

**Franchetti S.p.A. Board of Directors calls the Extraordinary Shareholders' Meeting to vote on increasing the votes allocated to multi-vote shares from 3 to 10 and on a proxy proposal to increase the share capital by a maximum total of Euro 10 million**

*Amendments to Articles 13, 14 and 19 of the By-Laws also proposed.  
Quantitative and qualitative criteria to assess Directors' independence under Article 6-bis of the EGM Issuers' Regulation approved*

Arzignano (VI), June 11, 2024 - The Board of Directors of **Franchetti S.p.A.** ("**Franchetti**" or the "**Company**", Ticker BIT: FCH), a company listed on the Euronext Growth Milan segment of the Italian Stock Exchange and parent of the multinational software development and engineering design Group of the same name, a pioneer in planning, diagnosis and treatment for the safety and predictive planning of maintenance for network infrastructure, particularly bridges and viaducts, hereby announces that the Board of Directors meeting that met today, chaired by Paolo Franchetti, resolved to call the Extraordinary Shareholders' Meeting in first call for July 1, 2024 and, if necessary, in second call for July 2, 2024 (the "**Meeting**"), to take the resolutions described below.

At the same meeting, the Board also approved the quantitative and qualitative criteria used to assess the significance of potentially relevant relationships in order to evaluate the independence of Directors (the "**Policy**"), as required by Article 6-bis of the Euronext Growth Milan Issuers' Regulation.

The Policy is available on the Company's website at [www.franchetti.tech](http://www.franchetti.tech), in the "Governance/Company data" section.

**Proposal to increase the number of votes allocated to multi-vote shares issued by the Company, from 3 to 10 per share**

The Board of Directors approved to submit to the Shareholders' Meeting a proposal to increase the number of votes allocated to multi-vote shares issued by the Company (totalling 3,000,000), from **3 to 10 per multi-vote share**, as allowed by the new paragraph 4 of Civil Code Article 2351, resulting in an amendment to Article 5

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Certified by:



of Franchetti's By-Laws (the "**By-Laws**").

The Board also decided to submit the same proposal pursuant to art. 2376 of the Civil Code at the special meeting of holders of ordinary shares of the Company which will be held, following the Shareholders' Meeting, on first call on 1 July 2024 and, if necessary, on second call, on 2 July 2024.

The Shareholders' Meeting to discuss the aforementioned topic was called by the Board, with the Chairperson of the Board of Directors and Chief Executive Officer, Mr. Paolo Franchetti, and Director Mr. Michele Frizzarin abstaining pursuant to Article 2391 of the Civil Code, following the request sent by the Company's controlling shareholder, Franchetti Holding S.r.l. (the "**Shareholder**"), received by the Company on May 27, 2024, concerning the "Proposal to increase the number of votes allocated to multi-vote shares held by Franchetti Holding S.r.l. from 3 to 10 votes" (the "**Request**"). The Request is part of the innovations introduced by the so-called "Capital Law", which modified the article 2351 of the Civil Code increasing the number of votes attributable to multiple voting shares from 3 to 10.

We note that the Board of Directors considered it appropriate, for the reasons described below, to call the Shareholders' Meeting to approve the aforementioned proposal even though the Request was not admissible pursuant to Article 2367, paragraph 3, of the Civil Code, as the proposal to increase the number of votes attributed to shares with multi-vote rights, entailing shareholder right of withdrawal pursuant to Article 2437, letter g), of the Civil Code, is among the matters on which, pursuant to the aforementioned provision, "the Shareholders' Meeting shall resolve, in accordance with the law, on the proposal of the Directors or on the basis of a draft or a report prepared by them" (i.e., the report on the liquidation value of shares in the event of withdrawal, prepared pursuant to Article 2437-ter of the Civil Code). The Board of Directors has decided to proceed in any case with the convocation of the meeting as the increase in the number of votes allocated to multi-vote shares would (i) reward and further incentivize the medium- to long-term investment made by shareholder in the Company, also considering the possibility of future transactions to increase the share capital, designed to capitalize the Company and support its growth strategies, which may have dilutive effects on its shareholding structure; (ii) guarantee stability in the Company's shareholding structure, and thus (iii) support a lasting increase in the value of Franchetti shares and company growth that is not only profitable but also sustainable over time. The Company's growth plans target development over a medium- to long-term period,

and require the support of Shareholders, such as the Shareholder, whose investment decisions and return prospects align with that timespan.

