

ELICA S.p.A.

Registered office in Fabriano (AN), Via Ermanno Casoli No. 2

Share capital: Euro 12,664,560.00 fully paid-in

Marche Companies Registration Office

Tax and VAT No.: 00096570429

**REPORT OF THE BOARD OF STATUTORY AUDITORS TO
THE SHAREHOLDERS' MEETING**

**(in accordance with Article 153 of
Legislative Decree 58/1998 and
Article 2429, paragraph 2 of the
Civil Code)**

Dear Shareholders,

we were appointed by the Shareholders' Meeting of April 29, 2021 (in accordance with applicable legal, regulatory and statutory provisions) and our mandate will conclude at the Shareholders' Meeting for the approval of the financial statements at December 31, 2023.

We have complied with the limit on the number of offices envisaged by Article 144-*terdecies* of the Issuers' Regulation.

We acknowledge that the composition of the Board of Statutory Auditors complies with the provisions on gender diversity (as per Article 148, paragraph 1-*bis*, of Legislative Decree No. 58/1998, as amended by Article 1, paragraph 303, Law No. 160 of December 27, 2019, and applied pursuant to Article 1, paragraph 304 of the same law, as well as in accordance with the provisions of Consob Communication No. 1/20 of January 30, 2020).

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During the year ended December 31, 2022, we performed the supervisory activities required by law, in accordance with the "Conduct principles for the Board of Statutory Auditors in listed companies" recommended by the Italian Accounting Profession (Consigli Nazionale dei Dottori Commercialisti e degli Esperti Contabili), the Consob provisions concerning corporate controls and activities of the Board of Statutory Auditors and the indications of the Self-Governance Code of the Company.

The Company's independent audit firm is KPMG S.p.A., for a term of nine fiscal years (2015-2023), as approved by the Shareholders' Meeting of April 29, 2015.

The nine-year appointment for the statutory audit, currently assigned to KPMG S.p.A., will conclude on the approval of the 2023 Annual Accounts.

Elica S.p.A., considered a Public Interest Entity (PIE) as a company listed on European regulated markets, is subject to the provisions of European Regulation No. 537/2014, Consob Regulation No. 11971 of May 14, 1999 (Issuers' Regulation or RE) and Legislative Decree No. 39/2010, as subsequently amended by Legislative Decree No. 135/2016, in implementation of Directive 2014/56/EU (hereinafter Legislative Decree No. 39/2010). Regulations applicable to the Company require it to ensure that the appointment of the independent audit firm is made through a competitive bidding process that complies with the provisions of Legislative Decree No. 39/2010. As per paragraph 1, letter f) of Article 19 of Legislative Decree No. 39/2010, as amended by Legislative Decree No. 135/2016, the Board of Statutory Auditors, as the Internal Control and Audit Committee, is "in charge of the procedure for selecting statutory auditors or independent audit firms and recommending statutory auditors or independent audit firms to be appointed pursuant to Article 16 of the European Regulations."

The Board of Statutory Auditors, in agreement with the relevant company functions, considered it appropriate to bring forward the selection procedure for the assignment of the statutory audit appointment for the fiscal years 2024-2032, so that it would be made at the Shareholders' Meeting called to approve the financial statements for 2022.

It is confirmed that the audit assignment submitted to the Shareholders' Meeting is scheduled to take effect from the date of conclusion of the current assignment to KPMG S.p.A., coinciding with the date of the Shareholders' Meeting that will be called to approve the financial statements for 2023.

The Board of Statutory Auditors has therefore overseen the setting up and conducting of the selection process and will draw up, in support of the resolution of the Shareholders' Meeting to be held on April 27, 2023, its reasoned proposal for the appointment of the independent audit firm for 2024-2032, indicating two possible alternatives and a preference for one of them.

In particular, also in accordance with the recommendations issued by Consob, we performed the following:

- we verified compliance with law, the By-Laws and the regulations;
- during the year:

- i) we met 22 times in the performance of our duties;
 - ii) we attended 2 Shareholders' Meeting, 9 Board of Directors' meetings, 4 Control, Risks and Sustainability Committee meetings and 4 meetings of the Appointments and Remuneration Committee;
- all meetings were held in compliance with the applicable laws, the By-Laws and the regulations governing their functioning. The motions were passed in compliance with law and the company By-Laws and were not imprudent, reckless or such as to compromise the integrity of the company's assets;
- periodically, we received information from the Directors on the general performance and on the outlook, as well as on the most significant operations, in terms of size and nature, carried out by the Company and its subsidiaries. In relation to such, we can reasonably assure that the actions taken are in conformity with law and the By-Laws of the company and were not imprudent, risk related, in potential conflict of interest or contrary to the motions passed, or such as to compromise the integrity of the company assets;
 - the following assignments were awarded to the KPMG S.p.A. and its network:

