

El. En. S.p.A.

Headquarters Via Baldanzese 17 Calenzano (FI)
Florence Companies' Register no. 03137680488

Report of the Board of Statutory Auditors to the Shareholders' Meeting

pursuant to art. 2429 of the (It.) Civil Code and art. 153 of (It.) Legislative Decree no. 58 / 1998

Dear Shareholders,

The Board of Directors of El.En. S.p.A. presents to the Shareholders' Meeting of your company the draft Financial Statements as at 31.12.2023, which were delivered to the Board of Statutory Auditors on 14 March 2024.

During the financial year 2023, the Board of Statutory Auditors carried out its activities in compliance with the regulations of the "Consolidated Law on Financial Intermediation" (It.) Legislative Decree no. 58 of 24 February 1998 ("TUF"), with (It.) Legislative Decree no. 39 of 27 January 2010 and in accordance with the Rules of Conduct of the Board of Statutory Auditors of Listed Companies recommended by the National Board of Chartered Accountants and Accounting Consultants as well as with the provisions of Consob Communication of 6 April 2001, amended and supplemented by Communication DEM/3021582 of 4 April 2003 and subsequently by Communication DEM/6031329 of 7 April 2006 and the indications contained in the Corporate Governance Code approved by the Corporate Governance Committee of Borsa Italiana to which the Company adheres.

With reference to the provisions of art. 19 of (It.) Legislative Decree no. 39 of 27 January 2010, the Board of Statutory Auditors also acted as the Internal Control and Audit Committee.

Please note that, pursuant to (It.) Legislative Decree no. 58 of 24 February 1998 and (It.) Legislative Decree no. 39 of 27 January 2010, the auditing of the financial statements and consolidated financial statement is the responsibility of the company EY S.p.A. which the Shareholders' Meeting, on 4 June 2020, upon the proposal of this Board of Statutory Auditors pursuant to art. 13 and 17 of (It.) Legislative Decree no. 39 of 27 January 2010, entrusted with a statutory audit engagement for the financial years 2021 – 2029.

1. Appointment and Activities of the Board of Statutory Auditors

The Board of Statutory Auditors was appointed by the Shareholders' Meeting held on 29 April 2022 for a term of three financial years and, thus, until the date of the Shareholders' Meeting convened for the approval of the financial statements for the financial year 2024, in the persons of Mr Carlo Carrera (Chairman), Mr Paolo Caselli and Ms Rita Pelagotti (Statutory Auditors). During the financial year 2023, the Board of Statutory Auditors carried out its activities, holding 15 meetings; it also participated through one or more of its members in all meetings to which it was summoned and which it is entitled to attend, and more specifically: 1 instance of the Shareholders' Meeting, 6 meetings of the Board of Directors, 5 meetings of the Control and Risk Committee, Transactions with Related Parties and Sustainability and 1 meeting of the Remuneration Committee.

During the 2023 financial year, in compliance with the recommendations of the Corporate Governance Code, the Board of Statutory Auditors took part in various initiatives falling within the scope of an induction programme that involved the corporate governance bodies and the main

corporate departments, delving into various topics including corporate strategy and business development, organisation of internal control and risk analysis and management systems, human resources training, sustainability, corporate governance, regulatory and compliance aspects, the process of preparing the financial statements, reporting procedures from subsidiaries for the purposes of appropriate controls and the preparation of the consolidated financial statement, and relations with the shareholders.

It should be noted that, following the death of Alternate Auditor Ms Alessandra Pederzoli in June 2023, the Shareholders' Meeting held to approve the financial statements for the year ending 31 December 2023 is called upon to appoint a replacement.

2. Supervision of compliance with the law and the Articles of Association

The Board of Statutory Auditors has constantly received from the Administrators, also through participation in the sessions of the Shareholders' Meeting, the Board of Directors and the internal board committees, information on the activities carried out and on the most significant economic, financial and equity transactions resolved and implemented during the financial year, carried out by the Company and the Group companies, also pursuant to art. 150, paragraph 1 of the TUF. On the basis of the information obtained and available, the Board of Statutory Auditors can reasonably believe that such transactions comply with the law and the Articles of Association and are not manifestly imprudent, risky, in conflict with the resolutions of the Shareholders' Meeting or in potential conflict of interest or such as to compromise the integrity of the company's assets. The Board of Statutory Auditors monitored the Company's compliance with the disclosure obligations provided for by law on regulated, inside information or information required by the Supervisory Authorities, all in accordance with the outlines and contents provided by Consob.

