

NEWRON PHARMACEUTICALS S.P.A.

Registered office in Bresso (MI), Via Meucci No. 2

Subscribed and paid-up share capital of 3,576,366.80 euros

Registered in the Milan Register of Companies at No. 02479490126 and in the

Administrative Economic Directory (R.E.A.) under no. 1680171

**REPORT OF THE BOARD OF DIRECTORS ON THE ITEMS ON THE AGENDA OF THE
MEETING CONVENED ON APRIL 17, 2024**

Bresso, March 14, 2024

Shareholders,

this report has been prepared by the Board of Directors of Newron Pharmaceuticals S.p.A. (or also "Newron" or the "Company") in connection with the ordinary part of the Newron Shareholders' Meeting, convened in a single call on April 17, 2024, at 10:00 a.m. CET, at the Company's registered office in Bresso (MI), via A. Meucci, 3, to discuss and resolve on the following agenda:

AGENDA

Ordinary Part

1. Review and approval of the annual financial statements and presentation of the consolidated financial statements as of December 31, 2023. Disclosure pursuant to Article 2447 of the Civil Code also in view of the sterilization of losses as of December 31, 2022 as already resolved. Related and consequent resolutions.
2. Appointment of a new member of the Board of Directors for the fiscal years 2024 and 2025 and, therefore, until the approval of the financial statements as of December 31, 2025, and specifically:
 - 2.1 determination of the number of members of the Board of Directors;
 - 2.2. proposed appointment of Margarita Chavez as a new member of the administrative body;
 - 2.3. determination of the relevant remuneration.Related and consequent resolutions.
3. Integration of the Board of Statutory Auditors pursuant to Article 2401 of the Civil Code:
 - 3.1. appointment of a Statutory Auditor (*sindaco effettivo*);
 - 3.2. possible appointment of an Alternate Auditor (*sindaco supplente*);
 - 3.3. determination of the relevant remuneration.Related and consequent resolutions.

Extraordinary Part

1. Amendment to Article 14 of the Bylaws "Board of Directors - Composition." Related and consequent resolutions.
2. Granting to the Board of Directors of the power, pursuant to Article 2443 of the Civil Code, to be exercised within and not later than five years from the relevant granting, to increase the share capital, in one or more times, for a maximum nominal amount of 357,636 euros, plus any share premium, with or without option rights, pursuant to Article 2441, paragraphs 1 and/or 4, first and second parts, and/or 5, 6 of the Civil Code. Related and consequent resolutions.
3. Granting to the Board of Directors of the power, pursuant to Article 2443 of the Civil Code, to be exercised within and not later than five years from the relevant granting, to increase the share capital, in one or more times, for a maximum nominal amount of 107,291 euros, plus any share premium, with the exclusion of option rights, pursuant to Article 2441, paragraphs 5, 6 and/or 8 of the Civil Code, reserved to one or more incentive plans. Related and consequent resolutions.

This report is prepared to provide Shareholders with more details with reference to the items on the agenda of the ordinary part only; with regard to the items of the extraordinary part, please refer to the reports prepared in accordance with the applicable statutory and regulatory provisions made available by the Company at its registered office in Bresso (MI), Via Meucci No. 3.

ORDINARY PART

1. Review and approval of the annual financial statements and presentation of the consolidated financial statements as of December 31, 2023. Disclosure pursuant to Article 2447 of the Civil Code also in view of the sterilization of losses as of December 31, 2022 as already resolved. Related and consequent resolutions.

Shareholders,

in relation to the first item on the agenda of the ordinary part, it should be noted that at the shareholders' meeting held on April 18, 2023, it was resolved to carry forward the loss for the year 2022 in the amount of 22,750,301.62 euros and, for the purpose of protecting the share capital, to postpone the decision on its coverage by the end of the fifth subsequent fiscal year, as permitted by Article 6 of Decree Law 23/2020, as amended and supplemented. The same meeting also decided, since the company at the time of the resolution was not in the conditions set forth in Art. 2446 or 2447 of the Civil Code, to mandate the administrative body to supervise at the prudential level the performance of any losses that may have accrued - including "sterilized" losses -, and promptly convene the shareholders' meeting, so that it may take the appropriate measures pursuant to said provisions, also in light of the doctrinal and/or jurisprudential interpretations of the Decree in force at that date.

