



PRESS RELEASE

ELICA S.P.A BOARD OF DIRECTORS APPROVES 2020 CONSOLIDATED RESULTS AND 2020 SEPARATE FINANCIAL STATEMENTS AND CALLED THE SHAREHOLDER'S MEETING

THE PATH TOWARDS COMPETITIVENESS AND GROWTH CONTINUES

2020 consolidated financial highlights:

- **Revenue:** Euro 452.6 million, -5.7% on the previous year (-4.4% net of the currency effect) due to COVID-19 and the lockdown, particularly in the second quarter of the year.
- **The Cooking segment overall declined 6.6%** (-2.1% own brand sales and -11.4% OEM), mainly due to the drop in volumes in April, with a recovery by Q3 2020 and double-digit growth in Q4 - both for own brand sales of 18.6% (+22.4% net of the currency effect) and for the OEM channel of 13.9% (+17.1% net of the currency effect). Own brand sales account for 55% of Cooking segment sales in 2020.
- **The Motors segment, thanks to significant Q4 growth (+11.4% on Q4 2019), fully recovered the slowdown in demand in March and Q2, closing up 0.3% on 2019.**
- **The EMEA and Americas markets saw significant recoveries from Q3, with further consolidation in Q4 2020 (+18.0% and +6.8% on Q4 2019). The Asian market, which in the third quarter was again impacted by the COVID-19 health emergency, significantly recovered in the final part of the year (+14.1% on Q4 2019).**
- **Adjusted EBITDA¹:** Euro 42.2 million, down 6.3% on Euro 45.0 million in 2019, due to COVID-19 and the Q2 2020 lockdown. The margin on revenue was 9.3%, substantially in line with the previous year (9.4% in 2019).
- **Adjusted EBIT¹ of Euro 15.9 million (Euro 19.6 million in 2019), with a revenue margin of 3.5% (4.1% in 2019).**
- **The Adjusted Net Profit was Euro 8.5 million, compared to Euro 9.3 million in 2019. The Adjusted Group Net Profit was Euro 2.6 million, compared to Euro 5.0 million in 2019. The Minorities profit of Euro 5.9 million increased on Euro 4.3 million in 2019, mainly due to the flexibility of Elica's business model in India and Japan, which has protected margins despite pressure on revenue.**
- **Net Financial Position²:** Euro -51.4 million (excluding IFRS 16 effect for Euro -9.7 million), compared to Euro -47.2 million at December 31, 2019. The increase, partially contained by an approx. 37% decrease in CAPEX, was mainly due to the EBITDA impact in Q2 on operating cash generation and a one-off cash-out of Euro 4.9 million, for the settlement between Elica

¹ The figure for 2020 was adjusted considering the extraordinary effect related to Brazil for Euro 0.7 million, related to the closure of the dispute with Esperança Real S/A (Brazil) and other restructuring charges of Euro 2.6 million. The adjustment to the 2019 result concerns the extraordinary charge for the departure of the Chief Executive Officer of approx. Euro 1.3 million and other restructuring charges for a total of Euro 2.6 million. At EBIT level, the extraordinary effect of the impairment of intangibles of Euro 1.8 million was also normalised for 2020.

² The value indicated is net of the IFRS 16 effect, as outlined in the reconciliation tables.

S.p.A. and Esperança Real S/A (Brazil) in July 2020, in addition to a further Euro 2.6 million of restructuring charges in Italy and China.

