

BOARD OF DIRECTORS' ILLUSTRATIVE REPORT REGARDING ITEM 5 ON THE AGENDA OF THE SHAREHOLDERS' MEETING CALLED FOR APRIL 27, 2023

Directors' Report prepared as per Article 73 of the regulation adopted with Consob Resolution No. 11971 of May 14, 1999 and subsequent amendments (the "Issuers' Regulation")

Dear Shareholders,

As regards item 5 on the Agenda: "Authorisation of the purchase and utilisation of treasury shares, following revocation of the previous authorisation for the portion not executed", you have been called to the Shareholders' Meeting to review and approve a motion to renew the authorisation to the Board of Directors relating to the purchase and utilisation of ordinary shares of Elica S.p.A. (hereinafter "**Elica**" or the "**Company**") pursuant to Articles 2357 et seq. of the Civil Code, Article 5 of EU Regulation (EU) No. 596/2014, Article 3 of Delegated Regulation (EU) 2016/1052, Article 132 of Legislative Decree No. 58/98 and subsequent amendments and supplements ("**CFA**") and Articles 144-*bis* and 144-*bis.2* of the Issuers' Regulation, and the relevant legislation in force.

At the date of this report (hereinafter the "**Report**"), the Company holds 710,350 treasury shares, purchased as part of a purchase plan that began in March 21, 2022 and is carried out in several tranches, the last of which expires on April 27, 2023. The number of shares held at the date of this Report may have changed by the date of the Shareholders' Meeting. At the beginning of the Shareholders' Meeting, the Company will provide information on the number of treasury shares it holds on that date.

Purchases were made in accordance with applicable Board and Shareholders' Meeting resolutions and were disclosed in the manner and within the time limits prescribed by law.

This year, therefore, on the occasion of the Shareholders' Meeting was called to approve the financial statements, the Board of Directors has once again deemed it appropriate to submit to the shareholders a proposal to renew the authorisation to purchase and utilise treasury shares, believing that having this power on an ongoing basis constitutes a tool of managerial and strategic flexibility for the Directors.

It remains understood that approval of the proposal referred to in this Report is subject to the revocation of the previous authorisation resolution, granted on April 28, 2022, for the portion not executed.

* * *

1) MAIN REASONS FOR THE REQUESTED AUTHORISATION TO PURCHASE AND UTILISE TREASURY SHARES.

Without prejudice to the limits imposed by applicable regulations on the matter, the Shareholders' Meeting was asked to authorise the purchase and utilisation of treasury shares in order to provide Elica 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) undertake 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 114-*bis* of the CFA; and/or
- c) act, where necessary, and in compliance with applicable provisions (including those serving market practices), directly or through authorised intermediaries, with the objective to contain irregular share price movements of the Company and/or to enable fluid trading; and/or

Elica S.p.A.

Via Ermanno Casoli, 2
60044 Fabriano
AN - ITALY

Phone + 39 0732 6101
Fax +39 0732 610249
Certified e-mail:
elicaspa@sicurezzapostale.it

elica.com SDI Code – Y1NM1XC

BUSINESS REGISTER No. and TAX CODE AN 00096570429
SHARE CAPITAL EURO 12,664,560 FULLY PAID-IN

AN ISO 9001 ISO 14001 ISO 45001
CERTIFIED COMPANY



- d) invest in treasury shares within the pursuit of company policies (for example utilising such as remuneration, including share swaps, for the acquisition of investments or in acquisition transactions of other companies), or where market conditions render such transactions advantageous; and/or
- e) utilise treasury shares for transactions such as sales, conferment, allocation, exchange or other disposals as part of agreements with strategic partners, or to serve any corporate transactions (e.g. convertible loans); and/or
- f) utilise treasury shares in guarantee of loans.

2) MAXIMUM NUMBER, CLASS AND NOMINAL VALUE OF THE SHARES TO WHICH THE AUTHORISATION REFERS.

The authorisation is requested for the purchase, including in several tranches, of ordinary Elica shares with a nominal value of Euro 0.20 each, up to a maximum number that, taking into account the Elica ordinary shares held in portfolio at a given time, does not exceed the maximum limit set by the applicable *pro tempore* regulations.

In this regard, we note that (i) at the date of the Report, this limit is set by Article 2357, paragraph 3 of the Civil Code, as 20% of the share capital, a percentage which is currently equivalent to 12,664,560 ordinary shares; (ii) for the purposes of calculating the limit at point (i) above, account should be taken also of the shares held by the subsidiaries; (iii) in accordance with Article 2357, paragraph 1 of the Civil Code, the maximum number of treasury shares acquirable should be covered by the distributable profits and available reserves from the latest regularly approved financial statements of the Company. Only fully paid shares may be purchased.

