

**DIRECTORS' REPORT TO THE ORDINARY SHAREHOLDERS' MEETING OF 8 SEPTEMBER 2026,
PURSUANT TO ARTICLE 73 AND ANNEX 3A, SCHEDULE 4, OF THE ISSUERS' REGULATION**

Approval of the proposal to authorize the purchase and disposal of treasury shares pursuant to and for the purposes of Articles 2357 et seq. of the Italian Civil Code, as well as Article 132 of Legislative Decree No. 58 of 24 February 1998 and Article 144-*bis* of the Consob Regulation adopted by Resolution No. 11971/1999, as subsequently amended: related and consequent resolutions..

The Board of Directors of Avio S.p.A. (hereinafter the “**Company**” or “**Avio**”), in its meeting of 29 July 2026, resolved to call the ordinary Shareholders' Meeting of the Company, proposing to the shareholders to decide, *inter alia*, on the purchase of treasury shares pursuant to Article 2357 and following of the Civil Code, Article 132 of Legislative Decree No. 58 of February 24, 1998 and subsequent modifications and integrations (hereinafter the “**CFA**”) and Article 144-*bis* of the Regulation adopted by Consob Resolution No. 11971 of May 14, 1999 and subsequent modifications and integrations (hereinafter the “**Issuers' Regulation**”). Accordingly, pursuant to Article 73 of the Issuers' Regulation, the Board of Directors approved this report in accordance with Annex 3A, Schedule 4, of the aforementioned Issuers' Regulation, presenting the purposes, conditions and characteristics of the requested authorisation to the shareholders.

1. Reasons for the requested authorisation to purchase and/or sell treasury shares

The main objectives which the Board of Directors of Avio intends to pursue through the purchase and utilisation of treasury shares for which authorisation is requested are as follows:

- a) efficiently utilise liquidity generated by Company operations, also through medium-long-term investment in treasury shares;
- b) offering shareholders an additional tool to monetise their investment;
- c) using treasury shares as consideration in corporate transactions, to receive funds for acquisition projects and/or in exchanges of shareholdings, or for other uses deemed of interest to the Company in financial, managerial and/or strategic terms;
- d) using the treasury shares purchased or already in portfolio to support any share incentive plans, existing and future for Directors, employees and collaborators of the Company and/or its subsidiaries.

The above-mentioned purposes will be pursued in compliance with applicable legislation, fulfilling the obligations therein, including – *inter alia* – the disclosure obligations relating to the purchase of treasury shares. It is further specified that the requested authorisation would permit the Board of Directors to carry out repeated purchase and sales operations (or other acts of disposition) of treasury shares on a revolving basis (so-called revolving), also for fractions of the maximum authorised quantity, so that the total number of shares purchased and held by the Company does not at any time exceed the limits set by the law and the authorisation granted by the Shareholders' Meeting.

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

At the date of this Report, the Company's share capital amounted to Euro 158,506,882.70, divided into 46,789,543 ordinary shares without par value. The Company's shares are traded on the regulated market Euronext Milan, organised and managed by Borsa Italiana S.p.A. – STAR segment.

At today's date, the Company has 626,929 ordinary treasury shares in respect of which voting rights are suspended pursuant to Article 2357-*ter* of the Italian Civil Code, representing approximately 1.34% of the Company's share capital.

None of the subsidiaries holds shares in Avio.

Taking into account the above, it is therefore proposed to give a mandate to Avio's Board of Directors to purchase the Company's treasury shares, in one or more tranches, in an amount freely determinable by the Board of Directors, up to a maximum revolving number of shares – considering the treasury shares, from time to time, already in portfolio – in total not exceeding 1% of the share capital issued from time to time, and in any case within the limits established by law.

It is further proposed that the Shareholders' Meeting concurrently authorise Avio's Board of Directors to undertake acts of disposition and alienation of the ordinary shares in the Company purchased according to the methods set out below, subject to applicable laws and regulations.

3. Information for evaluation purposes pursuant to Article 2357, paragraph 3, of the Civil Code

Pursuant to Article 2357 of the Civil Code, the purchases of treasury shares must be undertaken within the limits of the distributable profits and/or available reserves from the latest approved financial statements at the time of each transaction and, furthermore, only fully paid-in shares may be purchased.

