



**EXPLANATORY REPORT  
OF THE BOARD OF DIRECTORS  
OF SECO S.P.A.  
ON ITEM 1) ON THE AGENDA  
OF THE EXTRAORDINARY SHAREHOLDERS' MEETING CALLED FOR  
APRIL 28, 2025 IN SINGLE CALL**

**prepared pursuant to Article 125-ter of Legislative Decree No. 58 of February 24, 1998, as amended, and pursuant to Article 72 of the Regulations adopted by Consob Resolution No. 11971 of May 14, 1999 and subsequent amendments and additions**

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**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, and pursuant to Article 72 of the Regulations adopted by Consob Resolution No. 11971 of May 14, 1999 and subsequent amendments and supplements**

Dear Shareholders,

the Board of Directors of SECO S.p.A. ("**SECO**" or the "**Issuer**" or the "**Company**") has called you to the Extraordinary Shareholders' Meeting, for April 28, 2025 at the time of 10:30 am, in Firenze, at Via dei Della Robbia n. 38, at the office of the Notary Jacopo Sodi, in single call, to discuss and resolve, among other matters, on the following point 1), of the Agenda of the Shareholders' Meeting, in Extraordinary session:

**1. Statutory changes concerning the deletion of the current Article 6, paragraph 4, of the By-Laws due to the expiration of the maximum deadline set for the subscription of shares under the stock option plan called "Seco S.p.A. Stock Option Plan".**

With this report (the "**Report**") - prepared pursuant to Article 125-ter of Legislative Decree No. 58 of February 24, 1998, as subsequently amended ("**CFA**"), and Article 72 of the Regulation adopted by Consob Resolution No. 11971 of May 14, 1999, as amended (the "**Issuers' Regulation**"), we intend to provide an explanation of the reasons for the proposals related to point 1) on the Agenda of the Extraordinary Shareholders' Meeting.

Specifically, the Board of Directors has called the Extraordinary Shareholders' Meeting to submit for your approval the proposal to amend the By-Laws, specifically by deleting the current paragraph 4 of Article 6 of the By-Laws.

It should be noted that this provision reflects the decisions resolved during the Extraordinary Shareholders Meeting held on March 1, 2021, and April 27, 2022, during which, *inter alia*, two alternative methods for increasing the share capital – up to a total maximum of EUR 54,000 (fifty-four thousand) – were approved, involving the issuance or allocation of up to 5,400,000 (five million four hundred thousand) ordinary shares to serve the stock option plan called "SECO S.p.A. Stock Option Plan".

It should be specifically noted that the aforementioned resolutions set December 31, 2024, as the final deadline for exercising the capital increase and shares subscription for the stock option plan called "SECO S.p.A. Stock Option Plan".

In consideration of the expiration of this deadline, the Board of Directors deems it appropriate to remove paragraph 4 of Article 6 of the By-Laws and proceed with the renumbering of the subsequent paragraphs of the same Article 6.

Therefore, the necessary amendments will be made to the text of Article 6 of the By-Laws, with newly inserted words and modifications highlighted in bold, as shown in the table below, where the current text of Article 6 of the By-Laws is compared with the proposed version for adoption.

It should be noted that the proposed statutory amendments do not grant the right of withdrawal to Shareholders who do not participate in the approval process, as they do not fall under any of the withdrawal cases identified by Article 2437 of the Italian Civil Code.

\* \* \*

EXISTING TEXT	PROPOSED TEXT
Article 6	Article 6
<p>6.1 The share capital is Euro 1,296,944.48 (one million two hundred and ninety-six thousand nine hundred and forty-four thousand and forty-eight cents), divided into 132,976,117 Shares (one hundred and thirty-two million nine hundred and seventy-six thousand one hundred and seventeen) with no express par value, of which: (i) 132,737,318 (one hundred thirty-two million nine hundred seventy-two thousand six hundred and seventeen) Ordinary Shares; (ii) 2,500 (two thousand five hundred) Management '20 Shares; (iii) 1,000 (one thousand) Management Performance Shares.</p>	(unchanged)
<p>6.2 The share capital may be increased by Shareholder Meeting motion even through the issue of shares having different rights and through conferment other than cash, within the legal limits permitted.</p>	(unchanged)
<p>6.3 Pursuant to a resolution of the Extraordinary Shareholders' on November 30, 2020, as amended on March 1, 2021 and March 25, 2021 the following was resolved:</p> <ul style="list-style-type: none"> <li>- to issue free of charge, subject to the conversion referred to below, Ordinary Shares, in a number determined pursuant to Section 8.1.1 of the By-Laws referred to below, without an increase in the share capital, with regular dividend entitlement, intended to service the conversion of Management '20 class shares into Ordinary Shares, with the consent to such placement and the waiver of any subscription/option/pre-emption rights by current Shareholders, under the terms and conditions set forth in Section 8.1 of the By-Laws referred to below, to be placed no later than November 30, 2030;</li> <li>- to issue, subject to the conversion referred to below, without share capital increase, Ordinary Shares, in a number determined pursuant to Section 8.2, without an increase in the share capital, with regular dividend entitlement, intended to service the conversion of</li> </ul>	(unchanged)

