



## **Remuneration policy and fees paid report at June 30<sup>th</sup>, 2023**

**pursuant to Art. 123-ter of Legislative Decree no. 58 of February 24<sup>th</sup>, 1998 and  
Art. 84-quater of the Regolamento Emittenti (Issuers' Regulation)**

Approved on September 27<sup>th</sup>, 2023

**Digital Bros S.p.A.**

Via Tortona, 37 – 20144 Milan, Italy

VAT number IT095

Share capital: Euro 6,024,334.80 of which Euro 5,706,014.80 subscribed  
Milan Companies House No. 290680-Vol. 7394 Chamber of Commerce number1302132

This report is available in the Governance/Remuneration section of the Company's website at  
[www.digitalbros.com](http://www.digitalbros.com)

*Please consider that this is an Italian to English translation and that the Italian version shall always prevail in  
case of any discrepancy or inconsistency*

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## GLOSSARY

**Company or Issuer:** Digital Bros S.p.A..

**Corporate Governance Code/Code:** the Corporate Governance Code for listed companies approved in January 2020 by the Corporate Governance Committee.

**Civil Code/c.c.:** the Italian Civil Code.

**Board:** the Board of Directors of Digital Bros S.p.A..

**Consolidated EBIT:** net consolidated operating margin as reported in the consolidated financial statements for the fiscal years ending at June 30<sup>th</sup>.

**Fiscal year/Reporting Period:** the year ended at June 30<sup>th</sup>, 2023 to which the Report is referred.

**Group or Digital Bros Group:** collectively, the Company and its subsidiaries pursuant to Art. 93 of the T.U.F..

**Policy or Remuneration Policy:** the remuneration policy approved by the Shareholders' Meeting of October 28<sup>th</sup>, 2020 and of June 15<sup>th</sup>, 2021.

**Issuers' Regulations:** the Regulations issued by Consob with the resolution no. 11971/1999, as subsequently amended.

**Market Regulations:** the Regulations issued by Consob with the resolution no. 20249/2017, as subsequently amended.

**Related party regulations:** the Regulations issued by Consob with the resolution no. 17221 of March 12<sup>th</sup>, 2010 (as subsequently amended).

**Remuneration Committee:** internal committee established to advise, make proposal to the Board of Directors and monitoring the Directors' remuneration.

**Report or Remuneration Report:** the Report on the policy regarding remuneration and fees paid published in compliance with Art. 123-ter of the T.U.F. and approved by the Board of Directors.

**T.U.F.:** Legislative Decree no 58 of February 24<sup>th</sup>, 1998 (Consolidated Law on Finance), as subsequently amended.

The Remuneration Report at June 30<sup>th</sup>, 2022 has been prepared in accordance with the Art. 123-ter of Legislative Decree no. 58 of February 24<sup>th</sup>, 1998 and with Art. 84-quater of the Consob Regulation no. 11971 of May 14<sup>th</sup>, 1999, as subsequently amended.

The Report is divided into two sections:

- section I, which describes the Remuneration Policy of Board members and directors with strategic responsibility and the procedures used to adopt and implement it;
- section II, which details the individual remuneration of each member of the Board and Statutory Auditors and the cumulative remuneration of the key managers describing the compliance with the Remuneration Policy. It is submitted to the non-binding vote of the Shareholders' Meeting.

The remuneration of the Board, of the Statutory Auditors and of the key managers is detailed in the tables attached to this Report in accordance to the Issuers' Regulations.

## **SECTION I**

The first section of the Report describes the remuneration policy adopted by the Company and the principles and guidelines that Digital Bros Group uses to determine and monitor the application of the remuneration practices for the Board members and the key managers.

The Remuneration Policy was approved by the Shareholders' Meeting of June 15<sup>th</sup>, 2021 as proposed by the Remuneration Committee in accordance with the Corporate Governance Code.

The related party transactions procedure adopted by the Company (pursuant to Consob Resolution no. 17221/2010, as subsequently amended) does not apply to the resolutions which involve the remuneration of Directors and the key managers if:

- (i) the Company adopted a remuneration policy recommended by a committee formed exclusively by non-executive directors, the majority of whom independent;
- (ii) the Remuneration Report has been submitted for the binding vote to the Shareholders' Meeting;
- (iii) the remuneration is consistent with the Policy.

External independent experts assisted the Remuneration Committee in the preparation of the Remuneration Policy and of the benchmark analysis.

In respect of the Law and the bylaws, the Board of Directors is responsible of the correct implementation of the Policy in respect of the Chief Executive Officer ("CEO") remuneration. The Chief Executive Officer defines the remuneration of directors with strategic responsibilities (also through suggestions and proposals to the subsidiaries' Board of Directors).

## 1. **Bodies involved in the preparation and approval of the Remuneration Policy**

The corporate bodies involved in the preparation and approval of the Remuneration Policy are the Board of Directors, the Remuneration Committee, the Shareholders' Meeting and the Board of Statutory Auditors.

