

DIRECTORS' REPORT
ON THE SEVENTH ITEM ON THE AGENDA
(ordinary part)

for the Ordinary and Extraordinary
Shareholders' Meeting
of Equita Group S.p.A.
of 28 April 2022

(published on 29 March 2022)



ITEM 7 ON THE AGENDA

7. Authorisation to purchase and, after revocation of the previous shareholders' meeting authorisation of 31 October 2017, to dispose of treasury shares: related and consequent resolutions.

Dear Shareholders,

This explanatory report (the "Report") prepared in accordance with article 125-ter of Legislative Decree no. 58 of 24 February 1998 as later amended and integrated (the "TUF", Italian Consolidated Finance Law) and article 73 of the Consob regulation adopted by resolution no. 11971 of 14 May 1999, as later amended and integrated (the "Issuers' Regulation", as well as in compliance with Annex 3A - Outline 4 of the same **Issuers' Regulation**).

The Board of Directors of Equita Group S.p.A. (the "**Company**" or "**Equita Group**") intends to submit for your approval the proposed authorisation to purchase and dispose of treasury shares, in accordance with articles 2357 and 2357-ter of the Italian Civil Code and article 5 of the EU Regulation 596/2014 (the "**MAR Regulation**") EU Delegated Regulation 2016/1052, as well as recognised markets practices. In addition to the Company's Shareholders' Meeting, the purchase of treasury shares must be previously authorised by the Bank of Italy in accordance with the provisions of EU Regulation 2019/2033, EU Regulation 575/2013 and EU Delegated Regulation no. 241/2014.

As of the date of this Report, the Company held no.4,039,802 treasury shares, representing approximately 8% of share capital; the subsidiaries do not hold Company shares.

The authorisation to dispose of treasury shares is requested after revocation of the authorisation granted by the Shareholders' Meeting of 31 October 2017, related to 8,189,025 treasury shares held in the Company's portfolio at the time.

This Report is available to the public at the Company's registered office in Milan, Via Filippo Turati no. 9, on the Company's website www.equita.eu (Corporate Governance section, Shareholders' Meetings area) and on the authorised storage mechanism eMarket Storage (www.emarketstorage.com).

1. Motivations for requesting authorisation to purchase and dispose of treasury shares

The authorisation to purchase and dispose of treasury shares that we propose is requested in order to provide the Company with an instrument of strategic flexibility it can resort to, even partially, in compliance with applicable legislative and regulatory provisions, in force from time to time, for one or more of the following purposes:

- (i) support the liquidity of the Equita Group share, in order to facilitate the smooth conduct of trading and avoid price fluctuations that are not in line with market trends, as well as regularise the trend of trading and prices in the face of momentary distortions related to excess volatility or a lack of liquidity, also pursuant to and for the effects of the relative market practice admitted by Consob, in accordance with the provisions of article 13 of Regulation EU 596/2014;

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- (ii) operate with a medium and long-term investment perspective, intervening both in the market and through a public takeover bid – in the case of the purchase of treasury shares – or on the market or even outside the market, including through Accelerated Book Building or blocks – in the case of the disposal of treasury shares – at any time, in whole or in part, on one or more occasions;
- (iii) establish a portfolio of treasury shares to sell, dispose of and/or use at any time, in whole or in part, on one or more occasions, provided that it is consistent with the Company's strategic guidelines, in the context of strategic partnership agreements and/or corporate/financial transactions, including but not limited to acquisitions, mergers, capital transactions, investment transactions by third parties in the share capital, swaps, contributions, exchanges, financing transactions or other transactions, in relation to which the assignment or other disposition of treasury shares is necessary or appropriate;
- (iv) implement incentive plans or programmes based on financial instruments (such as, by way of example, but not limited to stock options, stock grants, performance shares, instruments convertible into shares of the Company, etc.), for consideration or free of charge, to company representatives, employees and/or contractors of the Company and/or its subsidiaries; and
- (v) allocate shares to incentivise, retain and/or attract resources/employees/contractors/representatives of the Company and/or its subsidiaries at the discretion of the Board of Directors or the Managing Director.

Should the reasons for purchase of the treasury shares to implement this authorisation cease to exist they may be used for one of the other purposes indicated above.

