DIRECTORS' REPORT

ON THE SECOND ITEM ON THE AGENDA

(extraordinary part)

Ordinary and

Extraordinary Shareholders' Meeting of

of Equita Group S.p.A.

of 20 April 2023

(published on 21 March 2023)

ITEM 2 ON THE AGENDA (EXTRAORDINARY PART)

2. Proposed allocation to the Board of Directors, pursuant to article 2443 of the Italian Civil Code, of the power to increase the share capital against consideration, in one or more tranches and also in separate issues, excluding pre-emptive rights, under article 2441.4.2 of the Italian Civil Code; consequent amendment of article 5 of the current By-laws; related and consequent resolutions.

Dear Shareholders,

This report (the "**Report**") is provided pursuant to article 125-*ter* of Legislative decree no. 58 of 24 February 1998, as subsequently amended and integrated (the "**TUF**" or the "Consolidated law on finance") and article 72 of the Consob regulation adopted by resolution no. 11971 of 14 May 1999, as subsequently amended and integrated (the "**Issuer regulation**") and Annex 3A – Models 2 and 3 of the Issuer regulation.

The five-year power granted to the Board of Directors to increase the share capital of Equita Group S.p.A. (the "**Company**" or "**Equita Group**") against consideration, excluding pre-emptive rights pursuant to article 2441.4.2 of the Italian Civil Code will expire on 16 April 2023. This power had been granted to the Board of Directors by the Shareholders in their meeting of 16 April 2018. The Board of Directors has never exercised this power.

Therefore, the Company's Board of Directors plans to submit for your approval the proposal to grant a new power to the Board of Directors, pursuant to article 2443 of the Italian Civil Code, for a period of five years from the date of the shareholders' meeting resolution, to increase share capital against consideration, in one or more tranches and also in separate issues, excluding pre-emptive rights, under article 2441.4.2 of the Italian Civil Code (the "**Power**"), thereby amending article 5 of the current By-laws, in accordance with the terms and conditions described below.

This Report is made available to the public at the registered office of the Company in Milan at Via Filippo Turati 9, on the Company website www.equita.eu (*Corporate Governance - Shareholders' Meetings* section) and on the authorised eMarket Storage mechanism (www.emarketstorage.com).

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1. The Power

Pursuant to article 2443 of the Italian Civil Code, the By-laws may grant the directors the power to increase share capital in one or more tranches up to a specific amount and for not more than five years. This power may include the resolutions under article 2441.4.2 of the Italian Civil Code.

Under article 5.6 of Equita Group's By-laws, *the pre-emptive rights on newly issued ordinary shares may be excluded or restricted in the cases provided for by law and pursuant to article 2441.4.2 of the Italian Civil Code, up to 10% (ten per cent) of the pre-existing share capital, provided that the issue price corresponds to the market value of the shares as confirmed by a specific report prepared by an independent audit company or an independent auditor.*

Because of the reasons and the purposes described in detail in this report, the proposed Power would enable the Board of Directors to increase the share capital against consideration, in one or more tranches and also in separate issues pursuant to article 2439.2 of the Italian Civil Code, for a maximum nominal amount equal to 10% of the share capital at the date the above-mentioned shareholders' resolution was passed and with the issue of a number of ordinary shares with regular dividend rights equal to a maximum of 10% of the shares outstanding at the date of the above-mentioned shareholders' resolution granting the relevant power, excluding the pre-emptive rights pursuant to article 2441.4.2 of the Italian Civil Code, up to ten per cent of the share capital at each date the Power is exercised.

Furthermore, we propose granting the Company's Board of Directors the power to (i) set, for each tranche of the capital increase, the number and unit issue price (including the allocation between nominal capital, not less than the par value of the shares outstanding at the time the power was exercised and share premium) of the new ordinary shares (the "**New Shares**"), in compliance with the limits set forth in article 2441.4.2 of the Italian Civil Code, (ii) set the deadline for subscribing the New Shares, and (iii) execute the above powers, including, without limitation, that necessary to make the consequent and necessary amendments to the by-laws.