Type of service	Service provider	Company	Remuneration (Euro thousands)
Audit	Kpmg SpA	Elica S.p.A.	260
Audit	Kpmg SpA	Air Force SpA	16
Audit	Kpmg SpA	EMC Fime Srl	110
Audit	Kpmg Cardenas Dosal, S.C.	Elicamex S.A.de C.V.	47
Audit	Kpmg Polska	Elica Group Polska S.p.z.o.o.	38
Audit	Kpmg China	Zhejiang Elica Putian Electric Co. Ltd	47
Audit	Kpmg Japan	Ariafina CO., LTD	7
Other services	Kpmg SpA	Elica S.p.A.	59
Total			584

- we constantly monitored the independence of the Independent Audit Firm, noting the absence of any critical aspects;
- we held 4 meetings with KPMG S.p.A., in accordance with Article 150, paragraph 3 of Legislative Decree No. 58/1998. During the meetings no significant information warranting disclosure became evident;

- we have noted the changes to the organisational structure, overseeing its adequacy for the efficient and lean management of the business; in relation to this, there are no observations to report;

- we assessed the adequacy of the internal control system and of the administration and accounting system and its reliability to correctly represent operations, through the obtaining of information from managers and we reviewed company documents and oversaw the financial disclosure process in accordance with Article 19 of Legislative Decree No. 39/2010;
- we reviewed the adequacy of the instructions given by the Parent Company to its subsidiaries to receive in a timely manner all necessary information to comply with the obligations required by law;
- we did not detect any atypical and/or unusual transactions (as defined by Consob Communication No. DEM/6064293 of July 28, 2006). We acknowledge that the information provided in the Financial Report regarding significant non-recurring events and operations and transactions between group companies or with related parties is adequate;
- we note the following significant operations:
 - i) the buyback programme continued, which began with the authorising resolution of the Shareholders' Meeting of April 29, 2021 and the subsequent authorisation by the Shareholders' Meeting of April 28, 2022. At December 31, 2022, the Company held 577,169 treasury shares in portfolio, equal to 0.91% of the share capital;
 - ii) on July 1, 2022, the acquisition from Urbano Urbani, a minority shareholder of the subsidiary AIR FORCE S.p.A., of 40% of the share capital was finalised, and thus Elica S.p.A.'s shareholding rises to 100% of the share capital;
 - iii) on July 22, 2022, FAN S.r.l., holder of 33,440,445 shares of Elica S.p.A., and Tamburi Investment Partners S.p.A., holder of 9,233,701 shares of Elica, signed a new shareholder agreement and therefore on the same date that signed on July 24, 2019 and concluding on July 26, 2022 was no longer applicable.
 - iv) on September 28, 2022, the Shareholders' Meeting of the Company approved the distribution of an ordinary dividend of Euro 0.06 for each of the 63,322,800 ordinary shares, net of the 427,947 treasury shares held

in portfolio, from Retained Earnings, for a total amount of Euro 3,773,691.18;

- impairment tests were conducted according to the criteria and assumptions approved by the Board of Directors on February 14, 2023;
- the inter-company and related party transactions undertaken by the company and its subsidiaries in 2022, the parties involved and the relative economic effects are indicated in the notes to the financial statements, to which reference should be made, and which were appropriate and in the interests of the company;
- no petitions were received pursuant to Article 2408 of the Civil Code;
- no reports have been made to the board of directors pursuant to and in accordance with Article 15 of Legislative Decree No. 118/2021;
- on February 10, 2022 and March 16, 2022, as required by Article 2389, paragraph 3 of the Civil Code, we issued favourable opinions on the remuneration of the Executive Directors;
- the Company has complied with the Self-Governance Code promoted by Borsa Italiana S.p.A.; the Directors reported on such in the "*Corporate Governance and Ownership Structure Report*", approved by the Board of Directors on March 16, 2023;
- we have monitored, by acquiring information from the functions concerned, the disputes in which the Company is involved;
- we verified the company processes to draw up the remuneration policies of the Executive Directors, the Senior Executives and other key figures, both over the short and long-term, as outlined in the Remuneration Report, drawn up as per Article 123-ter and 84-quater of the Issuers' Regulation;
- we assessed at our meetings of March 11, 2023 and March 13, 2023 the existence of the requirements of our independence, including pursuant to the Corporate Governance Code for Listed Companies;
- we verified during the meetings of March 11, 2023 and March 13, 2023 the correct application of the assessment criteria and procedures adopted by the

