

EXPLANATORY REPORT OF THE BOARD OF DIRECTORS ON THE ITEMS ON THE AGENDA

Ordinary shareholders' meeting

28 April 2022 – 1st call

29 April 2022 – 2nd call

Take Off S.p.A.

Via Montenapoleone, 8 – 20121 Milan

Tax Code and VAT No.: 04509190759

EXPLANATORY REPORT OF THE BOARD OF DIRECTORS OF TAKE OFF S.P.A. ON THE PROPOSALS CONCERNING THE ITEMS ON THE AGENDA OF THE ORDINARY SHAREHOLDERS' MEETING CONVENED FOR 28 APRIL 2022, ON FIRST CALL, AND FOR 29 APRIL 2022, ON SECOND CALL

Dear Shareholders,

The Board of Directors convened the Ordinary Shareholders' Meeting to submit the following proposals for your approval:

AGENDA

1. Approval of the financial statements as at 31 December 2021 and presentation of the consolidated financial statements of the group as at 31 December 2021. Related and consequent resolutions.
2. Allocation of the result for the year and proposed dividend distribution. Related and consequent resolutions.
3. Appointment of a Board Member pursuant to Art. 2386. Related and consequent resolutions.
4. Appointment of the Board of Statutory Auditors. Related and consequent resolutions.
5. Authorisation to purchase and dispose of treasury shares pursuant to Articles 2357 et seq. of the Italian Civil Code.

Dear Shareholders,

1. **Approval of the financial statements as at 31 December 2021 and presentation of the consolidated financial statements of the group as at 31 December 2021. Related and consequent resolutions.**

With reference to the first item on the agenda, the Board of Directors of Take Off S.p.A. (the "Company") has convened you in ordinary session to approve the financial statements and to take note of the consolidated financial statements of the Group relating to the year ended 31 December 2021 and reviewed by the Board of Directors on 28 March 2022.

For all detailed information and comments, reference should be made to the management report, which is made available to the public, together with the financial statements, the consolidated financial statements, the report of the Board of Statutory Auditors and the Independent Auditors, at the registered office as well as on the Company's website – www.takeoffoutlet.com, Investor Relations section, within the terms set out by current legislation.

With regard to this item on the agenda, the Board of Directors submits the following proposed resolution for your approval:

"The Ordinary Shareholders' Meeting of Take Off S.p.A.,

- having heard the Chairperson's presentation;*

- *having examined the draft financial statements and consolidated financial statements of the Group as at 31 December 2021 and the management report;*
- *having acknowledged the reports of the Board of Statutory Auditors and the Independent Auditors;*

resolves

1. *to approve the financial statements as at 31 December 2021, consisting of the balance sheet, the income statement, the notes to the financial statements and the cash flow statement, accompanied by the management report, taking note of the reports of the Board of Statutory Auditors and the Independent Auditors, as well as the related ancillary documents;*
2. *to take note of the Group's consolidated financial statements and related documentation;*
3. *to grant a mandate to the Chairperson of the Board of Directors, with the right to delegate to third parties, including those outside the Board of Directors, to carry out all the formalities of communication, filing and publication inherent to the aforementioned resolution, pursuant to applicable regulations, making any formal changes, additions or deletions that may be necessary."*

* * *

2. Allocation of the result for the year and proposed dividend distribution. Related and consequent resolutions.

With reference to the second item on the agenda, it should be noted that the Company's Financial Statements as at 31 December 2021 show a net profit of Euro 3,888,637.

It is therefore proposed to allocate this profit as follows:

- a. Euro 112,496 to the Legal Reserve, up to the capacity of one fifth of the share capital;
- b. Euro 2,812,464 as an ordinary dividend gross of legal withholdings equal to Euro 0.18 (gross) per share, to be distributed to the Shareholders in proportion to the stake in the share capital of the Company, respectively held;
- c. Euro 963,677 to retained earnings.

The proposed dividend is intended to reward shareholders who have placed their trust in the Company, believing in it from its listing up to the present day.

