

# GEFRAN

## BEYOND TECHNOLOGY

### EXPLANATORY REPORTS BY THE BOARD OF DIRECTORS ON THE AGENDA ITEMS OF THE SHAREHOLDERS MEETING OF GEFTRAN S.p.A.

This report has been written pursuant to Article 125-ter of Legislative Decree no. 58 of 24 February 1998 and Articles 72 and 73 and Annex 3A scheme no. 4 of the regulations adopted by Consob by resolution no. 11971 of 14 May 1999 as subsequently amended (the "**Issuers' Regulations**"). The documentation on items on the agenda is available on the website <https://www.gefran.com/governance/shareholders-meetings/> in the *Investor / Governance / Shareholders' Meetings* section and is published pursuant to the laws in force.

#### METHODS FOR HOLDING THE MEETING

Pursuant to Article 135-undecies.1 of Legislative Decree no. 58 of 24 February 1998 ("**Consolidated Law on Finance**") and Article 9 of the Articles of Association ("**Articles of Association**"), the Company has established that the Shareholders' Meeting is attended and voting rights are exercised only through the representative appointed by the Company, namely Studio Legale Trevisan & Associati of Milan, Viale Majno no. 45, in the person of Mr. Dario Trevisan or his substitutes in case of impediment ("**Designated Representative**").

The reader is referred to the notice of Shareholders' Meeting for more information on attendance and voting methods.

#### INDIVIDUAL PROPOSED RESOLUTIONS

Pursuant to Article 135-*undecies.1* of the Consolidated Law on Finance, those entitled to vote may submit individual proposed resolutions on agenda items pursuant to Article 126-*bis*, paragraph 1, third sentence of the Consolidated Law on Finance in the manner and within the terms provided for by the notice of Shareholders' Meeting. Proposals will be published by the methods and within the deadline identified in the notice of Shareholders' Meeting to permit all those entitled to vote to make a conscious decision, taking the new proposals into account.

In these cases, this "Explanatory Report by the Board of Directors on the agenda items" may be amended and/or integrated.

First item on the agenda

## 1. Annual financial statements for the year ending 31 December 2024.

Approval of the annual financial statements as of 31 December 2024, complete with the Report on Operations of the Board of Directors, the Sustainability Report, the Board of Statutory Auditors' Report and the External Auditor's Report. Presentation of the Consolidated Financial Statements for the year ending on 31 December 2024. Related and consequent resolutions.

Dear Shareholders,

We hereby submit for your approval the annual financial statements for the period ending 31 December 2024, which show a profit for the period of 10,222,001,21 Euro.

We therefore submit for your approval the following proposed resolution:

*"The Gefran S.p.A. Shareholders' Meeting, having examined the Annual Financial Statements as at 31 December 2024, and having noted the Board of Statutory Auditors' Report and the External Auditor's Report,*

*resolves:*

- to approve the Annual Financial Statements as at 31 December 2024 as presented by the Board of Directors, which show a profit of 10,222,001.21 Euro".*

Provaglio d'Iseo, 13 March 2025

**For the Board of Directors**  
**Chairwoman**  
Maria Chiara Franceschetti

## Second, third and fourth item on the agenda

Dear Shareholders,

as stated in the first item on the agenda, the Annual Financial Statements for the year ending on 31 December 2024 reveal a profit of 10,222,001.21 Euro.

Note that the legal reserve has long since reached the limit set by the Italian Civil Code and that the available reserves amply cover the development costs recorded under non-current assets.

The figures reported in the annual financial statements reveal that distribution of the dividend will not compromise the Group's prospects for growth, as Gefran S.p.A. has the equity and financial resources to support both distribution of dividends and its plans for growth.

The Board of Directors submits to the shareholders the proposal to distribute a dividend of 0.43 Euro for each of the outstanding shares, net of the 198,405 own shares held. As at 13 March 2025, the total withdrawal would amount to 6,106,685.85 Euro of the net profit for the year.

Furthermore, the Board of Directors proposes to allocate 80% of the net profit for fiscal year 2024 to a dedicated reserve pursuant to Article 1, paragraphs 436 - 444, of Law No. 207 of December 30, 2024 (the so called "Legge di Bilancio 2025") to benefit from provisions provided by the aforementioned law in terms of reductions of the corporate profit tax rate if conditions are met.

