

ALKEMY S.P.A.

EXPLANATORY REPORT BY THE BOARD OF DIRECTORS OF ALKEMY S.P.A. ON ITEM 5 OF THE AGENDA OF
THE ORDINARY SHAREHOLDERS' MEETING OF 26 APRIL 2022

Approved by the Board of Directors on 04 March 2022.

Item 5. Appointment of the Board of Auditors:

5.1. Appointment of three Regular Auditors and three Alternate Auditors

5.2 Appointment of the Chairman of the Board of Auditors

5.3 Determination of the fees of the members of the Board of Auditors.

Shareholders,

The approval of the financial statements at 31 December 2021 marks the end of the mandate assigned to the Board of Auditors (hereinafter the “**Board**”) of Alkemy S.p.A. (“**Alkemy**” or the “**Company**”), appointed by the ordinary shareholders’ meeting of 25 June 2019.

We would therefore now ask you to resolve – in compliance with the law and regulations as well as with all current applicable statutory provisions – on the appointment of the Board and its Chairman.

We would also ask you to resolve on the fees to be assigned to the Board.

We would remind you that Art. 25 of Alkemy’s Articles of Association (the “**Articles of Association**”) states that the Board shall number three regular members and two alternate members and that on 4 March 2022, Alkemy’s Board of Directors approved the “*Diversity Policy of the Board of Directors and Board of Auditors*” (the “**Diversity Policy**”), published in the Corporate Governance section of the Company’s website.

1. Requirements.

The members of the Board of Auditors (the “**Auditors**”) must fulfil the requirements of integrity, professionalism and independence as well as the requirements relating to the limit in the number of other appointments in accordance with the provisions, including the regulatory provisions, in force *pro tempore*. Matters pertaining to commercial law, corporate law, tax law, business economics, corporate finance, disciplines with the same or similar purpose, and subjects and areas pertaining to the Company’s business sector, are considered closely related to the Company’s scope of operations.

2. Term of office

Auditors shall remain in office for three financial years, may be re-elected and shall stand down on the date of the shareholders’ meeting convened to approve the financial statements for the third year of their office.

3. Appointment

3.1 List submission

Auditors are appointed by the shareholders’ meeting on the basis of lists submitted by shareholders in the manner explained under Art. 25 of the Articles of Association; this is in any case without prejudice to any other or further provisions envisaged by essential rules of law or regulations in force *pro tempore*.

Any shareholders that, at the time of submitting the list, individually or jointly hold a sufficient number of Shares as to account for at least 4.50% of the share capital – on the basis of Consob determination no. 62/2022 – may submit a list.

Lists are deposited at the Company's offices, including using remote communication means, by the twenty-fifth day prior to the date of the shareholders' meeting convened to resolve on the Board appointment and made available to the public in the manner envisaged by laws and regulations in force *pro tempore* at least twenty-one days prior to the meeting date.

If only one list has been deposited on the deadline set for the list submission, or only lists submitted by related shareholders in accordance with law and regulation in force *pro tempore*, additional lists can be presented until the third day after this date, by the shareholders who, at the time of presenting the list, are the holders, on their own or jointly, of a number of Shares that is at least equal to half the minimum shareholding established above.

Each list:

- a) must specify the name of one or more candidates to the office of regular auditor and of one or more candidates to the office of alternate auditor, marked in each section ("regular auditors" section, "alternate auditors" section) by a progressive number, in a number not exceeding the members of the body to be elected;
- b) must specify, if containing a number of candidates that in total is equal to or exceeding 3 (three), a list of candidates in both sections that is such to guarantee that the composition of the Board of Auditors, both in the regular and alternate component, respects the legal and regulatory provisions in force from time to time with regard to male and female gender balance, notwithstanding that this must be rounded up if the application of the gender quotas does not result in a whole number;

In this regard, it is specified that paragraph 304 of Art. 1 of Italian Law no. 160 of 27.12.2019, in the text republished in OJ no. 13 on 17.1.2020, states that: "The criterion of allocation of at least two fifths envisaged by paragraphs 302 and 303 shall apply as from the first renewal of the administrative and auditing bodies of companies listed on regulated markets after the date on which this law comes into force, without prejudice to the criterion of allocation of at least one fifth envisaged by Article 2 of Italian Law no. 120 of 12 July 2011 for the first renewal after the trading start date". Given that the Shareholders' Meeting convened for 26 April 2022 will be called to resolve on the first renewal of the Board of Auditors after the trading start date of the Company's shares on the Euronext Milan market (formerly the MTA market), the criterion of allocation of at least two fifths does not apply to the Board of Auditors to be appointed, but rather that of one fifth;

- c) it must have the following documents annexed: (i) information on the identity of the submitting shareholders, indicating the total percentage share held; (ii) the declaration of shareholders other than those individually or jointly holding a controlling or relative majority share, attesting to the absence of any connection with the latter in accordance with current rules and regulations; (iii) a complete disclosure setting out the personal and professional characteristics of the candidates and a declaration made by such candidates to the effect that they meet the legal requirements and accept their candidature, complete with a list of administration and control appointments held by them in other companies; (iv) all and any other and different declarations, information and/or documents envisaged by applicable law and regulations.