The significant events of the financial year 2023, described by the administrators in the Management Report 2023 to which we refer, which the Board of Statutory Auditors deems appropriate to mention in view of their significance, include the following.

- On 15 March 2023 the Board of Directors of El.En. spa, at the proposal of the Remuneration Committee, resolved on the implementation of the stock option plan for the period 2026-2031, following the mandate given to it by the shareholders' meeting of 15 December 2022, identifying the beneficiaries of the plan, the quantities of options granted, the exercise windows, and the subscription price. In service of this Plan, the Board exercised the power conferred on it under art. 2443, paragraph II, of the Italian Civil Code, by the same shareholders' meeting, to increase, for consideration, in divisible form and with the exclusion of option rights pursuant to Art. 2441, paragraph V of the Italian Civil Code, the share capital up to EUR 45,955.00 by issuing 1,414,000 ordinary shares that may be subscribed by the assignees of the options under the aforesaid Plan, which will end on 31 December 2031. The Board would like to remind you that the criterion for the determination of the issue price of the shares at the service of the Plan was the subject of a favourable opinion, pursuant to and for the purposes of Articles 2441, paragraph VI of the (It.) Civil Code, and 158, paragraph II of the TUF, issued by the independent auditor EY S.p.A. The Board also amended art. 6 of the Articles of Association concerning the share capital in accordance with the above-mentioned resolutions.
- On 1 April 2023, the subsidiary Lasit S.p.A. participated in the incorporation of the company Lasit Laser Deutschland GmbH, with headquarters in Germany in the municipality of Immendingen, in which Lasit S.p.A. holds a 70% controlling interest.

- On 27 April, the Ordinary Shareholders' Meeting of the parent company approved the financial statements for the year 2022, which showed a net profit of EUR 31,472,330.00, resolving to distribute a dividend of EUR 0.22 gross per outstanding share for a total amount of EUR 17,573,197.84 and to allocate the remaining amount of EUR 13,899,132.16 to the extraordinary reserve.
- The same Shareholders' Meeting also approved the report on Remuneration and compensation paid, in accordance with art. 123-ter of the TUF paragraph 3-bis and art. 123-ter of the TUF paragraph 6.
- The same Shareholders' Meeting also authorised the Board of Directors to purchase, in one or more tranches, in compliance with regulations and the law, within eighteen months from the date of the resolution, treasury stock representing a number of ordinary shares that in any case, taking into account the shares held in the portfolio, does not exceed one fifth of the share capital at a unit price at the minimum less than the closing price that the share will have recorded in the stock exchange session on the day prior to the execution of each individual transaction, less 10%, and at the maximum, no more than 10% higher than the official trading price recorded on the day preceding the purchase as well as to put back into circulation, assign or transfer the shares within 10 years from the date of purchase in one or more tranches, at a price, or counter-value of no less than 95% of the average of the official trading prices recorded in the five days preceding the sale, all for the purposes, with the terms, conditions and procedures that the Board of Directors will determine at the time of the sale, assignment or transfer and in full compliance with the regulations in force.
- On the same date, the Extraordinary Shareholders' Meeting resolved to introduce and regulate the new figure of the honorary chairman by amending for this purpose art. 20 of the Articles of Association.
- On 11 May 2023, Penta Laser Zhejiang participated in the establishment of Zhejiang Monochr, a company set up to develop and manage wide-ranging research projects in the area of industrial applications of laser systems. The company is 35% owned.
- On 5 June 2023, HL S.r.l. was incorporated with headquarters in Calenzano by the subsidiary Cutlite Penta S.r.l. that controls 100% thereof.
- On 29 December 2023, the subsidiary Ot-las S.r.l. completed a purchase transaction from minority shareholders of 104,500 shares in the subsidiary Penta Laser Zhejiang for a counter-value of EUR 194,370, bringing its shareholding to 76%.
- During the fourth quarter of 2023, the subsidiary Lasit spa participated in the establishment of the company Lasit Laser UK with headquarters in Solihull, England, subscribing a quota equal to 70% of the capital.
- As mentioned in the dedicated section of the Notes to the Consolidated Financial Statements, during the preparation of the condensed interim consolidated financial statement as at 30 June 2023, the Group revised the determination made on 31 December 2022 relating to the representation, under international financial reporting standards, of the capital increase of Penta Laser Zhejiang subscribed between October and December 2022 by four Chinese private equity funds. Therefore, it deemed it more appropriate to reclassify the amounts previously recorded in the Group's equity under financial liabilities and, therefore, in accordance with IAS 8, paragraphs 41 and 42, proceeded to restate the previous year's shareholders' equity balances and net financial position.

