



**ORDINARY AND EXTRAORDINARY MEETING**

**APRIL 27, 2023 - IN A SINGLE CALL**

**EXPLANATORY REPORT OF THE BOARD OF DIRECTORS**

**ON THE ITEMS ON THE AGENDA**

*(pursuant to Article 125-ter D. Legislative Decree No. 58/1998 and Articles 73 and 84-ter  
Consob Regulation No. 11971/1999)*

Dear Shareholders,

this report (the "**Report**") has been prepared by the Board of Directors of Civitanavi Systems S.p.A. ("**Civitanavi**" or the "**Company**") pursuant to Article *125-ter* of Legislative Decree No. 58 of February 24, 1998, as subsequently amended and supplemented (the "**TUF**"), and Articles 73 and *84-ter* of the Regulations adopted by Consob Resolution No. 11971, as subsequently amended and supplemented (the "**Issuers' Regulations**"), to illustrate the items on the agenda of the Ordinary Shareholders' Meeting convened on April 27 2023, on single call.

Specifically, you are asked to deliberate on the following agenda:

***Ordinary part***

1. Financial statements as at 31 December 2022, inherent and consequent resolutions:
  - 1.1 approval of the Company's Financial Statements as at 31 December 31 2022; reports of the Board of Directors, the Board of Statutory Auditors, and the Independent Auditors
  - 1.2 allocation of the operating result
2. Report on remuneration policy and fees paid pursuant to Article *123-ter*, paragraphs *3-bis* and 6 of Legislative Decree No. 58/1998:
  - 2.1 First Section: report on remuneration policy. Binding resolution
  - 2.2 Second Section: report on fees paid. Non-binding resolution
3. Authorization for the purchase and disposal of treasury shares, pursuant to Articles 2357 and 2357-ter of the Civil Code, Article 132 of Legislative Decree No. 58 of February 24, 1998, and Article *144-bis* of Consob Regulations adopted by Resolution No. 11971 of May 14, 1999. Related and consequent resolutions
4. Approval of the *stock option plan* called "CNS - Stock Option Plan 2023" intended for members of the board of directors and employees of Civitanavi Systems S.p.A. and/or its subsidiaries. Related and consequent resolutions

***Extraordinary part***

1. Proposed amendment to Article 4 (*Object of the company*) of the Articles of Association
2. Increase in paid-in share capital, in one or more tranches and with the exclusion of option rights pursuant to Article 2441, paragraphs 5 and 8, of the Italian Civil Code, up to a maximum amount (including share premium) of Euro 8,000,000.00, through the issuance of up to 1,300.000 new ordinary shares with no indication of par value, to service the *stock option plan* called "CNS -Stock Option Plan 2023" intended for members of the Board of Directors and employees of Civitanavi Systems S.p.A. and/or its subsidiaries. Amendment to Article 5 of the Articles of Association. Related and consequent resolutions.

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## PROPOSALS ON THE ITEMS ON THE ORDINARY PART OF THE AGENDA

### 1. Financial statements as at 31 December 2022, inherent and consequent resolutions:

#### 1.1 approval of the Company's financial statements as at 31 December 2022; reports of the Board of Directors, the Board of Statutory Auditors, and the Independent Auditors

Dear Shareholders,

with reference to the first item on the agenda, you have been convened in ordinary session to approve the financial statements for the year ending 31 December 2022, which were reviewed by the Board of Directors on 16 March 2023. The financial year as of 31 December 2022 closed with a profit for the year of 6,974,949 euros.

For all detailed information and comments related to the financial statements, please refer to the Annual Financial Report, including the draft Financial Statements as of 31 December 2022, approved by the Board of Directors on 16 March 2023, the Directors' Report on Operations, and the attestation pursuant to Art. 154-bis, paragraph 5, of the TUF, which will be deposited and made available to the public within the terms provided for by applicable laws and regulations, at the Company's registered office, on its *website* at [www.civitanavi.com](http://www.civitanavi.com) and through the authorized storage mechanism "eMarket Storage," together with the Report of the Board of Statutory Auditors and the Report of the Independent Auditors.

In light of the above, in connection with this agenda item, the Board of Directors proposes that you adopt the following:

#### - PROPOSAL FOR A RESOLUTION -

*"The Ordinary Shareholders' Meeting of Civitanavi Systems S.p.A,*

- examined the draft financial statements as of 31 December 2022 of Civitanavi Systems S.p.A. and the Management Report;*
- noted the reports of the Board of Statutory Auditors and the Independent Auditors;*

*resolves*

- 1. to approve the financial statements as at 31 December 2022, as well as the report of the Board of Directors on Management;*
- 2. to empower the Board of Directors - and for it the Chairman, Andrea Pizzarulli, with the power to sub-delegate - to take care of all the formalities and formalities of communication, filing and publication inherent in the above resolution, in accordance with applicable regulations, making any formal changes, additions or deletions that may be necessary."*

\* \* \*

#### 1.2 Allocation of the operating result. Resolutions pertaining thereto and consequent thereto

Dear Shareholders,

The financial statements as at 31 December 2022 subject to approval under the first agenda item show a profit for the year of 6,974,949 euros.

Regarding the allocation of the year's profit, the Board of Directors proposes to allocate the year's profit of 6,974,949 euros as follows:

- Euro 348,747 to legal reserve;
- Euro 76,161 to reserve on unrealized foreign exchange;
- Euro 2,551,241 to extraordinary reserve;
- 3,998,800 euros as a dividend by distributing a gross dividend of 0.13 euros per share, with an ex-dividend date of May 8, 2023, as the entitlement date (*record date*) May 9, 2023, and as the payment date May 10, 2023.

