EXPLANATORY REPORT OF THE BOARD OF DIRECTORS
ON THE PROPOSALS CONCERNING THE ITEMS ON THE AGENDA

Ordinary Shareholders' Meeting

28 April 2022 - single call

Brescia, 11 April 2022

EXPLANATORY REPORT OF THE BOARD OF DIRECTORS OF INTRED S.P.A. ON THE PROPOSALS CONCERNING THE ITEMS ON THE AGENDA OF THE ORDINARY SHAREHOLDERS' MEETING CALLED FOR 28 APRIL 2022 IN SINGLE CALL

Dear Shareholders,

the Board of Directors of Intred S.p.A. ("**Intred**", the "**Company**" or the "**Issuer**") has called you to the Shareholders' Meeting, in Ordinary session, to submit for your approval the proposals set out in the following:

agenda

1. Approval of the financial statements for the year ended 31 December 2021 and allocation of the result for the year. Related and consequent resolutions;

2. Proposal to authorise the purchase and disposal of treasury shares. Related and consequent resolutions;

3. Appointment of the members of the Board of Statutory Auditors subject to determination of their remuneration. Related and consequent resolutions.

ORDINARY PART

1. **Approval of the financial statements for the year ended 31 December 2021. Related and consequent resolutions**

Dear Shareholders,

with reference to the first item on the agenda, you have been called to the Shareholders' Meeting, in Ordinary session, to approve the financial statements for the financial year ended 31 December 2021, examined by the Board of Directors on 28 March 2022.

The financial year ended 31 December 2021 closed with a profit for the year of Euro 8,620,469, which we propose that you allocate as follows:

- Euro 951,030 to the distribution of a dividend of Euro 0.06 per share, gross of the withholding taxes required by law, with dividend detachment date (so-called ex-date), in accordance with the 2022 Euronext Growth Milan calendar, on 2 May 2022, date of entitlement to receive the dividend (so-called record date) on 3 May 2022 and dividend payment date (so-called payment date) on 4 May 2022;

- Euro 431,023 to the legal reserve;

- the remaining part, equal to Euro 7,238,416, to the extraordinary reserve.

For all information and detailed comments, please refer to the directors' report, made available to the public, together with the financial statements, the report of the Board of Statutory Auditors and of the Independent Auditors, at the registered office, as well as on the Company's website, within the terms provided for by the regulations in force.

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In light of the above, the Board of Directors therefore submits for your approval the following:

– ***PROPOSED RESOLUTION*** –

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

- having heard the Chairman's presentation,

- having examined the draft financial statements for the year ended 31 December 2021 and the directors' report;

- having taken note of the reports of the Board of Statutory Auditors and of the Independent Auditors;

- having taken note of the explanatory report of the Board of Directors and of the proposals contained therein,

resolves

1. *to approve the financial statements for the year ended 31 December 2021, consisting of the balance sheet, income statement, cash flow statement and explanatory notes and accompanied by the directors' report, taking note of the reports of the Board of Statutory Auditors and of the Independent Auditors as well as of the related accompanying documentation;*

2. *to allocate the net profit for the 2021 financial year, equal to Euro* 8,620,469, *as follows:*

    - Euro 951,030 to the distribution of a dividend of Euro 0.06 per share, gross of the withholding taxes required by law, with dividend detachment date (so-called ex-date), in accordance with the 2022 Euronext Growth Milan calendar, on 2 May 2022, date of entitlement to receive the dividend (so-called record date) on 3 May 2022 and dividend payment date (so-called payment date) on 4 May 2022*;*

    - Euro 431,023 to the legal reserve;

    - *the remaining part, equal to Euro* 7,238,416, *to the extraordinary reserve;*

3. *to grant each member of the Board of Directors pro tempore in office, severally and with the power to sub-delegate to third parties, including those outside the Board, a mandate to carry out all the communication, filing and publication formalities and obligations relating to the above resolutions, pursuant to the applicable regulations.*"

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2. **Proposal to authorise the purchase and disposal of treasury shares. Related and consequent resolutions**

Dear Shareholders,

with reference to the second item on the agenda, you have been called to the Shareholders' Meeting, in Ordinary session, to examine and approve the proposal to authorise the purchase and disposal of treasury shares (so-called Buyback).

Also in view of the market fluctuations of recent weeks linked to the geopolitical crisis caused by the invasion of and war in Ukraine, the Board of Directors deems it appropriate to propose that the Shareholders' Meeting grant an authorisation under the terms set out in this report.