- On 3 November 2023, the companies Cutlite Penta and Ot-las suffered extensive damage from the flooding in Tuscany, which affected, among others, the municipality of Campi Bisenzio. Damage to goods in warehouses, work-in-progress systems, and equipment resulted in costs of approximately EUR 1.7 million being recognised in the financial statements of the companies involved as at 31 December 2023. Other income due to Insurance refunds and any state reimbursements, if obtained, will be accounted for at the time of actual recognition and disbursement.
- With reference to the activities, started in 2022, preparatory to the possible filing of an IPO application on a regulated market in the Chinese territory, instrumental to the growth objectives in the sector, it should be noted that, as indicated in the Notes to the Financial Statements, the results accrued in the 2023 financial year in the Chinese territory are below expectations and, despite the excellent results recorded in Italy and on western markets, the business unit exhibits overall inadequate results for the filing of a successful IPO. In the course of 2023, the listing project was therefore put on hold until the countermeasures taken in China again outlined growth and profitability prospects capable of supporting the listing aspirations. In the first weeks of 2024, having found it impossible to proceed with an IPO application with reference to the 2023 results, the private equity funds that had invested in Penta Laser Zhejiang during 2022 submitted the contractually stipulated withdrawal request in their favour. We would also like to report that meetings are underway in which the funds are considering extending their membership, subject to commitments and guarantees being negotiated. The confirmation of the exit of the funds would result in the discontinuation of the IPO process and the need to identify alternative solutions for the business unit.
- In relation to what is mentioned under the previous point, please note that, in February 2024, a customer of Penta Laser Zhejiang initiated litigation by asserting claims for reimbursement and damages, for which it obtained the seizure of certain current accounts of Penta Laser Zhejiang. In light of the initial status of the litigation and the uncertainties as to the likelihood of losing the case, the company, with the support of its legal advisors, decided to conservatively set aside a total amount of Renmimbi 25 million (approximately EUR 3.2 million), which was recognised in the financial statements in the fourth quarter of 2023.
- As stated in the Corporate Governance Report, the company, pursuant to and for the effects of art. 2-ter of the Consob Issuers' Regulation, as of 31 December 2023 lost its SME qualification under art. 1, paragraph 1, letter w-quater, 1) of the TUF. On 8 January 2024, the public was informed, in the manner set out in Articles 65-quinquies, 65-sexies and 65-septies, of the variation in qualification. It should also be noted that the market capitalisation threshold stipulated by art. 1, paragraph 1, letter w-quater, 1) of the TUF, amounting to EUR 500 million, was increased to EUR one billion with effect from 27 March 2024 following the enactment of (It.) Law no. 21/2024. The Company, therefore, will proceed with the fulfilment of any obligations that will be established in implementation.

3. Supervision of compliance with the principles of proper administration and the adequacy of the organisational structure.