- **COVID-19 update:**
 - In order to effectively handle the COVID-19 emergency, the Elica Group immediately put in place all available worker protection measures and set up a Crisis Committee to monitor the developing situation. This Committee meets periodically and coordinates daily with the Leadership Team.
 - Since April 23, 2020, the Company has begun to reopen in a gradual manner the factories in the Marche region - at Mergo and Cerreto - which were closed from March 24, 2020 following the imposition of restrictions by the government through the Presidential Decree of March 22, 2020. The Castelfidardo facility (Motors Division), as covered by a permitted ATECO code, was however authorised to continue its operations and therefore was not subject to closure. The Polish facility has been operative since April 19, 2020 with the Mexican facility resuming from June 1, 2020 and the Indian plant from May 18, 2020. All production facilities are currently at full capacity.
- **ESG update:**
 - The average number of training hours provided to blue-collar staff increased from 9.8 in 2019 to 10.7 in 2020 (+9.2% vs 2019);
 - The under-represented gender accounted for 24% of the LTI - Long Term Incentive System (compared to 5% in 2019);
 - The executive category waived the 2020 bonus and middle management contributed by waiving 50% of the nominal amount due;
 - All Cooking Business Unit sites (Fabriano, Mergo and Cerreto d'Esi) have achieved ISO 45001:2018 certification. The number of injuries in Italy dropped from 6 in 2019 to 1 in 2020 (-83%);
 - The Customer Orientation of our After Sales Support Service has been recognised by our customers with its receipt of the major sector award presented by the German Institute for Quality and Finance (ITQF);
 - Elica is efficiently employing energy resources for its production processes and has reduced emissions (reduction at the Italian and Polish sites for kWh/machine hour of between 2% and 4% compared to 2019).
- **Resolutions on the allocation of the net result.**
- **Shareholders' Meeting call**
- **Corporate Governance and Ownership Structure Report, Remuneration Policy and Report as per Article 123-ter, Legislative Decree 58/98 and the Non-Financial Report for 2020 approved.**
- **Illustrative Report to the Shareholders' Meeting for the appointment of the Board of Directors and establishment of remuneration and Illustrative Report to the Shareholders' Meeting for the appointment of the Board of Statutory Auditors and the establishment of remuneration approved.**
- **Directors' Report concerning the purchase and utilisation of treasury shares proposal approved.**
- **Third Cycle of the 2016-2022 Phantom Stock & Voluntary Co-investment Plan finalised.**

Fabriano, March 16, 2021 – The Board of Directors of **Elica S.p.A.**, the parent of a Group that is the leading manufacturer of cooker hoods, has today approved the 2020 consolidated results at December 31, 2020 and the separate financial statements at December 31, 2020, prepared in accordance with IFRS, in addition to the Directors' Report.

Elica Group Operating Performance

Elica for 2020, due to the drop in sales volumes in March and in Q2 due to the COVID-19 emergency and the consequent lockdown, reports **Consolidated revenue of Euro 452.6 million**, -5.7% on the same period of 2019 (-4.4% at like-for-like exchange rates).

Market dynamics have progressively been impacted by the COVID-19 emergency. Global kitchen hood segment demand is estimated to contract 7.4%³ in 2020. This downturn impacted all markets. Asia saw a 9.3% decline amid divergent performances across the region. China for example in Q4 2020 saw growth ahead of expectations, closing 2020 with a partial recovery. Japan's recovery slowed following a fresh rise in infections. Finally, India demonstrated itself to be more resilient than expected and saw a small recovery in the final part of the year. The decrease in the EMEA region (-4.2%) in particular reflects the impact of the pandemic in Western Europe and in economies with a greater tourism focus - despite a strong second half of the year - while in Eastern Europe the significant recovery in the fourth quarter almost completely offset the decline in the initial part of the year. The American market was down 8.8%, although with the recovery in the second half of the year partially slowed - both in the US and in Brazil - by increases in infections at the end of 2020.

Own brand sales were down 2.1% on 2019, particularly as a result of the drop in April, while a quick recovery was already apparent by May 2020, with a further consolidation in Q3 and Q4 (+18.6% in Q4 2020 compared to the same period of 2019, +22.4% net of the currency effect). The NicolaTesla product accounted for 9% of total revenue in 2020. Own brand sales on the Cooking segment accounted for 55% in 2020.

OEM revenue was down 11.4% on the same period of the previous year (-10.2% at like-for-like exchange rates), particularly following the closure of the Mexican facility for nearly 2 months and partially offset by a recovery in Q2 2020 (+13.9% in Q4 2020 against Q4 2019, +17.1% at like-for-like exchange rates).

