



**EXPLANATORY REPORT  
OF THE BOARD OF DIRECTORS OF  
SECO S.P.A  
ON POINT 1) OF THE AGENDA OF THE  
ORDINARY SHAREHOLDERS' MEETING  
CALLED FOR APRIL 27, 2023  
IN SINGLE CALL**

**prepared pursuant to Article 125-ter of Legislative Decree No. 58 of February 24, 1998, as 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 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 Shareholders' Meeting, for April 27, 2023 at the time of 10:00AM, in Firenze at Via dei Della Robbia n. 38, at the studio of the notary Jacopo Sodi, in single call, to discuss and resolve, among other things, on the following point 1) of the Agenda of the Shareholders' Meeting:

- 1) **Financial statements for the year ended December 31, 2022 and proposed allocation of the profit for the year:**
  - 1.1. **Approval of the financial statements of the Company at December 31, 2022, following review of the Directors' Report, the Board of Statutory Auditors' Report and the Independent Auditors' Report. Presentation of the Consolidated Financial Statements of the SECO Group at December 31, 2022. Presentation of the Consolidated Non-Financial Statement prepared as per Legislative Decree No. 254/2016. Resolutions thereon;**
  - 1.2. **Proposal regarding the allocation of the profit for the year; resolutions thereon.**

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, 2022, approved by the Board of Directors on March 21, 2023, and the allocation of the profit for the year ended December 31, 2022.

The year ended December 31, 2022 reported a net profit of Euro 5,830,886, 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, 2022, as approved by the Board of Directors on March 21, 2023;
- the Directors' Report;
- the declaration pursuant to Article 154-bis, paragraph 5 of the 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.

\* \* \*

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, 2022 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, 2022;*

*resolves*

- 1. to approve the financial statements of SECO S.p.A. for the year ended December 31, 2022;*
- 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, 2022, equal to Euro 5,830,886 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, 2023

On behalf of the Board of Directors

The Chairperson

Daniele Conti