



**EXPLANATORY REPORT OF THE BOARD OF DIRECTORS ON THE FIRST ITEM ON THE
AGENDA OF THE SHAREHOLDERS' MEETING OF NEODECORTECH S.P.A.,
EXTRAORDINARY SESSION, CONVENED ON 27 APRIL 2023 IN SINGLE CALL**

**EXPLANATORY REPORT OF THE BOARD OF DIRECTORS OF NEODECORTECH S.P.A. ON THE
PROPOSED RESOLUTIONS OF THE SHAREHOLDERS' MEETING**

Shareholders,

you have been convened on 27 April 2023 for the Shareholders' Meeting ("**Meeting**") of Neodecortech S.p.A. ("**Neodecortech**" or the "**Company**") to resolve, in extraordinary session, on the following item on the agenda.

1. Amendment to Articles 13, 21 and 24 of the Bylaws. Relevant and ensuing resolutions

This Report - prepared pursuant to Article 125-ter, paragraph 1, of Legislative Decree no. 58 of 24 February 1998, as amended and supplemented (the "**TUF**") and Article 84-ter of the Regulation adopted by CONSOB Resolution no. 11971 of 14 May 1999 (the "**Issuer Regulation**"), as amended and supplemented, and in accordance with Annex 3, Schedule 3, to the Issuer Regulation (the "**Report**") - sets forth the proposals that the Board of Directors of Neodecortech intends to submit to your approval on the above item on the agenda of the Shareholders' Meeting, extraordinary session.

At its meeting on 15 March 2023, the Board of Directors of the Company approved this Report, which was made publicly available within the time limits and in the manner envisaged by law and regulations, at the Company's registered office in Via Provinciale 2, Filago (BG), on the website (www.neodecortech.it), *Investors – Assemblee azionisti* section and on the authorized storage mechanism "*1info*" at www.1info.it.

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1 AMENDMENTS TO ARTICLES 13, 21 AND 24 OF THE BYLAWS

1.1 REASONS FOR AND OVERVIEW OF THE PROPOSED AMENDMENTS

With regard to item 1 on the agenda of the Shareholders' Meeting, extraordinary session, the Board of Directors proposes to amend Articles 13, 21 and 24 of Neodecortech's Bylaws (the "**Bylaws**"), regarding the procedures for attending, calling and holding meetings of Neodecortech's corporate bodies, in order to better regulate the option to use remote means of communication. Given the common rationale of the proposed amendments in this section of the Report, an overall explanation follows.

As is generally known, the rampant spread of the COVID-19 emergency gradually forced companies (including Neodecortech) to hold meetings of corporate bodies through remote means of communication ensuring the social distancing of attendees.

In order to facilitate the holding of shareholders' meetings during the COVID-19 pandemic, the lawmaker passed Law Decree no. 18 of 17 March 2020 on "*Measures to strengthen the NHS and provide economic aid to households, workers and businesses related to the COVID-19 epidemiological emergency*", converted into law with amendments by Law no. 27 of 24 April 2020 (the "**Liquidity Law Decree**"). Specifically, Article 106 of the Law Decree acknowledged during the pandemic emergency period:

- (i) for all joint-stock companies the option to (a) allow, even as an exception to the different provisions of the bylaws, "*the casting of votes by electronic means or by correspondence and attendance at the meeting by means of telecommunication*", as well as (b) provide that "*the shareholders' meeting be held, even*

exclusively, by means of telecommunication [...] without in any case the need for the chairman, secretary or notary to be in the same place, where provided for"; and

- (ii) for all companies with listed shares the possibility of providing that those entitled to attend the shareholders' meeting do so "*exclusively through the Appointed Representative pursuant to Article 135-undecies of the [TUF]*" to whom "*proxies or sub-proxies may also be granted pursuant to Article 135-novies of the [TUF]*".

These provisions, as most recently extended by Law Decree no. 198 of 29 December 2022, converted into law with amendments by Law no. 14 of 24 February 2023, apply to shareholders' meetings held by 31 July 2023.