### 1.1 **Board of Directors**

The Board of Directors:

- establishes the Remuneration Committee;
- sets the remuneration for Directors with special offices on the basis of the proposals recommended by the Remuneration Committee and the review of the Board of Statutory Auditors;
- prepares the Remuneration Policy based on the proposals recommended by the Remuneration Committee;
- submits the Remuneration Report to the approval of the Shareholders' Meeting;
- assesses, with the assistance of the Remuneration Committee, the overall consistency of the Remuneration Policy with a particular emphasis about the alignment of the objectives in respect of the medium/long term value-creation;
- designs and implements any share-based incentive scheme or any financial instrument-based remuneration plan for directors, employees and contractors, including key managers, and submits them for the Shareholders' Meeting's approval in accordance with Art. 114-bis of the T.U.F..

### 1.2 **Remuneration Committee**

The Remuneration Committee is established by the Board of Directors, as suggested by the Corporate Governance Code, and consists entirely of non-executive and independent directors. At the Report date, the committee is as follows:

Sylvia Anna Bartyan – member

Susanna Pedretti – Chairman

Laura Soifer – member

The Remuneration Committee:

- submits proposals to the Board of Directors regarding the remuneration of the Chief Executive Officers and other Directors with special offices and monitors their implementation;
- assesses key managers remuneration criteria and assist the Board of Directors with the identification of managers holding strategic responsibilities;
- monitors the correct application of the aforementioned criteria considering the information provided by the CEOs;
- provides the Board of Directors with recommendations about remunerations and performance objectives associated to the variable component of the remuneration, and monitors the actual achievement of such established objectives;

- assists the Board of Directors in preparing and implementing any share-based or other financial instrument-based incentive scheme;
- assists the Board of Directors in the preparation of the Remuneration Report.

The Remuneration Policy was preliminary reviewed by the Remuneration Committee before submission to the Shareholder's Meeting for approval.

### **1.3 Shareholders' Meeting**

The Shareholders' Meeting:

- defines the Board of Directors and the Board of Statutory Auditors remuneration in accordance with Art. 2364, paragraph 1, no 3 of the Civil Code;
- expresses a binding vote on the first section of the Report and a non-binding vote on the second;
- approves on any share-based incentive scheme or any financial instrument-based remuneration plan proposed for directors, employees and contractors, including key managers, in accordance with Art. 114-bis of the T.U.F..

### **1.4 Board of Statutory Auditors**

The Board of Statutory Auditors expresses an opinion about the remuneration proposed for Directors and Directors with special offices, monitoring its compliance with the Remuneration Policy.

## **2. Principles and purposes of the Remuneration Policy**

The remuneration of Directors and directors with strategic responsibilities is set to enable a remuneration structure that recognize the professional value of each individual and to create a balance between fixed and variable components with a particular emphasis about the sustainable value in the medium- and long-term perspective, as well as the Group's overall sustainability.

The Remuneration Policy aims to enhance the general workforce motivation and their interest to undertake responsibilities for excellence, setting the fixed component and the variable component in such a way that they are adequately balanced between short-term and medium/long-term objectives in order to align Executive Directors' and key managers' interests with the creation of medium/long-term value for the benefit of the Digital Bros' shareholders and the sustainability of the activities carried out by the Group.

The Remuneration Policy is based on the following guidelines:

- the fixed component shall be sufficient to remunerate Directors for their services in the event that the variable component will not be paid because missing the performance objectives set;
- the short-term variable component is mainly based on profitability objectives for the fiscal year: it provides for a cap, a claw-back and withholding clause (*malus*) as recommended by the Corporate Governance Code;
- the medium/long-term variable component relates to the growth of the operating margins compared to the results achieved in the fiscal years immediately before the implementation of the Long Term Incentive plan, in order to avoid any influence by the financial structure and/or the distribution of dividends. The total long-term variable could not exceed the cap of 5% of the Group net operating margin for the period to which the plan relates. Claw-back and *malus* clauses are provided for, as required by the Corporate Governance Code;
- the existence of a previously approved Stock Option plan.

Performance objectives are:

- priority, as they are directly connected to the Group's medium/long-term strategy;
- specific, as they are related to the expected results;
- measurable, as they are defined using clear and predefined ratios;
- realistic, as they shall be achievable, even if challenging and ambitious;
- temporarily defined.



## **2.1 Remuneration Policy principles**

The Remuneration Policy aims for an ever-increasing adherence to the recommendations of the Corporate Governance Committee regarding clarity and completeness of remuneration policies, pay-mix between fixed and variable items, the introduction of claw-back and malus clauses and, in general, the definition of a better connection between variable remuneration and long-term objectives.

The Group believes in the growth and enhancement of people as an indispensable element to compete on the market and pursue a sustainable success. Career opportunities are offered to all employees based on merit, professional and managerial skills and active participation in the Company development and improvement processes.

The main changes introduced compared to the remuneration policy approved by the October 28<sup>th</sup>, 2020 Shareholders' Meeting, also in perspective of a full compliance with the recommendations of the Corporate Governance Code, are:

- the introduction of a medium/long-term objective (“**LTI Objective**”) to increase the level of involvement of Executive Directors and key managers with a view to creating value for shareholders as well as sustainability of the activities carried out by the Group. The LTI Objective aims to increase the Company's retention that is consistent with the growth and sustainability objectives that the Group has in the strategic plan;
- the cancellation of the Board of Directors' possibility to assign extraordinary one-off bonuses.

The Remuneration Policy describes the policies regarding the remuneration of Executive Directors, Non-Executive Directors and key managers.

