
ITALMOBILIARE
INVESTMENT HOLDING

DIRECTORS'
REPORT



to the Ordinary
Shareholders' Meeting
on April 23, 2024

Agenda

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1. Financial statements for the year ended December 31, 2023.
2. Proposal for the distribution of the dividend and of an additional extraordinary dividend, also out of reserves.
3. Report on the Remuneration Policy and on the Compensation Paid pursuant to art. 123-ter of the Consolidated Law on Finance: remuneration policy for 2024.
4. Report on the Remuneration Policy and on the Compensation Paid pursuant to art. 123-ter of the Consolidated Law on Finance: consultation on the compensation paid in 2023.
5. Authorisation to buy and sell treasury shares, subject to revocation of the authorisation given by the Ordinary Shareholders' Meeting held on April 27, 2023.

1. Financial statements for the year ended December 31, 2023

Shareholders,

We submit for your approval the financial statements for the year ended December 31, 2023, which closed with a profit of euro 51,577,083. Reference is made to the annual report and the draft financial statements contained in it for all information in this regard, specifying that it will be published by the legal deadline.

We therefore invite you to pass the following resolution:

"The Shareholders' Meeting of ITALMOBILIARE S.p.A.,

having noted the Directors' Report on Operations and the Statutory Auditors' Report, and after having examined the financial statements at December 31, 2023,

resolves

- to approve the Directors' Report on Operations and the 2023 financial statements, consisting of the statement of financial position, income statement, statement of other comprehensive income, statement of changes in equity, statement of cash flows and explanatory notes, which show a profit of euro 51,577,083 as presented by the Board of Directors in its entirety, in the individual postings and with the proposed allocations."

2. Proposal for the distribution of the dividend and of an additional extraordinary dividend, also out of reserves.

Dear Shareholders,

The profit for the year and the Company's financial situation enable us to propose the distribution of a dividend of Euro 0.80 per share, gross of the withholdings required by law and of an extraordinary dividend of Euro 2.20 per share, gross of the withholdings required by law.

Therefore, subject to the Shareholders' Meeting approval, a per share gross amount of Euro 3.00 will be distributed.

We would like to propose that the dividend and the extraordinary dividend be paid on May 8, 2024 (going ex-coupon on May 6, 2024 and with a record date of May 7, 2024) in one tranche.

Taking into account the n. 217,070 treasury shares held at the date of this report, whose right to earnings is attributed proportionately to the other shares in accordance with art. 2357-ter of the Italian Civil Code, the distribution will come out of the profit for the year for Euro 51,577,083 and out of retained earnings for Euro 75,271,707. Note that this amount could differ if there is a change in the number of treasury shares in the Company's portfolio on the record date.

We therefore invite you to pass the following resolution:

"The Shareholders' Meeting of Italmobiliare S.p.A.,

- having examined the 2023 financial statements;
- considering that the legal reserve has reached one fifth of the share capital and consequently no further provisions need be made pursuant to article 2430 of the Italian Civil Code and article 30 of the Company's by-laws,

resolves

1. to distribute a gross dividend of Euro 0.80 and a gross extraordinary dividend of Euro 2.20 per share to each of the shares with rights, therefore excluding the treasury shares held in the Company's portfolio on the record date, using the whole profit for the year equal to Euro 51,577,083 and the retained earnings for the amount of Euro 75,271,707.
2. to establish that the dividend and the extraordinary dividend will be paid in one tranche on May 8, 2024 with a coupon date of May 6, 2024 and a record date of May 7, 2024;
3. to authorise the Chairman and the Chief Executive Officer, separately, if the number of treasury shares in portfolio changes before the record date, to increase the amount of retained earnings by the amount of the dividend pertaining to any shares bought or to reduce it for the amount of the dividend pertaining to any treasury shares sold."

