following internal board committees:

Control, risk, and sustainability, also with functions of Related Party Transaction Committee:

- Marina Manna (Chairman);
- Cinzia Donalisio;
- Mario Cesari.

Remuneration committee:

- Cinzia Donalisio (Chairman);
- Marina Manna;
- Mario Cesari.

The Board of Directors entrusted the role of Lead Independent Director to the independent Director Mario Cesari pursuant to the Corporate Governance Code.

The CVs and positions currently held by the Directors and Auditors are available on the Company's website at www.carel.com, in the Corporate Governance section.

The Manager in charge of preparing the corporate Accounting Books, Nicola Biondo, stated, pursuant to paragraph 2 of Article 154-bis of the Consolidated Finance Act, that the accounting information in this press release corresponds to the documented results, accounts and bookkeeping records.

The Financial Statements at 31 December 2023 will be made available to the public at the Company's Registered Office, at Borsa Italiana S.p.A., at the Company's website www.carel.com in the Investor Relations section, as well as at the authorised storage mechanism "eMarket STORAGE" at the address www.emarketstorage.com, under the terms required by existing regulations.

For further information

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CAREL

The CAREL Group is a global leader in the design, production and marketing of technologically-advanced components and solutions for excellent energy efficiency in the control of heating, ventilation and air conditioning ("HVAC") and refrigeration equipment and systems. CAREL is focused on several vertical niche markets with extremely specific needs, catered for with dedicated solutions developed comprehensively for these requirements, as opposed to mass markets.

The Group designs, produces and markets hardware, software and algorithm solutions aimed at both improving the performance of the units and systems they are intended for and for energy saving, with a globally-recognised brand in the HVAC and refrigeration markets (collectively, "HVAC/R") in which it operates and, in the opinion of the Company's management, with a distinctive position in the relevant niches in those markets.

HVAC is the Group's main market, representing 73% of the Group's revenues in the financial year to 31 December 2023, while the refrigeration market accounted for 27% of the Group's revenues.

The Group commits significant resources to research and development, an area which plays a strategic role in helping it maintain its position of leadership in the reference HVAC/R market niches, with special attention focused on energy efficiency, the reduction of environmental impact, trends relating to the use of natural refrigerant gases, automation and remote connectivity (the Internet of Things), and the development of data-driven solutions and services.

As of 31 December 2023 the Group operates through 49 branches including 15 production plants located in various countries, approximately 80% of the Group's revenues was generated outside of Italy and 30% outside of EMEA (Europe, Middle East, Africa).

Original Equipment Manufacturers or OEMs - suppliers of complete units for applications in HVAC/R markets - make up the Company's main category of customers, which the Group focuses on to build long-term relationships.

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