The Remuneration Policy is valid until the expiry of the mandate of the Board of Directors, and therefore until the approval of the Financial Statements at June 30<sup>th</sup>, 2023.

## **3. Remuneration Policy application**

The Remuneration Policy is structured according to different principles and methods regarding the fixed components and the short and medium-long term variable components in relation to the different types of recipients.

The Remuneration Policy was defined using the best practices available on the market as a reference. However, no remuneration policy of other companies was used as a specific reference.

### **Executive Directors and directors with strategic responsibilities**

The total remuneration for Executive Directors is defined in line with industry benchmarks and other factors including their contribution to the Company's results, their working performance and a right balance with remuneration levels considering the Group's actual and prospective dimension and complexity, with a view to pursuing sustainable success.

The overall remuneration of the Executive Directors as well as the pay mix assessment was subject to benchmarking analysis by the Remuneration Committee supported by independent external consultants.

The remuneration of Executive Directors holding specific offices is as follows:

- a fixed component consistent with individual management powers of attorney and the responsibilities assigned;
- a short-term variable component, as a pre-established percentage of the fixed component, referred to expected short-term results (“**MBO**”);
- a medium/long-term variable component related to the growth of the consolidated EBIT compared to the margins achieved in the previous year (“**LTI**”);
- a stock option plan;
- other components.

Executive Directors holding professional or executive positions within the Issuer are rewarded with a variable remuneration on top of the fixed component determined by the Shareholders’ Meeting. The variable component is decided by the Board considering the criteria described below and it is part of the total remuneration considered in the pay-mix analysis.

#### Fixed remuneration

The fixed component of remuneration for Directors with specific offices is defined by the Board of Directors, based on proposals formulated by the Remuneration Committee with the preliminary review by the Board of Statutory Auditors, in accordance with the art. 2389, part 3 of the Civil Code.

The fixed component is consistent with the level of management powers of attorney, specific and strategic responsibilities assigned to each director. The level should be sufficient to remunerate the performance even if the achievement of the performance objectives is not reached in order to discourage decisions inconsistent with the risk profile.

#### Short-term variable remuneration (MBO)

The variable component of the remuneration for Executive Directors is defined by the Board of Directors, based on proposals submitted by the Remuneration Committee with the preliminary review of the Board of Statutory Auditors.

This component encourages the management to the achievement of annual objectives to maximize the value of the Company, in line with the shareholders’ interests and in compliance with the Group’s long-term strategic plans.

The MBO is on pre-determined annual results related to some consolidated performance indicators. The variable component is paid immediately after the approval of the draft financial statements for the fiscal year by the Board of Directors, after the Remuneration Committee has assessed the effective achievement of the performance objectives. Objectives are based on budgeted data and are quantitative, using ratios and available performance indicators, in order to reduce the uncertainty of a valuation and to guarantee an adequate consideration of all management aspects. Following the introduction of the medium-long term objective based on the consolidated EBIT growth, it becomes crucial that a significant component of the MBO objective will be based on qualitative objectives that can be assigned on annual basis.

The annual MBO requires the achievement of 100% of each quantitative objective assigned for the total payment of the annual payable remuneration. The variable component shall not exceed 30% of the fixed component for the Chief

Executive Officers and 30% of the annual gross salary and the non-competition agreement for other Executive Directors.

The MBO aims to:

- expanding the Group activities and the related EBIT growth objective;
- creating a sense of belonging and teamwork;
- granting stronghold and individual accountability.

Claw-back and *malus* mechanisms have been provided, the Company may request the partial or full return of the variable component if the data on which the MBO has been previously calculated will result incorrect.

The Remuneration Committee proposes that the MBO objective as of June 30th, 2023 is determined by two-thirds financial criteria and one-third non-financial criteria, taking into account that the Long-Term Incentive (LTI) is based on the same financial indicator. In this framework, the financial criteria consist of the EBIT to revenue ratio (equal to or greater than 20%), while non-financial criteria focus on the improvement of the ESG score assigned by MSCI.

#### Medium/long term variable remuneration (LTI)

The Remuneration Policy introduced an LTI objective in addition to the other remuneration mechanisms previously considered. The Group entered a growth process and considered of strategic importance to maintain it in the long term to better match the competition on an international scale, but in the constant research of a sustainable success. For these reasons, the Group intends to retain the cash flow generation to the level that has characterized the last decade to finance the increase in the number and the quality of intellectual properties owned. In this context, retaining management over time is crucial because the result of actual publishing decisions will be visible only after few years.

The four Executive Directors have been identified as medium-long term variable remuneration beneficiaries. The plan is divided into three periods:

- 2021 – 2022 two-year period;
- 2023 – 2024 two-year period;
- 2025 – 2027 three-year period.

For each period, it will be recognized to each Executive Director a monetary bonus in percentage to the EBIT realized in the period on the portion exceeding Euro 35 million for the first two periods and Euro 52.5 million for the last period (equivalent to an average Euro 17.5 million consolidated EBIT per year). The percentages to be applied to the EBIT increase over time and are 6% in the first period, 9% in the second and 12% in the last. This percentage shall be subject to individual split according to predefined criteria. The total cost of the LTI plan cannot exceed 5% of the cumulative consolidated EBIT realized in the respective periods.

