



A multibrand company



INTERIM REPORT

AT 30 September 2022





DIRECTORS' REPORT ON OPERATING PERFORMANCE

AT 30 September 2022

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This report is available online at: www.newlat.it

Newlat Food S.p.A.

Registered Office in Reggio Emilia, Via J.F. Kennedy, 16,

Paid-in share capital: Euro 43,935,050.00

Tax and VAT ID 00183410653 / no. 277595 on the Economic and Administrative Index (REA) of Reggio Emilia

Company subject to management and coordination by Newlat Group S.A. pursuant to Articles 2497 et seq. of the Italian Civil Code.

Operations in the first nine months of 2022 show a positive pre-tax result of Euro 5,106 thousand and a total net result of Euro 3,537 thousand.

In the Directors' Report on Operations for the six months ended 30 September 2022 herein, to represent the financial, economic and balance sheet performance it was necessary to include proforma financial information reflecting the nine months of operations of the subsidiary Symington's LTD, which was acquired on 4 August 2021 and therefore consolidated in 2021 for the last five months only.

During the first nine months of 2022, the Group recorded an increase in turnover (+15.2%) compared to the proforma figures for the same period of the previous year thanks to the ability to acquire new customers in the Dairy segment (+26%) and in the Pasta segment (+36%) and an increase in the average sales price as a consequence of the high inflation that characterised the first nine months of 2022.

In a highly unstable context, and with a market generally characterized by strong inflation, the Group saw a slight decrease in margins (EBITDA of Euro 39.65 million, or 7.6% of revenues compared with Euro 43.47 million at 30 September 2021, or 9.6% with the same scope of consolidation). This result appears more significant if one considers inflationary effects in Italy, with continuous increases in the main cost components of the finished product.

With regard to corporate management, we saw a sharp increase in some costs of supplying goods and services, first of all those relating to the cost of raw materials, packaging and transport. Personnel costs improved significantly as a result of some retirements and resignations, which were not followed by any new hires for the moment.

In short, the highlights of the first nine months of 2022 can be summarised as follows:

- The results achieved by the Group in a highly unstable environment and with a market characterised by high inflation in general are quite extraordinary, with a substantially linear trend in margins registered in the same period of the previous year with the same scope of consolidation (EBITDA of Euro 39.65 million, or 7.6%, versus Euro 43.47 million as at 30 September 2021, or 9.6% with the same scope of consolidation). This result is even more significant if one considers the inflationary effects in Italy, with continuous increases in the main cost components of the finished product. With this in mind, the Group has tried to keep its customer base unchanged by only partially passing on the inflationary effects that characterised the first nine months of 2022, seeking both to retain customers deemed strategic and acquiring new customers with the aim of creating value in the medium-long term at the expense of its margins in the short term.

In particular, consolidated revenues in the third quarter increased by 25.6% compared to the July-September quarter of 2021 on an equal consolidation basis.

Also in terms of Ebitda margin there was an increase during the quarter (+ 19% compared to Q2 and + 11% compared to Q1 with an Ebitda margin of 7.8% vs 7.1 in

Q2).

- On 1 April the purchase of the Lylag brand and its industrial assets for a total value of Euro 300 thousand was finalised. An initial valuation revealed capital gains in the acquired assets, about Euro 60 thousand in plant and equipment, about Euro 20 thousand in intangible assets, and the remainder of Euro 220 thousand in goodwill. The purchase price allocation process is still being defined and may change over the coming months. Management expects to conclude the final valuation of the assets and liabilities at fair value by the end of the next year as at 31 December 2022.

Particularly worthy of note is the extraordinary performance of the dairy sector (+26%) and the pasta sector (+36%) thanks to the acquisition of new important customers, which led to an increase in sales volumes.

The other business units also enjoyed organic growth above company forecasts and significantly better than the market as a whole.

These figures augur well for the end of the financial year and provide a solid basis to develop the guidelines of the business plan and to embark on external growth.