In light of the above, in connection with this agenda item, the Board of Directors proposes that you adopt the following:

**- PROPOSAL FOR A RESOLUTION -**

*"The Ordinary Shareholders' Meeting of Civitanavi Systems S.p.A., having approved the financial statements as at 31 December 2022, and having regard to the proposal of the Board of Directors*

*resolves*

*1. to allocate the net profit for the year 2022, amounting to 6,974,949, as follows:*

- *Euro 348,747 to the legal reserve;*
- *Euro 76,161 to reserve on unrealized foreign exchange;*
- *Euro 2,551,241 to the extraordinary reserve;*
- *Euro 3,998,800 as a dividend through the distribution of a gross dividend of Euro 0.13 per share, with an ex-dividend date of 8 May 2023, a record date of 9 May 2023 and a payment date of 10 May 2023.*

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**2. Report on remuneration policy and fees paid pursuant to Article 123-ter, paragraphs 3-bis and 6 of Legislative Decree No. 58/1998:**

**2.1 First Section: report on remuneration policy. Binding resolution;**

**2.2 Second Section: report on fees paid. Non-binding resolution.**

Dear Shareholders,

With regard to the second item on the ordinary agenda, it is recalled that pursuant to Article 123-ter of the TUF, issuers shall make available to the public and publish on their website a report on the remuneration policy and fees paid.

This report consists of two sections where among other things:

(i) the first section sets out: (a) the Company's policy on the remuneration of members of the governing bodies, general managers and managers with strategic responsibilities with reference to at least the next financial year and, without prejudice to the provisions of Article 2402 of the Civil Code, members of the supervisory bodies, and (b) the procedures used for the adoption and implementation of this policy; while

(ii) the second section shows the compensation paid to members of the management and supervisory bodies, general managers, and executives with strategic responsibilities during the reporting year.

The Board of Directors intends to submit the Report on Remuneration Policy and Fees Paid, approved by the Board of Directors on 16 March 2023, to the Shareholders' Meeting for a vote as follows:

- to the binding vote, the 'first section' under Article *123-ter*, paragraph *3-bis*, of the TUF;
- to the non-binding vote, the 'second section' of the report pursuant to Article *123-ter*, paragraph 6, of the TUF.

For a more detailed description, please refer to the relevant Report on Remuneration Policy and Fees Paid, prepared pursuant to Article *123-ter* of the TUF and Article *84-quater* of the Issuers' Regulations and which will be made available to the public in accordance with the terms and manner prescribed by law.

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## **2.1 First Section: remuneration policy report. Binding resolution**

In light of the above, in connection with this agenda item, the Board of Directors proposes that you adopt the following:

### **- PROPOSAL FOR A RESOLUTION -**

*"The Ordinary Shareholders' Meeting of Civitanavi Systems S.p.A,*

- *having regard to Articles 123-ter of Legislative Decree No. 58/1998 and 84-quater of the Issuers' Regulations; and*
- *acknowledged the Report on Remuneration Policy and Fees Paid prepared by the Board of Directors;*
- *taking into account that this resolution will be binding on the Board of Directors*

*resolves*

1. *to approve the first section of the Report on remuneration policy and fees paid prepared by the Board of Directors pursuant to Articles 123-ter of Legislative Decree No. 58/1998 and 84-quater of the Issuers' Regulations."*

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## 2.2 Second Section: report on fees paid. Non-binding resolution

In light of the above, in connection with this agenda item, the Board of Directors proposes that you adopt the following:

### - PROPOSAL FOR A RESOLUTION -

*"The Ordinary Shareholders' Meeting of Civitanavi Systems S.p.A,*

- having regard to Articles 123-ter of Legislative Decree No. 58/1998 and 84-quater of Consob Regulation No. 11971/1999; and*
- acknowledged the Report on Remuneration Policy and Fees Paid prepared by the Board of Directors;*
- taking into account that this resolution will not be binding on the Board of Directors*

*resolves*

1. *to express a favorable opinion on the second section of the Report on remuneration policy and fees paid prepared by the Board of Directors pursuant to Articles 123-ter of Legislative Decree No. 58/1998 and 84-quater of Consob Regulation No. 11971/1999."*

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## 3. **Authorization for the purchase and disposal of treasury shares, pursuant to Articles 2357 and 2357-ter of the Civil Code, Article 132 of Legislative Decree No. 58 of February 24, 1998, and Article 144-bis of Consob Regulations adopted by Resolution No. 11971 of May 14, 1999. Related and consequent resolutions**

Dear Shareholders,

with reference to the third item on the agenda, you have been called to the Ordinary Shareholders' Meeting to resolve on the approval of the authorization to purchase and dispose of treasury shares pursuant to Articles 2357 and 2357-ter of the Civil Code, Article 132 of Legislative Decree No. 58 of February 24, 1998, and Article 144-bis of the Issuers' Regulations.

Accordingly, pursuant to Article 73 of the Issuers' Regulations, the Board of Directors has approved this report, in accordance with Annex 3A, Schedule No. 4, of the aforementioned Issuers' Regulations, in which it explains to the shareholders the purpose, manner and characteristics of the requested authorization.

We therefore outline below the modalities and terms of the proposed transaction.

### *Reasons why authorization to purchase and dispose of own shares is required*

The purpose of the request for authorization to purchase and dispose of the Company's own ordinary shares is to provide the Company with a useful strategic investment opportunity for any purpose permitted by current regulations, including, among others, (i) the purposes covered by Article 5 of Regulation (EU) no. 596/2014 (Market Abuse Regulation, hereinafter "**MAR**"), including the purpose of "fulfilling obligations under share option programs or other grants of shares to employees

or members of the issuer's management or supervisory bodies," (ii) the purpose of stabilization, liquidity support and market efficiency, (iii) the purpose of obtaining the availability of a securities portfolio (c.so-called "securities warehouse") to be used as consideration in extraordinary transactions, including in the form of exchange of shareholdings, with other parties, including the allocation to the service of bonds convertible into shares of the Company or bonds with *warrants*, dividends in shares, all of the above under the terms, purposes and in the manner that may be resolved by the competent corporate bodies; as well as (iv) any other purpose contemplated by the market practices from time to time permitted by the supervisory authority pursuant to Art. 13 MAR, all of the above within the limits provided for by the regulations in force and within the terms, purposes and in the manner that may be decided by the competent corporate bodies.