The **Motors** segment, representing 13.5% of total revenue, was impacted by slowing demand in March and Q2. This reduction was totally offset by the strong performance in the final quarter (+11.4% in Q4 2020 compared to the same period of 2019), resulting in an increase of 0.3% in 2020 compared to 2019.

Adjusted EBITDA of Euro 42.2 million was down 6.3% on the same period of 2019 (Euro 45.0 million), with a margin on revenues of 9.3% (9.4% in 2019). The revenue growth, together with operating efficiencies in

³ Source: Elica Group, internal estimates

terms of personnel expense, SG&A costs and Opex, supported an improved margin in Q4 2020 to 12.0% (+38.0%, +190 bps compared to the same period of 2019).

Adjusted EBIT of Euro 15.9 million in 2020 (Euro 19.6 million in 2019), with a significant recovery in Q4 (+55.1%, +160 bps in terms of EBIT margin compared to Q4 2019).

Net financial expense was Euro 4.0 million, reducing on Euro 5.1 million in 2019.

The Adjusted Net Profit was Euro 8.5 million, compared to Euro 9.3 million in 2019. The Adjusted Group Net Profit was Euro 2.6 million, compared to Euro 5.0 million in 2019. The Group's Tax Rate reflects from the low margin of the Italian Entity. The Minorities profit of Euro 5.9 million, improving on Euro 4.3 million in 2019, mainly reflects the flexibility of the Elica Group's business model in Japan and in India where, against revenue pressure, the margin did not suffer significant impacts.

The **Group Net Result** was a loss of Euro 1.8 million, compared to a profit of Euro 3.1 million in 2019.

	2020	% revenue	2019	% revenue	20 Vs 19%
<i>In Euro thousands</i>					
Revenue	452,639		479,986		(5.7%)
Adjusted EBITDA	42,204	9.3%	45,038	9.4%	(6.3%)
EBITDA	38,817	8.6%	42,467	8.8%	(8.6%)
Adjusted EBIT	15,864	3.5%	19,623	4.1%	(19.2%)
EBIT	10,665	2.4%	17,052	3.6%	(37.5%)
Net financial expenses	(3,989)	(0.9%)	(5,119)	(1.1%)	22.1%
Income taxes	(2,531)	(0.6%)	(4,554)	(0.9%)	44.4%
Profit from continuing operations	4,145	0.9%	7,379	1.5%	(43.8%)
Adjusted profit for the year	8,531	1.9%	9,333	1.9%	(8.6%)
Profit for the year	4,145	0.9%	7,379	1.5%	(43.8%)
Adjusted profit/(loss) attributable to the owners of the parent	2,584	0.6%	5,017	1.0%	(48.5%)
Profit/(loss) attributable to the owners of the Parent	(1,787)	(0.4%)	3,063	0.6%	(158.3%)
Basic earnings/(loss) per share on continuing operations and discontinued operations (Euro/cents)	(2.82)		4.84		(158.3%)
Diluted earnings/(loss) per share on continuing operations and discontinued operations (Euro/cents)	(2.82)		4.84		(158.3%)

Elica Group Equity and Financial Performance

The **Net Financial Position** at December 31, 2020, net of the IFRS 16 effect of Euro 9.7 million, was a debt of Euro 51.4 million, compared to Euro 47.2 million at December 31, 2019. The increase, partially contained thanks to an approx. 37% decrease in CAPEX, was mainly due to the EBITDA impact in Q2 on operating cash generation and a one-off cash-out of Euro 4.9 million, for the settlement between Elica S.p.A. and Esperança Real S/A (Brazil) in July 2020, in addition to a further Euro 2.6 million of restructuring charges in Italy and China.