In this regard, the Board of Directors proposes that the dividend actually approved by the Shareholders' Meeting be paid – in accordance with the calendar of Euronext Growth Milan, managed and organised by Borsa Italiana – as of 4 May 2022 (with ex-coupon no. 1 on 2 May 2022 and record date on 3 May 2022).

For detailed information and comments, reference should be made to the management report, which is made available to the public, together with the financial statements, the report of the Board of Statutory Auditors and the Independent Auditors, at the registered office as well as on the Company's website within the terms set out by current legislation.

With regard to this item on the agenda, the Board of Directors submits the following proposed resolution for your approval:

"The Ordinary Shareholders' Meeting of Take Off S.p.A.,

- having heard the Chairperson's presentation;*
- having examined the draft financial statements as at 31 December 2021, which show a net profit for the year of Euro 3,888,637;*
- having acknowledged the reports of the Board of Statutory Auditors and the Independent Auditors;*

resolves

- 4. to allocate the net income for 2021, amounting to Euro 3,888,637 (three million eight hundred and eighty-eight thousand), as follows:*
 - a. Euro 112,496 (one hundred and twelve thousand, four hundred and ninety-six) to the Legal Reserve, up to the capacity of one fifth of the share capital;*
 - b. Euro 963,677 carried forward;*
 - c. Euro 2,812,464 (two million, eight hundred and twelve thousand, four hundred and sixty-four) as an ordinary dividend gross of legal withholdings equal to Euro 0.18 (gross) per share, to be distributed to the Shareholders in proportion to the stake in the share capital of the Company, respectively held;*
- 5. to set the ex-coupon date as 2 May 2022, the dividend record date as 3 May 2022 and the date from which the dividend will be paid as 4 May 2022;*
- 6. to grant the Chairperson of the Board of Directors the widest possible powers to execute this resolution, including via proxies and in compliance with the terms and conditions laid down by law, and to make any formal additions, amendments and deletions that may be required by the competent authorities in order to have this resolution entered in the Companies' Register."*

* * *

3. Appointment of a Board Member pursuant to Art. 2386. Related and consequent resolutions.

With reference to the third item on the agenda, the Board of Directors highlights the need to resolve on the appointment, pursuant to Art. 2386 of the Italian Civil Code, of Maurizio Baldassarini.

First of all, it should be noted that, on 13 March 2022, the Director Pierluca Mezzetti resigned with effect from 28 March 2022 due to personal and professional commitments. On 28 March 2022, the Board of Directors, with the consent of the Board of Statutory Auditors, resolved, inter alia, to co-opt Maurizio Baldassarini pursuant to Art. 2386 of the Italian Civil Code and Art. 16 of the Articles of Association.

In this regard, it should be noted that, in compliance with the provisions of the aforementioned Art. 2386, the directors appointed by the Board by co-optation "*shall remain in office until the next Shareholders' Meeting*".

Therefore, in view of the need to resolve on the appointment of a new Director, the Board of Directors proposes to the Shareholders' Meeting to appoint, and therefore confirm, Maurizio Baldassarini as member of the Board of Directors.

It should be noted that Maurizio Baldassarini declared that he complies with the requirements of professionalism and integrity set out in the current legislation; for further information, reference should be made to the *curriculum vitae* of Maurizio Baldassarini, as well as to the statement issued by him concerning the possession of the aforementioned requirements and, in the event of appointment, the acceptance of the position, which is available together with this report in Annexes 1 and 2.

The Director thus appointed will hold office until the date of approval of the financial statements for the year ending 31 December 2023, in line with the Directors currently in office.

Since it is not a question of renewing the entire Board of Directors, the list voting procedure is not applied for the appointment of the new Director. Therefore, the appointment of the Director will be carried out by means of a resolution of the Shareholders' Meeting according to the majorities required by law, in compliance with the provisions of Art. 16 of the Articles of Association.

