Teleborsa: distribution and commercial use strictly prohibited

THIS IS AN ENGLISH COURTESY TRANSLATION OF THE ORIGINAL DOCUMENT PREPARED IN ITALIAN LANGUAGE. IN THE EVENT OF INCONSISTENCIES, THE ORIGINAL ITALIAN VERSION OF THE SUPPLEMENT TO THE ISSUER'S STATEMENT SHALL PREVAIL OVER THIS ENGLISH COURTESY TRANSLATION

SUPPLEMENT TO THE PRESS RELEASE OF THE BOARD OF DIRECTORS OF ALKEMY S.P.A. APPROVED ON 8 AUGUST 2024 PURSUANT TO ARTICLE 103, PARAGRAPHS 3 AND 3-BIS, OF LEGISLATIVE DECREE 24 FEBRUARY 1998, NO. 58, AS SUBSEQUENTLY AMENDED AND SUPPLEMENTED, AND ARTICLE 39 OF CONSOB REGULATION ADOPTED BY RESOLUTION NO. 11971 OF 14 MAY 1999, AS SUBSEQUENTLY AMENDED AND SUPPLEMENTED, RELATING TO THE TOTALITARIAN VOLUNTARY PUBLIC TENDER OFFER LAUNCHED BY RETEX S.P.A. - BENEFIT COMPANY PURSUANT TO ARTICLES 102 AND 106, PARAGRAPH 4, OF LEGISLATIVE DECREE 24 FEBRUARY 1998, NO. 58, AS SUBSEQUENTLY AMENDED AND INTEGRATED - CONSOB REQUEST FOR SUPPLEMENTATION

Introduction

On 4 September 2024, the Board of Directors of Alkemy S.p.A. ("**Alkemy**", the "**Company**" or the "**Issuer**") received a request from Consob to supplement the issuer's statement approved on 8 August 2024 (the "**Issuer's Statement**") pursuant to Article 103, paragraphs 3 and 3-*bis*, of Legislative Decree No. 58 of February 24, 1998, as subsequently amended and supplemented (the "**TUF**") and Article 39 of the Consob regulation adopted by resolution no. 11971 of 14 May 1999, as subsequently amended and supplemented (the "**Issuers' Regulation**") relating to the totalitarian voluntary public tender offer launched by Retex S.p.A. - Benefit Company (the "**Offeror**") pursuant to articles 102 and 106, paragraph 4, of the TUF.

In particular, Consob, by means of a communication dated 4 September 2024, requested the Board of Directors of Alkemy to publish a supplement of the Issuer's Statement containing certain information regarding the assessment of the fairness of the Consideration and the recent performance and prospects of the Issuer.

Therefore, based on Consob request for supplementation, the Board of Directors of Alkemy specifies the following.

Capitalized terms used but not defined herein shall have the meaning given to them in the Issuer's Statement and in the documentation enclosed to it to which reference is made.

1. Assessment of the fairness of the Consideration

1.1 Further considerations on the assessment of the unfairness, from a financial point of view, of the Consideration In light of the evaluation methodologies applied by the Independent Expert

In the Issuer's Statement, the Board of Directors deemed the Consideration to be unfair from a financial point of view. For the purposes of its assessments, the Board of Directors took into account, *inter alia*, the opinion issued on 8 August 2024 by the Independent Directors pursuant to Article 39-*bis* of the Issuers' Regulation and referred to the Fairness Opinion issued on the same date by Equita, acting as financial advisor appointed by the Independent Directors. In the Opinion of the

Independent Directors and in the Fairness Opinion of Equita, the Consideration was deemed to be unfair from a financial point of view.

Below are the results of the analyses conducted by the Independent Expert (as indicated in the Fairness Opinion to which reference is made for further information in this regard) through the application of the valuation methodology identified and used by Equita:

		Value per Alkemy Share (€)	
Valuation Methodology	**Reliability**	**Minimum**	**Maximum**
Tender Offer *Premia*	Medium-high	12.4	14.8
Target Price	Medium-high	11.0	14.5
Trading Multiples	Low	6.5	17.4
DCF	Low	12.4	15.3

As shown in the table above, the Consideration is between the minimum and maximum value for two valuation methodologies ("Target Price" and "Trading Multiples") while it does not reach the minimum value for the other two methodologies ("Tender Offer *Premia*" and "DCF").

In light of this, the Board of Directors deemed the Consideration to be unfair, from a financial point of view, even though it was included between the minimum and maximum value of the parameters identified with the "Target Price" and "Trading Multiples" methodologies, for the reasons specified below.

