

**REPORT OF THE BOARD OF DIRECTORS OF SOSTRAVEL.COM S.p.A.**

**on the items on the agenda of the Shareholders' Meeting of**

**27 April 2023 – first call**

**28 April 2023 – second call**

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Dear Shareholders,

this report illustrates the proposals that the Board of Directors of Sostravel.com S.p.A. ("**SOS**" or the "**Company**") intends to submit for your approval with reference to the Ordinary Shareholders' Meeting which will be convened, on first call, for 27 April 2023 at 4:30 pm at the Company's offices in Rome , viale Europa 98 - and, if necessary, in second call on 28 April 2023, same place and time - in order to discuss the following:

## **AGENDA OF THE DAY**

### **Ordinary session**

1. Financial statements for the year ended 31 December 2022. Relevant and/or consequential resolutions;
2. Allocation of the result of the year. Relevant and/or consequential resolutions;
3. Authorization to purchase and dispose of treasury shares, pursuant to and for the purposes of Articles 2357 et sequitur of the Italian Civil Code as well as Article 132 of the Legislative Decree No. 58 of 24 February 1998 and Article 144-bis of the Consob Regulation adopted with resolution No. 11971/1999 and its subsequent amendments. Relevant and/or consequential resolutions.
4. Assignment of the regulatory audit pursuant to Art. 13 of Legislative Decree 39/2010. Relevant and/or consequential resolutions.
5. Appointment of the Board of Statutory Auditors. Relevant and/or consequential resolutions:
  - (i) Appointment of three Statutory Auditors and two Alternate Auditors.
  - (ii) Appointment of the Chairman of the Board of Statutory Auditors;
  - (iii) Determination of the remuneration for each year of mandate of the members of the Board of Statutory Auditors.

**Ordinary session**

**1. Financial statements for the year ended 31 December 2022. Relevant and/or consequential resolutions.**

Dear Shareholders,

the Board of Directors of Sostravel.com Spa has called you to the Shareholders' Meeting to submit for your approval the financial statements for the year ended 31 December 2022, and reviewed by the Board of Directors on 28 March 2023. The year ended 31 December 2022 and closed with a loss of USD 656,794.148.

For all information and detailed comments, please refer to the Report on Operations made available to the public - together with the draft financial statements as well as the reports of the auditors and the auditing company - at the registered office as well as on the Company's website, and within the terms established by current legislation.

Given the above, we therefore submit the following proposal for resolution for your approval:

*"The Ordinary Shareholders' Meeting of Sostravel.com S.p.A.,*

- *having reviewed the data of the financial statements as of 31 December 2022;*
- *acknowledging the relative reports presented by the Board of Directors, the Board of Statutory Auditors and the auditing company*

***hereby resolves***

1. *to approve the financial statements of the year as of 31 December 2022;*

## **2. Allocation of the result of the year. Relevant and/or consequential resolutions.**

Dear Shareholders,

the financial statements as of 31 December 2022 which are subject to approval pursuant to the first item on the agenda reported that the company sustained a loss of USD 615,783.

In relation to these results, and with regard to the second item on the agenda, we propose that the loss be carried forward.

*“The Shareholders' Meeting of Sostravel.com S.p.A.:*

- *having examined the financial statements as of 31 December 2022, in the draft presented by the Board of Directors and accompanied by the relative reports presented by the Board of Directors, the Board of Statutory Auditors and the auditing company, which reported a loss of USD 615,783;*
- *having examined the explanatory report of the Board of Directors;*

***hereby resolves***

- *to carry forward the loss of USD 615,783*

**3. Authorization to purchase and dispose of treasury shares, pursuant to and for the purposes of Articles 2357 et sequitur of the Italian Civil Code as well as Article 132 of the Legislative Decree No. 58 of 24 February 1998 and Article 144-bis of the Consob Regulation adopted with resolution No. 11971/1999 and its subsequent amendments. Relevant and/or consequential resolutions.**

Dear Shareholders,

you have been convened to the shareholders' meeting in order to deliberate on the conferral - to the Board of Directors - of an authorization to purchase and dispose of the Company's treasury shares.