The Company's financial statements for the year ended December 31, 2025, approved by the Shareholders' Meeting on April 28, 2026, show distributable profits and/or available reserves of Euro 406,465 thousand.

Each purchase must be undertaken in accordance with the conditions set out in (i) Articles 2357 et seq. of the Civil Code; (ii) the Regulations for the Markets Organised and Managed by Borsa Italiana S.p.A. and the related Instructions; and, in any event, (iii) applicable laws and regulations.

4. Duration of authorisation

The authorisation to purchase treasury shares on which the Shareholders' Meeting will be called to resolve will have 18 (eighteen) months' validity from the approval of the relevant resolution, subject to renewal by a further decision of the Shareholders' Meeting.

The Board of Directors may proceed with the authorised transactions on one or more occasions and at any time, to an extent and at times which may be freely established in

compliance with the foregoing and applicable legislation, in a gradual manner, as considered to be in the interest of the Company.

It is proposed that the Shareholders' Meeting not set a time limit on acts of disposition of the shares purchased, but allow the Board of Directors to proceed at its discretion with one or more acts of alienation or disposition, before or after the purchases of shares in Avio have been concluded.

5. Minimum and maximum payments for treasury shares purchased

The purchase price of the treasury shares will be set from time to time on the basis of the intended transaction structure and in accordance with any regulatory prescriptions or standard market practice, as applicable. In any event, it is proposed that the shares be purchased for a price per share not more than 10 (ten)% below and not more than 10 (ten)% above the reference price recorded during the Borsa Italiana trading session on the day before each transaction.

The foregoing is without prejudice to cases in which the shares are swapped, conferred, assigned or subject to other non-monetary disposals, whereby the financial terms of the transaction are based on, as per the applicable regulation, the nature and characteristics of the transaction.

6. Methods of execution of the transactions

In view of the various objectives targeted by the treasury share operations, it is proposed that authorisation is granted to make purchases according to the means to be identified on a case by case basis and at the discretion of the Board of Directors and, therefore, through public purchase offers, purchases made on the regulated market organised and managed by Borsa Italiana S.p.A., or through authorised intermediaries, and however according to market practice which does not permit the direct linking of purchase proposals with pre-determined sales proposals, in compliance with Articles 2357 and following of the Civil Code, Article 132 of the CFA, Article 144-*bis* of the Issuers' Regulation, and any other applicable legislation, including Regulation (EU) 597/2014 and Delegated Regulation (EU) 1052/2016, as well as applicable standard market practice (where applicable) and regulations issued by Borsa Italiana S.p.A.. In particular, purchases relating to market-making activity or the purchase of treasury shares for investment purposes must be undertaken in accordance with Consob-sanctioned market practice, as governed by Article 180, paragraph 1, letter c), of the CFA.

It is also proposed that the Shareholders' Meeting authorise acts of disposition, subject to the legal conditions and limits, pursuant to Article 2357-*ter* of the Civil Code, at all times (and thus even before the purchases have been concluded), in full or in part, of the treasury shares purchased based on the present proposal, through the disposal of such on or off the market, granting the Board of Directors the power to establish, in compliance with applicable laws and regulations, the terms, methods and conditions of the disposal of treasury shares considered in the greatest interest of the Company, provided that the disposals carried out as part of business projects or corporate finance transactions, through exchanges, contributions or other methods that entail the transfer of treasury shares, are undertaken at a price or value deemed appropriate and suitable for the transaction, while also taking account of market performance, without prejudice, in any event, to any other consideration according to

standard market practice or Regulation (EU) No. 596/2014 of the European Parliament and the Council of April 16, 2014 in respect of the transactions subject thereto.

The acts of purchase and disposal of treasury shares for which authorisation is requested will be undertaken in accordance with applicable legislation, and in particular in accordance with Italian and Community laws and regulations, including on the subject of market abuse.

It is specified that, pursuant to the exemption under Article 132, paragraph 3, of the CFA, the above operating procedures do not apply to the purchase of shares held by employees of the Company or its subsidiaries or its parent company, assigned or subscribed pursuant to Articles 2349 and 2441, paragraph 8, of the Civil Code, or arising from compensation plans approved pursuant to Article 144-*bis* of the CFA.