In light of the above, with regard to this item on the agenda, the Board of Directors therefore submits the following proposed resolution for your approval:

"The Ordinary Shareholders' Meeting of Take Off S.p.A.,

- having heard the Chairperson's presentation;*
- having noted the explanatory report of the Board of Directors;*
- having acknowledged the documentation attesting to the requirements provided for by law and by the Articles of Association with reference to Maurizio Baldassarini;*
- having acknowledged the need to proceed with the appointment of a new member of the Board of Directors and deemed it advisable to confirm the nomination proposed by the Board of Directors;*

resolves

- 1. to appoint Maurizio Baldassarini as Director of the Company, born in Rome on 21 December 1963, Tax Code BLDMRZ63T21H501N, whose appointment will end upon expiry of the term of office of the current Board of Directors, i.e. on the date of the Shareholders' Meeting called to approve the financial statements for the year 2023;*
- 2. to grant a mandate to the Chairperson of the Board of Directors, with the right to sub-delegate, to be responsible for all performance and formalities relating to communication, filing and publication inherent to the aforementioned resolution, pursuant to applicable regulations".*

* * *

4. Appointment of the Board of Statutory Auditors. Related and consequent resolutions.

With regard to the fourth item on the agenda of the Shareholders' Meeting, please note that on the occasion of the Ordinary Shareholders' Meeting called to approve the financial statements for the year ending 31 December 2021, the mandate of the Board of Statutory Auditors conferred during the Shareholders' Meeting of 19 June 2019, for a three-year period, will expire.

The Shareholders' Meeting is therefore invited to appoint the new Board of Statutory Auditors, whose term of office will expire with the approval of the financial statements as at 31 December 2024.

Pursuant to Article 24 of the Articles of Association, the Board of Statutory Auditors consists of three standing members and two alternate members.

The Board of Statutory Auditors is appointed in compliance with the law and the provisions of the Articles of Association in force, on the basis of lists submitted by the shareholders; only shareholders who, alone or together with other shareholders, hold at least 5% of the share capital are entitled to submit lists.

The lists, together with the professional CVs of the appointed persons and signed by the shareholders that have presented them, shall be previously delivered to the Company no later than 7 days prior to the date set for the Meeting (*i.e.* by 21 April 2022), together with the documents proving the status of shareholders by those who presented them.

Within the same term, the declarations with which the individual candidates accept their candidacy and declare, under their own responsibility, the non-existence of causes of ineligibility and incompatibility provided for by the law, as well as the existence of requirements prescribed by law and regulations for the members of the Board of Statutory Auditors, must be filed.

The filing of lists and declarations can be carried out in the following ways (alternatives):

- (i) submission by certified electronic mail to the following address – takeoff@gigapec.it
- (ii) by registered letter with return receipt to the Company's operating headquarters in Monopoli (BA), Via Baione 272/D.

For their entire term in office, Statutory Auditors must meet the requirements set in Art. 2399 of the Italian Civil Code. If these requirements are no longer met by one of the auditors, they are immediately replaced by the most senior Alternate Auditor.

Each shareholder may submit or take part in the submission of only one list and each candidate may be included in only one list, under penalty of ineligibility.

Each list consists of two sections: one for the candidates for the position of standing auditor and the other for the candidates for the position of alternate auditor. The first of the candidates of each section must be in the Italian Register of Auditors and have exercised the activities of statutory audit for a period of no less than three years.

The election of the members of the Board of Statutory Auditors takes place as follows:

- a. the majority of standing and alternate auditors to be elected are taken from the list that obtained the highest number of votes cast (the "Majority List"), according to the order in which they were submitted, except for one;

- b. the remaining standing auditor and the remaining alternate auditor are taken from the second list that obtained the highest number of votes and that is not connected, directly or indirectly, with the shareholders who submitted the list that obtained the highest number of votes (the "Minority List").

The Chairperson of the Board of Statutory Auditors is the standing auditor taken from the Minority List pursuant to letter b) above; in the case of replacement of the Chairperson, the office is taken by the alternate auditor taken from the Minority List pursuant to letter b) above.

If all Statutory Auditors are drawn from a single list, the first candidate of this list becomes the Chairperson.

