



**EXPLANATORY REPORT  
OF THE BOARD OF DIRECTORS  
OF SECO S.P.A.  
ON POINT 1) OF THE AGENDA OF THE  
SHAREHOLDERS' MEETING, IN ORDINARY SESSION, CALLED FOR  
APRIL 27, 2022 IN SINGLE CALL**

**prepared pursuant to Article 125-ter of Legislative Decree No. 58 of February 24, 1998 as subsequently amended.**

**Explanatory Report of the Board of Directors of SECO S.p.A. prepared pursuant to Article 125-ter of Legislative Decree No. 58 of February 24, 1998, as subsequently amended.**

Dear Shareholders,

the Board of Directors of SECO S.p.A. ("SECO" or the "Issuer" or the "Company") has called you to the Ordinary and Extraordinary Shareholders' Meeting, on 27 April 2022, at 10:00 a.m., at the office of Notary Jacopo Sodi, in Via delle Mantellate n. 9, Florence, in single call, to discuss and resolve, among other matters, on the following point 1) of the Agenda of the Shareholders' Meeting, in Ordinary session:

- 1) **Financial Statements for the fiscal year as of December 31, 2021 and allocation of the Fiscal Year profits:**
  - 1.1. **Approval of the Financial Statements for the fiscal year as of December 31, 2021 after examination of the Management Report of the Board of Directors, the Report of the Board of Statutory Auditors and the Report of the Auditing Firm. Presentation of the Consolidated Financial Statements as of December 31, 2021. Presentation of the Consolidated non-Financial Statements prepared in accordance with Legislative Decree no. 254/16. Related and consequent resolutions**
  - 1.2. **Proposal on the allocation of the results of the Fiscal Year. Related and consequent resolutions**

With this report (the "**Report**") - prepared pursuant to Article 125-ter of Legislative Decree No. 58 of February 24, 1998, as subsequently amended ("**CFA**"), - we submit for your approval the Financial Statements at December 31, 2021, approved by the Board of Directors on March 21, 2022, and the allocation of the profit for the year ended December 31, 2021.

The year ended December 31, 2021 reported a net profit of Euro 2,469,923, which we propose be allocated to the extraordinary reserve.

For all detailed information and comments regarding the financial statements and the allocation of the net profit for the year, please refer to the Annual Financial Report, which includes:

- the draft Financial Statements and Consolidated Financial Statements at December 31, 2021, as approved by the Board of Directors on March 21, 2022;
- the Directors' Report;
- the declaration pursuant to Article 154-bis, paragraph 5 of CFA

which will be filed and made available to the public according to the terms and methods set out by law, together with (i) the Board of Statutory Auditors' Report, (ii) the Independent Auditors' Report and (iii) the Consolidated Non-Financial Statement prepared pursuant to Legislative Decree No. 254/2016

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Dear Shareholders,

considering that stated above, the Board of Directors submits for your approval the following

**Proposal on Point 1.1)**

*"The Ordinary Shareholders' Meeting of SECO S.p.A.,*

- *having heard and approved the information set out by the Board of Directors;*
- *having reviewed the financial statements of SECO S.p.A. at December 31, 2021 and the Directors' Report;*
- *having noted the Board of Statutory Auditors' Report and the Independent Auditors' Report;*
- *having reviewed the Consolidated Financial Statements at December 31, 2021;*

*resolves*

1. *to approve the financial statements of SECO S.p.A. for the year ended December 31, 2021;*
2. *to grant to the Chairperson of the Board of Directors and to the Chief Executive Officer - severally, also through special powers of attorney - mandate to complete all activities, regarding, consequent or related to implementation of the aforementioned motion."*

**Proposal on Point 1.2)**

*"The Ordinary Shareholders' Meeting of SECO S.p.A., having heard and approved the information set out by the Board of Directors,*

*resolves*

1. *to approve the allocation of SECO S.p.A.'s profit for the year at December 31, 2021, equal to Euro 2,469,923, to the extraordinary reserve.*
2. *to grant to the Chairperson of the Board of Directors and to the Chief Executive Officer - severally, also through special powers of attorney - mandate to complete all activities, regarding, consequent or related to implementation of the aforementioned motion."*

\* \* \*

Arezzo, March 21, 2022

For the Board of Directors

The Chairperson

Daniele Conti