The component will be paid, after a review about the achievement of the performance objectives by the Remuneration Committee, within 45 days from the Shareholders' Meeting approval of the financial statements for the last year of each reference period. Such a deadline is considered appropriate with reference to the characteristics of the business and the related risk profiles. The payment of the LTI Objective is possible if the Directors' will continue its activities for each single period (except in the case of Good Leaver provided by the plan) and provides claw-back and *malus* clauses as required by the Corporate Governance Code.

### Pay mix

The Remuneration Policy was subjected to benchmarking by the Remuneration Committee assisted by an independent expert (Carter & Benson), to compare the remuneration levels of the four Executive Directors, both in terms of evaluation of remuneration in absolute values and in terms of pay mix, with respect to a panel of comparable companies.

The 2022-2023 pay-mix is detailed below:

2022-2023				
	Fixed	MBO	LTI	TOTAL
CEOs	100%	0%	0%	100%
CFO	100%	0%	0%	100%
General Counsel	100%	0%	0%	100%

The LTI Objective does not have a cap in absolute values, but only a cap of the overall cost of the LTI Objective and the EBIT achieved in the period. The percentage of the LTI Objective varies in the period under consideration. The LTI Objective resulting pay mix for the 2023-2024 period is therefore assumed considering the complete disbursement of the MBO Objective and the disbursement of the LTI Objective based on a 20% and 50% EBIT increase compared to the basic figure of Euro 17,5 million.

#### *Average 20% operating income growth scenario*

2023-2024				
	Fixed	MBO	LTI	TOTAL
CEOs	74%	19%	7%	100%
CFO	70%	20%	10%	100%
General Counsel	75%	15%	11%	100%

#### *Average 50% operating income growth scenario*

2023-2024				
	Fixed	MBO	LTI	TOTAL
CEOs	68%	17%	15%	100%
CFO	60%	18%	22%	100%
General Counsel	64%	13%	23%	100%

### **Stock option plan**

With reference to the incentive plans based on financial instruments to submit to the Shareholders' Meeting approval pursuant to art. 114-*bis* of the Law n. 58/1998 and subject to specific market information in accordance to current provisions, detailed elements and application methods were defined by the Board of Directors with the advisory and support of the Remuneration Committee considering the Company risk profile and in accordance with the following principles:

- consolidation of a sustainable value creation process for the Company and for the Group in a medium/long term perspective and management incentive and loyalty through the definition of long-term duration and vesting periods;
- constraints to beneficiaries to leave the Company.

The Company was assisted by an external consultancy firm in defining and managing the incentive plans based on financial instruments to meet market standards for companies of similar size listed on the same regulated market.

Further information on the Stock Option Plan in place is provided in the Information Document pursuant Art. 84-*bis* of the Consob Regulation no. 11971, May 14<sup>th</sup>, 1999 and published on the Company website, [www.digitalbros.com](http://www.digitalbros.com), Governance/Remuneration section, in accordance to Art. 123-*ter*, par. 5 of the T.U.F..

The current stock option plan provides for a vesting of the rights to the Executive Directors and the key managers (vesting period) which for all beneficiaries is:

- 30% of the number of options starting July 1<sup>st</sup>, 2019;
- 30% starting July 1<sup>st</sup>, 2022;
- 40% starting July 1<sup>st</sup>, 2025.

The final deadline for the exercise the options is June 30<sup>th</sup>, 2026.

Each Executive Directors should retain at least 20% of the shares subscribed as a result of the exercise of the options, until the expiration of the office with respect to each of the vesting periods.

The Stock Option Plan provides Bad Leaver clauses where the beneficiary will permanently lose the right to exercise the options not yet exercised, while in the case of Good Leaver the beneficiary will retain the right to exercise the options already vested.

In the event of death and/or permanent disability, the heirs and/or the beneficiary may request the exercise of all the options provided for the beneficiary even if they have yet vested.

### **Other information**

#### **Additional performance objectives**

No performance objectives that provide for the allocation of shares, options and/or other financial instruments have been set in addition to those previously described.

Except for the stock option plan, no further provision exists for the retention of financial instruments in the portfolio.

### **Extraordinary operations**

In the event of extraordinary operations concerning the Group – such, as by way of example and not exhaustive, company acquisitions or disposals, mergers or spin offs, carve outs, share capital increases, financial or equity operations, as well as in the event of legislative or regulatory changes significantly affecting performance objectives, the Board of Directors, after the review of the Remuneration Committee, has the right to make, at its discretion, all the changes and additions necessary to keep unchanged the economic effects of the plans, upon which the incentive systems were originally based, to the Executive Directors.

### **Non-monetary benefits**

The non-monetary benefits provided by the C.C.N.L. Commercio (National Collective Labor Contract) for executives are paid to Executive Directors and include welfare, health assistance and insurance benefits. Non-monetary benefits also include the use of a car that can be used for private purposes.

### **Policy in case of resignation or termination of employment**

The Company did not provide for agreements in case of early resignation from the position of Directors or termination of employment or if the relationship is terminated due to a tender offer, except for the notice period provided for by the C.C.N.L. Commercio for executives.

There are no obligations in place to maintain non-monetary benefits or future consultancy contracts after the termination of the relationship.

The effects of the termination of the existing relationship with a Director are reported in the descriptive paragraphs of the individual components as they may differ from each other.

