



A multibrand company

**DIRECTORS' EXPLANATORY REPORT ON THE SOLE ITEM ON  
THE AGENDA OF THE ORDINARY SHAREHOLDERS' MEETING  
CONVENED ON FIRST CALL ON 11 OCTOBER 2021, AND ON SEC-  
OND CALL ON 14 OCTOBER 2021**

in accordance with article 125-ter of the TUF

**Board of Directors**

Angelo Mastrolia

Giuseppe Mastrolia

Stefano Cometto

Benedetta Mastrolia

Valentina Montanari

Maria Cristina Zoppo

Eric Sandrin

**Board of Statutory Auditors**

Massimo Carlomagno

Ester Sammartino

Antonio Mucci

Shareholders,

The Board of Directors of Newlat Food S.p.A. (hereinafter the "Company") illustrates below the agenda drafted for the Ordinary Shareholders' Meeting convened – by notice published on the Company's website at the address [www.newlat.it](http://www.newlat.it), in the "Corporate Governance – Shareholders' Meeting" section on 10 September 2021, as well as in the newspaper *Italia Oggi* on 11 September 2021 – at the registered office of the company Newlat Group S.A., located in Paradiso (Switzerland), Via Geretta 8, on 11 October 2021 at 11:00 am on first call, and, where necessary, on second call on 14 October 2021, same places and time.

## **Authorisation to purchase and dispose of treasury shares. Related resolutions.**

Shareholders,

With this report prepared pursuant to art. 73 of the regulations concerning issuers adopted by Consob with resolution no. 11971 of 14 May 1999 ("IR") and the related annex 3A, Schedule 4, the Board of Directors of Newlat Food S.p.A. submits for your approval the request for authorisation to purchase and dispose of treasury shares, to be made pursuant to articles 2357 and 2357-ter of the Italian Civil Code, art. 132 TUF and art. 144-bis IR, as well as in accordance with the applicable provisions of Regulation (EU) no. 596 of 16 April 2014 on market abuse ("MAR Regulation"), Delegated Regulation (EU) no. 1052 of 8 March 2016 ("Delegated Regulation") and market practices from time to time, after revocation of the previous authorisation approved by the Ordinary Shareholders' Meeting on 29 April 2020.

In this regard, it is recalled that this Shareholders' Meeting – on 29 April 2021 – authorised (i) for a period of 18 months from the date of the resolution of the Shareholders' Meeting, the purchase of the Company's treasury shares within the limits of the law, and in any case within the maximum amount of €6,000,000.00 and (ii) without time limits, the disposal of the treasury shares thus purchased.

Following the purchases made in execution of the aforementioned shareholders' resolution, Newlat Food S.p.A. – as at today – own 1,640,669 treasury shares, accounting for 3.73% of the share capital. The subsidiaries do not hold any shares of the Company.

Since the buy back program has been completed, as expected by the Shareholders' Meeting dated 29 April 2021, taking into account the continuing reasons for such authorisation and the opportunity to purchase additional treasury shares, it is proposed to the Shareholders to authorize to purchase of additional treasury shares to be allocated for the purposes indicated in point 1 below, within the limits established by Italian Civil Code and in the manner detailed below, as well as to authorize the disposal of treasury shares without time limits.

1. Reasons for which authorisation to purchase and dispose of treasury shares is requested.

This request is aimed at providing the Company with a stock of treasury shares at its disposal, using, selling them at any time, in full or in part, on one or more occasions and with no time limits, as part of extraordinary transactions such as, among others, swaps, contributions, exchanges, corporate and/or financial transactions of an extraordinary nature on the capital or even financing transactions and operations of an extraordinary nature such as, among others, mergers or similar, sales and acquisition projects and/or future industrial projects in line with the Company's corporate development strategy, as well as in the context of exchange and/or sale of share packages

and/or for the conclusion of commercial and/or strategic alliances or for other uses deemed of financial and/or management interest to the Company.

Moreover, the Board of Directors considers it appropriate for the Company to be allowed to dispose of the treasury shares acquired to allow it to seize the opportunities for maximising the value that may derive from conditions that arise, and therefore also to execute trades.

2. Maximum number, category and nominal value of the shares which the authorisation refers to.

As at today's date, the Company's share capital amounted to €43,935,050.00, divided into 43,935,050 ordinary shares, without par value.

Authorisation is required for the purchase of the Company's ordinary shares, even in several tranches, up to a maximum number which, taking into account the Newlat Food shares held in the portfolio from time to time by the Company and by its subsidiaries, does not is overall greater than one fifth of the Company's share capital, pursuant to art. 2357, paragraph 3, of the Italian Civil Code or to any different maximum amount provided for by the pro tempore law in force.

It should be noted that the authorization request also concerns the Board of Directors' faculty to carry out repeated and subsequent purchase and sale operations (or other disposals) of own shares on a revolving basis, also for fractions of the quantity. maximum authorized, it being understood that, at any time, the quantity of Newlat Food shares purchased and owned by the Company will not in any case exceed the maximum limit established by law and by the authorization of the Shareholders' Meeting.

3. Compliance with the provisions of the third paragraph of art. 2357 of the Italian Civil Code

At today's date – following the latest purchases – the Company owned 1,640,669 treasury shares, accounting for 3.73% of the share capital. The subsidiaries do not hold any shares of the Company.