The maximum limit of aforementioned shares that can be held will be proportionally and automatically increased in the event of any increases in share capital enacted during the term of the authorisation, at all times in compliance with the maximum limit stipulated in Article 2357 of the Civil Code.

As regards the utilisation of shares, authorisation is requested for all of the treasury shares held, if any, and for acts of disposal to be carried out in one or more tranches, with no time limit.

3) ADDITIONAL INFORMATION TO FACILITATE FULL ASSESSMENT OF COMPLIANCE WITH THE PROVISION OF ARTICLE 2357, PARAGRAPH 3 OF THE CIVIL CODE.

As of today, Elica's subscribed and paid-in share capital amounts to Euro **12,664,560** and is composed of **63,322,800** ordinary shares, each with a par value of Euro 0.20.

The maximum total number of treasury shares that can be held directly or through subsidiaries may therefore currently not exceed 12,664,560 ordinary shares, corresponding to one fifth of the share capital.

We note that, at the date of the Report, none of Elica's subsidiaries owned shares in the parent company.

Transactions involving the purchase and utilisation of treasury shares will be carried out in compliance with applicable provisions, including those relating to the establishment, maintenance and use of unavailable reserves under Article 2357-ter, paragraph 3, Civil Code, and will be accounted for in accordance with the relevant accounting standards.

We note that:

- pursuant to Article 44-bis, paragraph 1, of the Issuers' Regulation, treasury shares held by an issuer as a result of both direct and indirect purchases are excluded from the calculation of the share capital used to calculate the shareholding for the purposes of the takeover bid obligation, subject to the provisions of paragraph 4 of the same Article;

- Article 44-bis, paragraph 1 of the Issuers' Regulation, in any case, does not apply when the authorisation to purchase treasury shares for the Issuer or its subsidiaries is also approved with the favourable vote of the majority of the Issuer's shareholders in attendance at the Shareholders' Meeting, other than the shareholder or shareholders who, separately or collectively, hold the majority interest, provided that it exceeds 10% of the share capital.

4) DURATION OF THE REQUESTED AUTHORISATION.

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 resolution. The Board of Directors may proceed with the authorised transactions on one or more occasions and at any time, to an extent which may be freely established in compliance with the applicable rules and considered to be in the interest of the Company.

This authorisation may be revoked if a new authorisation is approved by the Shareholders' Meeting called to approve the financial statements at December 31, 2023, allowing treasury shares to be purchased in the period between the end of the 18 months mentioned above and the next Shareholders' Meeting to approve the financial statements.

The authorisation for the utilisation of ordinary treasury shares is without time limit.

5) MINIMUM PURCHASE PRICE, MAXIMUM PURCHASE PRICE, AND DISPOSAL PRICE.

Purchase of treasury shares

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 share price recorded in the trading session before each transaction (b) not above a maximum of (i) Euro 7 and (ii) 105% of the official price of the share in the trading session before each transaction. It is expected that the purchases will be carried out at price conditions in line with that established by Article 3 Delegated Regulation (EC) 2016/1052 in enactment of Regulation (EC) 596/2014 and however in compliance with the applicable regulations and conditions and the limits fixed by Consob in relation to accepted industry guidelines, where applicable. These parameters are considered suitable to identify the interval of values for which the purchase is in the interest of the Company.

Disposal of treasury shares

As regards the price for the disposal of ordinary treasury shares, the Board of Directors proposes that the Shareholders' Meeting approves a minimum price that is not below 5% of the official share price recorded in the trading session before each transaction, and that it grant the Board of Directors the power to determine, on a case by case basis, any additional condition, method and terms of the act of disposal.

As an exception to the above:

- where the shares are subject to exchange, swap, conferral or any other non-cash utilisation, the economic terms of the transaction shall be determined by the Board of Directors in accordance with the purposes set out in this report and within the limits established by the applicable regulatory provisions;
- in the event that treasury shares are utilised to serve future equity incentive plans, the transaction will be carried out in accordance with the terms and conditions of those plans;
- where shares are used to carry out activities to support market liquidity, these sales must be made in accordance with the criteria established by Consob regarding permissible market practices and the applicable regulations.

6) PURCHASE AND UTILISATION METHODS.

The Board of Directors (or delegated parties thereof) 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 EU and national executing regulations, and in particular in compliance with Article 132 of the CFA, Article 144-bis, paragraph 1, letter b) of the Issuers' Regulation or as per the relative applicable regulation, in order to ensure equal treatment among shareholders. Accordingly, the purchases will be made, on one or more occasions, on regulated markets managed by Borsa Italiana S.p.A., under the operating procedures established by this latter.

Elica S.p.A.

