



**EXPLANATORY REPORT OF THE BOARD OF DIRECTORS OF ASCOPIAVE S.P.A.
ON PROPOSAL UNDER AGENDA ITEM 3
OF THE SHAREHOLDERS' MEETING OF ASCOPIAVE S.P.A. CONVENED IN ORDINARY SESSION,
ON 16 APRIL 2025, ON FIRST CALL, AND ON
17 APRIL 2025, ON SECOND CALL**

(prepared pursuant to Article *125-ter*, Legislative Decree No. 58 dated 24 February 1998, as amended and supplemented, as well as Articles 73 and *84-ter* of the regulation adopted by Consob with resolution No. 11971 dated 14 May 1999, as amended and supplemented)

6 March 2025

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INTRODUCTION

Dear Shareholders,

you have been convened to the Ordinary Shareholders' Meeting on 16 April 2025, on first call, and on 17 April 2025, on second call, to pass resolutions on the following agenda items:

1. Annual financial statements as at 31 December 2024; allocation of profit for the year and distribution of dividends:
 - 1.1 approval of the annual financial statements as at 31 December 2024, accompanied by the Board of Directors' report on operations including the Consolidated Sustainability Report, the Board of Statutory Auditors' Report and the External Auditors' report; presentation of the consolidated financial statements as at 31 December 2024;
 - 1.2 approval of the profit allocation proposal for the year and distribution of the dividends; inherent and consequent resolutions.
2. Report on remuneration policy and compensation paid:
 - 2.1 approval of the first section of the report on the remuneration policy and compensation prepared pursuant to Article 123-ter, Legislative Decree no. 58 dated 24 February 1998 (*i.e.*, remuneration policy for the year 2025); resolutions pursuant to Article 123-ter, sections 3-bis and 3-ter, Legislative Decree no. 58 dated 24 February 1998; related and consequent resolutions;
 - 2.2 advisory vote on the second section of the report on the remuneration policy and compensation paid prepared pursuant to Article 123-ter, Legislative Decree No. 58 dated 24 February 1998 (*i.e.* report on the compensation paid in the financial year 2024); resolutions pursuant to Article 123-ter, section 6, Legislative Decree No. 58 dated 24 February 1998.
3. Authorisation to purchase and dispose of treasury shares, subject to revocation of the previous authorisation granted by the Shareholders' Meeting dated 18 April 2024, for the non-executed; portion; related and consequent resolutions.

The Board of Directors of Ascopiave S.p.A. ("**Ascopiave**" or the "**Company**") has prepared the explanatory report herein pursuant to Article 125-ter, Legislative Decree No. 58/1998, as amended and integrated (the "**TUF**") and Articles 73 and 84-ter of the regulation adopted by Consob resolution No. 11971/1999, as amended and integrated (the "**Issuers' Regulation**") and pursuant to Schedule No. 4 of Annex 3A of the same Issuers' Regulation (the "**Explanatory Report**"), in order to illustrate to the Ascopiave Shareholders' Meeting, pursuant to Articles 2357 and 2357-ter of the Italian Civil Code, Article 132 of the TUF, the applicable provisions of the Issuers' Regulation and Regulation (EU) no. 596 dated 16 April 2014 on market abuse ("**MAR Regulation**"), the proposed resolution

item 3 on the agenda in the ordinary session concerning the authorisation of a plan for the purchase and disposal, on one or more occasions, on a revolving basis, of a maximum number of Ascopiave ordinary shares representing a portion not exceeding 20% of the Company's share capital (corresponding, as of the date of the report herein, to a maximum no. 46,882,315 ordinary shares with a par value of Euro 1.00), replacing and revoking the previous authorisation to purchase treasury shares dated 18 April 2024, for the non-executed portion, scheduled to expire on 18 October 2025.

The grounds behind the request for authorisation, as well as the terms and conditions for implementing the plan for the purchase and disposal of treasury shares are outlined below.

The explanatory report herein is made available to the public in the manner and within the terms envisaged in the applicable regulations and can be consulted on Ascopiave's website (www.gruppoascopiave.it).

1. GROUNDS BEHIND THE PURCHASE AND DISPOSAL OF TREASURY SHARES

The share buyback and disposal plan subject of the authorisation proposal herein replaces the previous share buyback plan authorised by the Shareholders' Meeting held on 18 April 2024, scheduled to expire on 18 October 2025.