With reference to the Target Price methodology (medium-high reliability), the latest research published by the three analysts who dealt with Alkemy's shares prior to the announcement of the Offer was taken into consideration, and in particular:

(i) the research by Intermonte SIM S.p.A. ('**Intermonte**') dated 17 May 2024, which expressed a target price of Euro 11.40 p.a.;

(ii) the research of Intesa Sanpaolo S.p.A. ("**Intesa Sanpaolo**") dated 16 May 2024, which expressed a target price of Euro 14.50 p.a.;

(iii) the research by Mediobanca - Banca di Credito Finanziario S.p.A. ("**Mediobanca**") dated 16 May 2024, which expressed a target price of Euro 11.00 p.a.

In assessing the fairness of the Consideration, the Board of Directors has therefore taken into account that the Consideration is lower than the average of the above-mentioned three target prices, *i.e.* Euro 12.30 p.a.

Again with reference to target prices of the analysts, it should also be noted that both Mediobanca and Intermonte ([1]) act as advisors to the Offeror and that the only one of the three analysts to have expressed an opinion following the launch of the Offer was Intesa Sanpaolo; the note published on

[1] It should be noted that, prior to the announcement of the Offer, the target price indicated by (i) Intermonte was Euro 16.60 as of 17 May 2023; Euro 14.10 as of 15 September 2023; Euro 15.00 as of 10 April 2024; Euro 11.40 as of 17 May 2024; (ii) Mediobanca was Euro 18.20 as of 18 May 2023; Euro 14.20 as of 15 September 2023; Euro 14.00 as of 15 January 2024; Euro 15.20 as of 3 April 2024 and Euro 11.00 as of 16 May 2024.

Teleborsa: distribution and commercial use strictly prohibited

6 June 2024 by Intesa Sanpaolo's analysts reported that their valuation model based on the DCF still indicated a fair value of Euro 14.5 per Share (approximately 21% higher than the Consideration) and that, therefore, they did not consider the Consideration to be particularly attractive[2] .

In assessing the fairness of the Consideration, the directors therefore paid close attention to the indication of the analysts of Intesa Sanpaolo and considered that, as in the past, the Company has all the characteristics to overcome a difficult 2024 and aim for renewed growth in the following years.

The valuation through the Trading Multiples methodology (low reliability) was based on the application of the prospective EV / EBITDA multiples expressed by the panel of listed companies taken as reference to Alkemy's 2024 pre IFRS 16 EBITDA value indicated in the Revised Budget 2024 and to Alkemy's 2025 and 2026 pre IFRS 16 EBITDA values indicated in the Alkemy Group's 2024-2026 business plan dated 23 February 2024, used in the context of the impairment test of the Alkemy Group as of 31 December 2023 (the "**February 24 Business Plan**"). In particular:

- the application of the Trading Multiples to the 2024 pre-IFRS 16 EBITDA figure (source: Revised Budget 2024) resulted in a value of EUR 6.5 p.a;
- the application of the Trading Multiples to the 2025 and 2026 pre-IFRS 16 EBITDA figures (source: February 24 Business Plan) resulted in a value of Euro 15.1 p.a. and 17.4 p.a., respectively.

In assessing the fairness of the Consideration, the Board of Directors took into account the reasons why the valuation methodology based on the Trading Multiples was deemed to be of limited significance by the Independent Expert. As also described in the section "*Main critical issues in the Consideration evaluation process*" of the Fairness Opinion, the valuation methodology based on the Trading Multiples was in fact deemed to be of limited significance because: (i) the selected listed companies are not deemed sufficiently comparable; (ii) the application of such methodology in relation to the financial year 2024 only would be too penalizing as the financial year is significantly impacted by unforeseeable events (iii) the valuation based on the 2025 and 2026 results is affected by the fact that the February 24 Business Plan has been defined by the Chief Executive Officer and the Chief Financial Officer of Alkemy as no longer representative of Alkemy's prospective economic-financial estimates and that no detailed indications are currently available as to the timing and financial dynamics to reach the targets of the plan or updated estimates starting from 2025.

1.2 Considerations regarding the caution suggested by the Independent Expert in its Fairness Opinion

In its Fairness Opinion, the Independent Expert pointed out that "*the difficulties encountered in the valuation process, the limitations of the valuation, the current economic and financial performance of the Company, and the uncertainty with respect to its potential, suggest caution in the valuation of the Consideration*".

