GVS S.p.A.

Registered office in Zola Predosa (BO), Via Roma, 50 - share capital Euro 1,891,776.93 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 extraordinary part of the shareholders' meeting convened for 08 May 2025, at single call.

Shareholders,

The Board of Directors convened you in Ordinary Meeting to discuss and resolve on the following agenda:
Assignment to the Board of Directors of (i) a mandate to increase the share capital with the exclusion of pre-emption rights, pursuant to Articles 2443 and 2441(4), second sentence, of the Italian Civil Code; and (ii) a mandate to increase the share capital with the exclusion of pre-emption rights, pursuant to Articles 2443 and 2441(4) first sentence, of the Italian Civil Code. Amendment of Article 5 of the Articles of Association. Related and consequent resolutions.

With this report (the '**Report**') - drafted pursuant to Article 125-*ter* of the Legislative Decree No. 58 of 24 February 1998, as subsequently amended and supplemented (the "CFA"), and Article 72 of the Implementing Regulation of the CFA concerning the regulation of issuers, adopted with Consob resolution no. 11971 of 14 May 1999, as subsequently amended and supplemented (the "**Issuers Regulation**"), in accordance with Scheme no. 2 of Annex 3A of the same Issuers Regulation – it is intended to provide an illustration of the proposed resolution relating to the aforementioned item on the agenda of the extraordinary part of the Shareholders' Meeting of GVS S.p.A. (the "**Company**" or "**GVS**").

Foreword

The Board of Directors preliminarily recalls that article 5.5 of the GVS Articles of Association provides for the power to increase the share capital against payment, on one or more occasions, including in a divisible manner, until 13 March 2025, with the exclusion of option rights (a) for a number of ordinary shares not exceeding 20% of the total number of ordinary shares in circulation at the date of any exercise of the delegation pursuant to Art. 2441, paragraph 4, first sentence, of the Italian Civil Code, through the contribution of tangible assets involving companies, business branches, or participations, as well as assets consistent with the corporate purpose of the Company and its subsidiaries, and (b) for a number of ordinary shares not exceeding 10% of the total number of ordinary shares in circulation at the date of any exercise of the delegation, pursuant to Art. 2441, paragraph 4, second sentence, of the Civil Code, provided that the issue price corresponds to the market value of the shares and this is confirmed in a special report by a statutory auditor or a independent auditor.

Moreover, in partial execution of the mandate granted to the Board of Directors under Article 2441, Paragraph 4, second sentence, of the Italian Civil Code, and following the Board of Directors' resolution dated 02 December 2024, 14,177,693 (fourteen million one hundred seventy-seven thousand six hundred ninety-three) ordinary shares were issued.

The mandate expired on 13 March 2025; however, the Board of Directors believes that the reasons for introducing such a mandate are still valid.

Therefore, to enable the Company to maintain the Board of Directors' authority to increase the share capital by payment, the current Board of Directors considers it appropriate to propose to the Shareholders' Meeting that new delegations be issued for the next five-year period, with detailed terms outlined below.

* * *

1. Subject of mandates

In accordance with Article 2443 of the Italian Civil Code, the Articles of Association – including any amendments – may grant the Directors the authority to increase the share capital in one or more instalments, up to a specified amount, for a period not exceeding five years from the date of the resolution approving the amendment, also in accordance with Paragraph 4 of Article 2441 of the Italian Civil Code.

For the reasons and objectives better described later in this report, the mandates proposed for the Board of Directors concern:

(i) the increase in the paid share capital, in one or more tranches, even in a divisible manner, with the exclusion of the option right for a number of ordinary shares not exceeding 20% of the total number of ordinary shares in circulation as at the date of any exercise of the mandate pursuant to Article 2441, paragraph 4, first sentence, of the Civil Code, by means of the contribution of assets in kind concerning companies, business units or equity investments, as well as assets contributing to the corporate purpose of the Company and its subsidiaries (the "Mandate pursuant to Articles 2443 and 2441, paragraph 4, first sentence, of the Italian Civil Code")

(ii) the increase of the share capital in cash, in one or more instalments, even in a divisible manner, with the exclusion of option rights for a number of ordinary shares not exceeding 10% of the total number of ordinary shares in circulation as of the date of any exercise of the mandate, pursuant to Article 2441, paragraph 4, second sentence[1], of the Italian Civil Code, provided that the issue price corresponds to the market value of the shares and that this is confirmed in a specific report by a statutory auditor or auditing firm (the "Mandate pursuant to Articles 2443 and 2441, paragraph 4, second sentence, of the Italian Civil Code" and, together with the mandate pursuant to Articles 2443 and 2441, paragraph 4, first sentence, of the Italian Civil Code, the "Mandates" and each also a "Mandate");

all must be exercised within a five-year period from the date of the shareholders' resolution granting the Mandate, which aligns with the maximum term specified in Article 2443 of the Italian Civil Code, and therefore until 8 May 2030, also through a combination of the aforementioned Mandates and with the authority to determine any share premium.