### **Non-Executive Directors**

Non-Executive Directors are directors with no individual powers nor management positions in the Company or in other Group's subsidiaries. The remuneration of Non-Executive Directors is determined as a fixed compensation and it is proportional to the expertise, professionalism and commitment required, in relation also to their participation to the Board of Directors' committees either as the Chairman or a member.

The remuneration of Non-Executive Directors is not related to economic results nor to specific objectives and such directors do not benefit from the remuneration plans based on stocks.

The remuneration of Non-Executive Directors is subject to benchmarking analysis on a recurring basis by the Remuneration Committee.

### **Insurance coverage**

In line with best practices, an insurance policy D&O (Directors & Officers) was stipulated to cover third party liabilities of the corporate bodies in the exercise of their functions, indemnifying the Group from the costs deriving from any compensation, with the exclusion of cases of wilful misconduct and gross negligence.

There are no incremental insurance, social security and/or pension coverage other than the one required by the Law.

### **Exceptions to the Remuneration Policy**

No exceptions to the Remuneration Policy are allowed.

**SECTION II Remuneration paid to the Boards of Directors' members, the Statutory Auditors, General Managers and other key managers** (submitted to the non-binding vote of the Shareholders' Meeting pursuant to Art. 123-ter, paragraph 6 of the T.U.F.)

The remuneration of the Board of Directors' members was decided by the Board of Directors during the board meeting on November 12<sup>th</sup>, 2020, based on the proposals formulated by the Remuneration Committee and with the preliminary review by the Board of Statutory Auditors.

The tables below report the remuneration received by the Board of Directors and key managers during the fiscal years, according to the criteria provided in Annex 3A of the Issuers' Regulation. The tables include all board members who held the office during the fiscal years, even if just for a portion of the entire period.

At the date of this Report, the Company had not identified any key managers, except for the Executive Directors of the Board.

Please refer to the provisions of the 2021-2027 Medium-Long Term Monetary Incentives Plan (available in the Governance/Remuneration section of the Company's website) for further details on the variable remuneration components.

In compliance with art. 123-ter, paragraph 4, letter b-bis of the T.U.F., it is reported that the Shareholders' Meeting of October 27<sup>th</sup>, 2021, has approved by majority vote Section II of the Remuneration Report at June 30<sup>th</sup>, 2021.

***Executive Directors' remuneration***

The Chairman and CEO, Abramo Galante, and the CEO, Raffaele Galante, received the same annual remuneration.

In relation to the "2016-2026 Stock Option Plan" (approved by the Shareholders' Meeting on January 11<sup>th</sup>, 2017), the Chairman and CEO, Abramo Galante, and the CEO, Raffaele Galante, have been designated as beneficiaries of 200,000 options each, valid for the subscription of 200,000 Digital Bros ordinary shares (in the ratio of one new ordinary share for each option exercised) for an exercise price for each option of Euro 10.61 corresponding to the average reference price of the shares on the Euronext Star market in the six months prior to the assignment. After the share capital increase on March 13<sup>th</sup>, 2017, the price of exercise for options not yet subscribed decreased to Euro 10.50 each.

Further details on the Stock Option Plan are provided in the Information Document prepared in accordance with Art. 84-bis of Consob Regulation 11971 of May 14<sup>th</sup>, 1999 that has been published in the Governance/Remuneration section of the Company's website at [www.digitalbros.com](http://www.digitalbros.com), in compliance with Art. 123-ter, paragraph 5, of the T.U.F..

There are no agreements providing any indemnity in the event of an early termination of employment nor for the termination of the office.

<i>Amounts in Euro</i>	<b>June 30<sup>th</sup>, 2022</b>	<b>June 30<sup>th</sup>, 2023</b>
Fixed remuneration as Director	400,000	400,000
Variable remuneration as Director	205,558	0
<b>Total remuneration as Director</b>	<b>605,558</b>	<b>400,000</b>
Fixed remuneration for employment	64,260	64,473
Variable remuneration for employment	0	0
Fringe benefits (car)	4,222	4,313
Non-competition agreement	0	0
<b>Total remuneration for employment</b>	<b>68,482</b>	<b>71,786</b>
Total remuneration from subsidiaries	0	0
<b>Total remuneration</b>	<b>674,040</b>	<b>471,786</b>

Executive Director Stefano Salbe received a remuneration for the office of Director of Euro 6,000. His total remuneration was:

<i>Amounts in Euro</i>	<b>June 30<sup>th</sup>, 2022</b>	<b>June 30<sup>th</sup>, 2023</b>
Fixed remuneration as Director	6,000	6,000
Variable remuneration as Director	0	0
<b>Total remuneration as Director</b>	<b>6,000</b>	<b>6,000</b>
Fixed remuneration for employment	225,571	239,571
Variable remuneration for employment	183,337	0
Fringe benefits (car)	3,553	3,553
Non-competition agreement	55,918	55,918
<b>Total remuneration for employment</b>	<b>468,379</b>	<b>303,199</b>
Total remuneration from subsidiaries	0	0
<b>Total remuneration</b>	<b>474,379</b>	<b>309,199</b>

In relation to the “2016-2026 Stock Option Plan”, Stefano Salbe, has been designated as a beneficiary of 120,000 options valid for the subscription of 120,000 Digital Bros ordinary shares (in the ratio of one new ordinary share for each option exercised) for an exercise price for each option of Euro 10.61 corresponding to the average reference price of the shares on the Euronext Star market in the six months prior to the assignment. After the share capital increase on March 13<sup>th</sup>, 2017, the price of exercise for options not yet subscribed decreased to Euro 10.50 each.

