



AQUAFIL S.p.A.

GENERAL SHAREHOLDERS' MEETING

on October 10th, 2024 at 15:00, in 20121 - via Filodrammatici, 3, Milan, in single call

(pursuant to Article 125-ter of Legislative Decree No. 58/1998, Article 72, paragraph 1-bis, and Article 84-ter of Consob Regulation No. 11971/1999 and Article 2441, paragraph 6, of the Italian Civil Code)

Illustrative Report of the Board of Directors on the motion pertaining to item 2 on the Agenda of the Extraordinary session of the General Shareholders' Meeting to be held on on October 10th, 2024 at 15:00, in 20121 - via Filodrammatici, 3, Milan, and regarding:

“2. Proposal to vest the Board of Directors with the delegated powers, pursuant to Article 2443 of the Italian Civil Code, to carry out a divisible or not-divisible increase of the Company's share capital, against cash payment, on one or more occasions, including in one or more tranches, valid until December 31, 2025 and for a maximum amount of €40,000,000,00 including any share premium, without option rights pursuant to Article 2441, paragraphs 5 and 6, of the Italian Civil Code, in addition to powers to define the terms and conditions of the capital increase, in compliance with any applicable laws and regulatory provisions in force. Ensuing amendment of Article 5 of the By-laws. Relevant and ensuing resolutions.”

This report has been prepared pursuant to Article 125-ter, paragraph 1, of Legislative Decree No. 58 dated February 24, 1998, as further amended and extended (“TUF”), Article 72, paragraph 1-bis, as well as Article 84-ter of Regulation No. 11971 issued by Consob on May 14, 1999, as further amended and extended (“**Issuers' Regulation**”), and Article 2441, paragraph 6, of the Italian Civil Code, and pertains to item 2 placed on the Agenda of the Extraordinary session of the General Shareholders' Meeting of Aquafil S.p.A. (“**Aquafil**” or the “**Company**”) scheduled for October 10th, 2024 at 15:00, in 20121 - via Filodrammatici, 3, Milan, in single call.

This Report will be made available to the public at the Company's registered office, on the corporate website (www.aquafil.com) and in the other manners provided for by Consob Regulation.



Item 2 on the Agenda of the Extraordinary session

Proposal to vest the Board of Directors with the delegated powers, pursuant to Article 2443 of the Italian Civil Code, to carry out a divisible or not-divisible increase of the Company’s share capital, against cash payment, on one or more occasions, including in one or more tranches, valid until December 31, 2025 and for a maximum amount of €40,000,000,00 including any share premium, without option rights pursuant to Article 2441, paragraphs 5 and 6, of the Italian Civil Code, in addition to powers to define the terms and conditions of the capital increase, in compliance with any applicable laws and regulatory provisions in force. Ensuing amendment of Article 5 of the By-laws. Relevant and ensuing resolutions.

Dear Shareholders,

With regard to **Item 2** on the Agenda of the Extraordinary session of the General Shareholders’ Meeting, you have been convened to discuss and resolve upon, *inter alia*, the proposal to vest the Board of Directors with the delegated powers, pursuant to Article 2443 of the Italian Civil Code, to carry out a divisible and/or not-divisible increase of the Company’s share capital, against cash payment, on one or more occasions, including in one or more tranches, valid until December 31, 2025 and for a maximum amount of €40,000,000, including any share premium, without option rights pursuant to Article 2441, paragraphs 5 and 6, of the Italian Civil Code, in addition to powers to define the terms and conditions of the capital increase, in compliance with any applicable laws and regulatory provisions in force (“**Delegated Powers**”), and the ensuing amendment of Article 5 of the By-laws.

This Report (“**Report**”) is aimed at illustrating the above-mentioned proposal to the General Shareholders’ Meeting.

1. Delegated Powers

Article 6.2 of the By-laws, in compliance with the provisions of Article 2443 of the Italian Civil Code, establishes that the General Shareholders’ Meeting may authorize the Board of Directors to increase the share capital, on one or more occasion, up to a specific amount and over a period of no more than five years following the date of the related Shareholders’ resolution, by exclusively issuing ordinary shares of the Company, pursuant to the provisions of the By-laws.



