

# **DIRECTORS' REPORT ON THE FIFTH ITEM ON THE AGENDA**

**for the Ordinary Shareholders' Meeting  
of EQUITA Group S.p.A.**

**18 April 2024**

**(report published on 19 March 2024)**



## Item 5 on the Agenda

### 5. Authorisation to purchase and sell treasury shares, subject to revocation, of the previous Shareholders' resolution dated 20 April 2023.

Dear Shareholders,

This report (the "**Report**") is provided pursuant to article 125-*ter* of Legislative decree no. 58 of 24 February 1998, as subsequently amended and integrated ("**TUF**" or the "Consolidated law on Finance") and article 73 of the Consob regulation adopted by resolution no. 11971 of 14 May 1999, as subsequently amended and integrated (the "**Issuer regulation**") and Annex 3A – Model 4 of the Issuer regulation.

The Board of Directors of EQUITA Group S.p.A. (the "**Company**" or "**EQUITA Group**") plans to submit for your approval a proposal to authorise the purchase and sale of treasury shares, pursuant to articles 2357 and 2357-*ter* of the Italian Civil Code and article 5 of Regulation (EU) 596/2014 (the "**MAR Regulation**"), Delegated Regulation (EU) 2016/1052 and recognised market practices. In addition to the approval by the Shareholders' Meeting of the Company, the purchase of treasury shares must be preliminarily authorised by the Bank of Italy pursuant to the provisions of Regulation (EU) 2019/2033, Regulation (EU) 575/2013 and Delegated Regulation (EU) 241/2014.

The authorisation to purchase treasury shares granted to the Board of Directors by the Shareholders in their meeting of 20 April 2023 will expire on 20 October 2024.

Because of the expiry of the above resolution authorising the purchase and sale of treasury shares, in order to enable the Company to maintain the right to purchase and sell treasury shares, the Board of Directors decided to propose to the Shareholders to grant a new authorisation under the terms described in this Report, subject to the revocation of the Shareholders' Meeting authorisation currently in force which was approved by the Shareholders on 20 April 2023, should such authorisation by the Bank of Italy be granted before 20 October 2024 (i.e., before the natural expiry date of the authorisation approved by the Shareholders on 20 April 2023).

At the date of this Report, the Company owns 2,685,262 treasury shares, accounting for approximately 5,2% of the share capital. The subsidiaries do not hold any shares of the Company.

This Report is made available to the public at the registered office of the Company in Milan at Via Filippo Turati 9, on the Company website [www.equita.eu](http://www.equita.eu) (*Investor relations - Corporate Governance - Shareholders' Meeting* section) and on the authorised eMarket Storage mechanism ([www.emarketstorage.it](http://www.emarketstorage.it)).

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#### 1. Reasons for the request for the authorisation to purchase and/or sell treasury shares

The reason for the request for the authorisation to purchase and/or sell treasury shares is to provide the Company with a strategic flexibility tool to be used, including in several tranches, in compliance with the applicable laws and regulations in force from time to time, for one or more of the following purposes:

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- (i) support the liquidity of EQUITA Group shares, favouring the regular course of trading and avoiding price changes not in line with market trends, while normalising trading and price trends vis-à-vis temporary distorting factors linked to excess volatility or poor trading liquidity, also pursuant to the relevant market practices admitted by Consob, in accordance with article 13 of Regulation (EU) 596/2014;
- (ii) operate with a view to medium- and long-term investment, acting either on the market or by means of a public purchase offer – in relation to the purchase of treasury shares – or on the market or even off-the market, including by means of accelerated book building or blocks – in relation to the sale of treasury shares -, at any time, in whole or in part, in one or more tranches;
- (iii) set up a securities portfolio, to sell, dispose of and/or use treasury shares at any time, in whole or in part, in one or more tranches, provided that this is in line with the Company's strategic guidelines, as part of the framework of strategic partnership agreements and/or corporate/financial transactions, including, without limitation, acquisitions, mergers, equity transactions, third-party equity investment transactions, exchange, contribution, swap, financing transactions or other transactions, in relation to which the assignment or other act of sale of treasury shares is necessary or appropriate;
- (iv) implement incentive plans or schemes based on financial instruments (including, without limitation, stock options, stock grants, performance shares, instruments convertible into company shares, etc.), against consideration or free of charge, in favour of corporate officers, employees and/or collaborators of the Company and/or its subsidiaries; and
- (v) award shares to motivate, retain and/or attract resources/employees/collaborators/corporate officers of the Company and/or its subsidiaries discretionarily chosen by the Board of Directors or the Managing Director.