1. **Reasons for which authorisation to purchase and dispose of treasury shares is requested.**

The authorisation to purchase and dispose of treasury shares covered by this proposal is requested in order to allow Intred -in compliance with the applicable regulations, including European regulations, and with the accepted market practices in force from time to time – to:

(a) use its own shares as an investment for the efficient use of the liquidity generated by the Company's core business;

(b) operate on the market, in compliance with the provisions in force from time to time, directly or through intermediaries, to contain abnormal price movements and to regularise the trend of trading and prices, in the event of any distortions linked to excessive volatility or poor trading liquidity;

(c) purchase treasury shares from the beneficiaries of any share incentive plans (stock option or stock grant) resolved by the competent corporate bodies or in any case implement new plans in whatever form they are structured or make free allocations to shareholders or fulfil obligations arising from warrants, convertible financial instruments, mandatorily convertible or exchangeable for shares (on the basis of existing transactions or transactions to be resolved/implemented); as well as

(d) allow the use of treasury shares in the context of transactions connected with the core business or of projects consistent with the strategic guidelines that the Company intends to pursue, in relation to which opportunities for share exchanges arise, with the main objective of then completing corporate integration transactions with potential strategic partners.

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2. **Maximum number, class and par value of the shares to which the authorisation refers.**

It is proposed that the Shareholders' Meeting authorise the purchase of fully paid-up ordinary shares of the Company, with no par value, in one or more tranches, also on a revolving basis (so-called revolving), up to a maximum number of treasury shares equal to 795,000, taking into account the Intred ordinary shares held from time to time both directly by the Company and by companies controlled by it and, in any case, if lower, up to the maximum permitted by Article 2357, paragraph 3, of the Italian Civil Code. As at the date of this report, the maximum number of 795,000 treasury shares that may be purchased under the proposed authorisation represents approximately 5% of the share capital.

It is also proposed to authorise the Board of Directors to dispose of the treasury shares held in portfolio, even before the purchases for the purposes referred to in Paragraph 1 above have been completed.

In the event of disposal of treasury shares held in portfolio, further purchases may be made until the expiry of the shareholders' authorisation, without prejudice to the quantitative limits laid down by law, also relating to the number of treasury shares that may be held from time to time by the Company or by its subsidiaries, as well as to the conditions established by the Shareholders' Meeting.

3. **Information useful for a full assessment of compliance with Article 2357, paragraphs 1 and 3 of the Italian Civil Code.**

Pursuant to Article 2357, paragraph 3, of the Italian Civil Code, the par value of the treasury shares that the Company may purchase may not exceed one fifth of the share capital, also taking into account for this purpose the shares held by subsidiaries.

The subscribed and paid-up share capital of the Company as at the date of this report is represented by no. 15,850,500 ordinary shares with no par value. As at today's date the Company does not hold any treasury shares.

Pursuant to Article 2357, paragraph 1, of the Italian Civil Code, treasury shares may be purchased within the limits of the distributable profits and available reserves shown in the latest duly approved financial statements at the time each transaction is carried out. Only fully paid-up shares may be purchased.

It should be noted that the draft financial statements for the year ended 31 December 2021 submitted for the approval of the Shareholders' Meeting called in single call on 28 April 2022 (assuming their approval by the Shareholders' Meeting under the terms proposed by the Board of Directors) show available and freely distributable reserves amounting to Euro 19,612,769.

It is understood that compliance with the conditions required by Article 2357, paragraphs 1 and 3, of the Italian Civil Code for the purchase of treasury shares must be verified at the time of each authorised purchase, also taking into account any further restrictions on availability arising subsequently.

It should be noted that, in the event of purchase, sale, exchange and contribution of treasury shares, the Company, in compliance with the provisions of law and the applicable accounting standards, will make the necessary or appropriate accounting entries.

4. **Duration of the authorisation**

The Board of Directors proposes that the authorisation to purchase treasury shares be granted for the maximum duration permitted by Article 2357, paragraph 2 of the Italian Civil Code and therefore for a period of 18 (eighteen) months from the date on which the Shareholders' Meeting adopts the corresponding resolution.

Within the duration of any authorisation granted, the Company may carry out repeated and successive purchases and, without time limits, sales (or other acts of disposal) of treasury shares at any time, also on a revolving basis (so-called revolving) and also for fractions of the maximum authorised quantity, with the gradualness deemed appropriate in the interest of the Company, in any case so that, at any time, the quantity of shares subject to the proposed purchase and owned by the Company does not exceed the limits laid down by law and by the authorisation of the Shareholders' Meeting and in accordance with the applicable laws and regulations in force from time to time.

The authorisation for sales, disposal and/or use of treasury shares is requested without time limits in order to have maximum flexibility in the absence of regulatory restrictions on the matter.