The Board of Statutory Auditors acquired knowledge of and supervised the adequacy of the organisational structure adopted by the company and its effective functioning, compliance with the principles of proper administration, the adequacy of the instructions issued by the Company to its subsidiaries pursuant to art. 114, paragraph 2 of the TUF, through the acquisition of

information from the heads of the competent corporate departments and through meetings held with the Independent Auditor as part of the mutual exchange of relevant data and information. The organisational structure, also following the introduction of the role of General Manager, is on the whole adequate in terms of structure, procedures, competences and control measures in relation to the size of the company and the type of activity carried out, also taking into account the provisions contained in the Corporate Crisis Code that came into force in 2022. No critical issues emerged from the exchange of information with the Boards of Statutory Auditors (or Sole Statutory Auditors) of the subsidiaries Quanta System S.p.A., Lasit S.p.A., Ot-las S.r.l., Cutlite Penta S.r.l., Deka MELA S.r.l. and Esthelogue S.r.l.

The Management Report contains the information received by the Board from the administrators during meetings of the Board of Directors, as well as from the Managing Director, the General Manager and management: examination of this information did not reveal the existence of any atypical and/or unusual transactions with Group companies, with third parties or with related parties.

3.1 Carrying out the self-assessment process.

The Board of Statutory Auditors has fulfilled its periodic self-assessment regarding its composition, independence and size, taking into account the Rules of Conduct of the Board of Statutory Auditors recommended by the CNDCEC (Standard Q.1.1., updated in 2019¹), relating to the self-assessment of the Board and the periodic internal process of assessment regarding the recurrence and permanence of the requirements of suitability of its members and the correctness and effectiveness of its functioning, and the Corporate Governance Code (*Principle VIII, Recommendation 9*).

The self-assessment process took into account the subjective profiles of the individual members and of the body as a whole, such as quantitative composition, qualitative composition, independence, honourableness, professionalism, diversity, availability of time and remuneration, and was concluded with a positive outcome, resulting in compliance with the requirements of the regulations in force.

The Board of Statutory Auditors also took note of the positive outcome of the assessments regarding the composition, size and functioning of the Board of Directors and of the committees, with particular regard to the requirements for independent administrators and the determination of remuneration. The Board of Statutory Auditors also monitored how the corporate governance rules laid down in the Corporate Governance Code, to which the Company adheres, were actually implemented.

4. Supervision of the internal control and risk management system.

The Board of Statutory Auditors, also in its capacity as the Internal Control and Audit Committee, monitored the adequacy of the internal control and risk management systems through:

- meetings with the top management of El.En. S.p.A. to examine the internal control and risk management system;
- regular meetings with the Internal Audit department in order to assess how work is planned, based on the identification and assessment of the main risks present in processes and organisational units;
- examination of the periodic Reports of the Supervisory Departments and periodic reports

¹ It should be noted that, in December 2023, CNDCEC issued the new Rules of Conduct for the Board of Statutory Auditors of Listed Companies containing the new standard Q.1.7. which envisages criteria and requirements in effect already applied by the board also in relation to the self-assessment carried out in March 2023.

on the results of monitoring activities and the implementation of any corrective actions identified;

- obtaining information from the various heads of the corporate departments of El.En. S.p.A. and of the Group to examine the results of the audits carried out by them, also for the purpose of periodic reporting, in relation to corporate risk monitoring activities;
- meetings with the supervisory bodies of the subsidiaries pursuant to paragraphs 1 and 2 of art. 151 of the TUF, during which the Board of Statutory Auditors acquired information on events deemed significant that affected the Group's companies and the internal control system;
- meetings with the Supervisory Body pursuant to (It.) Legislative Decree of 8 June 2001, no. 231 of El.En. S.p.A., which did not report any violations of the Organisational Model or, more generally, any critical issues in this area, as confirmed in its annual report;
- periodic sharing of the results of the work of the Independent Auditor;
- regular participation in the work of the Control and Risk Committee, Transactions with Related Parties and Sustainability of El.En. S.p.A. and, when the topics so required, joint discussion thereon with the committee.

In carrying out its control activities, the Board of Statutory Auditors therefore maintained a continuous dialogue with the Supervisory Departments.

The Internal Audit department of El.En. S.p.A. operates on the basis of an annual plan that defines which activities and processes are to be audited from a risk-based perspective, and this plan is subject to approval by the Board of Directors.

The activities carried out by the Internal Audit department during the financial year 2023 covered the planned scope of activities and no significant critical issues emerged from these activities.

