**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 12 NOVEMBER 2024 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. Award of a new statutory audit engagement of the company for the period 2024-2026 and determination of the related fee, subject to the early consensual termination of the current statutory audit engagement. Related and consequent resolutions;

In order to allow you to carefully and thoroughly examine the items on the agenda above, we make available to you at the registered office, and on the Company's internet site at www.intred.com, this explanatory report of the Board of Directors as well as the related annexes.

***

1. **Award of a new statutory audit engagement of the company for the period 2024-2026 and determination of the related fee, subject to the early consensual termination of the current statutory audit engagement. Related and consequent resolutions.**

Dear Shareholders,

with reference to the only item on the agenda, you have been called to the Shareholders' Meeting to approve the award of a new statutory audit engagement for the three-year period 2024 - 2026, subject to the early termination of the current engagement granted by the Shareholders' Meeting of 29 April 2021 to BDO Italia S.p.A. ("**BDO**") for the period 2021-2029, expiring on the date of the Shareholders' Meeting called to approve the 2029 financial statements.

This report is therefore also prepared pursuant to and for the purposes of Legislative Decree No. 39 of 27 January 2010, as consolidated by Legislative Decree No. 135/2016, and of Ministerial Decree No. 261 of 28 December 2012 with reference to the early termination of the aforementioned engagement.

As is known, the Company qualifies as an "*issuer of financial instruments widely distributed among the public to a significant extent*" pursuant to Article 2325-*ter* of the Italian Civil Code, by virtue of the fact that (i) the total number of shareholders, other than shareholders holding an interest exceeding 3% of the Company's share capital, who together hold at least 5% of the share capital exceeds 500, and (ii) the limits indicated by Article 2435-*bis*, paragraph 1, of the Italian Civil Code have been exceeded.

On 27 March 2024, Law No. 21 of 5 March 2024 (the "**Capital Markets Law**") came into force, which, *inter alia*, repealed letter (a) of Article 19-*bis*, paragraph 1, of Legislative Decree 39/2010, which included companies "*issuing financial instruments widely distributed among the public to a significant extent*" among the "*entities subject to an intermediate regime*" for statutory audit purposes, with the consequent applicability to them of the provisions of Article 17 of Legislative Decree 39/2010 (including the nine-year duration of the engagement). Therefore, from the date of entry into force of the Capital Markets Law, the Company, while maintaining its *status* as an "*issuer of shares widely distributed among the public to a significant extent*", can no longer be qualified as an "*entity subject to an intermediate regime*", with the related non-application of part of the rules applicable to so-called "*public interest entities*" referred to in Article 19-*ter* of Legislative Decree No. 39/2010.

In particular, the Board of Directors specifies that, as it cannot be qualified as an "*entity subject to an intermediate regime*" or a "*public interest entity*", the Company is subject to paragraph 2 of Article 13 of Legislative Decree No. 39/2010, under which "*except as established by Article 17, paragraph 1, of this decree, the engagement lasts three financial years, expiring on the date of the shareholders' meeting called to approve the financial statements for the third financial year of the engagement*".

In light of the above, the Company is therefore required to grant a statutory audit engagement lasting three years, starting from 1 January 2024 and therefore for the financial years 2024-2026, and to terminate early the engagement currently in place with BDO in order to grant, at the shareholders' meeting, a new three-year engagement starting from the 2024 financial year.

The early termination of the statutory audit engagement currently in place takes place – pursuant to and for the purposes of the provisions of Legislative Decree No. 39/2010 and of Decree No. 261/2012 of the Minister of Economy and Finance – through its consensual termination.

In this context, the Company's Board of Directors, having first shared the choice with its Board of Statutory Auditors, asked BDO whether it was willing to proceed with the early consensual termination of the current audit engagement, and BDO confirmed its willingness to agree, for the reasons set out above, to the early consensual termination of that engagement and provided the Company with its observations on the termination of its activity, provided for by Article 7 of Decree No. 261/2012 of the Minister of Economy and Finance, to be submitted to the Board of Statutory Auditors and the Shareholders' Meeting.