Therefore, in order to avoid convening a Shareholders' Meeting in the proximity of the above deadline, the Board of Directors deems it suitable to propose to the Shareholders' Meeting to revoke the current plan and authorise a new plan for the purchase and disposal of treasury shares.

The plan for the purchase and disposal of treasury shares for which your authorisation is requested, akin to the current plan, envisages for the Company to purchase treasury shares up to a maximum ceiling of 20% of the share capital, considering the treasury shares already held by the Company and its subsidiaries .

Due to the prohibition of subscription of the company's own shares pursuant to Article 2357-*quater* of the Civil Code, the option right pertaining to the company's treasury shares is attributed proportionally to the other shares, similarly to the right to profits, pursuant Article 2357-*ter*, section 2, of the Civil Code.

The Board of Directors intends to request the Shareholders Meeting the authorisation to purchase and dispose of treasury shares in order to provide the Company with a valid tool to perform, inter alia, in compliance with the applicable provisions, investment transactions reflecting the Company's strategic guidelines, also through exchange, swap transfer, assignment or other acts of treasury shares disposal, for the acquisition of shareholdings or share packages, also by subsidiaries controlled by the Company, or for other capital transactions involving the assignment or disposal of treasury shares (such as, by way of example, mergers, demergers, issues of convertible bonds or warrants, etc.).)

Authorisation is also requested to enable the Company, in compliance with the legal provisions in force from time to time:

- (i) to intervene, including through authorised intermediaries, for the sake of facilitating the regular course of trading and prices, because of distorting phenomena linked to excessive volatility and/or poor trading liquidity
- (ii) to offer Shareholders an additional means of monetising their investment; and
- (iii) to purchase treasury shares to be used, where suitable, to service any share-based incentive plans reserved for Directors and/or employees and/or associates of the Company or other companies controlled by it or its parent company.

It is herein stated that the authorisation request also includes, in continuation with the previous plan, the power of the Board of Directors to perform repeated and successive purchase and sale transactions (or other acts of disposal) of treasury shares on a revolving basis, also for fractions of the maximum authorised quantity, so that, at all times, the quantity of shares owned by the Company is not above the ceiling envisaged by law and by the authorisation of the Shareholders' Meeting. Therefore, the authorisation requested includes the possibility of performing, if deemed suitable, transactions on the stock to allow for value maximisation opportunities arising from market trends, subject to strict compliance with the applicable provisions of the Issuers' Regulations and the MAR Regulation.

For the reasons listed above, the Board of Directors deems it suitable to request the Shareholders' Meeting to revoke the previous plan authorised on 18 April 2024 (for the non-executed portion) and authorise, pursuant to and for the purposes of Articles 2357 and 2357-ter of the Italian Civil Code, the new plan for the purchase and disposal of treasury shares.

2. MAXIMUM AMOUNT, CATEGORY AND PAR VALUE OF SHARES SUBJECT TO AUTHORISATION

As of the date of the report herein, the Company's share capital amounted to Euro 234,411,575.00 represented by 234,411,575 ordinary shares, par value of Euro 1.00 per share and that, as of the date of the report herein, the treasury shares in portfolio were 17,973,719, or 7.668% of the share capital.

The Board of Directors shall request authorisation to purchase an amount of treasury shares in a manner that the Company never holds over 46,882,315, or over the different number representing in the aggregate the maximum ceiling of 20% of the share capital, also considering the treasury shares already held by the Company and its subsidiaries (as indicated in the following section 4), in the event of resolutions and implementation of capital increases and/or reductions during the term of authorisation as indicated in the following Section 3.

3. DURATION FOR WHICH AUTHORISATION IS REQUIRED

The authorisation for the purchase is required for the maximum duration permitted by Article 2357, Section 2, of the Civil Code and, therefore, for the period of 18 (eighteen) months from the date of the resolution of the Shareholders' Meeting permitting the clearance.

Authorisation to dispose of treasury shares already in the portfolio and those that will eventually be purchased is requested without time limits, in light of the non-existence of regulatory constraints in this regard and the opportunity to have maximum flexibility also in terms of the timeframe in which to dispose of them.