2. Maximum number, category and par value of the shares referred to in the authorisation

The authorisation refers to the purchase and any subsequent disposal in one or more tranches of ordinary shares of the Company, without par value and listed on the "Euronext STAR Milan" market organised and managed by Borsa Italiana S.p.A., up to a maximum of 1,000,000 (one million) ordinary Company shares (corresponding to approximately 2% of the Company's share capital as of today), within the limits of distributable profits and available reserves resulting from the last approved financial statements at the time of each transaction, as well as in compliance with the provisions of Article 2357, paragraph 3 of the Italian Civil Code.

3. Information useful for assessing compliance with the provision included in article 2357, paragraph 3, of the Italian Civil Code

In accordance with article 2357 of the Italian Civil Code, the par value of the treasury shares that the Company may purchase cannot exceed one fifth of the share capital, taking into account any shares held by subsidiaries for this purpose. As of the date of this Report, the subscribed and paid-in capital of the Company totalled Euro 11,489,982.85, divided into no. 50,497,000 shares, all without indication of the par value, listed on the Euronext STAR Milan market.

As previously stated:

- (i) on the date of this Report, the Company held 4,039,802 treasury shares, representing approximately 8% of share capital, which can be transferred, disposed of and/or used as treasury shares which will be purchased by the Company as per this authorisation proposal;
- (ii) the subsidiaries do not hold Company shares; and
- (iii) The purchase authorisation is requested up to a maximum of 1,000,000 ordinary shares without par value, corresponding to approximately 2% of the Company's share capital on today's date.

Therefore, should the Company purchase all of the aforesaid 1,000,000 shares, considering the treasury shares it already has in portfolio as of today's date, the total number of treasury shares held by the Company would be 5,039,802, corresponding to around 10% of share capital as of today's date (with the exception of any transfer of treasury shares ordered in the meantime by the Company).

It is understood that the Board of Directors is required to verify compliance with the conditions required by article 2357, paragraph 3, of the Italian Civil Code for the purchase of treasury shares at the time when each authorised purchase is carried out and, if needed, adjust the relative spending limits, also taking into account the limits of distributable profit and available reserves as per article 2357, paragraph 1 of the Italian Civil Code.

4. The requested authorisation duration

The authorisation to purchase treasury shares is requested for the maximum duration allowed by article 2357, paragraph 2, of the Italian Civil Code, and thus for a period of 18 months from the date the Meeting adopts the relative authorisation resolution.

The authorisation to transfer, dispose of and/or use treasury shares is requested without time limits, in consideration of the opportunity to have maximum flexibility, including in terms of time, for the possible transfer of the same.

It should be noted that the Company can proceed with the aforesaid authorised transactions, in one or more times and at any time, in compliance with applicable legislative and regulatory provisions, in force from time to time.

5. Objective criteria used as a basis to determine the minimum and maximum payments of the purchase and/or disposal treasury share transactions

The authorisation request states that:

- (i) purchases are made at a price that will be indicated from time to time by the Board of Directors, with the understanding that such price may not vary, either up or down, more than 20% compared to the price recorded by the Equita security in the Euronext STAR Milan market session the day before every single transaction;
- (ii) transfer and disposal acts for treasury share held in portfolio or purchased in accordance with this authorisation proposal shall take place according to the criteria below:
 - if carried out for incentive plans or programmes based on financial instruments (such as, by way of example, stock options, stock grants, performance shares, instruments convertible into Company shares), for consideration or free of charge, to company representatives, employees and/ or contractors and/or of its Subsidiaries, the shares shall be assigned to the beneficiaries of these plans, with the procedures and at the conditions indicated by the same plans, for consideration or free of charge, in compliance with applicable statutory or regulatory provisions;
 - if carried out for the purpose of incentivise, retain and attract resources/employees/contractors/representatives of the Company and/or its subsidiaries outside of the incentivising plans, the shares must be assigned for consideration at a price that will be indicated from time to time by the Board of Directors (or Managing Director for it); with the understanding that such price shall not be lower than the carrying amount of the treasury shares being disposed of, as resulting from the last approved financial statements;

- if carried out for any other treasury share transfer transaction for consideration in cash, this consideration shall be established by the Board of Directors and may not vary, either up or down, more than 20% compared to the price recorded by the Equita security in the Euronext STAR Milan market session the day before every single transaction;
- if carried out for transactions involving exchange swap or contribution of treasury shares, or any other transfer act (including for share capital transactions or other corporate and/or financial transactions or financing transactions) for consideration, all or in part not in cash, the economic conditions of the transaction will be determined by the Board of Directors based on the nature and characteristics of the transaction, also taking into consideration the market performance of the Equita Group security.

