



**EXPLANATORY REPORT
OF THE BOARD OF DIRECTORS
OF SECO S.P.A.
ON POINT 1) OF THE AGENDA
OF THE EXTRAORDINARY SHAREHOLDERS'
MEETING CALLED FOR APRIL 27TH, 2026
IN SINGLE CALL**

prepared pursuant to Article 2349 Civil Code, Article 125-ter of Legislative Decree No. 58 of February 24TH, 1998, as amended, and pursuant to Article 72 of the Regulations adopted by Consob Resolution No. 11971 of May 14TH, 1999 and subsequent amendments and supplements

Explanatory Report of the Board of Directors of SECO S.p.A. prepared pursuant to Article 2349 of the Civil Code, Article 125-ter of Legislative Decree No. 58 of February 24TH, 1998, as amended, and pursuant to Article 72 of the Regulations adopted by Consob Resolution No. 11971 of May 14TH, 1999 and subsequent amendments and supplements

Dear Shareholders,

the Board of Directors of SECO S.p.A. (hereafter, "**SECO**", the "**Issuer**", or the "**Company**"), has called you to the Extraordinary Shareholders' Meeting, for April 27th, 2026 at the time of 11.00 AM, at the offices of Notary Jacopo Sodi, in Florence, Via dei Della Robbia 38, in single call, to discuss and consider, among other matters, the following point 1) on the Agenda of the Extraordinary session:

- 1) Proposal to increase the share capital free of charge, for a maximum nominal amount of Euro 4.756 (four thousand seven hundred and fifty-six), in a divisible basis, through the allocation to share capital pursuant to Article 2349 of the Civil Code, of a corresponding amount drawn from profits and/or profit reserves, through the issue of a maximum 475,600 (four hundred seventy-five thousand six hundred) ordinary shares, to be reserved for the Senior Executives of the Company as the beneficiaries of the "2026-2029 Plan for the Chief Executive Officer and Senior Executives". Consequent amendment of Article 6 of the By-laws. Resolutions thereon.**

With this report (the "**Report**") - prepared pursuant to Article 2349 of the Civil Code, Article 125-ter of Legislative Decree No. 58 of February 24th, 1998, as subsequently amended ("**CFA**"), and Article 72 of the Regulation adopted by Consob Resolution No. 11971 of May 14th, 1999, as amended (the "**Issuers' Regulation**") as well as in compliance with Annex 3A of the Issuers' Regulation - we wish to provide an explanation of the reasons for the proposals related to point 1) on the Agenda of the Shareholders' Meeting, in Extraordinary session.

In particular, the Board of Directors has called you to the Extraordinary Shareholders' Meeting to submit for your approval the proposal to increase the share capital free of charge, pursuant to Article 2349 of the Civil Code, in a divisible basis and in a single tranche, for a maximum nominal amount of Euro 4.756 (four thousand seven hundred and fifty-six), through the issue of a maximum 475,600 (four hundred seventy-five thousand six hundred) new ordinary shares of the Company, with no indication of par value, having the same features as those in circulation, through the allocation to share capital of a corresponding amount drawn from profits and/or profit reserves ("the "**Share Issuance**") to be assigned to the Senior Executives of Seco (the "**Senior Executives Beneficiaries**") as beneficiaries, together with the Chief Executive Officer, of an incentive and retention plan named the "2026- 2029 Plan for the Chief Executive Officer and Senior Executives of SECO S.p.A." (the "**2026- 2029 CEO and Senior Executives Plan**").

It is hereby noted that the resolution submitted for the approval of the Extraordinary Shareholders' Meeting: (i) is subject to the approval, by the Ordinary Shareholders' Meeting held on the same date, of the same "2026-2029 CEO and Senior Executives Plan" referred to under item 3) of the Agenda.; and (ii) represents an alternative and concurrent instrument, as compared to the use of any treasury shares of the Company- subject to the relevant shareholders' approval pursuant to Articles 2357 et seq. of the Civil Code - for the purposes of the allocation of the shares to be assigned in execution of the "2026-2029 CEO and OSE Plan".

For further information on the 2026–2029 CEO and Senior Executives Plan, reference should be made to the prospectus, drawn up as per Article 84-bis of the Issuers' Regulation, in accordance with the indications contained in sheet No. 7 of Annex 3A of the same Regulation, published on the company website www.seco.com, in the "Investors / Corporate Governance / Shareholders' Meetings" section, and the e-market storage mechanism www.emarketstorage.com (the "**Prospectus**") and the report of the Board of Directors on point 3) of the Agenda of the Shareholders' Meeting in ordinary session of April 27th, 2026, to which the Prospectus is annexed, also published on the company website www.seco.com, in the "Investors / Corporate Governance / Shareholders' Meetings" section, and on the www.emarketstorage.com storage mechanism.