Finally, considering that with regard to the aforementioned item on the agenda, the Board of Directors decided not to make any proposal, the shareholders are invited to determine the remuneration due to the Board of Statutory Auditors, bearing in mind that the remuneration approved for the Board of Statutory Auditors of the company during the previous term of office amounted, on an annual basis, to Euro 4,000 (four thousand) gross for each auditor and Euro 5,000 (five thousand) for the Chairperson of the Board of Statutory Auditors.

5. Authorisation to purchase and dispose of treasury shares pursuant to Articles 2357 et seq. of the Italian Civil Code.

With reference to the fourth item on the agenda, the Shareholders' Meeting is called upon to resolve on the authorisation to purchase and dispose of treasury shares for the purposes, within the terms and according to the procedures described below.

This report, which was approved by the Board of Directors at its meeting of 28 March 2022, has been prepared to submit for your approval, pursuant to Articles 2357 and 2357-ter of the Italian Civil Code, the authorisation to purchase and dispose of, even in several instalments, a maximum number of ordinary shares of the Company that does not exceed in any case 5% of the Company's share capital.

(i) Reasons for proposed authorisation

The request for authorisation to purchase and dispose of treasury shares is based on the opportunity to provide the Company with an effective tool that enables it to:

- set up a securities store to sell, dispose of and/or use treasury shares, in line with the strategic guidelines that the Company intends to pursue, or as part of extraordinary transactions including, by way of example but not limited to, swaps, exchanges, contributions or at the service of capital transactions or other corporate and/or financial transactions and/or other transactions of an extraordinary nature such as, by way of example but not limited to, acquisitions, mergers, spin-offs, convertible bond issues, bonds, warrants;

and, in any event, to pursue the purposes permitted by current regulatory provisions, including those covered by Regulation (EU) no. 596/2014 as well as any practices permitted by Consob.

It should be noted that the aforementioned reasons shall be pursued in compliance with the applicable legislation, by fulfilling the obligations set out therein, such as, *inter alia*, the disclosure obligations relating to the purchase of treasury shares.

(ii) Maximum number, category and nominal value of the shares to which the authorisation refers

As of today's date, the Company's share capital amounts to Euro 1,562,480, fully subscribed and paid in, and is represented by 15,462,800 ordinary shares.

The Board of Directors shall request authorisation to purchase, within the time period set forth in point (iv) below, a maximum number of ordinary shares that would lead the Company, if the purchase option is exercised in full, to hold no more than 5% of the Company's share capital.

The authorisation also includes the power to dispose of the shares in portfolio at a later date (in whole or in part, and also on several occasions), even before having exhausted the maximum number of shares that can be purchased and, if necessary, to repurchase the shares to such an extent that the treasury shares held by the Company and, if applicable, by its subsidiaries, do not exceed the limit set out by the authorisation.

Without prejudice to the above, it is noted that in implementing the plan for the purchase and disposal of treasury shares, following any authorisation by the Shareholders' Meeting, the Board of Directors shall take into account the contractual commitments of the Company in force at the time.

It should also be noted that, in compliance with the applicable legal and regulatory provisions, the Company's Board of Directors will not purchase, on each trading day, a volume greater than 25% of the average daily volume of shares in the trading venue where the purchase is carried out during the 20 (twenty) trading days prior to the date of purchase.

(iii) Indications regarding compliance with the provisions of Article 2357, paragraphs 1 and 3, of the Italian Civil Code

As of the date of approval of this report, the Company does not hold any treasury shares. It should be underlined that, pursuant to Article 2357, paragraph 1 of the Italian Civil Code, the purchase of treasury shares is allowed within the limits of the distributable profits and the available reserves resulting from the last duly approved financial statements. To this end, it is deemed appropriate to refer to the financial statements for the year ended 31 December 2021, which will be submitted to the Ordinary Shareholders' Meeting on 28 April 2022, on first call and, if necessary, on 29 April 2022, on second call.

