

**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

**BOARD OF STATUTORY AUDITORS' REPORT**

**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, 2023, we performed the supervisory activities required by law, in accordance with the "Conduct principles for the Board of Statutory Auditors in listed companies" and 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.

The Board of Statutory Auditors, in agreement with the relevant company functions, already in 2023, considered it appropriate to bring forward the selection procedure for the assignment of the statutory audit appointment for the fiscal years 2024-2032, and the Shareholders' Meeting of April 27, 2023 approved the proposal to award the assignment to the Independent Audit Firm EY S.p.A.

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 1 Shareholders' Meeting, 1 Extraordinary Shareholders' Meeting, 7 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	Fees (Euro thousands)
Audit	Kpmg SpA	Elica S.p.A.	236
Audit	Kpmg SpA	Air Force SpA	17
Audit	Kpmg SpA	EMC Fime Srl	86
Audit	Kpmg Cardenas Dosal, S.C.	Elicamex S.A.de C.V.	60
Audit	Kpmg Polska	Elica Group Polska S.p.z.o.o.	43

Audit	Kpmg China	Zhejiang Elica Putian Electric Co. Ltd	43
Audit	Kpmg Japan	Ariafina CO., LTD	7
Other services	Kpmg SpA	Elica S.p.A.	56
Other services	Kpmg SpA	EMC Fime Srl	3
<b>Total</b>			<b>551</b>

- 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 and during the meetings no data or information to be reported herein emerged;
  - the Independent Audit Firm KPMG S.p.A. was not awarded additional assignments by the company, other than those assigned, as required by the regulations, with the prior approval of the Board of Statutory Auditors;
  - 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) on July 5, 2023, a dividend in the total amount of Euro 4,378,111.50 (Euro 0.07 for each of the 63,322,800 outstanding ordinary shares, net of treasury shares held on the ex-dividend date and gross of statutory withholding taxes) was distributed from retained earnings (Shareholders' Meeting resolution of April 27, 2023);

- ii) on July 6, 2023, sale to the subsidiary AIR FORCE S.p.A. of the industrial plant located in the Municipality of Cerreto d'Esi (AN), at a price of Euro 1,700,000.00 (Board of Directors' resolution of June 23, 2023);
  - iii) on July 12, 2023, payment of the share capital and, as a result, completion of the incorporation of the company SOUTHEAST APPLIANCE INC., with registered office in Delaware - Wilmington – New Castle, with a corporate purpose to distribute products in the South East of the United States, with an agreement to sell up to 50% of the shares to ILVE S.p.A. (Board of Directors' resolution of April 27, 2023);
  - iv) on November 2, 2023, acquisition of 100% of AG International Inc. (newly incorporated company) for the distribution in Canada of Elica and Kobe brand products (Board of Directors' resolution of October 26, 2023);
- On March 21, 2022, the company launched a Buyback Plan authorised by the Shareholders' Meeting of April 29, 2021 and subsequently expanded with Shareholders' Meeting resolutions of April 28, 2022 and April 27, 2023. On December 31, 2023, the company had in portfolio 1,083,439 treasury shares, for 1.71% of the share capital;
  - impairment tests were conducted according to the criteria and assumptions approved by the Board of Directors on February 13, 2024 and reported in the notes to the financial statements;
  - the inter-company and related party transactions undertaken by the company and its subsidiaries in 2023, the parties involved and the relative financial 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 14, 2023 and March 16, 2023, 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 14, 2024;
  - 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 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 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 whose latest update was approved by the Board of Directors on October 26, 2023;
- we held meetings with the Supervisory Board, reviewing the periodic reports prepared and received information on the activities scheduled for 2024;
- on July 27, 2023, the Board of Directors, in application of the domestic or European Union regulations, pursuant to and in accordance with Legislative Decree No. 24 of March 10, 2023, on Whistleblowing (establishment of a special channel for internal reporting of violations of provisions) took steps to activate the special internal reporting channels, setting up the "IntegrityLog" platform. In this regard, we highlight that: i) the internal reporting channel guarantees the confidentiality of the whistleblower's identity; ii) the management of the reporting channel is entrusted to an internal team at the Company (Internal Audit and General Counsel); iii) the reporting channels are designed, implemented, and managed in a secure and technologically reliable manner;
- 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 2023, 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 14, 2024, following its review by the Control, Risks and Sustainability Committee at its meeting of March 7, 2024. 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, 2023, 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;

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 and which will be sent 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 14, 2024.

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, 2023, 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.

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Dear Shareholders,  
with the Shareholders' Meeting held to approve the financial statements for the financial year ending December 31, 2023, the mandates of the Board of Directors and the Board of Statutory Auditors conclude and we therefore invite you to resolve upon the matter.  
We thank you for the trust you have placed in us.

Jesi, March 27, 2024

THE BOARD OF STATUTORY AUDITORS

FREZZOTTI GIOVANNI            - Chairperson

BELLI MASSIMILIANO           - Statutory Auditor

ROMAGNOLI SIMONA            - Statutory Auditor