It is recalled that in accordance with Communication no. DEM/9017893 of 26 February 2009, Consob has recommended that shareholders submitting a “minority list” specify in the declaration attesting to no relationship between shareholders pursuant to Art. 144–*quinquies* of the Issuers’ Regulation “*any relations as may exist, if significant, with shareholders individually or jointly holding a controlling or relative majority share, if the latter can be identified on the basis of communications of significant shareholdings pursuant to Art. 120 of the Consolidated Law on Finance or the publication of shareholder agreements in accordance with Art. 122 of the same Decree*” and, in particular, to specify amongst such relations, at least those indicated in the communication as well as the reasons why such relations have not been considered key to the existence of relations pursuant to Art. 148, paragraph 2 of Italian Legislative Decree no. 58 of 24 February 1998 (the “**Consolidated Law on Finance**”) and Art. 144–*quinquies* of the Issuers’ Regulation; alternatively, the absence of any significant relations must be specified.

At the time of submission of the lists, the declarations must also be deposited whereby the individual candidates accept their candidacy and declare, under their own responsibility:

- that there are no grounds for ineligibility and incompatibility and that the relevant requirements are met on the basis of current primary and secondary regulations in force;
- that they meet the independence requirements laid down by Art. 148, paragraph 3 of the Consolidated Law on Finance.

Each shareholder, as well as the shareholders belonging to a same corporate group and the shareholders participating in a relevant shareholders' agreement pursuant to Article 122 of the Consolidated Law on Finance, may not present or contribute to presenting, not even via proxy or a trust company, more than one list or vote for different lists.

Each candidate may be present in only one list, upon penalty of ineligibility.

3.2 Procedure for electing Auditors and the Chairman of the Board of Auditors

If one or more lists have been presented, these are voted on and the Board of Auditors is formed based on the provisions below:

- a) candidates from the two lists with the highest number of votes will be elected, according to the following criteria: (i) from the list that obtained the highest number of votes, 2 (two) regular auditors and 1 (one) alternate auditor are taken, according to the progressive order in which they are listed in the list; (ii) from the second list that obtained the highest number of votes and that is not connected, not even indirectly, with the shareholders who submitted, or with those who voted for, the majority list for the Board, the third regular auditor, who becomes the Chairman of the Board of Auditors, and the second alternate auditor are taken, according to the progressive order in which they are listed in the list;

- b) in the event of a tie of votes among the lists, the meeting votes once again, exclusively with regard to the tied lists, with the list that obtains the highest number of votes prevailing;
- c) if, with the methods specified above, the legal and regulatory provisions in force from time to time are not met with regard to gender balance, including the rounding up if the application of the gender quotas does not result in a whole number, the candidate to the office of standing or alternate auditor of the most represented gender, elected as the last one in progressive order, from the majority list is excluded and replaced by the next candidate to the office of standing or alternate auditor taken from the same list, from the other gender.

If only one list has been presented, the meeting casts its vote on it and, if this obtains the majority of the votes, three regular auditors and two alternate auditors specified in the list as candidates for these offices are elected, in accordance with the regulatory provisions in force from time to time, also with regard to gender balance, including the rounding up if the application of the gender quotas does not result in a whole number.

In the absence of lists or if it is not possible to appoint the Board with the methods indicated above for whatever reason, the three regular auditors and the two alternate auditors are appointed by the meeting with the ordinary majorities required by law, in accordance with the legal and regulatory provisions in force from time to time, also with regard to gender balance, including the rounding up if the application of the gender quotas does not result in a whole number.

4. Determination of the fees of the Board members

As established by Art. 2402 of the Italian Civil Code, the shareholders' meeting shall rule, at the time of appointment, on the fees of the Auditors for their entire term of office.

In this latter respect, it is recalled that the fees set for the Board of Auditors in office is, for each year, Euro 24,000.00 for the Chairman and Euro 18,000.00 for each Regular auditor, reporting that a specific additional fee may be envisaged for the participation of a Regular auditor in the Supervisory Body envisaged by the Organisation, Management and Control Model adopted by the Company in accordance with Italian Legislative Decree no. 231/2001.

Considering the foregoing, the Board of Directors abstains from making any specific proposals on this item of the agenda and therefore invites the Shareholders' Meeting to resolve in this regard, on the basis of the proposals that may be made by the shareholders.

We would therefore ask you to kindly appoint three Regular auditors and three Alternate auditors, as well as the Board Chairman, for FYs 2022, 2023 and 2024, i.e. until the shareholders' meeting called to approve the financial statements at 31 December 2024, and to determine the relevant fees.

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Milan, 04 March 2022

For the Board of Directors

The Chairman

Alessandro Mattiacci