It should be noted that the Board of Directors is required to verify compliance with the conditions required by Article 2357, paragraphs 1 and 3, of the Italian Civil Code for the purchase of treasury shares at the time of each authorised purchase.

When shares are purchased or sold, exchanged, contributed or devalued, appropriate accounting entries must be made in compliance with the law and the applicable accounting standards. In the event of selling, exchange, contribution or devaluation, the corresponding amount may be reused for further purchases, until the expiry of the term of the Shareholders' authorisation, subject to the quantitative and spending limits, as well as the conditions set by the Shareholders' Meeting and any contractual commitments existing at the time.

Where applicable, subsidiaries will be given specific instructions to promptly report any share acquisitions made pursuant to Art. 2359–*bis* of the Italian Civil Code.

(iv) Term for which authorisation is requested

The authorisation to purchase is requested for the maximum term allowed by Article 2357, paragraph 2, of the Italian Civil Code and, therefore, for a period of 18 months starting from the date of the authorisation by the Shareholders' Meeting. Within the term of any authorisation granted, the Board of Directors may make share purchases on one or more occasions and at any time, in an amount and at times freely determined, in compliance with applicable regulations and the quantitative limits set forth above, as gradual as deemed appropriate in the interest of the Company.

The authorisation for the disposal of treasury shares that shall be purchased, if any, is requested without time limits, given the absence of time limits pursuant to the provisions in force and the opportunity to allow the Board of Directors to make use of the maximum flexibility, also in terms of time, to carry out the disposal of shares. Lastly, it should be noted that the purchase and disposal of treasury shares may not be carried out during the 30 (thirty) calendar days prior to the announcement of an interim financial report or a year-end report that the Company is required to publish (so-called *black-out period*), unless (a) the Company has a predetermined share repurchase programme in place; or (b) the share repurchase programme is coordinated by an investment firm or credit institution that makes trading decisions regarding when to make the purchase of the issuer's shares in complete independence from the issuer.

(v) Consideration for the purchase and disposal of treasury shares

The unit price for the purchase of the shares will be established at the time for each individual transaction, provided that the purchases will be carried out at a price that does not differ by more than 25% from the official price of Borsa Italiana recorded on the day preceding that on which the individual transaction is carried out, and, in any case, in compliance with the terms and conditions set out by the Delegated Regulation and the other applicable regulations (including European or supranational ones) and the aforementioned accepted practices (where applicable), without prejudice to the possibility of exceeding these limits in the event of extremely low liquidity on the market, again under the conditions mentioned in the aforementioned regulations.

The sale or other acts of disposal of treasury shares shall be carried out according to the economic terms that will be determined by the Board of Directors of the Company, in compliance with the terms, conditions and requirements set out by legislation, including EU regulations, and by the accepted market practices in force at the time, it being understood that the consideration for the disposal shall not be lower than the arithmetic average of the official price of the shares in the five days prior to each single disposal, decreased up to a maximum of 25%, except for extraordinary cases or when the transaction is at the service of plans in financial instruments or predetermined commercial transactions, as well as in case of exchanges and/or swaps, contribution or any other non-cash disposal.

(vi) Methods by which purchases and acts of disposal will be made

Purchase transactions will begin and end within the timeframe established by the Board of Directors following any authorisation by the Shareholders' Meeting.

In view of the different purposes that can be pursued by means of transactions in relation to treasury shares, the Board of Directors proposes that authorisation be granted to carry out purchases in accordance with any of the methods permitted by the applicable legislation, including Regulation (EU) 596/2014 and Delegated Regulation (EU) 2016/1052, as well as, where applicable, permitted market practices recognised by Consob, to be identified at the time at the discretion of the Board of Directors.

With regard to transactions involving the disposal of treasury shares purchased pursuant to this resolution, the Board of Directors proposes that the authorisation allows for the adoption of any method that is appropriate in relation to the purposes that will be pursued, including sale outside the markets or block sales.