There are no agreements providing any indemnity in the event of an early termination of employment except what provided by the employment contract in place.



Executive Director Dario Treves received an annual remuneration for the execution of his office of Euro 6,000, whereas for the professional services-related and legal services performed on behalf of the Group, the total remuneration was:

<i>Amounts in Euro</i>	<b>June 30<sup>th</sup>, 2022</b>	<b>June 30<sup>th</sup>, 2023</b>
Fixed remuneration as a Director	6,000	6,000
Variable remuneration as a Director	0	0
<b>Total remuneration as a Director</b>	<b>6,000</b>	<b>6,000</b>
Fixed remuneration for employment	282,900	289,088
Variable remuneration for employment	183,602	0
Fringe benefits (car)	0	0
Non-competition agreement	0	0
<b>Total remuneration for employment</b>	<b>466,502</b>	<b>289,088</b>
Total remuneration from other subsidiaries	0	0
<b>Total remuneration</b>	<b>472,502</b>	<b>295,088</b>

In relation to “2016-2026 Stock Option Plan”, Dario Treves has been designated as a beneficiary of 50,000 options valid for the subscription of 50,000 Digital Bros ordinary shares (in the ratio of one new ordinary share for each option exercised) for an exercise price for each option of Euro 10.61 corresponding to the average reference price of the shares on the Euronext Star market in the six months prior to the assignment. After the share capital increase on March 13<sup>th</sup>, 2017, the price of exercise for options not yet subscribed decreased to Euro 10.50 each.

There are no agreements providing any indemnity in the event of the early termination of employment or his office as a Director.

#### ***Non-Executive Directors’ remuneration***

Non-Executive Director Davide Galante received Euro 72,000 as remuneration for the execution of the office as director.

Non-Executive Director Lidia Florean received Euro 6,000 as remuneration for the execution of the office as a director, and Euro 60,000 for the activities carried out on behalf of the subsidiary 505 Games S.p.A..

Non-Executive Directors do not receive any variable remuneration nor there are any agreements providing an indemnity in the event of the early termination of their office.

### ***Independent Directors' remuneration***

Independent Directors Sylvia Anna Bartyan, Susanna Pedretti and Laura Soifer received the following remuneration during the fiscal year:

<b>Amounts in Euro</b>	<b>Fixed remuneration as Director</b>	<b>Fixed remuneration as member of the Control and Risks Committee</b>	<b>Fixed remuneration as member of the Remuneration Committee</b>	<b>Total Remuneration</b>
Sylvia Anna Bartyan	10,000	4,000	2,000	<b>16,000</b>
Susanna Pedretti	10,000	4,000	5,000	<b>19,000</b>
Laura Soifer	10,000	10,000	2,000	<b>22,000</b>

### ***Statutory Auditors remuneration***

The Statutory Auditors remuneration was decided by the Shareholders' Meeting of October 28<sup>th</sup>, 2020. The Chairman of the Board of Statutory Auditors, Carlo Hassan, received Euro 27,000 while the two other members received Euro 22,000 each.

**Table 1: Board of Directors and key managers remuneration**

First and last name	Position held	Term of office	End of term	Fixed remuneration	Remuneration for committee meetings <sup>1</sup>	Variable non-equity remuneration		Non-monetary benefits	Other remuneration	Total	Fair value of equity remuneration	Indemnity for termination of office or employment
						Bonuses and other incentives	Profit sharing					
<b>Abramo Galante</b>	Chairman/CEO	01/07/2022 – 30/06/2023	Approval of FY 2024 financial statements			Bonuses and other incentives	Profit sharing					
(I) Remuneration from the company drafting the financial statements				467,473		0		4,313		471,786	39,367	5,317
(II) Remuneration from subsidiaries and associates												
(III) Total				467,473		0		4,313		471,786	39,367	5,317
<b>Raffaele Galante</b>	CEO	01/07/2022 – 30/06/2023	Approval of FY 2024 financial statements			Bonuses and other incentives	Profit sharing					
(I) Remuneration from the company drafting the financial statements				467,473		0		4,313		471,786	39,367	5,317
(II) Remuneration from subsidiaries and associates												
(III) Total				467,473		0		4,313		471,786	39,367	5,317
<b>Stefano Salbe</b>	CFO	01/07/2022 – 30/06/2023	Approval of FY 2024 financial statements			Bonuses and other incentives	Profit sharing					
(I) Remuneration from the company drafting the financial statements				305,529		0		3,670		309,199	23,620	22,459
(II) Remuneration from subsidiaries and associates												
(III) Total				305,529		0		3,670		309,199	23,620	22,459

<sup>1</sup> The details of the fees paid by committee are shown in the table “Independent Directors’ remuneration” at page 18