[2] "*The offer by Retex values Alkemy at an equity value of EUR 68.2M, implying a 2024E-25E EV/EBITDA of 6.9x and 5.6x, respectively (based on our estimates, which are above consensus forecasts), versus an average of ~10x for IT consulting peers (Factset). Moreover, our DCF-based valuation model continues to point to a fair value of EUR 14.5/share (see our report of 16 May 2023), around 21% above the offer price. Therefore, we do not consider the offer price to be particularly attractive*".

Teleborsa: distribution and commercial use strictly prohibited
EMARKET SDIR CERTIFIED

As a preliminary remark, it should be noted that the suggestion of caution formulated by the Independent Expert, as well as endorsed by the Independent Directors and the Board of Directors, originates from the need to express an assessment on the Consideration within an information framework that, following the announcement of the Offer, was enriched by new elements, shared by the Chief Executive Officer with the Board only starting from June 2024, from which a significant uncertainty emerges on the Company's short-term economic-financial performance.

In this regard, the following is highlighted:

- the directors of Alkemy became aware of the Offer only on 3 June 2024, following the relevant communication to the market by the Offeror pursuant to Article 102 of the TUF. In the same context, the directors became aware of the commitment to accept the Offer and to and reinvest undertaken by the Chief Executive Officer of the Company in the context of the Offer;
- in the Board meeting urgently convened on 3 June 2024, following the announcement of the Offer, the Chief Executive Officer, in presenting his considerations on the Offer, highlighted a potential risk that, in consideration of the performance in the first half of 2024, the market might react with a decrease in the stock value. This statement caused a heated intra-Board dialectic, given that - as the Chief Executive Officer himself acknowledged during the meeting - this potential short-term risk had never been clearly presented to the Board of Directors, considering in any case that:
  - at the board meeting of 15 May 2024, convened to approve the figures for the first quarter of 2024, the Chief Executive Officer had represented that, although margins were showing some signs of slowing down, the Company would have ended the first quarter of the year with results in line with expectations and the results for the financial year 2024 would have been in line with market expectations, while at the meeting of 3 June 2024, the Chief Executive Officer provided a different estimate. Therefore, it was only recently - as of the meeting on 15 May 2024 - that the Board of Directors took note of a possible decrease in margins in the financial year 2024 due to the cyclical nature of the relationships with the clients of the Company;
  - with regard to the business plan prepared with the support of BCG and approved by the Board of Directors on 29 April 2023 (the "**BCG Business Plan**") BCG Business Plan, in the same meeting of 15 May 2024, the Chief Executive Officer reported that in 2024 the turnover target would have been reached, but not the margin and EBITDA targets. On that occasion, the Chief Executive Officer also specified that, with the arrival of the new General Manager and the review of the results of the new organization, "*the Plan will need to be revised and updated*".
- In the Board meeting of 17 July 2024, the Chief Executive Officer stated that the BCG Business Plan - on whose strategic guidelines the February 24 Business Plan is also based - must be considered outdated, without providing updated estimates. On that occasion, the Chief Executive Officer also represented to the Board of Directors that it was not technically possible to prepare an updated business plan in due time before the approval of the Issuer's Statement;

Teleborsa: distribution and commercial use strictly prohibited

EMARKET SDIR CERTIFIED

- on 26 July 2024, a further meeting of the Board of Directors was held, requested by the Independent Directors to review the information provided by the Chief Executive Officer, in order to send Equita the current trading and the updated three-year plan. On that occasion, the Chief Executive Officer represented a current trading in decrease compared to the budget and did not provide an updated three-year plan, but only qualitative indications that some assumptions of the BCG Business Plan should, in his opinion, be considered outdated. Specifically, during this board meeting, the Chief Executive Officer illustrated the estimate of the main economic-financial data expected with reference to the end of the financial year 2024, noting how they differed in a not insignificant manner from the BCG Business Plan targets and consequently from the February 24 Business Plan.

On the basis of the information available, taking into account the facts mentioned above, the conflicting position of the Chief Executive Officer who, as is known, is participating in the Offer, the role of advisor to the Offeror of Intermonte and Mediobanca, the difficulty for Equita to fully utilize the DCF methodology due to the statements made by the Chief Executive Officer on the fact that the BCG Business Plan is to be considered outdated, the directors, as already reported in paragraph 1.1, paid close attention to the indication of the analysts of Intesa Sanpaolo and considered that, as in the past, the Company has all the characteristics to overcome a difficult 2024 and aim for renewed growth in the following years

In this context, the directors deemed it appropriate to bring to the attention of the shareholders and to reflect in the Opinion of the Independent Directors and in the Issuer's Statement the circumstantial call for caution in the valuation of the Consideration, as expressed by the Independent Expert in the Fairness Opinion in light of the critical issues that emerged during the analyses conducted and the application of the valuation methodologies, as described above. In addition, the directors decided to adopt the prudential approach recommended by the Independent Expert in the Fairness Opinion in the overall assessment of the year's results and in calibrating the weight (and relevance to the conclusions) of the four methodologies used.