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

It is proposed that the Shareholders' Meeting authorize the purchase of (fully paid up) ordinary shares, no par value, of the Company, on one or more occasions, including on a *revolving* basis, in an amount freely determinable by the Board of Directors up to a maximum number that, taking into account the Company's (treasury) shares held from time to time in its portfolio by the Company and by, if any, its subsidiaries, does not exceed a total of 20% of the Company's total share capital.

Therefore, it is proposed to mandate the Board of Directors to identify the amount of ordinary shares to be purchased prior to the start of each individual purchase program, subject to the above maximum limit and applicable pro tempore regulations.

It is also proposed that the Shareholders' Meeting simultaneously authorize the Board of Directors of Civitanavi also to dispose of and dispose of the ordinary shares of the Company purchased in the manner indicated below and in any case in compliance with the relevant provisions of law and regulations.

Useful information for the purpose of a full assessment of compliance with Article 2357, paragraphs 1 and 3 of the Civil Code

Pursuant to Article 2357, paragraph 3, of the Civil Code, the par value of the treasury shares that the Company may purchase may not exceed one-fifth of the share capital, taking into account for this purpose also the shares held by subsidiaries.

As at 16 March 2023, Civitanavi's subscribed and paid-up share capital amounted to Euro 4,244,000.00 and was represented by 30,760,000 shares all with no indication of par value, listed on the Euronext Milan market, organized and managed by Borsa Italiana S.p.A.

Pursuant to Article 2357, paragraph 1, of the Civil Code, treasury shares may be purchased within the limits of distributable profits and available reserves as shown in the latest duly approved financial statements at the time each transaction is carried out. Only fully paid shares may be purchased.

It should be noted that in the draft financial statements for the year ended December 31, 2022 submitted for approval to the Shareholders' Meeting convened in a single call on April 27, 2023 (assuming its approval by the Shareholders' Meeting under the terms proposed by the Board), available and freely distributable reserves in the amount of Euro 27.863.533 are recorded. It is understood that compliance with the conditions required by Article 2357, paragraphs 1 and 3, of the Italian Civil Code for the purchase of treasury shares must be verified at the time of the completion of each authorized purchase having also to consider the additional unavailability constraints that have arisen subsequently.

To enable audits of subsidiaries, specific directives will be issued to them to promptly notify the Company of any purchase of shares of the parent company made pursuant to Article 2359-*bis* of the Civil Code.

It should be noted that in connection with transactions involving the purchase, sale, exchange, and contribution of treasury shares, the Company, in compliance with applicable legal provisions and accounting standards, will make the necessary or appropriate accounting entries.

*Duration of authorization*

Authorization for the purchase of treasury shares is requested for the maximum duration allowed by the applicable pro tempore regulations, provided for in Article 2357, paragraph 2, of the Civil Code, over a period of 18 months, starting from the date of any resolution of approval of this proposal by the Shareholders' Meeting.

Within the term of any authorization that may be granted, the Board of Directors may then make purchases of ordinary shares on one or more occasions and at any time, for the purposes it identifies, in an amount and at a time freely determined, in compliance with applicable regulations, with the gradualness deemed appropriate in the interest of the Company.

On the other hand, authorization for the disposition and/or use of any treasury shares purchased is requested without time limits, due to the absence of time limits under current regulations and the desirability of allowing the Board of Directors to avail itself of maximum flexibility, including in terms of timing, to carry out the acts of disposition and/or use of the shares.

*Minimum and maximum fee*

The purchase price of the shares will be identified on a case-by-case basis, having regard to the method chosen for carrying out the transaction and in compliance with any prescriptions provided for by the regulations in force, but, in any event, without prejudice to the fact that the unit price shall be neither lower nor higher by more than 15% with respect to the official stock market price of the shares recorded by Borsa Italiana S.p.A. in the session preceding each individual transaction, and in any event for a maximum countervalue at any time of a total of 24,000,000 euros.

For the disposition and/or use of treasury shares, the Board shall establish from time to time the criteria for determining the price and/or the methods, terms and conditions of use of the treasury shares in the portfolio, having regard to the implementation methods to be used in practice, as well as the trend of share prices in the period prior to the transaction and the best interest of the Company, in any case in accordance with the provisions of the laws and regulations and, where applicable, the accepted practices. In particular, in the event of (i) the execution of transactions in relation to which it is appropriate to exchange or dispose of shares to be carried out also by way of exchange or contribution or on the occasion of capital transactions involving the assignment or disposition of treasury shares (such as, purely by way of example, mergers, demergers, issuance of convertible bonds or warrants serviced by treasury shares, dividends in shares etc.); and (ii) share incentive plans, including also by means of stock *grants* or *stock options* also with free assignment, reserved for directors and/or employees and/or collaborators of the Company and/or other companies controlled by it and/or the parent company may be used different criteria, in line with the purposes pursued and in compliance with the laws, including regulations, in force.

The Board of Directors proposes that it be authorized to dispose of, dispose of and/or use, pursuant to Article 2357-*ter* of the Civil Code, for any reason and at any time, in whole or in part, on one or



more occasions, the treasury shares acquired in implementation of the authorization that may be granted by the Shareholders' Meeting, for the purposes indicated above, in accordance with the terms, terms and conditions determined from time to time by the Board of Directors, having regard to the methods of implementation actually employed, the price trend of the Company's stock and the best interests of the Company, it being understood that the proceeds of any act of disposition and/or use of treasury shares may be used for further purchases of shares, until the expiration of the requested authorization of the Shareholders' Meeting, within the limits provided for therein and by the regulations in force.

Method of carrying out operations

In view of the various purposes that can be pursued through the completion of transactions in treasury shares, the Board of Directors proposes that authorization be granted to carry out purchases of treasury shares in any of the ways permitted by current regulations.

With regard to transactions involving the disposal, disposition and/or use of treasury shares, the Board of Directors proposes that the authorization allow the adoption of any method that may be appropriate depending on the purposes pursued -including the use of treasury shares to serve share incentive plans, including stock *grants* and *stock options*- to be carried out also through intermediaries, in compliance with the applicable legal and regulatory provisions on the subject.

