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Diffusione presunta
Oggetto : New incentive plan

<i>Testo del comunicato</i>

Vedi allegato.

REGEM
3.1**Press release****New incentive plan**

- **Proposal of the new 2026-2031 Stock Option Plan**
- **Proposal to increase the share capital to service the Plan**

Florence, 27 October 2022 – El.En. S.p.A., a leading company in the laser sector, listed on the Euronext STAR Milan ("STAR") market of the Italian Stock Exchange, hereby gives notice that the Board of Directors, which met today, examined and approved, on the proposal of the Remuneration Committee, the guidelines and essential terms of the new incentive plan called "Stock Option Plan 2026 -2031" (the "Plan") to be submitted for approval to the Shareholders' Meeting to be convened on 15 December 2022, in single call (the "Shareholders' Meeting").

The Board therefore resolved to submit to the Shareholders' Meeting for approval the granting to the Board of Directors of a power to increase the share capital for a period of five years from the date of the resolution, even on several occasions for a maximum amount of Euro 65,000 to be allocated in full to capital through the issuing of a maximum of 2,000,000 new El.En. ordinary shares with no express par value.

The decision was taken by the Board in light of the Group's growth objectives and the current historical moment of uncertainty on the world economic scenario, aware of the importance of providing a long-term incentive for directors, employees and collaborators of the Group with strategic value.

In fact, the current Plan is exhausted, even if n. 143,565 options assigned to directors, employees and collaborators of the Company and its subsidiaries are still exercisable until, the expiration date of the previous plan 31 December 2025.

Modification of the remuneration policy

The Board of Directors, on the proposal of the Remuneration Committee, on 27 October 2022 resolved to supplement the remuneration policy by introducing, in continuity with the policies adopted since its establishment, a new share incentive plan reserved for members of the Board of Directors, collaborators and employees of the company and its subsidiaries.

The need of this change stems from the assessments carried out by the relevant corporate bodies about the opportunity, in relation to the ambitious growth and sustainability objectives of the company, to incentivize in this particular historical moment the individuals considered of strategic value for the achievement such objectives by the means of a long-term plan. In particular, since the options that can be assigned under the 2016-2025 stock option plan have been exhausted, the Board considers appropriate to provide a new *pool* of options that can be used to encourage or attract individuals that play, or will play, roles of strategic importance in the pursuit of its long-term objectives.

Therefore, without prejudice to the principles and objectives underlying the Remuneration Policy, the Board intends to submit to the shareholders' meeting for approval, pursuant to paragraph 3-bis of art. 123-ter of the TUF, the proposals for integration and amendment to the aforementioned Remuneration Policy aimed at (i) including a new stock option plan among the variable components of the remuneration of executive directors, general manager and managers with strategic responsibility of the Company and (ii) consequently redefining the composition and consistency of their compensation packages.

In particular, the Board considered it necessary to intervene on the current remuneration policy, even if it will expire with the next financial year, in order to immediately add an additional incentive tool with an immediate stimulating effect through a timely allocation of options to beneficiaries, encouraging them with medium-term monetary objectives and compensation to materialize from as of January 1, 2026 on.

It should be noted that the Plan provides that Directors of the Company may exercise any assigned and vested options only if the objectives assigned annually in relation to the variable component of their remuneration are achieved. With regard to the General Manager and any other strategic managers of the Company, the Plan provides that any options assigned and vested may be exercised only if the objectives assigned annually by the Board of Directors for this purpose are achieved.

In light of the above, the Board will submit the Plan to the Shareholders' Meeting which will be convened for 15 December 2022 in single call, which will be called, on a preliminary basis, to approve, pursuant to art. 123-ter, paragraphs 3-bis and 3-ter of Legislative Decree no. 58 of 24 February 1998 ("TUF"), a new remuneration policy to be adopted for the financial year 2022/2023 for directors, statutory auditors and managers with strategic responsibilities of El.En., which provides, in particular, the involvement in the Plan as one of the variable components of the remuneration of directors and executives with strategic responsibilities of the Company.

The second section of the report on the remuneration policy and remuneration paid for the year ended 31 December 2020 will not be the subject of consultation at the Shareholders' Meeting as it has not undergone any change compared to the one that has already received the favorable opinion, in accordance with the provisions of paragraph 6 of art. 123-ter of the TUF, of the Shareholders' Meeting held on 29 April.

Proposed Stock Option Plan 2026-2031

The Board therefore resolved to propose to the Shareholders' Meeting the approval of an incentive plan 2026-2031 in favor of directors, collaborators and employees of the El.En. Spa and its subsidiaries, to be implemented with the free assignment, even in several *tranches*, of option rights for the subscription of newly issued ordinary shares of El.En. Spa, the exercise of which will be regulated in the specific regulations that will be definitively approved by the Board of Directors when implementing the Plan.

Upon Shareholders' Meeting approval of the Plan, the Board of Directors will be instructed to define the details of the Plan and in particular to identify the recipients and determine the amount of Options to be assigned, as well as to determine the subscription price of the shares in accordance with the shareholders resolution.

