



**EXPLANATORY MEMORANDUM OF THE BOARD OF DIRECTORS ON THE MATTERS ON
THE AGENDA OF THE ORDINARY SHAREHOLDERS' MEETING OF PHARMANUTRA
S.P.A. CONVENED FOR APRIL 16, 2025**

Item No. 5 on the Agenda

"Assignment of the certification engagement for compliance of the sustainability reporting and determination of the related fee, pursuant to Legislative Decree 39/2010. Related and consequent resolutions."

Dear Shareholders,

You have been convened to the Ordinary Shareholders' Meeting of Pharmanutra S.p.A. (hereinafter "PHN" or the "Company") scheduled for April 16, 2025, to deliberate on the assignment of the certification engagement for compliance of PHN's consolidated sustainability reporting and the determination of the related fee, pursuant to and for the purposes of Legislative Decree 39/2010.

As is well known, on September 10, 2024, Legislative Decree No. 125 of September 6, 2024 (the "Decree") came into force, transposing into our legal system Directive 2022/2464/EU, known as the Corporate Sustainability Reporting Directive (the "Directive").

The Decree introduced the obligation for certain entities, including listed companies such as PHN, to include in a specific section of the management report a consolidated sustainability report (in PHN's case), which must contain the information required by the Decree. Specifically, the Company will be required to include in a specific section of the management report the information necessary to understand the impact of the PHN Group (the "Group") on sustainability issues, as well as the information necessary to understand how these issues affect the Group's performance, results, and situation. This reporting must be prepared by the administrative body in compliance with the reporting standards adopted by the European Commission (European Sustainability Reporting Standards – "ESRS").

Article 8 of the Decree provides that the sustainability reporting must be subject to a certification of compliance – expressed through the report referred to in Article 14-bis of Legislative Decree No. 39/2010 – by the "sustainability reporting auditor," which may be the same auditing firm entrusted with the statutory audit of the financial statements or a different statutory auditor/audit firm specifically authorized to perform the certification engagement for sustainability reporting pursuant to Legislative Decree 39/2010.

Pursuant to the new Article 13, paragraph 2-ter, of Legislative Decree No. 39/2010 introduced by the Decree, the sustainability reporting certification engagement is assigned, upon the motivated proposal of the supervisory body, by the shareholders' meeting, which also determines the remuneration due to the sustainability auditor for the entire duration of the engagement and any criteria for adjusting such remuneration during the term of the engagement.

The engagement lasts for three financial years, expiring at the shareholders' meeting convened for the approval of the financial statements for the third year of the engagement (Article 13, paragraph 2-ter, Legislative Decree 39/2010); if the certification engagement for sustainability reporting compliance is assigned to the audit firm responsible for the statutory audit of the financial statements, the duration of the certification engagement may be shorter than three years to align its expiration with that of the statutory audit engagement (Article 13, paragraph 2-quater, Legislative Decree 39/2010).

It should be noted that the selection procedure provided for in Article 16 of Regulation (EU) 537/2014 for the assignment of the statutory audit engagement does not apply to the assignment of this certification engagement.

Additionally, it is noted that PHN's statutory audit engagement was assigned to BDO Italia S.p.A. for the financial years 2020-2027, as per the resolution of the Company's Shareholders' Meeting on

October 13, 2020, and will therefore expire on the date of the Shareholders' Meeting convened for the approval of the financial statements for the 2027 financial year.

According to the provisions of the Directive and the Decree in force at the date of this Report, the obligation to prepare the sustainability report applies to PHN starting from the 2025 financial year, without prejudice to any changes to the applicable regulatory framework that may occur in the meantime. In such a case, the Company will comply with the obligation to prepare the sustainability reporting according to the terms and methods provided by the applicable regulations.

Therefore, it is necessary to assign a certification engagement for compliance of the consolidated sustainability reporting pursuant to the Decree. The Board of Statutory Auditors, on March 11, 2025, has submitted, pursuant to Article 13 of Legislative Decree No. 39/2010, its proposal to assign the certification engagement for PHN's consolidated sustainability reporting to BDO Italia S.p.A., the firm already responsible for PHN's statutory audit (the "Engagement"), specifying that:

- (i) If PHN prepares the sustainability reporting starting from the 2025 financial year, as provided by the provisions of the Directive and the Decree in force at the date of this Report, the Engagement will last for the financial years 2025, 2026, and 2027, expiring on the date of the Shareholders' Meeting convened for the approval of the 2027 financial statements, as provided by Article 13, paragraph 2-ter, of Legislative Decree 39/2010;
- (ii) If PHN prepares the sustainability reporting starting from a financial year later than 2025 due to interim amendments to the regulatory framework applicable to the Company, the Engagement will last for a shorter period and will still expire on the date of the Shareholders' Meeting convened for the approval of the 2027 financial statements, as permitted by Article 13, paragraph 2-quater, of Legislative Decree No. 39/2010.