It is understood that if the reasons for the purchase no longer apply, the treasury shares purchased as part of this authorisation may be used for one of the other purposes indicated above.

## **2. Maximum number, class and par value of the shares the authorisation refers to**

The authorisation refers to the purchase, also in more tranches, of ordinary shares of the Company, without par value and listed on the "Euronext STAR Milan" market, organised and managed by Borsa Italiana S.p.A., up to a maximum of 500,000 (five hundred thousand) ordinary shares of the Company (accounting for approximately 1% of the Company's share capital at the date of this Report), within the limits of the distributable profits and available reserves as per the most recent financial statements approved at the time each transaction is carried out, and in compliance with article 2357.3 of the Italian Civil Code.

The authorization also refers to the possible disposal, even in several tranches, of ordinary shares of the Company, without nominal value and listed on the "Euronext STAR Milan" market, organized and managed by Borsa Italiana S.p.A., of which the Company will be the owner at the date of the meeting (at the date of this Report the Company owns 2,685,262 own shares, representing approximately 5.2% of the share capital) and additional ones which the Company were to purchase by virtue of the authorization to purchase treasury shares granted from time to time by the Shareholders' Meeting.

### **3. All the information needed for a thorough assessment of compliance with the provisions of article 2357.3 of the Italian Civil Code**

Pursuant to article 2357.3 of the Italian Civil Code, the par value of the treasury shares that the Company may purchase must not exceed one fifth of the share capital, taking into account, to this end, also any shares held by subsidiaries. At the date of this Report, the Company's subscribed and paid-in share capital amounted to €11,678,162.90, divided into 51,324,020 shares, all without par value, listed on the Euronext STAR Milan market.

As mentioned earlier:

- (i) at the date of this Report, the Company owns 2,685,262 treasury shares, accounting for approximately 5.2% of the share capital which may be sold, disposed of and/or used in the same manner as the treasury shares to be purchased by the Company pursuant to this proposed authorisation;
- (ii) the subsidiaries do not hold any shares of the Company; and
- (iii) the authorisation to purchase is necessary up to a maximum of 500,000 (five hundred thousand) ordinary shares without par value, accounting for approximately 1% of the Company's share capital as of today's date.

Consequently, were the Company to purchase all the 500,000 (five hundred thousand) shares, considering the treasury shares already in portfolio as of today's date, the total number of treasury shares held by the Company would be 3,185,262, accounting for approximately 6.2% of the share capital as of the date of this Report (without prejudice, in any case, to any sales of treasury shares ordered by the Company in the meantime).

When each authorised purchase is made, the Board of Directors must check compliance with the provisions set out in article 2357.3 of the Italian Civil Code governing the purchase of treasury shares, also considering the restrictions to distributable profits and available reserves pursuant to article 2357.1. of the Italian Civil Code.

### **4. Duration of the requested authorisation**

The authorisation for the purchase of treasury shares is requested for the maximum duration allowed by article 2357.2 of the Italian Civil Code, i.e., for a period of 18 months from the date on which the Shareholders are expected to pass the relevant authorisation.

The authorisation to sell, dispose of and/or use treasury shares is requested for an unlimited period, given the opportunity to have maximum flexibility for their possible sale, also in terms of the time frame.

The Company may perform the above-mentioned authorised transactions, in whole or in part, in one or more tranches and at any time, subject to the applicable laws and regulations in force from time to time.

## 5. Objectivity requirements for identifying the minimum and maximum consideration for the purchases and/or sale of treasury shares

The request for authorisation provides that:

- (i) purchases are made for a consideration to be identified from time to time by the Board of Directors, provided that such consideration shall in any case not deviate, either downwards or upwards, by more than 20% from the price of the EQUITA share on the Euronext STAR Milan market session on the day prior to each individual transaction;
- (ii) the sale and disposal of treasury shares in portfolio or acquired pursuant to this proposed authorisation shall take place as follows:
  - if they are carried out as part of incentive plans or schemes based on financial instruments (including, without limitation, stock options, stock grants, performance shares, instruments convertible into company shares, etc.), in favour of corporate officers, employees and/or collaborators of the Company and/or its subsidiaries, the shares shall be assigned to the beneficiaries of such plans, in the manner and under the terms set out in the plans, either against consideration or free of charge, in compliance with the applicable laws and regulations;
  - if they are carried out to motivate, retain and/or attract resources/employees/corporate officers of the Company and/or its subsidiaries outside the scope of incentive plans, the shares shall be assigned against consideration at a price to be determined from time to time by the Board of Directors (or, on its behalf, by the Managing Director), it being understood that such price shall not be lower than the carrying amount of the treasury shares to be sold, as per the most recently approved financial statements;
  - if they are carried out as part of any other transaction involving the sale of treasury shares against a cash consideration, such consideration, to be determined by the Board of Directors or the Managing Director, shall not deviate, either downwards or upwards, by more than 20% from the price of the EQUITA share on the Euronext STAR Milan market session on the day prior to each individual transaction;
  - if they are carried out as part of transactions involving the exchange, swapping or contribution of treasury shares, or any other act of sale (including to service equity transactions or other corporate and/or financial transactions or financing transactions) against consideration, in whole or in part not in cash, the economic terms of the transaction shall be determined by the Board of Directors based on the nature and characteristics of the transaction, also considering the market performance of the EQUITA Group share.