In particular, with regard to the operational methods of disposition and/or use, the same could be put in place, by way of example only, by means of alienation of the same on the market, or otherwise off the market, *accelerated bookbuilding*, exchange or contribution or on the occasion of capital transactions or attribution, including free of charge, as part of share incentive plans or the transfer of any real and/or personal rights relating to the same (including, by way of example only, purely by way of example, securities lending) granting the Board of Directors (or on its behalf delegated to it) the power to establish, in compliance with legal and regulatory provisions, the terms, methods and conditions of the act of disposition and/or use of treasury shares deemed most appropriate in the interest of the Company.

Transactions involving the purchase, disposition and/or use of treasury shares for which authorization is requested will be carried out in compliance with applicable regulations and, in particular, in accordance with national and EU laws and regulations, including those on market abuse.

This is without prejudice to the power of the Board of Directors to also establish any arrangements in accordance with market practices permitted by the supervisory authority under Article 13 MAR as well as the conditions set forth in Delegated Regulation (EU) No. 1052 of March 8, 2016, where and to the extent applicable.

Adequate disclosure will be provided of any transactions involving the purchase and disposition and/or use of treasury shares in compliance with applicable disclosure requirements.

Information on the instrumentality of the purchase to the reduction of share capital

It should be noted that this proposed purchase is not instrumental to the reduction of the share capital, it being understood that if in the future the shareholders' meeting resolves to reduce the share capital, the Company reserves the right to execute it also through cancellation of the purchased treasury shares held in its portfolio.

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In light of the above, in connection with this agenda item, the Board of Directors proposes that you adopt the following:

**- PROPOSAL FOR A RESOLUTION –**

*“The Ordinary Shareholders’ Meeting of Civitanavi Systems S.p.A,*

- took note of the Board of Directors’ explanatory report and the proposals made therein;*
- aware of the provisions contained in Articles 2357 and 2357-ter of the Civil Code, Article 132 of Legislative Decree No. 58 of February 24, 1998, Article 144-bis of the Issuers’ Regulations, as subsequently amended, and the reference provisions of Regulation (EU) No. 596 of April 16, 2014 and Delegated Regulation (EU) No. 1052 of March 8, 2016;*
- having regard to the financial statements for the year ending December 31, 2022 approved by today’s meeting;*
- having noted the appropriateness of granting authorization for transactions involving the purchase and disposal of treasury shares, for the purposes and in the manner outlined above*

*resolves*

- 1. to authorize transactions to purchase and dispose of its own ordinary shares for the purposes indicated in the explanatory report, and thus:*
  - a) to authorize, pursuant to, to the effects and within the limits of Article 2357 of the Civil Code, the purchase, on one or more occasions also on a revolving basis (so-called revolving), for the period of 18 (eighteen) months from the effective date of this resolution, of a number of ordinary shares of Civitanavi Systems. S.p.A. with no indication of par value up to a maximum that, taking into account the ordinary shares of the Company from time to time held in portfolio by the same and by the, if any, companies controlled by it, does not exceed in the aggregate 20% of the total share capital of the Company, giving mandate to the Board of Directors – and on its behalf to the Chairman and Chief Executive Officer – to identify the amount of shares to be purchased in relation to each of the purposes set forth in the explanatory report at a price identified on a case-by-case basis, having regard to the method chosen for carrying out the transaction and in compliance with any requirements provided for by the regulations in force, but, in any event, without prejudice to the fact that the unit price shall be neither lower nor higher by more than 15% with respect to the official stock market price of the shares recorded by Borsa Italiana S.p.A. in the session preceding each individual transaction, and in any case for a maximum countervalue at any time of a total of 24,000,000 euros;*
  - b) to empower the Board of Directors, and on its behalf its Chairman, with the power to sub-delegate, to identify the amount of ordinary shares to be purchased in connection with each purchase program, within the scope of the purposes indicated above, prior to the commencement of the program itself, and to proceed with the purchase of ordinary shares in the manner set forth in the applicable provisions of the law and regulations in force from time to time with the gradualness deemed appropriate in the interest of the Company, granting the same with the power to sub-delegate, all broader powers for the execution of the purchase transactions referred to in this resolution and any other formality related to the same, including the possible conferment of*

*mandates to intermediaries qualified in accordance with the law and with the power to appoint special attorneys;*

- c) *to authorize the Board of Directors, and on its behalf its Chairman, with the power to sub-delegate, so that, pursuant to and in accordance with Art. 2357-ter of the Italian Civil Code, may dispose and/or use, at any time, in whole or in part, on one or more occasions, of the ordinary treasury shares purchased under this resolution, or otherwise in the Company's portfolio, by means of alienating them on the reference regulated market or outside the said system, possibly also by means of allocation within the framework of share incentive plans, including free of charge, accelerated bookbuilding, exchange or contribution or on the occasion of capital transactions, transfer of real and/or personal rights relating to the same, including but not limited to securities lending, in compliance with the legal and regulatory provisions pro tempore in force and for the pursuit of the purposes set forth in this resolution, with the terms, methods and conditions of the act of disposition and/or use of treasury shares deemed most appropriate in the interest of the Company, granting the same, all the broadest powers for the execution of the transactions of disposition and/or use referred to in this resolution, as well as any other formalities relating thereto, including the possible conferment of mandates to intermediaries qualified in accordance with the law and with the power to appoint special attorneys. In any case, the transactions for the disposition and/or use of the ordinary treasury shares in portfolio will be carried out in compliance with the laws and regulations in force regarding the execution of negotiations on listed securities and may take place in one or more solutions, and with the gradualness deemed appropriate in the interest of the Company. The authorization referred to in this point 1.c) is granted without time limits;*
2. *to provide, in accordance with the law, that the purchases referred to in this authorization be contained within the limits of distributable profits and available reserves as shown in the latest approved financial statements (including interim financial statements) at the time the transaction is carried out and that, when purchasing, disposing of and disposing of treasury ordinary shares, the necessary accounting entries be made, in compliance with the provisions of the law and applicable accounting principles."*