Without prejudice to the above, the Company shall operate in compliance with any other statutory limits, including regulatory, from time to time in force and applicable (including European Union regulations and other laws) and any other indications received from the competent Supervisory Authority.

6. Procedures for carrying out purchases and disposals

Purchases should be made, from time to time, with one of the procedures in article 144-bis, paragraph 1, letters a), b), c), d), d-ter) and paragraph 1.bis of the Issuers' Regulation, i.e. in compliance with the statutory and regulatory provisions, applicable from time to time, including market practices allowed by Consob, as possibility amended from time to time.

In terms of the disposal acts, we propose that they may occur at any time, all or in part, including before completing the purchases, in the most appropriate ways in the interest of the Company, on the market or with any additional procedure considered opportune to meet the pursued aims and, in any case, in compliance with statutory and regulatory provisions from time to time applicable.

7. Information on any instrumentality of treasury shares purchase to reduction of share capital

The authorisation request to purchase treasury shares is not instrumental to the reduction of share capital.

In light of the above, the Shareholders' Meeting having read the Board of Directors' explanatory report, prepared in accordance with article 125-ter of Italian Legislative Decree no. 58 of 24 February 1998 as later amended and integrated (the "TUF", Italian Consolidated Finance Law) and article 73 of the Consob regulation adopted by resolution no. 11971 of 14 May 1999, as later amended and integrated the "Issuers' Regulation", as well as in compliance with Annex 3A - Outline 4 of the aforesaid regulation. will be asked to:

1. authorise, in accordance with and for the effects of article 2357 of the Italian Civil Code, the purchase, in one or more times, within 18 months starting from the date of this resolution, after obtaining authorisation from the Bank of Italy, ordinary Equita Group shares, without par value, in a total number not exceeding 1,000,000, representing approximately 2% of the Company's share capital as of today, within the limits of distributable profits and available reserves resulting from the last approved financial statements at the time of each transaction, in any case, to the extent that the total value of the treasury shares held by the Company at any given time never exceeds one fifth of the share capital, also taking into account any shares held by the subsidiaries;

2. require that the authorisation can be used for the purpose of:
 - (a) support the liquidity of the Equita Group share, in order to facilitate the smooth conduct of trading and avoid price fluctuations that are not in line with market trends, as well as regularise the trend of trading and prices in the face of momentary distortions related to excess volatility or a lack of liquidity, also pursuant to and for the effects of the relative market practice admitted by Consob, in accordance with the provisions of article 13 of EU Regulation 596/2014;
 - (b) operate with a medium and long-term investment perspective, intervening both in the market and through a public takeover bid – in the case of the purchase of treasury shares – or on the market or even outside the market, through Accelerated Book Building or blocks – in the case of the disposal of treasury shares – at any time, in whole or in part, on one or more occasions;
 - (c) establish a portfolio of treasury shares to sell, dispose of and/or use at any time, in whole or in part, on one or more occasions, provided that it is consistent with the Company's strategic guidelines, in the context of strategic partnership agreements and/or corporate/financial transactions, including but not limited to acquisitions, mergers, capital transactions, investment transactions by third parties in the share capital, swaps, contributions, exchanges, financing transactions or other transactions, in relation to which the assignment or other disposition of treasury shares is necessary or appropriate;
 - (d) implement incentive plans or programmes based on financial instruments (such as, by way of example, stock options, stock grants, performance shares, instruments convertible into shares of the Company), for consideration or free of charge, to company representatives, employees and/or contractors of the Company and/or its subsidiaries; as well as
 - (e) allocate shares to incentivise, retain and/or attract resources/employees/contractors/representatives of the Company and/or its subsidiaries at the discretion of the Board of Directors or the Managing Director.
3. after revocation of the previous shareholders' meeting authorisation of 31 October 2017, to authorise, in accordance with and for the effects of the article 2357-ter of the Italian Civil Code, the disposal, in one or more times and at any time, without time limits, of all or part and even before having completed the purchases, of treasury shares in portfolio or purchased according to this resolution, for the same purposes illustrated above;
4. determine that the purchase and disposal acts must take place according to the criteria below:
 - (i) the purchase acts are performed at a price indicated from time to time by the Board of Directors, also with regard to the selected procedure for performing the transaction and in compliance with any statutory requirements in force as well as, where applicable, permitted market practices in force pro tempore, with the understanding that such price may not vary, either up or down, more than 20% compared to the reference price recorded by the Equita Group S.p.A. security in the Euronext STAR Milan market session the day before every single transaction;
 - (ii) transfer and disposal acts for treasury shares held in portfolio or purchased in accordance with this authorisation proposal shall take place according to the criteria below:
 - o if carried out for incentive plans or programmes based on financial instruments (such as, by way of example, stock options, stock grants, performance shares, instruments convertible into Company shares), for consideration or free of charge, to company representatives, employees and/or contractors and/or of its Subsidiaries, the shares shall be assigned to the

