



**GVS S.P.A.**

*Registered office in Zola Predosa (BO), Via Roma, 50 - share capital Euro  
1,750,000.00 fully paid up.  
Bologna Register of Companies and tax code 03636630372 and VAT number  
00644831208 - Economic and Administrative Index (REA) BO-305386*

*Explanatory Report by the directors on the first item on the agenda of the shareholders'  
meeting convened in an extraordinary session for 03 May 2023, at single call.*

*First item on the agenda of the extraordinary meeting - “**Proposal to delegate to the Board of Directors, pursuant to Article 2443 of the Italian Civil Code, for a period of five years from the date of the resolution, the power to increase the share capital, free of charge and divisible and also in several tranches, pursuant to Article 2349 of the Italian Civil Code, for a maximum amount of Euro 23,000.00 to be entirely allocated to capital, through the issue of a maximum of 2,300,000 shares, to be assigned to the beneficiaries of the “GVS 2023-2025 Performance Shares Plan”;** consequent amendment of Article 5 of the Company Articles of Association; related and consequent resolutions.”*

Shareholders,

this explanatory report on item 1 on the agenda, in partial extraordinary session, of the Shareholders' Meeting of GVS S.p.A. (“**GVS**” or the “**Company**”) convened in single call on 3 May 2023, is prepared by the Board of Directors pursuant to Article 125-*ter* of Legislative Decree No. 58 of 1998, as amended (the “**Consolidated Law on Finance**”) and Article 84-*ter* of the regulation adopted by Consob resolution no. 11971 of 14 May 1999, as amended (the “**Issuers' Regulations**”) to illustrate the proxy proposal to the Board of Directors, pursuant to Article 2443 of the Italian Civil Code, for a period of five years from the date of the resolution, the power to increase the share capital, free of charge and divisible and also in several tranches, pursuant to Article 2349 of the Italian Civil Code, for a maximum amount of Euro 23,000.00 to be entirely allocated to capital, through the issue of a maximum of 2,300.000 new ordinary shares of GVS, with no indication of nominal value, having the same characteristics as those in circulation (the “**Proxy**”), to service the incentive plan called “2023-2025 GVS Performance Shares Plan” (the “**Plan**”), reserved to executive directors, executives with strategic responsibilities and to employees and collaborators of the Company and the group it heads (the “**Group**”), as described in the Information Document prepared pursuant to Article 84-*bis* of the Issuers' Regulations, made available to Shareholders for the examination of item 3 of the ordinary session of the agenda of today's Shareholders' Meeting (the “**Information Document**”).

The conditions, terms and procedures for implementing the Plan are set out in the Information Document, to which reference is made.

The Plan provides for the free allotment of ordinary shares of the Company to the beneficiaries of the Plan. It provides that these shares may be derived, inter alia, from an increase in the company's share capital. To this end, the Board wishes to submit the proposed Delegation to your attention.

This Explanatory Report is made available to the public, within the terms set forth by law and regulations, at the Company's registered office, on the Company's website ([www.gvs.com](http://www.gvs.com)), as well as in the other ways provided for by the regulations in force.

## **1. Reasons for and purpose of the capital increase**

The Plan is one of the instruments used by the Company as a form of incentive and retention of the management, aimed at (i) aligning the interests of the Beneficiaries with those of the shareholders in the medium-long term, (ii) rewarding the achievement of the targets envisaged in

the Group's industrial plan, and (iii) retaining the staff deemed strategic for the implementation of the Company's and Group's plan for development and growth.

The Proxy Proposal submitted for your approval is aimed at creating the stock of shares that may be necessary for the implementation of the Plan, pursuant to Article 114-*bis* of the CFA (TUF), to be implemented through the free assignment of GVS ordinary shares pursuant to Article 2349 of the Italian Civil Code. Therefore, the proposed resolution approving the granting of Proxy powers to the Board of Directors is subject to the approval of the Plan by the Ordinary Shareholders' Meeting. In this regard, it should be noted that the proposal for the adoption of the Plan is illustrated by an explanatory report prepared in accordance with the law and submitted for examination and approval to today's Shareholders' Meeting.

The right to receive GVS shares under the Plan is conditional on:

- (i) the achievement by the Company of at least one of the performance targets described in the Information Document; and
- (ii) the fact that as at date of the shares allocation, the relationship between the beneficiary identified pursuant to the Plan and the Company, or the relevant Group company is still in existence (and is not in a notice period) and, with reference to the role held, his or her status as a beneficiary is still effective within the Company or the Group (except in the case of the so-called good leaver).

The Proxy also proposes to replace the previous proxy to increase the share capital, approved by the Shareholders' Meeting on 13 March 2020, to implement the previous "GVS 2020-2022 Performance Shares Plan", which expired on 31 December 2022.