5. **Minimum and maximum consideration**

The purchase price of each Intred share will be determined from time to time, taking into account the method chosen for carrying out the transaction, the trend in the prices of Intred stock and the best interest of the Company, and in compliance with any national and European legal and regulatory requirements (including the requirements of Delegated Regulation (EU) 2016/1052 – the "**Delegated Regulation**") in force on the matter or with the accepted market practices in force from time to time, where the conditions are met and it is decided to make use of them.

The price must comply with the provisions of Article 3, paragraph 2, of the Delegated Regulation as amended from time to time, i.e., as at the date of this report, not higher than the higher of the price of the last independent trade and the highest current independent purchase bid on the trading venue where the purchase is carried out, or comply with the regulations in force from time to time. In any case, purchases must be made at a price per share that is neither lower nor higher by more than 10% than the reference price recorded by the stock in the stock exchange session preceding each individual transaction.

Sales or other acts of disposal or use of treasury shares acquired under the authorisation proposed herein:

a) if carried out in cash, must be made at a price per share to be determined on the basis of the criteria laid down by the applicable regulations and/or the accepted market practices in force from time to time, or which in any case may not deviate downwards by more than 10% from the reference price recorded by the stock in the stock exchange session preceding each individual transaction;

b) if carried out in the context of extraordinary transactions (including exchange, contribution or swap transactions, or transactions serving capital transactions or other corporate and/or financial transactions of an extraordinary nature or financing transactions), must be carried out within the price limits and under the terms and conditions that will be determined by the Board of Directors;

c) if carried out in the context of share incentive plans, must be allocated to the beneficiaries of the plans in force from time to time, in the manner and within the terms indicated in the regulations of those plans.

6. **Execution of the transactions**

In view of the various purposes that may be pursued through the completion of transactions in treasury shares, the Board of Directors proposes that the authorisation be granted for carrying out purchases of treasury shares in any of the ways permitted by the regulations in force. Excluded in any case from the authorisation requested from the Shareholders' Meeting is the power to carry out purchases of treasury shares through the purchase and sale of derivative instruments traded on regulated markets providing for the physical delivery of the underlying shares, although contemplated by Article 144-bis, letter c) of the Issuers' Regulation.

With regard to the sale, disposal and/or use of treasury shares, the Board of Directors proposes that the authorisation allow the adoption of any method deemed appropriate to meet the purposes pursued, to be carried out either directly or through intermediaries, in compliance with the national and European laws and regulations in force on the matter.

The shares serving share incentive plans will be allocated in the manner and within the terms indicated in the regulations of those plans in force from time to time.

It should be noted that, pursuant to the exemption referred to in Article 132, paragraph 3, of Legislative Decree No. 58 of 24 February 1998 ("**TUF**"), the above operating procedures do not apply to purchases of treasury shares from employees of the Company, of subsidiaries and of the parent company, which have been allocated to them under a share incentive plan pursuant to Articles 2349 and 2441, paragraph 8, of the Italian Civil Code, or which derive from remuneration plans approved pursuant to Article 114-bis of the TUF.

Notice of any purchases and disposals of treasury shares will be given in compliance with the applicable disclosure obligations under national and European provisions.

7. **Information in the event that the purchase is instrumental to the reduction of the capital**

It should be noted that the purchase of treasury shares is not, at present, aimed at reducing the share capital through the cancellation of the treasury shares purchased, without prejudice, however, to the Company's right, should a reduction of the share capital be approved by the Shareholders' Meeting in the future, to implement it also through the cancellation of treasury shares held in portfolio.

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In light of the above, the Board of Directors therefore submits for your approval the following:

– ***PROPOSED RESOLUTION***

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

- having heard the Chairman's presentation,

- having taken note of the explanatory report of the Board of Directors and of the proposals contained therein;

- having taken note of the provisions contained in Articles 2357 and 2357-ter of the Italian Civil Code, in Article 132 of Legislative Decree No. 58 of 24 February 1998, in Article 144-bis of the Issuers' Regulation adopted by CONSOB with resolution no. 11971/1999, as subsequently amended, and of the relevant provisions of Regulation (EU) No. 596 of 16 April 2014, as subsequently amended, and of Delegated Regulation (EU) No. 1052 of 8 March 2016;

- having examined the financial statements for the year ended 31 December 2021 approved by today's shareholders' meeting;