Having said this,

Taking note of the proposal of the Board of Statutory Auditors, attached to this report, the Shareholders are therefore invited to adopt the following resolutions:

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

- *having acknowledged the current regulations introduced by Directive 2022/2464/EU and Legislative Decree No. 125/2024 regarding the obligation to prepare sustainability reporting and subject it to certification of compliance by a statutory auditor/audit firm;*
- *having examined the proposal of the Board of Statutory Auditors concerning the assignment of the certification engagement for compliance of the consolidated sustainability reporting of Pharmanutra S.p.A. to the audit firm BDO Italia S.p.A. and the related clarifications set forth in the narrative,*

resolves

- *to assign the certification engagement for compliance of the consolidated sustainability reporting of Pharmanutra S.p.A. to the audit firm BDO Italia S.p.A. for the financial years 2025, 2026, and 2027, with the specification that, if the sustainability reporting is prepared by Pharmanutra S.p.A. starting from a financial year later than 2025 due to interim changes in the applicable regulatory framework,*

the Engagement will last for a shorter period and will still expire on the date of the Shareholders' Meeting convened for the approval of the 2027 financial statements, subject to early termination; this engagement is granted for the performance of the activities and under the conditions, including the remuneration due to the audit firm and the criteria for its adjustment during the mandate, set forth in the offer submitted by the said audit firm, whose financial terms are summarized in the proposal submitted by the Board of Statutory Auditors;

- *to grant the President and CEO Andrea Lacorte and the Vice President and CEO Roberto the authority, separately and also through attorneys, to carry out what is required, necessary, or useful for the execution of the above resolution, as well as to complete the related formalities with the competent bodies and/or offices, with the power to introduce any non-substantial amendments that may be required for this purpose, and in general to do whatever is necessary for its full execution, in compliance with the applicable regulatory provisions."*

Pisa, March 14, 2025

For the Board of Directors
The Chairman, Andrea Lacorte

Reasoned Proposal of the Board of Statutory Auditors of Pharmanutra S.p.A. for the Assignment of the Certification of Compliance of the Sustainability Reporting and Determination of the Related Fee

1. Introduction

Dear Shareholders,

The Ordinary Shareholders' Meeting of Pharmanutra S.p.A. (hereinafter "PHN" or the "Company"), convened for April 16, 2025, in a single call, is called to resolve, among other matters, on the assignment of the certification of compliance of the sustainability reporting and the determination of the related fee, pursuant to and for the purposes of Legislative Decree 39/2010.

As is well known, Legislative Decree No. 125 of September 6, 2024 (the "Decree") entered into force on September 10, 2024, transposing into our legal system Directive 2022/2464/EU, known as the Corporate Sustainability Reporting Directive (the "Directive").

The Decree has introduced the obligation for certain entities, including listed companies such as PHN, to include sustainability reporting in a dedicated section of the management report. This reporting must be consolidated (in the case of PHN) and contain the information required by the Decree itself.

In particular, PHN is required to include in a dedicated section of the management report the information necessary to understand the impact of the PHN Group (the "Group") on sustainability issues, as well as the information necessary to understand how these issues affect the Group's performance, results, and financial position. This reporting must be prepared by the administrative body in accordance with the reporting standards adopted by the European Commission (European Sustainability Reporting Standards – "ESRS").

Article 8 of the Decree stipulates that sustainability reporting must be subject to a certification of compliance – to be expressed in the report referred to in Article 14-bis of Legislative Decree No. 39/2010 – by the "sustainability reporting auditor."

It is therefore necessary to assign the certification of compliance of PHN's consolidated sustainability reporting.

2. Regulatory Framework

Regarding the appointment of the entity responsible for issuing this certification, the new Article 13, paragraph 2-ter, of Legislative Decree No. 39/2010, introduced by the Decree, stipulates that the certification assignment is conferred by the Shareholders' Meeting, based on a reasoned proposal from

the supervisory body. The Shareholders' Meeting also determines the fee for the sustainability auditor for the entire duration of the assignment and any criteria for adjusting this fee during the assignment.

Therefore, the Board of Statutory Auditors is required to submit to the Shareholders its proposal for the assignment of the certification of sustainability reporting and the determination of the related fees (the "Assignment").