Additionally, in order to provide operational guidance on the holding of meetings of corporate bodies through remote attendance means, the Milan Notary Board, through Maxim no. 187 of 12 March 2020, specified in general that:

- (i) attendance in a shareholders' meeting "*by means of telecommunication - where permitted by the Bylaws pursuant to Article 2370, paragraph 4, of the Italian Civil Code, or otherwise permitted by current regulations - may concern all the attendees in the meeting, including the chairman, it being understood that the secretary taking the minutes or the notary must be at the place indicated in the notice of call, together with the person or persons appointed by the chairman to ascertain those who are attending in person (provided that this task is not entrusted to the secretary taking the minutes or the notary)*";
- (ii) meetings of the board of directors and other collegiate bodies of joint-stock companies may be "*convened without indication of a physical place at which the meeting is to be held, but rather by providing exclusively for attendance by means of telecommunication*"⁽¹⁾, and if at such meetings attendance is only by means of telecommunication, "*the presence of any person in any given place is not required, notwithstanding any clauses in the bylaws providing for the presence of the chairman and secretary in the same place, [presence] to be understood [...] as a rule functional only to the concurrent drafting of the minutes of the meeting, signed by both the chairman and the secretary*". In such a case, the Milan Notary Board continues, "*the secretary taking the minutes also attends the meeting only by means of telecommunication and takes note of the entire decision-making process based on what has been heard through such means, it being understood that, in cases where the minutes are drawn up by public deed, the notary signing the minutes must still be in a place within his or her territorial area pursuant to the Notaries Law*".

That said, Neodecortech decided to take advantage of the option envisaged in Article 106 of Law Decree *Cura Italia* at the Shareholders' Meetings held on 13 April 2021, 30 September 2021, and 27 April 2022, and at the Shareholders' Meeting convened on 27 April 2023, resulting in the obligation for those entitled to attend only by proxy (or sub-proxy) granted to the Company's Appointed Representative.

The Board of Directors has positively assessed the growing use of "remote" means, also with regard to meetings of the Board of Statutory Auditors and of the Board committees, and, in light of the general connotation of the principles set forth in the above notary guidance (the scope of which transcends the current epidemiological emergency situation as most recently asserted by the Milan Notary Board, in Maxim no. 200 of 23 November 2021), has deemed it appropriate to propose the amendments to the Bylaws under consideration in order to benefit from these more streamlined and flexible ways of holding corporate body meetings. Specifically, the Board of Directors proposes

⁽¹⁾ On this point, the Milan Notary Board, in Maxim no. 187 of 12 March 2020, further clarified that "*the rule allowing the use exclusively of means of telecommunication even with bylaw clauses that exclude or restrict this option, or in any case even in the absence of clauses that allow it, seems to have to be considered applicable, in any case, to board meetings, during the period of validity of the above Article 106, paragraph 2, Law Decree 18/2020*".

- (i) regarding shareholder participation and attendance in the Shareholders' Meeting, to introduce a new Article 13.7 of the Bylaws, in which, *inter alia*:
 - (a) it is provided that shareholders' meetings may also be held, where permitted by applicable regulations, exclusively by means of remote connection;
 - (b) the chairman of the meeting is allowed to assess the identity and legitimacy of the attendees, to oversee the holding of the meeting, and ascertain and announce the results of the voting, including remotely through appropriate appointees;
 - (c) it is specified that the chairman and the person taking the minutes are not required to be present at the meeting place at the same time, providing that the meeting is deemed to be held at the place indicated in the notice of call, at which the person taking the minutes must be located;
- (ii) regarding the holding of Board of Directors' meetings:
 - (a) to introduce, in Article 21.1 of the Bylaws, the option to convene meetings of both bodies even without indicating a physical place of convening where attendees attend exclusively by remote means of telecommunication;
 - (b) to specify in Article 24.1 of the Bylaws, that (1) such meetings may also be held exclusively by means of remote connection; and (2) the chairman and the person taking the minutes may be in different places, it being understood that where a physical place of convening is provided for, the meeting shall be deemed to be held at the place where the person taking the minutes is present.

The Board of Directors specifies that the above amendments to be made to Articles 21.1 and 24.1 of the Bylaws, if approved by the Shareholders' Meeting convened on 27 April 2023, will also apply to the meetings of the Board of Statutory Auditors, according to the reference made by Article 30.9 of the Bylaws, which envisages that “*The Board of Statutory Auditors may hold its meetings by audio or videoconference, in the manner specified above for the Board of Directors*”.

1.2 COMPARISON TABLE OF BYLAW CLAUSES

The following is a table comparing the current text of Articles 13, 21, and 24 of the Bylaws with the text that would result from the adoption of the proposed amendments, highlighting in bold the newly-added wording and crossing out the text proposed to be deleted.

