

BOARD OF STATUTORY AUDITORS' REPORT

in accordance with Article 153 of Legislative Decree No. 58/1998 and of Article 2429 of the civil code

Dear Shareholders,


with this report, drawn up as per Article 153 of Legislative Decree No. 58 of February 24, 1998 ("CFA") and Article 2429 of the civil code, the Board of Statutory Auditors of Avio S.p.A. ("Avio" or also the "Company") reports on the activities carried out in the year ending December 31, 2022, in compliance with the applicable regulation, taking account also of the conduct rules for the Board of Statutory Auditors of listed companies, recommended, on April 26, 2018, by the Italian Accounting Profession (Consiglio Nazionale dei Dottori Commercialisti e degli Esperti Contabili), of Consob's provisions concerning corporate controls and the standards and recommendations of the Corporate Governance Code.

In addition, as Avio has adopted a traditional governance model, the Board of Statutory Auditors acts as the "Internal Control and Audit Committee" and, therefore, in this report, account shall also be taken of the specific financial disclosure and audit control and monitoring functions, as per Article 19 of Legislative Decree No. 39 of January 27, 2019, as amended by Legislative Decree No. 135 of July 17, 2016.

The current Board of Statutory Auditors was appointed on May 6, 2020 by the Shareholders' Meeting of Avio, with its mandate concluding on the approval of the 2022 Annual Accounts. In 2022, the Board of Statutory Auditors undertook the activities within its scope, holding eighteen meetings. In the same year, the Board of Statutory Auditors, in addition, participated at ten meetings of the Board of Directors, seven meetings of the Control and Risks Committee, seven meetings of the Appointments and Remuneration Committee, in addition to three meetings of the Sustainability Committee.

During the year, the Board of Statutory Auditors also met the Supervisory Board as per Legislative Decree No. 231 of 2001 to reciprocally exchange information.

1. SUPERVISORY ACTIVITY



1.1 Oversight upon legal, regulatory and By-Law compliance

The supervisory duties of the Board of Statutory Auditors are governed by Article 2403 of the civil code, by Legislative Decree No. 58 of 1998 and by Legislative Decree No. 39 of 2010. The Board of Statutory Auditors took into account the amendments made to Legislative Decree No. 39 of 2010, implementing Directive 2014/56/EU, by Legislative Decree No. 135 of 2016 and the regulations contained in European Regulation 537/2014.

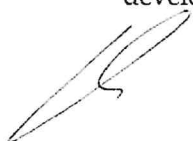
On the activities undertaken during the year, as per Consob's indications of Communication DEM/1025564 of April 6, 2001, as amended and supplemented by Communication DEM/3021582 of April 4, 2003, and subsequently by Communication DEM/6031329 of April 7, 2006, the Board undertook the duties outlined below.

The Board of Statutory Auditors periodically received from the Directors, also through attending the meetings of the Board of Directors and of the internal board committees, information on the activities carried out and on the main economic, financial and equity transactions approved and executed in the year, in addition to, in accordance with Article 150 of the CFA, paragraph 1, those undertaken by the subsidiaries. Based on the information available, the Board can reasonably state that these transactions were in compliance with law and the corporate objectives and were not imprudent, reckless, contrary to resolutions of the Shareholders' Meetings or such as to compromise the integrity of the company's assets.

In addition, the transactions potentially presenting a conflict of interests were approved in compliance with law, the regulatory provisions and the By-Laws.