The Board of Directors proposes to distribute dividends using the Retained Earnings and to allocate the amount corresponding to the portion of the net profit for dedicated year 2024 to a special reserve pursuant to Article 1, paras. 436 - 444, of Law No. 207 of December 30, 2024, and to allocate the remaining portion of the 2024 income to the Retained Earnings, consistent with the Group's strategy of creating value for its shareholders while safeguarding the Group's growth.

We therefore submit for your approval the following proposed resolutions:

### 2. Approval of the dividend distribution proposal. Related and consequent resolutions.

*"The Gefran S.p.A. Shareholders' Meeting*

*resolves:*

- to distribute to the shareholders, by way of dividend, gross of the legal withholdings, 0.43 Euro for each of the outstanding shares (net of the own shares), using, for the necessary amount, of the prior years' retained earnings".*

### 3. Allocation of profit for the year ending on 31 December 2024.

Allocation of a portion of the profit for the year to a special reserve pursuant to Art. 1, paragraphs 436 - 444, of Law No. 207 of December 30, 2024. Related and consequent resolutions.

*"The Gefran S.p.A. Shareholders' Meeting*

*resolves:*

- *to allocate a portion of the net profit for the 2024 fiscal year equal to Euro 8,177,601 to a special reserve pursuant to Art. 1, paragraphs 436 - 444, of Law No. 207 of December 30, 2024.”.*

#### 4. Allocation of profit for the year ending on 31 December 2024.

Allocation of the remaining portion of profit for the year. Related and consequent resolutions.

*“The Gefran S.p.A. Shareholders’ Meeting*

*resolves:*

- *to allocate to Retained Earnings the amount corresponding to the remaining portion of the net profit for the year which remains net of the reserve referred to in the previous item, amounting to Euro 2,044,400.21”.*

The dividend, in compliance with the provisions of the “Regulation of the markets organised and managed by Borsa Italiana S.p.A.”, will be paid as follows: ex-dividend date 5 May 2025, record date 6 May 2025, in payment on 7 May 2025.

The amount of the dividend is fully covered by the profit for the period and sufficient financial funds are already available for the payment.

Provaglio d’Iseo, 13 March 2025

**For the Board of Directors**

**Chairwoman**

Maria Chiara Franceschetti

## Fifth item on the agenda

### 5. Report on Remuneration Policy and on the compensation paid. Approval of the first section of the Report under paragraph 3-ter of Article 123-ter of Legislative Decree no. 58/1998.

Dear Shareholders,

the Company, in compliance with the provisions of the Corporate Governance Code of Listed Companies and Article 123-ter of the Consolidated Law on Finance, has adopted a Remuneration Policy, contained in the first part of its Remuneration Report (the “Policy”). It is to be made available to shareholders as required by law on the Company’s website (<https://www.gefran.com/governance/shareholders-meetings>) in the *Investor / Governance / Shareholders’ Meetings* section and published in accordance with the Law.

Legislative Decree no. 49 of 2019 implemented in Italian legislation, through amendments to the Civil Code and the Consolidated Law on Finance, the provisions of EU Directive 2017/828 (the so called “Shareholders’ Rights II”), including the specification that the Remuneration Policy must be submitted to vote in the Shareholders’ Meeting.

The Policy, approved by the Board of Directors on 13 March 2025 and published in full on the Company’s website as required by law, contains the guidelines for the remuneration of Directors, General Managers and Executives with strategic responsibilities. The Policy notably defines the remuneration mix, indicating the weighting of the fixed component and the variable component.

The Gefran S.p.A. Shareholders’ Meeting is therefore asked to express a binding vote regarding the Policy adopted by the Company and contained in the first section of the relevant Remuneration Report. Therefore, we submit for your approval the following proposed resolution:

*“The Gefran S.p.A. Shareholders’ Meeting:*

*having examined the Report on Remuneration Policy and on the compensation paid under Article 123-ter of the Consolidated Law on Finance,*

*resolves:*

- to approve Section I prepared pursuant to Article 123-ter of the Consolidated Law on Finance, paragraph 3, containing the remuneration policies of Gefran S.p.A.”.*

Provaglio d’Iseo, 13 March 2025

For the Board of Directors  
Chairwoman  
Maria Chiara Franceschetti

## Sixth item on the agenda

### 6. Report on Remuneration Policy and on the compensation paid. Consultation on the second section of the Report under paragraph 6 of Article 123-ter of Legislative Decree no. 58/1998.