As mentioned earlier, the Assignment concerns the issuance of the certification, to be expressed in the report referred to in Article 14-bis of Legislative Decree No. 39/2010, of the compliance of sustainability reporting with:

- (i) the provisions of the Decree governing the drafting criteria,
- (ii) the obligation to tag the consolidated sustainability reporting as per Article 4, paragraph 10 of the Decree, and
- (iii) the disclosure obligations set forth in Article 8 of Regulation (EU) 2020/852 (the "Certification").

Pursuant to Article 8, paragraph 2, of the Decree, the Assignment may be entrusted either to the same audit firm responsible for the statutory audit of the financial statements or to a different statutory auditor/audit firm specifically authorized to perform sustainability reporting certification under Legislative Decree No. 39/2010. The Decree specifies that if the Assignment is given to a statutory audit firm, the Certification must be drafted and signed by an individual within the firm who holds the qualification of sustainability reporting auditor (Article 8, paragraph 3, of the Decree).

Furthermore, for companies that, like PHN, qualify as "Public Interest Entities" under Legislative Decree No. 39/2010 ("PIE"), the new Article 17 of the same Legislative Decree imposes on the sustainability reporting auditor the independence obligations set forth in Article 5 of Regulation (EU) 537/2014 (so-called "cooling in").

Under Article 13, paragraph 2-ter, of Legislative Decree No. 39/2010, the Assignment has a duration of three financial years, expiring on the date of the Shareholders' Meeting convened for the approval of the financial statements for the third financial year of the Assignment. If the Assignment is given to the statutory audit firm already responsible for the statutory audit, it may have a shorter duration to align with the statutory audit term. Additionally, for PIEs, the Assignment can be renewed no more than twice and may only be re-awarded to the same entity after four financial years.

The selection procedure outlined in Article 16 of Regulation (EU) 537/2014 for statutory audit assignments does not apply to this Assignment.

As of the date of this proposal, the obligation for PHN to prepare sustainability reporting applies starting from the 2025 financial year, unless regulatory changes occur in the meantime. In that case, the Company will comply with the applicable regulations.

3. The Selected Sustainability Reporting Auditor

The Company has positively evaluated the opportunity to assign the Assignment to the same audit firm responsible for the statutory audit of the financial statements.

Therefore, BDO Italia S.p.A. ("BDO"), which has been responsible for PHN's statutory audit for the 2020-2027 financial years (as per the Shareholders' Meeting resolution of October 13, 2020), was asked to submit a proposal for the certification of PHN's sustainability reporting for the 2025-2027 period (the "BDO Proposal").

The Board of Statutory Auditors has analyzed the proposal received from BDO on March 6, 2025, which, in compliance with the Decree, includes:

- an evaluation of the compliance of the Group's consolidated sustainability reporting with the reporting principles adopted by the European Commission under Directive (EU) 2013/34/EU (European Sustainability Reporting Standards – ESRS);
- an evaluation of the compliance of the information in the sustainability reporting section with Article 8 of Regulation (EU) No. 852 of June 18, 2020.

The estimated fees for the services in the BDO Proposal amount to €22,400 per year, plus expenses and administrative fees quantified at 10% (€2,240), for a total of €24,640 per year.

BDO has allocated 280 hours for the Assignment, involving two Partners, two Managers, one Senior, and one Assistant. The responsible auditor for the Assignment is Dr. Vincenzo Capaccio, a partner at BDO.

4. Considerations of the Board of Statutory Auditors

The Board of Statutory Auditors believes that assigning the Assignment to the same audit firm responsible for the statutory audit of PHN is advisable.

This would ensure greater efficiency, facilitate coordination between the statutory audit and sustainability certification teams, and enhance synergies, avoiding duplication and inefficiencies.

Additionally, based on discussions with the Company's management and an analysis of comparable market offers, assigning the Assignment to the statutory audit firm is also the most economically advantageous choice.

Given the above, the Board of Statutory Auditors, having evaluated the content of the BDO Proposal, its fee structure, and the independence requirements of BDO Italia S.p.A., unanimously

PROPOSES

That the Shareholders' Meeting of PHN assigns the certification of the consolidated sustainability reporting for the 2025-2027 financial years to BDO Italia S.p.A., for an annual fee of €24,640 (excluding ISTAT increases, VAT, and reimbursable expenses), with a total estimated engagement of approximately 280 hours.

Pisa/Florence, March 11, 2025

The Board of Statutory Auditors

Giuseppe Rotunno – Chairman

Michele Luigi Giordano – Statutory Auditor

Debora Mazzaccherini – Statutory Auditor