4. INFORMATION ON COMPLIANCE WITH THE PROVISIONS OF ARTICLE 2357(1) AND (3) OF THE CIVIL CODE

Pursuant to Article 2357(3) of the Civil Code, in no case may the par value of shares purchased by companies resorting to the risk capital market exceed one fifth of the share capital. It should be noted that the aforementioned ceiling refers to all treasury shares held by the Company, including purchases made in execution of previous resolutions, and to the Company's shares held by its subsidiaries.

For the purpose of calculating the maximum number of treasury shares that may be purchased by the Company in compliance with the aforementioned ceiling, it should be noted that the Company's share capital at the date the report herein is Euro 234,411,575.00.

As of the same date, the Company held a number of treasury shares amounting to 17,973,719 purchased in execution of the authorisations previously granted by the Shareholders Meeting - for a par value of Euro 17,973,719 (equal to 7.668% of the share capital), which were recorded as a reduction of the available reserves recorded in the Company's shareholders' equity.

These shares may be disposed of in the same manner as the other treasury shares to be acquired by the Company pursuant to this authorisation proposal.

Pursuant to Article 2357(1) of the Italian Civil Code, the purchase of treasury shares is permitted within the limits of the distributable profits and available reserves resulting from the last duly approved financial statements. To this end, it is deemed suitable to refer to the Company's draft financial statements for the year ending 31 December 2024, assuming its approval by today's Shareholders' Meeting. In this regard, it should be noted that the draft financial statements show (i) available reserves in the amount of Euro 580,878,578.25 and (ii) a profit for the year in the amount of Euro 28,402,936.91.

In light of the above, it is proposed that the Shareholders Meeting authorise the purchase of the Company's treasury shares through the use of all available reserves and distributable profits, without prejudice to Directors' obligation to verify that these reserves and profits are not affected by losses for the period

It should be noted that the Board is required to verify compliance with the conditions required by Article 2357, Sections 1 and 3, of the Italian Civil Code for the purchase of treasury shares at the time of each authorised purchase.

When shares are purchased or disposed of, exchanged, transferred or written down, the suitable accounting entries must be made, pursuant to the law and applicable accounting principles. In the event of a sale, exchange, contribution or write-down, the corresponding amount may be used for further purchases, until the expiration of the term of the authorisation by the Shareholders' Meeting,

subject to the quantity and expense ceilings, as well as the conditions established by the Shareholders' Meeting and compliance with the applicable legal and regulatory provisions in force from time to time.

5. MINIMUM AND MAXIMUM CONSIDERATION

The Board of Directors proposes that the unit price for the purchase of the shares be established on a case-by-case basis for each individual transaction, taking into consideration the method chosen to perform the transaction and in compliance with the regulatory provisions and the market practices that may be applicable, it being understood that it may not be 10% higher or below the reference price recorded by the share during the stock exchange session prior to each individual purchase transaction, without prejudice to the requirements of the buy-back programmes governed by Article 5 of the MAR Regulation.

With regard to the consideration for the sale of the treasury shares thus acquired, the Board of Directors proposes that the Shareholders' Meeting determine only the minimum consideration, granting the Board the power to determine, on a case-by-case basis, any further conditions, terms and terms of the disposal. This minimum consideration may not be 10% below the reference price recorded by the stock on the stock exchange session prior to each individual disposal transaction (meaning the date on which the commitment to dispose is made, regardless of the date of its execution). The above ceiling to the sale price will not apply: (i) in the event of the execution of transactions in relation to which it may be suitable to exchange or dispose of share packages, also by subsidiaries of the Company, to be performed also by means of an exchange or contribution or on the occasion of capital transactions that imply the assignment or disposal of treasury shares (such as, purely by way of example, mergers, demergers, issues of convertible bonds or *warrants*); (ii) in the event of share incentive plans reserved for Directors and/or employees and/or associates of the Company and/or other companies controlled by the Company and/or the parent company. In these hypotheses, different criteria may be used, possibly confirmed by estimates and reports performed by independent third parties in the event of exchanges or extraordinary transactions involving the Company's capital, in line with the purposes pursued and in compliance with current regulations.

The terms and conditions for the disposal of treasury shares set out above will also apply to portfolio shares held in respect of purchases made on the basis of previous authorisations.

