



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 595,534.32 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 fourth item on the agenda of the shareholders' meeting convened for 27 April 2023, at single call.



Item 4 on the agenda - Approval of the Long Term Incentive Plan 2024-2026; resolutions according to article 114-bis of Italian Legislative Decree 58/98.

Shareholders,

In connection with the sixth item on the agenda of the ordinary part of the Shareholders' Meeting to be held on 27 April 2023 at single call, we have convened you to submit for your approval, in accordance with Art. 114-bis of Italian Legislative Decree no. 58/98, the share-based compensation plan in favour of Executive Directors, Key Managers and employees of Alkemy S.p.A. (the “**Beneficiaries**”), called the “2024-2026 Long-Term Incentive Plan” (the “**2024-2026 LTIP**” or the “**Incentive Plan**” or the “**Plan**”), to be implemented by means of the free assignment of ordinary shares in Alkemy S.p.A. (the “**Shares**”), as well to confer suitable powers on the Board of Directors by which to execute it.

This Report seeks to explain the reasons and contents of the proposal concerning the 2024-2026 LTIP. The definitions and description of the Incentive Plan contents are set out in the Information Document, prepared in accordance with Art. 84-bis of the Regulation adopted by Consob with resolution no. 11971 of 14 May 1999, as subsequently amended, made available to the public in accordance with the terms and conditions of current legislation.

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1. Reasons behind the adoption of the Incentive Plan

In compliance with standard practice both nationally and internationally, the Company believes that the Incentive Plan is a tool that can focus the Beneficiaries' attention on strategic objectives for the Company and the Alkemy Group, fostering their loyalty and, at the same time, guaranteeing the alignment of the interests of the shareholders with those of the Beneficiaries, with a view to pursuing the sustainable success of the Company and the continuous increase in value in the medium/long-term.

More specifically, adoption of the Incentive Plan pursues the following ends in the medium/long-term:

- to align the interests of the Beneficiaries with those of the shareholders and the objectives of the Company's Business Plan as a whole;
- to tie the remuneration of Beneficiaries, as persons playing a key role in the achievement of Alkemy's objectives, to the economic results achieved by the Company and the Alkemy Group and to achieving the specific objectives set for the medium/long-term;
- to support and reward the achievement of long-term objectives, allowing for the pursuit of the priority objective of creating value of the medium/long-term;
- to support the attraction, retention and engagement of key resources in line with the business culture, at the same time pursuing an efficient choice relative to the costs generated by this Plan.

2. Plan beneficiaries

The Incentive Option Plan is reserved for Executive directors, Key Managers and employees of the Company and/or Alkemy Group, identified amongst those holding senior positions and/or with strategically relevant duties assigned them within the Company and/or Alkemy Group, with respect to the position respectively held in the Company or Alkemy Group (“**Key People**”).

Subject to Shareholders' Meeting approval of the Plan, the Company's Board of Directors will name the Plan Beneficiaries at its discretion, at any time during the Plan duration.

3. The Plan procedures and implementation clauses

The Incentive Plan envisages the free assignment to the Beneficiaries indicated in Paragraph 2, following specific resolution by the Company's Board of Directors (after consulting with the Remuneration Committee, where applicable) of the right to receive Shares free of charge, upon achieving specific retention, performance and ESG-related objectives, identified with reference to the Business Plan to be adopted by the Board of Directors.

For all categories of Beneficiaries, the maximum number of Shares that can be obtained over the whole of the Incentive Plan will be made up 85% of Shares whose assignment is subject to achieving the Performance Objective and ESG Objective and 15% of Shares whose assignment is subject to achieving the Retention Objective.



The achievement of the Performance Objective will be verified (i) once a year, whilst the ESG Objectives and Retention Objective will be calculated (ii) at the end of the three years for which the Incentive Plan runs. By the deadline set under point (ii), the assignment of the Shares will be arranged, in full and for all categories of entitled Beneficiaries.

4. Any support of the Plan by the Special Fund for encouraging worker participation in businesses, pursuant to Art. 4, paragraph 112 of Italian Law no. 350 of 24 December 2003

The Incentive Plan will not receive support by the Special Fund for the encouragement of worker participation in businesses, pursuant to Article 4, paragraph 112 of Italian Law no. 350 of 24 December 2003.