**1. Justification for the authorization for the purchase and disposal of treasury shares**

The authorization for the purchase and disposal (to be understood, by way of example and not exhaustively, as a sale, exchange, conferment and/or other use) of treasury shares covered by this proposal is appropriate in order to allow the Company to:

- a) create a so-called "securities warehouse" which will be useful for any future extraordinary finance operations;
- b) take advantage of opportunities to make a good investment, even in light of the risk and expected return of alternative investments.
- c) conduct subsequent transactions for the purchase and sale of shares, within the limits permitted by accepted market practices;
- d) incentivize and retain employees, collaborators, directors of the Company, any subsidiaries and/or other categories of parties chosen at the discretion of the Board of Directors (within the context of stock incentive plans, structured in any manner);
- e) conduct operations such as the sale and/or exchange of treasury shares for the acquisition of shareholdings and/or operating properties and/or the stipulation of agreements with strategic partners.

The request for authorization to purchase treasury shares is not intended for operations to reduce share capital by canceling the purchased treasury shares.

**2. Maximum number, category and nominal value of shares to which the authorization refers**

Authorization is required for the purchase and sale, even in several installments, of Company shares with no nominal value, up to a maximum number which - taking into account the Company shares held from time to time in the Company's portfolio - may not overall exceed one-fifth of the share capital represented by outstanding shares, in compliance with the provisions of Article 2357, paragraph 3, of the Italian Civil Code and, in any case, for a maximum value of USD 266,650.00.

As of the date of this report, the Company's underwritten and paid-up share capital amounts to \$1,396,022.61 and is composed of 13,088,530 shares without nominal value.

The Company does not currently hold treasury shares.

**3. Useful information for the purposes of a complete assessment of compliance with Article 2357, paragraph 3 of the Italian Civil Code**

In compliance with Art. 2357 of the Italian Civil Code, the purchases of treasury shares must, in any case, take place within the limits of distributable profits and available reserves, as reported in the most recent financial statements approved at the time of execution of each transaction.

Only fully paid-up shares may be purchased.

At the time of each purchase or disposal, exchange, conferment or write-down of treasury shares, the Company will make the appropriate accounting entries, in compliance with Article 2357-ter, last paragraph, of the Italian Civil Code and any applicable accounting standards.

#### **4. Duration for which the authorization is requested**

The authorization to purchase treasury shares is requested for the maximum duration envisaged by applicable legislation, currently established - as provided for by Article 2357, paragraph 2, of the Italian Civil Code - to be 18 months from the date of the shareholders' resolution approving the proposal. Within the duration of any potentially granted authorization, the Board may conduct purchases of shares in one or more installments and at any time, with a freely determined extent and time and in compliance with applicable norms, even on a revolving basis and with a level of graduality deemed appropriate for the interests of the Company.

The authorization to dispose of any potentially purchased treasury shares is instead requested without time limits due to the absence of time limits pursuant to current provisions and to provide the Board of Directors with maximum flexibility, even in terms of time periods, when executing deeds of disposal of the shares.

#### **5. Minimum and maximum compensation**

The request for authorization provides that purchases of treasury shares must be implemented in compliance with legal and regulatory requirements, including the provisions of Regulation (EU) 596/2014 and Delegated Regulation (EU) 2016/1052 as well as the currently effective market practices, if applicable.

In any case, purchases must be made:

- at a price per share that cannot deviate downwards or upwards by more than 15% with respect to the reference price recorded by the share during the trading session preceding each individual transaction;
- for a compensation amount that does not exceed the higher of the price of the last independent transaction and the price of the highest current independent purchase offer within the trading platform where the purchase is made.

Purchases relative to activities supporting market liquidity will be carried out in accordance with conditions established by accepted market practices.

The Board of Directors hereby proposes to be authorized, pursuant to Article 2357-ter of the Italian Civil Code, to dispose of treasury shares at the price - or, in any case, according to criteria and conditions - determined by the Board of Directors, having regard to the implementation methods to be used in practice as well as on the basis of trends in share prices in the period prior to the transaction and in the best interests of the Company, all in compliance with the terms, conditions and requirements established by applicable legislation, including EU legislation, and/or by currently effective market practices.