On March 14, 2024, Newron's Board of Directors approved the draft financial statements as of December 2023, prepared on the basis of the accounting standards adopted in Italy (Italian GAAP); the Company's financial statements results in a loss for the financial year of Euro 19,903,779 and Shareholders' equity, net of i) the loss of the year and ii) the frozen losses of 2022, equal to Euro 21,324,434, mainly attributable to the Company's business and to the development stage of the relevant products' pipeline. Considering, therefore, the losses accrued as of December 31, 2023, together with the "sterilized" losses, the Company would find itself in the situation referred to in Article 2447 of the Civil Code; however, in view of the resolution adopted on April 18, 2023, and the sterilization - as allowed by Art. 6 of Decree Law 23/2020 as amended and supplemented - of the losses accrued as of December 31, 2022, amounting to 22,750,301.62 euros, the equity of the Company is equal to Euro 21,324,434. In light of the resolution passed at the time and the option provided for in Article 6 of Decree Law 23/2020, as amended and supplemented, the administrative body considers it non-compulsory to take measures regarding the coverage of the loss incurred in 2022, measures that - if the relevant condition pursuant to Articles 2446/2447 of the Civil Code remains - will have to be taken when approving the financial statements for the year ended December 31, 2027.

The current non-mandatory nature of these measures has also been assessed by the Board of Directors in relation to the necessary verification of the company's ability to continue as a going concern; in relation to this issue, please refer to the information provided in the management report to the financial statements for the year ended December 31, 2023, which will be published on the Company's website within the terms of the law. In the context of the shareholders' meeting, also the consolidated financial statements as of 31 December 2023 will be illustrated, showing a loss equal to Euro 16,224 thousands and Shareholders' equity, net of the loss of the year, equal to minus Euro 29,908 thousands, as approved by the Board of Directors' Meeting of March 14, 2024.

Additional documentation related to the first item on the ordinary agenda required by current regulations is made available, within the terms of the law, to shareholders and those entitled to vote, at the Company's registered office in Bresso (MI), Via Meucci No. 3, and on the Company's website at www.newron.com Investors Section.

Therefore, please refer to that documentation for more information regarding the first agenda item.

2. Appointment of a new member of the Board of Directors for the fiscal years 2024 and 2025 and, therefore, until the approval of the financial statements as of December 31, 2025, and specifically:

2.1 determination of the number of members of the Board of Directors;

2.2. proposed appointment of Margarita Chavez as a new member of the administrative body;

2.3. determination of the relevant remuneration.

Related and consequent resolutions.

Shareholders,

Article 14 of the Articles of Incorporation stipulates that the Company shall be administered by a Board of Directors consisting of a minimum of 4 to a maximum of 8 members, including non-members.

The current Board of Directors in office, appointed by the shareholders' meeting on April 18, 2023 for the fiscal years 2023- 2025, consists of 5 members; it is intended to propose to the shareholders' meeting to redetermine the number of members, supplementing it with one new member.

That being said, in relation to the second item on the agenda of the ordinary part, the Board of Directors proposes to re-determine the number of members of the Board of Directors to 6, instead of 5 as resolved by the aforementioned Shareholders' Meeting of April 18, 2023, also proposing to appoint Dr. Margarita Chavez as a director for the fiscal years 2024 and 2025 and therefore until the approval of the financial statements as of December 31, 2025, that is, the expiration of the current Board, awarding her a compensation of euros 40.356 that is in line with the compensation of all Directors in charge plus additional remuneration – in line with Newron procedure - should she be appointed in one or more Board committee/s.