First and last name	Position held	Term of office	End of term	Fixed remuneration	Remuneration for committee meetings <sup>1</sup>	Variable non-equity remuneration		Non-monetary benefits	Other remuneration	Total	Fair value of equity remuneration	Indemnity for termination of office or employment
						Bonuses and other incentives	Profit sharing					
<b>Dario Treves</b>	Executive Director	01/07/2022 – 30/06/2023	Approval of FY 2024 financial statements			Bonuses and other incentives	Profit sharing					
(I) Remuneration from the company drafting the financial statements				6,000		0			289,088	295,088	9,842	
(II) Remuneration from subsidiaries and associates												
(III) Total				6,000		0			289,088	295,088	9,842	
<b>Lidia Florean</b>	Non-Executive Director	01/07/2022 – 30/06/2023	Approval of FY 2024 financial statements			Bonuses and other incentives	Profit sharing					
(I) Remuneration from the company drafting the financial statements				6,000						6,000		
(II) Remuneration from subsidiaries and associates									60,000	60,000		
(III) Total				6,000					60,000	66,000		
<b>Davide Galante</b>	Non-Executive Director	01/07/2022 – 30/06/2023	Approval of FY 2024 financial statements			Bonuses and other incentives	Profit sharing					
(I) Remuneration from the company drafting the financial statements				72,000						72,000		
(II) Remuneration from subsidiaries and associates												
(III) Total				72,000						72,000		

<sup>1</sup> The details of the fees paid by committee are shown in the table “Independent Directors’ remuneration” at page 18

First and last name	Position held	Term of office	End of term	Fixed remuneration	Remuneration for committee meetings <sup>1</sup>	Variable non-equity remuneration		Non-monetary benefits	Other remuneration	Total	Fair value of equity remuneration	Indemnity for termination of office or employment
						Bonuses and other incentives	Profit sharing					
<b>Laura Soifer</b>	Independent Director	01/07/2022 – 30/06/2023	Approval of FY 2024 financial statements			Bonuses and other incentives	Profit sharing					
(I) Remuneration from the company drafting the financial statements				10,000	12,000					22,000		
(II) Remuneration from subsidiaries and associates												
(III) Total				10,000	12,000					22,000		
<b>Sylvia Anna Bartyan</b>	Independent Director	01/07/2022 – 30/06/2023	Approval of FY 2024 financial statements			Bonuses and other incentives	Profit sharing					
(I) Remuneration from the company drafting the financial statements				10,000	6,000					16,000		
(II) Remuneration from subsidiaries and associates												
(III) Total				10,000	6,000					16,000		
<b>Susanna Pedretti</b>	Independent Director	01/07/2022 – 30/06/2023	Approval of FY 2024 financial statements			Bonuses and other incentives	Profit sharing					
(I) Remuneration from the company drafting the financial statements				10,000	9,000					19,000		
(II) Remuneration from subsidiaries and associates												
(III) Total				10,000	9,000					19,000		

<sup>1</sup> The details of the fees paid by committee are shown in the table “Independent Directors’ remuneration” at page 18

**Table 1: Board of Statutory Auditors remuneration**

First and last name	Position held	Term of office	End of term	Fixed remuneration	Remuneration for committee meetings	Variable non-equity remuneration		Non-monetary benefits	Other remuneration	Total	Fair value of equity remuneration	Indemnity for termination of office or employment
						Bonuses and other incentives	Profit sharing					
<b>Carlo Hassan</b>	Chairman and Statutory Auditor	01/07/2022 – 30/06/2023	Approval of FY 2024 financial statements			Bonuses and other incentives	Profit sharing					
(I) Remuneration from the company drafting the financial statements				27,000						27,000		
(II) Remuneration from subsidiaries and associates				10,000						10,000		
(III) Total				37,000						37,000		
<b>Gianfranco Corrao</b>	Statutory Auditor	01/07/2022 – 30/06/2023	Approval of FY 2024 financial statements			Bonuses and other incentives	Profit sharing					
(I) Remuneration from the company drafting the financial statements				22,000						22,000		
(II) Remuneration from subsidiaries and associates												
(III) Total				22,000						22,000		
<b>Maria Pia Maspes</b>	Statutory Auditor	01/07/2022 – 30/06/2023	Approval of FY 2024 financial statements			Bonuses and other incentives	Profit sharing					
(I) Remuneration from the company drafting the financial statements				22,000						22,000		
(II) Remuneration from subsidiaries and associates				10,000						10,000		
(III) Total				32,000						32,000		

**Table 2: Stock options to Board of Directors' members, General Managers and other key managers**

Name and last name	Position held	Plan	Option held at beginning of fiscal years			Option awarded during the fiscal years						Option exercised during the FY			Options expired in the FY	Option held at the end of FY	Options attributable to the FY
			Number of options	Exercise price	Exercise period (from-to)	No. of options	Exercise price	Exercise periods	Fair Value on grant date	Grant date	Market price of underlying shares on exercise date	Number of options	Exercise price	Market price of underlying shares on exercise date	Number of options	Number of options	Fair Value
<b>Abramo Galante</b>	Chairman/CEO																
(I) Remuneration from the company drafting the financial statements		Stock Option Plan 2016-2026	60,000	10.50	from 01/07/2019 to 30/06/2026											60,000	11,810
		Stock Option Plan 2016-2026	60,000	10.50	from 01/07/2022 to 30/06/2026											60,000	11,810
		Stock Option Plan 2016-2026	80,000	10.50	from 01/07/2025 to 30/06/2026											80,000	15,747
(II) Remuneration from subsidiaries and associates																	
(III) Total			200,000													200,000	39,367
<b>Raffaele Galante</b>	CEO																
(I) Remuneration from the company drafting the financial statements		Stock Option Plan 2016-2026	60,000	10.50	from 01/07/2019 to 30/06/2026											60,000	11,810
		Stock Option Plan 2016-2026	60,000	10.50	from 01/07/2022 to 30/06/2026											60,000	11,810
		Stock Option Plan 2016-2026	80,000	10.50	from 01/07/2025 to 30/06/2026											80,000	15,747
(II) Remuneration from subsidiaries and associates																	
(III) Total			200,000													200,000	39,367