The shares may be wholly or partially offered to parties selected by the Board of Directors, encompassing Italian and foreign investors, industrial and financial groups, strategic and industrial partners, and/or existing shareholders and employees of the Company, with option rights potentially excluded or restricted as per Article 2441(4) of the Italian Civil Code.

* * *

2. Underlying Reasons and Application Criteria of the Mandates

For several years, GVS has initiated an important business development process aimed at maintaining and strengthening its competitive position in the markets where it operates and at creating value.

(i) Mandate pursuant to Articles 2443 and 2441(4), second sentence, of the Civil Code

In order to aid the aforementioned process, it is considered crucial that the Company retains the ability, even in the near future, to secure the financial means necessary with rapidity and utmost flexibility to promptly take advantage of market opportunities as they occur. Indeed, the inherent characteristics of the financial markets require the ability to swiftly seize the most favourable moments for acquiring the necessary resources to finance investments.

Under Articles 2443 and 2441(4), second sentence, of the Italian Civil Code, the Mandate enables the achievement of the aforementioned advantages in terms of flexibility and timeliness of execution, in order to seize, with appropriate timing, the most favourable conditions for extraordinary transactions that may warrant acting with particular urgency, considering the high uncertainty and volatility characterising financial markets.

In this context, in addition to the aforementioned flexibility regarding the choice of implementation times, with respect to the resolution of the assembly body, the instrument of the Mandate pursuant to Articles 2443 and 2441, paragraph 4, second sentence, of the Civil Code has the further advantage of delegating to the Board of Directors the determination of the characteristics of the issuance and the overall economic conditions of the offer (including the maximum amount of the offer and the issue

[1] Article 2441(4), second sentence, of the Italian Civil Code states: *"[...]* "*In companies with shares listed on regulated markets, the articles of association may also exclude option rights up to a limit of ten per cent of the pre-existing share capital, provided that the issue price corresponds to the market value of the shares and that this is confirmed in a special report by a statutory auditor or auditing firm*".

price of the shares subject to it, within the limits set by the Mandate pursuant to Articles 2443 and 2441, paragraph 4, second sentence, of the Civil Code, in line with best practice for similar operations, in compliance with the limits and legal criteria mentioned below), based on the prevailing market conditions at the time of the actual launch of the operation, thereby reducing, among other things, the risk of fluctuations in stock market prices between the time of the announcement and the initiation of the operation, which would occur if the decision were made by the assembly body.

The resources obtained through the possible exercise of the aforesaid Mandate may be allocated not only to the growth and strengthening strategies mentioned above, but also to the enhancement of existing investments, as well as, more generally, to the satisfaction of financial needs that may arise in the five-year period following the date of the shareholders' approval resolution.

(ii) Mandate pursuant to Articles 2443 and 2441(4), first sentence, of the Civil Code

This Mandate has a synergistic function with respect to the Mandate pursuant to Articles 2443 and 2441(4), second sentence. This would indeed empower the Company to execute prompt "paper-for-paper" acquisition deals, meaning the purchase price would be in the form of newly issued GVS shares. In light of this, it is important to highlight that, in addition to the expected benefits of the aforementioned transactions from strictly business perspectives, their execution method would not only enhance the Company's equity but also safeguard its available liquidity.

The Mandate provides that assets contributed in kind may concern companies, business units, or equity investments, as well as assets aligning with the corporate purpose of the Company and its subsidiaries.

However, it is understood that, should the Mandate be granted under the proposed terms, any decision by the Board of Directors to execute capital increases also addressed, in whole or in part, to parties to be identified by the Board of Directors, including Italian and foreign investors, industrial and financial partners, strategic and industrial partners and/or the Company's current shareholders and collaborators, with the exclusion, in whole or in part, of the option right pursuant to Article 2441, paragraph 4, first sentence of the Italian Civil Code (i.e. through contribution in kind) in exchange for a dilution of the shareholding structure, could only be undertaken where justified by precise requirements of corporate interest and overall benefits of the transactions to be pursued.