Dear Shareholders,

the Company, in compliance with the provisions of the Corporate Governance Code of Listed Companies and Article 123-ter of the Consolidated Law on Finance, has prepared the Report on Remuneration Policy and on the compensation paid in 2024 (the “Report”), contained in the second part of its Remuneration Report. It is to be made available to shareholders as required by law on the Company’s website in the shareholders’ meeting section ([website \(<https://www.gefran.com/governance/shareholders-meetings>\)](https://www.gefran.com/governance/shareholders-meetings), in the *Investor / Governance / Shareholders’ Meetings* section and published in accordance with the law.

Legislative Decree no. 49 of 2019 implemented in Italian legislation, through amendments to the Civil Code and the Consolidated Law on Finance, the provisions of EU Directive 2017/828 (as the so called “Shareholders’ Rights II”), including the specification that the Report on Remuneration Policy and on the compensation paid must be submitted to vote in the Shareholders’ Meeting.

The second section of the Report, approved by the Board of Directors at its meeting on 13 March 2025, provides a summary of the compensation paid as per the remuneration policy adopted by the Group during the financial year 2024, in accordance with legislative schemes. It is provided to members of the board of directors and control body, the General Manager and, in aggregate form, Executives with Strategic Responsibilities.

The person in charge of carrying out the statutory audit of the Group financial statements verifies that the directors have prepared the second section of the Report.

The Gefran S.p.A. Shareholders’ Meeting is therefore asked to express an opinion, in an advisory capacity, in favour of or against the second section of the Report, and we therefore submit the following proposed resolution for your approval:

**“The Gefran S.p.A. Shareholders’ Meeting:**

*having examined the Report on Remuneration Policy and on the compensation paid under Article 123 ter of the Consolidated Law on Finance,*

*resolves:*

- to adopt, pursuant to Article 123-ter of the Consolidated Law on Finance, paragraph 6 (non-binding advisory vote), Section II prepared pursuant to Article 123-ter of the Consolidated Law on Finance, paragraph 4”.*

Provaglio d’Iseo, 13 March 2025

**For the Board of Directors**  
**Chairwoman**  
Maria Chiara Franceschetti

## Seventh item on the agenda

### 7. Withdrawal as far as non-used of the previous authorisation to purchase and sell own shares and release of new authorisation.

Dear Shareholders,

At its 13 March 2025 meeting, the Board of Directors resolved to submit for the approval of the Shareholders' Meeting – convened in ordinary session for 29 April 2025 – pursuant to Articles 2357 and 2357-ter of the Italian Civil Code and Article 132 of Legislative Decree no. 58 of 24 February 1998 (the **"Consolidated Law on Finance"**), authorisation to purchase and sell, on one or more occasions, a number of ordinary shares in the Company representing a maximum of 10% of the share capital (at the date of this Report, a maximum of 1,440,000.00 ordinary shares with a nominal value of 1.00 Euro per share).

It is also proposed to revoke the previous authorisation granted by the Shareholders' Meeting held on 23 April 2024, which will be replaced by the new authorisation mentioned in this report.

There therefore follows a brief outline of the reasons and procedures for purchasing and selling own shares in the Company for which the Board of Directors seeks authorisation.

#### 1. Reasons for requesting authorisation to purchase and sell own shares

The request for authorisation to purchase and sell own shares is in order to give the Company a valuable tool providing strategic and operational flexibility that would enable it to:

- act directly or through authorised brokers to limit any irregular movement in trading of the share and to regulate trading performance and prices connected with excessive volatility or lack of liquidity in trading; these measures shall be taken without prejudice to the equal treatment of shareholders;
- offer shareholders an additional tool to monetise investments.

The Board of Directors recommends that the Company has this option at its disposal, particularly when disposing of own shares purchased, also in order to capitalise on any opportunities to maximise value that may arise on the market, therefore for the purpose of trading.