Name and last name	Position held	Plan	Option held at beginning of fiscal years			Option awarded during the fiscal years						Option exercised during the fiscal years			Options expired in the year	Option held at the end of fiscal years	Options attributable to the FY
			Number of options	Exercise price	Exercise period (from-to)	Number of options	Exercise price	Exercise periods	Fair Value on grant date	Grant date	Market price of underlying shares on exercise date	Number of options	Exercise price	Market price of underlying shares on exercise date	Number of options	Number of options	Fair Value
<b>Stefano Salbe</b>	CFO																
(I) Remuneration from the company drafting the financial statements		Stock Option Plan 2016-2026	36,000	10.50	from 01/07/2019 to 30/06/2026											36,000	7,086
		Stock Option Plan 2016-2026	36,000	10.50	from 01/07/2022 to 30/06/2026											36,000	7,086
		Stock Option Plan 2016-2026	48,000	10.50	from 01/07/2025 to 30/06/2026											48,000	9,448
(II) Remuneration from subsidiaries and associates																	
(III) Total			120,000													120,000	23,620
<b>Dario Treves</b>	Executive Director																
(I) Remuneration in the company that prepares the financial statement		Stock Option Plan 2016-2026	15,000	10.50	from 01/07/2019 to 30/06/2026											15,000	2,953
		Stock Option Plan 2016-2026	15,000	10.50	from 01/07/2022 to 30/06/2026											15,000	2,953
		Stock Option Plan 2016-2026	20,000	10.50	from 01/07/2025 to 30/06/2026											20,000	3,937
(II) Remuneration from subsidiaries and associates																	
(III) Total			50,000													50,000	9,842



**Table 3B: Monetary incentive plans to Board of Directors' members, General Managers and other key managers**

A	B	(1)	(2)			(3)			(4)
Name and last name	Position held	Plan	Bonus for the year			Prior year bonuses			Other bonuses
Abramo Galante	Chairman/CEO		(A)	(B)	(C)				
			Payable/Paid	Deferred	Reference period	No longer payable	Payable/Paid	Still deferred	
(I) Remuneration in the company that prepares the financial statements		MBO	0				0		
(I) Remuneration in the company that prepares the financial statements		LTI	0				0		
(II) Remuneration from subsidiaries and associates									
(III) Total			0				0		
A	B	(1)	(2)			(3)			(4)
Name and last name	Position held	Plan	Bonus for the year			Prior year bonuses			Other bonuses
Raffaele Galante	CEO		(A)	(B)	(C)				
			Payable/Paid	Deferred	Reference period	No longer payable	Payable/Paid	Still deferred	
(I) Remuneration in the company that prepares the financial statements		MBO	0				0		
(I) Remuneration in the Company that prepares the financial statements		LTI	0				0		
(II) Remuneration from subsidiaries and associates									
(III) Total			0				0		

A	B	(1)	(2)			(3)			(4)
Name and last name	Position held	Plan	Bonus for the year			Prior year bonuses			Other bonuses
Stefano Salbe	CFO/Executive Director		(A)	(B)	(C)				
			Payable/Paid	Deferred	Reference period	No longer payable	Payable/Paid	Still deferred	
(I) Remuneration in the company that prepares the financial statements	MBO		0				0		
(I) Remuneration in the company that prepares the financial statements	LTI		0				0		
(II) Remuneration from subsidiaries and associates									
(III) Total			0				0		

  

A	B	(1)	(2)			(3)			(4)
Name and last name	Position held	Plan	Bonus for the year			Prior year bonuses			Other bonuses
Dario Treves	Executive Director		(A)	(B)	(C)				
			Payable/Paid	Deferred	Reference period	No longer payable	Payable/Paid	Still deferred	
(I) Remuneration in the company that prepares the financial statements	MBO		0				0		
(I) Remuneration in the company that prepares the financial statements	LTI		0				0		
(II) Remuneration from subsidiaries and associates									
(III) Total			0				0		

**Table 7-ter in accordance to Annex 3A of the Issuers' Regulation**

Shareholding by the members of the managing and control bodies and general managers					
Name and Last name	Participated Company	No. of shares owned at 30/06/2021	No. of shares purchased	No. of shares sold	No. of shares owned at 30/06/2022
Galante Abramo	Digital Bros S.p.A.	4,937,812	-0	- 0	4,937,812
Galante Davide	Digital Bros S.p.A.	253,728	-0	-0	253,728
Galante Raffaele	Digital Bros S.p.A.	4,678,736	-0	-0	4,678,736
Stefano Salbe	Digital Bros S.p.A.	15,526	-0	-0	15,526

There are no key managers except the members of the Board of Directors.