- beneficiaries of these plans, for consideration or free of charge, with the procedures and at the conditions indicated by the same plans, for consideration or free of charge, in compliance with applicable statutory or regulatory provisions;
- if carried out for the purpose of incentivise, retain and attract resources/employees/contractors/representatives of the Company and/or its subsidiaries outside of the incentivising plans, the shares must be assigned for consideration at a price that will be indicated from time to time by the Board of Directors or Managing Director for it with the understanding that such price shall not be lower than the carrying amount of the treasury shares being disposed of, as resulting from the last approved financial statements;
 - if carried out for any other treasury share transfer transaction for consideration in cash, this consideration shall be established by the Board of Directors and may not vary, either up or down, more than 20% compared to the price recorded by the Equita security in the Euronext STAR Milan market session the day before every single transaction;
 - if carried out for transactions involving exchange swap or contribution of treasury shares, or any other transfer act (including for share capital transactions or other corporate and/or financial transactions or financing transactions) for consideration, all or in part not in cash, the economic conditions of the transaction will be determined by the Board of Directors based on the nature and characteristics of the transaction, also taking into consideration the market performance of the Equita Group;
5. give a mandate to the Board of Directors, and for it the Managing Director, to proceed, including through specifically appointed specialised intermediaries, to purchase and dispose of Equita Group S.p.A. shares, establishing the relative procedures and the price per share in compliance with the criteria in the points above, with the gradualness considered opportune in the interest of the Company, in compliance with provisions of applicable laws and regulations and possibly using practices allowed by Consob in compliance with the provisions of article 13 of the EU Regulation no. 596/2014, where applicable, implementing all of the activities required, necessary, opportune, instrumental, connected and/or useful for this purpose for the successful outcome of such transactions authorisation included here, including through attorneys-in-fact, providing information to the market and complying with the provisions applicable from time to time and in force issued by the competent Authorities;
 6. give a mandate to the Board of Directors, and for it to the Managing Director, to provide for the appropriate accounting records after the treasury share purchase and disposal transactions, in compliance with legal provisions and accounting standards applicable from time to time;
 7. attribute to the Board of Directors, and for it to the Managing Director, every power necessary to implement this resolution, and also performing all formalities for the purpose, inter alia, to obtain the aforesaid authorisation from the Bank of Italy, along with every necessary power, none excluded or excepted, including the power to make amendments or additions to resolutions (not substantially amending the contents) deemed necessary or opportune, all in compliance with what is required, including disclosure requirements, by Italian Legislative Decree 58/1998, the Consob regulation adopted with resolution no. 11971 of 14 May 1999, EU Regulation no. 596/2014 of 16 April 2014 (and relative implementation provisions) and possibly market practices allowed by Consob in compliance

with the provisions of article 13 of EU Regulation no. 596/2014 which the Company used, where applicable.

THE EQUITA GROUP S.P.A. BOARD OF DIRECTORS