## 6. Modalities for execution of operations

In light of the various purposes that can be pursued through transactions involving treasury shares, the Board of Directors proposes that the authorization be granted for conducting purchases - in compliance with the principle of equal treatment of shareholders provided for by Art. 25-bis of the Euronext Growth Milan Issuers' Regulation as well as by Art. 132 of Legislative Decree No. 58/1998 ("TUF") - according to any of the methods referred to in Article 144-bis of Consob Regulation No. 11971 of 14 May 1999 (the "**Issuers Regulation**"), to be identified, from time to time, at the discretion of the Board itself, and therefore, at the moment:

- (a) through a public purchase or exchange offer;
- (b) with purchases made on regulated markets, or within multilateral trading systems, according to the modalities established by Borsa Italiana S.p.A., and which do not allow for the direct combination of purchase trading proposals with predetermined sale trading proposals;
- (c) through the purchase and sale of derivative instruments traded on regulated markets or on multilateral trading systems, and which provide for the physical delivery of the underlying shares and under the conditions established by Borsa Italiana S.p.A.;
- (d) by proportional allocation to shareholders of put options to be exercised within the term of the authorization;
- (e) with the modalities established by market practices admitted by Consob and pursuant to Art. 13 of EU Regulation No. 596/2014.

In addition, the share purchase transactions may also be conducted in the manner provided for by Art. 3 of Delegated Regulation (EU) No. 2016/1052 of the Commission in order to benefit from, if applicable conditions exist, the exemption referred to in Article 5, paragraph 1, of Regulation (EU) No. 596/2014 relative to market abuse and with reference to the abuse of insider information and market manipulation.

With regard to disposal operations, the Board of Directors proposes that the authorization permits the adoption of any modality deemed appropriate for the aims which are pursued - including the use of treasury shares to service stock incentive plans and/or the transfer of real and/or personal rights and/or securities lending – and to be conducted both directly and through intermediaries, in compliance with the provisions of the law and regulations in force on the subject. Purchase and sale transactions of treasury shares will be disclosed to the market within the deadlines and with the methods pursuant to current regulatory legislation.

## 7. Specifications on deliberation methods for the transaction

Given the existence of specific statutory provisions regarding the "intra-company" takeover bid pursuant to Articles 9 et sequitur of the Company's Articles of Association in force, it should be noted that - pursuant to applicable legislation (as referred to in the aforementioned statutory provisions) – the treasury shares held by the Company, even indirectly, are excluded from the share capital on which the relevant shareholding is calculated pursuant to Art. 106 of the Consolidated Finance Act (TUF). However, in accordance with Art. 44-bis of the Issuers' Regulation, the aforementioned provision does not apply in the case that the exceeding of thresholds referred to in the aforementioned art. 106 of the TUF results from purchases of treasury shares, and which are implemented, even indirectly, by the Company in execution of a resolution that "has also been approved with the favorable vote of the majority of the Issuer's shareholders present at the meeting, excluding any shareholder or shareholders who hold, even jointly, the majority shareholding, even if relative, provided that it exceeds 10% (a so-called "*whitewash*").

As result, we hereby inform the Shareholders that, in application of the aforementioned whitewash, if the shareholders - called upon to express their opinion on the authorization to purchase and dispose of treasury shares - approve the relative proposal with the majorities envisaged by the aforementioned Art. 44-bis, paragraph 2, of the Issuers' Regulation, the treasury shares purchased by the Company in execution of this authorization resolution will not be excluded from the share capital (and therefore will be included in it) if, as a result of the purchases of treasury shares, a shareholder exceeds the relevant thresholds for the purposes of Art. 106 of the TUF.