3. Report on the Remuneration Policy and Compensation Paid, pursuant to art. 123-ter of the Consolidated Law on Finance: remuneration policy for 2024

4. Report on the Remuneration Policy and Compensation Paid, pursuant to art. 123-ter of the Consolidated Law on Finance: consultation on the compensation paid in 2023

Dear Shareholders,

We submit the "Report on the Remuneration Policy and Compensation Paid" (the Report) pursuant to art. 123-ter of the Consolidated Law on Finance ("CLF") and by art. 84-quater of the Issuers' Regulation.

The Report is made up of two sections:

- the first section explains the policy that the Company intends to adopt in relation to the remuneration of directors, general managers, key management personnel, and members of the Board of Statutory Auditors for 2024 and is subject to the binding vote of the Shareholders' Meeting;
- the second section explains the compensation paid to the persons concerned during 2023 and is subject to the advisory vote of the Shareholders' Meeting.

The remuneration policy of ITALMOBILIARE for 2024 is substantially unchanged compared to the one approved for 2023.

The policy envisages that the components of remuneration of the CEO and the key management personnel are as follows:

- a) a fixed annual component;
- b) an annual variable component linked to the achievement of specific corporate objectives (*Management By Objectives*);
- c) a long-term variable component (LTI) linked to the achievement of specific corporate objectives and the performance of ITALMOBILIARE's stock. In this regard, it should be remembered that the last shareholders' meeting approved a new long-term incentive plan, the "ITALMOBILIARE Phantom Stock Grant Plan 2023-2025". The Plan provides for the assignment of a specific number of rights to receive phantom stocks linked to the value of ITALMOBILIARE's shares at the end of the three-year vesting period 2023-2025, depending on the achievement of the following performance objectives: Net Asset Value per share, with an 80% weight in determining the bonus; ESG performance, as assessed by the main specialist rating agencies, with a 20% weight in determining the bonus;
- d) Value Creation Sharing Incentive (a medium/long-term non-recurring variable bonus) aimed at rewarding management's contribution to the creation of value in relation to investment management; in fact, the incentive recognizes a monetary bonus directly related to the capital gains generated by exit deals.

The compensation paid in 2023 to the persons concerned is reported in the second section of the Report and is consistent with the remuneration policy presented at the last Shareholders' Meeting, when 91.52% of the shares represented (73.80% of share capital) voted in favour.

For further details, please refer to the "Report on the Remuneration Policy for 2024 and Compensation Paid in 2023" prepared by the Board of Directors on the proposal of the Remuneration and Nominations Committee, which will be made available to the public as required by law.

With reference to the first section of the Report (remuneration policy), **point 3 on the agenda**, we invite you to approve the following resolution:

"The Shareholders' Meeting of ITALMOBILIARE S.p.A.

resolves

- to approve the first section of the Report on the Remuneration Policy in 2024, which explains the remuneration policy of directors, general managers and key management personnel, members of the Board of Statutory Auditors of ITALMOBILIARE S.p.A., as well as the procedures used for the adoption and implementation of this policy".

With reference to the second section of the Report, **point 4 on the agenda**, which includes the compensation paid in 2023, we invite you to approve the following resolution:

"The Shareholders' Meeting of ITALMOBILIARE S.p.A.

resolves

- in favour of the second section of the Report on the Remuneration Policy and Compensation Paid, which explains the remuneration paid in 2023 to directors, general managers, key management personnel and members of the Board of Statutory Auditors."

5. Authorisation to buy and sell treasury shares, subject to revocation of the authorisation given by the Ordinary Shareholders' Meeting held on April 27, 2023

Shareholders,

The Ordinary Shareholders' Meeting held on April 27, 2023 approved the authorisation to buy and sell treasury shares, which was valid for a period of eighteen months from the date of the resolution.

The Company did not buy any treasury shares based on this authorisation. At the date of this report, the Company holds 217,070 no-par ordinary shares.