The Board of Statutory Auditors acknowledges that the annual reports of the Supervisory Departments conclude with a favourable opinion on the overall set-up and adequacy of internal controls.

The Board of Statutory Auditors monitored the Company's control activities on the application and effectiveness of the internal procedures put in place to comply with the legal provisions on the protection of personal data governed by Regulation (EU) no. 679/2016 (known as the General Data Protection Regulation or GDPR).

On the basis of the activities carried out, the information acquired, and the content of the Reports of the Supervisory Departments, the Board of Statutory Auditors considers that there are no critical issues that could affect the structure of the control and risk management system.

5. Supervisory activities on the administrative accounting system and the financial disclosure process.

The Board of Statutory Auditors, also acting as the Internal Control and Audit Committee, pursuant to the provisions of art. 19 of (It.) Legislative Decree no. 39/2010, monitored the process and checked the effectiveness of the internal control and risk management systems with regard to financial disclosure.

The Board of Statutory Auditors, on the occasion of the appointment by the Board of Directors of the Executive in charge of preparing the company's financial reports, provided its favourable opinion pursuant to art. 154-bis of (It.) Legislative Decree no. 58/98.

The Board of Statutory Auditors met periodically with the Executive in Charge to exchange information on the administrative and accounting system, as well as on the reliability of the latter for the purposes of a correct representation of management events, and also examined the declarations of the Managing Director and of the Executive in Charge in accordance with the

provisions of art. 154-bis of the TUF.

The Board of Statutory Auditors found no evidence of deficiencies that could affect the judgement of the adequacy and effective application of the administrative and accounting procedures.

In their periodic meetings with the Board of Statutory Auditors, the Independent Auditors have not reported any critical situations that could affect the internal control system inherent in the Company's administrative and accounting procedures.

The Board also acknowledges that El.En. S.p.A., pursuant to the provisions of Regulation (EU) 2019/815, prepared the consolidated annual financial report in the European Single Electronic Format (ESEF).

6. Supervision of transactions with related parties and intercompany transactions.

Significant intercompany transactions or transactions with related parties are indicated and commented on in the Notes to the Financial Statements and in the Management Report.

The Board of Statutory Auditors would like to remind you that, by virtue of the resolution of 12 November 2010 of the Board of Directors, the Control and Risk, Transactions with Related Parties and Sustainability Committee, where necessary, also performs the functions of Committee for Related Party Transactions and Monitoring of Conflicts of Interest entrusted to it in light of the role attributed to independent administrators by art. 4, paragraph 3, of the Consob Related Parties Regulation and the *Internal Regulation on transactions with related parties* of El.En. S.p.A. approved on the same date and last amended on 30 June 2021, subject to the favourable opinion of the Board of Statutory Auditors.

The Board of Statutory Auditors, based on the information received from the administrators and discussions with representatives of the Independent Auditor, found that there were no atypical or unusual transactions entered into with group companies, related parties or third parties during the financial year 2023 or subsequent to the end of the financial year.

Pursuant to art. 4, paragraph 6, of the Consob Regulation containing provisions on transactions with related parties (adopted by resolution no. 17221 of 12 March 2010 and subsequently amended and supplemented) supervised the conformity of the procedures adopted by the Company (through the approval of specific regulations) with the principles indicated in the aforementioned Consob Regulation, as well as their compliance and correct application.

The Board of Statutory Auditors verified the adequacy, in terms of the valuation method applied, of the impairment test process adopted to detect the existence of any impairment losses on the assets recorded in the financial statements.

The Board of Statutory Auditors considers that the internal procedure adopted by the parent company in order to comply with the requirements of Art. 15 of the Market Regulations adopted by resolution no. 20249 of 28 December 2017 (referred to in the previous art. 36 of the Market Regulations adopted by resolution no. 16191 of 2007), in relation to the regulatory requirements concerning the conditions for the listing of parent companies of companies incorporated or regulated under the laws of non-EU countries and of significant relevance for the purposes of the consolidated financial statement is adequate.