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Given the above, we hereby submit the following proposed resolution:

*"The Shareholders' Meeting of Sostravel.com S.p.A.:*

- *having heard the exposition of the Chairman;*
- *having acknowledged the illustrative report of the Board of Directors;*
- *having regard to the provisions of Articles 2357 and 2357-ter of the Italian Civil Code;*

*having acknowledged the total amount of available reserves and the loss carried forward, as reported in the approved financial statements of Sostravel.com S.p.A.*

**hereby resolves**

- 1) *to authorize the Board of Directors, pursuant to and by effect of Article 2357 of the Italian Civil Code, to purchase and sell, even in several installments, Company shares with no nominal value and up to a maximum number which - taking into account the shares of the Company which are from time to time held in the Company's portfolio - does not overall exceed one fifth of the share capital represented by outstanding shares, in accordance with the provisions of Article 2357, paragraph 3, of the Italian Civil Code and in any case for a maximum countervalue of USD 266,650 as well as for the purposes outlined in the Report of the Board of Directors and at the following terms and conditions:*
  - a. *the purchase may be implemented in one or more installments and even on a revolving basis within 18 months from the date of this resolution;*
  - b. *the purchase can be executed in accordance with the provisions of Art. 25-bis of the Euronext Growth Milan Issuers' Regulation, Article 132 of the TUF and Article 144-bis of the Issuers' Regulation, and therefore in compliance with the principle of equal treatment of shareholders as well as in compliance with accepted market practices;*
  - c. *the purchases of must be implemented in compliance with legal and regulatory requirements, including the provisions of Regulation (EU) 596/2014 and Delegated Regulation (EU) 2016/1052 as well as currently effective market practices, if applicable. In any case, purchases must be made:*
    - *at a price per share that cannot deviate downwards or upwards by more than 15% with respect to the reference price recorded by the share during the trading session preceding each individual transaction;*
    - *for a compensation amount that does not exceed the higher of the price of the last independent transaction and the price of the highest current independent purchase offer within the trading platform where the purchase is made.*

*Share purchase transactions may be conducted in the manner provided for by Art. 3 of Delegated Regulation (EU) No. 2016/1052 of the Commission in order to benefit from, if applicable conditions*



*exist, the exemption referred to in Article 5, paragraph 1, of Regulation (EU) No. 596/2014 relative to market abuse and with reference to the abuse of insider information and market manipulation.*

- 2) *to authorize the Board of Directors so that, pursuant to and for the purposes of Article 2357-ter of the Italian Civil Code, it may dispose, in whole or in part and in one or more installments, of the treasury shares which were purchased for the purposes referred to in the Report of the Board of Directors and at the following terms and conditions:*
  - a. *the shares may be sold or otherwise transferred at any time and without time limits;*
  - b. *the unit price for the sale of the shares and/or the criteria, modalities, terms and conditions of use of all the treasury shares in the portfolio which are appropriate for the pursued objectives may be established by the Board of Directors.*
- 3) *to confer the Board of Directors and the Chairman and Chief Executive Officer, severally, with the power to sub-delegate single deeds or categories of deeds as well as with all broader powers necessary to carry out the purchases and sales/disposals of all or part of the purchased treasury shares and in any case to implement the above resolutions, even through proxies and while complying with applicable provisions in force from time to time and with what may be required by the competent authorities.”*

**4. Assignment of the regulatory audit pursuant to Art. 13 of Legislative Decree 39/2010. Relevant and/or consequential resolutions.**

Dear Shareholders,

in relation to the fourth item on the agenda, we hereby inform you that, at the time of the Shareholders' Meeting to approve the financial statements as of 31 December 2022, the three-year mandate of the auditing company Audirevi S.p.A. - with its registered office in Milan, Via Paolo da Cannobio 33, and appointed by the Shareholders' Meeting on 28 May 2020 for the duration of three financial years - will expire. The Shareholders' Meeting is therefore called upon to deliberate on the appointment of a regulatory auditor for the three-year period 2023-2025 and for the determination of the fee pursuant to Legislative Decree 39/2010.