The main events in the year, which the Board of Statutory Auditors highlight in view of their significance, were as follows:

- on December 20, 2022, about two minutes after the Vega C launcher lift-off, an anomaly occurred shortly after the second stage (Zefiro 40) was ignited, leading to the premature termination of the mission;
- an Independent Commission of Inquiry ("IEC") chaired by ESA and Arianespace was immediately formed to investigate the causes of the mission's premature termination and to define the consequent requirements to be implemented for a prompt return to flight;
- the issue of legislation affecting the framework embodied in Law No. 808 of December 24, 1985, constituting the main industrial policy tool for supporting aerospace research and development;

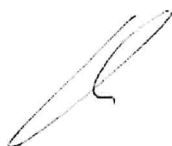


- the recognition to the financial statements, in accordance with the aforementioned legislation, of the liability, related to the P80 Research and Development Project of National Security Interest;
- in fact, in the preparation of the financial statements at December 31, 2022, the Company, also supported by a legal opinion, deemed it necessary to carry out an appropriate assessment of the accounting situation so as to record only the liability definitively ascertained, together with the Ministry for Economic Development, regarding the P80 Research and Development Project of National Security Interest. Due to the fact that the final liability was quantified at Euro 1.9 million, the related liability previously recorded was therefore adjusted downward, as there was no longer - according to the applicable standards - any obligation of the Company that could justify the accounting presentation of a higher amount, with a balancing entry for the reversal of the net carrying amount of some development costs, in relation to the P80 Research and Development Project of National Security Interest, and an extraordinary positive effect in the income statement, amounting to Euro 30,842 thousand, included in other operating income and non-recurring income in the Directors' Report and other operating income in the income statement;
- Avio Usa Inc. was incorporated, wholly-owned and with the purpose of exploring business development opportunities on the U.S. market;
- Temis S.r.l. was fully acquired, an existing Avio Group supplier operating in a strategic sector of particular importance to the Group, that of avionics engineering;
- the industrial project for the reconversion of the cogeneration plant at the Colleferro site, which is owned by Termica Colleferro, a company in which Avio has a 40% shareholding, was launched.

With reference to the COVID-19 pandemic, the Company maintained the measures to combat the spread of the virus, through the adoption of internal procedures and the implementation of the safeguards required by the applicable rules.

With reference to the calls for attention published by Consob on March 18, 2022 and May 19, 2022, addressed to listed issuers and concerning the impact of the war in Ukraine on inside information and financial reporting, the Board of Statutory Auditors highlights the following:

- on February 25, 2022, the Company issued an initial press release regarding the events taking place in Ukraine, reporting that there are no impacts on the continuity of Vega's operations and that the situation is continuously monitored;



- on March 25, 2022, the Company issued another press release confirming that there are no expected impacts on the continuity of Vega and Vega C's operations in the medium term and that new possible elements of risk for the long term, if emerging, would be promptly disclosed;
- on July 17, 2022, the Company issued a further press release, whose content substantially confirmed those preceding;
- in the Annual Financial Report, which was approved by the Board of Directors on March 13, 2023, in the note "Main risks and uncertainties to which the Group is exposed - Risks relating to the war in Ukraine" the Company, among other matters, points out that:
 - the situation of ongoing conflict in Ukraine is among the main risks and uncertainties to which the Group is exposed, as the Group's strategic suppliers, by virtue of the skills and know-how developed, as well as the qualification processes that have certified their compliance with the specific requirements, still include three Ukrainian suppliers;
 - a Ukrainian supplier (ESA approved) was thereafter identified for the production of the carbon-carbon inserts used to make the nozzles for the Z40 and Z9 motors of the Vega-C carrier;
 - from March 2022, a contract to supply such inserts was finalised with ArianeGroup, a previously used supplier;
 - from 2019, investments are being made to strengthen know-how for the production of such inserts;
 - there is no direct procurement from Russian suppliers;
 - on the basis of the investigations carried out, the state of supplies allows the continuation of industrial activities without interruption with regard to the VEGA and VEGA C programs;
 - it cannot be excluded that a worsening of the Ukrainian crisis, or the continuation of the current situation, could have possible future impacts on the Group's production activities with reference to the VEGA and VEGA C programmes;
 - the risks of effects arising from dependence on such Ukrainian strategic suppliers are qualified as "possible", and the analyses for the identification of possible alternative suppliers are underway, with the support of the European Space Agency, also analysing the process and the necessary modalities for the certification of such solutions in the qualification dossier of the Vega and Vega C launchers;
 - ArianeGroup-manufactured carbon-carbon inserts will be used whose supply timelines ensure the continuity of Vega-C production.