1. REASONS FOR AND PURPOSE OF THE CAPITAL INCREASE RESERVED FOR THE SENIOR EXECUTIVES BENEFICIARIES

In line with market practice and in compliance with the provisions of the Corporate Governance Code, the Company believes that the "2026–2029 CEO and Senior Executive Plan" represents an instrument aimed at (i) driving the Company's performance in the medium-/long-term through the alignment of management's conduct with the Company's strategy and risk management policies, (ii) retaining the Issuer's key individuals, who hold roles with a high impact on the organization and possess relevant skills capable of representing a competitive advantage for the Group, and (iii) aligning management's interests with those of the shareholders and investors: such objectives justify the exclusion of pre-emption rights in favour of the Shareholders. The proposal to increase the share capital free of charge submitted for your approval is exclusively intended to service the "2026–2029 CEO and Senior Executives Plan" and is aimed at creating the pool of shares to be assigned solely to the Senior Executives Beneficiaries (and not to the CEO).

In this respect, it is noted that the transaction finds its specific legal basis in Article 6.4 of the Company's By-laws, which provides for the possibility to allocate profits and/or profit reserves to the Company's employees through the issuance of shares, pursuant to Article 2349 of the Italian Civil Code.

2. DETERMINATION OF THE SHARES TO BE ASSIGNED AND FEATURES OF THE SHARE ISSUANCE

The "2026–2029 CEO and Senior Executive Plan" provides for the free assignment to the Senior Executives Beneficiaries of a maximum of 475,600 (four hundred seventy-five thousand six hundred) ordinary shares, in accordance with the terms and conditions set forth in the 2026–2029 CEO and Senior Executives Plan.

Following the approval of the financial statements for the financial year 2028, and subject to the verification of the performance targets provided by the "2026–2029 CEO and Senior Executives Plan", as as detailed in the Prospectus, the Board of Directors shall determine the number of shares to be granted free of charge to each individual identified as Senior Executive Beneficiary. In particular, the Share Issuance shall be carried out through the use of profits and/or profit reserves, and more specifically through the allocation of an amount of Euro 4.756 (four thousand seven hundred and fifty-six) drawn from the "Extraordinary Reserve" formed from retained earnings, which as of today amounts to a total of Euro 12.660.000 (twelve million six hundred and sixty thousand) (such reserve being adequate also assuming its use for the coverage of the losses for the financial year 2025, as proposed under item 1 of the agenda of today's Ordinary Shareholders' Meeting, as well as taking into account the previous free capital increases resolved pursuant to Article 2349 of the Civil Code) which shall be allocated to a reserve specifically earmarked to service this specific share capital increase. Since the Company's shares have no expressed par value, the Board of Directors intends to submit for your consideration the proposal to

allocate to share capital an amount equal to a maximum of Euro 4,756 (four thousand seven hundred and fifty-six), corresponding, for each share, to the current accounting par value of the shares, rounded to Euro 0.01, as calculated as of December 31st, 2025.

The Share Issuance may be carried out no later than May 30th, 2030.

3. FEATURES OF THE NEWLY-ISSUED ORDINARY SHARES

The ordinary shares of the Company allotted to the Senior Executives Beneficiaries shall be automatically admitted to trading on Euronext Milan, shall carry dividend entitlement equal to that of the Company's ordinary shares outstanding at the date of the Share Issuance and shall therefore be entitled to the coupons in place as of that date.

4. EFFECTS OF THE INCREASE

For completeness, we indicate that the maximum number of ordinary shares in service of the "2026-2029 CEO and Senior Executives Plan", through the Share Issuance, corresponds to approx. 0.36% of the Company's ordinary shares outstanding at the date of this Report (representing a total of 133.021.117 ordinary shares).

5. AMENDMENTS TO ARTICLE 6 OF THE BY-LAWS

As a consequence of the approval of the proposal submitted to you, the consequent changes indicated below shall be made to Article 6 of the By-Laws, highlighting in bold the newly inserted words, as indicated in the following table, whereby the text of Article 6 of the existing By-Laws is compared to the proposed text.

It should be noted that these amendments to the By-Laws do not confer the right to withdrawal to shareholders refusing to accept them, as they do not fall within the scope of circumstances for withdrawal set out in Article 2437 of the Civil Code.

