



SEC Newgate S.P.A.

MILAN, VIA FERRANTE APORTI, 8

SHARE CAPITAL EURO 2,425,090.70 FULLY UNDERWRITTEN AND PAID UP

REGISTRATION NUMBER AT THE MILAN COMPANY REGISTER

AND TAX CODE NO. 09628510159

REA NO. MI-1308438

**BOARD OF DIRECTORS' ILLUSTRATIVE REPORT ON TODAY'S
AGENDA OF THE SHARE HOLDERS ORDINARY MEETING OF SEC
Newgate S.P.A.**

ORDINARY ASSEMBLY

Shareholders are invited to attend SEC Newgate S.p.A.'s Shareholders' Meeting, registered office in Milan, Via Ferrante Aporti, 8, share capital Euro 2,425,090.70 fully paid, VAT No. 09628510159, REA No. 1308438 (the "**Company**"), in ordinary summoning, in the first convocation for the day 18 June 2020, at 11.00, at the company headquarters, and, if necessary, in the second call for the day 19 June 2020, same time and place, to discuss and deliberate on the following

Agenda

1. Approval of the financial statements of SEC Newgate S.p.A. for the year ended 31 December 2019, supplemented by the report of the Board of Directors, of the Board of Statutory Auditors and of the Independent Auditors. Presentation of the consolidated financial statements for the year ended 31 December 2019. Related and consequent resolutions.
2. Approval of the allocation of the result for the year. Related and consequent resolutions.

- 1. Approval of the financial statements of SEC Newgate S.p.A. for the year ended 31 December 2019, supplemented by the report of the Board of Directors, of the Board of Statutory Auditors and of the Independent Auditors. Presentation of the consolidated financial statements for the year ended 31 December 2019. Related and consequent resolutions.**

Distinguished Shareholders,

The Board of Directors has summoned you to the ordinary meeting to propose the approval of SEC Newgate S.p.A.'s drafted financial statement (herein after the "**Company**") as of December 31, 2019, approved by the Board of Directors on May 18, 2020 together with the Directors' Report on Management, accompanied by the reports of the Audit advisors and the Statutory Auditors. At the same time, the Company's consolidated financial statements for the exercise closed on 31 December 2019 is presented, being already been approved by the Board of Directors at the same meeting on 18 May 2020.

It should be noted that a longer deadline for the annual meeting was adopted under art. 2364, paragraph 2, Civil Code and Article 14 of the Bylaws, in light of the fact that the Company is obliged to prepare the consolidated financial statements.

In particular, the Board of Directors points out that the draft financial statements for the year ending on 31 December 2019 delivered a net profit **of Euro 761,479**.

Please refer to the documentation mentioned above for more information on the first point on the agenda of the Ordinary Assembly.

By virtue of the above, we propose to assume the following deliberation:

"The ordinary shareholders' meeting of SEC Assembly New Gate S.p.A.,

- After reviewing the financial statements of SEC Newgate S.p.A. as of December 31 2019, including the reports by the Audit advisors and the Statutory Auditors;*
- After examining the consolidated financial statements as of 31 December 2019;*
- Acknowledging that the financial statements for the year ended on 31 December 2019 highlight a net profit of Euro 761,479;*

Resolve

- 1. to approve the financial statements for the year ended December 31, 2019, which closes with an net profit of Euro 761,479 ;*
- 2. to give the CEO Fiorenzo Tagliabue all necessary powers to enforce, even through procurators, this deliberation and file it for registration with the Companies Register, accepting and introducing in the same the modifications, additions or suppressions, formal and not substantial, that might be requested by the competent authorities."*

2. Approval of the allocation of the result for the year. Related and consequent resolutions.

Distinguished Shareholders,

On 18 May 2020, the Company's Board of Directors approved the Financial Statements as of December 31, 2019, which closes with a net profit of Euro 761,479, which we propose to allocate as follows:

- Euro 38,074 as for Legal Reserve
- Euro 723,405 as for Extraordinary Reserve

By virtue of the above, we propose to assume the following deliberation:

"The ordinary shareholders' meeting of SEC Assembly Newgate S.p.A.,

- *After reviewing the financial statements of SEC Newgate S.p.A. as of December 31, 2019, including the reports by the Audit advisors and the Statutory Auditors;*
- *Acknowledging that the financial statements for the year ended on 31 December 2019 highlight a net profit of Euro 761,479;*

Resolve

1. *to allocate the net profit for the year ended December 31, 2019, amounting to Euro 761,479, as follows::*
 - *Euro 38,074 as for Legal Reserve*
 - *Euro 723,405 as for Extraordinary Reserve;;*
2. *to give the CEO Fiorenzo Tagliabue, also through special procurators, mandate for the completion of all related activities, consequential or related to the implementation of the deliberation referred to in the previous point."*

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Milan, June 2,2020

For the Board of Directors

The President

John Foley