In the Annual Financial Report, among the Subsequent events, the company points out that:

- on March 3, 2023, the Independent Commission of Inquiry (IEC) composed of ESA and Arianespace completed its work concluding that the cause of the failure of the VV22 flight was a gradual deterioration of the Zefiro 40 engine nozzle;
- it provided a set of recommendations to ensure the safe return to flight in a timely manner and the long-term reliability of the Vega C launcher with a portfolio of 14 flights (12 Vega C and 2 Vega);
- Arianespace has updated the launch schedule to assign a flight to one of the two remaining Vega launchers with an expected launch date by late summer 2023, anticipating however the next flight of Vega C by the end of 2023;
- based on the recommendations provided by the IEC to ensure the safe return to flight in the short term and the reliability of the Vega C launcher in the long term, the Company has proceeded to estimate the costs required for their implementation, both direct, i.e. ground testing of engines and strengthening of quality control procedures, and indirect, i.e. the increased costs resulting from a reduction in the production rate due to the implementation of these recommendations;
- the ESA support due to Avio was then estimated on the basis of specific contractual provisions, a principle confirmed by the ESA during the March 3, 2023 press conference, and consequently provisions for residual risks borne by Avio were recorded in FY2022 under the provisions for risks and charges, also based on detailed analysis undertaken by legal consultants concerning possible contractual and non-contractual liability exposure of Avio.

1.2 Oversight upon compliance with the principles of correct administration and on the adequacy of the organisational structure

The Board of Statutory Auditors obtained information and verified the adequacy of the organisational structure, compliance with correct administrative principles, the adequacy of the Company's instructions to its subsidiaries in accordance with Article 114, paragraph 2 of the CFA, through the obtaining of information from the Boards of Statutory Auditors and/or the Board of Directors of the Italian subsidiaries, from the persons responsible for the various departments and meetings with the auditing firm for the reciprocal exchange of data and relevant information.

During the year, the company introduced various provisions to implement measures introduced by Regulations, the Oversight Authorities, in addition to the Corporate Governance Code.



The information flows received from the Boards of Statutory Auditors and/or the boards of directors of the subsidiaries did not reveal any criticalities.

The Directors' Report, the information received during the meetings of the Board of Directors and that received from the Chief Executive Officer, senior management, the Boards of Statutory Auditors and/or the Board of Directors of the subsidiaries and from the independent audit firm do not indicate the existence of atypical and/or unusual transactions with Group companies, with third parties or with related parties.

Finally, the Board of Statutory Auditors verified, also through participation at the meetings of the Appointments and Remuneration Committee, the company processes undertaken to establish the remuneration policies of the company, with particular regards to the remuneration criteria of the Chief Executive Officer and of the Senior Executives.

1.3 Oversight of the internal control and risk management system

The Company's Internal Audit function which, with the favourable opinion of the Board of Statutory Auditors, is outsourced to a specialised company, operates on the basis of a multi-year plan, reviewed annually, which defines activities and processes to be audited with a view to a risk-based approach. The plan is approved by the Board of Directors, following the approval of the Control and Risks Committee and consultation with the Board of Statutory Auditors.

The activities carried out by Internal Audit during the year substantially covered the planned scope of activities. These activities did not indicate significant criticalities, although highlighting areas for improvement, carefully monitored, to be implemented however in the current year.

The Board of Statutory Auditors monitored the adequacy of the internal control and risk management systems through:

- regular participation at the Control and Risks Committee, the Appointments and Remuneration Committee and the Sustainability Committee of the company, covering jointly the issues of the former Committee when deemed appropriate;
- the periodic meetings, also attending the meetings of the Control and Risks Committee and of the Sustainability Committee, with the Internal Audit function and the Legal and Compliance function to assess the work planning methods, based on the identification and assessment of the main process and organisational unit risks;
- the periodic meetings, attending the meetings of the Control and Risks Committee, with the Risk Management function to analyse Avio's and the Group's strategic risks;



