



Alkemy S.p.A.

Registered office in Milan, at via San Gregorio 34, Milan - share capital resolved Euro 632,467.00, Euro 587,589.00 subscribed and paid-up

Registration number with Milan Companies House, tax code and VAT number 05619950966 - Economic and Administrative Index (REA) no. 1835268

Explanatory Report by the directors on the sixth item on the agenda of the shareholders' meeting convened for 26 April 2022, at single call.



Item 6 on the agenda – Incentive plan in the favour of Alkemy Group employees: resolutions in accordance with Art. 114-bis of the Consolidated Law on Finance.

Shareholders,

In connection with the sixth item on the agenda of the ordinary part of the Shareholders' Meeting to be held on 26 April 2022 at single call, we have convened you to submit for your approval, in accordance with Art. 114-bis, paragraph 1 of Italian Legislative Decree no. 58/98, the Incentive Plan based on financial instruments called “My Share” (the “**Incentive Plan**”) reserved to employees of Alkemy S.p.A. - as determined by the Company’s Board of Directors at its discretion, also to be offered to employees of other Alkemy Group companies - which do not hold offices of Director or Key Management Personnel in the Company or Alkemy Group or who are not beneficiaries of the “Long Term Incentive Plan of Alkemy S.p.A.” (adopted by the Board of Directors on 15 November 2019 and amended by the Shareholders' Meeting on 26 April 2021) (the “**Beneficiaries**”) and to confer upon the Board of Directors suitable powers to execute it.

This Report seeks to explain the reasons and contents of the proposal concerning the Incentive Plan. The definitions and description of the Plan contents are set out in the Information Document, prepared in accordance with Art. 84-bis of the Regulation adopted by Consob with resolution no. 11971 of 14 May 1999, as subsequently amended, made available to the public in accordance with the terms and conditions of current legislation.

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1. Reasons behind the adoption of the Incentive Plan

In compliance with standard practice both nationally and internationally, the Company believes that the Incentive Plan is a tool that can focus the Beneficiaries’ attention on strategic objectives for the Company and the Alkemy Group, fostering their loyalty and, at the same time, guaranteeing the alignment of the interests of the shareholders with those of the Beneficiaries, with a view to pursuing the sustainable success of the Company and the continuous increase in value in the medium/long-term.

More specifically, adoption of the Incentive Plan pursues the following ends in the medium/long-term:

- to align the interests of Alkemy Group stakeholders, employees and shareholders, in achieving the shared aim of creating value over time and pursuing sustainable success;
- to promote the spirit of Beneficiaries’ identification in the Company;
- to provide the Beneficiaries with a tool that can increase their sense of belonging to the Alkemy Group, participation and involvement, thereby supporting the attraction, retention and engagement of each Alkemy Group employee;
- to guarantee a greater alignment of the remuneration package with national and international market practice in the sector in which the Company operates;
- to foster the global integration of the various legal entities making up the Alkemy Group.

2. Plan beneficiaries

The Incentive Plan beneficiaries are all employees with open-ended contracts with the Company, who have concluded and successfully passed the trial period and accrued at least 12 months of seniority at the start date of the Offer Period during which they expressed a desire to adhere to the Incentive Plan. Members of the Board of Directors and Key Management Personnel of the Company and Alkemy Group companies are expressly excluded from Incentive Plan beneficiaries, as are beneficiaries of the Alkemy S.p.A. Long Term Incentive Plan in the period running between the start and the end of the reference Offer Period.

The Company reserves the right to extend the Incentive Plan to subsidiaries in Italy and abroad, as long as local legal and tax regulations cannot directly or indirectly compromise achievement of the Incentive Plan ends and/or expose the Company or subsidiaries of Alkemy to any potential risks and/or make the implementation and administrative management of the Incentive Plan excessively onerous or complex, as determined by the Company’s Board of Directors, at its discretion.

3. The Plan procedures and implementation clauses



The Incentive Plan is structured into three-year tranches, during each of which Beneficiaries will be given the chance to purchase Alkemy shares, to deposit them in a Securities Deposit Account managed at the Company's expense, and to receive, where certain conditions are met, free shares.

Participation in the Incentive Plan and in each Tranche implemented over time is voluntary.

More specifically, by adhering to the Incentive Plan, each participant, during the Offer Period, authorises the respective Participating Group Company with which they have a contract of employment, to withhold part of their monthly salary to make the monthly purchase of Shares. The withholdings will be applied starting from the month during which the employee expressed the desire to adhere to the Incentive Plan, for the entire duration of the reference tranche and through to its end (and therefore for a maximum of 36 months for each tranche), without prejudice to the faculty of each participant in the Incentive Plan to suspend or revoke adhesion to said Incentive Plan.

Shares will be purchased monthly by the Company through an authorised intermediary during the month that follows that during which the corresponding amount of the salary is withheld, at a purchase price equal to the closure price of the Alkemy share on the Euronext Milan market - Euronext STAR Milan segment - by the tenth trading day of the month after that of the withholding and will be thereafter transferred to the Securities Deposit Account. In addition, every 4 (four) Investment Shares retained by the participant in the Plan on the Securities Deposit Account for the entire duration of the Minimum Period and as long as the contract of employment continues between the Incentive Plan participant and the Company (or the Alkemy Group company), Alkemy shall assign 1 (one) free share.