#### 2. Maximum number, category and nominal value of the shares to which the authorisation relates

As of the date of this report, the share capital was 14,400,000.00 Euro, represented by 14,400,000 ordinary shares with a nominal value of 1.00 Euro per share.

The maximum of 1,440,000.00 own shares is to be purchased, or a maximum of 10% of the share capital, considering the own shares held directly and any shares held by subsidiaries in the case of resolutions to increase and/or reduce the share capital during the authorisation period.

In any case, the number of own shares that may be purchased shall not exceed the amount that can be covered, in relation to the purchase price, by the available reserves shown in the last set of approved financial statements.

In this regard, it should be noted that the following figures were shown in the Financial Statements for the year ending 31 December 2023, duly approved on 23 April 2024: available reserves: 53,748,367 Euro (at 31 December 2024: 58,715,561 Euro).

### 3. Provisions provided for by Article 2357 third paragraph of the Italian Civil Code

In order to assess compliance with the limits set out in Article 2357, paragraph three, please note that, as of today's date, the Company and its subsidiaries hold 198,405 own shares in their portfolio.

### 4. Duration of authorisation

The authorisation to purchase own shares is requested for a period of 18 months from the date of the Shareholders' Meeting that voted to grant the authorisation.

Authorisation to dispose of any own shares purchased is requested without a time limit.

### 5. Minimum and maximum prices and market valuation

The Board of Directors proposes that own shares should be purchased at a unit price that is no less than their nominal value and no higher than the average price over the last three trading days prior to the purchase date plus 15%.

Concerning the price at which to sell own shares purchased, the Board of Directors shall have discretionary power to determine at the time any additional condition, procedure and deadline, while taking into consideration the procedures used, the share prices in the period prior to the transaction and the Company's best interests. The minimum price may not be more than 10% lower than the price registered during the trading session prior to each disposal.

This minimum price shall not be applied in the case of disposal by exchange, transfer or other means for acquiring shareholdings, implementing industrial projects and other extraordinary financial transactions that involve assigning or disposing of own shares (such as mergers, spin-offs, etc.).

The Board of Directors also proposes that, based on a prudent appraisal, own shares may be assigned, also partially, as dividends.

### 6. Procedures for the purchase and sale of shares

Purchase transactions shall start and end within the time frame established by the Board of Directors following this authorisation.

Own shares shall be purchased in compliance with applicable law and regulatory provisions in force and, in particular, with Article 132 of the Consolidated Law on Finance and Article 144 bis, letters a) and b) of the Issuers' Regulations:

- a) through a public tender or exchange offer;
- b) on regulated markets in accordance with the operational procedures set out in the rules of the markets in question, which do not allow direct association of purchase proposals with pre-determined sales offers.

Amongst the various procedures allowed by the Issuers' Regulations, conducting purchases on regulated markets is considered preferable for the purposes mentioned above, particularly with a view to stabilising the share price. This objective can be achieved more effectively through a simple, flexible mechanism such as direct purchase on the market in a timely and gradual manner according to need. Possible recourse to a public tender or exchange offer is therefore not ruled out.

Own shares may be purchased in a different manner from those set out above where allowed by Article 132, paragraph 3 of the Consolidated Law on Finance or other provisions applicable as of the date of the transaction.

In addition, share purchase transactions may also be carried out in the manner provided for by Article 3 of Regulation (EC) No. 2273/2003, in order to benefit, where possible, from the exception to the provisions on market abuse, pursuant to Article 183 of the Consolidated Law on Finance, concerning abuse of inside information and market rigging.

Shareholders and the market shall be given timely information pursuant to Article 144-bis, paragraphs 3 and 5 of the Issuers' Regulations.

Concerning sales transactions, the Board proposes that the authorisation should enable these to be conducted, on one or more occasions, without time limits, and in the manner deemed appropriate to achieve the objective in question, including selling on the stock market, block trading, institutional placement, through the placement of structured securities of any kind and nature or as payment for the acquisition of shareholdings in companies and/or goods and/or assets.

It should be pointed out that the request for authorisation concerns the ability to carry out repeated and consecutive transactions to purchase, sell or dispose of own shares in a revolving manner (meaning the maximum amount of own shares held in the portfolio at the time) also for fractions of the maximum amount authorised.