- the meetings with senior positions regarding the organisational and operating impacts of Avio's activities;
- the review, also in coordination with the Control and Risks Committee, of the reports of the Internal Audit function, requested, in one case, by the Board of Statutory Auditors itself;
- the meeting with the Supervisory Board as per Legislative Decree No. 231 of 2001 of the Company;
- the acquisition as per paragraphs 1 and 2 of Article 151 of the CFA of information from the boards of the Italian registered subsidiaries on events considered significant involving the Group companies and on the internal control system;
- the review of the Annual Report of the Internal Audit Manager;
- the review of the Reports of the Supervisory Board as per Legislative Decree No. 231 of 2001;
- the review of the Annual Report of the Control and Risks Committee and the activities carried out and on the adequacy of the internal control and risk management system;
- the acknowledgement of the assessment, expressed by the Board of Directors, of the adequacy of the organisational, administrative and accounting structure of Avio and of the strategically significant subsidiaries.

In undertaking its control activities, the Board of Statutory Auditors began the analysis on the operating, accounting, economic and financial effects from the above premature conclusion of the Vega VV22 launch mission and the management by the company and the consequent economic-financial, reputational and operative impacts.

In general, although particularly for these analyses, the Board of Statutory Auditors coordinates its activities through ongoing liaising with the Control and Risks Committee, the Internal Audit and Risk Management functions, and the top operations sector managers.

On the basis of the activities carried out, the information acquired and the content of the Internal Audit function's report, the Board of Statutory Auditors considers that no criticalities exist which may affect the control and risk management systems structure.

1.4 Oversight on the administrative-accounting system and on the financial disclosure process

The Board of Statutory Auditors monitored the process and controlled the efficacy of the internal control and risk management systems as regarding financial disclosure.



The Board of Statutory Auditors periodically met the Executive responsible for the preparation of the corporate accounting documents to exchange information on the administrative-accounting system, while also considering the reliability of this latter to correctly present operating events.

The Board of Directors on February 21, 2023 approved the impairment test procedure drawn up according to IAS 36, governing the methods to verify the recoverability of Avio Group's assets and on March 13, 2023 approved the results of applying the same procedure, also with the support of an independent advisor, to the relative items of the 2022 financial statements.

The Board supervised (i) on the adoption by the Board of Directors of the procedure and, subsequently (ii) the outcome of the checks made by management, with the support of an independent advisor, which confirms the recoverability of the assets subject to the impairment test.

The Board of Statutory Auditors also reviewed the declaration of the Chief Executive Officer and the Executive Officer for Financial Reporting, prepared on March 13, 2023, in accordance with the provisions contained in Paragraph 5 and Paragraph 5-bis of Article 154-bis of the CFA, in accordance with the model set forth in Article 81-ter of Consob Regulation No. 11971 of May 14, 1999, as subsequently amended and supplemented.

The Board of Statutory Auditors did not highlight any deficiencies which may affect the opinion of adequacy and effective application of the administrative-accounting procedures.

The Independent Audit Firm managers, in the periodic meetings with the Board of Statutory Auditors, did not indicate critical situations which may affect the internal control system in terms of administrative and accounting procedures.

1.5 Oversight on related party transactions

Intercompany or related party transactions are disclosed in the notes to the consolidated financial statements, § 7 Related Party Transactions, as well as in the notes to the financial statements, § 6 Related Party Transactions.

The related parties of the Companies are identified on the basis of IAS 24 - *Related Party Disclosures*, applicable from January 1, 2011, and are generally the parent companies, companies with a connection with the Avio Group and its subsidiaries as defined by the applicable rules, companies controlled but not consolidated within the Avio Group, associates and jointly-controlled companies of the Avio Group and other investee companies.



The Board of Statutory Auditors supervised the compliance of the Related Party Transactions Policy (“RPT Policy”) with the applicable regulation and its adjustment to the relative rules.

2. INTERNAL CONTROL AND AUDIT COMMITTEE

In accordance with Article 19 of Legislative Decree No. 39 of 2010, the Board of Statutory Auditors is identified as the Internal Control and Audit Committee and carried out the required oversight activities upon the legally required audit of the statutory annual accounts and of the consolidated accounts.

