



**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 third item on the agenda of the shareholders' meeting convened in an ordinary session for 28 April 2022, at single call.*

**Third item on the agenda - Authorisation to purchase and dispose of treasury shares pursuant to and for the purposes of Articles 2357, 2357-ter of the Italian Civil Code, Article 132 of Legislative Decree no. 58 of 24 February 1998 and Article 144-bis of the Consob regulation adopted by resolution no. 11971 of 14 May 1999, subject to revocation, for the part that remains unfulfilled, of the authorisation resolution passed by the Ordinary Shareholders' Meeting on 27 April 2021. Related and consequent resolutions.**

Shareholders,

The Board of Directors has called you to an Ordinary Shareholders' Meeting to examine and approve the proposal to authorise the purchase and disposal of the Company's ordinary shares, pursuant to the combined provisions of Articles 2357 and 2357-ter of the Italian Civil Code, as well as Article 132 of Legislative Decree no. 58 of 24 February 1998, as subsequently amended (the "CFA") and Article 144-bis of the Consob Regulation adopted by Resolution no. 11971 of 14 May 1999, as subsequently amended (the "Issuers' Regulation"), without prejudice to the application of Regulation (EU) no. 596 of 16 April 2014 on market abuse (the "MAR"), Delegated Regulation (EU) no. 1052 of 08 March 2016 on the conditions applicable to share buybacks and stabilisation measures (the "Delegated Regulation"), as well as the market practices over time permitted, including, but not limited to, the permitted practices set forth in the resolution of the Commissione Nazionale per le Società e la Borsa ("Consob") no. 16839 of 19 March 2009 (the "Permitted Practices").

It should be noted that by a resolution passed on 27 April 2021, the Shareholders' Meeting had authorised the purchase and disposal of the Company's ordinary shares by the Board of Directors. The authorisation to purchase was granted for a duration of 18 months from the date of the resolution and, therefore, will expire on 27 October 2022, while the authorisation to dispose was granted without a time limit.

Following the purchases made, the Company today holds a total of 450,000 treasury shares, equal to 0.26% of the share capital.

In view of the advisability of renewing the authorisation, it is proposed to submit a new authorisation to the Board of Directors for the purchase and disposal of the Company's ordinary treasury shares for approval by the Shareholders' Meeting, under the terms described in this Report, prepared pursuant to Article 125-ter of the Consolidated Finance Act and Article 73 of the Issuers' Regulation, subject to revocation of the current authorisation for the part that has not been implemented.

### **1. Reasons for which authorisation is requested for the purchase and disposal of treasury shares**

The purpose of the request for authorisation to purchase and dispose of treasury shares, which is the subject of this proposal, is to allow the Company to purchase and dispose of ordinary shares, in accordance with the procedures prescribed by current EU and national legislation, for the purposes permitted by law, which include:

- (i) supporting liquidity and market efficiency;
- (ii) retention for subsequent use, including: payment in extraordinary transactions, including exchange or sale of equity investments to be realised through an exchange, contribution or other act of disposal and/or use, with other parties, including the allocation to service bonds convertible into shares of the Company or bonds with warrants; and
- (iii) use for the purpose of compensation plans based on financial instruments pursuant to Article 114-bis of the CFA in favour of directors, employees or collaborators of the Company and/or its subsidiaries, as well as programmes for the free assignment of shares to Shareholders.

The request for authorisation also envisages the power of the Board of Directors to carry out repeated purchase and sale transactions (or other acts of disposal) of treasury shares also on a rotating basis, even for fractions of the maximum quantity authorised, so that, at all times, the quantity of shares subject to the proposed purchase and in the ownership of the Company does not exceed the limits envisaged by the law and by the authorisation of the Shareholders' Meeting and in any case such purchase is carried out in compliance with the Issuers' Regulation, the MAR and, if necessary, the Permitted Practices.

### **2. Maximum number, type and nominal value of the shares to which the authorisation**

refers.

Pursuant to Article 2357, paragraph 3, of the Italian Civil Code, authorisation is required for the purchase, even in several tranches, ordinary GVS shares without an indication of the nominal value, up to a maximum number which, taking into account the ordinary GVS shares held over time in the portfolio by the Company and its subsidiaries, is not in total greater than 20% of the share capital and, therefore, within the limits of Article 2357, paragraph 3, of the Italian Civil Code; while for purchases made in accordance with Article 144-*bis*, paragraph 1, letter c) of the Issuers' Regulation, up to a maximum number which, overall, does not exceed 5% of the share capital.

