



**EXPLANATORY REPORT OF THE BOARD OF DIRECTORS ON THE FIRST, SECOND AND THIRD
ITEMS ON THE AGENDA OF THE SHAREHOLDERS' MEETING OF NEODECORTECH S.P.A.,
ORDINARY SESSION, CONVENED ON 27 APRIL 2023 IN SINGLE CALL**

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**EXPLANATORY REPORT OF THE BOARD OF DIRECTORS OF NEODECORTECH S.P.A. ON THE
PROPOSED RESOLUTIONS OF THE SHAREHOLDERS' MEETING**

Shareholders,

you have been convened on 27 April 2023 for the Shareholders' Meeting ("**Meeting**") of Neodecortech S.p.A. ("**Neodecortech**" or the "**Company**") to resolve, *inter alia*, in ordinary session, on the approval of the financial statements at 31 December 2022 and the allocation of the result for the year (agenda items 1 and 2), and to review the consolidated financial statements at 31 December 2022 (agenda item 3).

This Report - prepared pursuant to Article 125-ter, paragraph 1, of Legislative Decree no. 58 of 24 February 1998, as amended and supplemented (the "**TUF**") and Article 84-ter of the Regulation adopted by CONSOB Resolution no. 11971 of 14 May 1999 (the "**Issuer Regulation**"), as amended and supplemented, and in accordance with Annex 3A to the Issuer Regulation (the "**Report**") - sets forth the proposals that the Board of Directors of Neodecortech intends to submit to your approval with regard to the above items one, two and three on the agenda of the Shareholders' Meeting.

At its meeting on 15 March 2023, the Board of Directors of the Company approved this Report, which was made publicly available within the time limits and in the manner envisaged by law and regulations, at the Company's registered office in Via Provinciale 2, Filago (BG), on the website (www.neodecortech.it, *Investors – Assemblee azionisti* section) and on the authorized storage mechanism "*1info*" at www.1info.it.

Additionally, the documents related to the first, second and third items on the agenda ("**Documents**") are made available within the twenty-one days prior to the Shareholders' Meeting, thus by 6 April 2023, at the registered office in Via Provinciale 2, Filago (BG), as well as on the website (at www.neodecortech.it, "*Investors – Assemblee azionisti?*" section) and on the authorized storage mechanism "*1info*" at www.1info.it.

1. Review and approval of the financial statements of Neodecortech S.p.A. at 31 December 2022, including the Board of Directors' Report on Operations, the Board of Statutory Auditors' Report, the Independent Auditors' Report, and the Certification of the Financial Reporting Manager. Relevant and ensuing resolutions.

With regard to item one on the agenda of the Shareholders' Meeting, ordinary session, the Board of Directors intends to submit for your review and approval, in accordance with the law, the draft financial statements of Neodecortech for the year ended 31 December 2022 (composed of the statement of financial position, income statement, statement of cash flows, statement of changes in equity, and notes to the financial statements), including the Directors' Report on Operations, the Board of Statutory Auditors' Report, the Independent Auditors' Report, and the Certification of the Financial Reporting Manager ("**Financial Reporting Manager**"), pursuant to Article 154-*bis*, paragraph 5, of the TUF.

In this regard, Shareholders are informed that the financial statements of Neodecortech at 31 December 2022 have been prepared in accordance with the provisions of Regulation (EC) no. 1606/2002 of the European Parliament and of the Council, in accordance with the International Financial Reporting Standards (IFRSs) in force at 31 December 2022, issued by the International Accounting Standard Board (IASB) and adopted pursuant to the Italian and European regulatory provisions, *pro tempore* in force and applicable, including Commission Delegated Regulation (EU) 2019/815 of 17 December 2018.

The financial statements of the Company at 31 December 2022 show:

- revenue from contracts with customers amounting to € 75,448 thousand and other revenue and income amounting to € 2,309 thousand;
- operating costs amounting to € 47,994 thousand;
- net financials amounting to € 7,327 thousand;
- profit before tax amounting to € 8,983 thousand; and
- net profit amounting to € 8,437 thousand.

The draft financial statements of the Company at 31 December 2022 were reviewed and approved by the Board of Directors of Neodecortech at its meeting held on 15 March 2023.

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Shareholders,

in connection with the above, the Board of Directors of the Company proposes the Ordinary Shareholders' Meeting to pass the following resolution:

PROPOSED RESOLUTION

"The Shareholders' Meeting of Neodecortech S.p.A.,

- *having reviewed the draft financial statements of Neodecortech S.p.A. at 31 December 2022;*
- *having regard to the Directors' Report on Operations;*

- *having acknowledged the Board of Statutory Auditors' Report, prepared pursuant to Article 2429 of the Italian Civil Code, the Independent Auditors' Report, prepared in accordance with the provisions of Regulation (EU) no. 537/2014 and Legislative Decree no. 39 of 27 January 2010, as amended and supplemented, and the additional documents required by law, and*
- *having reviewed the Explanatory Report of the Board of Directors,*

resolves

1. *to approve the financial statements of Neodecortech S.p.A. at 31 December 2022."*

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2. Proposed allocation of profit for the year. Relevant and ensuing resolutions.