For a description of the critical issues encountered in the preparation of the Fairness Opinion and their impact on the valuation process, please refer to the sections "*Difficulties encountered in carrying out the Mandate*" and "*Main critical issues in the Consideration evaluation process*" of the Fairness Opinion.

2. Recent performance and prospects of the Issuer

2.1 Reasons behind the decrease in Adjusted EBITDA in the first half of 2024 compared to the same period of the previous financial year

Although the Company recorded slightly higher operating turnover than in the first half of 2023, the reasons for the decrease in Adjusted EBITDA[3] during the first half of 2024 compared to the same period of the previous financial year were mainly attributable to four circumstances that impacted the Company and certain foreign subsidiaries.

3 Adjusted EBITDA is defined as the value determined by subtracting costs for services, goods and other operating costs, personnel costs and non-recurring expenses from revenue.

Teleborsa: distribution and commercial use strictly prohibited

EMARKET SDIR CERTIFIED

Firstly, during the first half of 2024, there was a downsizing of the business generated by an important client, as a result of which the Company recorded a loss in turnover and a contraction in margins related to this client in the first half of 2024, compared to the same period in 2023.

A further reason for the decrease in Adjusted EBITDA is attributable to the higher expenses for the Company arising from the renewal of the national collective bargaining agreement ("*CCNL*") for the commerce sector. In fact, on 22 March 2024, the renewal of "*contratto Terziario, commercio, servizi di Confcommercio*" was signed, which the Company applies to all its employees. The new CCNL provided for generalized salary increases, differentiated according to the category and classification of employees, effective from April 2024. The aforementioned salary increases affected almost all employees of the Group's companies in Italy and generated higher expenses for the Company, in the first half of 2024, of about Euro 400 thousand.

Two further events concerning the Spanish (Alkemy Iberia) and Mexican (Ontwice Interactive Services De Mexico) subsidiaries occurred during the first half of 2024, which negatively affected Adjusted EBITDA.

In particular, with regard to Alkemy Iberia, it should be noted that in the course of 2023, this company recorded the loss of a historical client that, after years of collaboration, called for a competitive selection procedure to entrust the services carried out until then by Alkemy Iberia, which was then awarded in favor of a competitor, which took over the service in September 2023. During the first half of 2024, Alkemy Iberia was unable to recover either the loss of turnover or the loss of margin generated by this client.

Finally, with regard to the Mexican subsidiary, it should be noted that during the first months of 2024, the main client expressed its willingness to call for a competitive selection procedure to entrust the media services. The selection procedure has not yet been formally concluded as of today's date, but there is a significant probability that it will be awarded to Ontwice again. However, given the strategic importance of this client, Ontwice has, since the beginning of 2024, been reorganizing its activities as well as reducing prices in order to retain the client. This resulted in a loss of revenues and a loss of EBITDA during the first half of 2024, compared to the same period in 2023.

The turnover gap compared to the first half of 2023 was more than filled by the growth in business generated by the Company's other competence centers. These services, however, are profoundly different in nature to high-level strategic consulting and are characterized by significantly lower margins than the latter. Therefore, The different turnover mix is the main reason Adjusted EBITDA decreased significantly in the first half of 2024, even though revenues were substantially in line with the same period in 2023.

For these reasons, therefore, although overall revenues increased slightly compared to the first half of 2023, the Group reported Adjusted EBITDA in the same period of 2024, down by 20%.

As indicated in the press release on the preliminary operating results for the first half of 2024 published on 8 August 2024, some elements that influenced the Adjusted EBITDA trend during the first half of 2024, despite being widely anticipated, will still have an impact on the second half of 2024, despite the new commercial organization full capacity deployment. For more information on the economic impacts expected for the second half of 2024, please refer to what will be reported in

Teleborsa: distribution and commercial use strictly prohibited
EMARKET SDIR CERTIFIED

this regard in the half-year financial report as of 30 June 2024, the approval of which is expected on 13 September 2024.