At the date of this report, the subscribed and paid-up share capital of GVS amounts to Euro 1,750,000 and is divided into 175,000,000 ordinary shares with no indication of nominal value. At the date of this report, GVS's subsidiaries did not hold any shares in GVS.

### **3. Information relevant for a complete assessment of compliance with the provision of Article 2357, paragraph 1, of the Italian Civil Code.**

In compliance with Article 2357, paragraph 1, of the Italian Civil Code, purchases of treasury shares must in any case take place within the limits of the distributable profits and the unrestricted reserves, as resulting from the last financial statements approved at the time of each operation. Only fully paid-up shares may be purchased.

The Board of Directors will be required to verify compliance with the limits set forth in Article 2357 of the Italian Civil Code prior to the commencement of each purchase of ordinary shares for the purposes indicated in paragraph 1 above. In order to allow for verifications on the subsidiaries, specific directives will be given to the latter for the timely communication to the Company of any purchase of ordinary shares of the parent company made pursuant to Article 2359-*bis* of the Italian Civil Code.

The provisions of the law and the accounting standards applicable over time must be observed for the purposes of accounting entries to be made on the purchase of shares, their sale, exchange, contribution or devaluation. In the event of sale, exchange, contribution or devaluation, the corresponding amount may be reused for further purchases, until the expiry of the term of the authorisation decided by the Shareholders' Meeting, within the conditions, quantity and expense limits set by the same Shareholders' Meeting.

### **4. Duration for which the authorisation is requested.**

The authorisation to purchase treasury shares is requested for the maximum duration allowed by law, as set forth in Article 2357, paragraph 2, of the Italian Civil Code as a period of eighteen months, starting from the date of any resolution of approval of this proposal by the Shareholders' Meeting.

Within the term of any authorisation granted, the Board of Directors may then make share purchases on one or more occasions and at any time, to an extent and at times freely determined, in accordance with applicable regulations, with such gradualness as it deems appropriate in the interests of the Company.

Authorisation for the disposal and/or use of treasury shares held in portfolio or that may be purchased is instead requested without time limits, due to the absence of time limits pursuant to current regulations and the opportunity to allow the Board of Directors maximum flexibility, also in terms of timing, to carry out the acts of disposal of the shares.

### **5. Minimum and maximum amount of treasury shares to be purchased.**

The Board of Directors proposes that the purchase price of each share should not be less than the official stock exchange price of GVS stock on the day prior to the day on which the purchase transaction is to be carried out, less 20%, and not more than the official stock exchange price on the day prior to the day on which the purchase transaction is to be carried out, plus 10%, in compliance in any case with the terms and conditions established by the MAR and the Permitted Practices, where applicable.

The Board of Directors proposes to be authorised to sell, dispose of and/or use, pursuant to Article 2357-*ter* of the Italian Civil Code, for any reason and at any time, in whole or in part, on one or more occasions, the treasury shares in portfolio and those purchased in implementation of the authorisation that may be granted by the Shareholders' Meeting, for the purposes indicated in paragraph 1 above, according to the methods, terms and conditions determined over time by the Board of Directors, it is understood that the proceeds of any act of disposal of treasury shares may

be used for further purchases of shares, until the expiry of the authorisation requested by the Shareholders' Meeting, within the limits provided for by this authorisation and by the regulations in force.

#### **6. Methods by means of which purchases and disposals will be carried out.**

The purchase of treasury shares will be carried out on regulated markets, according to the operating procedures established in the regulations for the organisation and management of the markets themselves, including through the negotiation of options or derivative financial instruments on GVS shares, in compliance with current legislation and, in particular, with Article 132 of the CFA - with particular reference to the principle of equal treatment of Shareholders - with Article 144-bis of the Issuers' Regulation, with the Community and national legislation on market abuse in force over time and, therefore, among other things, with the MAR and the Permitted Practices.

The Board of Directors proposes that treasury share transactions be carried out in any manner deemed appropriate in the interest of the Company, in compliance with the laws and regulations in force at the time and in pursuit of the purposes of this proposed resolution, including sales on regulated markets, in blocks and by means of exchange or stock lending or free assignment.

#### **7. Information on the instrumental nature of the purchase to a reduction of capital.**

It should be noted that the purchase of treasury shares that is the subject of this request for authorisation is not instrumental to the reduction of the share capital through the cancellation of the treasury shares purchased, without prejudice to the Company's right, should the Shareholders' Meeting resolve in the future to reduce the share capital, to carry out this reduction also through the cancellation of the treasury shares held in the portfolio.

