



**UNIEURO S.P.A.**

*REGISTERED OFFICE IN FORLÌ, VIA SCHIAPARELLI NO. 31*

*SHARE CAPITAL EURO 4,000,000.00 FULLY PAID-UP*

*REGISTRATION NUMBER WITH THE COMPANIES' REGISTER OF FORLÌ-CESENA, AND TAX CODE NO.  
00876320409*

***BOARD OF DIRECTORS' EXPLANATORY REPORT ON THE PROPOSAL AT ITEM NO. 2 OF THE AGENDA OF  
THE SHAREHOLDERS' MEETING OF UNIEURO S.P.A. CONVENED ON JUNE 12 2020 IN SINGLE CALL.***

**Allocation of profit from financial period. Related resolution.**

Dear Shareholders,

The annual financial statements as at February 29 2020 closed showing net profit of Euro 35,750/thousands.

In this regard, at their meeting held on May 6 2020, the Board of Directors of Unieuro S.p.A. acknowledged the significant change to the economic scenario caused by the COVID-19 pandemic and were also mindful as to how the regulatory context has evolved in virtue of the enactment of the recent Legislative Decree dated April 8 2020 No. 23 ("**Restore Liquidity Decree**"), art. 1 of which allows companies to access bank financing backed by guarantees issued by SACE S.p.A., provided however that the beneficiary company does not approve any distribution of dividends or repurchase of treasury shares during 2020. That stated, the Board deems it a priority to further strengthen the financial structure of the Company in a conservative manner, at the same time not ruling out the possibility of availing of the measures provided for under the above-mentioned decree.

In consideration of the above, the Board of Directors has deemed it appropriate to derogate from the dividend policy currently in place, and instead proposes that you allocate the entire profit for the financial year to the available and distributable Extraordinary Reserve fund.

It is specified that there is no need to allocate part of the year's profit to the "Legal Reserve" since the amount of such reserve is already equal to one fifth of the share capital as required by art. 2430 of the civil code.

We therefore respectfully propose that you pass the following resolution:

*"The Shareholders' Meeting of Unieuro S.p.A.,*

- *having examined the draft financial statements as at February 29 2020 submitted by the Board of Directors;*
- *having examined the explanatory report of the Board of Directors;*

***resolves***

*that the entire profit for the financial year in the amount of Euro 35,749,533.00 shall be allocated to the available and distributable extraordinary reserve fund."*

THE CHAIRMAN OF THE BOARD OF DIRECTORS

STEFANO MELONI