<i>In Euro thousands</i>	Dec 31, 20	Dec 31, 19
Cash and cash equivalents	59,147	35,613
Bank loans and borrowings (current)	(16,459)	(27,317)
Bank loans and borrowings (non-current)	(94,053)	(55,451)
Net financial debt	(51,365)	(47,155)
Lease payables IFRS 16 (current)	(3,650)	(3,525)
Lease payables IFRS 16 (non-current)	(6,027)	(8,233)
Net Financial Position - Including IFRS 16 impact	(61,042)	(58,913)
Assets for derivatives	4,078	498
Liabilities for derivatives (current)	(551)	(386)
Liabilities for derivatives (non-current)	(690)	(198)
Net Financial Position - Including IFRS 16 impact and Derivatives effect	(58,205)	(58,999)

Managerial Working Capital on annualised revenue was 7.2% at December 31, 2020, increasing on 3.7% at December 31, 2019.

<i>In Euro thousands</i>	Dec 31, 20	Dec 31, 19	change vs December
Trade receivables	88,821	55,022	33,799
Inventories	76,876	72,890	3,986
Trade payables	(133,247)	(110,100)	-23,147
Managerial Working Capital	32,450	17,812	14,638
% annualised revenue	7.2%	3.7%	
Other net assets/ liabilities	(8,495)	(9,671)	1,176
Net Working Capital	23,955	8,141	15,814

Significant events in 2020 and subsequent events

- **On January 29, 2020**, in accordance with Article 2.6.2, paragraph 1, letter b) of the Regulations of the Markets Organised and Managed by Borsa Italiana S.p.A., Elica S.p.A. published the Financial Calendar for the year 2020.
- **On February 12, 2020**, Elica S.p.A. took note of the resignation of Mr. Davide Croff from the position of Independent Director tendered on February 11, 2020 with immediate effect, due to “personal reasons that made it impossible to continue to carry out the activities associated with the office of Director with the necessary diligence.” Mr. Davide Croff, as far as the Company is aware, did not hold Elica shares at the date of the relationship’s conclusion.
- **On February 13, 2020**, the Board of Directors of Elica S.p.A. approved the additional periodic disclosure for the fourth quarter of 2019, prepared according to IFRS and the 2019 preliminary consolidated results.
- **On March 12, 2020**, the Board of Directors of Elica S.p.A. approved the consolidated results at December 31, 2019 and the statutory financial statements at December 31, 2019, prepared in accordance with IFRS, in addition to the Directors’ Report.
- **On April 28, 2020**, the Shareholders’ Meeting of Elica S.p.A. met in ordinary session and **approved** the following matters on the agenda:
- **Separate financial statements at December 31, 2019 of Elica S.p.A.**, the Directors’ Report, the Board of Statutory Auditors’ Report, the Non-Financial Report and the Independent Auditors’ Report. The Shareholders’ Meeting also noted the consolidated results for 2019.
- **Number of Directors established at seven and remuneration approved**; the Shareholders’ Meeting approved the proposal of the Board of Directors to reduce from eight to seven the number of Board members, consequently reducing the overall gross remuneration accruing and confirming the insurance coverage, as approved by the Shareholders’ Meeting of April 27, 2018 for the entire duration of mandate.
- **Confirmation of the appointment of the two Directors proposed by the Board of Directors**, Mauro Sacchetto and Giovanni Tamburi who will remain in office until the Shareholders’ Meeting called for the approval of the 2020 Annual Accounts. According to the Company, at the time of appointment, the appointed Directors do not hold Elica S.p.A. shares. Their curricula vitae of the two appointed Directors are available on the website <https://elica.com/corporation> (Corporate Governance - Other Documents section).
- **Amendment to the 2019-2025 long-term incentive plan called the Phantom Stock & Voluntary Co-investment Plan**, as per the conditions indicated in the updated Disclosure Document. The Illustrative Report of the Directors to the Shareholders’ Meeting on the proposal to amend the long-term incentive plan called the 2019-2025 Phantom Stock & Voluntary Co-investment Plan and the updated Disclosure Document, drawn up as per Annex 3, Schedule 7 of the Issuers’ Regulation,

were published on March 27, 2020 and are available to the public at the registered office, in addition to the 1Info authorised storage mechanism at www.1info.it and on the website <http://corporation.elica.com> (Investor Relations - Shareholders' Meeting Section).