For the reasons and objectives illustrated hereunder, the Delegated Powers aim to vest the Board of Directors with the powers to carry out a divisible share capital increase, against cash payment, on one or more occasions, including in one or more tranches, valid until December 31, 2025 and for a maximum amount of €40,000,000, including any share premium, and with the additional quantitative limit indicated herein, without option rights pursuant to Article 2441, paragraphs 5 and 6, of the Italian Civil Code ("**Capital Increase**" or, in the plural form, "**Capital Increases**").

The Delegate Powers will enable the Board of Directors to avail of a tool that enables the Company, under favorable conditions, to enter into any agreements with partners and/or third-party investors that would contribute all or part of the resources for pursuing the Company's strategic objectives as set out in the 2024-2026 Industrial Plan approved by the Company's Board of Directors on August 29, 2024 (the "**Industrial Plan**"). In this regard, it should be noted that under the Industrial Plan, in order to implement the initiatives envisaged therein, in addition to the resources available and those generated by core operations, resources amounting to €40,000,000,00 will have to be raised by way of a capital increase.

In detail, it must be pointed out that:

- the exclusion or limitation of the option right pursuant to Article 2441, paragraph 5, of the Italian Civil Code may only be carried out if the Board of Directors deems it appropriate that the newly issued shares be offered for subscription to qualified/institutional investors (including foreign investors) and/or to parties and/or partners carrying out activities similar, related, synergistic and/or instrumental to those of the Company;
- on the occasion of each individual resolution passed by the Board of Directors in exercising its Delegated Powers, pursuant to Article 2441, paragraph 5, of the Italian Civil Code, the Board of Directors shall draw up the reports provided for therein and, pursuant to Article 158 of TUF, shall obtain the Independent Auditors' favorable opinion on the fairness of the issue price of the new shares.

Granting Delegated Powers is the most appropriate tool to ensure that the interests of the Company and of its shareholders are met, allowing the Board of Directors to determine: i) the amount of the capital increases; ii) the final value and issue price of the new shares, also on the basis of market performance and the Company's needs; iii) the most appropriate ways to seize the opportunities that may arise on the market.



Without prejudice to the limits imposed by the Delegated Powers and the applicable regulations, the Board of Directors shall determine the actual methods and timing for executing the Capital Increase with Option Rights, as well as the proportions of the various tranches of the said Capital Increase.

2. *Reasons underlying the Delegated Powers and Capital Increase — Criteria for exercising the Delegated Powers*

The Delegated Powers, as described above, and the Capital Increase are intended to provide the Board of Directors with a tool that can be activated in a not particularly complex manner, mainly in connection with capital transactions aimed at raising the financial resources needed to support the Industrial Plan. It is also worth noting the rapidity with which the Delegated Powers may be activated and become effective — a feature that may enable the Board of Directors to respond promptly and effectively to any opportunities that might arise in the contexts described above.

The exclusion of option rights may also make it possible to offer newly issued shares to third parties, broadening the Company's shareholding structure, with particular reference to institutional and/or qualified investors, both Italian and foreign, as well as to potential industrial partners interested in investing in Aquafil. In addition, it will also allow to increase the free float, thus ensuring not only greater stock liquidity, but also greater visibility and better positioning of the Company on the market.

Any funds raised through the exercise of the Delegated Powers will be used to meet the Company's future financial and growth needs, as set out in the Industrial Plan.

It should also be noted that the Board of Directors may exercise its Delegated Powers to raise the resources to support the Plan as a possible alternative and complementary strategic option to the execution of the share capital increase with option rights, which the General Shareholders' Meeting has been convened to resolve upon, as per item 1 (the "**Capital Increase with Option Rights**"), in order to provide the Company with maximum flexibility. In addition, it bears noting that on the basis of the Delegate Powers, capital increases may only be resolved for amounts that — added to the actual amount of the Capital Increase with Option Rights executed — do not exceed, in any way, the maximum total amount of €40 million provided for the implementation of the Industrial Plan.