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**4. Approval of the stock option plan called "CNS – Stock Option Plan 2023" intended for members of the board of directors and employees of Civitanavi Systems S.p.A. and/or its subsidiaries. Related and consequent resolutions**

Dear Shareholders,

the Board of Directors has convened you in ordinary meeting to submit for your approval, pursuant to art. 114-*bis* of the TUF, an incentive and loyalty plan called "CNS – Stock Option Plan 2023" (the "**Plan**") reserved for directors, including non-executive directors, executives and employees of Civitanavi and/or its subsidiaries pursuant to art. 93 of the TUF (the "**Subsidiaries**"), which may be implemented using the shares arising from a special capital increase with the exclusion of option rights pursuant to Article 2441, paragraphs 5 and 8, of the Italian Civil Code, for a total amount (including share premium), of up to a maximum of Euro 8.000,000.00, by issuing a maximum of 1,300,000 new ordinary shares with no indication of par value (the "**Shares**"), reserved for the beneficiaries of the "CNS – Stock Option Plan 2023" (the "**Capital Increase**").

The proposal for the Capital Increase, explained below in this Report regarding the proposals on the items on the extraordinary part of the agenda, will be submitted for consideration and approval as the second item on the extraordinary part of the agenda by the Company's Shareholders' Meeting on April 27, 2023 (the "**Extraordinary Shareholders' Meeting**").

The information document on the Plan, prepared in accordance with Article 84-bis and Annex 3A of the Issuers' Regulations, will be made available to the public within the terms of the law and will be available on the Company's website [www.civitanavi.com](http://www.civitanavi.com), in the "Governance/Shareholders' Meeting" Section, together with this report.

### **1) Reasons for adopting the Plan.**

The Company, in accordance with the market practice of listed companies, considers the Plan to be an effective incentive and retention tool for individuals in strategic and success-determining roles and for employees of Civitanavi and its Subsidiaries.

The Plan is developed over a time horizon deemed suitable for the achievement of the incentive and retention objectives pursued by it.

### **2) Purpose and manner of implementation of the Plan**

The Plan provides for the free grant, to each of the beneficiaries indicated in point 3 below, of a maximum total of 1,300,000 options (the "Options") that grant the right to subscribe for or purchase Civitanavi's ordinary shares at a ratio of 1 (one) ordinary share for every 1 (one) Option exercised.

Under the Plan, Options are granted by the Board of Directors, after consultation with the Compensation and Nominating Committee.

The Plan may be implemented using either shares from the Capital Increase or shares purchased on the market by Civitanavi and/or treasury shares subject to purchase under the authorization under Article 2357 of the Civil Code granted from time to time by the shareholders' meeting.

The Company will make available to the beneficiary the ordinary shares to which he or she is entitled as a result of the exercise of the Options on the terms and in the manner that will be established in the Plan regulations.

The ordinary shares of the Company granted to the grantee upon exercise of the Options will have regular dividend rights equal to those of the Company's ordinary shares outstanding on the date of grant.

For further details on the Plan, please refer to the relevant disclosure document, prepared in accordance with Article 84-bis and Annex 3A of the Issuers' Regulations, which will be made available to the public within the terms of the law and will be available on the website of [www.civitanavi.com](http://www.civitanavi.com), in the "Governance/Shareholders' Meeting" Section, together with this report.

### **3) Recipient of the Plan**

The Plan is reserved for directors, including non-executive directors, executives and employees of Civitanavi and/or its Subsidiaries, identified by the Board of Directors, after consultation with the Nomination and Remuneration Committee (the "Participants" or the "Participant").

### **4) Modalities and clauses for the implementation of the Plan, with particular reference to its duration and the conditions for exercising the Options**

The options granted to each Participant will vest in one lump sum upon the expiration of the 3<sup>rd</sup> (third) anniversary of the date of receipt of the letter (the "Letter of Grant") notifying him or her of

the grant of the options (the “**Vesting Date**”) and may be exercised in three equal *tranches* by submitting an exercise notice to the Company during the period between the 30<sup>th</sup> (thirtieth) and 60<sup>th</sup> (60<sup>th</sup>) day following the date of approval of each of the Company’s first three annual financial statements following the Vesting Date.

In order to be eligible for the Stock Option Plan, the following requirements must be met by Participants at the time the options are granted: (a) to be holders of an existing directorship and/or employment relationship with the Company or one of its subsidiaries (the “**Relationship**”); (b) not to have given notice of their intention to withdraw from or terminate, as the case may be, the Relationship; (c) not to be the recipient of a notice of dismissal or revocation by the Company or its subsidiaries or revocation from the Relationship; (d) not to have agreed to consensual termination of the Relationship. The exercise of options is subject to the uninterrupted maintenance of the Relationship during the period between the date of receipt by each Participant of the Letter of Award and the Vesting Date.

The Board of Directors may also suspend for a maximum period of 3 (three) months the exercise of the Options in order to be able to make its decisions in cases of extraordinary transactions concerning the Company, as well as legislative or regulatory changes.

**5) Possible support for the Plan from the Special Fund for the Incentive of Workers’ Participation referred to in Article 4, paragraph 112, of Law No. 350 of December 24, 2003**

The Plan will not receive any support from the Special Fund for the Encouragement of Workers’ Participation in Enterprises, referred to in Article 4, paragraph 112, of Law No. 350 of December 24, 2003.

**6) Criteria for determining the exercise price of shares serving the Plan**

The purchase price of the Shares subject to the Options is equal to the product of (i) the value of a Share by (ii) the number of Options exercised (the “**Exercise Price**”).

If dividends are distributed during the period between the date of receipt of the Letter of Award and the Vesting Date, the Exercise Price will be reduced by the dividend per share distributed.

**7) Limits to the transfer of Options**

The grant of the Options is made on an individual basis and each Option and all the rights incorporated therein are strictly personal, registered, intransferable by deed between living persons and non-negotiable and therefore non-transferable and not usable against debts or contracts entered into by each of the beneficiaries against Civitanavi and/or the Subsidiaries.