Via Ermanno Casoli, 2
60044 Fabriano
AN - ITALY

Phone + 39 0732 6101
Fax +39 0732 610249
Certified e-mail:
elicaspa@sicurezzapostale.it

elica.com SDI Code – Y1NM1XC

BUSINESS REGISTER No. and TAX CODE AN 00096570429
SHARE CAPITAL EURO 12,664,560 FULLY PAID-IN

AN ISO 9001 ISO 14001 ISO 45001
CERTIFIED COMPANY



Treasury share purchases may be made using different procedures to those indicated above in the situations permitted by Article 132, paragraph 3 of the CFA or by other provisions applicable at the time of execution.

We note that the proposed authorisation to utilise treasury shares referred to in the Report shall also be understood to cover treasury shares already held by Elica at the date of the authorising Shareholders' Meeting resolution.

The shares to be purchased in execution of the Shareholders' Meeting authorisation, and those already held on that date, may also be utilised and, in this context, also disposed of, before the number of purchases subject to authorisation has been exhausted, on one or more occasions, without time limits, in the manner deemed most appropriate for the Company.

7) REDUCTION OF SHARE CAPITAL

The purchase transaction is not intended to reduce the share capital through the cancellation of treasury shares acquired.

* * *

PROPOSALS

In view of that above, should you be in agreement with that presented, the Board of Directors invites you to approve the following motion:

"The Shareholders' Meeting of Elica S.p.A.

- having considered the Board of Directors' Illustrative Report to the Shareholders' Meeting on the proposal;
- having noted the contents of Articles 2357 and 2357-ter of the Civil Code, Article 5, EU Regulation 596/2014, Article 3 of Delegated Regulation (EU) 2016/1052, Article 132 of the CFA, and Articles 44-bis and 144-bis of the Issuers' Regulation;
- on the basis of the information contained in the financial statements at December 31, 2022;

resolves:

1. to revoke, for the portion not executed, the authorisation to purchase and utilise treasury shares approved on April 28, 2022, which will be replaced by the current proposed authorisation;
2. to authorise the Board of Directors, pursuant to and in accordance with Article 2357 of the Civil Code, to purchase ordinary Elica S.p.A. shares, on one or more occasions, for a period of 18 months from the date of this motion, in the manner specified below:
 - a) the maximum number of shares to be purchased must not exceed, taking into account the treasury shares held from time to time in portfolio at the time of purchase and those held by subsidiaries, a limit of 20% of the share capital at the date of purchase or any other legally established maximum;
 - b) the purchase price per ordinary share is fixed as: (a) not below a minimum of 95% of the official share price recorded in the trading session before each transaction (b) not above a maximum of (i) Euro 7 and (ii) 105% of the official price of the share in the trading session before each transaction. It remains understood that the purchases must be made at price conditions in line with the provisions of Article 3 of Delegated Regulation 2016/1052 and in any case in compliance with the applicable regulations and conditions and the limits set by Consob in relation to accepted industry guidelines, where applicable;

- c) purchases must be made in the manner set out in the applicable regulations, in compliance with the conditions and restrictions set out in Articles 3 and 4 of Consob Regulation No. 2016/1052, taking into account Consob practices permitted under Article 13 of Regulation 596/2014;
- 3. to authorise the Board of Directors, pursuant to and in accordance with Article 2357-ter of the Civil Code, to utilise treasury shares, on one or more occasions, without time limits, in the manner deemed most appropriate in the interest of the Company and in compliance with applicable regulations, in the manner specified below:
 - a) the shares purchased may be utilised even before the number of purchases subject to this motion has been exhausted;
 - b) except as provided for in letters c), d) and e) below, the minimum price for disposals shall not be below 5% of the official share price recorded in the trading session before each transaction, and the Board of Directors shall be granted the power to determine, on a case by case basis, any additional condition, method and terms of the act of disposal.
 - c) where the shares are subject to exchange, swap, conferral or any other non-cash utilisation, the economic terms of the transaction shall be determined by the Board of Directors in accordance with the purposes set out in the Board of Directors' Report and within the limits established by the applicable regulatory provisions;
 - d) shares to serve future equity incentive plans shall be allocated to beneficiaries in accordance with the terms and conditions of those plans;
 - e) where shares are used to carry out activities to support market liquidity, these sales must be made in accordance with the criteria established by Consob regarding permissible market practices and the applicable regulations;
- 4. to authorise the Board of Directors to utilise treasury shares including those already held by Elica S.p.A. at today's date;
- 5. to grant the Board of Directors and, on its behalf, the Chairperson and the Chief Executive Officer, the broadest powers, severally and also through special proxies, to: (i) concretely and fully execute the resolutions referred to in the preceding points, with the power to make any amendments and additions that may be required by the competent authorities, including the power to grant any assignments to intermediaries qualified under the law; (ii) make any appropriate accounting entries; and (iii) provide the market with the necessary disclosure, pursuant to applicable regulations."

We trust that the above proposal will be met with your approval.

Fabriano, March 16, 2023

For Elica S.p.A.
The Chairperson of the Board of Directors