3. *Reasons for excluding options rights pursuant to Article 2441, paragraphs 4, 5 and 6 of the Italian Civil Code*



The Board of Directors believes that the granting of the Delegated Powers with the exclusion of option rights provides the Company with a financing tool capable of raising funds from the non-bank capital market in a short time and at low cost, thereby increasing the Company's free float. The Board of Directors considers this transaction to be in the best interests of the Company for the following reasons:

- possibility to provide itself with a flexible tool that may be a possible alternative and complementary strategic option to the raising of funds to support the Industrial Plan by means of the Capital Increase with Option Rights;
- possibility to increase and diversify the number of shareholders by attracting new partners and investors, in addition to strategic operators and institutional investors, also with a view to guaranteeing greater liquidity and solidity of the Aquafil stock in the interest of the existing shareholders;
- possibility to offer the newly issued shares also to a single party selected by the Board of Directors, thus executing the capital increase required for this purpose to be carried out more quickly and at lower costs to the Company, thereby facilitating the successful raising of funds to service the Plan.

The Board of Directors believes that, for the reasons set out above, the execution of the Capital Increase represents a reasonably convenient solution in the interest of the Company, justifying the exclusion of the option rights pursuant to Article 2441, paragraph 5, of the Italian Civil Code.

4. Terms and conditions of the Capital Increase, including the criteria for determining the issue price of the new shares of the Capital Increase

In line with market practice for similar transactions, it is proposed that the Shareholders' Meeting grant the Board of Directors any and all broadest powers to determine the methods, terms and conditions of the Capital Increase, including the powers to:

- (i) establish the issue price of the new ordinary shares ("**Subscription Price**"), and in particular the portion to be allocated to the share capital and that to be allocated to the share premium reserve, it being understood that the Subscription Price shall not be lower than the implicit accounting value at the date of the resolution passed to grant the said Delegated Powers. The Subscription Price (and therefore the maximum number of shares in service of the capital



increase) shall be established in compliance with the provisions of Article 2441, paragraph 6, of the Italian Civil Code;

- (i) determine the size of the issue, it being understood that (i) without prejudice to the maximum limit of €40,000,000 envisaged by the Delegated Powers, Capital Increases may only be resolved for amounts that — added to the actual amount of the Capital Increase with Option Rights executed — do not exceed, in any way, the maximum total amount of €40,000,000 provided for by the Industrial Plan to implement the initiatives envisaged therein, and (ii) the ordinary shares resulting from the Capital Increase shall have the same characteristics and shall grant the same rights as the ordinary shares outstanding at the time of the issue;
- (ii) determine the proportions of any tranches of the Capital Increase within the time limit provided for the Delegated Powers;
- (iv) establish the timing for executing the Capital Increase resolution.

The criteria and reasons set out herein constitute the principles to be followed by the Board of Directors in exercising its Delegated Powers.

5. Term of the Delegated Powers and period set for the execution of the Capital Increase

Should this proposal be approved by the Extraordinary Shareholders' Meeting of the Company, the Delegate Powers may be exercised until December 31, 2025, after which they will automatically expire.

The timing for exercising the Delegated Powers pursuant to Article 2443 of the Italian Civil Code, as well as the conditions for the said exercise, will depend on the actual circumstances and concrete opportunities that will arise and will be disclosed to the market as soon as they are determined by the Board of Directors.

6. Amount for which Delegated Powers may be exercised

It is proposed that the total amount of the Capital Increase, including any share premium, to be carried out by exercising the Delegated Powers be set at a maximum of €40,000,000,00 it being understood that capital increases may only be resolved for amounts that — added to the actual amount of the Capital Increase with Option Rights executed — do not exceed, in any way, the maximum total amount of €40,000,000 provided for the implementation of the Industrial Plan.

7. Date of entitlement to the newly issued shares



The ordinary shares to be issued following execution of the Capital Increase will confer ordinary dividend entitlement and will grant their holders the same rights as the ordinary shares outstanding at the time of issue.

8. Economic and financial impact of the Capital Increase and dilution effects

The Company will duly disclose to the public, as part of the disclosure to be made available to the public at the time of the exercise of the Delegated Powers, any economic and capital effects of the Capital Increase, as well as the effects of the Capital Increase on the unit value of the shares and the dilution for the Company's shareholders.