- Board of Directors to assess the independence of its members and did not note any irregularities;
- we examined the declarations of the Chief Executive Officer and the Corporate Financial Reporting Manager, pursuant to Article 154-*bis* of the Consolidated Finance Act;
 - we note that the company has an Organisation and Management Model as per Legislative Decree No. 231/2001, structured by “business process” and that this model was last updated with Board of Directors’ motion of December 19, 2022;

- we held meetings with the Supervisory Board, reviewing the periodic reports prepared and received information on the activities scheduled for 2023;
- we acknowledge that pursuant to Legislative Decree No. 254/2016, implementation of EU Directive 2014/95 and in accordance with the provisions of Article 8 of EU Regulation 2020/852 "*Taxonomy Regulation* ", the Company has prepared, with reference to the financial year 2022, the consolidated non-financial report (NFR), which highlights the centrality and relevance that the Group attributes to sustainability objectives.

This NFR was approved by the Board of Directors on March 16, 2023, following its review by the Control, Risks and Sustainability Committee at its meeting of March 9, 2023. We do not report any observations in this regard.

In relation to the separate financial statements, we confirm that:

- they were prepared in accordance with International Accounting Standards (IAS/IFRS), as presented by the Board of Directors in the notes to the financial statements. The Directors have complied with current regulations regarding disclosure of the risk management and internal control system in connection with the financial reporting process;
- was prepared in compliance with the specifications required by EU Regulation No. 2019/85 ("ESEF Regulation") and, therefore, in the XHTML electronic format and presents, with reference to the consolidated financial statements at December 31, 2022, the *Inline* XBRL markings and the note block tags of the information according to the taxonomy indicated in the ESEF Regulation;
- the Notes to the Financial Statements provide information deemed appropriate to better represent the Company's equity, financial and operating situation;
- the information provided in the Directors' Report is complete and exhaustive, including with regard to subsequent events and the outlook, also considering the situation of uncertainty at the global level relating to the continued effects

of the COVID-19 health emergency and the ongoing conflict following the invasion of Ukraine by Russia.

With regards to the pandemic emergency, which was a feature also of 2022, we continued to supervise the adoption of the necessary prevention and containment measures in the workplace, in accordance with the indications issued by the competent Authorities.

We also monitored the effects and impact of the conflict between Russia and Ukraine on the performance of the Company and its business, including through the exchange of information with company officers and the independent audit firm. In this regard, we have noted the disclosures provided by the Directors in the financial statements.

KPMG S.p.A. today issued:

- the Auditors' Reports on parent company and consolidated financial statements without any exceptions or matters to be noted. Both the reports expressed an opinion on the consistency of the Directors' Report and of certain specific information contained in the corporate governance and ownership structure report with the financial statements, and on their compliance with law;
- the additional report required by Article 11 of Regulation (EC) 537/2014, upon which no significant deficiencies in terms of internal control regarding the financial disclosure process requiring reporting to the heads of "governance" were noted. As an attachment to the additional report, the Independent Audit Firm sent to the Board of Statutory Auditors the statement regarding its independence, as required by Article 6 of Regulation (EC) 537/2014, indicating no situations which may compromise such independence. This will be forwarded by the Board of Statutory Auditors to the Board of Directors;
- the report as per Legislative Decree No. 254/2016 and Consob Regulation No. 20267 on the Non-Financial Report of Elica S.p.A. and its subsidiaries, approved by the Board of Directors on March 16, 2023.

In the course of the supervisory activity and based on the information obtained, no significant omissions and/or significant matters or irregularities that would require reporting to the Supervisory Authority or mention in the present report were noted.

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Taking account of that outlined above, we do not indicate, to the extent of our remit, reasons which would prevent approval of the financial statements at December 31, 2022, as presented, nor observations regarding the proposal for the allocation of the net profit, drawn up by the Board of Directors.

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The Group consolidated financial statements have been reviewed by us and we report no further observations in this regard.

Jesi, March 27, 2023

THE BOARD OF STATUTORY AUDITORS

FREZZOTTI GIOVANNI - Chairperson

BELLI MASSIMILIANO - Statutory Auditor

ROMAGNOLI SIMONA - Statutory Auditor

(signed on the original)