Regarding the advisability of adopting the delegation instrument pursuant to Article 2443 of the Italian Civil Code, we draw your attention to the considerations already expressed in point (i) above, concerning increased flexibility in the timing of the transaction and the determination by the Board of Directors of the characteristics of the issue and economic conditions, as well as the reduction of the risk of stock market price fluctuations.

3. Criteria for determining the issue price

The new shares will be offered at a price determined from time to time by the Board of Directors as they exercise the Mandate, including any applicable share premium. For resolutions related to capital increases to be paid in cash under Art. 2441(4), second sentence, of the Civil Code, this rule establishes – as a condition for availing the exclusion of option rights within the limits therein provided – that the issuance price must correspond to the market value of the shares and this must be confirmed in an appropriate report by a statutory auditor or an auditing firm. The Board of Directors shall obtain the aforementioned report on the occasion of each exercise of the Mandate pursuant to Articles 2443 and 2441(4), second sentence, of the Italian Civil Code.

For resolutions relating to capital increases to be paid in kind pursuant to Article 2441, paragraph 4, first sentence, of the Italian Civil Code, to be offered in whole or in part to parties identified by the Board of Directors, including Italian and foreign investors, industrial and financial partners, strategic and industrial partners and/or the Company's current shareholders and collaborators, in determining the issue price of the new shares, the Board of Directors shall take into account, inter alia, the value of the shareholders' equity and stock market prices, without prejudice to the formalities and limits set out in paragraphs 4, first sentence, and 6 of Article 2441 of the Italian Civil Code, where applicable.

In observance of the foregoing, it being understood that in both cases, the Board of Directors is granted all powers to establish, for each individual tranche, the number, the unit issue price (including any share premium) and the dividend entitlement of the ordinary shares, within the limits set forth in Article 2441, paragraphs 4 and 6, of the Civil Code, the subscription price of the new shares may also be lower than the pre-existing accounting parity.

The criteria and motivations provided herein represent the principles to which the Board of Directors must adhere in exercising the Mandates, without prejudice to the obligation to explain, in a specific report, the reasons for their exercise and the criteria for determining the issue price.

4. Duration of Mandates and Exercise Times

It is proposed to establish that the duration of each Mandate be equal to the maximum term permitted by law, which is five years from the date of the shareholders' resolution, and to establish that it can be exercised one or more times. Therefore, if approved by the Assembly, the Mandates must in any case be exercised by 8 May 2030, after which they will automatically lapse.

Notwithstanding the aforementioned details, the timeframes for exercising each Mandate under Article 2443 of the Italian Civil Code, as well as the terms and conditions of any issuances, will depend on the specific opportunities that arise and will be promptly communicated to the market in compliance with applicable laws and regulations once determined by the Board of Directors.

5. Amount of Mandates

It is proposed to establish that the maximum amount of each Mandate is equal to:

(ii) pertaining to the Mandate under articles 2443 and 2441, paragraph 4, second sentence, of the Civil Code, to 10% of the total ordinary shares in circulation as of the date of any exercise of said Mandate, along with any premium that the Board of Directors is authorised to establish in accordance with the above-mentioned price determination criteria;

(iii) pertaining to the Mandate under articles 2443 and 2441, paragraph 4, first sentence, of the Civil Code, to 20% of the total ordinary shares in circulation as of the date of any exercise of said Mandate, along with any premium that the Board of Directors is authorised to establish in accordance with the above-mentioned price determination criteria.

6. Amendment of Article 5 of the Articles of Association

If the Extraordinary Shareholders' Meeting approves the proposal, it will be necessary to proceed with the corresponding amendment of Article 5 of the Articles of Association.

