



# Alkemy

enabling evolution

## **Alkemy S.p.A.**

Registered office in Milan, at via San Gregorio 34, Milan - share capital resolved Euro 632,467.00, Euro 587,589.00 subscribed and paid-up

Registration number with Milan Companies House, tax code and VAT number 05619950966 - Economic and Administrative Index (REA) no. 1835268

**Explanatory Report by the directors on the third item on the agenda of the shareholders' meeting convened for 26 April 2021, in an ordinary session and at single call.**



**Item 3 on the agenda - Approval of proposed amendments to the 2020-2023 LTIP. Related and consequent resolutions.**

Shareholders,

In accordance with Art. 114 *bis* of Italian Legislative Decree no. 58 of 24 February 1998 (the “**Consolidated Law on Finance**”), remuneration plans based on financial instruments in the favour, amongst others, of members of the Board of Directors and employees of the Company, are approved - as they also amended, if applicable - by the ordinary shareholders’ meeting.

\* \* \*

The Board of Directors informs the Shareholders’ Meeting that it is today called to express a vote on the amendment to the 2020-2023 Long Term Incentive Plan (the “**2020/2023 LTIP**”) - and, consequently, the 2020-2023 LTI Regulation - adopted by resolution of the Board of Directors on 11 December 2020 and 22 March 2021, having first heard the opinion in favour of the Remuneration Committee, the RPT Committee and the Board of Auditors, with effect from 1 January 2021, subject to their approval by the Company’s shareholders’ meeting.

These changes, in particular, aim to bring the 2020-2023 LTIP into line with the strategic objectives of the business plan adopted by the Company for 2021/2023 and, therefore, with the long-term interests that the Company thus intends to pursue and which consist of:

- a) eliminating the “recovery” clause, which envisages that any shares not accrued during each vesting period shall be assigned at the end of the 2023 vesting period, in order to strengthen top management’s commitment to achieving, each year, the Company’s strategic objectives, aligning their interests, also in the short-term, with the shareholders’ interests.
- b) eliminating the “EBITDA margin target” insofar as this is no longer considered appropriate to assessing top management performance in respect of the Company’s strategic and growth objectives;
- c) changing the perimeter used to calculate the “EBITDA Objective”, establishing that each change in the Group’s perimeter as a result of the acquisitions made after the date of approval of the 2020-2023 LTIP (with the exception of any completion of the acquisition of Design Group Italia S.r.l. and XCC S.r.l.), no consideration shall be given to determining the “EBITDA Objective”, so as to avoid any distortion deriving from acquisitions made (and hypothesised) by the Group after determining the Performance Objectives;
- d) recalculating (increasing) “EBITDA Objectives” (as per the table) in order to strengthen top management’s commitment to achieving the Company’s pre-set growth objectives:

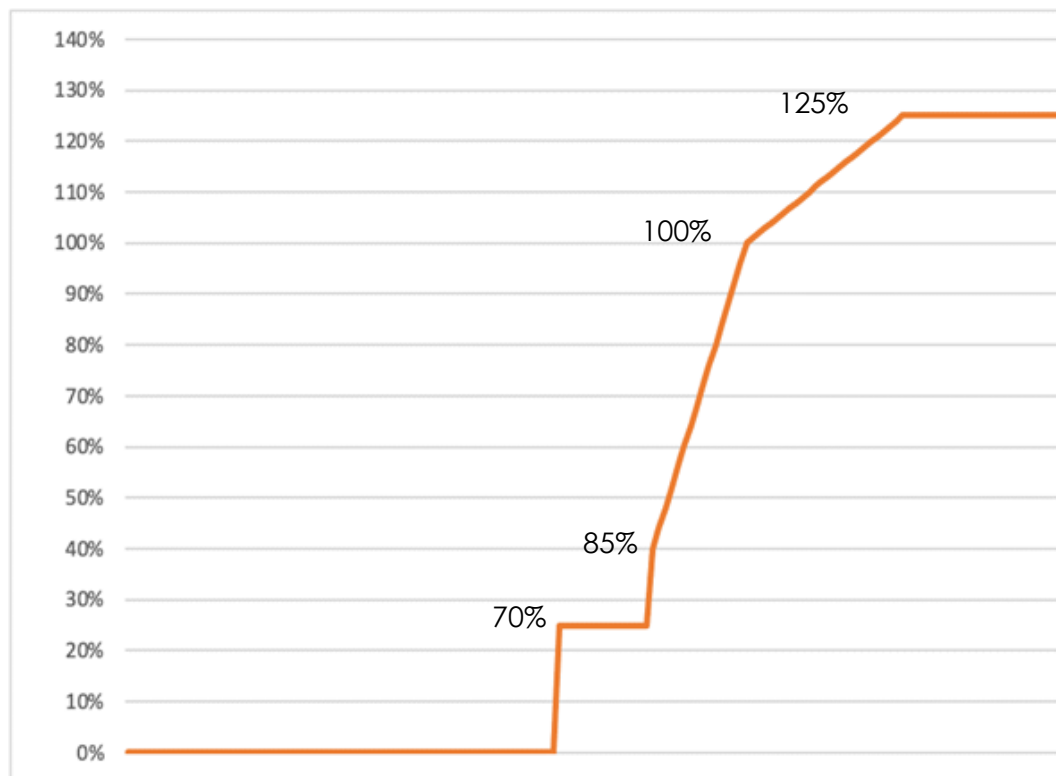
<b>EBITDA Objective</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
EBITDA Euro/thousands	8,042	11,539	15,916

- e) recalculating the methods used to calculate the “Target Shares” for the vesting period relative to FYs 2021, 2022 and 2023, according to the table shown below, and in order to incorporate the main new features on the matter introduced by the new Corporate Governance Code of listed companies.

<b>EBITDA Objective</b>	
<i>Performance of the individual indicator (in terms of % of the EBITDA Objective, for each Annual Vesting Period)</i>	<i>Shares to be Assigned for the EBITDA Objective (as a % of the Basic Number of Shares for each Annual Vesting Period)</i>
less than 70% (“ <b>Minimum Performance Objective</b> ”).	0%



Greater than 70% but less than 85%	25% and growing according to the line shown in the diagram below, calculated using the linear interpolation method, as a percentage up to a maximum of 85%
greater than 85% but less than 100%	40% and growing according to the line shown in the diagram below, calculated using the linear interpolation method, as a percentage up to a maximum of 100%
greater than 100% but less than 125%	100% and growing according to the line shown in the diagram below, calculated using the linear interpolation method, as a percentage up to a maximum of 125%
greater than or equal to 125%	125%



### Proposed resolution

Shareholders,

In light of the foregoing, the Board of Directors proposes that you pass the following resolutions:

*“The Ordinary Shareholders' Meeting of Alkemy S.p.A.,*

- *having regard to Articles 114-ter of Italian Legislative Decree of 24 February 1998 and related regulations issued by Consob; and*
- *having regard to the report prepared by the Board of Directors on the proposed amendment of the 2020-2023 LTIP;*

*resolved*



1. *to approve the proposed amendment to the 2020-2023 LTIP, as explained above, and the consequent amendment of the 2020-2023 LTIP Regulation with effect starting 1 January 2021;*
2. *to appoint the Board of Directors and, for it, the Chairman of the Board of Directors and the Chief Executive Officer, jointly and separately, and with the faculty to sub-delegate, to take all action necessary to fulfil the resolution passed under point 1 above.*

\* \* \* \* \*

Milan, 26 March 2021

For the Board of Directors

The Chairman, Alessandro Mattiacci