- having established the advisability of granting authorisation for transactions to purchase and dispose of treasury shares, for the purposes and in the manner described above;

resolves

(a) *to authorise the Board of Directors to purchase, for a period not exceeding eighteen months from the date of this resolution, Intred ordinary shares with no par value, also in one or more tranches and at any time, also on a revolving basis (so-called revolving), up to a maximum number of treasury shares equal to no. 795,000, taking into account the Intred ordinary shares held from time to time both directly by the Company and by companies controlled by it and, in any case, if lower, up to the maximum number of shares permitted from time to time by law,*

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for one or more of the following reasons, in compliance with the applicable laws and regulations, including EU laws and regulations, in force from time to time:

(i) *use its own shares as an investment for the efficient use of the liquidity generated by the Company's core business;*

(ii) *operate on the market, in compliance with the provisions in force from time to time, directly or through intermediaries, to contain abnormal price movements and to regularise the trend of trading and prices, in the event of any distortions linked to excessive volatility or poor trading liquidity;*

(iii) *purchase treasury shares from the beneficiaries of any share incentive plans (stock option or stock grant) resolved by the competent corporate bodies or in any case implement new plans in whatever form they are structured or make free allocations to shareholders or fulfil obligations arising from warrants, convertible financial instruments, mandatorily convertible or exchangeable for shares (on the basis of existing transactions or transactions to be resolved/implemented); as well as*

(iv) *allow the use of treasury shares in the context of transactions connected with the core business or of projects consistent with the strategic guidelines that the Company intends to pursue, in relation to which opportunities for share exchanges arise, with the main objective of then completing corporate integration transactions with potential strategic partners.*

(b) *to authorise the purchases referred to in letter (a) above to be made:*

(i) *at price conditions complying with the provisions of Article 3, paragraph 2, of Delegated Regulation 2016/1052/EU, i.e., as at today's date, not higher than the higher of the price of the last independent trade and the highest current independent purchase bid on the trading venue where the purchase is carried out, or complying with the regulations in force from time to time. In any case, purchases must be made at a price per share that may not deviate, either downwards or upwards, by more than 10% from the reference price recorded by the stock in the Stock Exchange session preceding each individual transaction;*

(ii) *in any of the ways permitted by the laws and regulations, including EU laws and regulations, in force from time to time, and in particular, at present, by Article 132, paragraph 1, of Legislative Decree No. 58 of 24 February 1998 and by Article 144-bis, paragraph 1, letters a), b), d), d-bis) and d-ter) of the Issuers' Regulation adopted by CONSOB with resolution no. 11971/1999;*

(c) *to authorise, pursuant to and for the purposes of Article 2357-ter of the Italian Civil Code, the sale or other act of disposal and/or use, in one or more tranches and at any time, without time limits, of all or part of the treasury shares held in portfolio or purchased pursuant to this resolution, up to the maximum number authorised by*

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it, for all the purposes referred to in letter (a) above, it being understood that such transactions:

(i) *if carried out in cash, must be made at a price per share to be determined on the basis of the criteria laid down by the applicable regulations and/or the accepted market practices in force from time to time, or which in any case may not deviate downwards by more than 10% from the reference price recorded by the stock in the stock exchange session preceding each individual transaction;*

(ii) *if carried out in the context of extraordinary transactions (including exchange, contribution or swap transactions, or transactions serving capital transactions or other corporate and/or financial transactions of an extraordinary nature or financing transactions), must be carried out within the price limits and under the terms and conditions that will be determined by the Board of Directors;*

(iii) *if carried out in the context of share incentive plans, must be allocated to the beneficiaries of the plans in force from time to time, in the manner and within the terms indicated in the regulations of those plans;*

(d) *to grant the Board of Directors the broadest powers necessary to carry out, also through intermediaries:*

(i) *the purchases for the purposes and within the limits referred to in letter (a) above, establishing the purchase method and the criteria for determining the price per share in accordance with the provisions of letter (b) above;*

(ii) *the sales or other acts of disposal and/or use to be carried out in cash for the purposes referred to in letter (a) above, establishing the method of sale, as well as the criteria for determining the price per share in accordance with the provisions of letter (c), point (i) above, of all or part of the treasury shares held in portfolio or purchased pursuant to this authorisation,*

carrying out all the activities required, necessary, appropriate, instrumental, connected and/or useful for the successful outcome of such transactions and of the authorisations provided for herein, making the necessary accounting entries in the manner and within the limits of the law, and creating the related reserve, providing information to the market and complying with the applicable provisions issued by the competent Authorities in force from time to time;

(e) *to grant the Board of Directors, subject to sub-delegation, the broadest powers necessary to carry out the sales or other acts of disposal and/or use to be carried out pursuant to letter (c), points (ii) and (iii) above, of all or part of the treasury shares purchased pursuant to this authorisation, establishing the criteria for determining the price per share in accordance with the provisions of that letter (c), points (ii) and (iii) respectively and the method of disposal in accordance with the*

