DIRECTORS' EXPLANATORY REPORT TO THE ORDINARY SHAREHOLDERS' MEETING OF 8 SEPTEMBER 2026, PURSUANT TO ARTICLE 114-*BIS* OF LEGISLATIVE DECREE NO. 58 OF 24 FEBRUARY 1998 AND ARTICLE 84-*BIS* OF CONSOB REGULATION NO. 11971/1999

Approval of certain financial instruments-based incentive plans of the Company pursuant to Art. 114-*bis* of Legislative Decree No. 58/1998: related and consequent resolutions.

Dear Shareholders,

the Board of Directors of Avio S.p.A. (hereinafter the "**Company**" or "**Avio**"), at its board meeting on 29 July 2026, resolved to submit to the Shareholders' Meeting for approval the proposal to adopt certain financial instruments-based incentive plans based on financial instruments, prepared following the opinion of the Nomination and Remuneration Committee:

- an incentive plan named "Stock Options Plan 2026-2031" – for the benefit of the Chief Executive Officer, the Chairman of the Board of Directors, the Executives with Strategic Responsibilities and other Avio management personnel – based on the free grant of stock options granting the right to subscribe for newly issued Avio ordinary shares.
- an incentive plan named "Performance Share Plan 2026-2028" – for the benefit of the Chief Executive Officer, the Executives with Strategic Responsibilities and other Avio managerial personnel – based on the free grant of Avio shares, replacing the cash-based 2026-2028 incentive plan, as provided for under the 2026 Remuneration Policy approved by the Shareholders' Meeting on 28 April 2026;
- an incentive plan named "Restricted Share Plan 2027-2029" – for the benefit of Avio managerial personnel other than the Chief Executive Officer, the Chairman of the Board of Directors and the Executives with Strategic Responsibilities – based on the free grant of Avio shares, and
- an additional incentive plan – serving as an investment instrument – named "Warrant Plan 2026-2031" – for the benefit of the Chief Executive Officer, the Chairman of the Board of Directors and the Executives with Strategic Responsibilities – based on the allocation, for consideration, of warrants granting the right to subscribe for newly issued Avio ordinary shares.

A description of the purposes and characteristics of the aforementioned plans is set out in greater detail in the Information Document prepared by the Board of Directors pursuant to Art. 114-*bis* of the TUF and Art. 84-*bis* of the Issuers' Regulation, attached to this Report and made available to the public within the timeframes and in the manner provided by applicable law, including through publication on the Company's *website* at www.avio.com, Section "*Investors-Shareholders' Meeting September 8, 2026*", on the *website* of Borsa Italiana S.p.A. and through the authorised storage mechanism "eMarket STORAGE".

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In light of the foregoing, the Board of Directors submits the following proposed resolution for your approval:

"The Ordinary Shareholders' Meeting of Avio S.p.A.:

- *having examined the information document prepared pursuant to Art. 114-bis of the TUF and Art. 84-bis of Consob Regulation No. 11971 of 14 May 1999 relating to the "Stock Options Plan 2026-2031", the "Performance Share Plan 2026-2028", the "Restricted Share Plan 2027-2029" and the "Warrant Plan 2026-2031";*
- *having examined the explanatory report of the Board of Directors prepared pursuant to the combined provisions of Articles 114-bis and 125-ter of the TUF;*

RESOLVES

- *to approve, pursuant to and for the purposes of Art. 114-bis of the TUF, the adoption of the "Stock Options Plan 2026-2031", the "Performance Share Plan 2026-2028", the "Restricted Share Plan 2027-2029" and the "Warrant Plan 2026-2031", in accordance with the explanatory report and the related information document;*
- *consequently, to grant to the Board of Directors, with the power to sub-delegate within the limits of the law, all powers necessary for the implementation of the aforesaid plan;*
- *to confer upon the Chairman of the Board of Directors and the Chief Executive Officer, severally and independently, all powers to fulfil the legislative and regulatory requirements arising from the adopted resolutions."*

Rome, July 31, 2026

On behalf of the Board of Directors

The Chairman