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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 133.021.117 Shares (one hundred thirty-three million twenty-one thousand one hundred and seventeen) with no express par value, of which:</p> <p>(i) 133,020,117 one hundred thirty-three million twenty thousand one hundred and seventeen) Ordinary Shares;</p> <p>(ii) 1000 (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 30th, 2020, as amended on March 1st, 2021 and March 25th, 2021 the following was resolved:</p> <ul style="list-style-type: none"> - 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 30th, 2030; - 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 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; - 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; - 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; <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</p>	(unchanged)

right due to him/her.	
6.4 The allocation of profits and/or profit reserves 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.	<i>(unchanged)</i>
6.5 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.	<i>(unchanged)</i>
6.6 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.	<i>(unchanged)</i>
6.7 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 amendments to 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.	<i>(unchanged)</i>
6.8 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.	<i>(unchanged)</i>
6.9 The Extraordinary Shareholders' Meeting of April 29 th , 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,	<i>(unchanged)</i>

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), 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 29th, 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 29th, 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 14th, 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 part of the capital increase executed to service the

<p>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 29th, 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>6.10 In service of the stock option plan called the "2024-2027 Plan for Employees, Senior Management and Collaborators", the Extraordinary Shareholders' Meeting on July 28th, 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 31st, 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 31st, 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 31st, 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>	(unchanged)
<p>6.11 In service of a stock option plan called the "2024-2027 New Stock Option Plan for the Chief Executive Officer", 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 31st, 2032.</p>	(unchanged)
	6.12 In service of an incentive plan called the "2026-2029 Plan for the Chief Executive Officer and Senior Executives of SECO S.p.A" the Extraordinary

	<p>Shareholders' Meeting of April 27th, 2026 resolved to increase the share capital free of charge, for a maximum nominal amount of Euro 4.756 (four thousand seven hundred and fifty-six), on a divisible basis, by allocating to share capital a corresponding amount drawn from profits and/or profit reserves, pursuant to Article 2349 of the Civil Code, through the issue of a maximum of 475.600 (four hundred seventy-five thousand six hundred) Ordinary Shares with no indication of par value, to be assigned exclusively to the Senior Executives, to be executed by the final deadline of May 30th, 2030.</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;*
- taking into account the resolution of the Shareholders' Meeting that approved today the "2026-2029 Plan for the Chief Executive Officer and Senior Executives of SECO S.p.A";*

resolves

- 1. to increase the share capital free of charge, by the deadline of May 30th 2030, for a maximum nominal amount of Euro 4.756 (four thousand seven hundred and fifty-six), through the issue of a maximum of 475.600 (four hundred seventy-five thousand six hundred) new ordinary shares of the Company, with no indication of par value, having the same features as those in circulation, to be reserved for subscription by the Senior Executives of SECO S.p.A., as the beneficiaries of the "2026-2029 Plan for Chief Executive Officer and Senior Executive of SECO S.p.A" by allocating to share capital a corresponding amount drawn from profits and/or profit reserves, pursuant to Article 2349 of the Civil Code, and more specifically from the "Extraordinary Reserve".*
- 2. as a result of the above resolution, to amend the Article 6 of the By-Laws by including the following new paragraph:*

"6.12 In service of an incentive plan called the "2026-2029 Plan for the Chief Executive Officer and Senior Executives of SECO S.p.A" the Extraordinary Shareholders' Meeting of April 27th, 2026 resolved to increase the share capital free of charge, for a maximum nominal amount of Euro 4,756 (four thousand seven hundred and fifty-six), on a divisible basis, by allocating to share capital a corresponding amount drawn from profits and/or profit reserves, pursuant to Article 2349 of the Civil Code, through the issue of a maximum of 475,600 (four hundred seventy-five thousand six hundred) Ordinary Shares with no indication of par value, to be assigned exclusively to the Senior Executives, to be executed by the final deadline of May 30th, 2030."
- 3. to grant the Board of Directors, and, for this purpose, the legal representatives pro tempore, also acting separately, all the broadest powers to execute the above-mentioned capital increase, as well as to: a) make the amendments to Article 6 of the By-Laws resulting from the execution and completion of the capital increase, carrying out for this purpose all filings and disclosures required under applicable law, also taking into account its divisible nature; b) carry out any and all formalities necessary in order for the resolutions adopted to be registered with the Companies' Register, accepting and introducing therein any non-substantial amendments, additions or deletions that may be required by the competent authorities; c) perform all regulatory and statutory obligations resulting from the resolutions adopted; d) make any amendment and/or integration to the resolution that may be necessary or appropriate, within the limits permitted by applicable law and in accordance with the applicable adjustment criteria and methodologies generally accepted in the financial markets, also in the event of any extraordinary transactions affecting the structure of the Company's share capital and/or having the effect of modifying the economic terms of the Plan, extraordinary and/or non-recurring events and/or events not related to the ordinary course of business, significant changes in the economic scenario and/or other events capable of affecting the shares and, more generally, the Plan, in order to adapt it to the changed circumstances and reflect the above variations, and/or to adjust the related implicit nominal value of the newly issued ordinary shares at the time of each share issue, while maintaining unchanged the substantive content and the*

economic terms of the Plan, the maximum number of shares to be issued and the maximum nominal amount of the capital increase, in connection with the "2026–2029 Plan for the Chief Executive Officer and Senior Executives of SECO S.p.A."

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Arezzo, March 23rd, 2026

For the Board of Directors
The Chairman
Daniele Conti