7. Ways of implementing Corporate Governance rules in practice

In exercising its functions, the Board of Statutory Auditors, as prescribed by art. 2403 of the (It.) Civil Code and art. 149 of the TUF, supervised the way in which the corporate governance rules laid down in the codes of conduct to which El.En. S.p.A. declares its adherence are concretely implemented. El.En. S.p.A. adheres to the Corporate Governance Code promoted by Borsa Italiana S.p.A.; the Board of Directors appointed three independent administrators and established the

following committees: “Appointments Committee”, “Remuneration Committee” and “Control and Risk, Transactions with Related Parties and Sustainability Committee” (name changed in the course of 2021 due to the additional competences assigned to it) and drew up pursuant to art. 123-bis of the TUF the annual “Report on Corporate Governance and Ownership Structure” which provides information on:

- the corporate governance practices actually applied;
- the main features of risk management and internal control systems;
- the mechanisms for the functioning of the Shareholders’ Meeting, its main powers, the rights of Shareholders and the modalities of their exercise;
- the composition and functioning of the administrative and supervisory bodies and of the internal board committees, as well as other information required by art. 123-bis of the TUF.

The Board of Directors approved the “Report on Corporate Governance and Ownership Structure” on 14 March 2024.

As mentioned above, the Board of Statutory Auditors verified the correct application by the Board of Directors of the criteria and procedures adopted to assess the independence of non-executive administrators pursuant to art. 2 and 4 of the Corporate Governance Code to which the Company adheres.

In accordance with the recommendations of the Corporate Governance Code, the company has a shareholder relations policy in place that regulates the roles and methods of dialogue with shareholders and investors.

At a special meeting, the Board of Statutory Auditors received and examined the recommendations formulated in the letter of the Chairman of the Corporate Governance Committee for the year 2024 and shared its considerations with the company. The Control and Risk, Transactions with Related Parties and Sustainability Committee and the Board of Directors of the company, as reported in the corporate governance report, carried out their own examination of the contents of the letter, highlighting, in general, a substantial alignment on the topics covered by the recommendations and identifying, specifically, some possible areas for improvement.

8. Supervision of the statutory audit activity.

Pursuant to art. 19 of (It.) Legislative Decree no 39/2010 the Board of Statutory Auditors also identifies itself as the Internal Control and Audit Committee and carried out the prescribed supervisory activity on the statutory audit of the annual and consolidated accounts.

During the financial year 2023, the Board of Statutory Auditors met periodically with the Independent Auditor EY S.p.A. also pursuant to art. 150, paragraph 3 of the TUF in order to establish an effective exchange of information on the performance of their respective activities. In these meetings, the Independent Auditor did not point out any acts or facts deemed reprehensible or irregularities that required the formulation of specific reports pursuant to art. 155, paragraph 2 of the TUF.

The Board of Statutory Auditors also examined the Annual Audit Plan of El.En. S.p.A. prepared by EY S.p.A. and found it to be adequate.

The Independent Auditor issued a limited audit report on the condensed interim consolidated financial statement with no objections.

The draft of the Annual Financial Report as of 31 December 2023 (consisting of the consolidated financial statement, the consolidated non-financial statement and the financial statements for the year 2023, accompanied by the management report prepared by the administrators, as well

as the declaration of the Managing Director and the Executive in Charge) was submitted to the Board of Directors for approval at its meeting of 14 March 2024 and was simultaneously made available to the Board of Statutory Auditors.

On 29 March 2024, the Independent Auditor issued, pursuant to art. 14 of (It.) Legislative Decree no. 39/2010 and art. 10 of Regulation (EU) No. 537/2014 the audit reports on the financial statements of El.En. S.p.A. and consolidated financial statements of El.En. Group as at 31 December 2023.