The Board of Statutory Auditors periodically met with the Independent Audit Firm Deloitte & Touche, also as per Article 150, paragraph 3, of the CFA for the exchange of reciprocal information. At these meetings, the Independent Audit Firm did not indicate any facts or events requiring indication or irregularities requiring specific reporting as per Article 155, paragraph 2, of the CFA.

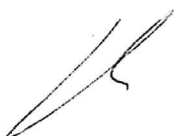
For its supervision of the financial statements, the Board of Statutory Auditors periodically met with the independent audit firm to review the results from the auditing of the proper maintenance of accounting records, to review Avio and Group 2022 Audit Plan and for the state of advancement of the Audit Plan.

The Board of Statutory Auditors and the independent audit firm also maintained continuous information exchanges. In particular, the Board of Statutory Auditors:

- i. noted an appropriate level of professional scepticism;
- ii. promoted effective and timely communication with the Auditors;
- iii. oversaw, without noting any criticalities, the impacts related to the also “remote” working methods undertaken by the Auditor, with the support of the corporate structures.

The Board of Statutory Auditors has (i) analysed the work carried out by the Independent Auditors, and in particular, the methodological framework, the audit approach used for the various significant areas of the financial statements and the planning of the audit work and (ii) shared with the Independent Auditors the issues related to corporate risks, thus being able to appreciate the adequacy of the response planned by the auditor with the structural and risk profiles of the Company and the Group; (iii) carried out adequate in-depth analysis of the Audit Quality Indicators.

The draft financial statements at December 31, 2022, accompanied by the Directors’ Report prepared by the Directors, in addition to the indicated statement of the Chief Executive Officer and of the Executive Officer, were approved by the Board of Directors at the meeting of March 13, 2023 and



simultaneously made available to the Board of Statutory Auditors in view of the Shareholders' Meeting called for April 28, 2023.

On the same date of March 13, 2023, Avio's Board of Directors also took note of the consolidated financial statements, as prepared, pursuant to Article 154-bis of the CFA, by the same Executive, which were also the subject of the same statement, and similarly made them available to the Board of Statutory Auditors.

Avio's financial statements report a net loss of Euro 1,894,796.

As highlighted in the Directors' Report, the following non-recurring events occurred during the year:

- the failure of VV22 mission of Vega C and the risk of future program execution, which resulted in extraordinary provisions mainly included in costs for goods and services, non-recurring charges and provisions for risks and charges (and recognised to Service costs and raw material consumption in the income statement and other provisions for risks and charges in the balance sheet, respectively);
- the settlement with the Ministry for Economic Development of a number of payables for loans under Law 808/85 as a result of the new legislation introduced in 2022, which resulted in an extraordinary positive effect on the income statement included in other operating income and nonrecurring income (and recognised in other operating income in the income statement).

This Report, through the reconciliation of EBIT, Adjusted EBIT and Adjusted EBITDA, shows that the EBITDA performance was affected by total nonrecurring costs of Euro 6.4 million, which consist, in particular, of extra costs related to the activities of the maiden launch campaign in 2022 of the new Vega C launcher and which benefit, however, from a positive one-time contribution of Euro 3.2 million Euro resulting from the offsetting of:

- positive effect of Euro 30,842 thousand from the new legislation introduced in 2022 regarding the funding of Law 808/85, with consequent definition of some payables with the Ministry for Economic Development and royalties related to the P80 Research and Development Project of National Security Interest;
- extraordinary provisions of Euro 27,639 thousand for risks associated with Vega C's return to flight, net of compensation expected from the European Space Agency, and for the future execution of programs.



On March 31, 2023, the independent auditors issued, pursuant to Article 14 of Legislative Decree No. 39 of 2010 and Article 10 of Regulation (EU) No. 537/2014, the audit reports on the financial statements and consolidated financial statements of the Avio Group for the year ended December 31, 2022, prepared in accordance with International Financial Reporting Standards - IFRS adopted by the European Union, in addition to the implementing provision of Article 9 of Legs. Decree No. 38 of 2005.

