

Genenta Science S.p.A.

Registered office: Milano, via Olgettina n. 58

Share capital subscribed and paid equal to Euro 371.685,80

tax code and registration number on the Companies Register of Milan Monza Brianza Lodi: 08738490963

REPORT OF THE BOARD OF DIRECTORS ON THE PROPOSED EXTENSION OF THE FINAL TERM FOR THE SUBSCRIPTION OF THE CAPITAL INCREASE TO THE SERVICE OF THE “2021-2025 STOCK OPTION PLAN”

Dear Shareholders,

We would like to remind you that the Extraordinary Shareholders' Meeting of Genenta Science S.p.A. (the “**Company**”) held on May 20, 2021 had, *inter alia*, resolved to increase the share capital against payment up to a maximum amount of Euro 27,000,000 (including share premium), through the issuance of up to a maximum number of 2,700,000 ordinary shares (and in any case within the maximum limit of 10% of the number of shares outstanding at the time of issuance), to the service of the Plan (as defined below), authorizing the Board of Directors to execute the same within the final deadline of December 31, 2025 (the “**Capital Increase to the Service of the Plan**”).

The Capital Increase to the Service of the Plan provided the exclusion of pre-emptive rights pursuant to Article 2441, paragraph 5, of the Italian Civil Code since the newly issued ordinary shares were and are exclusively intended to serve the “2021-2025 Stock Option Plan” (the “**Plan**”) in favor of directors, executives, employees and consultants of the Company (the “**Beneficiaries**”). Therefore, the exclusion of pre-emptive rights was justified considering the Company’s interest to efficiently use equity incentive plans, which represent an effective incentive and retention tool for individuals having key roles and for employees to maintain high and improve their performance, enhancing the growth and success of the Company and, consequently, the value for its shareholders.

In fact, the Plan represents an instrument which is able to (i) align the interest of the Beneficiaries with that of the shareholders and (ii) focus the attention of the Beneficiaries on factors of strategic interest, fostering their retention and permanence within the Company.

The regulations of the Plan were adopted, upon the proposal of the Compensation Nomination and Governance Committee (the “**Committee**”), by the Board of Directors. Subsequently, in implementing the Plan, the Committee, in line with the best U.S. market practices, deemed it appropriate to propose to the Board of Directors to grant the Beneficiaries with stock options having an exercise period of 10 years from the date of grant.

However, the Company was unable to comply with such proposal, as the ordinary shares to the service of the stock options granted by the Company must be issued, under penalty of forfeiture, within the final deadline of the Capital Increase to the Service of the Plan, namely December 31, 2025. Consequently, the stock options that can be granted by the Company have a more limited exercise period than those of similar U.S. companies, and such limitation does not allow the incentive and retention purposes underlying the adoption of the Plan to be fully realized.

Therefore, considering that the Plan will end in fiscal year 2025, your Board deems it appropriate to propose the extension of the final deadline for the issuance of the ordinary shares arising from the Capital Increase to the Service of the Plan until December 31, 2035, in order to allow that all stock options to be granted during the term of the Plan can provide for an exercise period of 10 years starting from the date of grant, in line with the U.S. market practices referred to above.



Therefore, your Board submits the following resolution for your approval:

“the Extraordinary Shareholders' Meeting of Genenta Science S.p.A., having regard to the report of the Board of Directors,

resolves

- (i) *to extend from December 31, 2025 to December 31, 2035 the final deadline for the subscription of the capital increase against payment, with the exclusion of pre-emptive rights, up to a maximum amount of Euro 27,000,000 (including share premium) through the issuance of a maximum of 2,700,000 ordinary shares (and in any case within the maximum limit of 10% of the number of shares outstanding at the time of issuance), resolved by the Extraordinary Shareholders' Meeting of May 20, 2021, to the service of the “2021-2025 Equity Incentive Plan”;*
- (ii) *to keep all other terms and conditions resolved by the said Extraordinary Shareholders' Meeting of May 20, 2021 unchanged;*
- (iii) *to amend accordingly the text of Article 6 of the Bylaws as follows:*

<i>Current text</i>	<i>Proposed text</i>
<p>Article 6 – Capital and shares</p> <p style="text-align: center;">[...OMISSIS...]</p> <p><i>The shareholders' meeting dated 20 May 2021 resolved to:</i></p> <p style="text-align: center;">[...OMISSIS...]</p> <p><i>- to increase the share capital against payment, in one or more instalments on a divisible basis, excluding pre-emption right under Article 2441, paragraph 5 of the Italian Civil Code, up to a maximum amount of Euro 1,000,000 (one hundred and twenty-five per cent), up to a maximum amount of Euro 27,000,000 (including share premium) with a contribution to the share capital of Euro 0.10 per share, through the issue of up to 2,700,000 new ordinary shares with no indication of their express par value and regular dividend rights (and in any case within the maximum limit of 10% of the number of shares outstanding at the time of issue in addition to those that may be issued based on the existing Warrants), to service the stock option plan called “Equity Incentive Plan 2021 – 2025”, authorizing the Board of Directors to execute the proposed capital increase, even in several tranches, by the deadline of 31 December 2025, as well as to define the issue price and the amount to be allocated to share capital and the amount to be allocated to share premium;</i></p> <p style="text-align: center;">[...OMISSIS...]</p>	<p>Article 6 – Capital and shares</p> <p style="text-align: center;">[...OMISSIS...]</p> <p><i>The shareholders' meeting dated 20 May 2021 resolved to:</i></p> <p style="text-align: center;">[...OMISSIS...]</p> <p><i>- to increase the share capital against payment, in one or more instalments on a divisible basis, excluding pre-emption right under Article 2441, paragraph 5 of the Italian Civil Code, up to a maximum amount of Euro 1,000,000 (one hundred and twenty-five per cent), up to a maximum amount of Euro 27,000,000 (including share premium) with a contribution to the share capital of Euro 0.10 per share, through the issue of up to 2,700,000 new ordinary shares with no indication of their express par value and regular dividend rights (and in any case within the maximum limit of 10% of the number of shares outstanding at the time of issue in addition to those that may be issued based on the existing Warrants), to service the stock option plan called “Equity Incentive Plan 2021 – 2025”, authorizing the Board of Directors to execute the proposed capital increase, even in several tranches, by the deadline of 31 December 20252035, as well as to define the issue price and the amount to be allocated to share capital and the amount to be allocated to share premium;</i></p> <p style="text-align: center;">[...OMISSIS...]</p>

- (i) *to grant the Vice-Chairman, with the power to sub-delegate, all the broadest powers to execute the resolutions passed and to make such amendments to it and to the attached Bylaws as may be required by the competent Authorities, provided they are of a formal nature.”*

Milan, May [•], 2023.

The Board of Directors