In this regard, pursuant to article 2359-bis of the Italian Civil Code the subsidiaries shall be given specific instructions to promptly report any acquisition of treasury shares. When carrying out each authorised purchase, the Board of Directors shall verify compliance with the provisions of article 2357, paragraphs 1 and 3 of the Italian Civil Code.

Pursuant to article 2357 of the Italian Civil Code, purchases of treasury shares must be contained within the limits of distributable profits and available reserves resulting from the last duly approved financial statements at the time of the transaction, and on the occasion of the purchase and disposal of treasury shares the necessary accounting entries shall be made in compliance with the provisions of the law and applicable accounting standards.

4. Duration of the authorisation.

The authorisation is requested for the maximum duration allowed by art. 2357, paragraph 2 of the Italian Civil Code, equal to 18 months from the date of the resolution of the Ordinary Shareholders' Meeting.

5. Minimum and maximum fees, as well as market valuations based on which they were determined.

The purchases of the shares discussed in this report must be made at a price that is no more than 10% higher or lower than the price on the MTA stock exchange organised and managed by Borsa Italiana S.p.A. in the session preceding each individual transaction.

In any case, the amount may not exceed any limits envisaged by current law or, if recognised, by accepted market practices.

6. Procedure for making the purchases.

The purchase of treasury shares shall be carried out on regulated markets, in accordance with article 2357 et seq. of the Italian Civil Code, article 132 of the TUF and article 144-bis, paragraph 1, letters b and c) IR, in accordance with the operating procedures established in the regulations for the organisation and management of the markets managed by Borsa Italiana S.p.A., in order to ensure equal treatment among shareholders.

With regard to disposal operations, the Board of Directors proposes that the authorisation allow the implementation of any method that is appropriate for the purposes pursued, and in any case in compliance with the pro tempore regulations in force.

The shares acquired in execution of the shareholders' authorisation may therefore be subject to actions, and in this context may even be sold even before having exhausted the quantity of purchases covered by this authorisation, on one or more occasions, without time limits, in the manner deemed most appropriate by the Company under any other form of disposition permitted by current applicable laws.

7. Additional information, where the purchase is instrumental to the reduction of share capital.

It is confirmed that the purchase of treasury shares is not currently instrumental to the reduction of the share capital of the Company through cancellation of purchased treasury shares.

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In light of what is described above, we invite you to resolve on the following resolutions:

*"The Ordinary Shareholders' Meeting of Newlat Food S.p.A.*

- *having acknowledged and approved the Explanatory Report of the Board of Directors on the proposed authorisation to purchase and dispose of treasury shares in order to constitute a security portfolio and to support the liquidity of the security;*
- *having regard to the provisions of articles 2357 and 2357-ter of the Italian Civil Code, article 132 of the TUF, article 44-bis and article 144-bis of the Consob Issuers' Regulation no. 11971/99 and subsequent amendments;*
- *noting that Newlat Food S.p.A. currently holds 1,640,669 treasury shares;*
- *having acknowledged that at the date of approval of this resolution the subsidiaries do not hold any treasury shares of the company;*
- *having regard to the financial statements as at 31 December 2020 and the allocation of the operating result;*

*resolves*

1. *pursuant to article 2357 of the Italian Civil Code and the combined provisions of article 132 of the TUF and article 144-bis of the Consob Issuers' Regulation no. 11971/99, and in any case in any other manner permitted by current laws and regulations, to authorise the purchase on one or more occasions of Newlat Food S.p.A. up to a maximum number which, taking into account the treasury shares held from time to time in the portfolio by the Company and its subsidiaries, does not exceed a total of one fifth of the Company's share capital, pursuant to art. 2357, paragraph 3, of the Italian Civil Code or to any different maximum amount provided for by the current pro tempore law; the shares may be purchased until the expiry of the eighteenth month from the authorisation granted by the Ordinary Shareholders' Meeting; the shares must be purchased at a price that is no more than 10% higher or lower than the price recorded on the MTA stock exchange organised and managed by Borsa Italiana S.p.A. in the session preceding each individual transaction, and in any case the amount may not exceed any limits envisaged by current law or, if recognised, by accepted market practices; the purchase of treasury shares shall be carried out on regulated markets, in compliance with the provisions of article 2357 et seq. of the Italian Civil Code, article 132 of the TUF and art. 144-bis, paragraph 1, letters b and c) of Consob Regulation no. 11971/1999, in accordance with the operating procedures established in the regulations for the organisation and management of the markets managed by Borsa Italiana S.p.A., in order to ensure equal treatment among shareholders; finally, purchases must be contained within the limits of distributable profits and available reserves resulting from the last duly approved financial statements at the time of the transaction;*
2. *pursuant to article 2357-ter of the Italian Civil Code, to authorise the execution of actions to dispose of the shares, which in this context may even be sold, in whole or in part, even before having exhausted the quantity of purchases covered by this authorisation (and also with the so-called revolving method), without time limits, in the manner deemed most appropriate by the Company, in relation to the purposes that will be pursued in any case under any other form of provision permitted by current applicable laws;*

3. *to grant all necessary powers to the Board of Directors and, on its behalf, separately to the Chairman and Chief Executive Officer, with the power to appoint special proxies and/or specialised intermediaries or subject to the stipulation of specific contracts to implement this resolution, including by approving any and all executive provisions of the relevant purchase programme".*

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Reggio Emilia, 10 September 2021

For the Board of Directors

The Chairman