Below is a summary of the essential information currently available on the Plan pursuant to art. 84-bis, paragraph 3 of the regulation adopted by Consob resolution no. 11971 of 14 May 1999, as subsequently amended (the "Issuers' Regulation").

Description of the recipients of the Plan

The Plan is intended for executive directors and/or managers with strategic responsibilities and/or employees and/or collaborators of the Company or Group companies.

Collaborators and employees belonging to the categories of managers, middle managers and employees of the Issuer and of its subsidiaries may also be Beneficiaries of the Plan.

The identification of the beneficiaries will be carried out by the Board of Directors, with the abstention from time to time of any Directors included among the beneficiaries, subject to the opinion of the Remuneration Committee, taking into account the importance of the respective position covered within the Company and/or the Group and taking into account the role played by them in the value creation process.

The names of the beneficiaries and the other information provided for in paragraph 1 of Schedule 7 of Annex 3A to the Issuers' Regulations, will be provided in the manner and within the terms indicated in art. 84-bis, paragraph 5 of the Issuers' Regulation.

Essential elements relating to the characteristics of the financial instruments on which the Plan is based

The Plan provides for the free assignment to each of the beneficiaries of option rights ("the Options") for the subscription of newly issued ordinary shares of El.En. (the "Shares") based, inter alia, for directors and strategic managers of the Company upon the achievement of certain performance objectives and specific vesting conditions, which reflect the most relevant metrics related to the creation of value for the Group.

The assignment of Options will be performed from 1 January 2023 also in several *tranches* exercisable starting from 1 January 2026 and a final term on 31 December 2031.

Reasons for the Plan

The Plan is part of the tools used by the Company and the Group to supplement the remuneration package of key figures through variable components also linked to the achievement of certain performance objectives, according to the best market practices. The Company believes that the Plan is a further effective incentive and retention tool aimed at maintaining where needed improving, the performance of strategically important personnel in light of contributing to the development of the Company and the Group and ensuring its sustainable success.

In particular, with reference to directors and strategic managers, it is considered that the integration of the current remuneration policy regarding fixed and variable components - as described in the annual report pursuant to articles 123-ter T.U.F. and 84-quarter Issuers' Regulation - with the assignment of *stock options* can constitute an additional valid and effective means of retention, motivation and, if necessary, attraction of individuals professionally qualified to manage the Company and the Group to achieve their objectives.

In particular, the Company believes that an incentive plan based on Options, with a duration of six years and specific performance objectives, represents the most effective incentive tool meeting at best the interests of the Company and the Group.

The explanatory report of the Board of Directors and the information document relating to the Plan will be made available to the public within the deadline for publication of the notice of call of the Shareholders' Meeting in the manner and terms set out in Articles. 114-bis and 125-ter, paragraph 1, TUF and subsequent amendments and 84-bis and 84-ter Issuers' Regulation.

Proposal for delegation to increase the share capital to service the Plan

The implementation of the Plan, if approved by the Shareholders' Meeting, will take place through a capital increase pursuant to the fifth paragraph of art. 2441 of the Italian Civil Code, with the exclusion of the current shareholders option rights as it is placed at the service of the aforementioned plan, delegated pursuant to and for the purposes of art. 2443 of the Italian Civil Code to the Board of Directors. Therefore, if authorized, the Board will have the right, by 2027 to increase, in one or more times, the company's share capital by a maximum nominal value of Euro 65,000.00, by issuing a maximum number of 2,000,000 ordinary shares with no par value expressed, to be paid in, with the same rights of the Company's ordinary shares at the date of subscription, to be paid at a price to be determined by the Board of Directors in compliance with the provisions of art. 2441, of the Italian Civil Code - i.e. on the basis of the value of shareholders' equity, also taking into account the trend in the prices of shares on the stock exchange in the last six months - and with a per share price, including the share premium, equal to the arithmetic average of the official prices recorded by the Company's ordinary shares on the Market organized and managed by Borsa Italiana s.p.a. in the 6 (six) months prior to the allocation of options, provided that this value is not lower than that determined based on the net consolidated equity of El.En. by December 31st of the last financial statements issued as of the date on which the options are assigned. The documentation containing all the details required by law, including the opinion of the auditing firm pursuant to the combined provisions of Articles. 2441, VI paragraph, c.c. and 158, I paragraph, TUF will be made available within the terms of the law.

El.En. is the leader of a high-tech Industrial Group, operating in the opto-electronic sector, which produces with its own technology and multidisciplinary know-how laser sources (gas, semiconductor, solid and liquid) and innovative laser systems for medical and industrial applications. The El.En. Group, leader in Italy in the laser market and among the first operators in Europe, designs, manufactures and markets worldwide:

- *Medical laser equipment used in dermatology, surgery, aesthetics, physiotherapy, dentistry, gynecology.*
- *Industrial laser systems for applications ranging from cutting, marking and welding of metals, wood, plastics, glass to the decoration of leathers and fabrics up to the conservative restoration of works of art;*
- *Systems for scientific applications/research.*

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Initials: ELN

Traded on Euronext STAR Milan ("STAR")

Mkt cap.: 0,9B di euro

Cod. Reuters: ELN.MI

Cod. Bloomberg: ELN IM

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