As the authorisation expires on October 27, 2024, to allow the Company to retain the right to buy and sell treasury shares, we propose that you renew: (i) the authorisation to buy treasury shares, pursuant to article 2357 of the Italian Civil Code and article 132 of the CLF and related implementing provisions, and (ii) the authorisation to sell treasury shares pursuant to article 2357-ter of the Italian Civil Code, according to the terms and methods described below, following revocation of the authorisation granted by the Ordinary Shareholders' Meeting held on April 27, 2024.

5.1 *The reasons why authorisation to buy and sell treasury shares is required*

The purchase of treasury shares, for which authorisation is requested here, will have the usual purposes as also governed by law, and may therefore be oriented:

- (a) to setting up a portfolio of securities that could be used:
 - (i) in place of financial resources, to carry out extraordinary corporate finance transactions; or
 - (ii) to implement compensation plans based on financial instruments that could be approved in the future (the Plans); and
- (b) to carry out activities to stabilise and support the liquidity of the ITALMOBILIARE stock, favouring regular trading, including securities lending to support third-party liquidity providers, market makers and specialists.

Bearing this in mind, the treasury shares bought may be, *inter alia*:

1. used as consideration or in exchange for, or in any case for the purpose of executing, extraordinary transactions, such as the acquisition of shareholdings or other capital or financing transactions;
2. sold (through the sale, exchange, assignment or any other deed or trade) on the market or in blocks, for the purposes, with the methods and conditions that – in accordance with the authorisation granted by the Shareholders' Meeting – may from time to time be established by the Board of Directors;
3. assigned or transferred to Company employees who are beneficiaries of Plans that may be approved in the future.

Note that the request for authorisation to buy treasury shares is not aimed at the automatic reduction of the share capital by cancelling treasury shares.

5.2 Maximum number, category and par value of the shares to which the authorisation to buy refers. Information for a complete assessment of compliance with article 2357, paragraph 3, of the Italian Civil Code

At the date of this report, (i) the subscribed and paid-up share capital of ITALMOBILIARE is euro 100,166,937, represented by 42,500,000 no-par ordinary shares; (ii) the Company holds 217,070 treasury shares directly, which represent 0.511% of the shares making up the share capital and which were purchased on the basis of the previous authorisations given by the Ordinary Shareholders' Meeting; and (iii) no subsidiary company holds ITALMOBILIARE shares.

This proposed authorisation concerns the purchase of a maximum of 1,000,000 of the Company's no-par ordinary shares, representing 2.353% of the shares currently making up the share capital.

The proposal is therefore to grant a mandate to the Board of Directors and, on its behalf, to the Chairman and the Chief Executive Officer, separately from each other, to identify the amount of ordinary shares to be bought in relation to each of the purposes indicated in Paragraph 5.1 above, prior to the start of each individual purchase programme, in accordance with the maximum limit indicated above.

In any case, the number of ITALMOBILIARE ordinary shares held from time to time in the portfolio of ITALMOBILIARE and its subsidiaries will be within the maximum limit established by current law.

To ensure compliance with the legal limits, suitable procedures will in any case be prepared to guarantee timely and complete disclosure of the shares held by the subsidiaries.

The purchase of treasury shares has to take place within the limits of the distributable profits and available reserves resulting from the latest (annual or interim) financial statements approved at the time of the purchase. The proposal is therefore to authorise the purchase of treasury shares up to a maximum outlay of euro 35,000,000 which is covered by net reserves currently available.

When treasury shares are bought, the necessary accounting entries will be made in compliance with the law and applicable accounting standards.

5.3 Period for which the authorisation to buy is requested

The authorisation to buy treasury shares is requested for the maximum period established by the applicable regulations, currently set by article 2357, paragraph 2, of the Italian Civil Code at 18 (eighteen) months from the date of the shareholders' resolution granting authorisation.