The independent audit firm highlighted the following key aspects of the audit:

- Valuation of contract work-in-progress;
- Assessment of liabilities related to Law No. 808 of 1985;
- Recoverability of goodwill.

and also highlighted the relevant audit procedures carried out.

Regarding opinions and certifications, the independent audit firm in its audit reports on the annual financial statements and consolidated financial statements has:

- issued an opinion indicating that the financial statements of Avio and the consolidated financial statements of the Avio Group provide a true and fair view of the equity and financial situation of the company and of the Group at December 31, 2022, of the result for the year and of the cash flows for the year ending at that date, in compliance with the International Financial Reporting Standards, adopted by the European Union, in addition to the implementation provisions of Article 9 of Legislative Decree No. 38 of 2005;
- issued an opinion on the consistency of the Directors' Report with the separate financial statements and consolidated financial statements at December 31, 2022 and the specific information in the Corporate Governance and Ownership Structure Report indicated in Article 123-*bis*, paragraph 4 of the CFA, whose responsibility lies with the Directors of Avio, and are consistent with the documentation of the financial statements and are legally compliant;
- issued an opinion on the compliance of the preparation of the separate financial statements in XHTML format with the provisions of Delegated Regulation (EU) 2019/815;
- issued an opinion on the compliance of the consolidated financial statements in XHTML format and its markings, in all significant aspects, with the provisions of Delegated Regulation (EU) 2019/815;



- declared, with regards to any significant errors in the Directors' Report, on the basis of its knowledge and understanding of the company and of the relative context acquired during the audit activities, to not having any matters to report;
- verified the approval by the Directors of the Non-Financial Report.

On March 31, 2023, the Independent Audit Firm also presented to the Board of Statutory Auditors the additional report required by Article 11 of Regulation EC No. 537/2014 and which did not indicate significant deficiencies in the internal control system with regards to the financial disclosure process requiring the attention of Internal Control and Audit Committee. The Board of Statutory Auditors will inform the Board of Directors on the results of the audit, transmitting for this purpose the additional report pursuant to Article 11 of the European Regulation 537/2014, accompanied by any observations, pursuant to Article 19 of Legislative Decree 39 of 2010.

The Independent Audit Firm presented to the Board of Statutory Auditors the statement regarding its independence, as required by Article 6 of Regulation (EC) 537/2014, indicating no situations which may compromise such.

During 2022, the independent audit firm performed the tasks described in § 9 of the notes to the consolidated financial statements and § 8 of the notes to the annual financial statements, as required by Article 149-*duodecies* of the Issuers' Regulation.

3. OTHER ACTIVITIES

3.1 Method for the concrete application of the Corporate Governance rules

In exercising its functions, the Board of Statutory Auditors, as required by Article 2403 of the civil code and Article 149 of the CFA, oversaw the methods for the concrete implementation of the corporate governance rules set out in the conduct codes with which Avio complies. The company complies with the Corporate Governance Code prepared by the Corporate Governance Committee and in accordance with Article 123-bis of the CFA the "Corporate Governance and Ownership Structure Report", in which information is provided upon:

- i. the effectively applied corporate governance practices;
- ii. the main features of Internal Control and Risk Management Systems;
- iii. the mechanisms for the functioning of the Shareholders' Meetings, its main powers, the rights of Shareholders and the operating rules;
- iv. the composition and functioning of the administration and control boards and of the internal committees.



The Board of Directors approved the “Corporate Governance and Ownership Structure Report” on March 13, 2023.

The Board of Statutory Auditors proceeded to verify the correct application of the assessment criteria and procedures adopted by the Board of Directors to assess the independence of its members, based also on the qualitative and quantitative criteria previously defined by the Board of Directors pursuant to Recommendation 7, first paragraph, letters c) and d), contained in Article 2 of the Corporate Governance Code.