## **2. Characteristics of the capital increase reserved for the beneficiaries of the Plan**

For the execution of the capital increase to serving the Plan, pursuant to Article 2443 of the Italian Civil Code, it is thus proposed to grant the Board of Directors the power to increase the share capital free of charge, in one or more tranches, through the use of profits and/or profit reserves pursuant to Article 2349 of the Italian Civil Code, for a maximum amount of Euro 23,000.00 to be allocated in full to capital, through the issue of a maximum of 2,300,000 new ordinary GVS shares, with no indication of nominal value, with the same characteristics as outstanding shares, regular dividend, to be allocated free of charge to the beneficiaries of the Plan.

On the allocation date, the Company's Board of Directors will determine the number of GVS ordinary shares to be allocated to each beneficiary in accordance with the Plan regulations.

The new shares to be issued as part of the capital increase serving the Plan are a percentage of the Company's current share capital equal to 1,3%. Considering that the free assignment of the shares to the beneficiaries will be made in a single step after the expiration date of the vesting period of the rights under the Plan, it is deemed that the most technically effective instrument for this purpose is the assignment to the Board of Directors, pursuant to Article 2443 of the Italian Civil Code, of the power to increase the share capital free of charge for the implementation of the Plan.

**3. Characteristics of newly issued shares**

The Company will make the newly issued ordinary shares available to the beneficiary free of charge in accordance with the Plan. The ordinary shares of the Company allocated to the beneficiary will have the same dividend rights as the ordinary shares of the Company on the date of issue and will therefore bear the coupons in force on that date.

**4. Results for the last financial year closed and general indications on the development of operations in the current financial year**

The draft financial statements for the financial year ending 31 December 2022 were approved by the Board of Directors, together with the Group's consolidated financial statements on 21 March 2023, and will be available at the Company's registered office, on the Company's website [www.gvs.com](http://www.gvs.com), as well as at the "eMarket STORAGE" authorised storage mechanism within the terms set forth by law and regulations. With reference to the results of the last financial year as well as general information on the management performance, reference is therefore made to the draft financial statements and accompanying documentation.

**5. Placement consortium**

There are no guarantee and/or placement consortia or other types of placement.

**6. Amendments to the Articles of Association resulting from the proposed capital increase resolution**

As a result of the proposed resolution submitted for your approval, it will be necessary to supplement Article 5 of the Articles of Association with the insertion of a clause concerning the shareholders' resolution to grant the Proxy. In addition, the provision in the Articles of Association relating to the proxy to increase the share capital approved by the Shareholders' Meeting on 13 March 2020, to service the previous "GVS 2020-2022 Performance Shares Plan", will be deleted, as this plan naturally expired on 31 December 2022 and the aforementioned proxy was not exercised.

Below is Article 5.4 of the Articles of Association with evidence of the proposed changes.

Current text	Proposed text
<b>Article 5.4 - Share Capital</b>	

<p>The Extraordinary Shareholders' Meeting held on 13 March 2020 resolved to:</p> <ul style="list-style-type: none"> <li>- increase the paid-in share capital, in divisible form also in several tranches, by a maximum nominal amount of Euro 150,000 through the issue of a maximum number of 15,000,000 ordinary shares, reserved to qualified investors in Italy and to foreign institutional investors, within the framework of an institutional placement, for the purpose of the admission of the Company's ordinary shares to the listing on the MTA market organised and managed by Borsa Italiana S.p.A. (MTA), to be executed no later than 30 June 2021 and in any case, if earlier, by the final settlement date of the offer, including the so-called greenshoe;</li> <li>- to grant the Directors the power until 13 March 2025 to increase the share capital to service the implementation of the incentive and loyalty plan called "2020-2022 Performance Share Plan", for a maximum of Euro 12,000, by issuing a maximum of 1,200,000 new ordinary shares with no indication of nominal value, with the same characteristics as those in issue, regular enjoyment, at an issue value equal to the accounting parity of the Company's shares on the date of execution of this proxy by assigning a corresponding amount of profits and/or profit reserves as resulting from the last financial statement approved in accordance with Article 2349 of the Italian Civil Code, under the terms, conditions and according to the procedures provided for by the Plan itself.</li> </ul>	<p><del>The Extraordinary Shareholders' Meeting held on 13 March 2020 resolved to:</del></p> <ul style="list-style-type: none"> <li><del>— increase the paid-in share capital, in divisible form also in several tranches, by a maximum nominal amount of Euro 150,000 through the issue of a maximum number of 15,000,000 ordinary shares, reserved to qualified investors in Italy and to foreign institutional investors, within the framework of a corporate placement, for the purpose of the admission of the Company's ordinary shares to the listing on the MTA market organised and managed by Borsa Italiana S.p.A. (MTA), to be executed no later than 30 June 2021 and in any case, if earlier, by the final settlement date of the offer, including the so-called greenshoe;</del></li> <li><del>— to grant the Directors the power until 13 March 2025 to increase the share capital to service the implementation of the incentive and loyalty plan called "2020-2022 Performance Share Plan", for a maximum of Euro 12,000, by issuing a maximum of 1,200,000 new ordinary shares with no indication of nominal value, with the same characteristics as those in issue, regular enjoyment, at an issue value equal to the accounting parity of the Company's shares on the date of execution of this proxy by assigning a corresponding amount of profits and/or profit reserves as resulting from the last financial statement approved in accordance with Article 2349 of the Italian Civil Code, under the terms, conditions and according to the procedures provided for by the Plan itself.</del></li> </ul> <p><b>On 03 May 2023, the Extraordinary Shareholders' Meeting of the Company resolved to grant the Board of Directors the power until 03 May 2028, to increase the share capital to service the implementation of the incentive and loyalty plan called "GVS 2023-2025 Performance Share Plan", for a maximum of Euro 23,000.00 by issuing a maximum of 2,300,000 new ordinary shares with no</b></p>
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	<p>indication of nominal value, with the same characteristics as outstanding shares, regular dividend, at an issue value equal to the accounting parity of GVS's shares on the date of execution of this proxy by assigning a corresponding amount of profits and/or profit reserves resulting from the last financial statements approved in accordance with Article 2349 of the Italian Civil Code, under the terms, conditions and according to the procedures provided for by the plan itself.</p>
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It should be noted that the amendment to the Articles of Association herein does not entail a right of withdrawal pursuant to Article 2437 of the Civil Code.