We note that, considering the approval of the proposed increase in votes allocated to multi-vote shares, the Company's current shareholders, other than the Shareholder, will experience a maximum dilution of 3.99% of the voting capital. The Shareholder will acquire 97.53% of the total voting rights. Current Shareholders, meanwhile, will not experience any dilution of their equity or administrative rights other than voting rights.

As noted above, the resolution to amend the By-Laws entails shareholder right of withdrawal under Article 2437(g) of the Civil Code.

As such, the Shareholders of the Company who do not participate in the resolution of the extraordinary meeting to approve this statutory amendment will have the right of withdrawal, pursuant to articles. 2437 et seq. of the Civil Code.

In this regard, taking into account the provisions of Article 2437-ter, Civil Code and having noted the opinion of the Board of Statutory Auditors and Ria Grant Thornton S.p.A. (in its capacity as the entity entrusted with the statutory audit of the Company's accounts), the Board of Directors has set the unit liquidation value of the Company's shares at Euro 5.56 (five point fifty-six), in the event that any Franchetti Shareholders entitled to do so exercise their right of withdrawal, for all or some of the shares held, pursuant to Article 2437-bis of the Civil Code, no later than fifteen days after the Shareholders' Meeting resolution is registered in the relevant Companies Register. The Company will promptly notify the market when the Shareholders' Meeting resolution is registered. Finally, we note that the effectiveness of the resolution to amend the By-Laws is subject to occurrence of the following conditions precedent:

- (i) the votes expressed at the extraordinary meeting of Franchetti by the opposing Shareholders do not represent a percentage greater than 50% plus one share of the ordinary shares with voting rights, other than those held by Franchetti Holding S.r.l.;
- (ii) that the condition precedent that any exercise of the right of withdrawal by Franchetti's Shareholders entails an outlay for the Company of no more than Euro [100.000,00 (one hundred thousand point zero zero). For the sake of clarity, this does not take into account the amounts to be borne by shareholders who exercise their option and pre-emption rights pursuant to Article 2437-quater of the Civil Code, or

by any third parties in the liquidation proceedings.

### **Grant of a powers to the Board of Directors to increase the share capital under Article 2443 of the Civil Code**

The Board of Directors also resolved to submit to the Shareholders' Meeting the grant of powers under Article 2443 of the Civil Code **to increase the share capital by a maximum of Euro 10 million**, including any share premium ("**Powers**"), to be exercised in the period of three years following the date of the Shareholders' Meeting resolution that grants the Powers.

More specifically, the Powers are mainly granted in order, pursuant to Article 2443 of the Civil Code, to increase the share capital, on one or more occasions and on a divisible basis, through the issue of ordinary shares: (i) to be offered under option and for payment to those entitled thereto, pursuant to Article 2441 of the Civil Code, establishing the issue price and dividend rights of the shares on a case-by-case basis, or (ii) to be offered in whole or in part to third parties, with the exclusion of option rights pursuant to Article 2441, paragraph 4, second sentence, and paragraph 5, of the Civil Code.

The exercise of the Powers will also include the power to establish the issue price of the shares from time to time, including any share premium, in addition to the dividend entitlement, the recipients of the capital increase, and the allotment ratio in the event of option increases for the Company's eligible shareholders. We note that in compliance with the provisions of Article 2441, paragraph 6 of the Civil Code (where applicable), the issue price of the ordinary shares to be issued in execution of the Powers for the capital increase will be established by the Board of Directors from time to time, taking into account - among other matters - market conditions in general and the performance of Franchetti's stock. This price will also take into account market practice for similar transactions and the application of any discount in line with market practice for similar transactions, potentially referring to the most commonly recognized valuation methodologies used in professional practice, including at the international level, without prejudice to compliance with the relevant legislative and regulatory provisions.