The acts of purchase and disposal of treasury shares will be adequately disclosed in accordance with applicable disclosure obligations.

7. Cancellation of treasury shares

The Company is not undertaking the purchases with the intention of reducing share capital by cancelling the treasury shares purchased, without prejudice to the Company's right, where a reduction in share capital is approved by the Shareholders' Meeting on a future date, to execute such a reduction by cancelling treasury shares in portfolio.

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On all the foregoing grounds, we therefore believe it appropriate to propose that you grant the authorisation in question.

Avio's Board of Directors therefore submits the following draft resolution for approval by the Ordinary Shareholders' Meeting:

"The Ordinary Shareholders' Meeting of Avio S.p.A., meeting in ordinary session,

- having regard to Articles 114-bis and 132 of Legislative Decree No. 58 of February 24, 1998, as amended;*
- having regard to Articles 2357 and 2357-ter of the Civil Code;*
- noting that, at today's date, Avio S.p.A. has in portfolio 626,929 ordinary treasury shares with no voting rights pursuant to Article 2357-ter of the Civil Code, equal to approx. 1.34% of the share capital;*
- having regard to the Directors' Report on this point of the Agenda;*
- in view of the favourable opinion from the Board of Statutory Auditors;*

RESOLVES

- 1. to authorise the purchase of treasury shares in the Company, in one or more tranches, pursuant to Articles 2357 and 2357-ter of the Civil Code, in amounts at the Board of Directors' full discretion, up to 1% of share capital and to undertake one or more acts of disposition of the shares held, including those purchased in execution of this resolution, under the following conditions:*

- a) *the authorisation is limited to purchases to be undertaken for the purposes illustrated in the Directors' Report;*
 - b) *in any event, the treasury shares will be purchased for a price per share not more than 10 (ten)% below and not more than 10 (ten)% above the reference price recorded on the STAR segment of the regulated market Euronext Milan, organised and managed by Borsa Italiana S.p.A. on the day before each purchase transaction, and in any case (ii) for a price not higher than the higher of the price of the last independent transaction and the highest current independent purchase bid in the trading venue where the purchase is made, or for a different price in accordance with market practice or Regulation (EU) No. 596/2014 of the European Parliament and the Council of April 16, 2014 for transactions subject to the said Regulation;*
 - c) *the authorisation for purchase is granted for a period of 18 (eighteen) months from the date on which this resolution is passed, whereas authorisation of disposition is granted without time limits and may be exercised on one or more occasions, in order to permit the above purposes to be achieved;*
 - d) *the purchases must be undertaken within the limits of the distributable profits and available reserves from the latest approved financial statements;*
 - e) *the purchases of treasury shares will be undertaken, pursuant to Article 144-bis, paragraph 1, letter b) of the Issuers' Regulation, in accordance with the provisions of the market regulations in order to ensure equal treatment of shareholders. Accordingly, the purchases will be undertaken, on one or more occasions, solely on regulated markets organised and managed by Borsa Italiana S.p.A., under the operating procedures established by this latter, which does not permit the direct linking of purchase proposals with predetermined proposals to sell;*
2. *to establish that the treasury shares that will be purchased in execution of the resolution set out in point 1 above will be used to:*
- a) *efficiently utilise liquidity generated by Company operations, also through medium-long-term investment in treasury shares;*
 - b) *offer shareholders an additional tool to monetise their investment;*
 - c) *using treasury shares as consideration in corporate actions, to receive funds for acquisition projects and/or in exchanges of shareholdings, or for other uses deemed of interest to the Company in financial, managerial and/or strategic terms;*
 - d) *using the treasury shares purchased or already in portfolio to support any share incentive plans, existing and future, for Directors, employees and collaborators of the Company and/or its subsidiaries;*
3. *to authorise the Chief Executive Officer, with the power to sub-delegate:*
- a) *to execute today's resolution and, inter alia, to set aside the funds for the negative component of equity provided for in Article 2357-ter of the Civil Code, in accordance with the law;*

- b) *to establish the executive and ancillary methods, terms and conditions for optimal execution of this resolution, conducting all appropriate assessments and inquiries, as necessary, and discharging all related obligations and formalities, without any exclusions or exceptions".*

Rome, July 31, 2026

The Board of Directors