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provisions of letter (a) above, as well as carrying out all the activities required, necessary, appropriate, instrumental, connected and/or useful for the successful outcome of such transactions and of the authorisations provided for herein, also through attorneys, providing information to the market and complying with the applicable provisions issued by the competent Authorities in force from time to time;

(f) *to grant the Board of Directors every power, none excluded or excepted, to implement the above resolutions, doing whatever is required, appropriate, instrumental, connected and/or useful for their successful outcome and for that of the authorisations provided for therein.*"

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3. **Appointment of the members of the Board of Statutory Auditors subject to determination of their remuneration. Related and consequent resolutions.**

Dear Shareholders,

with reference to the third item on the agenda of the Shareholders' Meeting in Ordinary session, we remind you that – upon approval of the financial statements for the year ended 31 December 2021 – the term of office of the Board of Statutory Auditors granted for a three-year period by the ordinary Shareholders' Meeting held on 19 April 2019 will expire and, therefore, the Shareholders' Meeting called for 28 April 2022 is called upon to renew the control body.

You are also reminded that the Company's Board of Statutory Auditors consists of three standing members and two alternate members and remains in office for three financial years, that is, until the date of approval of the financial statements as at 31 December 2024, and that, pursuant to Article 21.22 of the Articles of Association, upon the appointment the Company's Shareholders' Meeting must determine the remuneration to be paid to the standing auditors. Pursuant to Article 21.6 of the Articles of Association, the Statutory Auditors are appointed on the basis of slates. In this regard, shareholders who, alone or together with other shareholders, hold in aggregate shares representing at least 5% of the share capital carrying voting rights at the ordinary shareholders' meeting of the Company may submit slates of candidates for Statutory Auditor. The slates, duly signed, may contain a maximum number of candidates equal to the number of members to be elected (and therefore not more than 5) and must be divided into two sections, one for standing auditors and one for alternate auditors. Each shareholder, as well as shareholders belonging to the same group (meaning subsidiaries, parent companies and companies under common control pursuant to Article 2359, paragraph 1, nos. 1 and 2 of the Italian Civil Code), and shareholders who are parties to the same shareholders' agreement, may not submit or contribute to submitting, not even through an intermediary or a trust company, more than one slate. If a shareholder has contributed to submitting more than one slate, the submission of those slates will be invalid if the calculation of the shareholder's holding is decisive for reaching the required threshold. Slates submitted without complying with the above provisions are considered as not submitted. Each candidate may appear on one slate only, on pain of ineligibility.

In order to allow participants in the Shareholders' Meeting to cast an informed vote, shareholders who intend to submit a slate of candidates for Statutory Auditor are invited to file the slate, together with the candidates' curricula vitae and the documentation certifying the shareholder status of those submitting the candidacy, by the 7th day preceding the Shareholders' Meeting. By the same deadline, the declarations by which the individual candidates certify, under their own responsibility, that there are no grounds for incompatibility or ineligibility, as well as that they meet the requirements laid down by the Articles of Association and/or by law, are to be filed. They may be sent by hand delivery during office hours, or by registered letter, to the Company's registered office, at the

address via Pietro Tamburini, 1, 25136 Brescia, or by certified e-mail to the address amministrazione@legal.intred.it.

The first two candidates on the slate that has obtained the highest number of votes and the first candidate on the slate that has ranked second by number of votes, who will also be appointed chairman of the board of statutory auditors, will be elected standing auditors. The first alternate candidate on the slate that has obtained the highest number of votes and the first alternate candidate on the slate that has ranked second by number of votes will be elected alternate auditors. In the event of a tie between several slates, a new run-off vote is held between those slates, and the candidates of the slate obtaining the simple majority of the votes are elected, while if only one slate is submitted, the board of statutory auditors is drawn entirely from that slate, provided that it obtains the majority required by law for the ordinary shareholders' meeting. For the appointment of those statutory auditors who for any reason could not be elected through the procedure provided for in the preceding paragraphs, or if no slates are submitted, the shareholders' meeting resolves by relative majority.

In light of the above, the Board of Directors invites those concerned to submit their slates for the renewal of the Board of Statutory Auditors, together with the proposals concerning the determination of the related remuneration. The Shareholders attending the shareholders' meeting will be invited to vote on these proposals.

Brescia, 11 April 2022

For the Board of Directors
The Chairman and Chief Executive Officer
(signed Daniele Peli)

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