Presented below is a comparative review of the wording of Article 5 of the Articles of Association with the text submitted for approval by the Extraordinary Shareholders' Meeting:

ORIGINAL TEXT	PROPOSED TEXT
Article 5 Share capital	**Article 5** Share capital
5.1 The fully subscribed and paid-in share capital is equal to Euro 1,891,776.93 (one million eight hundred ninety-one thousand seven hundred seventy-six point ninety-three), divided into 189,177,693 (one hundred eighty-nine million one hundred seventy-seven thousand six hundred ninety-three) ordinary shares, with no indication of nominal value.	5.1 The fully subscribed and paid-in share capital is equal to Euro 1,891,776.93 (one million eight hundred ninety-one thousand seven hundred seventy-six point ninety-three), divided into 189,177,693 (one hundred eighty-nine million one hundred seventy-seven thousand six hundred ninety-three) ordinary shares, with no indication of nominal value.
5.2 Shares entitle their holders to all property and administrative rights recognised in the Articles of Association and by law, are indivisible and freely transferable and, subject to the provisions of Article 6, each share entitles the holder to one vote. The procedure for the issue and circulation of shares is governed by the laws and regulations in force.	5.2 Shares entitle their holders to all property and administrative rights recognised in the Articles of Association and by law, are indivisible and freely transferable and, subject to the provisions of Article 6, each share entitles the holder to one vote. The procedure for the issue and circulation of shares is governed by the laws and regulations in force.
5.3 The Company may issue shares and/or other financial instruments pursuant to Articles 2346 and 2349 of the Civil Code and in compliance with other applicable legal provisions.	5.3 The Company may issue shares and/or other financial instruments pursuant to Articles 2346 and 2349 of the Civil Code and in compliance with other applicable legal provisions.
5.4 The Extraordinary Shareholders' Meeting of 3 May 2023 resolved to grant the Board of Directors the power until 3 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 those in issue, with regular dividend rights, at an issue value equal to the accounting parity of GVS 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 Article 2349 of the Civil Code, under the terms, conditions and according to the procedures provided for by the plan itself.	5.4 The Extraordinary Shareholders' Meeting of 3 May 2023 resolved to grant the Board of Directors the power until 3 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 those in issue, with regular dividend rights, at an issue value equal to the accounting parity of GVS 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 Article 2349 of the Civil Code, under the terms, conditions and according to the procedures provided for by the plan itself.

5.5 The Board of Directors has the power to increase the share capital against payment, pursuant to Article 2443 of the Civil Code, in one or more instalments, including in several tranches, until 13 March 2025, with the exclusion of pre-emption rights: – for a number of ordinary shares not exceeding 20% of the total number of ordinary shares in circulation as at the date of any exercise of the proxy pursuant to Article 2441, paragraph 4, first sentence, of the Civil Code, by means of the contribution of assets in kind concerning companies, business units or equity investments, as well as assets contributing to the corporate purpose of the Company and its subsidiaries; – for a number of ordinary shares not exceeding 10% of the total number of ordinary shares in circulation as at the date of the possible exercise of the proxy, pursuant to Article 2441, paragraph 4, second sentence of the Civil Code, provided that the issue price corresponds to the market value of the shares and this is confirmed in a specific report by a statutory auditor or an independent auditing firm. In partial execution of the delegation granted to the Board of Directors following the resolution of the Board of Directors on 2 December 2024, 14,177,693 (fourteen million one hundred seventyseven thousand six hundred ninety-three) ordinary shares have been issued.	5.5 **The Shareholders' Meeting convened in extraordinary session on May 8, 2025 resolved to grant** ***~~It is granted~~*** to the Board of Directors the power to increase the share capital against payment, pursuant to Article 2443 of the Civil Code, in one or more instalments, including in several tranches, **until** ***~~13 March 2025~~*** **08 May 2030**, with the exclusion of pre-emption rights: – for a number of ordinary shares not exceeding 20% of the total number of ordinary shares in circulation as at the date of any exercise of the proxy pursuant to Article 2441, paragraph 4, first sentence, of the Civil Code, by means of the contribution of assets in kind concerning companies, business units or equity investments, as well as assets contributing to the corporate purpose of the Company and its subsidiaries; – for a number of ordinary shares not exceeding 10% of the total number of ordinary shares in circulation as at the date of the possible exercise of the proxy, pursuant to Article 2441, paragraph 4, second sentence of the Civil Code, provided that the issue price corresponds to the market value of the shares and this is confirmed in a specific report by a statutory auditor or an independent auditing firm. **~~In partial execution of the delegation granted to the Board of Directors following the resolution of the Board of Directors on 2 December 2024, 14,177,693 (fourteen million one hundred seventyseven thousand six hundred ninety-three) ordinary shares have been issued.~~**
5.6 For the purposes of exercising the above proxy, in both cases, the Board of Directors is granted all powers to establish, for each individual tranche, the number, the unit issue price (including any share premium) and the dividend entitlement of the ordinary shares, within the limits set forth in Article 2441, paragraphs 4 and 6, of the Civil Code, it being understood that the aforesaid issue price may also be lower than the pre-existing accounting parity, subject to the limits set forth by law.	5.6 For the purposes of exercising the above proxy, in both cases, the Board of Directors is granted all powers to establish, for each individual tranche, the number, the unit issue price (including any share premium) and the dividend entitlement of the ordinary shares, within the limits set forth in Article 2441, paragraphs 4 and 6, of the Civil Code, it being understood that the aforesaid issue price may also be lower than the pre-existing accounting parity, subject to the limits set forth by law.