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#### Resolutions proposed by the Board of Directors

Shareholders,

In light of the foregoing, the Board of Directors proposes that you approve the following resolutions:

*"The Shareholders' Meeting of GVS S.p.A.:*

- having examined and discussed the explanatory report prepared by the Board of Directors;*
- having acknowledged that, at the date of the above report, the Company held 450,000 shares in its portfolio, acquired in execution of the previous authorisations given by the Shareholders' Meeting and no subsidiary of the Company holds shares in GVS S.p.A.;*
- having regard to the financial statements for the year ended 31 December 2021 approved by today's Shareholders' Meeting;*
- having acknowledged the total amount of unrestricted reserves, as resulting from the financial statements of GVS S.p.A. as at 31 December 2021, approved today, equal to Euro 130.778.000;*
- having noted the draft resolutions submitted;*

#### **resolved**

- 1. to revoke the previous resolution to authorise the purchase of own shares taken by the Shareholders' Meeting of 27 April 2021, for the part that remains unfulfilled;*
- 2. to authorise, pursuant to and for the purposes of Article 2357 et seq. of the Italian Civil Code and Article 132 of Legislative Decree no. 58 of 24 February 1998, the purchase of*

*the Company's treasury shares, on one or more occasions, for a period not exceeding 18 months from the date of this Resolution in accordance with the following terms and conditions:*

- i. the purchase can be made*
    - to support market liquidity and efficiency;*
    - for holding and subsequent use, including: payment in extraordinary transactions, including exchange or sale of equity investments with other subjects, to be realised through an exchange, contribution or other act of disposal and/or use, with other parties, including the allocation to service bonds convertible into shares of the Company or bonds with warrants; and*
    - with use in service of compensation plans based on financial instruments pursuant to Article 114-bis of Legislative Decree no. 58 of 24 February 1998 in favour of directors, employees or collaborators of the Company and/or its subsidiaries, as well as programmes for the free assignment of shares to shareholders;*
  - ii. the purchase will be made in compliance with the requirements of the law and, in particular, with Article 132 of Legislative Decree no. 58 of 24 February 1998 and Article 144-bis of Consob Regulation 11971/1999, and possibly also in compliance with Delegated Regulation (EU) no. 1052 of 08 March 2016 and market practices as per Article 180, paragraph 1, letter c), of Legislative Decree no. 58 of 24 February 1998, approved by Consob Resolution no. 16839 of 19 March 2009;*
  - iii. the purchase price of each share shall not be lower than the official stock exchange price of GVS stock on the day preceding the day on which the purchase transaction will be carried out, decreased by 20%, and not higher than the official stock exchange price on the day preceding the day on which the purchase transaction will be carried out, increased by 10%, without prejudice to the application of the conditions and terms set forth in Article 5 of Regulation (EU) No. 596 of 16 April 2014 and, if applicable, Article 3 of Delegated Regulation (EU) No. 1052 of 8 March 2016;*
  - iv. the maximum number of shares purchased may not have a total nominal value in excess of 20% of the Company's share capital at the date of this resolution, while for purchases made in accordance with Article 144-bis, paragraph 1, letter c) of the Issuers' Regulation, up to a maximum number not exceeding 5% of the share capital in total, in both cases, including any shares held by GVS and its subsidiaries;*
- 3. to authorise the Board of Directors, pursuant to Article 2357-ter of the Italian Civil Code, to dispose of all and/or part of the treasury shares purchased, without time limits, even before the purchases have been exhausted, establishing the price and manner of disposal and making all necessary or appropriate accounting entries, in compliance with the provisions of the law and regulations and the accounting standards applicable over time;*
  - 4. to grant the Board of Directors and, on its behalf, the Chief Executive Officer, the most extensive powers possible necessary or appropriate to carry out the purchase of treasury shares, as well as to carry out the acts of alienation, disposal and/or use of all or part of the treasury shares purchased and, in any case, to implement the above resolutions, also through its proxies, also approving and implementing any and all executive provisions of the related purchase programmes, including the buy-back programmes pursuant to and for the purposes of the Delegated Regulation, and complying with any requests by the competent Authorities."*

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Zola Predosa (BO), 22 March 2022

For the Board of Directors

The Chairwoman,

Grazia Valentini