



EXTRAORDINARY SHAREHOLDERS' MEETING

Single call – 28 April 2025 – 10:00 am

at

CIR S.p.A.

Via Ciovassino n. 1 - Milano

Report on item 1) on the Agenda

**CANCELLATION OF TREASURY SHARES WITHOUT REDUCTION OF SHARE CAPITAL; CONSEQUENT
AMENDMENT OF ARTICLE 4 OF THE COMPANY BYLAWS. RELATED AND CONSEQUENT RESOLUTIONS**

CIR S.p.A.

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Share capital € 420,000,000 – Admin. and Econ. Index No. 1950090

Registered in Company Register of Milan Monza Brianza Lodi / Tax Code / VAT no. 01792930016

Company subject to management and coordination by F.LLI DE BENEDETTI S.p.A.

EXPLANATORY REPORT OF THE BOARD OF DIRECTORS, IN ACCORDANCE WITH ART. 125-TER OF THE CONSOLIDATED FINANCE ACT, ON THE FIRST ITEM ON THE AGENDA OF THE EXTRAORDINARY SHAREHOLDERS' MEETING OF CIR S.P.A. – COMPAGNIE INDUSTRIALI RIUNITE, CONVENED FOR 28 APRIL 2025 (SINGLE CALL)

1. Cancellation of treasury shares without reduction of share capital; consequent amendment of Article 4 of the Company Bylaws. Related and consequent resolutions.

Dear Shareholders,

with reference to the authorisation to buy back and dispose of treasury shares as per the fourth item on the Agenda of this Ordinary Shareholders' Meeting (the "**Authorisation**"), the Board of Directors of CIR S.p.A. - Compagnie Industriali Riunite (hereinafter referred to as '**CIR**', the '**Company**' or the '**Issuer**') has called you to an extraordinary meeting to deliberate on: **(i)** the cancellation of any treasury shares which, on the date of expiry of the Authorisation, will be held in the Company's portfolio, except as specified below, as well as **(ii)** the consequent amendment to Article 4 of the Company Bylaws, with the granting of a specific mandate for implementation thereof.

This report, prepared pursuant to Article 72 of the regulation adopted by Consob Resolution 11971/1999 (the "**Issuers' Regulation**") and Annex 3A, Schedule 3, to the aforementioned Issuers' Regulation, illustrates the proposal submitted for your approval.

1. PROPOSED CANCELLATION OF TREASURY SHARES

As at 14 March 2025 (the "**Reference Date**"), the Company holds a total of 31,887,534 treasury shares in its portfolio, equal to 3.48% of the share capital, purchased on the basis of the authorisation granted by the Ordinary Shareholders' Meeting of 29 April 2024 and the authorisations granted in previous financial years, pursuant to Articles 2357 of the Italian Civil Code and 132 of Legislative Decree No. 58 of 24 February 1998 ("**TUF**").

The Board of Directors believes that the purchase of treasury shares can continue to be a valid means of shareholder remuneration in the future. With this in mind, the proposal to cancel treasury shares concerned by this report, together with the proposed Authorisation referred to in item 4 of the agenda of the ordinary session of this Shareholders' Meeting, are intended to increase the flexibility for the Company to proceed with further share buyback programmes also for the purpose of remunerating Shareholders. The cancellation would have the effect of increasing the value of the shares held by the shareholders, maximising their profitability by increasing their earning per share.

It is therefore proposed to cancel the treasury shares still held in the Company's portfolio on the date of expiry of the Authorisation, i.e. eighteen months from the date of the relevant shareholders' resolution, with the exception of the shares required to cover the commitments arising from the stock grant plan (the "**LTI Plan**"). This proposed cancellation is consistent with the purposes of the buy-back transaction outlined in the Board of Directors' explanatory report on the Authorisation, as it is in line with the initiatives aimed at remunerating shareholders.

The cancellation will be carried out without reducing the nominal share capital, considering that the shares representing the Company's share capital have no nominal value. The number of existing shares will therefore be reduced without changing the amount of the total nominal capital. From an accounting perspective, the

cancellation of treasury shares will not affect the results of operations and will not change the overall value of shareholders' equity, but will change its composition.

The cancellation - for the material execution of which an appropriate mandate will be granted to the Board of Directors and, on its behalf, to the Chairman and the CEO, jointly and severally - will be implemented on the date of expiry of the Authorisation, as stated above.

The Company will inform the market of the transactions involving the cancellation of treasury shares in accordance with the applicable laws and regulations in force from time to time and will update the Company Bylaws and disclose the new composition of the share capital.