9. Amendments to the By-laws

Should the proposal for granting the Delegated Powers be approved by the Extraordinary Shareholders' Meeting, it will be necessary to amend Article 5 of the Company's By-laws accordingly, by adding the new paragraph 5.11, which reports the resolution approved by the General Shareholders' Meeting.

A comparison of the above-mentioned Article 5 in its current and proposed text is given here below.

The text to be added according to the proposal is given in bold.

Current text	Proposed text
Article 5	Article 5
<p>Company's share capital amounts to €49,722,417.28 (forty-nine million seven hundred twenty-two thousand four hundred seventeen point twenty-eight) and is divided into 51,218,794 (fifty-one million two hundred eighteen thousand seven-hundred ninety-four) shares, including 42,902,774 (forty-two million nine-hundred two thousand seven hundred seventy-four) ordinary shares, 8,316,020 (eight million three hundred sixteen thousand twenty) Special B Shares (the "B Shares") and 0 (zero) Special C Shares (the "C Shares"), all of which bear no specific face value. On December 23, 2016, the</p>	<p>[unchanged]</p>

Current text	Proposed text
<p>Extraordinary Shareholders' Meeting resolved, <i>inter alia</i>: - to increase the share capital, against payment, in one or more tranches, in the overall amount of no more than €10,400,000, inclusive of share premium, to be set aside to cover the exercise of the corresponding 800,000 "Aquafile S.p.A. Sponsor Warrants", through the issue of no more than 800,000 ordinary shares bearing no specific face value, at the price of €13.00 (thirteen point zero zero), with a book value of €1.00 reflected in the implicit accounting value, and €12.00 by way of share premium; the deadline mentioned in Article 2439 of the Italian Civil Code, the entitlement to dividend rights and the entry into force of the effects of the aforesaid share capital increase are all regulated in the same Shareholders' resolution.</p>	
<p>5.2 The ordinary shares, the B Shares and the C Shares, as well as the warrants, are subject to dematerialization within the meaning of Articles 83-<i>bis et seqq.</i> of Legislative Decree No. 58/1998.</p>	<p>[<i>unchanged</i>]</p>
<p>5.3 All ordinary shares are registered, indivisible, and freely transferrable, and bear equal rights. More specifically, each ordinary share bears the right to one vote at ordinary and extraordinary Shareholders' Meetings, together with all the other equity and administrative rights arising under law and/or these bylaws.</p>	<p>[<i>unchanged</i>]</p>
<p>5.4 All B Shares bear the same rights as ordinary shares, to the sole exception of the following:</p>	<p>[<i>unchanged</i>]</p>

Current text	Proposed text
<p>a) each B Share bears the right to three votes, within the meaning of Article 127-<i>sexies</i> of Legislative Decree No. 58/1998, at General Shareholders' Meetings, without prejudice to any and all restrictions imposed under law;</p> <p>b) B Shares shall be subject to automatic conversion into ordinary shares on a one-to-one basis (with the need for any special resolution to be passed either by holders of B Shares, or by the General Shareholders' Meeting as a whole):</p> <p>a. in the event of the transfer of B Shares to persons or parties that do not already hold B Shares, save where the transferee is: (i) a person or party that directly or indirectly controls or is directly or indirectly controlled by or is otherwise directly or indirectly subject to common control by the transferor, it being understood that in all such cases, should the transferee no longer directly or indirectly control or be directly or indirectly controlled by or be otherwise directly or indirectly subject to common control by the transferor, all the B Shares held by the transferee shall be automatically converted into ordinary shares on a one-to-one basis;</p> <p>b. should any holder of B Shares no longer be directly or indirectly controlled, by (i) Giulio Bonazzi, (ii) Roberta Previdi, (iii) Silvana Bonazzi, (iv) Francesco Bonazzi and/or (v) one or more of the heirs of the body of both (and not of either of) Giulio Bonazzi and Roberta Previdi, each of whom, jointly and/or severally with one or more of the other persons mentioned in paragraph 5.4(b)b (for clarity purposes only, account</p>	