Free shares will be delivered to the Incentive Plan participant during the third quarter of each year during which the free stock option right is accrued.

No key variables or performance indicators are envisaged.

During the Incentive Plan implementation phase, during which the characteristics, requirements, conditions and procedures will be detailed, some of these may be adjusted in order to guarantee compliance of the Incentive Plan with local legislation and/or facilitate its implementation on a local level.

4. Any support of the Incentive Plan by the Special Fund for encouraging worker participation in businesses, pursuant to Art. 4, paragraph 112 of Italian Law no. 350 of 24 December 2003

The Incentive Plan will not receive support by the Special Fund for the encouragement of worker participation in businesses, pursuant to Article 4, paragraph 112 of Italian Law no. 350 of 24 December 2003.

5. The procedures for determining the prices or criteria for determining the prices for the subscription or purchase of shares

Through adhesion to the Incentive Plan, during the Offer Period, the participant authorises the respective Participating Group Company with which they have a contract of employment, to withhold part of their monthly salary to make the monthly purchase of Shares. During implementation of the Incentive Plan, the Board of Directors will determine a minimum cap and a maximum cap to the annual investment, both in absolute terms and as a percentage of the employee's gross annual salary. The withholdings will be applied or the entire duration of the reference tranche and through to its end (and therefore for a maximum period of 36 months for each tranche), without prejudice to the faculty of each participant in the Incentive Plan to suspend or revoke adhesion to said Incentive Plan.

Shares will be purchased monthly by the Company through an authorised intermediary during the month that follows that during which the corresponding amount of the salary is withheld, at a purchase price equal to the closure price of the Alkemy share on the Euronext STAR Milan market by the tenth trading day of the month after that of the withholding and will be thereafter transferred to the Securities Deposit Account.

For every 4 (four) Investment Shares retained by the Participant in the Plan on the Securities Deposit Account for the entire duration of the Minimum Period and as long as the contract of employment continues to be in place between the Plan Participant and the Participating Group Company, the latter shall assign the Plan Participant 1 (one) free share.



During the Plan implementation phase, during which the characteristics, requirements, conditions and procedures will be detailed, some of these may be adjusted in order to guarantee compliance of the Plan with local legislation and/or facilitate its implementation on a local level.

6. Restrictions to availability affecting the Shares

The Investment Shares acquired under the scope of the Incentive Plan, as well as the Free Shares assigned at the end of the Minimum Period relative to each tranche, are not subject to restrictions of availability. However, in the event of the sale or transfer of Investment Shares during the Minimum Period, the Incentive Plan Participant shall forfeit the right to have Free Shares assigned.

By virtue of the foregoing, we would therefore propose you pass the following resolution:

“The Shareholders' Meeting of Alkemy S.p.A.,

- *having examined the explanatory report of the Board of Directors, prepared in accordance with Articles 114-bis and 125-ter of Italian Legislative Decree no. 58 of 24 February 1998 and the proposals contained therein;*
- *having examined the information document prepared in accordance with Art. 84-bis of the Regulation adopted by Consob with resolution no. 11971 of 14 May 1999, as subsequently amended,*

resolved

1. *to approve, in accordance with and pursuant to Art. 114-bis of Italian Legislative Decree no. 58 of 24 February 1998, the adoption of the Incentive Plan called “My Share” with the characteristics explained in the explanatory report of the Board of Directors and the information document on such plan;*
2. *to confer upon the Board of Directors, with the faculty to sub-delegate, all powers necessary and appropriate to implement the “My Share” Incentive Plan, in particular but merely by way of example, full powers to (i) prepare and approve the documentation connected with the implementation of the plan, including the regulation governing the plan, (ii) deliver investment shares to beneficiaries and assign them any free shares (also determining whether to use the Company’s treasury shares already held or subsequently acquired, or in the portfolio or to purchase the financial instruments on the market), (iii) amend the plan as indicated in the information document, (iv) specify in which countries the plan will be implemented and offered, on the basis of technical considerations and opportunity, (v) define any local variants to the plan, (vi) act in all ways, complete all formalities and make all communications as may be necessary or appropriate to the management and/or implementation of the plan, with the faculty to delegate the powers, duties and responsibilities for the execution and application of the plan (vii) if applicable, make any alterations to the plan as may be necessary or appropriate, including in order to take into account any changes to rules, regulations or legislation, and (viii) define all other terms and conditions and act in any way, fulfil any requirement, formality and/or make any communication necessary or appropriate to the management and/or implementation of the Incentive Plan.*
3. *to confer upon the Chairman of the Board of Directors and the Chief Executive Officer, jointly and severally, all powers, with the faculty to sub-delegate, to act in all ways required, necessary or useful to the implementation of the foregoing resolutions and to fulfil all and any legislative and regulatory requirements as may be a consequence of the resolutions adopted, with the faculty to make any non-substantive changes, adjustments or additions as may be appropriate or required by the competent Authorities and, in general, to act in all ways necessary for the complete execution of the resolutions, with all and any powers necessary and appropriate to this end, with no exclusions or exceptions”.*

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Milan, 22 March 2022

For the Board of Directors

The Chairman, Alessandro Mattiacci