



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 fifth item on the agenda of the shareholders' meeting convened for 26 April 2021, at single call.



Item 5 on the agenda - Request for authorisation to purchase and dispose of treasury shares in accordance with Articles 2357 et seq. of the Italian Civil Code; related and consequent resolutions.

Shareholders,

On 22 March 2021, the Board of Directors resolved to submit to the Shareholders' Meeting, amongst others, the request for authorisation, to be conferred upon the administrative body in accordance with Articles 2357 and 2357-ter of the Italian Civil Code, 132 of Italian Legislative Decree no. 58 of 24 February 1998 (the "**Consolidated Law on Finance**") and 144-*bis* of the Regulation adopted by Consob Regulation no. 11971 of 14 May 1999, as subsequently amended and supplemented (the "**Issuers' Regulation**") for a period of 18 months (from when the Shareholders' Meeting passes the relevant resolution) to proceed to purchase and dispose of treasury shares in the Company.

More specifically, the mentioned Articles 2357 and 2357-ter of the Italian Civil Code envisage that the purchase of treasury shares shall be authorised by the Shareholders' Meeting, which shall also set the terms and conditions for purchase.

Reason for the request for authorisation

The reasons behind this request for authorisation lie in the possibility of using treasury shares (i) as an investment, for an efficient use of the liquid funds generated by the Company's core business and (ii) to assign to beneficiaries of any incentive plans, stock option plans and/or stock grants resolved by the competent corporate bodies, (iii) under the scope of transactions linked to core management, i.e. projects consistent with the growth and expansion lines the Company intends to pursue, so as, therefore, to perfect the corporate integration with potential strategic partners.

It is also specified that any purchases and disposals of treasury shares shall be for the purposes permitted by current provisions, including the purposes considered by Regulation EU no. 596/2014 and the related implementing regulations, insofar as applicable, and "market practice" admitted by CONSOB in accordance with legislation applicable over time and the guidelines that will be established by the competent supervisory bodies.

It is also specified that the request for authorisation to purchase treasury shares is not preordained to reduce the share capital through the cancellation of such treasury shares purchased.

Terms and conditions of any purchase and disposal of treasury shares

The purchase may take place in one or multiple tranches and shall concern the ordinary shares in the Company, up to a total maximum amount such as for which, taking into account the ordinary shares in the Company portfolio held over time by the Company and its subsidiaries, the number of treasury shares shall not total more than 15% of the share capital (and in any case shall be less than that envisaged by Art. 2357, paragraph 3 of the Italian Civil Code, where applicable), without prejudice to the due accounting entries.

The purchase period shall be eighteen months with no limit in time to the disposal/use of the shares purchased.

Treasury shares may be purchased at a price that is no lower, at the minimum, than 20% and no higher, at the maximum, again than 20% the reference price that the security records in the trading session of the day before each individual transaction, including the cases where the shares are exchanged, conferred, assigned or otherwise disposed of not in cash, in which the economic terms of the transaction will be determined, in respect of current legislation according to the nature and characteristics of the transaction. In any case, the price for the individual transaction cannot exceed the highest price of that of the last independent transaction and that of the current highest independent purchase offer in the trading session during which the purchase is made (even if the shares are traded in multiple trading sites) and in any case for a maximum equivalent value at all times of a total of Euro 250,000. The daily volume of purchases shall not, under any circumstances, be more than 25% the average daily volume of shares during the trading session in which the purchase is made, determined according to applicable provisions.

The purchase methods will be those identified each time by the Board of Directors and, therefore, by means of public takeover bid or exchange or purchases made on the MTA market, as per market practice that does not allow for the direct matching of the purchase proposals with the sales proposals.



With reference to the disposals of treasury shares, the Board of Directors proposes that they be made using any means considered to be appropriate and in the Company's interests, in compliance with provisions of law and regulations in force over time and for the pursuit of the purpose of this proposed resolution, including their disposal on the market, in blocks or otherwise off the market, in accordance with the terms and conditions established over time by industry legislation, or through the transfer of any rights in rem and/or personal rights relative to such (including, merely by way of example, securities lending).

Finally, it is recalled that as at the date of this report, Alkemy holds 112,536 treasury shares, equal to 2.006% of the share capital.

Effects of the approval of the resolution authorising the purchase of treasury shares in accordance with the terms and conditions of Art. 44-bis of the Issuers' Regulation

In accordance with Art. 44-bis, paragraph 1 of the Issuers' Regulation, treasury shares held by the Company, including indirectly, are excluded from the share capital on which the significant shareholding is calculated relevant in terms of the obligation to promote a totalitarian public takeover bid, as envisaged by Art. 106, paragraphs 1, 1-bis, 1-ter and 3, letter b) of the Consolidated Law on Finance.

Please also note that in accordance with Art. 44-bis, paragraph 2 of the Issuers' Regulation, said provision pursuant to Art. 44-bis, paragraph 1 of the Issuers' Regulation does not apply if the thresholds indicated in said Article 106 of the Consolidated Law on Finance follows purchases of treasury shares made directly or indirectly by the Company in execution of a resolution approved by means of the whitewash mechanism. More specifically, without prejudice to the provisions of Article 2368 and 2369 of the Italian Civil Code, this resolution must be approved also by the favourable vote of the majority of the Company's shareholders in attendance at the meeting, other than the shareholder or shareholders that individually or jointly hold the relative or absolute majority share, as long as in excess of 10%. Therefore, the Shareholders are informed that in application of Art. 44-bis of the Issuers' Regulation, if the meeting resolution authorising the purchase of treasury shares in the Company concerned by this report should be approved with the majorities envisaged by said Art. 44-bis, paragraph 2 of the Issuers' Regulation, the treasury shares acquired by the Company in execution of said authorisation resolution shall not be excluded from the share capital (and, therefore, will be calculated in it), in terms of calculating the surpassing, by one or more shareholders, of the significant thresholds pursuant to Art. 106 of the Consolidated Law on Finance, with consequent exemption of the obligation to promote a totalitarian public takeover bid envisaged therein.