At the same time, the Company started a process to select the new statutory audit firm to be entrusted with the audit of the Company's accounts for the three-year period 2024-2026 and, at the end of that procedure, the Board of Statutory Auditors, after evaluating the proposals of several audit firms on the services to be provided to the Company pursuant to the applicable regulations, prepared its reasoned proposal concerning the award of the three-year statutory audit engagement.

...

The Board of Statutory Auditors, having taken note of the consensual termination and of the observations submitted *ex* Article 7 of Decree No. 261/2012 of the Minister of Economy and Finance, therefore expressed its favourable opinion on the consensual termination of the relationship with BDO and formulated, pursuant to Article 13 of Legislative Decree No. 39/2010, its reasoned proposal, to be submitted to the Company's Shareholders' Meeting of 12 November 2024, concerning the award of a new statutory audit engagement of the Company for the period 2024-2026, expressing its preference for granting the engagement to the audit firm Deloitte&Touche S.p.A. For greater completeness, please refer to the reasoned proposal of the Board of Statutory Auditors annexed to this explanatory report. In view of the above, as regards the award of the new statutory audit engagement, the Board of Directors refers to the proposal formulated by the Board of Statutory Auditors pursuant to and for the purposes of Legislative Decree No. 39/2010, emphasising that it has no further observations regarding the termination of the audit engagement in view of the fact that the early termination of the engagement takes place by mutual consent between the parties and the reason for it is the change in the regulations applicable to the Company following the loss of the qualification of "*entity subject to an intermediate regime"*; and (ii) substantially at the same time as the resolution on early termination, the Shareholders' Meeting of 12 November 2024 will be called upon to grant a new statutory audit engagement, without interruption and, therefore, with full protection for the Company and the Shareholders.

All the above being stated, in relation to this item on the agenda, the Board of Directors submits for your approval the following

**proposed resolution**

"*The Shareholders' Meeting of Intred S.p.A., meeting in ordinary session,*

- *having taken note of the willingness of the audit firm BDO ITALIA S.p.A. to agree to the consensual termination of the current nine-year engagement, effective from the date of approval of the Financial Statements as at 31 December 2023;*
- *having taken note of the observations made by BDO ITALIA S.p.A. on the termination of its audit activity and of the related opinion of the control body;*
- *having taken note of the explanatory Report of the Board of Directors and of the favourable opinion expressed by the Board of Statutory Auditors;*
- *having examined the reasoned proposal prepared by the Company's Board of Statutory Auditors pursuant to Article 13 of Legislative Decree No. 39 of 27 January 2010;*

***resolves***

...

- *to approve the consensual termination of the statutory audit engagement granted to BDO ITALIA S.p.A. for the period 2021-2029 by resolution of the Shareholders' Meeting on 29 April 2021;*
- *to grant the company Deloitte&Touche S.p.A. the statutory audit engagement of Intred S.p.A. for the period 2024-2026, under the terms and conditions, including financial terms, of the offer made by the aforementioned audit firm and set out in the reasoned proposal of the Board of Statutory Auditors;*
- *to grant the Chairman of the Board of Directors and Chief Executive Officer Daniele Peli, with the power to sub-delegate also to third parties outside the Board of Directors, the power to implement the resolutions referred to in the preceding points, including the powers to agree to the termination of the engagement with BDO Italia S.p.A., to make all the communications required by the applicable regulations and connected with such termination, as well as to carry out all the communication, filing and publication formalities and obligations relating to the above resolutions, pursuant to the applicable regulations, making any formal amendments, additions or deletions that may be necessary and/or appropriate*".

* * *

Brescia, 28 October 2024

The Chairman of the Board of Directors

_____

Daniele Peli

---

*This document is an English translation of the original Italian document and is provided for ease of reference. The translation may contain errors, omissions or inaccuracies. In the event of any discrepancy or inconsistency between this translation and the Italian original, the Italian original shall prevail to the extent permitted by applicable law.*