The Board of Directors conducted, with the support of an external consulting firm, an evaluation of its operation, the results of which were discussed at the September 9, 2022 meeting and are described in the above Report.

3.2 Remuneration policies

The Board of Statutory Auditors verified the company processes undertaken to establish the remuneration policies of the company, with particular regards to the remuneration criteria of the Chief Executive Officer and of the Senior Executives, providing, where required by law, their opinion.

3.3 Omissions or reportable events, opinions provided and initiatives undertaken

In 2022, the Board of Statutory Auditors did not receive any notices as per Article 2408 of the civil code, nor received petitions from third parties.

The Board of Statutory Auditors also issued the opinions required by current legislation.

In the course of the activities carried out and based on the information obtained, no significant omissions, matters, irregularities or circumstances that would require reporting to the Supervisory Authority or mention in the present report were noted.

3.4 Non-financial information report

The Board of Statutory Auditors, in undertaking its duties, oversaw compliance with the provisions of Legislative Decree No. 254 of December 30, 2016 and of the Consob Regulation implementing the Decree adopted with motion No. 20267 of January 18, 2018, with particular regard to the preparation processing content of the Non-Financial Report (“NFR”) prepared by Avio.



The NFD, approved at the March 13, 2023 Board of Directors meeting, is integrated into the Annual Financial Report for the first year as a separate section of the Directors' Report at December 31, 2022.

The Independent Audit Firm appointed to carry out a review of the NFR in accordance with Article 3, paragraph 10 of Legislative Decree No. 254 of 2016, in its report issued on March 31, 2023 did not indicate any matters suggesting that the NFR of the Avio Group for the year ended December 31, 2022 had not been prepared, with regards to all significant aspects, in compliance with Articles 3 and 4 of Legislative Decree 254 of 2016 and by the Global Reporting Initiative Sustainability Reporting Standards.

The Board of Statutory Auditors has obtained, also by attending the meetings of the Sustainability Committee, periodic updates on the preparatory activities for drawing up the NFR and, within the scope of its activities, has not become aware of any violations of the related regulatory provisions.

3.5 Board of Statutory Auditors' Self-Assessment

Pursuant to Rule Q.1.1 of the Rules of Conduct for the Board of Statutory Auditors of Listed Companies, the Board of Statutory Auditors was evaluated by an external consulting firm, the results of which were presented to the Board of Directors at its meeting on November 7, 2022, and reported within the "Corporate Governance and Ownership Structure Report."

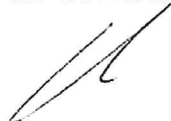
3.6 Board of Statutory Auditors guidelines on the composition and remuneration of the Board of Statutory Auditors

The Board of Statutory Auditors decided to prepare, consistent with the aforementioned Rules of Conduct for the Board of Statutory Auditors of Listed Companies recommended by the Italian Accounting Profession (Consiglio Nazionale dei Dottori Commercialisti e degli Esperti Contabili), its own guidelines on the composition and remuneration of the new Board of Statutory Auditors.

The document was made available to the public on March 9, 2023, on the Investor Relations section of the company's website.

4. CONCLUSIONS

Taking account of that outlined above, the Board of Statutory Auditors, considering the content of the reports prepared by the Independent Audit Firm, noting the statements issued jointly by the Chief Executive Officer and by the Executive Officer, expresses a favourable opinion on the approval of the statutory financial statements of Avio at December 31, 2022 and on the proposal to carry forward the loss for the year of Euro 1,894,796.

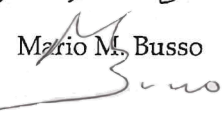


Finally, we would like to remind you that, with the approval of the financial statements for the year 2022, the term of office of this Board of Statutory Auditors ends and that the Shareholders' Meeting, called for such approval, is also called to appoint the Board of Statutory Auditors for the next three fiscal years and to determine its remuneration.

Rome, March 31, 2023

The Board of Statutory Auditors


Vito Di Battista (Chairperson)


Mario M. Busso (Statutory Auditor)


Michela Zeme (Statutory Auditor)