In light of the above, in connection with this agenda item, the Board of Directors proposes that you adopt the following:

**- PROPOSAL FOR A RESOLUTION -**

*“The Ordinary Shareholders’ Meeting of Civitanavi Systems S.p.A.*

- *examined the illustrative report of the Board of Directors, prepared pursuant to Articles 114-bis and 125-ter of Legislative Decree No. 58 of February 24, 1998, as amended;*

- *examined the disclosure document prepared pursuant to Article 84-bis of the Issuers’ Regulations, as subsequently amended*

*resolves*

1. *to approve, pursuant to and for the purposes of Article 114-bis of Legislative Decree No. 58 of February 24, 1998, the adoption of the stock option plan called “CNS – Stock Option Plan 2023” having the characteristics (including conditions and prerequisites for implementation) set forth in the illustrative report of the Board of Directors and the information document on the “CNS – Stock Option Plan 2023.”*
2. *to grant the Board of Directors all powers necessary or appropriate to implement the “CNS – Stock Option Plan 2023” (including by using as shares to service the exercise of the options any treasury shares in the Company’s portfolio), in particular, by way of example only, all powers to prepare, adopt the regulations for the implementation of the aforesaid plan, as well as amend and/or supplement it, identify the beneficiaries and determine the amount of options to be allocated to each of them, make allocations to the beneficiaries, determine the exercise price as well as carry out any act, fulfillment, formality, and communication that are necessary or appropriate for the management and/or implementation of said plan, with the power to delegate its powers, duties and responsibilities regarding the execution and implementation of the plan to the Chairman of the Board of Directors, it being understood that any decision regarding and/or pertaining to the possible assignment of options to the Chairman as a beneficiary (as any other decision regarding and/or pertaining to the management and/or implementation of the plan with respect to him) shall remain the exclusive responsibility of the Board of Directors;*
3. *to confer on the Chairman of the Board of Directors, all powers, with the power to sub-delegate, to carry out the legislative and regulatory fulfillments resulting from the adopted resolutions.”*

**PROPOSALS ON THE ITEMS ON THE EXTRAORDINARY PART OF THE AGENDA**

**1. Proposed amendment to Article 4 (*Object of the company*) of the Articles of Association**

Dear Shareholders,

with regard to the first item on the extraordinary agenda, you have been called to the Shareholders' Meeting to consider and approve the proposed amendment to the Company's current bylaws.

Specifically, we propose to amend Article 4 (*Object of the company*) of the bylaws as follows:

<b>Current text</b>	<b>Amended text</b>
<p><b>4.1 The</b> Company's object is the design, production, marketing, and wholesale sale, both in Italy and abroad, of inertial sensors, inertial and satellite navigation systems, as well as business consulting in the field of the same. In addition, the Company may carry out any commercial, industrial, real estate, and financial transaction that will be deemed useful by the directors for the achievement of the corporate purpose; finally, it may issue sureties and guarantees, including real guarantees, in the interest of third parties, with the exclusion of reserved financial activities. Finally, the Company may assume and acquire interests and shareholdings in other companies, entities, or enterprises, established or being established, having objects similar or related or otherwise connected to its own, either directly or indirectly, as well as assume and/or lease companies and/or business units.</p>	<p><b>4.1 The</b> Company's object is the design, production, marketing, and wholesale sale, both in Italy and abroad, of inertial sensors, inertial and satellite navigation systems, <b>including components and accessories</b>, as well as consulting to companies in the field of the same. In addition, the Company may carry out any commercial, industrial, real estate, and financial transaction that will be deemed useful by the directors for the achievement of the corporate purpose; finally, it may issue sureties and guarantees, including real guarantees, in the interest of third parties, with the exclusion of reserved financial activities. Finally, the Company may assume and acquire interests and shareholdings in other companies, entities, or enterprises, established or being established, having objects similar or related or otherwise connected to its own, either directly or indirectly, as well as assume and/or lease companies and/or business units.</p>

It should be noted that the proposed amendment to the Articles of Association does not fall within the scope of withdrawal under the Articles of Association and statutory or regulatory provisions.

In light of the above, in connection with this agenda item, the Board of Directors proposes that you adopt the following:

**- PROPOSAL FOR A RESOLUTION –**

*“The Extraordinary Shareholders’ Meeting of Civitanavi Systems S.p.A., having regard to the proposal of the Board of Directors*

*resolves*

- 1. to amend Article 4 (Object of the company) of the Articles of Association of Civitanavi Systems S.p.A.;*

2. *to grant the Board of Directors, and for it the President Andrea Pizzarulli, with free and disjointed signature and with the right to sub-delegate, within the limits of the law, all the powers necessary for the complete execution of the aforementioned resolution, with any and all powers to that end necessary and opportune, none excluded and excepted.”*

\* \* \*

2. **Increase in paid-in share capital, in one or more tranches and with the exclusion of option rights pursuant to Article 2441, paragraphs 5 and 8, of the Civil Code, up to a maximum amount (including share premium) of Euro 8,000,000.00, through the issuance of up to 1,300.000 new ordinary shares with no indication of par value, to service the *stock option* plan called “CNS – Stock Option Plan 2023” intended for members of the Board of Directors and employees of Civitanavi Systems S.p.A. and/or its subsidiaries. Amendment to Article 5 of the Articles of Association. Related and consequent resolutions.**

Dear Shareholders,

the Board of Directors has convened you, in an extraordinary session, to submit for your approval the proposal to increase the share capital in divisible form, with the exclusion of option rights for a total amount of up to a maximum of 8,000,000.00 euros, to be executed no later than December 31, 2029, by issuing, also in several *tranches*, a maximum of 1,300.000 ordinary shares of the Company without par value, having the same characteristics as those in circulation, regular enjoyment, destined, exclusively and irrevocably, to service the stock option plan called “CNS – Stock Option Plan 2023” (the “**Plan**”), noting that partial subscriptions will be effective immediately (the “**Capital Increase**”), with consequent amendment of Article 5 of the current Bylaws