Current text	Proposed text
<p>must be taken of the sum total of the equity interests held by the various persons mentioned in this paragraph, even if the said persons have not entered into any shareholder agreements);</p> <p>c) any and all holders of B Shares may obtain the conversion of some or all of their B Shares into ordinary shares, on a one-to-one basis, by forwarding a simple request to such effect to the Chairperson of the Company’s Board of Directors, duly carbon-copied to the Chairperson of the Board of Statutory Auditors.</p> <p>The conversion of B Shares into ordinary shares shall be witnessed in a Board of Directors’ resolution to be passed with the majorities contemplated under law. Should the Board of Directors fail to pass the aforesaid resolution, the conversion of B Shares into ordinary shares shall be witnessed in a resolution of the Board of Statutory Auditors passed by a majority of its members in attendance.</p> <p>In no event may ordinary shares be converted into B Shares.</p> <p>For the intents and purposes of the above, the noun “control”, the verb “to control” and like terms denote (including with regard to individuals) the relationships contemplated in paragraph 1, subparagraphs 1) and 2), and paragraph 2 of Article 2359 of the Italian Civil Code.</p>	
<p>5.5 C Shares bear the same rights as ordinary shares, to the sole exception of the following:</p>	<p>[unchanged]</p>

Current text	Proposed text
<p>a) C Shares bear no voting rights whatsoever at the Company’s ordinary and extraordinary Shareholders’ Meetings;</p> <p>b) C Shares bear no entitlement to any ordinary dividends whatsoever subject to distribution by Shareholders’ resolution;</p> <p>c) C Shares are non-transferrable through to April 5, 2022, save in the event of (i) the transfer of special shares to shareholders in Space Holding S.r.l. that exercise their right of withdrawal, following the procedure for the liquidation in kind of their shareholdings; and (ii) the assignment of special shares to the corporate entity appointed as the beneficiary of the proportional de-merger of Space Holding S.r.l. entailing, inter alia, the equity interest of Space Holding S.r.l. in the Company;</p> <p>d) at the time of issue, each C Share bore the right to the assignment of 2 “Space3 S.p.A. Sponsor Warrants” (now known as “Aquafil S.p.A. Sponsor Warrants”);</p> <p>e) C Shares shall be subject to automatic conversion into ordinary shares at a conversion ratio of 4.5 (four point five) ordinary shares for each C Share, without the need for any consent whatsoever from the holders of C Shares and without entailing any change in the Company’s share capital, it being understood that the said conversion shall give rise, within 60 months following the entry into effect of the merger by incorporation of Aquafil S.p.A. into Space3 S.p.A. (now known as Aquafil S.p.A) (the “Merger”), to a reduction in the implicit accounting value of the</p>	

Current text	Proposed text
<p>ordinary shares, in the amount of 80,000 C Shares in the case where the listed price of ordinary shares stands at no less than €13 (thirteen) each, for at least 20 (not necessarily consecutive) market days out of 30 consecutive market days, it being understood that, for the intents and purposes of determining the validity of such conversion event, reference must be made to stock prices prevailing during the period commencing as of the date of the resolution passed by the General Shareholders' Meeting of Space3 S.p.A., approving the Merger (which took place on 27 July 2017) and the end of the 60th month following the effective date of the Merger. In all cases, upon the expiry of 60 months following the effective date of the Merger, any and all remaining C Shares that have not already been converted as contemplated above shall be subject to automatic conversion into ordinary shares on a one-to-one basis, without entailing any change whatsoever in the Company's share capital.</p>	
<p>5.6 The Company may issue B Shares solely in the event of (a) a share capital increase within the meaning of Article 2442 of the Italian Civil Code, or through new capital contributions, without preclusion or restriction of option rights, and in all cases, in combination with ordinary shares, pursuant to the provisions of Article 5.8 below; and (b) merger or de-merger. In no event may the Company issue new C Shares.</p>	<p>[unchanged]</p>
<p>5.7 All shareholders shall be entitled to acquire subscription rights issued in respect of share capital increase through the issue of ordinary shares alone (save</p>	<p>[unchanged]</p>