6. PROCEDURES FOR PURCHASES AND ACTS OF DISPOSAL

Purchase transactions shall begin and end within the timeline set by the Board of Directors or by the Director so designated by the Board following any authorisation by the Shareholders' Meeting.

Purchase transactions will be performed on the market, on one or more occasions, on a revolving basis, according to the operating methods established in the Regulation of Markets Organised and Managed by Borsa Italiana S.p.A. (the "**Market Regulation**"), which do not allow the direct matching of buy orders with predetermined sell orders, in compliance with Article 132 of the TUF and Article 144-*bis* of the Issuers' Regulation or, in any event, according to other methods permitted by the law, including regulatory provisions, in force at *the time*. In particular, purchases may be made through one

of the following methods: (i) purchases made on regulated markets, pursuant to the operating procedures established by the Market Rules and the related Instructions Borsa Italiana S.p.A, as well as in compliance with the provisions of the Regulation on Issuers; (ii) purchases and sales of derivative instruments traded on regulated markets that govern the physical delivery of the underlying shares and pursuant to the conditions established by the Market Regulations and the related Instructions of Borsa Italiana S.p.A. as well as in compliance with the provisions of the Issuers' Regulation; (iii) proportional allocation to shareholders of put options at conditions that are consistent with what will be established by the Shareholders' Meeting Ascopiave; (iv) purchases made in the manner established by market practices allowed by Consob pursuant to Article 13 of the MAR Regulation (v) purchases made under the conditions indicated in Article 5 of the MAR Regulation; in addition to (vi) in the performance of systematic internalisation activities according to non-discriminatory methods that govern the automatic and non-discretionary execution of transactions on the basis of pre-set benchmarks.

The acts of disposal may be performed, on one or more occasions, by adopting any method suitable to the purposes that will be pursued, including (i) sales to be made on the market, including block trading activities; (ii) the sale to Directors, employees, and/or associates of the Company and/or companies controlled by it and/or the parent company in implementation of incentive plans (iii) any other act of disposal, in the context of transactions in relation to which it may be suitable to exchange or dispose of share packages, by subsidiaries of the Company, also by means of an exchange or contribution, or, lastly, in the context of capital transactions involving the assignment or disposal of treasury shares (by way of example, mergers, demergers, issues of convertible bonds or warrants).

Lastly, it should be noted that, pursuant to the exemption envisaged in Article 132, section 3, of the TUF, the above operating procedures will not apply to the purchase of treasury shares from the Company employees, its subsidiaries or its parent company that have been assigned or subscribed by them pursuant to Articles 2349 and 2441, section 8, Italian Civil Code, or consequent to compensation plans already approved, or to be approved by the Shareholders' Meeting pursuant to Article 114-*bis* of the TUF.

7. ADDITIONAL INFORMATION

It is herein confirmed that the purchase of treasury shares is not instrumental to the reduction of the Company's share capital

8. PROPOSED RESOLUTION ON AGENDA ITEM N. 3 OF THE ORDINARY SHAREHOLDERS' MEETING

In view of the above, the Board of Directors invites the Shareholders' Meeting to approve the following proposed resolution:

'The Ordinary Shareholders' Meeting of Ascopiave S.p.A.:

- *consequent to the examination of the report of the Board of Directors based on Article 125-ter, Legislative Decree No. 58 dated 24 February 1998 (as amended and supplemented), Articles 73 and 84-ter as well as Schedule No. 4, Annex 3A of the Regulation adopted by Consob with Resolution No. 11971 dated 14 May 1999 (amended and supplemented);*
- *consequent to acknowledging that as of 6 March 2024, the Company holds a number of treasury shares for a par value of Euro 17,973,719, corresponding to 7.668% of the share capital and that the subsidiaries controlled by the Company do not hold any ordinary shares of Ascopiave S.p.A;*
- *consequent to the advisability of authorising the purchase and disposal of treasury shares, for the purposes and in the manner indicated in the Board of Directors' report;*