5.4 Minimum and maximum consideration for the purchase of treasury shares and market valuations on the basis of which it was calculated

The proposal is that purchases may take place – in compliance with the conditions established in article 3 of the (EU) Delegated Regulation 2016/1052 of the Commission dated March 8, 2016 and the additional applicable rules – at a unit price not exceeding the highest price between the price of the last independent transaction and the price of the current highest independent purchase offer on the electronic stock exchange organised and managed by Borsa Italiana (Euronext STAR Milan), it being understood that the consideration cannot in any case be lower in the minimum and higher in the maximum by 15% (fifteen percent) with respect to the reference price that the ITALMOBILIARE stock recorded in the stock market session of the day preceding each transaction.

5.5 Methods through which purchases will be made

If authorised by the Ordinary Shareholders' Meeting, the Company will be able to buy treasury shares in one or more tranches.

Purchases will be made on the Euronext STAR Milan in compliance with article 144-bis, paragraph 1, letters b) and d-ter) of the regulation adopted by CONSOB with resolution 11971 of May 14, 1999, as subsequently amended and integrated (the "Issuers Regulation") and of the provisions that are in any case applicable, so as to comply with the principle of equal treatment of Shareholders, as required by article 132 of the CLF, and therefore (i) on regulated markets, according to the operating procedures established in the organisation and management regulations of

Borsa Italiana, which do not allow direct matching of purchase proposals with predetermined sale proposals, or (ii) with the methods established by market practices allowed by CONSOB pursuant to article 13 of (EU) Regulation no. 596/2014 in force from time to time. In any case, purchases will be made in compliance with the guidelines issued by CONSOB and further provisions of the law and regulations applicable to this type of transaction.

If deemed appropriate by the Board of Directors, and on its behalf by the Chairman or the Chief Executive Officer, separately from each other, the purchase of treasury shares can take place in ways that are different from those indicated above, providing this is permitted and/or in compliance with the legislative and regulatory provisions in force from time to time, taking into account the need to comply in any case with the principle of equal treatment of Shareholders.

5.6 Authorisation to sell treasury shares

Pursuant to article 2357-ter of the Italian Civil Code, the Board of Directors also proposes to the Ordinary Shareholders' Meeting to authorise the use, at any time, in whole or in part, in one or more tranches, of the treasury shares that will be purchased in execution of the Shareholders' authorisation requested herein, as well as the treasury shares previously acquired in execution of previous resolutions, according to the terms and conditions that will be established from time to time by the Board of Directors, and on its behalf by the Chairman and the Chief Executive Officer, in accordance with the purposes and criteria illustrated above, it being understood that the unit selling price (or in any case, the unit value set for the sale) cannot in any case be lower than the average carrying price of the shares bought under the authorisation. This price limit will not be applicable if the sale of shares takes place within the ambit of share incentive plans. If the shares are used in the context of extraordinary transactions, such as transactions involving – by way of example and not limited to – the exchange, swapping or contribution of shares or to service increases in capital or other corporate or financial transactions or other transactions of an extraordinary nature or in any case for any other non-cash disposition, the economic terms of the transaction will be determined by the Board of Directors based on the nature and characteristics of the transaction, also taking into account the market trend of the ITALMOBILIARE stock.

The Board of Directors proposes that the authorisation of sales should allow the adoption of any method that is appropriate for the purposes pursued, to be carried out both directly and through intermediaries, in compliance with the provisions of the law and national and European regulations in force in the matter.

Sales of treasury shares for which authorisation is requested will be carried out in compliance with the applicable legislation and, in particular, in compliance with national and EU laws and regulations, also in relation to market abuse.

Adequate communication will be provided on the sale of treasury shares in compliance with the applicable disclosure obligations.

On the occasion of disposals of treasury shares, the necessary accounting entries will be made in compliance with the provisions of law and applicable accounting standards.

5.7 Period for which authorisation for the sale of treasury shares is requested

Authorisation for the sale of treasury shares is requested without any time limit.