In accordance with Article 123-ter, paragraphs 3-bis and 6 of Legislative Decree 58/1998, the Elica S.p.A. Shareholders' Meeting, noting its content, approved the remuneration policy and report and voted in favour of its second section. The report was filed on March 27, 2020 and is available to the public on the Company website <https://elica.com/corporation> (Investor Relations / Shareholders' Meeting section), in addition to the 1Info authorised storage mechanism at www.1info.it. The results of the vote will be made available to the public in accordance with Article 125-quater, paragraph 2 of the same Decree.

- **On April 28, 2020**, the Board of Directors of Elica S.p.A. confirmed the appointment of Mauro Sacchetto as Chief Executive Officer of the Company. The assessments of the Directors Mauro Sacchetto and Giovanni Tamburi as non-independent, appointed by the Shareholders' Meeting, were unchanged.
- **On May 7, 2020**, the Board of Directors of Elica S.p.A. approved the 2020 First Quarter results, prepared in accordance with IFRS accounting standards.
- **On July 3, 2020**, Elica S.p.A. announced the signing on June 29, 2020 of a loan contract for a maximum amount of Euro 100 million with a final maturity of 5 years, on a Club deal basis with a syndicate of 5 banks and, in particular, with Banca IMI S.p.A. and BNL Gruppo BNP Paribas as co-ordinating banks and Intesa Sanpaolo S.p.A., BNL Gruppo BNP Paribas, Banco BPM S.p.A., Crédit Agricole Italia S.p.A. and UniCredit S.p.A. as lending banks. The loan is principally intended to support medium/long term needs, the partial refinancing of the existing debt, in addition to the working capital and treasury needs of Elica S.p.A. and its subsidiaries.
- **On July 22, 2020**, Elica S.p.A. agreed a settlement regarding the case between Esperança Real S/A, Madson Eletrometalurgica Ltda and the Company. The case concerns the signing of preliminary agreements in September 1999 for the establishment of a Joint Venture by Elica Spa and Esperança Real S/A, which were not executed. The settlement stipulates the payment by Elica to the counterparties and their lawyers of Euro 4.2 million, including any court costs and excluding the fees due to their lawyers. The Company has provisioned to the financial statement an additional maximum amount of Euro 0.6 million for the settlement.
- **On July 30, 2020**, the Board of Directors of Elica S.p.A., meeting in Milan, approved the 2020 Half-Year Report, prepared in accordance with IFRS accounting standards.
- **On October 30, 2020**, the Board of Directors of Elica S.p.A., meeting in Fabriano, approved the 2020 Third Quarter results, prepared in accordance with IFRS accounting standards.
- **On November 13, 2020**, following the amendments to the Elica S.p.A. bylaws, in compliance with the legislation in force on gender quotas, in order to ensure the presence in the corporate bodies of members of the less represented gender to the extent of at least two fifths of the total approved by

the Board of Directors in extraordinary available to the public, in the forms and methods provided for by the law, the bylaws.

- **On 11 January 2021**, pursuant to art. 2.6.2, paragraph 1, lett. b) of the Regulations for Markets Organized and Managed by Borsa Italiana S.p.A., Elica S.p.A. announced its annual calendar of corporate events for the year 2021.
- **On February 12, 2021**, the Board of Directors of Elica S.p.A. approved the additional periodic information relating to the fourth quarter of 2020, prepared in accordance with the IFRS international accounting standards and the preliminary consolidated results for 2020.
- **On March 16, 2021**, the Board of Directors of Elica SpA informs that Mauro Sacchetto has decided, for personal reasons, to resign, with effect from today, from the Board and as a Chief Executive Officer of Elica SpA. and appointed by co-optation, following the opinion of the Appointments and Remuneration Committee, with the favourable opinion of the Board of Statutory Auditors, starting from today, Giulio Cocci, current Group CFO of the company, Director and Chief Executive Officer of the Group.

Outlook

The Company continues to analyse the impact of COVID-19 on the business and the market demand recovery curve, which is currently difficult to forecast. The key points are:

- focus on cost containment measures and financial sustainability;
- solid fundamentals to adequately respond to the current recovery in demand and expected medium-term developments.