2. Reasons for the Power and criteria for its exercise. Reasons for the exclusion of pre-emptive rights.

In order to support the growth and value creation goals that the Company's Board of Directors is pursuing, the Equita Group must continue to be able to access, rapidly and flexibility, the funds necessary to seize the opportunities offered by the market as quickly as possible. Granting this Power would enable the Company to benefit from the best market conditions to carry out extraordinary transactions, thanks to the rapid and prompt execution embedded in this Power. Specifically, the Power would enable the Company to promptly seize M&A opportunities, the entry of strategic players into the shareholding structure and to raise funds to be used for new growth initiatives.

Granting this Power would also enable the Company's Board of Directors to identify with greater flexibility the characteristics of the share capital increase as a whole, both in terms of amount and economic conditions, defining such conditions in light of the market scenario prevailing at the time the Power is exercised and in line with the best practices for similar transactions, in compliance with the limits and criteria provided by law.

With respect to the exclusion of pre-emptive rights, the possibility of offering newly issued shares to third parties would enable, on the one hand, to carry out extraordinary transactions with strategic partners and, on the other, to expand the shareholding structure focusing, in particular, on Italian and foreign leading institutional and/or qualified investors which are interested in a stable and long-term investment in Equita Group. This would also lead to an increase in the free float, providing Equita Group with both greater liquidity and greater visibility and better positioning of the Company on the market.

3. Criteria used to determine the issue price of the New Shares

The Board of Directors of the Company shall have the power to determine, from time to time, the issue price (including the allocation between nominal capital, not less than the par value of the shares outstanding at the time the Power was exercised and share premium) of the New Shares, within the limits and in accordance with article 2441.4.2 of the Italian Civil Code. Therefore, the issue price for the New Shares must correspond to the market value of Equita Group ordinary shares as confirmed by a specific report prepared by an independent audit company or an independent auditor.

When the Power is exercised, these reports shall be acquired by the Company's Board of Directors and - together with the directors' prepared pursuant to article 72.1.6 of the Issuer regulation - shall be made available to the public in the manner and within the deadlines set forth by the legal and regulatory provisions in force at the time.

4. Duration of the Power and exercise period

We propose setting the duration of the Power at five years from the date of the proposed shareholders' resolution, and that it be exercised in one or more tranches. In other words, if approved by the Shareholders, the Power must, in any case, be exercised by 20 April 2028, after which it will automatically lapse.

Without prejudice to the above, the actual exercise of the Power and its exercise period, pursuant to article 2443 of the Italian Civil Code, and the terms and conditions of any issues, will depend on the effective opportunities that will arise and will be promptly disclosed to the market pursuant to the law and regulations as soon as they are determined by the Board of Directors.

5. Characteristics of the newly issued shares

The shares to be issued as part of the Power covered by this Report will be ordinary shares with regular dividend rights and will bear the same rights as the ordinary shares outstanding at the time of issue.

6. Amendments to article 5 of the By-laws

The proposed resolution submitted for your approval will require amending article 5 of the By-laws in order to replace the power granted to the Board of Directors on 16 April 2018 with the Power covered by this Report, including a new paragraph (5.9).

Article 5 of the By-laws is shown below with evidence of the proposed amendments.

The proposed amendment to article 5 of the By-laws (shown below in its entirety), also reflects the shareholders' resolutions proposed under item 1 on the agenda of the extraordinary part, as described in the relevant report, concerning, in particular, the inclusion of a new paragraph (5.8).

BY-LAWS	
CURRENT TEXT	PROPOSED TEXT
5.1 The share capital is €11,587,376.30 divided into 50,925,028 shares, all with no par value.	[Unchanged, subject to changes due to subscriptions of new shares prior to the meeting]