<p>Management Performance class shares into Ordinary Shares and the related subscription right as per Section 8.2.3, with the consent to such placement and the waiver of any subscription/option/pre-emption rights by current Shareholders, under the terms and conditions set forth in Section 8.2, to be placed within the maximum period permitted;</p> <ul style="list-style-type: none"> <li>- without further payment, in the case of Shares issued for the purpose of conversion into Ordinary Shares on the basis of the ratio referred to in Section 8.2.1;</li> <li>- against payment, in the event of exercise of the subscription right referred to in Section 8.2.3, of the sum indicated therein and full allocation of the same to share premium;</li> </ul> <p>upon expiry of the aforesaid term, a number of Shares equal to the conversions and subscriptions made up to that moment shall be issued, with the specification that those entitled shall acquire the status of Shareholder, with the consequent right to exercise all the related rights upon exercise of the conversion and subscription right due to him/her.</p>	
<p>6.4 To service a stock option plan called "SECO S.p.A. Stock Option Plan" the Extraordinary Shareholders' Meeting:</p> <p>a) on March 1, 2021 resolved to increase the share capital for cash, on a divisible basis, by a maximum nominal amount of Euro 54,000 (fifty-four thousand) by issuing a maximum of 5,400,000 (five million four hundred thousand) ordinary shares, to be executed at the latest by December 31, 2024;</p> <p>b) on April 27, 2022, resolved the free share capital increase, to be reserved for employees and senior executives of SECO S.p.A. or one of its subsidiaries, for a maximum nominal amount of Euro 54,000 (fifty-four thousand), on a divisible basis, through the granting, pursuant to Article 2349 of the Civil Code, of a corresponding amount taken from retained earnings reserves, by issuing a maximum of 5,400,000 (five million four hundred thousand) Ordinary Shares, to be executed by the maximum term of December 31, 2024.</p>	<p><del>6.4 To service a stock option plan called "SECO S.p.A. Stock Option Plan" the Extraordinary Shareholders' Meeting:</del></p> <p><del>a) on March 1, 2021 resolved to increase the share capital for cash, on a divisible basis, by a maximum nominal amount of Euro 54,000 (fifty-four thousand) by issuing a maximum of 5,400,000 (five million four hundred thousand) ordinary shares, to be executed at the latest by December 31, 2024;</del></p> <p><del>b) on April 27, 2022, resolved the free share capital increase, to be reserved for employees and senior executives of SECO S.p.A. or one of its subsidiaries, for a maximum nominal amount of Euro 54,000 (fifty-four thousand), on a divisible basis, through the granting, pursuant to Article 2349 of the Civil Code, of a corresponding amount taken from retained earnings</del></p>

<p>These increases may be carried out for a total maximum nominal amount of Euro 54,000 (fifty-four thousand), by issuing/granting a maximum of 5,400,000 (five million four hundred thousand) Ordinary Shares, within the same maximum term of December 31, 2024; therefore, the resolved share capital of the Company, as a result of both the transactions referred to in letters a) and b), shall be deemed to have increased by a total of only Euro 54,000 (fifty-four thousand).</p>	<p><del>reserves, by issuing a maximum of 5,400,000 (five million four hundred thousand) Ordinary Shares, to be executed by the maximum term of December 31, 2024.</del></p> <p><del>These increases may be carried out for a total maximum nominal amount of Euro 54,000 (fifty-four thousand), by issuing/granting a maximum of 5,400,000 (five million four hundred thousand) Ordinary Shares, within the same maximum term of December 31, 2024; therefore, the resolved share capital of the Company, as a result of both the transactions referred to in letters a) and b), shall be deemed to have increased by a total of only Euro 54,000 (fifty-four thousand).</del></p>
<p>6.5 The allocation of profits and/or retained earnings to employees of the Company or the subsidiaries, through the issue of shares in accordance with the first paragraph of Article 2349 of the Civil Code is permitted. .</p>	<p><b>6.54</b> <i>[only renumbering – text unchanged]</i></p>
<p>6.6 The Shareholders' Meeting may confer to the Board of Directors the power to increase the share capital on one or more occasions up to an established amount and for a period of a maximum of 5 (five) years from the date of the motion. The Extraordinary Shareholders' Meeting has the power to issue bonds convertible into newly issued shares, subject to the proxy power pursuant to Article 2420-ter of the Civil Code.</p>	<p><b>6.65</b> <i>[only renumbering – text unchanged]</i></p>
<p>6.7 In the motions for a paid capital increase, pre-emption rights may be excluded by the Shareholders' Meeting to the maximum extent established pursuant to Article 2441, paragraph 4, second sentence of the Civil Code and/or other applicable legal provisions.</p>	<p><b>6.76</b> <i>[only renumbering – text unchanged]</i></p>
<p>6.8 The Company has the right to issue other classes of shares and financial instruments, including - if the conditions required by law are present and by means of the By-Laws - preference shares, savings shares, warrants and bonds, including convertible bonds; shares may also be issued through the conversion of other classes of shares or other securities, if permitted by law.</p>	<p><b>6.87</b> <i>[only renumbering – text unchanged]</i></p>