The Group has outlined the pillars of its growth strategy:

- focus on boosting EBITDA margin and cash flow generation;
- expanded own brand sales portfolio and market share;
- sustainable research and development investment;
- geographical expansion.

These actions relate to the internal reorganisation, which is laying the foundations for an additional acceleration over the coming three years and a strong managerial team.

Motions upon allocation of the result for the year

In view of the 2020 results, the Board of Directors proposed not to distribute a dividend for 2020, in order to maintain all available Company resources for investment in future development, approving the allocation of the 2020 profit to "Retained Earnings".

The Board of Directors also reviewed and resolved upon the following matters:

Shareholders' Meeting Call

The Board of Directors of Elica S.p.A. called the Shareholders' Meeting, to be held exclusively via video conferencing, and through the exclusive participation of the designated representative, pursuant to art. 106, D.L. n. 18 of 17 March 2020 (as subsequently amended) for April 29, 2021 at 9AM in single call. The Shareholders' Meeting call notice shall be made available to the public at the registered office, in addition to the 1Info authorised storage mechanism at www.1info.it and on the website <http://elica.com/corporation> (Investor Relations - Shareholders' Meeting Section) according to the legally-established times and means.

Approval of:

➤ **Corporate Governance and Ownership Structure Report, Remuneration Policy and Report as per Article 123-ter, Legislative Decree 58/98 and the Non-Financial Report for 2020.**

The Board of Directors of Elica S.p.A. today approved the 2020 Corporate Governance and Ownership Structure Report, the Remuneration Policy and Report, which includes a changed remuneration structure for Executive Directors and a new long-term monetary incentive plan (2021-2023) in favour of the CEO and Top Management.

The Board of Directors also approved the Non-Financial Report for 2020.

These documents shall be made available to the public at the registered office, in addition to the 1Info authorised storage mechanism at www.1info.it and on the website <http://elica.com/corporation> (Investor Relations - Shareholders' Meeting section) according to the legally-established times and means.

Illustrative Report to the Shareholders' Meeting for the appointment of the Board of Directors, establishment of their remuneration and to confirm their insurance cover, and Illustrative Report to the Shareholders' Meeting for the appointment of the Board of Statutory Auditors, establishment of their remuneration and to confirm their insurance cover.

The Board of Directors of Elica S.p.A. today approved: (i) the Illustrative Report to the Shareholders' Meeting for the appointment of the Board of Directors and its Chairperson and to establish their remuneration and to confirm their insurance cover, and (ii) the Illustrative Report to the Shareholders' Meeting for the appointment of the Board of Statutory Auditors and its Chairperson and to establish their remuneration and to confirm their insurance cover, which will be available to the public at the registered offices of the company

and on the authorised storage mechanism 1Info at www.1info.it and the website <https://elica.com/corporation>, (Investor Relations - Shareholders' Meeting section).

Directors' Report to the Shareholders' Meeting concerning the purchase and utilisation of treasury shares.

The Board of Directors today also approved the Directors' Report to the Shareholders' Meeting on the proposal concerning the authorisation of the purchase and utilisation of treasury shares.

The Shareholders' Meeting was requested to authorise the purchase and utilisation of treasury shares in order to provide the company with an important operational and strategic instrument, establishing the possibility to: a) execute any future share-based incentive plans which may be authorised in favour of Directors and/or employees and/or business partners of the company and/or its subsidiaries, in accordance with applicable legal and regulatory provisions; and/or b) sign agreements with individual Directors, employees and/or business partners of the company or companies controlled by it, not falling under the scrip issue plans governed by Article 144-bis of the CFA; and/or c) act, where necessary and in compliance with applicable provisions (including those considered by market practices), directly or through authorised intermediaries, with the objective to contain irregular share price movements of the company or to enable fluid trading; and/or d) invest in treasury shares within the pursuit of company policies (for example utilising such as remuneration, including shares swaps, for the acquisition of investments or in acquisition operations of other companies), or where market conditions render such operations advantageous; and/or e) utilise treasury shares for operations such as sales, conferment, allocation, exchange or other disposal within agreements with strategic partners, or to serve any extraordinary financial operations (e.g. convertible loans); and/or f) utilise treasury shares as guarantees on loans.

