

**AQUAFIL S.p.A.**  
**GENERAL SHAREHOLDERS' MEETING**

October 20, 2021, at 3:00 pm, in single call

*(pursuant to Article 125-ter of Legislative Decree No. 58/1998, and Article 73 of Consob Regulation No. 11971/1999)*

Director's Illustrative Report on the motions pertaining to the only item (Item 1) on the Agenda of the General Shareholders' Meeting to be held on October 20, 2021, prepared pursuant to Article 125-ter of Legislative Decree No. 58/1998 and Article 73 of Consob Regulation No. 11971/1999 regarding:

- “1. *Authorization for the buy-back and disposal of treasury stock pursuant to Articles 2357 et seq. of the Italian Civil Code; 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**”), as well as Article 73 of the Regulation No. 11971 issued by Consob on May 14, 1999, as further amended and extended (“**Rules for Issuers**”), in accordance with Attachment 3A, table 4, thereof, and pertains to the only item (Item 1) placed on the Agenda of the General Shareholders' Meeting of Aquafil S.p.A. (“**Aquafil**” or the “**Company**”) scheduled for October 20, 2021, single call.

This Report is available to the public at the Company's registered offices, on the corporate website ([www.aquafil.com](http://www.aquafil.com)) and in the other manners provided for by Consob regulations.

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**Authorization for the buy-back and disposal of treasury stock pursuant to Articles 2357 *et seq.* of the Italian Civil Code; relevant and ensuing resolutions.**

Shareholders,

With regard to the only item (Item 1) placed on the Agenda, it bears recalling that — as disclosed on September 1, 2021 — the Board of Directors, at its meeting held on the same date, resolved to submit to the General Shareholders' Meeting the proposal for the authorization to buy back and dispose of the Company's treasury stock, pursuant to applicable regulatory and statutory legislation in force. Accordingly, pursuant to Article 73 of the Rules for Issuers, the Board of Directors approved this Report, which illustrates to all shareholders the purposes, modalities and terms of the authorization requested.

**1. Grounds underlying the motion for the authorization to buy-back and dispose of treasury stock**

In accordance with applicable EU and Italian laws in force, the aforementioned authorization is aimed at allowing the Company to buy back and dispose of ordinary shares for the following purposes: *(i)* undertaking **any investments**, directly or through intermediaries, including aimed at containing abnormal movements in stock prices, stabilizing stock trading and prices, supporting the liquidity of Company's stock on the market, so as to foster the regular conduct of trading beyond normal fluctuations related to market performance, without prejudice in any case to compliance with applicable statutory provisions; and *(ii)* **keeping liquidity for subsequent uses (creation of a so-called *securities reserve*)**, in line with the strategic guidelines that the Company intends to pursue, including, but not limited to: consideration for extraordinary transactions, including share swaps or disposal of equity investments to be performed through barter, conferment or other deed of disposal and/or use in service of extraordinary transactions, with respect to other subjects.

**2. Maximum number, category and par value of the shares to which the authorization refers**

As of today's date, the Company's share capital amounted to €50,676,034.18, of which €49,722,417.28 subscribed and paid-in share capital. The share capital that has not been subscribed and paid in yet regards to: *(i)* for €0.15 million to the residual capital increase in service of the listed Aquafil Market Warrants (ISIN IT0005241200); and *(ii)* for €0.80 million to the capital increase in service of the non-listed Aquafil Sponsor Warrants (ISIN IT0005241754).

In light of the foregoing, the General Shareholders' Meeting is required to authorize the buy-back of ordinary shares, in one or more tranches, up to a maximum which, together with the treasury shares that the Company and its subsidiary hold from time to time in portfolio, **must not exceed 3% of share capital**.

It should also be noted that the buy-back of treasury shares shall be, in any case, carried out **within the limits of distributable profits and available reserves, as per the latest approved Financial Statements** at the time of each transaction.

The authorization includes the right to dispose of the treasury shares in portfolio subsequently, in whole or in part, in one or more tranches, even after having reached the maximum amount of shares that may be purchased, as well as to repurchase the said shares, in any event to such an extent that the treasury shares held by the Company and its subsidiaries do not exceed the limit set by the authorization.

**3. Further information for assessing compliance with Article 2357, paragraph 3, of the Italian Civil Code**

At the date of this Report, neither the Company nor any its subsidiaries hold any company shares.

It bears emphasizing that the subsidiaries are given specific instructions to report any purchases of shares undertaken pursuant to Article 2359-*bis* of the Italian Civil Code and within the limits and conditions set therein in a timely manner.

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Italy – 38062 Arco (TN) – Via Linfano 9 – tel. +39 0464 581 111r.a. – fax +39 0464 532 267

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#### 4. Term of the authorization

The authorization is required for a period of **eighteen months as of the date of the related resolution passed by the Shareholders' Meeting**. Within the period of duration of any authorization granted, the Board of Directors may undertake purchases of shares in one or more tranches and at any time, in amounts and at times determined at its discretion, in accordance with applicable legislation, and in line with a gradual mechanism deemed to be in the Company's interest.

With regard to disposition of shares purchased, it is proposed that the Shareholders' Meeting not set a time limit, allowing the Board of Directors to proceed with subsequent acts of alienation or disposition, in one or more tranches and even before purchases have been concluded.

#### 5. Minimum and maximum price

Treasury shares shall be purchased at a minimum price of no more than 15% below and at a maximum price of no more than 15% above the official price of the Aquafil shares [ECNL:IM] during the trading session on the day before each transaction is undertaken, pursuant, in any case, to the terms and conditions set forth by Regulation (EU) No. 596/2014 and the related implementing regulations, as well as allowed market practice, where applicable.