The Powers create advantages in terms of flexibility and speed of execution, enabling identification from time to time of the transaction best suited to satisfy the Company's need for financial resources to support its growth path, while also

allowing the Company to exploit the most favorable conditions for the execution of corporate transactions that require timely action. The allocation of Powers also has the advantage of deferring to the Board of Directors the determination of the economic conditions of the offer as a whole, depending on the prevailing market conditions at the time of the actual launch of the transaction. Among other things, this can reduce the risk of fluctuations in stock market prices between the time of the announcement and the time of the launch of the transaction, which would occur if this was decided by the Shareholders' Meeting.

The resources raised through the potential exercise of the Powers may, in addition to growth strategies, also be allocated to strengthening existing investments and, more generally, to meeting the Company's future financial needs.

The newly issued shares resulting from the subscription of the capital increase carried out in exercise of the Powers shall have regular dividend rights and, therefore, will grant the relevant subscribers identical rights to those conferred by the Company's ordinary shares in circulation on the date of issue.

Finally, we note that approval of the Powers will result in the amendment of Article 5 of the By-Laws, to which the relevant transitional clause will be added.

### **Proposed amendment to Articles 13, 14 and 19 of the By-Laws**

Finally, the Board of Directors resolved to call the Shareholders' Meeting to resolve on amendments to Articles 13, 14 and 19 of the By-Laws to incorporate the changes made to Article 6-bis of the Euronext Growth Milan Issuers' Regulation (effective December 4, 2023), and the power to establish that **attendance at the Shareholders' Meeting and the exercise of voting rights shall take place exclusively through the Company's designated representative** pursuant to Article 135-undecies of the CFA and by means of telecommunication.

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The documentation required by current regulations, including the Board of Directors' Explanatory Report on the Shareholders' Meeting Agenda Items and the Report on the Determination of the Liquidation Value of Shares in the Event of Withdrawal, along with their attachments, will be made available at the Company's registered office, and on the Company's website, in the "Governance/Assemblies" section, and on the website [www.borsaitaliana.it](http://www.borsaitaliana.it), in the "Shares/Documents"

section.

This Press Release is available at [www.franchetti.tech](http://www.franchetti.tech), in the “*Investor Relations/Financial press releases*” section.

## **Franchetti S.p.A.**

Franchetti S.p.A. heads the Franchetti Group, a pioneer in the management, diagnostics and predictive maintenance of infrastructure (bridges and viaducts in particular). Founded in 2013 in Arzignano (VI), with subsidiaries in Brazil and Canada and operations in the US and India, Franchetti is an innovative SME that has worked on over 40,000 equivalent motorway and railway bridges worldwide. The Group boasts a technical and scientific track record that places it among the industry's leading international experts. Operations are broken into two main business lines: diagnosis and planning for infrastructure maintenance, with inspections and assessments, intervention planning and construction management and ICT services for the predictive programming of infrastructure maintenance. Franchetti has in fact developed two proprietary software programs that leverage the potential of artificial intelligence and predictive data analysis: Argan® can estimate an infrastructure's life cycle and automatically assess safety levels over time for a range of maintenance scenarios and contexts, Pathwork® ensures the optimized management of road and highway works on infrastructure and to support sustainable mobility, and SIDECHECK®, which can intelligently compare data collected regarding inspections, inspectors, schedules, and work estimates to ensure that the evaluation process is as objective and comprehensive as possible. With a workforce of 70 professionals, more than 90% of whom are engineering graduates, the Group achieved a Value of Production of Euro 7.0 million in 2023 (+42.9% on 2022) and EBITDA of Euro 2.5 million (+38.9% on 2022).

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