With regard to item two on the agenda of the Shareholders' Meeting, ordinary session, the Board of Directors, subject to the approval of the financial statements for the year ended 31 December 2022, intends to submit for your review and approval, in accordance with the law, the proposal to allocate profit for 2022, amounting to € 8,437,296.73, as follows:

1. € 2,000,000.00 to be allocated to shareholders as a gross ordinary dividend for each of the shares of Neodecortech outstanding on the ex-dividend date. The dividend will be paid from 24 May 2023, with record date on 23 May 2023 and ex-dividend date [coupon no. 6], on 22 May 2023;
2. the remaining amount of the profit for the year, amounting to € 6,437,296.73 (i) € 421,865.00 to the legal reserve, (ii) € 3,524,149.32 to the reserve for the revaluation of undistributed investments recorded in accordance with Legislative Decree no. 38/2005, Article 6, paragraph 1 and (iii) € 2,491,282.41 to the extraordinary reserve;

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Shareholders,

in connection with the above, the Board of Directors of the Company proposes the Ordinary Shareholders' Meeting to pass the following resolution:

PROPOSED RESOLUTION

"The Shareholders' Meeting of Neodecortech S.p.A.,

- *having reviewed the draft financial statements of Neodecortech S.p.A. at 31 December 2022;*
- *having regard to the Directors' Report on Operations;*
- *having acknowledged the Board of Statutory Auditors' Report, prepared pursuant to Article 2429 of the Italian Civil Code, the Independent Auditors' Report, prepared in accordance with the provisions of Regulation (EU) no. 537/2014 and Legislative Decree no. 39 of 27 January 2010, as amended and supplemented, and the additional documents required by law, having reviewed the Explanatory Report of the Board of Directors,*

resolves

1. *to distribute dividends in the amount of € 0.14 cents for each of the ordinary shares of Neodecortech S.p.A. for an overall total of € 2,000,000.00;*
2. *to set the dividend payment date on 24 May 2023, with ex-dividend date (ISIN code IT0005275778) on 22 May 2023 and payment entitlement date (record date) on 23 May 2023;*
3. *to allocate the remaining amount of profit for the year (i) 421,865.00 to the legal reserve, (ii) € 3,524,149.32 to the reserve for the revaluation of undistributed investments recorded in accordance with Legislative Decree no. 38/2005, Article 6, paragraph 1 and (iii) € 2,491,282.41 to the extraordinary reserve;*
4. *to empower, severally and with single signatures, the Chairman of the Board of Directors pro tempore and the Chief Executive Officer pro tempore, with the sub-proxy option, to carry out all activities related to,*

consequential to, or otherwise connected with the implementation of the resolutions referred to in points 1), 2) and 3) above."

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3. Presentation of the consolidated financial statements of the Neodecortech Group at 31 December 2022, including the Board of Directors' Report on Operations, the Board of Statutory Auditors' Report, the Independent Auditors' Report, and the Certification of the Financial Reporting Manager

With regard to item three on the agenda of the Shareholders' Meeting, ordinary session, the Board of Directors intends to submit for your review, in accordance with the law, the consolidated financial statements of the Neodecortech Group at 31 December 2022, prepared by Neodecortech, as a joint stock company controlling other companies in compliance with Article 25 of Legislative Decree no. 127 of 9 April 1991, and IFRS 10, and including the Directors' Report on Operations, the Board of Statutory Auditors' Report, the Independent Auditors' Report, and the Certification of the Financial Reporting Manager pursuant to Article 154-*bis*, paragraph 5, of the TUF.

The consolidated financial statements of the Neodecortech Group at 31 December 2022, have also been prepared in accordance with the provisions of Regulation (EC) no. 1606/2002 of the European Parliament and of the Council, in accordance with the International Financial Reporting Standards (IFRSs) in force at 31 December 2022, issued by the International Accounting Standard Board (IASB) and adopted pursuant to the Italian and European regulatory provisions, pro tempore in force and applicable, including Commission Delegated Regulation (EU) 2019/815 of 17 December 2018.

The consolidated financial statements of the Neodecortech Group at 31 December 2022 show:

- revenue from contracts with customers amounting to	€ 196,474 thousand;
- operating costs and other net expense/income amounting to	€ 136,540 thousand;
- net financials amounting to	€ 3,135 thousand;
- profit before tax amounting to	€ 9,239 thousand;
- net profit amounting to	€ 8,437 thousand.

The consolidated financial statements of the Neodecortech Group at December 31, 2022 were reviewed and approved by the Neodecortech Board of Directors meeting held on 15 March 2023.

The following Documents were made available:

- the Directors' Report on Operations at 31 December 2022, accompanied by the Board of Statutory Auditors' Report;
- the consolidated financial statements of the Neodecortech Group for the year ended 31 December 2022;
- the notes to the consolidated financial statements of the Neodecortech Group for the year ended 31 December 2022;
- the Independent Auditors' Report on the Consolidated Financial Statements of the Neodecortech Group for the year ended 31 December 2022, prepared in accordance with the provisions of Regulation (EU) no. 537/2014 and 27 January 2010, no. 39, as amended and supplemented;

- the certification by the Financial Reporting Manager and the legal representative and executive Chairman of Neodecortech, pursuant to Article 154-*bis*, paragraph 5, of the TUF.

All that said, the Neodecortech Shareholders' Meeting is called to review the consolidated financial statements of the Neodecortech Group at 31 December 2022.

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Filago, 17 March 2023

For the Board of Directors

The Chairman

Luca Peli