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We therefore invite you to pass the following resolution:

"The Shareholders' Meeting of ITALMOBILIARE S.p.A.,

resolves

1. to revoke, as not executed, the shareholders' resolution authorising the purchase and sale of treasury shares passed on April 27, 2023;
2. to authorise, pursuant to articles 2357 et seq. of the Italian Civil Code and article 132 of the CLF, the purchase of maximum 1,000,000 ITALMOBILIARE ordinary shares, without prejudice in any case to compliance with the maximum limit of ITALMOBILIARE shares held from time to time in the portfolio of ITALMOBILIARE and its subsidiaries established by current applicable law, also to be carried out fractionally within the term of 18 (eighteen) months following the date of passing this shareholders' resolution, with the specification that: (a) purchases will be made – in compliance with the conditions established in article 3 of the (EU) Delegated Regulation 2016/1052 of the Commission dated March 8, 2016 and other applicable rules – at a unit price not exceeding the highest price between the price of the last independent transaction and the price of the current highest independent purchase offer on the Euronext STAR Milan, it being understood that this consideration may not in any case be lower in the minimum and higher in the maximum by 15% (fifteen percent) with respect to the reference price that the ITALMOBILIARE share recorded in the stock market session of the day preceding each transaction; (b) the Company can use up to a maximum of euro 35,000,000 to purchase treasury shares, to be withdrawn from net available reserves as shown in the financial statements; (c) purchases will be made on the Euronext STAR Milan in compliance with art. 144-*bis*, paragraph 1, letters b), and d-*ter*) of the Issuers Regulation, so as to allow compliance with the principle of equal treatment of shareholders, as required by article 132 of the CLF, and therefore (i) on regulated markets, according to the operating procedures established in the organisation and management regulations of Borsa Italiana, which do not allow direct matching of purchase proposals with predetermined sale proposals, or (ii) with the methods established by market practices allowed by CONSOB pursuant to article 13 of (EU) regulation no. 596/2014 from time to time in force, and in any case in accordance with the further provisions of the law and regulations applicable to this type of transaction;
3. to grant the Board of Directors, and on its behalf the Chairman and the Chief Executive Officer pro tempore, separately from each other, any wider power, including the power of sub-delegation, to implement the resolution *sub 2*, including – by way of example – the power to determine the operating procedures for the purchase of the shares and their price in accordance with the above resolution, as well as the power to grant, suspend and revoke mandates to intermediaries and other operators for the completion of purchases of treasury shares referred to in the previous point and to carry out any necessary disclosure obligation in compliance with the law;
4. to authorise, pursuant to article 2357-*ter* of the Italian Civil Code, the completion of disposals, also fractionally and without time limitations, of the ITALMOBILIARE shares to be purchased on the basis of resolutions *sub 2* and 3, or purchased under previous shareholders' authorisations, according to the purposes and methods indicated in the Directors' Report, providing the unit selling price (or in any case the unit value established in the context of the sale) is not lower than the average carrying price of the shares bought on the basis of the authorisation; this price limit will not be applicable if the sale of shares takes place within the ambit of share incentive plans. If the shares are used in the context of extraordinary transactions, such as transactions involving – by way of example and not limited to – the exchange, swapping or contribution of shares or to service increases in capital or other corporate or financial transactions or other transactions of an extraordinary nature or in any case for any other non-cash disposition, the economic terms of the transaction will be determined by the Board of Directors based on the nature and characteristics of the transaction, also taking into account the market trend of the ITALMOBILIARE stock;
5. to grant the Board of Directors, and on its behalf the Chairman and the Chief Executive Officer pro tempore, separately from each other, any wider power, including the power of sub-delegation, to implement resolution *sub 4*, including - by way of example - the power to determine the operating procedures for the sale of the

shares and their price in accordance with the previous resolution, as well as the power to grant, suspend and revoke mandates to intermediaries and other operators for the completion of the disposals of treasury shares referred to in the previous point and to comply with all legal disclosure requirements;

6. to arrange that the purchases referred to in points 2 and 3 above are contained within the available reserves and distributable profits shown in the latest approved financial statements at the time of the transaction and that the necessary accounting entries are made at the time of purchase and sale."

Milan, March 21, 2024

For the Board of Directors
The Chairman
Laura Zanetti