With regard to the opinions and declarations, the Independent Auditor in its audit report on the annual financial statements and in that on the consolidated financial statement has:

- issued an opinion stating that the financial statement of El.En. S.p.A. provide a true and fair view of the statement of financial position of the Company as at 31 December 2023, of the profit and loss and cash flows for the year then ended in accordance with the International Financial Reporting Standards adopted by the European Union, as well as with the measures issued in implementation of art. 9 of (It.) Legislative Decree no. 38/2005;
- issued an opinion stating that the consolidated financial statement of El.En. Group gives a true and fair view of the Group’s statement of financial position as at 31 December 2023, of the financial result and cash flows for the year then ended in accordance with the International Financial Reporting Standards as adopted by the European Union, as well as the with measures issued in implementation of art. 9 of (It.) Legislative Decree no. 38/2005; the Report of the Independent Auditor contains a “Call for disclosure” regarding the recognition of capital increases by Chinese investment funds in the subsidiary Penta Laser Zhejiang and concludes with the expression of an unqualified opinion on this aspect;
- issued an opinion to the effect that the financial statements and consolidated financial statement have been prepared (in accordance with the provisions of Delegated Regulation (EU) 2019/815 EC in the European Single Electronic Format – ESEF) in XHTML format in accordance with the provisions of the aforementioned Delegated Regulation;
- issued an opinion stating that the Management Report and certain specific information contained in the Report on Corporate Governance and Ownership Structure are consistent with the annual and consolidated financial statements as at 31 December 2023 and have been prepared in accordance with the law;
- declared, with regard to any significant errors in the Management Report (art. 14, paragraph 2, letter g) of (It.) Legislative Decree no. 39/2010), on the basis of the knowledge and understanding of the Company and its context acquired in the course of the audit, that it has nothing to report.

The Independent Auditor submitted to the Board of Statutory Auditors (in its capacity as the Internal Control and Audit Committee) the additional report required by art. 11 of Regulation (EU) 537/2014, in which it states that it has not identified any significant deficiencies in the internal control system for financial reporting and/or in the accounting system; the same report also contains the declaration pursuant to art. 6, paragraph 2, letter a) of Regulation (EU) 537/2014 to confirm the absence of situations that could compromise its independence.

The Independent Auditor EY S.p.A. received the following engagements during the financial year 2023, whose fees, which are also reported in the notes to the financial statements as required by art. 149 duodecies of the Issuers’ Regulation, were charged to the income statement:

	Company providing the service	Receiver	notes	2023 fees (Euros)
Audit	EY SpA	El.En S.p.A		70.500
	EY SpA	Italian subsidiaries		68.500
	EY Network	Foreign subsidiaries		170.575
Certification services	EY SpA	El.En S.p.A	(1)	20.500
	EY SpA	Foreign subsidiaries		15.000
Other services	EY SpA	El.En S.p.A	2)	23.000
Other services	EY Network	Foreign subsidiaries	3)	28.721
				396.796

- (1) Summary examination of the Non-Financial Statement, Review of the Statement of Expenditure on Research and Development.
(2) Examination of the differences between the Group's current NFS reporting and the new reporting requirements introduced by the CSRD.
(3) Interim agreed review procedures

With reference to the “non-audit” engagements and the related fees, the Board of Statutory Auditors assessed their substantial adequacy in relation to the size and complexity of the work performed and their compatibility with the statutory audit engagement, not affecting the independence of the Independent Auditor.

9. Remuneration policies.

The Board of Statutory Auditors audited the corporate processes that led to the definition of the Company's remuneration policies, with particular reference to the remuneration criteria for the Managing Directors, the General Manager and the Executives with strategic responsibilities. The Remuneration Committee regularly reported to the Board of Directors during the financial year. To the extent of its competency, the Board of Statutory Auditors found that the Remuneration Committee carried out its activities during the financial year 2023 in compliance with the applicable provisions, with particular reference to the assessments made on the new stock option plan envisaged for the 2026-2031 period, as approved by the Board of Directors on 15 March 2023 and described in the Corporate Governance Report to which reference should be made.

10. Omissions or censurable facts, opinions rendered and initiatives taken.

During the financial year 2023 and up to the date of issue of this report, the Board of Statutory Auditors has not received any complaints pursuant to art. 2408 of the (It.) Civil Code nor has it received any complaints from third parties; no reports have been received from qualified public creditors pursuant to art. 25-novies of (It.) Legislative Decree of 12 January 2019 no. 14.

Consistently with its constant participation in the meetings of the Board of Directors and of the internal board committees during the 2023 financial year, where required by the applicable legal or regulatory provisions, the Board of Statutory Auditors expressed its opinion on the issues under discussion.