Current text	Proposed text
<p>where the option right is precluded in accordance with law or is otherwise inapplicable), in proportion to and taking due account of the shares already held by each of them — be they ordinary shares, B Shares or C Shares — as at the date on which the share capital increase is effected. In all such cases, there shall be no need whatsoever for a resolution to be passed by a special General Meeting of either B Shareholders or C Shareholders, within the meaning of Article 2376 of the Italian Civil Code.</p>	
<p>5.8 In the event of share capital increase for the subscription of ordinary shares and B Shares: i) the number of ordinary shares and B Shares to be issued must be proportional to the number of ordinary shares and B Shares into which the share capital is divided as at the date of related resolution, it being understood that, for all related intents and purposes, already issued C Shares must be accounted for as ordinary shares on a one-to-one basis; (ii) holders of C Shares may subscribe ordinary shares in proportion to their equity holdings, inclusive of both ordinary shares and C Shares, as at the date on which the share capital increase was effected; and (iii) each shareholder shall be entitled to subscribe newly issued ordinary shares and B Shares in proportion to and taking due account of the ordinary shares and B Shares respectively already held by the shareholder in question as at the date on which the share capital increase was effected, it being understood that (i) any and all C Shares shall be accounted for as ordinary shares on a one-to-one basis; and (ii) newly issued B</p>	<p>[unchanged]</p>

Current text	Proposed text
<p>Shares shall be open to subscription exclusively by shareholders that already hold B Shares, it being underlined that, in the case where newly issued B Shares are not fully subscribed by shareholders that already hold B Shares, the unsubscribed newly issued B Shares shall be subject to automatic conversion into ordinary shares on a one-to-one basis, and shall then be offered to the other shareholders as contemplated under law.</p>	
<p>5.9 Should the Company participate in a merger by incorporation as a merged company, holders of B Shares shall be entitled to receive, in terms of the exchange ratio, shares endowed with same features — at least with regard to multiple voting rights — as B Shares, to the fullest extent permitted under law, taking due account of the principle of compatibility.</p>	<p>[<i>unchanged</i>]</p>
	<p>– Omissis –</p>
	<p>5.11 The General Shareholders’ Meeting, convened in Extraordinary session on [●] resolved to vest the Board of Directors with the delegated powers, pursuant to Article 2443 of the Italian Civil Code, to carry out a divisible and/or not-divisible increase of the Company’s share capital, against cash payment, on one or more occasions, including in one or more tranches, valid until December 31, 2025 and for a maximum amount of €40,000,000, including any share premium, and, in any case, in compliance with the additional quantitative limit indicated herein, without option rights pursuant to Article 2441,</p>

Current text	Proposed text
	<p>paragraphs 5 and 6, of the Italian Civil Code, in addition to vesting the Board of Directors with the broadest powers to define, from time to time, in accordance with the above-mentioned limits and rules, the methods, terms and conditions of the transaction, including — as specified herein — the beneficiaries and the issue price, including any share premium of the ordinary shares to be issued, it being understood that the implicit accounting value shall not be lower than that at the date of the resolution passed by the General Shareholders’ Meeting to grant the delegated powers.</p> <p>To this end, the General Shareholders’ Meeting vested the Board of Directors with all the broadest powers to define, for any and all of the above-mentioned cases in which it can exercise the delegated powers or for each individual tranche, the methods, terms and conditions of the transaction, including the powers to: (i) establish the issue price of the new ordinary shares, and in particular the portion to be allocated to the share capital and that to be allocated to the share premium reserve, it being understood that the subscription price shall not be lower than the implicit accounting value at the date of the resolution passed to grant the said delegated powers. The subscription price (and therefore the maximum number of shares in service of the capital increase) shall be established in compliance with the provisions of Article 2441, paragraph 6, of the Italian Civil Code; (ii) determine the size of the issue or of the individual issues, it being understood that</p>

Current text	Proposed text
	<p>the amounts of the capital increases that may be authorized as per the delegated powers granted (to be used to raise funds to support the 2024-2026 Industrial Plan approved by the Board of Directors on August 29, 2024) — added to the actual amount of the Capital Increase with Option Rights resolved upon by the same Shareholders' Meeting — do not exceed a total of €40,000,000, inclusive of any share premium, and establish that the ordinary shares resulting from the capital increase shall have the same characteristics and shall grant the same rights as the ordinary shares outstanding at the time of the issue; (iii) determine the proportions of any tranches of the capital increase within the time limit provided for the delegated powers; (iv) determine the timing for executing the capital increase resolution.</p>

10. Right of Withdrawal

The above-mentioned amendment to the By-laws does not fall within any of the cases for which the By-laws and applicable legal and regulatory provisions provide for a right of withdrawal.

