



**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 ordinary session for 28 April 2022, at single call.*

**First item on the agenda - Financial Statements as of 31 December 2021 and proposed allocation of period profit: (a) approval of the Financial Statements as at 31 December 2021, accompanied by the Directors' Report on Operations, the Report of the Board of Auditors and the Independent Auditors' Report. Presentation of the Consolidated Financial Statements as at 31 December 2021. Submission of the Consolidated Non-Financial Statement prepared pursuant to Legislative Decree no. 254/2016; (b) resolutions relating to the allocation of the annual profit for FY 2021.**

Shareholders,

We hereby submit for your approval the Draft Financial Statements for the year ended 31 December 2021, approved by the Board of Directors on 22 March 2022.

The year ended 31 December 2021 closed with a profit for the year of Euro 37,702,783, which we propose to allocate as follows:

- Euro 12,096,443 to the reserve for unrealised foreign exchange gains;
- the remainder, amounting to Euro 25,606,340, to the extraordinary reserve.

Therefore, the proposed allocation of the profit generated in FY 2021 does not include the distribution of dividends, to support the Group's growth strategy.

It should be noted that it is not necessary to allocate part of the year's profit to the "Legal Reserve" as the amount of this reserve is already equal to one fifth of the share capital, as required by article 2430 of the Italian Civil Code.

For all detailed information and comments relating to the financial statements, please refer to the Annual Financial Report, including the draft Financial Statements and Consolidated Financial Statements as at 31 December 2021, approved by the Board of Directors on 22 March 2022, the Directors' Report on Operations, and the attestation pursuant to Article 154-bis, paragraph 5, of Legislative Decree no. 58 of 24 February 1998, which will be filed and made available to the public in the manner and by the deadlines established by the law, together with the Report of the Board of Auditors and the Report of the Independent Auditors and the Consolidated Non-Financial Statement prepared pursuant to Legislative Decree no. 254/2016.

\* \* \*

#### 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 Ordinary Shareholders' Meeting of GVS S.p.A.,*

- *after hearing and approving what has been presented by the Board of Directors;*
- *having examined the Draft Financial Statements of GVS S.p.A. as at 31 December 2021, which show a profit for the year of Euro 37,702,783, and the Report of the Board of Directors on Operations;*
- *having acknowledged the Report of the Board of Auditors and the Report of the Independent Auditors,*

#### **resolved**

1. *to approve the Financial Statements of GVS S.p.A. as at 31 December 2021;*
2. *to approve the proposal to allocate the net profit for FY 2021, equal to Euro 37,702,783, as follows:*

- *Euro 12,096,443 to the reserve for unrealised foreign exchange gains;*
  - *the remainder, amounting to Euro 25,606,340, to the extraordinary reserve.*
3. *to grant the Chief Executive Officer, with the right to sub-delegate, the power to carry out all the activities inherent in, consequent to or related to the implementation of the resolutions referred to in points 1) and 2) above".*

\* \* \*

Zola Predosa, 22 March 2022

For the Board of Directors

The Chairwoman, Grazia Valentini