Specifically, Margarita Chavez brings to Newron over 20 years of dealmaking expertise and leadership in the pharmaceutical industry. Most recently, she was Managing Director of AbbVie Ventures, where she led investments and built biotech companies across the US and Europe. Ms. Chavez also served as a board member for several biotech companies across the US and Europe. As a Director in Abbott's Global Pharmaceutical Licensing & Acquisitions Division, she was involved in the successful in-licensing of Elagolix and the acquisitions of Solvay, ImmuVen and the Lupron franchise. Before joining Abbott, Ms. Chavez practiced as a corporate and securities lawyer in the Silicon Valley, advising tech and biotech companies on strategic transactions including IPOs and mergers and acquisitions. She received her bachelor's degree from Santa Clara University and her juris doctor from Santa Clara University School of Law (both California). Ms. Chavez is currently a Venture Partner at Wellington Partners and has been acting as advisor to Newron's board since October 1, 2023.

With reference to the annual gross remuneration of the Board of Directors, we remind you that - after having heard the opinion of the Compensation and Nomination Committee – during last year shareholders meeting shareholders proposes to determine an overall gross remuneration of up to Euro 350 thousands per year, granting to the Board of Directors any and all powers to split such an amount among all the directors, with the previous consent of the Board of Statutory Auditors in compliance with applicable laws and regulations. Mrs. Chavez' total gross remuneration, will therefore be part of this gross yearly amount. For additional information regarding the Board of Directors' remuneration, please refer to the Annual Report 2023 – Corporate Governance section - page 27 and subsequent.

3. Integration of the Board of Statutory Auditors pursuant to Article 2401 of the Civil Code:

3.1. appointment of a Statutory Auditor (*sindaco effettivo*);

3.2. possible appointment of an Alternate Auditor (*sindaco supplente*);

3.3. determination of the relevant remuneration.

Related and consequent resolutions.

Dear Shareholders, with reference to the third item on the agenda, ordinary part, you have been called to the Shareholders' Meeting to discuss and resolve on the integration of the Board of Statutory Auditors through:

- (i) Appointment of a statutory auditor;
- (ii) Possible appointment of an alternate auditor;
- (iii) Determination of the relevant fee.

On January 16, 2024, Statutory Auditor Massimo Giaconia tendered his immediate resignation, and, in accordance with the law and the bylaws, Dr. Alessandro Isacco took over as acting auditor. The Shareholders' Meeting is therefore called upon to integrate the auditing body pursuant to and in accordance with Article 2401 of the Civil Code.

In this regard, it is recalled that:

- the Board of Statutory Auditors was appointed at the Shareholders' Meeting held on April 5, 2022, and lapses with the approval of the financial statements as of December 31, 2024;
- Pursuant to Article 19 of the Bylaws, *"in the event of the termination of the office of an auditor, the alternate auditor belonging to the same list as the auditor to be replaced shall take over, unless the law provides otherwise. The alternate auditor shall remain in office until the next Shareholders' Meeting."*

Shareholders are therefore invited to submit any proposals for nomination, accompanied by the professional *curriculum vitae* of each nominee, including the list of directorships and supervisory positions held, and signed by the shareholders who submitted them, together with documentation proving the status of shareholders by those who submitted them.

In particular, in order to enable those attending the meeting to cast an informed vote on the basis of the above information, shareholders who intend to submit proposals for the appointment of a standing auditor and/or alternate auditor are invited to file their candidacy, together with the above documentation, if possible by the fifth day prior to the date of the meeting (i.e., by April 12, 2024), either by hand delivery during office hours, or by sending it by registered letter, to the Company's registered office at Via Meucci no. 3, Bresso (MI), or electronically, by sending it to the following e-mail address roberto.galli@newron.com and/or arianna.baldo@newron.com

By the same deadline, statements must be filed by which the individual candidates accept their candidacy and declare, under their own responsibility, the non-existence of causes of ineligibility and incompatibility provided for by law, as well as the existence of any requirements prescribed by law and regulations for members of the Board of Statutory Auditors.

The Company reserves the right not to accept documentation sent by electronic mail that is illegible or transmitted with damaged or otherwise illegible files. Please indicate in the message accompanying the documentation a telephone, fax or e-mail address of the sender.