5.2 The Company may issue categories of shares with rights other than those of already issued shares and financial instruments in compliance with the law, including, if the conditions of the law are met and by amending the By-laws where necessary, preference shares, savings shares, warrants and bonds, also convertible into shares; shares may also be issued by converting other categories of shares or other securities, if permitted by law.	[Unchanged]
5.3 The issue of new ordinary shares or shares with different rights, with the same characteristics as those of the categories already outstanding, does not, however, require any further approval by the special meetings of the shareholders of the different categories.	[Unchanged]
5.4 The allocation of profits and/or income-related reserves to employees of the Company or its subsidiaries by issuing shares pursuant to article 2349.1 of the Italian Civil Code is permitted in the manner and form prescribed by the law.	[Unchanged]
5.5 The shares are subject to the dematerialisation rules and entered into the centralised management system for financial instruments pursuant to the provisions of the TUF in force from time to time.	[Unchanged]
5.6 Shareholders' pre-emptive rights on newly issued ordinary shares may be excluded or restricted in the cases provided for by law and pursuant to article 2441.4.2 of the Italian Civil Code, up to 10% (ten per cent) of the pre-existing share capital, provided that the issue price corresponds to the market value of the shares as confirmed by a specific report prepared by an independent audit company or an independent auditor.	[Unchanged]
5.7 On 16 April 2018, under article 2443 of the Italian Civil Code, the shareholders' meeting granted the Board of Directors, the power to increase share capital free of charge pursuant to article 2349 of the Italian Civil Code, in one or more tranches, by 16 April 2023 up to the maximum of 2,500,000 (two million five hundred thousand) shares, in any case not exceeding 5 (five) % of the total number of outstanding shares at the date the power may be exercised, by allocating a corresponding amount of the "Reserve to issue shares in accordance with article 2349 of the Italian Civil Code" set up to this end, issuing shares to be awarded to employees of the Company and/or its subsidiaries pursuant to article 2359	[repealed]

of the Italian Civil Code. On 18 February 2021, the Board of Directors of the Company partially exercised the aforementioned power, approving the issue of 224,200 ordinary shares. On 22 February 2022, the Board of Directors of the Company exercised again the aforementioned power, approving the issue of 272,800 ordinary shares.	
5.8 On 16 April 2018, pursuant to article 2443 of the Italian Civil Code, the shareholders granted the Board of Directors the power to increase the share capital, in one or more tranches, by 16 April 2023 by issuing a number of shares not exceeding 10 (ten) % of the total number of outstanding shares at the date the power may be exercised and in any case for a nominal amount not exceeding a total of €10,000,000.00 (ten million/00), excluding pre-emptive rights pursuant to article 2441.4.2 of Italian Civil Code.	[repealed]
5.9 On 29 April 2021, the shareholders resolved to increase the share capital by a maximum nominal amount of €800,000 by issuing a maximum of 3,500,000 shares without par value, to service the incentive plans in favour of the employees of the company and its subsidiaries, to be subscribed by the end of the fourth exercise period of the stock options under the "2020-2022 Equita Group Plan for senior management based upon Stock Options" (i.e., by 31 May 2028). On 14 April 2022, the share capital increase was subscribed and paid up for €38,521.65, issuing 169,296 shares. On 23 June 2022, the share capital increase was further subscribed and paid up for €32,148.00, issuing a further 141,285 shares. On 14 October 2022, the share capital increase was further subscribed and paid up for €7,585.50, issuing a further 33,337 shares. On 15 December 2022, the share capital increase was further subscribed and paid up for €19,138.30, issuing a further 84,110 shares.	5.7 [Unchanged, subject to amendments due to subscriptions made prior to the meeting]
	5.8 On 20 April 2023, pursuant to article 2443 of the Italian Civil Code, the shareholders granted the Board of Directors the power to increase the share capital in

	accordance with article 2349 of the Italian Civil Code, to service the implementation of the incentive plans approved by the shareholders from time to time, in one or more tranches, by 20 April 2028, for a maximum nominal amount of €2,500,000.00 by issuing a maximum of 2,500,000 ordinary shares, with no par value, having the same characteristics as those outstanding, with regular dividend rights, capitalisation for each share issued of an amount equal to or greater than the par value of shares outstanding at the time of the power was exercised, to be awarded to employees of the Company and/or its subsidiaries pursuant to article 2359 of the Italian Civil Code that are beneficiaries of the incentive plans approved by the shareholders from time to time, by allocating, pursuant to article 2349 of the Italian Civil Code, a corresponding amount of profits and/or income-related reserves resulting from the most recently approved financial statements, under the terms, conditions and the procedures underlying the incentive plans.
	5.9 On 20 April 2023, the shareholders granted the Board of Directors, pursuant to article 2443 of the Italian Civil Code, the power to increase the share capital against consideration, in one or more tranches and also in separate issues pursuant to article 2439.2 of the Italian Civil Code, by 20 April 2028, for a maximum nominal amount equal to 10% of the share capital at the date the above-mentioned shareholders' resolution was passed and with the issue of a number of ordinary shares with regular dividend rights equal to a maximum of 10% of the shares outstanding at the date of the above-mentioned shareholders' resolution granting the relevant power, excluding the pre-emptive rights pursuant to article 2441.4.2 of the Italian Civil Code, up to ten per cent of the share capital at each date the power is exercised.