In the course of the activities carried out and on the basis of the information obtained, no omissions, reprehensible facts, irregularities or in any case significant circumstances such as to require reporting to the Supervisory Authorities or mention in this Report were detected.

11. Supervision of compliance with the provisions of (It.) Legislative Decree of 30 December 2016, no. 254 – Consolidated non-financial statement.

Pursuant to the provisions of art. 3, paragraph 7 of (It.) Legislative Decree no. 254/2016, art. 2403 of the (It.) Civil Code and art. 149 of the TUF, the Board of Statutory Auditors monitored compliance with the provisions set forth in the same decree with regard to the preparation of the Consolidated Non-Financial Statement (NFS – Sustainability Report) prepared by the company with reference to the companies belonging to the Industrial Group established by El.En. S.p.A. and its subsidiaries.

As far as non-financial information is concerned, the Board of Statutory Auditors acknowledges that it has received periodic information on the NFS drafting procedures, also with reference to the materiality analysis performed by the company and aimed at defining the areas of information on social, environmental and ethical issues considered relevant by the company.

The Board of Statutory Auditors therefore monitored the adequacy of the procedures, processes and structures that govern the production, reporting, measurement and representation of non-financial results and information, as well as the adequacy of the organisational, administrative and reporting and control system set up by the Company in order to enable to NFS to correctly and fully represent the Company's business activity, its results and its impacts with regard to non-financial issues as referred to in art. 3, paragraph 1 of (It.) Legislative Decree no. 254/2016.

The NFS was prepared in accordance with the "GRI Sustainability Reporting Standards" published by the Global Reporting Initiative (GRI), which are a universally accepted model for reporting an organisation's economic, environmental and social performance, according to the "Core" option, i.e. using universally applicable indicators considered important for most organisations.

As indicated in the NFS, during 2023 the company launched the process of adjusting sustainability reporting which envisages the transposition of the new European CSRD (Corporate Sustainability Reporting Directive) in force as of the financial statements as at 31 December 2024 and which introduced new reporting obligations in line with the new European Sustainability Reporting Standards (ESRS), including in the disclosure obligation also the preparation of information on activities identified as eligible with respect to the environmental objectives defined by EU Taxonomy 2020/852. This process will make it possible to close any gaps and to align the documentation with the new CSRD regulatory requirements for the financial statements as at 31 December 2024. In relation to the sustainability plan adopted, the Company reported that it has achieved its goals; as regards future prospects, please note that, in November 2023, the Board of Directors approved the new five-year Sustainability Plan 2023 - 2027, identifying specific and measurable sustainability activities and goals, on sensitive topics such as the fight against climate change, circular economy, the promotion of a responsible supply chain, the empowerment of people, and the contribution to the community.

The appointed Independent Auditor, EY S.p.A., has issued its Report on the Consolidated Non-Financial Statement pursuant to art. 3, paragraph 10 of (It.) Legislative Decree no. 254/2016 and art. 5 of the Consob Regulation adopted by resolution no. 20267 of 18 January 2018, concluding that no evidence has come to its attention to suggest that the Group's NFS is not prepared, in all material respects, in accordance with the requirements of articles 3 and 4 of (It.) Legislative Decree no. 254/2016 and the GRI Standards.

The supervisory activities carried out by the Board of Statutory Auditors did not reveal any facts that could be reported in this report.

Conclusions.

Considering all of the foregoing, the Board of Statutory Auditors, having considered the content of the reports prepared by the independent auditor, having acknowledged the declarations issued jointly by the Managing Director and the Executive in Charge with reference to the financial statements and the consolidated financial statement, hereby expresses its opinion in favour of approving the Financial Statement of El.En. S.p.A. as at 31 December 2023 and the proposed allocation of the year's net income as formulated by the Board of Directors on 14 March 2024.

Florence, 29 March 2024

The Board of Statutory Auditors

Carlo Carrera, Chairman of the Board of Statutory Auditors.

Paolo Caselli, Statutory Auditor.

Rita Pelagotti, Statutory Auditor

The English language version of this document is a courtesy translation of the original Italian document. Where possible differences in interpretation or errors in translation exist, the Italian text takes precedence.