## **7. Proposed Resolution to the Shareholders' Meeting under extraordinary session**

Now therefore, the Board of Directors submits the following resolution draft for your approval:

*"The Shareholders' Meeting of GVS S.p.A., having examined the explanatory report of the Board of Directors,*

### **resolves**

1. *to grant the Board of Directors, pursuant to Article 2443 of the Italian Civil Code, for a period of five years from the date of this resolution, the power to increase the share capital free of charge, also in several tranches, to service the implementation of the "GVS 2023-2025 Performance Shares Plan", for a maximum amount of Euro 23,000.00 (to be entirely allocated to the capital) by issuing a maximum of no. 2,300,000 new ordinary GVS shares without indication of nominal value, having the same characteristics as those in circulation, regular dividend, through the assignment of a corresponding maximum amount of profits and/or profit reserves pursuant to Article 2349 of the Italian Civil Code, under the terms, conditions and according to the modalities provided by the "2023-2025 GVS Performance Shares Plan" itself;*
  
2. *to replace the current Article 5.4 of the Articles of Association with the following text:*  
  
*"On 03 May 2023, the Extraordinary Shareholders' Meeting of the Company resolved to grant the directors the power until 03 May 2028 to increase the share capital to service the implementation of the incentive and loyalty plan called "GVS 2023-2025 Performance Share Plan", for a maximum of Euro 23,000.00 by issuing a maximum of 2,300,000 new ordinary shares with no indication of nominal value, with the same characteristics as outstanding shares, regular dividend, at an issue value equal to the accounting parity of the Company's shares on the date of execution of this proxy by assigning a corresponding amount of profits and/or profit reserves as resulting from the last financial statements approved in accordance with Art. 2349 of the Italian Civil Code, under the terms, conditions and according to the procedures provided for by the plan itself";*
  
3. *to grant the Board of Directors and, on its behalf, to the Chief Executive Officer, with sub-proxy powers, all the powers necessary to (a) take any action necessary to carry out the above resolution, including the power to update Article 5 of the Articles of Association, in the part relating to the share capital amount and the number of shares comprising it, in relation to the total or partial subscription of the capital increase, also proceeding with the related filings with the Register of Companies, as well as the power to perform any activity, prepare, submit and sign any document or deed required, necessary or appropriate for the purposes of executing the resolved capital increase and the performance of any preparatory, accessory, instrumental or consequent activity thereto not restricted by law or internal rules to the competence of the BoD; (b) the performance of the consequent legislative and regulatory fulfillments, including, purely by way of example and not limited*

*to, the performance of all formalities necessary for the company to be registered in the Register of Companies pursuant to Article 2436 of the Italian Civil Code; and (c) to make any and all non-substantial amendments, additions and/or deletions to the same resolution and Articles of Association that may be required by the competent authorities, or by the Notary Public, or in any event deemed useful or appropriate and, in general, to provide all that is necessary for the complete execution of the said resolutions, with any and all powers necessary and appropriate for such purpose, none excluded, as well as to provide for the filing and publication, pursuant to law, of the updated text of the Articles of Association with the amendments made following the previous resolutions as well as following their execution".*

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Milan, 21 March 2023

For the Board of Directors

The Chairman

Grazia Valentini