5. The procedures for determining the prices or criteria for determining the prices for the subscription or purchase of shares

The Plan has different characteristics depending on the category of Beneficiaries, identified taking into account the different relevance of the role played by each Beneficiary, with a view to increasing the Company's and Group's value in the medium/long-term and the strategic relevance impact of the respective position. More specifically, the Basic Number of Shares will be calculated taking into account the market value of the Company's Shares at the Date of Attribution of the Right, so as to assign a Basic Number of Shares that, at that date is worth a figure falling between the following amounts:

- Executive directors: between Euro 100,000 (one hundred thousand) and Euro 200,000 (two hundred thousand) for each Annual Vesting Period;
- Key Managers: between Euro 50,000.00 (fifty thousand) and Euro 100,000.00 (one hundred thousand) for each Annual Vesting Period;
- Key People: between Euro 10,000 (ten thousand) and Euro 75,000.00 (seventy-five thousand) for each Annual Vesting Period;

Assignment of the Shares is subject to achieving the Plan Objectives, as indicated in the Letter of Attribution and the total number of Shares that can be assigned for all categories of Beneficiaries will be correlated 80% to achievement of the Performance Objective, 5% to achievement of the ESG Objective and 15% to achievement of the Retention Objective.

The Shares will be assigned subject to achieving the Plan Objectives, free of charge and the maximum number of Shares that can be obtained, in total, by all beneficiaries during the Plan time-frame, upon achieving 100% of the Plan Objectives, shall not exceed the equivalent value of 1,000,000 (one million).

6. Restrictions to availability affecting the Shares

The Shares assigned under the scope of the Incentive Plan are not subject to availability restrictions.

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By virtue of the foregoing, we would therefore propose you pass the following resolution: "*The Shareholders' Meeting of Alkemy S.p.A.,*

- *having examined the explanatory report of the Board of Directors, prepared in accordance with Articles 114-bis and 125-ter of Italian Legislative Decree no. 58 of 24 February 1998 and the proposals contained therein;*
- *having examined the information document prepared in accordance with Art. 84-bis of the Regulation adopted by Consob with resolution no. 11971 of 14 May 1999, as subsequently amended,*

resolved

1. *to approve, in accordance with and pursuant to Art. 114-bis of Italian Legislative Decree no. 58 of 24 February 1998, the adoption of the share-based compensation plan called "2024-2026 LTIP" with the characteristics explained in the explanatory report of the Board of Directors and the information document on such plan;*
2. *to confer upon the Board of Directors, with the faculty to sub-delegate, all powers necessary and appropriate to implement the share-based compensation plan called "2024-2026 LTIP", in particular, but merely by way of example, full powers to (i) prepare and approve the documentation relating to the implementation of the plan, including the regulation that will govern the plan and the detailed definition of the plan objectives, (ii) name the plan beneficiaries, (iii) act in all other ways, fulfilling all*



commitments and formalities and making all communication as may be necessary or appropriate to the management and/or implementation of such plan, with the faculty to delegate the powers, duties and responsibilities in respect of the execution and application of the plan, (iv) define all other terms and conditions and act in any other way, fulfilling all commitments and formalities and/or making all communications necessary or appropriate to the management and/or implementation of the plan;

3. *to confer upon the Chairman of the Board of Directors and the Chief Executive Officer, jointly and severally, all powers, with the faculty to sub-delegate, including to qualified subjects who are not Board members, to act in all ways required, necessary or useful to the implementation of the foregoing resolutions and to fulfil all and any legislative and regulatory requirements as may be a consequence of the resolutions adopted, with the faculty to make any non-substantive changes, adjustments or additions as may be appropriate or required by the competent Authorities and, in general, to act in all ways necessary for the complete execution of the resolutions, with all and any powers necessary and appropriate to this end, with no exclusions or exceptions”.*

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Milan, March 27th, 2023

For the Board of Directors

The Chairman, Alessandro Mattiacci