7. Profit and loss, balance sheet and financial effects of the transaction, effects on the unit value of the shares and dilution

When exercising the Power, the Board of Directors shall adequately inform the market within the terms of the law on the profit and loss, balance sheet and financial effects of the relevant transaction, as well as the effects on the unit value of the shares and any dilution of this value.

8. Right of withdrawal

The amendments to the By-laws described in this Report do not entail the right of withdrawal pursuant to article 2437 of the Italian Civil Code or other applicable statutory, regulatory or by-law provisions.

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Based on the above, the Shareholders, having examined the directors' report prepared pursuant to article 125-*ter* of Legislative decree no. 58 of 24 February 1998, as subsequently amended and integrated, and article 72 of the Consob regulation adopted by resolution no. 11971 of 14 May 1999, as subsequently amended and integrated and Annex 3A – Models 2 and 3 of the Issuer regulation, will be invited to:

1. grant the Board of Directors, pursuant to article 2443 of the Italian Civil Code, for five years from the date of the resolution until 20 April 2028, the power to increase the share capital against consideration, in one or more tranches and also in separate issues pursuant to article 2439.2 of the Italian Civil Code, for a maximum nominal amount equal to 10% of the share capital at the date the above-mentioned shareholders' resolution was passed and with the issue of a number of ordinary shares with regular dividend rights equal to a maximum of 10% of the shares outstanding at the date of the above-mentioned shareholders' resolution granting the relevant power, excluding the pre-emptive rights pursuant to article 2441.4.2 of the Italian Civil Code, up to ten per cent of the share capital at each date the power is exercised;
2. for the purposes of exercising the Power, grant the Board of Directors the widest powers to (i) set, for each tranche of the capital increase, the number and unit issue price (including the allocation between nominal capital, not less than the par value of the shares outstanding at the time the power was exercised and share premium) of the new ordinary shares, in compliance with the limits set forth in article 2441.4.2 of the Italian Civil Code, (ii) set the deadline for subscribing the New Shares, and (iii) execute the above powers, including, without limitation, that necessary to make the consequent and necessary amendments to the by-laws;
3. amend article 5 of the By-laws, by repealing the entire paragraph 5.8 and introducing the following paragraph:

   On 20 April 2023, pursuant to article 2443 of the Italian Civil Code, the shareholders granted the Board of Directors the power to increase the share capital against consideration, in one or more tranches and also in separate issues pursuant to article 2439.2 of the Italian Civil Code, by 20 April 2028, for a maximum nominal amount equal to 10% of the share capital at the date the above-mentioned shareholders' resolution was passed and with the issue of a number of ordinary shares with regular dividend rights equal to a maximum of 10% of the shares outstanding at the date of the above-mentioned shareholders' resolution granting the relevant power, excluding the pre-emptive rights pursuant to article 2441.4.2 of the Italian Civil Code, up to ten per cent of the share capital at each date the power is exercised;
4. entrust the Board of Directors and, on its behalf, the Managing Director in office at the time, with all powers necessary to execute these resolutions, also making any efforts necessary to record the resolutions in the Company register, with the power to make any changes, amendments or non-

substantial additions that may be appropriate or required by the competent Authorities for this purpose, including upon registration and, in general, to take all steps necessary for the full execution of the resolutions, with any and all powers necessary and appropriate for this purpose, without exception, and to provide for the filing and publication, pursuant to law, of the updated text of the By-laws with the amendments made thereto in accordance with the previous resolutions, as well as following their execution.

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