7. Economic, asset-related, and financial effects of the transaction, effects on the unit value of the shares, and dilution

During the execution of the Mandates, the Board of Directors shall provide adequate information to the market concerning the economic, asset-related, and financial effects of the respective transaction, as well as its effects on the per-unit share value and the dilution resulting from the transaction.

8. Non-existence of the right of withdrawal

Adopting the resolution to amend Article 5 of the Articles of Association does not trigger the right of withdrawal pursuant to Article 2437 of the Civil Code.

9. Proposed resolution

Shareholders,

For the above reasons, the Board of Directors proposes that you pass the following resolutions:

(i) With reference to Mandates

"*The Extraordinary Shareholders' Meeting of GVS S.p.A., having examined and discussed the report of the Board of Directors and the proposals formulated therein,*

resolved

1. *to empower the Board of Directors, under the provisions of Article 2443 of the Italian Civil Code, with the ability to raise the share capital in one or more instances, excluding option rights as stated in Article 2441, paragraph 4, first sentence of the Italian Civil Code, according to the terms and conditions outlined in the explanatory report drafted by the Board of Directors and the modification to the Articles of Association indicated in point 3 below;*

2. *to empower the Board of Directors, under the provisions of Article 2443 of the Italian Civil Code, with the ability to raise the share capital in one or more instances, excluding option rights as stated in Article 2441, paragraph 4, second sentence of the Italian Civil Code, according to the terms and conditions outlined in the explanatory report drafted by the Board of Directors and the modification to the Articles of Association indicated in point 3 below;*

3. *consequently, to amend Articles 5.5 and 5.6 of the Articles of Association as follows:*

   5.5 The Shareholders' Meeting convened in extraordinary session on May 8, 2025 resolved to grant to the Board of Directors the power to increase the share capital against payment, pursuant to Article 2443 of the Civil Code, in one or more instalments, including in several tranches, until 08 May 2030, with the exclusion of pre-emption rights:

   – *for a number of ordinary shares not exceeding 20% of the total number of ordinary shares in circulation as at the date of any exercise of the proxy pursuant to Article 2441, paragraph 4, first sentence, of the Civil Code, by means of the contribution of assets in kind concerning companies, business units or equity investments, as well as assets contributing to the corporate purpose of the Company and its subsidiaries;*

   – *for a number of ordinary shares not exceeding 10% of the total number of ordinary shares in circulation as at the date of the possible exercise of the proxy, pursuant to Article 2441, paragraph 4, second sentence of the Civil Code, provided that the issue price corresponds to the market value of the shares and this is confirmed in a specific report by a statutory auditor or an independent auditing firm.*

   5.6 For the purposes of exercising the above proxy, in both cases, the Board of Directors is granted all powers to establish, for each individual tranche, the number, the unit issue price (including any share premium) and the dividend entitlement of the ordinary shares, within the limits set forth in Article 2441, paragraphs 4 and 6, of the Civil Code, it being understood that the aforesaid issue price may also be lower than the pre-existing accounting parity, subject to the limits set forth by law."

4. *consequently, to grant the Board of Directors, and on its behalf the Chairman and the pro*

tempore Chief Executive Officer, separately, also through special attorneys appointed for this purpose, the broadest possible powers without any exclusion whatsoever, necessary or appropriate to execute the preceding resolutions and exercise the rights therein, as well as to make any non-substantial modification, integration, or deletion to the resolutions of the Shareholders' Meeting that may be required at the request of any competent authority or upon registration with the Business Register, on behalf of the Company.

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Zola Predosa, 24 March 2025

For the Board of Directors

The Chairman, Alessandro Nasi