BOARD OF DIRECTORS EXPLANATORY REPORT

ON THE AGENDA ITEMS

(under article 125-ter of Legislative Decree no. 58/1998 and articles 73 and 84-ter of Consob Regulation no. 11971/1999).

Ordinary Shareholders' Meeting

28/2/2025 - on a single call

FINE FOODS & PHARMACEUTICALS N.T.M. S.p.A.

Via Berlino, no. 39 – 24040 Zingonia-Verdellino (BG),
Tax code and VAT no. 09320600969

Dear Shareholders,

this report (the "**Report**") has been prepared by the Board of Directors of Fine Foods & Pharmaceuticals N.T.M. S.p.A. ("**Fine Foods**" or the "**Company**") under article 125-*ter* of Legislative Decree no. 58 of 24 February 1998, as amended and supplemented (the Consolidated Law on Finance Intermediation "**TUF**") and article 84-*ter* of the Regulation adopted by Consob resolution no. 11971 of 14 May 1999, as amended and supplemented, and illustrates the agenda items of the 28 February 2025 Ordinary Shareholders' Meeting on a single call.

You are asked to resolve on the following agenda:

1. Assigning the task to certify sustainability report compliance under Legislative Decree no. 125/2024 for the financial years 2024-2026. Related and consequent resolutions.

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Under art. 10.7 (i) and (ii) of the Company Articles of Association, ("**Articles of Association**)", the Shareholders' Meeting can be attended exclusively by using telecommunication media for those eligible and the share capital may participate exclusively through the Designated Representative under Article 135-*undecies* of the TUF.

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ITEM 1 ON THE ORDINARY SHAREHOLDERS' MEETING AGENDA

1. Assigning the task to certify sustainability report compliance under Legislative Decree no. 125/2024 for the financial years 2024-2026. Related and consequent resolutions.

Dear Shareholders,

The first item on the agenda of the Shareholders' Meeting scheduled for 28 February 2025 requires that you attend the Shareholders' Meeting to approve the assignment for the certification of the Company's sustainability report compliance for the 2024-2026 three-year period.

Please note that Legislative Decree no. 125 of 6 September 2024 (the "**Decree**"), which repealed Legislative Decree no. 254 of 30 December 2016 (introducing the requirement for certain entities to prepare a non-financial statement in Italy), has reformed the applicable legislation. Specifically, the Decree replaces the obligation to prepare a separate non-financial statement with a new requirement to include a dedicated section on "*sustainability reporting*" within the management report of the individual or consolidated financial statements. This sustainability report, which must be prepared under a specific *standard* valid across Europe, must be included in the management report as required by Article 2428 of the Italian Civil Code. The governing body shall prepare this report, which must be approved annually by the Shareholders' Meeting alongside the financial statements.

Under Article 8, paragraph 1, the Decree introduced the requirement for a compliance certification of the sustainability report, applicable to the companies referred to in Articles 3 and 4 of the Decree.

This certification involves the engagement of a specialised auditing firm to issue a certification of sustainability report compliance under the newly introduced Article 13-*bis* of Legislative Decree no. 39/2010, as amended by Article 9 of the Decree.

The Board of Directors informed the Shareholders' Meeting that it has requested and received a proposal from EY S.p.A. viale Papa Giovanni XXIII no. 48, 24121 Bergamo for a three-year assignment

(2024–2026) to issue the required certification for the Company's sustainability report compliance under Article 14-*bis* of Legislative Decree no. 39/2010.

This proposal was forwarded to the Chairman of the Board of Statutory Auditors, as Article 13, paragraph 2-*ter*, of Legislative Decree no. 39/2010 stipulates that the Shareholders' Meeting must assign the task of certifying sustainability report compliance and determine the related fee, based on the reasoned proposal of the Board of Statutory Auditors.

Given the above and with reference to the Agenda, the Board of Directors submitted the reasoned proposal of the Board of Statutory Auditors to the Shareholders' Meeting, attached as Annex "A" to this report, concerning the appointment of EY S.p.A. to issue the certification for the Company's sustainability report compliance under Article 14-bis of Legislative Decree no. 39/2010, as introduced by Article 9 of the Decree.

We invite you to proceed with the above assignment, based on the following:

- RESOLUTION PROPOSAL -

"The Ordinary Shareholders' Meeting of Fine Foods & Pharmaceuticals N.T.M. S.p.A.,

- *having heard the Chairman's presentation;*
- *having seen the Board of Directors' explanatory report;*
- *having reviewed the reasoned recommendation of the Board of Statutory Auditors concerning the assignment of the task to certify Fine Foods & Pharmaceuticals N.T.M. S.p.A. sustainability report compliance for the financial years 2024-2026, under Legislative Decree no. 125 of 6 September 2024,*

resolved

1. *to assign EY S.p.A. the task of issuing the certification on the Company's sustainability report compliance for the financial years 2024–2026 based on the submitted proposal, and approve the related fee;*

2. *to grant a mandate to the Board of Directors and, on its behalf, the Chairman and the CEO with several powers to sub-delegate under the law, to carry out the formalities and communications, filing and publication for the above resolution, under applicable legislation, making any necessary formal amendments, additions or deletions."*

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Zingonia-Verdellino, 27 January 2025

For the Board of Directors

Chairman

Marco Francesco Eigenmann