Without prejudice to the foregoing, the Company shall in any case act in compliance with the further restrictions set forth by the laws and regulations in force from time to time (including the regulations and other rules of the European Union) and any instructions received from the competent Supervisory Authorities.

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## 6. Methods that will be used for the execution of the purchases and sales

Under the proposal, the purchases should be carried out, from time to time, in accordance with one of the methods set forth in article 144-bis.1, letters *a), b), c), d), d-ter)*, and *.1-bis*, of the Issuer regulation, in any case in compliance with the laws and regulations applicable from time to time, including the market practices allowed by Consob, as they may be amended from time to time.

Under the proposal, sales may take place at any time, in whole or in part, even before the purchases have been completed, in the most appropriate manner in the interest of the Company, on the market or by any other means deemed appropriate to meet the relevant purposes and, in any case, in compliance with the laws and regulations applicable from time to time.

## 7. Information on whether the purchase of treasury shares is functional to the reduction of share capital

The request for the authorisation to purchase treasury shares is not functional to the reduction of share capital.

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Based on the above, the Shareholders, having examined the directors' report, prepared pursuant to article 125-ter of Legislative decree no. 58 of 24 February 1998, as subsequently amended and integrated, and article 73 of the Consob regulation adopted by resolution no. 11971 of 14 May 1999, as subsequently amended and integrated and Annex 3A – Model 4 of the Issuer regulation, will be invited to:

1. revoke, with effect from the date of the authorisation of the Bank of Italy to purchase the treasury shares as set forth in resolution 2. below, the resolution authorising the purchase and sale of treasury shares adopted by the Shareholders in their Ordinary Meeting of 20 April 2023, should the above authorisation by the Bank of Italy to purchase treasury shares be granted prior to 20 October 2024 (i.e., before the natural expiry date of the Shareholders' resolution dated 20 April 2023 which authorize the purchase and disposal of treasury shares);
2. with effect from the date of the authorisation of the Bank of Italy to purchase treasury shares , authorise, pursuant to article 2357 of the Italian Civil Code, the purchase, in one or more tranches, within 18 months from the date of this resolution, of EQUITA Group ordinary shares, with no par value, up to an aggregate number of 500,000, accounting for approximately 1% of the Company's share capital at the date of this report, within the restrictions of distributable profits and available reserves as per the most recently approved financial statements at the time each transaction is carried out and, in any case, to the extent that, at any time, the total implicit nominal value of the treasury shares held by the Company never exceeds one fifth of the share capital, also taking into account any shares held by the subsidiaries;
3. provide that the authorisation may be used for the following purposes:
  - (a) support the liquidity of EQUITA Group shares, favouring the regular course of trading and avoiding price changes not in line with market trends, while regularising trading and price

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trends vis-à-vis temporary distorting factors linked to excess volatility or poor trading liquidity, also pursuant to the relevant market practices allowed by Consob, in accordance with article 13 of Regulation (EU) 596/2014;