### 1) **Reasons for the Capital Increase**

The resolution submitted to the attention of the Extraordinary Shareholders’ Meeting is functional to the implementation of the Plan reserved for directors, including non-executive directors, executives and employees of the Company and/or Subsidiaries, who will be identified in accordance with the provisions of the Plan regulations (the “**Beneficiaries**”), submitted for review and approval as item 4 on the ordinary agenda by the Company’s Shareholders’ Meeting of April 27, 2023. Therefore, the proposed resolution to approve the Capital Increase (as defined below) is subject to the approval of the “CNS – Stock Option Plan 2023” by the Ordinary Shareholders’ Meeting

The details of the Plan are described in the appropriate item on the agenda of the ordinary part of this report and in the information document – to which reference is made for further information – prepared pursuant to Article 84-bis and Annex 3A of the Issuers’ Regulations, made available to the public within the terms of the law and available on the Company’s website [www.civitanavi.com](http://www.civitanavi.com), in the “*Governance/Shareholders’ Meeting*” Section, together with this report.

Within the Scope of the Plan it is envisaged that the shares will be derived, among other things, from the Capital Increase. This is without prejudice to the right of the Board of Directors to use as shares to service the Plan any shares purchased by the Company on the market and/or held by the Company and purchased under share buyback programs resolved and executed pursuant to applicable legal provisions.



The reasons and objectives of the Plan lie in the need to establish an incentive mechanism is primarily aimed at fostering the retention of key resources of the Civitanavi Group by incentivizing their permanence within it.

## **2) Criteria for determining the issue price of the Shares**

Under the Plan, the purchase price of the shares subject to the options is equal to the product of (i) the “Value” of a Share (as defined below) times (ii) the number of options exercised (the “**Exercise Price**”).

“Value” means the arithmetic average of the prices of a Civitanavi share as recorded on the stock exchange market during the period between the Grant Date and the same day of the preceding calendar month (or, if this is not a business day, the first business day immediately following this). If the Board of Directors of the Company considers that the aforesaid period of one calendar month is inadequate to reflect the average market price over a significant period of time, the Board of Directors shall evaluate and determine in good faith and in the best interest of the Participants the new reference period for the calculation of the Value it being understood that in such case the period shall, in any event, be between one month and six months to be calculated between the Date of Allocation and the same day of the preceding calendar month of reference (or, if this is not a business day, the first business day immediately following this).

If dividends are distributed during the period between the date of receipt of the Letter of Award and the Vesting Date, the Exercise Price will be reduced by the dividend per share distributed.

The Board of Directors has the authority to adjust the criteria for determining the Exercise Price as determined above, in line with any changes in current tax legislation

## **3) Expected period for the execution of the operation**

The Plan provides that the options granted to each Participant will vest in one lump sum upon the expiration of the 3<sup>rd</sup> (third) anniversary of the date of receipt of the Letter of Award (the “**Vesting Date**”) and may be exercised in three equal *tranches* by submitting an exercise notice to the Company during the period between the 30<sup>th</sup> (thirtieth) and 60<sup>th</sup> (60<sup>th</sup>) day following the date of approval of each of the Company’s first three annual financial statements following the Vesting Date (the “**Exercise Periods**”).

Any options not exercised by the end of each Exercise Period may be carried forward and then exercised during the immediately following Exercise Period with the understanding that, in the event of failure to exercise by the end of the last Exercise Period, any unexercised options shall be deemed to have been permanently forfeited and ineffective without the need for any notice to the Participant or any formality on the part of the Company.

If, for whatever reason, the Relationship should terminate after the Maturity Date all outstanding options must be exercised, under penalty of forfeiture, by the 60<sup>th</sup> (60<sup>th</sup>) day following the date of approval of the Company’s first annual financial statements following the date of termination of the Relationship.

The terms and conditions of the Plan are described in the appropriate item on the agenda of the ordinary part of this report and in the information document – to which reference is made for further information – prepared pursuant to Article 84-bis and Annex 3A of the Issuers’ Regulations, made available to the

public within the terms of the law and available on the Company’s website [www.civitanavi.com](http://www.civitanavi.com), in the “*Governance/Shareholders’ Meeting*” Section, together with this report.

The deadline for the execution of the Capital Increase is December 31, 2029.

**4) Characteristics of newly issued shares**

The newly issued shares from the Capital Increase will have the same dividend rights as those of the ordinary shares outstanding on the date the new shares are issued.

**5) Statutory changes**

The transaction involving the Capital Increase as described above will result in the amendment of Article 5 of the Articles of Association as follows:

Current text	Amended text
<p><b>5.1</b> The share capital amounts to Euro 4,244,000.00 (four thousand two hundred and forty-four thousand point zero zero) and is divided into 30,760,000 (thirty million seven hundred and sixty thousand) ordinary shares (the “<b>Shares</b>”), with no indication of par value.</p>	<p><b>5.1</b> The share capital amounts to Euro 4,244,000.00 (four thousand two hundred and forty-four thousand point zero zero) and is divided into 30,760,000 (thirty million seven hundred and sixty thousand) ordinary shares (the "<b>Shares</b>"), with no indication of par value.</p>
<p><b>5.2</b> The Shareholders’ Meeting may grant the Board of Directors the power to increase the share capital in one or more times and to issue convertible bonds up to a determined amount and for the maximum period of 5 (five) years from the date of the resolution, through the necessary amendment of the Articles of Association.</p>	<p><b>5.2</b> The Shareholders' Meeting may grant the Board of Directors the power to increase the share capital in one or more times and to issue convertible bonds up to a determined amount and for the maximum period of 5 (five) years from the date of the resolution, through the necessary amendment of the Articles of Association.</p>
<p><b>5.3</b> In the event of a capital increase, newly issued shares may be allotted in an amount that is not proportional to the contributions, subject to the consent of the Shareholders concerned.</p>	<p><b>5.3</b> In the event of a capital increase, newly issued shares may be allotted in an amount that is not proportional to the contributions, subject to the consent of the Shareholders concerned.</p>
<p><b>5.4</b> The domicile of Members, as far as their relations with the Company are concerned, shall be as shown in the register of Members, unless a different election of domicile is communicated in writing to the Board of Directors.</p>	<p><b>5.4</b> The domicile of Members, as far as their relations with the Company are concerned, shall be as shown in the register of Members, unless a different election of domicile is communicated in writing to the Board of Directors.</p>
<p><b>5.5</b> Pursuant to Article 2441, paragraph 4, second sentence, of the Civil Code, the Company may approve capital increases with the exclusion of pre-emptive rights, up to a limit of ten percent of the pre-existing capital, provided that the issue price corresponds to the market value of the shares and that this is confirmed in a special report by a statutory auditor or auditing firm.</p>	<p><b>5.5</b> Pursuant to Article 2441, paragraph 4, second sentence, of the Civil Code, the Company may approve capital increases with the exclusion of pre-emptive rights, up to a limit of ten percent of the pre-existing capital, provided that the issue price corresponds to the market value of the shares and that this is confirmed in a special report by a statutory auditor or auditing firm.</p>
<p><b>5.6</b> It is permissible, in the manner and form prescribed by law, to allocate profits to the employees of the Company and/or subsidiaries by issuing, in an amount corresponding to the profits themselves, special classes of shares pursuant to</p>	<p><b>5.6</b> It is permissible, in the manner and form prescribed by law, to allocate profits to the</p>

<p>Article 2349, Paragraph 1, of the Civil Code. The share capital must be increased by a corresponding amount.</p>	<p>employees of the Company and/or subsidiaries by issuing, in an amount corresponding to the profits themselves, special classes of shares pursuant to Article 2349, Paragraph 1, of the Civil Code. The share capital must be increased by a corresponding amount.</p> <p><b>5.7 On April 27, 2023, the Extraordinary Shareholders' Meeting approved an increase in the Company's share capital for cash, in divisible form, with the exclusion of option rights, pursuant to Article 2441, paragraphs 5 and 8 of the Civil Code, for a maximum amount (including share premium) of 8,000,000.00 euros, to be executed no later than December 31, 2029, through the issuance, in one or more tranches, of a maximum of 1,300,000 ordinary shares, with no indication of par value to be reserved for subscription to the beneficiaries of the <i>stock option</i> plan called "CNS Stock Option Plan 2023," all under the terms and conditions set forth in the resolution itself.</b></p>
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That being said, the Board of Directors submits the following proposed resolution for your approval.

**- PROPOSAL FOR A RESOLUTION -**

*"The Extraordinary Shareholders' Meeting of Civitanavi Systems S.p.A.*

- noting the resolution of today's Ordinary Shareholders' Meeting which approved, pursuant to and in accordance with Article 114-bis of Legislative Decree No. 58/1998, as amended, the stock option plan known as the "2023 Stock Option Plan";*
- having regard to and approved the report of the Board of Directors and the proposals contained therein;*
- noted that the share capital is fully subscribed and paid up,*

*resolves*

- 1. to increase the share capital in divisible form, with the exclusion of option rights pursuant to Article 2441, paragraphs 5 and 8 of the Italian Civil Code, for a maximum amount (including share premium) of Euro 8,000,00.00 (eight million point zero zero), to be executed no later than December 31, 2029, through the issuance, in one or more tranches, of up to 1,300.000 new ordinary shares, with no indication of par value, destined to service the stock option plan called "CNS - Stock Option Plan 2023," noting that partial subscriptions will be effective immediately and that therefore if the capital increase is not fully subscribed by December 31, 2029, the share capital will be increased by an amount equal to the subscriptions collected up to the expiration of that deadline;*

2. *to establish that, with reference to the "CNS - Stock Option Plan 2023", the exercise price of the shares shall be set as the product of (i) the "Value" of a Share by (ii) the number of options exercised, "Value" being the arithmetic average of the prices of a Civitanavi share recorded on the stock exchange market during the period between the grant date and the same day of the previous calendar month (or, if this is not a business day, the first business day immediately following this); providing further that (i) if the Board of Directors of the Company considers that the aforesaid period of one calendar month is not adequate to reflect the average price practiced on the market over a significant period of time, the Board of Directors shall evaluate and establish in good faith and in the interest of the participants the new reference period for the calculation of the Value it being understood that in such event the period shall, in any event, be between one month and six months to be calculated between the date of grant and the same day of the preceding calendar month of reference (or, if this is not a business day, the first business day immediately following this); and (ii) in the event of a dividend distribution during the period between the date of receipt of the award letter and the vesting date, the exercise price shall be reduced by the dividend per share distributed.*
  
3. *to amend the current Bylaws by inserting the following paragraph 5.7:*

*"On April 27, 2023, the Extraordinary Shareholders' Meeting approved an increase in the Company's share capital for cash, in divisible form, with the exclusion of option rights, pursuant to Article 2441, paragraphs 5 and 8 of the Civil Code, for a maximum amount (including share premium) of 8,000,000.00 euros, to be executed no later than December 31, 2029, through the issuance, in one or more tranches, of a maximum of 1,300,000 ordinary shares, with no indication of par value to be reserved for subscription to the beneficiaries of the stock option plan called "CNS Stock Option Plan 2023," all under the terms and conditions set forth in the resolution itself"*
  
4. *to confer upon the Chairman of the Board of Directors, with the power to sub-delegate, all the broadest powers necessary and appropriate to provide for the formalities necessary for the resolutions to be registered in the Register of Companies, with the power to introduce therein any variations, corrections or non-substantial additions that may be appropriate for this purpose or required by the competent Authorities, including at the time of registration and, in general, to provide for everything necessary for the complete execution of the resolutions themselves, with any and all powers for this purpose necessary and appropriate, none excluded and excepted.*

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Pedaso, March 28, 2023

For the Board of Directors.

The Chairman of the Board of Directors

Andrea Pizzarulli