The Board of Directors' proposal also incorporates, to further streamline the matter, the revocation of the resolution to cancel treasury shares passed on 29 April 2024, for the portion not executed, with the simultaneous repeal of Article 4, paragraph 2 of the Company Bylaws.

2. CONSEQUENT AMENDMENTS TO ARTICLE 4 OF THE COMPANY BYLAWS

The cancellation of the treasury shares will result in the amendment of Article 4 of the Company Bylaws in the part stating the number of shares into which the share capital is divided. For this purpose it is proposed that the Board of Directors, and on its behalf the Chairman and the CEO, jointly and severally, be delegated appropriate powers to ensure the update of paragraph 1 of this article, reducing the number of shares stated therein by the same number of shares that will actually be cancelled in accordance with the above.

Furthermore, the amendment to the Company Bylaws submitted for the approval of this Shareholders' Meeting consists in the immediate insertion of a new second paragraph to the current Article 4 of the Company Bylaws as illustrated below. This paragraph will be considered subsequently and automatically repealed, once the cancellation transactions have been completed by virtue of a further mandate which the Shareholders' Meeting is requested to grant to the Board of Directors and, on its behalf, to the Chairman and the CEO, jointly and severally.

It should also be noted that the intended amendment to the Company Bylaws does not constitute one of the cases envisaged for exercising the right of withdrawal by shareholders pursuant to Article 2437 of the Italian Civil Code.

3. PROPOSED RESOLUTION

Now therefore, we propose that you adopt the following resolution:

“The Shareholders’ Meeting of CIR S.p.A. - Compagnie Industriali Riunite, having considered the Board of Directors’ explanatory report prepared pursuant to Article 125-ter of Legislative Decree No. 58 of 24 February 1998 and Article 72 of the CONSOB regulation adopted by resolution No. 11971 of 14 May 1999

RESOLVES

- 1. to revoke, for the unexecuted portion, the resolution to cancel treasury shares without reducing the share capital passed by the Extraordinary Shareholders' Meeting held on 29 April 2024, with the concomitant repeal of Article 4, paragraph 2 of the Company Bylaws;*

2. *to cancel any CIR treasury stock that may be held in the Company's portfolio upon expiry of the Authorisation of the Shareholders' Meeting issued today in ordinary session for the buy-back and disposal of treasury shares, except for the shares required to cover the commitments resulting from the stock grant plan (the "LTI Plan"); the cancellation will take place without reducing the share capital, giving the Board of Directors, and on its behalf the Chairman and the CEO, the power, jointly and severally, to: (i) determine the actual number of treasury shares to be cancelled in accordance with the above; (ii) proceed with their cancellation under the terms set forth above; (iii) amend accordingly the number of shares stated in Article 4 of the Company Bylaws, reducing it by the number of shares actually cancelled and ensure, once the cancellation operations have been completed, the repeal of the transitional provision set forth below;*
3. *to proceed with the cancellation referred to in point 2 above without recording any profit or loss in the profit and loss account and without affecting the Company's total shareholders' equity, specifically without prejudice to the amount of the share capital, with a consequent automatic increase in the "implicit accounting par value" of the remaining shares issued by the Company;*
4. *to insert, following the resolutions in the preceding points, a new second paragraph in Article 4 of the Company Bylaws worded as follows:*

“The Extraordinary Shareholders' Meeting of 28 April 2025 approved the cancellation of any CIR treasury shares that may be held in the Company's portfolio upon expiry of the authorisation of the Shareholders' Meeting issued on 28 April 2025 in ordinary session for the buy-back and disposal of treasury shares, except for the shares required to cover the commitments resulting from the stock grant plan (the "LTI Plan"); the cancellation will take place without reducing the share capital, giving the Board of Directors, and on its behalf the Chairman and the CEO, the power, jointly and severally, to: (i) determine the actual number of treasury shares to be cancelled in accordance with the above; (ii) proceed with their cancellation under the terms set forth above; (iii) amend accordingly the number of shares stated in paragraph 1 of this Article, reducing it by the number of shares actually cancelled and ensure, once the cancellation operations have been completed, the repeal of this paragraph.”
5. *to grant the Board of Directors and, on its behalf, the Chairman and the CEO, jointly and severally, all appropriate powers to: (i) arrange for the above resolutions to be implemented in accordance with the law; (ii) accept or introduce to the same any amendments or additions (which do not alter the substance of the resolutions) that may be required for registration in the Company Registry or by the Authorities or necessary and/or appropriate for the implementation of laws and regulations; (iii) file and register, in accordance with the law, with an explicit advance declaration of approval and ratification, the resolutions passed and the text of the Company Bylaws updated with the above.”*