The Board of Statutory Auditors of the Company has prepared, pursuant to Art. 13 of Legislative Decree No. 39 of 27 January 2010, its reasoned proposal containing its recommendation and relative preference in order to allow the Shareholders' Meeting to approve the resolutions within its competence regarding the assignment of the regulatory audit for the financial years 2023-2025 while determining the fees due to the regulatory auditing firm chosen for the entire duration of the assignment and any criteria for adjusting these fees during the assignment itself.

The Board of Directors therefore submits to you the proposal to confer a regulatory audit assignment for the financial statements - relative to the financial years 2023-2025 and for the limited audit of the half-yearly reports for the six-month periods ending on 30 June 2023, 30 June 2024 and 30 June 2025 - as well as the related reasoned proposal formulated by the Board of Statutory Auditors pursuant to Article 13, paragraph 1, of Legislative Decree No. 39 of 27 January 2010, regarding the assignment to the auditing firm Audirevi S.p.A. The reasoned proposal was published on the Company's website in the section dedicated to this Shareholders' Meeting.

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Given the above, the Board of Directors submits the following proposed resolution for your approval:

*"The Ordinary Shareholders' Meeting of Sostravel.com S.p.A.,*

- *having acknowledged that, with the approval of the financial statements as of 31 December 2022, the assignment of the regulatory audit task to the auditing firm Audirevi S.p.A. will expire;*
- *having examined the proposal formulated by the Board of Statutory Auditors;*

***hereby resolves***

- 1) *to confer the assignment for the regulatory audit of the financial statements for the years 2023-2025 - as well as for the limited audit of the half-yearly reports for the half-years ending on 30 June 2023, 30 June 2024 and 30 June 2025 - to the auditing firm Audirevi S.p.A.;*
- 2) *to recognize the auditing firm Audirevi S.p.A. an annual fee of USD 21,332 for the assignment thus conferred".*

- 5. Appointment of the Board of Statutory Auditors. Relevant and/or consequential resolutions:**
- (i) Appointment of three Statutory Auditors and two Alternate Auditors.**
  - (ii) Appointment of the Chairman of the Board of Statutory Auditors;**
  - (iii) Determination of the remuneration for each year of mandate of the members of the Board of Statutory Auditors.**

Dear Shareholders,

in relation to the fifth item on the agenda, you are hereby convened to the Shareholders' Meeting to deliberate upon the appointment of the Board of Statutory Auditors. In this regard, it should be noted that - with the approval of the financial statements as of 31 December 2022 - the mandate of the auditors currently in office will end due to its expiration.

For the purposes of renewing the Board of Statutory Auditors, the Shareholders' Meeting is called upon to:

- appoint the members of the new Board of Statutory Auditors for the 2023-2025 three-year period, i.e. until the approval of the financial statements as of 31 December 2025;
- appoint the Chairman of the Board of Statutory Auditors;
- determine the amount of compensation.

#### **Appointment of three Statutory Auditors and two Alternate Auditors**

Pursuant to Article 28 of the Articles of Association, the Board of Statutory Auditors is composed of three statutory members and two alternate members, appointed by the Shareholders' Meeting. The Board of Statutory Auditors remains in office for three years and expires on the date of the Shareholders' Meeting convened to approve the financial statements for the third year of office.

The statutory auditors must possess the prerequisites of integrity and professionalism envisaged by Article 148, paragraph 4 of the TUF as well as the independence requirements envisaged by Article 148, paragraph 3 of the TUF. For these purposes, matters relating to commercial law, corporate law, financial markets law, tax law, business economics, corporate finance and activities having a similar subject matter - as well as activities and sectors inherent to the Company's business sector and referred to in Article 3 of the Articles of Association - are considered strictly relevant to the Company's scope of operations.

The appointment of Statutory Auditors is conducted on the basis of lists presented by the Shareholders in which the candidates are specified with a progressive number and must contain a number of candidates not exceeding the maximum number of members to be elected. The lists presented by the Shareholders are composed of two sections, one for candidates for the office of Statutory Auditor, the other for candidates for the office of Alternate Auditor.