Finally, it should be noted that pursuant to the exemption provided for in Article 132, paragraph 3 of Legislative Decree no. 58 of 24 February 1998, the aforementioned operating procedures do not apply in the event of purchase of treasury shares from employees of the Company, its subsidiaries or the parent company, which are assigned to them as part of a share incentive plan pursuant to Articles 2349 and 2441, paragraph 8 of the Italian Civil Code.

(vii) Additional information, if the purchase transaction is instrumental to the reduction of the share capital through cancellation of the purchased treasury shares

The purchase of treasury shares is not instrumental to the reduction of the Company's share capital, without prejudice to the right of the Company to also execute it through the cancellation of the treasury shares held in portfolio, should the Shareholders' Meeting approve a share capital reduction in the future.

(viii) Resolutions proposed to the Ordinary General Meeting

With regard to this item on the agenda, the Board of Directors submits the following proposed resolution for your approval:

"The Ordinary Shareholders' Meeting

- *having reviewed the directors' explanatory report;*
- *having acknowledged that, as at the date of this meeting, Take Off S.p.A. does not hold treasury shares in its portfolio;*
- *having noted the advisability of issuing an authorisation for the purchase and disposal of treasury shares that allows the Company to carry out transactions for the purposes and according to the procedures indicated in the Board of Directors' report,*

resolves

1. to authorise, pursuant to, for the purposes of and within the limits of Article 2357 of the Italian Civil Code, the purchase, in one or more transactions, of a maximum number of ordinary shares that will lead the Company to hold, if the power granted herein is exercised in full within the maximum period indicated below, a number of shares equivalent to a maximum of 5% of the share capital, in compliance with all legal limits, in order to pursue the purposes set out in the Board of Directors' report and under the following terms and conditions:

- *the shares may be purchased until the expiry of the eighteenth month as from the date of this resolution; the last purchase made within this date shall concern a number of shares such as to allow compliance with the overall limit of 5% set out above;*
- *the purchases will be carried out at a price that does not differ by more than 25% from the official price of Borsa Italiana S.p.A. recorded on the day preceding that on which the individual transaction is carried out, and, in any case, in compliance with the terms and conditions set out by the Delegated Regulation and the other applicable regulations (including European or supranational ones) and the aforementioned accepted practices (where applicable), without prejudice to the possibility of exceeding these limits in the event of extremely low liquidity on the market, again under the conditions mentioned in the aforementioned regulations;*
- *the purchase may be made according to any of the methods provided for and permitted by current legislation, including Regulation (EU) 596/2014 and the relevant implementing provisions, as well as, where applicable, by the market practices permitted and recognised by Consob;*

2. *to authorise, pursuant to and for the purposes of Article 2357-ter of the Italian Civil Code, the disposal, in one or more transactions, of the treasury shares purchased pursuant to this resolution, in compliance with the laws and regulations in force at the time, in order to pursue the purposes set out in the Board of Directors' report and under the following terms and conditions:*

- *the shares may be sold or otherwise disposed of at any time without time limit;*
- *disposals may be carried out even before the purchases have been exhausted and may be carried out in one or more tranches by sale on the market, off the market or in blocks and/or by transfer to directors, employees and/or collaborators of the Company, in implementation of incentive plans and/or by any other disposal act, as part of transactions in relation to which it is appropriate to exchange or sell share packages, including by means of an exchange or contribution, or, finally, on the occasion of capital transactions implying the assignment or disposal of treasury shares (such as, by way of example, mergers, spin-offs, issue of convertible bonds or warrants serviced by treasury shares);*
- *acts of disposal and/or use of treasury shares in portfolio or purchased on the basis of the authorisation of the Shareholders' Meeting shall be carried out in compliance with the law, regulations and accepted practices in force at the time;*
- *to grant the Board of Directors, with the right to sub-delegate, the widest powers necessary or appropriate to implement this resolution, also approving any and all executive provisions of the related purchase programme”.*

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ANNEXES

ANNEX 1 – CURRICULUM VITAE OF MAURIZIO BALDASSARINI

ANNEX 2 – DECLARATION OF SATISFACTION OF THE LEGAL REQUIREMENTS OF MAURIZIO BALDASSARINI