- (b) operate with a view to medium- and long-term investment, acting either on the market or by means of a public purchase offer – in relation to the purchase of treasury shares – or on the market or even off-the market, including by means of accelerated book building or blocks – in relation to the sale of treasury shares -, at any time, in whole or in part, in one or more tranches;
  - (c) set up a securities portfolio, to sell, dispose of and/or use treasury shares at any time, in whole or in part, in one or more tranches, provided that this is in line with the Company's strategic guidelines, as part of the framework of strategic partnership agreements and/or corporate/financial transactions, including, without limitation, acquisitions, mergers, equity transactions, third-party equity investment transactions, exchange, contribution, financing transactions or other transactions, in relation to which the assignment or other act of sale of treasury shares is necessary or appropriate;
  - (d) implement incentive plans or schemes based on financial instruments (including, without limitation, stock options, stock grants, performance shares, instruments convertible into company shares, etc.), against consideration or free of charge, in favour of corporate officers, employees and/or collaborators of the Company and/or its subsidiaries; and
  - (e) award shares to motivate, retain and/or attract resources / employees / collaborators / corporate officers of the Company and/or its subsidiaries discretionarily chosen by the Board of Directors or the Managing Director;
4. effective from the date of the authorisation of the Bank of Italy to purchase treasury shares, authorise, pursuant to article 2357-ter of the Italian Civil Code, the sale, in one or more tranches and at any time, without time limits, of all or part of the treasury shares held in portfolio or purchased pursuant to this resolution, even before the purchases have been completed, for the same purposes as those illustrated above;
5. determine that the purchases and sales shall take place in accordance with the following criteria:
- (i) purchases shall be made for a consideration to be identified from time to time by the Board of Directors, provided that such consideration shall in any case not deviate, either downwards or upwards, by more than 20% from the price of the EQUITA share on the Euronext STAR Milan market session on the day prior to each individual transaction;
  - (ii) the sale and disposal of treasury shares in portfolio or acquired pursuant to this proposed authorisation shall take place as follows:
    - if they are carried out as part of incentive plans or schemes based on financial instruments (including, without limitation, stock options, stock grants, performance shares, instruments convertible into company shares, etc.), in favour of corporate officers, employees and/or collaborators of the Company and/or its subsidiaries, the shares shall be assigned to the beneficiaries of such plans, in the manner and

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under the terms set out in the plans, either against consideration or free of charge, in compliance with the applicable laws and regulations;

- if they are carried out to motivate, retain and/or attract resources / employees / corporate officers of the Company and/or its subsidiaries outside the scope of incentive plans, the shares shall be assigned against consideration at a price to be determined from time to time by the Board of Directors (or, on its behalf, by the Managing Director), it being understood that such price shall not be lower than the carrying amount of the treasury shares to be sold, as per the most recently approved financial statements;
  - if they are carried out as part of any other transaction involving the sale of treasury shares against a cash consideration, such consideration, to be determined by the Board of Directors or the Managing Director, shall not deviate, either downwards or upwards, by more than 20% from the price of the Equita share on the Euronext STAR Milan market session on the day prior to each individual transaction;
  - if they are carried out as part of transactions involving the exchange, swapping or contribution of treasury shares, or any other act of sale (including to service equity transactions or other corporate and/or financial transactions or financing transactions) against consideration, in whole or in part not in cash, the economic terms of the transaction shall be determined by the Board of Directors based on the nature and characteristics of the transaction, also considering the market performance of the EQUITA Group share.
6. entrust the Board of Directors and, on its behalf, the Managing Director, to purchase and sell, also through specifically-appointed specialised intermediaries, EQUITA Group S.p.A. shares, establishing the relevant terms and conditions and the price per share in accordance with the criteria set forth above, according to the schedule deemed appropriate for the Company, in compliance with the applicable laws and regulations and, if necessary, availing of the practices allowed by Consob in accordance with article 13 of Regulation (EU) 596/2014, where applicable, carrying out all the activities required, necessary, opportune, instrumental, connected and/or useful for the successful outcome of such transactions and of the authorisations envisaged herein, also through proxies, providing the market with the necessary disclosures and complying with the applicable provisions issued by the competent Authorities from time to time;
  7. entrust the Board of Directors and, on its behalf, the Managing Director, to make the appropriate accounting records to reflect the purchase and sale of treasury shares, in compliance with the provisions of the law and the reporting standards applicable from time to time;
  8. entrust the Board of Directors and, on its behalf, the Managing Director, with all powers necessary to implement this resolution, also making any efforts aimed, inter alia, at obtaining the authorisation from the Bank of Italy, and to appoint the execution intermediary responsible for coordinating and carrying out the purchase and disposal of treasury shares, all in compliance with the provisions, including those applicable to disclosure requirements, of Legislative decree no. 58/1998, Consob regulation adopted by resolution no. 11971 of 14 May 1999, Regulation (EU) 596/2014 of 16 April 2014 (and related implementing provisions) and, where applicable,





the market practices allowed by Consob in accordance with article 13 of Regulation (EU) 596/2014 applied by the Company.

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**THE EQUITA GROUP S.P.A. BOARD OF DIRECTORS**