<p>6.9 Amounts in Euros shown in these By-Laws to four decimal places shall be used for purposes of interim calculations only. Therefore, the total amount to be paid as a result of these calculations must produce values expressed to no more than two decimal places. To this end, if the third decimal place is equal to or greater than five, the second decimal place will be increased by one unit; in any other case the second decimal place will remain unchanged and the decimal places from the third onwards will be eliminated.</p>	<p>6.98 [only renumbering – text unchanged]</p>
<p>6.10 The Extraordinary Shareholders' Meeting of April 29, 2024 resolved to grant the Board of Directors a proxy to be exercised within 5 years from the date of the Shareholders' Meeting motion, containing powers: (i) pursuant to Article 2443 of the Civil Code, to increase the share capital for payment, and on a divisible basis, in one or more periods, through the issue of ordinary shares, with the exclusion of the option right pursuant to paragraph 5 of Article 2441 of the Civil Code and/or pursuant to paragraph 4, first sentence, of Article 2441 of the Civil Code, to be offered, at the choice of the Board of Directors, to persons identified by the Board of Directors; and/or (ii) pursuant to Article 2420-ter of the Civil Code, to issue convertible bonds (with the option of conversion also in advance at the initiative of the Company's Board of Directors) and/or convert into ordinary shares (the "Bonds") for a maximum total amount of Euro 200,000,000 (two hundred million), resulting in a capital increase to service the conversion by issuing ordinary shares with the same characteristics as those in circulation, to be offered, at the choice of the Board of Directors, to parties identified by the same, with the exclusion of the option right pursuant to Article 2441, paragraph 5 of the Civil Code, granting the Board of Directors all the powers needed to define the contents of the regulation of the bond loan, including the right, in the regulation the characteristics of the Bonds, to grant any request for admission to listing of the same and/or any other deed and/or document necessary for this purpose; all this provided that the total maximum amount, including any share premium, of the capital increase against payment and in a divisible way, on one or more occasions, consequent to the issues or conversions referred to in the previous points (i) and (ii) will be Euro 200,000,000 (two hundred million),</p>	<p>6.109 [only renumbering – text unchanged]</p>

according to the following rules:

a) the motions for the share capital increase (or related individual tranches) pursuant to Article 2443 of the Civil Code, which provide for the exclusion of the option right pursuant to Article 2441, paragraph 5, of the Civil Code, shall (a) establish that the newly issued shares - which shall be ordinary shares - are offered to qualifying investors, pursuant to Article 34-ter, paragraph 1, letter b) of the Issuers' Regulation and/or commercial, financial and/or strategic partners identified from time to time, and (b) establish the issue price of the shares (or the parameters to determine it during execution) in compliance with the procedures and criteria provided for under the applicable regulations, as detailed in the Board of Directors' explanatory report prepared for the Shareholders' Meeting of April 29, 2024;

b) the motions for the share capital increase (or related individual tranches) pursuant to Article 2443 of the Civil Code in relation to in-kind transfer operations pursuant to Article 2441, paragraph 4, first sentence of the Civil Code, shall (a) establish that the newly issued shares - which shall be ordinary shares - are offered to parties identified by the Board of Directors in the context of transactions that provide for the contribution in kind (wholly or in part) of equity investments, companies, company branches and/or industrial activities of interest to the Company, as part of the Group's development and growth strategy for external lines, and (b) establish the issue price of the shares (or the parameters to determine it during execution) in compliance with the procedures and criteria provided for under the applicable regulations, as detailed in the Board of Directors' explanatory report prepared for the Shareholders' Meeting of April 29, 2024;