This is in any case without prejudice to the provisions of Art. 44-bis, paragraph 4 of the Issuers' Regulation, in accordance with which treasury shares purchased by virtue of the following transactions shall not be excluded from the share capital used to calculate the significant shareholding in accordance with Art. 106 of the Consolidated Law on Finance: (i) in accordance with the terms and conditions laid out by Consob Resolution no. 16839 of 19 March 2009 for the storage and disposal of securities for use as payment in extraordinary transactions, including exchanges of equity investments, already resolved; and (ii) to fulfil obligations deriving from remuneration plans approved by the Shareholders' meeting in accordance with Art. 114-bis of the Consolidated Law on Finance.

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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 2357 and 2357-ter of the Italian Civil Code, 132 of the Consolidated Law on Finance and 144-bis of the Issuers' Regulation and*
- *having regard to and approved the explanatory report by the Board of Directors,*

resolved

1. *to authorise the Board of Directors to purchase treasury shares for a maximum period of 18 months, in order to: (i) use the treasury shares as an investment, for an efficient use of the liquid funds*



generated by the Company's core business and (ii) be able to use the treasury shares to assign to the beneficiaries of potential incentive plans, stock option plans and/or stock grants resolved by the competent corporate bodies; and (iii) allow for the use of the treasury shares under the scope of transactions linked to core management, i.e. projects consistent with the growth and expansion lines the Company intends to pursue in connection with which the share exchange opportunities shall take concrete form with the main aim of perfecting the corporate integration with potential strategic partners, at the following conditions:

- (i) *the purchase can be made up to a maximum amount of treasury shares that, also taking into account the shares held over time in the portfolio of the Company and its subsidiaries, shall not, in total, exceed the limit of 15% (fifteen percent) of the share capital (and, in any case, less than the provisions of Art. 2357, paragraph 3 of the Italian Civil Code, where criteria applies for its application), for a price that shall be no lower than 20% lower, at the minimum, and no higher than 20% higher, at the maximum, of the reference price the security registers in the stock market session held the day before each individual purchase, including the cases where the shares are exchanged, conferred, assigned or otherwise disposed of without cash, in which case, the economic terms of the transaction will be determined, in compliance with current legislation, according to the nature and characteristics of the transaction - in any case at a price, per individual transaction, that may not exceed the highest price of the price of the last independent transaction and the price of the highest current independent offer of purchase at the trading site where the purchase is made (even if the shares should be traded at different trading sites) and in any case for a maximum equivalent value, at any time, of a total of Euro 250,000 and without prejudice to the fact that the daily volume of purchases cannot, under any circumstances, exceed 25% of the average daily volume of shares at the trading site where the purchase is made, determined in accordance with applicable regulations. The trading limits deriving from applicable regulations are understood as automatically adjusted to any different limits that may be introduced following changes to current legislation.*
 - (ii) *The purchase may be made, in any case assuring equal treatment of shareholders, in any of the following ways: (i) public takeover bid or exchange; (ii) purchases made on the MTA market according to market practice that do not allow for the direct matching of proposed purchases with proposed sales, specifying that purchases will also be made in compliance with Regulation EU no. 596/2014 and related implementing regulations, insofar as applicable, as well as "market practices" admitted by CONSOB, or in accordance with primary and secondary legislation applicable over time and as regards the purchase of treasury shares for the establishment of a share stock, also in respect of the guidelines to be established by the competent supervisory bodies;*
 - (iii) *the purchase, in one or more tranches, must be made in accordance with the limits of profits that can be distributed and/or unrestricted reserves resulting from the last approved financial statements at the time the transaction is implemented, constituting a treasury shares reserve and in any case proceeding to make the necessary entries in the accounts, in accordance with the terms and conditions of the law;*
 - (iv) *only shares that have been fully freed-up can be purchased;*
2. *to authorise the Board of Directors, in accordance with and pursuant to Art. 1357-ter of the Italian Civil Code, to dispose, at any time, of all or part, on one or more occasions, even before having completed the purchases, of the treasury shares purchased on the basis of this resolution or in any case in the Company's portfolio, by means of their disposal on the market, to blocks, or otherwise off the market in accordance with the terms and conditions established over time by industry legislation, or by the sale of any rights in rem and/or personal right in connection with such (including, merely by way of example, securities lending), without prejudice to the fact that (a) the price of the sale of the right of ownership and any other right in rem and/or personal right shall be no less than 20% (twenty percent) of the market value of the right sold on the day prior to each individual sale; (b) disposals implemented under the scope of industrial projects or extraordinary finance transactions, by means of exchanges, loans or conferrals or any other ways that involve the transfer of treasury shares may*



take place at the price or value that is considered fair and in line with the transaction, also taking into account market performance;

3. *to confer upon the Chairman of the Board of Directors and the Chief Executive Officer, jointly and separately, with the faculty to sub-delegate individual deeds or categories of deeds, the most extensive powers necessary to make the purchases and sales/disposals of all or part of the treasury shares purchased and in any case to implement the foregoing resolutions, including by means of attorneys, complying with applicable provision in force over time and any requests made by the competent authorities.*

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Milan, 26 March 2021

For the Board of Directors

The Chairman, Alessandro Mattiacci