The proposal drawn up by the Board of Directors concerns the purchase of ordinary shares by the Company within a maximum limit of 20% of the share capital, i.e. 12,664,560 ordinary shares.

The authorisation for the purchase of ordinary treasury shares is requested for a period of 18 months from the date on which the Shareholders' Meeting adopts the relative motion.

The Board of Directors proposes that the purchase price per ordinary share is fixed as: (a) not below a minimum of 95% of the official price recorded of the share in the trading session before each operation (b) not above a maximum (i) Euro 5 and (ii) 105% of the official price of the share in the trading session before each operation. It is expected that the purchases will be carried out at price conditions in line with that established by Article 5 of Regulation No. 596/2014 of April 16, 2014, and however in compliance with the applicable regulations and conditions and the limits fixed by Consob in relation to accepted industry guidelines, where applicable.

The Board of Directors in concluding the individual treasury share buy-back operations must comply with the operational conditions established by the market concerning the purchase of treasury shares of Consob, in addition to the applicable legal and regulatory provisions, including the Regulations as per Regulation 596/2014, Delegated Regulation 2016/1052 and the relative EU and national executing regulations, and in particular in compliance with Article 132 of the CFA, Article 144-bis first paragraph, letter b) of the Issuers' Regulations and Regulation No. 596/2014 of April 16, 2014), in addition to applicable regulations, in order to ensure equal treatment among shareholders. The Company currently does not hold ordinary treasury shares. Approval of the proposal is subject to revocation of the authorisation granted on April 28, 2020, for that part not utilised. The Directors' Report concerning the proposal to purchase and utilise treasury shares will be made available to the public at the registered offices and on the authorised storage mechanism 1Info at www.1info.it and the website <https://elica.com/corporation> (Investor Relations - Shareholders' Meeting section) according to the legally required timelines and means.

Third Cycle of the 2016-2022 Phantom Stock & Voluntary Co-investment Plan finalised.

The Board of Directors, at the end of the vesting period relating to the Thirds Cycle of the Plan (2018-2020), based on the results for the period, assessed the achievement of the targets, deciding:

- a) a value of 2018 -2020 Cumulative LTI EBIT which resulted in an achievement of 74.3% (weight 50%)
- b) a value of 2018 -2020 Cumulative Free Cash Flow which resulted in an achievement of 120% (weight 50%).

As a result of this resolution, the overall level of maturity of the 2018-2020 cycle of the Phantom Stock Plan was 97.2%.

The effective value of the cash conversion of the Phantom Stock Assigned will be determined after the date of the Shareholders' Meeting of April 29, 2021 called to approve the 2020 Financial Statements, on the basis of the average share price for the month preceding the resolution in question.

Please note that the 2016 - 2022 Phantom Stock and Co-investment Plan, for each allocation cycle, also provides for the possibility for the beneficiary to join the Co-investment Plan, through the deferment of 50% of the Phantom Stock Assigned for a further period of two years. Any expression of willingness to subscribe to the Co-investment Plan is provided for, on the basis of the Plan's Implementing Regulations, during the month of May of the assignment year of the 2018-2020 Phantom Stock Plan and, at the date of publication of this Report, is not yet known.

Any subscription to the Co-investment Plan will be disclosed in the Remuneration Policy and Report in 2021.

Statement pursuant to Article 154-bis, paragraph two, of the Consolidated Finance Act

The Corporate Financial Reporting Manager Mr. Giulio Cocci declares, pursuant to Article 154-bis, second paragraph of Legislative Decree No. 58/98, that this press release corresponds to the underlying accounting documents, records and accounting entries.