Current text	Proposed text
Article 13 - Calling and place of the Shareholders' Meeting	
<i>[omissis]</i>	<i>[omissis]</i>
-	13.7. The meeting may be held, where permitted by applicable regulations also exclusively, with the attendees located in several places, adjacent or distant, audio/video connected, provided that the collegiate method and the principles of good faith and equal treatment of shareholders are respected, and provided specifically that: (a) the chairman of the meeting may be allowed

	<p>to assess, including through appropriate appointees, the identity and legitimacy of the attendees, oversee the holding of the meeting, and ascertain and announce the results of the voting; (b) the person taking the minutes may adequately hear the meeting events being recorded; (c) the attendees may take part in the discussion and concurrent voting on the items on the agenda; and (d) such procedure is provided for in the notice of call of the Shareholders' Meeting. The meeting shall be deemed to be held at the place indicated in the notice of call, at which the person taking the minutes shall be located. It is understood that the chairman and the person taking the minutes may be in different places.</p>
<p>Article 21 - Calling of the Meeting of the Board of Directors</p>	
<p>21.1. The Board of Directors shall meet, including in a place other than the registered office as often as the Chairman, or in his absence or impediment the Vice Chairman, deems necessary, or when a written request is made by two of its members or by at least one member of the Board of Statutory Auditors. In the latter case, the meeting of the Board shall take place within 10 (ten) days of receipt of the request.</p>	<p>21.1. The Board of Directors shall meet, including in a place other than the registered office as often as the Chairman, or in his absence or impediment the Vice Chairman, deems necessary, or when a written request is made by two of its members or by at least one member of the Board of Statutory Auditors. In the latter case, the meeting of the Board shall take place within 10 (ten) days of receipt of the request. At the discretion of the Chairman of the Board of Directors, the Board of Directors may also be convened without indicating in the relevant notice a specific physical place of convening; in which case the attendees shall attend exclusively by remote means of telecommunication, in accordance with the procedures set forth in Article 24.1 below.</p>
<p><i>[omissis]</i></p>	<p><i>[omissis]</i></p>
<p>Article 24 - Meetings of the Board of Directors by teleconferencing</p>	
<p>24.1. Meetings of the Board of Directors may also be held by audio or video conferencing, provided that each of the attendees can be identified by all the others and that each of the attendees is able to attend in real time during the discussion of the items under consideration, as well as to receive and transmit documents. If these conditions are met, the meeting is deemed to be held at the place where the person presiding over the meeting and the secretary are located.</p>	<p>24.1. Meetings of the Board of Directors may also be held exclusively by audio or video conferencing and, if necessary, without indicating in the relevant notice a physical place of convening, provided that each of the attendees can be identified by all the others and that each of the attendees is able to attend in real time during the discussion of the items under consideration, as well as to receive and transmit documents. If these the above conditions are met, and if a physical place of convening is provided for, the meeting is deemed to be held at the place where the person presiding over the meeting and the secretary are located the person taking the minutes is located. It is understood</p>

	that the chairman and the person taking the minutes may be in different places.
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2 ASSESSMENTS ON THE SATISFACTION OF THE RIGHT OF WITHDRAWAL

The amendments to Articles 13, 21 and 24 of the Bylaws, proposed by the Board of Directors, do not entail the right of withdrawal for those Shareholders who did not take part in the resolution, since none of the cases envisaged by Article 2437 of the Italian Civil Code or by any other provisions of the law or regulations or the Bylaws in force and applicable apply.

3 PROPOSED RESOLUTION TO THE SHAREHOLDERS' MEETING, EXTRAORDINARY SESSION

All that said, the Board of Directors submits the following proposed resolution for your approval:

"The Shareholders' Meeting of Neodecortech S.p.A., having reviewed the Explanatory Report of the Board of Directors,

resolves

1. *to approve the amendments to Articles 13, 21 and 24 of the Bylaws as proposed by the Board of Directors;*
2. *to grant the Board of Directors and, on its behalf, the Chairman and the Chief Executive Officer, severally and with the sub-proxy option, all the powers required to (a) take whatever steps are necessary to execute the above resolution; (b) to discharge the resulting law and regulatory obligations, including, by way of example but not limited to, the fulfilment of any obligations required for the same to be registered in the Company Register pursuant to Article 2436 of the Italian Civil Code and (c) to make any non-substantial amendments, additions and/or deletions to the same resolution and bylaws as may be required by the competent authorities or the notary, or otherwise deemed useful or appropriate".*

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Filago, 17 March 2023

For the Board of Directors

The Chairman

Luca Peli