c) motions to issue the Bonds pursuant to Article 2420-ter of the Civil Code, with the exclusion of the option right pursuant to Article 2441, paragraph 5, of the Civil Code, shall (a) establish that said Bonds are offered, in whole or in part, to qualifying investors, pursuant to Article 34-ter, paragraph 1, letter b) of Consob Regulation No. 11971, of May 14, 1999, and subsequent amendments and supplements, and/or to commercial, financial and/or strategic partners identified as appropriate and (b) establish the issue price of the aforementioned Bonds and of shares to be issued as

<p>part of the capital increase executed to service the conversion of the same (or the parameters for determining said prices during the execution) in compliance with the procedures and criteria provided for under applicable regulations, as detailed in Board of Directors' explanatory report prepared for Shareholders' Meeting of April 29, 2024;</p> <p>d) motion or motions to increase capital shall establish the portion of the share issue price offered to be charged to capital and the portion of the issue price, if any, to be charged to share premium.</p>	
<p>6.11 In service of the stock option plan called the "2024-2027 Plan for Employees, Senior Executives and Collaborators", the Extraordinary Shareholders' Meeting on July 28, 2023 resolved:</p> <p>a) to increase the paid-in share capital, in a divisible and progressive manner, by a maximum nominal amount of Euro 70,000 (seventy thousand), plus share premium, with the exclusion of option rights pursuant to Article 2441, paragraphs 5 and 6, of the Civil Code, through the issue of a maximum of 7,000,000 (seven million) Ordinary Shares with no indication of par value, to be executed by the deadline of December 31, 2030.</p> <p>b) to increase the share capital free of charge, for a maximum nominal amount of Euro 70,000 (seventy thousand), in a divisible manner, by allocating to capital, pursuant to Article 2349 of the Civil Code, a corresponding amount taken from profits and/or retained earnings, by issuing a maximum of 7,000,000 (seven million) Ordinary Shares, to be executed by the deadline of December 31, 2030.</p> <p>These increases may be carried out for a total maximum nominal amount of Euro 70,000 (seventy thousand), by issuing/granting a maximum of 7,000,000 (seven million) Ordinary Shares, within the same deadline of December 31, 2030; therefore, the resolved share capital of the Company, as a result of both the transactions referred to in letters a) and b), shall therefore increase by a total maximum amount of Euro 70,000 (seventy thousand).</p>	<p>6.110 [only renumbering - text unchanged]</p>



<p>6.12 In service of a stock option plan called the "2024-2027 Chief Executive Officer New Stock Option Plan", the Extraordinary Shareholders' Meeting of December 16, 2024 resolved to increase for payment, in a divisible and progressive manner, in two tranches - 1,000,000 (one million) shares starting from April 30th, 2025, 1,000,000 (one million) shares starting from April 30th, 2026, 1,000,000 (one million) shares starting from April 30th, 2027, in total the first tranche, and an additional 1,000,000 (one million) shares starting from April 30th, 2027 - the share capital for a maximum nominal amount of Euro 40.000 (forty thousand), plus share premium, with the exclusion of option rights pursuant to Article 2441, paragraphs 5 and 6, of the Civil Code, by issuing a maximum of 4,000,000 (four million) Ordinary Shares with no indication of par value to be executed by the deadline of December 31, 2032.</p>	<p>6.1211 [only renumbering - text unchanged]</p>
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Dear Shareholders,

in consideration of that established above, should you agree with the above proposal, we invite you therefore to adopt the following resolution:

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

- *having noted the Board of Directors' Explanatory Report*

**resolves**

1. *to approve the amendments to Article 6 of the By-Laws, according to the text and changes contained in the explanatory report prepared by the Board of Directors;*
2. *to grant the Board of Directors, and through it the legal representatives pro tempore, even individually, the broadest powers to carry out all necessary formalities to ensure that the adopted resolutions are registered with the Business Register, accepting and introducing into them any non-substantial modifications, additions, or deletions that may be required by the competent authorities. Furthermore, to grant all powers necessary to fulfill the regulatory and legal obligations resulting from the adopted resolutions, as well as any power to make any modifications and/or additions to the resolution that may be necessary or appropriate, within the limits permitted by applicable laws and in accordance with generally accepted rectification criteria and methodologies in financial markets."*

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Arezzo, March 17, 2025

For the Board of Directors  
The Chairman  
Daniele Conti