The Elica Group has been active in the kitchen hood and stoves market since the 1970's. Chaired by Francesco Casoli and led by Mauro Sacchetto, today it is the world leader in terms of units sold. It is also a European leader in the design, manufacture and sale of motors for central heating boilers. With approx. 3,700 employees, the Elica Group has seven plants, including in Italy, Poland, Mexico, India and China. With many years' experience in the sector, Elica has combined meticulous care in design, judicious choice of materials and cutting edge technology guaranteeing maximum efficiency and reducing consumption, making Elica the prominent market figure it is today. The Company has revolutionised the traditional image of the kitchen cooker hood: it is no longer seen as simple accessory but as a design object which improves quality of life.



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Definitions

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

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

Adjusted EBITDA is EBITDA net of the relative adjustment items.

Adjusted EBIT is EBIT net of the relative adjustment items.

Net financial income/(expenses) is the sum of the Share of profit/(loss) from associates, Financial income, Financial Expenses, Impairment of available-for-sale financial assets and Exchange rate gains and losses.

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

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

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

The earnings per share for 2020 and 2019 was calculated by dividing the Profit attributable to the Group, as defined in the Consolidated Income Statement, by the number of outstanding shares at the respective reporting dates. The numbers of shares in circulation at the reporting date is unchanged on December 31, 2019 (63,322,800).

The earnings per share so calculated coincide with the earnings per share as per the consolidated income statement, as there were no changes to the number of shares in circulation in the period.

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

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

Net Financial Position (NFP) is the sum of Cash and Cash equivalents and Other financial assets less Current and Non-current bank loans and borrowings and amounts due under finance leases and to other lenders, as reported in the Statement of Financial Position. Amounts due under finance leases were zero.

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

The Net Financial Position - Including IFRS 16 impact and Derivatives Effect is the sum of the Net Financial Position - Including IFRS 16 impact and the derivative instrument assets and liabilities, as per the Consolidated Statement of Financial Position.

Reconciliations

<i>in Euro thousands</i>	Dec 31, 20	Dec 31, 19
EBIT	10,665	17,052
(Impairment of intangibles)	2,715	-
(Amortisation & Depreciation)	25,437	25,415
EBITDA	38,817	42,467
(Allowance for the replacement of the CEO)		1,280
(Additional Accrual to the risks provision for the case with Esperança Real)	750	
(Restructuring charges)	2,637	1,291
Adjusted EBITDA	42,204	45,038

<i>in Euro thousands</i>	Dec 31, 20	Dec 31, 19
EBIT	10,665	17,052
(Impairment of intangibles)	1,812	-
(Allowance for the replacement of the CEO)	-	1,280
(Additional Accrual to the risks provision for the case with Esperança Real)	750	-
(Restructuring charges)	2,637	1,291
Adjusted EBIT	15,864	19,623

<i>in Euro thousands</i>	Dec 31, 20	Dec 31, 19
Profit for the year	4,145	7,379
(Impairment of intangibles)	1,812	-
(Allowance for the replacement of the CEO)	-	1,280
(Additional Accrual to the risks provision for the case with Esperança Real)	750	-
(Restructuring charges)	2,637	1,291
(Income taxes on adjusted items)	(813)	(617)
Adjusted profit for the year	8,531	9,333
(Loss attributable to non-controlling interests)	(5,932)	(4,316)
(Adjustments to non-controlling interests)	(15)	-
Adjusted profit attributable to the owners of the Parent	2,584	5,017

	Dec 31, 20	Dec 31, 19
Profit/(loss) attributable to owners of the Parent (<i>in Euro thousands</i>)	(1,787)	3,063
Outstanding shares at year-end	63,322,800	63,322,800
Earnings (loss) per share (Euro/cents)	(2.82)	4.84

<i>in Euro thousands</i>	Dec 31, 20	Dec 31, 19
Other receivables	4,803	5,374
Tax assets	17,049	14,966
(Provision for risks and charges)	(5,351)	(6,487)
(Other liabilities)	(15,908)	(15,749)
(Tax liabilities)	(9,088)	(7,775)
Other net assets/ liabilities	(8,495)	(9,671)