Disposals or other acts of disposition of treasury shares shall be undertaken: i) where executed in cash, at a price that cannot be lower than 15% below the official exchange price of Aquafil shares [ECNL:IM] on the day prior to each transaction; (ii) where executed within the framework of extraordinary transactions, including, but not limited to, swaps, barter or conferment or in service of capital or other corporate and/or financial transactions and/or other transactions of an extraordinary nature or otherwise subject to any act of disposition not in cash, according to the economic terms to be determined by the Board of Directors in view of the nature and characteristics of the transaction, taking account of the market performance of Aquafil shares.

#### 6. Methods of purchase and disposition of treasury stock

Treasury shares shall be purchased on regulated markets, in compliance with the applicable statutory and regulatory legislation in force, particularly with regard to the principle of equal treatment of shareholders pursuant to Article 132 of TUF, Article 144-bis (excluding point c, paragraph 1) and Article 144-bis.1 of the Rules for Issuers, and any other EU and Italian law and allowed practices.

Treasury shares may be disposed of, in one or more tranches, even before the maximum quantity of treasury shares that may be purchased has been reached. Treasury shares may be disposed of in the manner deemed most appropriate in the Company's interest, and in any event in accordance with applicable legislation and, where applicable, allowed market practices in effect from time to time.

#### 7. Information on the instrumental nature of purchase to reduction of share capital

The purchase of treasury shares subject to this request for authorization is not instrumental to the reduction of share capital.

\* \* \*

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

“The General Shareholders' Meeting of Aquafil S.p.A.

**resolves**

1. *to authorize the purchase and disposal of treasury stock pursuant to Article 2357 et seq. of the Italian Civil Code:*
  - (a) *for the purposes of: (i) undertaking **any investments**, directly or through intermediaries, including aimed at containing abnormal movements in stock prices, stabilizing stock trading and prices, supporting the liquidity of Company's stock on the market, so as to foster the regular conduct of trading beyond normal fluctuations related to market performance, without prejudice in any case to compliance with applicable statutory provisions; and (ii) **keeping liquidity for subsequent uses (creation of a so-called securities reserve)**, in line with the strategic guidelines*

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- that the Company intends to pursue, including, but not limited to: consideration for extraordinary transactions, including share swaps or disposal of equity investments to be performed through barter, conferment or other deed of disposal and/or use in service of extraordinary transactions, with respect to other subjects;*
- (b) *for a period of eighteen months as of the date of today's resolution, including for the buy-back of ordinary shares, in one or more tranches, up to a maximum which, overall, together with the treasury shares that the Company and its subsidiary hold from time to time in portfolio, must not exceed 3% of share capital;*
- (c) *thereby specifying that:*
- i. *the buy-back shall be, in any case, carried out within the limits of distributable profits and available reserves, as per the latest approved Financial Statements at the time of each transaction;*
  - ii. *treasury shares shall be purchased at a minimum price of no more than 15% below and at a maximum price of no more than 15% above the official price of the Aquafil shares [ECNL:IM] during the trading session on the day before each transaction is undertaken, pursuant, in any case, to the terms and conditions set forth by Regulation (EU) No. 596/2014 and the related implementing regulations, as well as allowed market practice, where applicable;*
  - iii. *the buy-back shall be performed on regulated markets, in compliance with the applicable statutory and regulatory legislation in force, particularly with regard to the principle of equal treatment of shareholders pursuant to Article 132 of TUF, Article 144-bis (excluding point c, paragraph 1) and Article 144-bis.1 of the Rules for Issuers, and any other EU and Italian law and allowed best practices.*
2. *to authorize the disposition of the treasury shares in the Company's portfolio, in one or more tranches, without time limits, in the manner deemed most appropriate in the Company's interest and in accordance with applicable legislation, for the same purposes as set out in point 1(a) of this resolution and in the following manner:*
- (a) *the shares purchased may be subject, in whole or in part, in one or more tranches and without time limits, to acts of disposition even before the maximum quantitative amount of purchases set out in this resolution has been reached;*
  - (b) *the acts of disposition, and in particular the disposal of treasury shares, where executed in cash, cannot be undertaken at a price lower than 15% below the official exchange price of Aquafil shares [ECNL:IM] on the day before that on which the disposal is to be undertaken;*
  - (c) *where the shares are used in extraordinary transactions, including, but not limited to, swaps, barter or conferment or in service of capital or other corporate and/or financial transactions and/or other transactions of an extraordinary nature, or otherwise for any other act of disposition not in cash, the economic terms of the transaction shall be determined by the Board of Directors according to the nature and characteristics of the transaction, including by taking account of the market performance of Aquafil shares;*
- and, in any event, in accordance with the terms, conditions and requirements established by applicable legislation and, where applicable, admitted market practice in effect from time to time;*
3. *to grant the Board of Directors and, through it, the Chairman of the Board of Directors and Chief Executive Officer, jointly and separately between them and with the right to sub-delegate within the legal limits, the fullest powers necessary to ensure the concrete, full execution of the resolutions set out in the foregoing points and to ensure disclosure to the market thereof, in accordance with European and other legislation and admitted market practices in effect from time to time."*

Arco (Trento), September 21, 2021

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On behalf of the Board of Directors  
The Chairman of the Board of Directors  
(Giulio Bonazzi)

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