resolves

1. *to revoke, for the non-executed portion, the resolution authorising the purchase of treasury shares adopted by the Shareholders' Meeting dated 18 April 2024, scheduled to expire on 18 October 2025;*
2. *to authorise, pursuant to and for the purposes of Article 2357 of the Italian Civil Code, the purchase, on one or more occasions, of a maximum number, on a revolving basis (the maximum number of treasury shares that the Company may hold in its portfolio from time to time), of no. 46,882.315 ordinary shares or the different number that will represent a portion not exceeding the maximum ceiling of 20% of the share capital, also considering the shares already held by the Company and those that may be held from time to time by the Company's subsidiaries and, in any event, in compliance with the legal limits, in order to pursue the purposes envisaged in the Board of Directors' report and under the following terms and conditions:*
 - *the shares may be purchased until the end of the eighteenth month from the date of this resolution;*
 - *the purchase transactions may be performed on the market, on one or more occasions and on a revolving basis, pursuant to the procedures established by the Board of Directors or the Director designated for such purpose, in compliance with the provisions of the Board of Directors' report and in such a way as to allow for the respect of the equal treatment of Shareholders pursuant to Article 132, Legislative Decree No. 58 dated 24 February 1998 and Article 144-bis of the Issuers' Regulations, considering the specific exemption envisaged in Article 132, Legislative Decree No. 58 dated 24 February 1998 and Article 144-bis of the Issuers' Regulations.*

Article 132, Legislative Decree No. 58 dated 24 February 1998 and Article 144-bis, Issuers' Regulations, considering the specific exemption envisaged in section 3, Article 132, Legislative Decree No. 58 dated 24 February 1998 and, in any event, by any other means permitted by the laws and regulations in force at the time;

- *the unit price for the purchase of the shares shall be established on a case-by-case basis for each individual transaction, based on the method chosen for performing the transaction and in compliance with the regulatory provisions and accepted market practices that may be applicable, it being understood that it may not be 10% higher or below the reference price recorded by the share during the stock exchange session preceding each individual purchase transaction;*
 - *the maximum disbursement for the purchase of treasury shares may not exceed the amount of distributable profits and available reserves resulting from the last duly approved financial statements equal to, with reference to the draft financial statements as of 31 December 2024, Euro 518,304,245.97;*
3. *to confirm the terms and conditions for the performance of acts of disposal, on one or more occasions, on the treasury shares held in the portfolio consequent to purchases already made as well as on the shares to be purchased pursuant to the authorisation granted herein, as already approved on 18 April 2024, consequent to and for the purposes of Article 2357-ter, Italian Civil Code, and specifically:*
- *the authorisation to dispose of treasury shares does not envisage specific time limits;*
 - *disposal transactions may be performed, in one or more instalments, by means of sales to be made on the market, including trading activities, or blocks;*
 - *by transfer to Directors, employees and/or associates of the Company and/or its subsidiaries and/or the parent company due to incentive plans; by any other act of disposal, in the context of operations in relation to which it is suitable to exchange or transfer share packages, also by subsidiaries controlled by the Company, also by means of an exchange or contribution, or, lastly, on the occasion of capital operations that imply the assignment or disposal of treasury shares (such as, for example, mergers, demergers, issues of convertible bonds or warrants);*
 - *the unit price for the disposal of the shares shall be established on a case-by-case basis for each individual transaction, provided that it shall not be 10% below the reference price recorded on the stock exchange trading session prior to each individual disposal transaction (namely the date on the commitment to disposal is undertaken, regardless of the date of its execution). Said minimum price ceiling will not apply in the event of transfers to Directors, employees and/or associates of the Company and/or its subsidiaries and/or the parent company in implementation of incentive plans, as well as in the event of transactions where it is suitable to exchange or transfer share packages, also by subsidiaries of the Company, to be implemented also through an exchange or contribution or in the event of capital transactions that imply the assignment or disposal of treasury shares (e.g. mergers, spin-offs, issues of convertible bonds or warrants);*
4. *to vest the Board of Directors, with express power of attorney, with the broadest powers necessary or suitable to execute this resolution, any and all actions required, suitable, instrumental and/or connected to the success of the same, as well as to govern the market disclosure required by applicable laws and regulations and, where applicable, by accepted market practices that may be applicable, also by approving any and all provisions implementing the purchase programme".*

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Pieve di Soligo (TV), 6 March 2025

on behalf of the Board of Directors
The Chairman and Chief Executive Officer

Dr. Nicola Cecconato