2.2 Existence, as of 30 June 2024, of indicators of impairment of goodwill, recorded in the consolidated financial statements for Euro 54,871 thousand as of 31 December 2023, and any outcome of the impairment test

As reported in paragraph 1.2 above, during the Board of Directors' meeting held on 26 July 2024, the Chief Executive Officer illustrated the estimate of the main economic-financial data expected with reference to the end of the financial year 2024, noting that they differed to a not insignificant extent from the BCG Business Plan targets and consequently from the February 24 Business Plan.

In light of this circumstance, the Company will, therefore, proceed to carry out a new impairment test to verify the fairness of the book value of goodwill and its possible deprecation. To this end, on 9 September 2024, the Board of Directors approved a new three-year plan, aimed exclusively at allowing goodwill valuation, prepared with the support of a primary advisory company to which a specific mandate was conferred.

The results of the impairment test will be disclosed in the half-year financial report as of 30 June 2024, the approval of which is expected on 13 September 2024.

2.3 Indications in relation to the statements, quoted in the Issuer's Statement, made by the Chief Executive Officer concerning the achievement/validity of the Plan's objectives for both 2024 and the subsequent years set forth in the February 2024 Business Plan

As reported in paragraph 1.2 above, to which reference should be made for further information on the chronology of the events of interest, the evaluation of the Consideration was expressed by the Board of Directors within an information framework that, following the announcement of the Offer, was enriched by new elements, shared by the Chief Executive Officer with the Board only starting from June 2024, from which a significant uncertainty emerges on the Company's short-term economic-financial performance.

The Board of Directors acknowledged the information received with regard to the BCG Business Plan (on whose strategic guidelines the February 24 Business Plan is also based) from the Chief Executive Officer and the Chief Financial Officer only on 17 July 2024, on the basis of which, as also reported in the Fairness Opinion in relation to the discussions held by said parties with Equita, said plan – although used only for the economic and financial assessments related to certain items of the statutory and consolidated financial statements as of 31 December 2023 (impairment test, goodwill, put options, etc.) – was defined as "outdated" (without providing updated estimates) and no longer representative of the Company's prospective performance. As reported in the Fairness Opinion, moreover, Alkemy's Chief Executive Officer and Chief Financial Officer, while stating that they were confident on the possible achievement of the targets of the plan, did not provide detailed indications as to the timing and financial dynamics to reach such targets. In this regard, the Chief Executive Officer repeatedly represented to the Board of Directors that it was not technically possible to prepare an updated business plan in due time before the approval of the Issuer's Statement.

In light of the foregoing, the Board of Directors believes that, at this time, it has insufficient information to make a full assessment of the possible achievement of the objectives set forth in the BCG Business Plan and the February 24 Business Plan.

Teleborsa: distribution and commercial use strictly prohibited

The only strategic development plan of the Company currently available is the BCG Business Plan.

***

During the meeting of the Board of Directors held on 9 September 2024, with reference to the discussion of the item on the agenda relating to the supplement to the Issuer's Statement, in addition to the specification of own or third-party interests in the Offer reported in Paragraph 1.2 of the Issuer's Statement to which reference should be made, the Chairman of the Board of Directors Alessandro Mattiacci and the Director Riccardo Cesare Lorenzini informed the Board of Directors, also pursuant to Article 2391 of the Civil Code, that the same, as known, on 4 September 2024 signed with Lappentrop S.r.l., Qmat S.r.l. and Francesco Hensemberger an agreement concerning undertaking not to accept the Offer that covers the total no. 583,520 shares held by the parties jointly considered corresponding to no. 1,025,335 voting rights, representing in the aggregate 10.26% of the Company's share capital and 14.98% of the voting rights.

For further information on this agreement, please refer to the essential information published, pursuant to Article 122 of the TUF and Articles 129 and 130 of the Issuers' Regulation, on Alkemy's website at www.alkemy.com, section "*Corporate Governance - Corporate Structure - Shareholders' Agreements*".

***

This document and the Issuer's Statement are not intended in any way to replace the Offer Document or any other document relating to the Offer which is within the Offeror's responsibility and circulated by the Offeror and are not in any way, can they be construed as, a recommendation to accept or not to accept the Offer and do not replace the opinion of any shareholder in relation to the Offer.

The Board of Directors specifies, in any case, that the economic convenience of accepting the Offer shall be evaluated by the individual shareholder upon acceptance, taking into account all of the above, the Issuer's Statement, the trend of Alkemy's securities, the Offeror's statements and the information contained in the Offer Document.

Milan, 9 September 2024

For the Board of Directors

Alessandro Mattiacci

Chairman of the Board of Directors