The Board proposes that the authorisation should provide an obligation for the Board of Directors to carry out transactions to purchase and sell own shares while guaranteeing not to jeopardise the Company's capacity to maintain the minimum amount of floating securities required for STAR qualification.

## 7. Other business

The purchase of own shares shall not be used to reduce share capital by cancelling the own shares purchased.

\*\*\*

For the reasons set out above, the Board of Directors of Gefran S.p.A. asks you to adopt the following resolutions:

*"The Gefran S.p.A. Shareholders' Meeting,*

*having acknowledged the Board of Directors' Report;*

*having regard to Articles 2357 et seq. of the Italian Civil Code, Article 132 of Legislative Decree no. 58 of 24 February 1998, Article 144-bis of the regulation adopted by Consob resolution no. 11971 of 14 May 1999 as subsequently amended;*

*having taken into consideration the 198,405 own shares in the portfolio of Gefran S.p.A. and its subsidiaries as of 13 March 2025;*

*having considered the annual financial statements for the year ending 31 December 2024,*

*resolves:*

- to revoke, as far as it is not used, the previous authorisation to purchase and sell own shares, approved by the Shareholders' Meeting of 23 April 2024, lasting 18 months;*

- to authorise the Board of Directors, pursuant to and for the purposes of Articles 2357 et seq. of the Italian Civil Code, to purchase a maximum number of 1,440,000.00 ordinary shares or a different amount representing 10% of the share capital in the case of resolutions to increase and/or reduce the share capital during the authorisation period, also taking into account shares that may be held by the Company's subsidiaries, and in any case in compliance with the limits laid down by law, in order to pursue the objectives set out in the Board of Directors' Report, and in accordance with the following terms and conditions:
  - transactions to purchase own shares may be conducted on one or more occasions in a revolving manner (meaning the maximum amount of own shares held in the portfolio at the time), until the end of the eighteenth month starting from the date of this resolution;
  - the purchase may be made according to one of the methods provided for in Article 132 of Legislative Decree no. 58 of 24 February 1998, and Article 144-bis, letters a) and b) of the Issuers' Regulations adopted by Consob Resolution no. 11971/1999 taking into account – where appropriate – the exemption provided for in paragraph 3 of the same Article 132 of Legislative Decree no. 58/1998, and in any case using any other method provided for by the laws and regulatory provisions in force at the date of the purchase;
  - the unit price to purchase own shares may not be less than their nominal value and may not be higher than the average price over the last three trading days prior to the purchase date plus 15%;
  - transactions to purchase and sell own shares shall be conducted by the Board of Directors in such a manner as not to jeopardise the Company's capacity to maintain the minimum amount of floating securities required for STAR qualification;
- to authorise the Board of Directors, pursuant to Article 2357-ter of the Italian Civil Code, to sell, on one or more occasions, the own shares purchased from time to time and held in the portfolio, in accordance with the regulatory provisions and legal rules in force at the time and to pursue the objectives set out in the Board of Directors' Report to the Shareholders, and under the following terms and conditions:
  - the shares may be disposed of or sold at any time and without any time limit, and may also be assigned, also partially, as dividends;
  - transactions may be conducted even before all purchases have been made, and may be conducted on one or more occasions in the manner deemed appropriate to achieve the objective in question, including selling on the stock market, block trading, institutional placement, through the placement of structured securities of any kind and nature or as payment for the acquisition of shareholdings in companies and/or goods and/or assets;
  - the minimum price may not be more than 10% lower than the price registered during the trading session prior to each disposal. This price limit shall not be applied in the case of a disposal other than sale, and in particular, in the case where the disposal is by exchange, transfer or other means possible for acquiring shareholdings, implementing industrial projects or other extraordinary financial transactions that involve assigning or disposing of own shares;
- to grant the Board of Directors, with the express right to delegate, the broadest powers, without exception, necessary and useful for the execution of this resolution, also approving all provisions of the purchase plan, in accordance with any requirements set by the competent authorities, as well as the power to introduce in the wording of the resolutions any amendments required by the aforementioned authorities, the Notary or the competent Companies' Register for registration."

Provaglio d'Iseo, 13 March 2025

**For the Board of Directors**  
**Chairwoman**  
Maria Chiara Franceschetti