Notwithstanding the above, in order to vote on nominations for the office of acting auditor, they must be formally presented at the shareholders' meeting - accompanied by the documents indicated above - so that they can be put to a vote in the following manner:

- each nomination will be put to a vote individually, in sequential order, according to the time order in which the nomination was submitted to the Company along with supporting documentation;

- each eligible voter may vote in favor of no more than one standing auditor nomination, and any favorable vote cast for additional nominations will not be counted;
- the first nomination that has obtained, the absolute majority of the share capital represented at the Meeting at the time of the vote shall be deemed to have been approved;
- therefore, once one nomination among those presented at the Meeting has individually obtained an absolute majority of the share capital represented at the Meeting at the time of the vote on the relevant item on the agenda, to be calculated as indicated above, it will be superfluous to hold further votes on the other nominations presented.

Notwithstanding the above, in order to proceed with the voting regarding the nominations for the position of alternate auditor, it is specified that:

- A) should Dr. Alessandro Isacco not be confirmed to the position of acting auditor, the appointment of an alternate auditor will become superfluous, toning the same to serve ex lege as alternate auditor;
- B) in the event that Dr. Alessandro Isacco is appointed as a statutory auditor, a new alternate auditor shall be appointed in the same manner as the appointment of the statutory auditor governed above.

It is, of course, understood that the appointment of the statutory auditor and the alternate auditor shall be made in full compliance with applicable statutory and regulatory provisions.

Regarding the term of office, the auditors appointed as indicated above will remain in office until the approval of the annual financial statements as of December 31, 2024, as will the current members of the Board of Statutory Auditors.

With reference to the relevant compensation, it will be the same as that paid to the current members of the auditing body in office: therefore, it is proposed that the new statutory auditor receive compensation a compensation in line with the criteria determined by the Shareholders' Meeting of April 5, 2022.

EXTRAORDINARY PART

With regard to the items of the extraordinary part, please refer to the reports prepared in accordance with the applicable statutory and regulatory provisions made available by the Company at its registered office in Bresso (MI), Via Meucci No. 3 and briefly summarized below.

1. Amendment to Article 14 of the Bylaws "Board of Directors - Composition." Related and consequent resolutions.

Dear Shareholders,

the proposed amendment is aimed at the inclusion within the bylaws of provisions relating to directors' reimbursement and remuneration, including the express provision of the possibility for the shareholders' meeting to determine an overall amount for the remuneration of all directors, including those holding special offices pursuant to Article 2389, third paragraph, of the Civil Code.

In this regard, the Chairman specifies that this amendment to the bylaws does not grant the right of withdrawal to those shareholders who should not concur in its approval, as it does not integrate the extremes of any of the cases of withdrawal identified by Article 2437 of the Civil Code.

- 2. Granting to the Board of Directors of the power, pursuant to Article 2443 of the Civil Code, to be exercised within and not later than five years from the relevant granting, to increase the share capital, in one or more times, for a maximum nominal amount of 357,636 euros, plus any share premium, with or without option rights, pursuant to Article 2441, paragraphs 1 and/or 4, first and second parts, and/or 5, 6 of the Civil Code. Related and consequent resolutions.**

Dear Shareholders,

the proposal is aimed to grant the Board of Directors the power, to be exercised no later than five years after the relevant granting, to increase the share capital, in one or more instalments, by a maximum nominal amount of Euro 357,636.00, plus any share premium, with or without option rights, pursuant to Article 2441, paragraphs 1 and/or 4, first and second parts, and/or 5, 6 of the Civil Code.

Article 6 of the current Bylaws (Capital) will be amended to incorporate the above resolution.

- 3. Granting to the Board of Directors of the power, pursuant to Article 2443 of the Civil Code, to be exercised within and not later than five years from the relevant granting, to increase the share capital, in one or more times, for a maximum nominal amount of 107,291 euros, plus any share premium, with the exclusion of option rights, pursuant to Article 2441, paragraphs 5, 6 and/or 8 of the Civil Code, reserved to one or more incentive plans. Related and consequent resolutions.**

Dear Shareholders,

the proposal is aimed to grant the Board the power, to be exercised no later than five years after the relevant granting, to increase the share capital, in one or more instalments, by a maximum nominal amount of 107,291.00 euros, plus any share premium, with the exclusion of option rights, pursuant to Article 2441, paragraphs 5, 6 and/or 8 of the Civil Code, to service one or more incentive plans.

Article 6 of the current Bylaws (Capital) will be amended to incorporate the above resolution.