In light of the foregoing, the Board of Directors invites the Shareholders to pass the following resolution:

“The Extraordinary Shareholders’ Meeting of Aquafil S.p.A.,

- *having acknowledged the proposal of the Board of Directors and the related Illustrative Report, drafted pursuant to Article 125-ter of Legislative Decree No. 58 of February 24, 1998, Regulation No. 11971 issued by Consob through resolution dated May 14, 1999 and the related annexes, as well as Article 2441, paragraph 6, of the Italian Civil Code;*



- *having recognized the Company's interest for the reasons illustrated by the Board of Directors,*

resolves

- 1) *to vest the Board of Directors with the delegated powers, pursuant to Article 2443 of the Italian Civil Code, to carry out a divisible and/or not-divisible increase of the Company's share capital, against cash payment, on one or more occasions, including in one or more tranches, valid until December 31, 2025 and for a maximum amount of €40,000,000, including any share premium, and, in any case, in compliance with the additional quantitative limit indicated herein, without option rights pursuant to Article 2441, paragraphs 5 and 6, of the Italian Civil Code, in addition to vesting the Board of Directors with the broadest powers to define, from time to time, in accordance with the above-mentioned limits and rules, the methods, terms and conditions of the transaction, including — as specified herein — the beneficiaries and the issue price, including any share premium of the ordinary shares to be issued, it being understood that the implicit accounting value shall not be lower than that at the date of the resolution passed by the General Shareholders' Meeting to grant the delegated powers.*

More specifically:

- *the exclusion or limitation of the option right pursuant to Article 2441, paragraph 5, of the Italian Civil Code may only be carried out if the Board of Directors deems it appropriate that the newly issued shares be offered for subscription to qualified/institutional investors (including foreign investors) and/or to parties and/or partners carrying out activities similar, related, synergistic and/or instrumental to those of the Company;*
 - *on the occasion of each individual resolution passed by the Board of Directors in exercising its Delegated Powers, pursuant to Article 2441, paragraph 5, of the Italian Civil Code, the Board of Directors shall draw up the reports provided for therein and, pursuant to Article 158 of TUF, shall obtain the Independent Auditors' favorable opinion on the fairness of the issue price of the new shares;*
- 2) *to vest the Board of Directors with all the broadest powers to define, for any and all of the above-mentioned cases in which it can exercise the delegated powers or for each individual tranche, the methods, terms and conditions of the transaction, including the powers to:*
 - (i) *establish the issue price of the new ordinary shares, and in particular the portion to be allocated to the share capital and that to be allocated to the share premium reserve, it being*



understood that the subscription price shall not be less than the implicit accounting value in force at the date of the resolution passed to grant these delegated powers. The subscription price (and therefore the maximum number of shares in service of the capital increase) shall be established in compliance with the provisions of Article 2441, paragraph 6, of the Italian Civil Code;

(ii) determine the size of the issue or issues, it being understood that the amounts of the capital increases that may be authorized as per the delegated powers granted (to be used to raise funds to support the 2024-2026 Industrial Plan approved by the Board of Directors on August 29, 2024) — added to the actual amount of the Capital Increase with Option Rights resolved upon by the current Shareholders' Meeting — do not exceed a total of €40,000,000, inclusive of any share premium, and establish that the ordinary shares resulting from the capital increase shall have the same characteristics and shall grant the same rights as the ordinary shares outstanding at the time of the issue;

(iii) determine the proportions of any tranches of the capital increase within the time limit provided for the delegated powers;

(iv) establish the timing for executing the capital increase resolution;

3) to accordingly amend Article 5 of the By-laws by adding the clause as per point 9 of the Illustrative Report of the Board of Directors.

Arco (Trento), August 29th, 2024

On behalf of the Board of Directors

CEO

(dott. Giulio Bonazzi)