Shareholders who, alone or together with other shareholders, represent at least 7.5% (seven point five percent) of the share capital with voting rights in the Ordinary Shareholders' Meeting - to be proven by filing the relevant certification - retain the right to submit a list.

Each shareholder can not present nor exercise his or her voting rights for more than one list, even through third parties or trust companies.

The lists must be filed at the registered office by the 5th (fifth) day prior to the date of the first convocation of the shareholders' meeting (i.e. by 22 April 2023) (i) by hand delivery to the Company's office in Rome, viale Europa 98, during working hours or (ii) by sending an e-mail to the certified e-mail address [sostravel@pec.net](mailto:sostravel@pec.net).

The following must be filed together with the lists: (i) information relative to shareholders who have presented the list and a specification of the percentage of share capital that they own; (ii) the CV of each

candidate, (iii) declarations with which they accept the candidacy and certify, under their own responsibility, the absence of reasons for incompatibility and ineligibility as well as the existence of the prerequisites prescribed by legislation in force to hold the office, (iv) information relative to the candidates, with a specification of administration and control positions held in other companies, as well as a declaration by the same candidates certifying that they meet the prerequisites, including those of integrity, professionalism, independence and relative to the accumulation of offices, provided for by currently effective norms and regulations and by the Articles of Association and (v) any other further or differing declaration, disclosure and/or document required by currently effective norms and regulations.

Lists presented without complying with the above provisions are considered to be not presented.

The first two candidates on the list that obtain the highest number of votes and the first candidate on the list that obtains the second highest number of votes - presented by shareholders who are not connected, even indirectly, with shareholders who have presented or voted for the list that obtained the highest number of votes - will be elected as Statutory Auditors. The first candidate elected from the list that obtains the highest number of votes will also be appointed Chairman of the Board of Statutory Auditors.

The first alternate candidate on the list that obtain the highest number of votes and the first alternate candidate on the list that obtains the second highest number of votes - presented by shareholders who are not connected, even indirectly, with shareholders who have presented or voted for the list that obtained the highest number of votes - will be elected as Alternate Auditors.

In the case of a tie between several lists, a run-off vote is held.

In the case of presentation of a single list, the Board of Statutory Auditors is drawn entirely from this list if it obtains the majority required by law for the ordinary Shareholders' Meeting.

For the appointment of those auditors who, for any reason, could not be elected with the procedure illustrated in the preceding paragraphs or in the case that no lists are presented, the shareholders' meeting will deliberate by relative majority.

Failure to meet legal or statutory requirements constitutes grounds for revocation of the office of auditor unless these requirements must be present only for certain members of the Board of Statutory Auditors and are applicable, in any case, to the minimum number of auditors who must possess them, in accordance with currently effective legislation and regulations as well as the Articles of Association.

#### **Appointment of the Chairman of the Board of Statutory Auditors**

With reference to the appointment of the Chairman of the Board of Statutory Auditors - and given the provisions of the Articles of Association as well as currently effective legal and regulatory provisions, as also illustrated in the preceding paragraph - the Board of Directors hereby calls upon the shareholders to appoint the Chairman of the Board of Statutory Auditors and reminds shareholders intending to submit a list to specify that the first designated name is for the role of Chairman of the Board of Statutory Auditors.

#### **Determination of the remuneration for each year of mandate of the members of the Board of Statutory Auditors**

It should be noted that, pursuant to Article 29 of the Articles of Association, the Shareholders' Meeting determines the remuneration due to statutory auditors.

The Board of Directors does not deem it appropriate to formulate a compensation proposal for statutory auditors for their entire term of office. All of the above, in fact, without prejudice to the right of entitled parties to present, in any case, resolution proposals for the remuneration of auditors within the deadlines for the presentation of the lists indicated.

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Dear Shareholders, in the light of the above, we therefore call upon you to deliberate, within the terms and according to the modalities illustrated above, on the following:

- (i) the appointment of three Statutory Auditors and two Alternate Auditors;
- (ii) the appointment of the Chairman of the Board of Statutory Auditors;
- (iii) the remuneration of the Statutory Auditors and of the Chairman of the Board of Statutory Auditors.