Growth figures by geographical area are also reassuring: +12% in the German market and +25% in the United Kingdom thanks to the first synergies in the commercial area.

Finally, the financial data once again confirm the Group's great ability to generate cash from operations that made it possible to maintain the margins recorded in the same period of the previous year with the same scope of consolidation (7.6% EBITDA margin at 30 September 2022 v 9.6% at 30 September 2021) and a net financial position improving by Euro 14.5 million and with a cash conversion of 80%.

The 30 September 2022 closed with a net profit after tax of Euro 3.5 million, down compared to the result recorded on a like-for-like basis for 30 September 2021 equal to Euro 11.9 million. This figure was positively impacted by the release of deferred taxes of Euro 5.1 million, relating to the clearance of misalignments in the value of trademarks and subsequently reinstated following further clarifications by the Italian Inland Revenue Agency on the timing and method of deductibility of the existing values.

BOARDS AND OFFICERS

Board of Directors

Name and surname	Position
Angelo Mastrolia	Executive Chairman of the Board of Directors and Director (**)
Giuseppe Mastrolia	Chief Executive Officer and Director (**)
Stefano Cometto	Chief Executive Officer and Director (**)
Benedetta Mastrolia	Director (***)
Maria Cristina Zoppo	Director (*)
Valentina Montanari	Director (*)
Eric Sandrin	Director (*) <i>Lead Independent Director</i>

(*) Independent director, pursuant to article 148 of the Consolidated Law on Finance (TUF) and article 3 of the Corporate Governance Code, who took office on the trading start date. Member of the *Control and Risks Committee*, member of the *Remuneration and Appointments Committee*, member of the *Related Party Transactions Committee*,

(**) Executive director.

(***) Non-executive director.

Board of Statutory Auditors

Name and surname	Position
Massimo Carlomagno	Chairman
Ester Sammartino	Standing Auditor
Antonio Mucci	Standing Auditor
Giovanni Carlozzi	Alternate Auditor
Giorgio de Franciscis	Alternate Auditor

Remuneration and Appointments Committee

Name and surname	Position
Eric Sandrin	Chairman
Maria Cristina Zoppo	Member
Valentina Montanari	Member

Control and Risks Committee

Name and surname	Position
Valentina Montanari	Chairman
Maria Cristina Zoppo	Member
Eric Sandrin	Member

Related Party Transactions Committee

Name and surname	Position
Maria Cristina Zoppo	Chairman
Valentina Montanari	Member
Eric Sandrin	Member

Financial Reporting Officer

Rocco Sergi

Independent Auditing Firm

PricewaterhouseCoopers S.p.A.

General information

Newlat Food S.p.A. (hereinafter also “Newlat” or the “Company” and, together with its subsidiaries, the “Newlat Group” or the “Group”) is incorporated in Italy in the form of a public limited company and operates under Italian law. The Company has its registered office at 16, Via J. F. Kennedy, Reggio Emilia.

The Newlat Group is a group operating in the food sector with a large and structured product portfolio organised into the following business units: Pasta, Milk Products, Bakery Products, Dairy Products, Special Products, Instant Noodles and Other Products.

The Company is subject to management and coordination by the parent Newlat Group S.A. (hereinafter “Newlat Group”), a company that as at 30 September 2022 directly owns 61.64% of the share capital, while the remaining part (28.56%) is held primarily by institutional investors and 9.80% by Newlat Food.

This report on operations contains economic, equity and financial information of the Newlat Group at 30 September 2022 and 31 December 2021. For a more consistent understanding of the Group's economic performance, the comparative economic data at 30 September 2021 include the proforma economic balances of the company Symington's as at 1 January 2021 instead of from the actual acquisition date of 4 August 2021.

Alternative performance indicators

The following interim report presents and comments on some financial indicators and reclassified statements (relating to the statement of financial position and the statement of cash flows) not defined by IFRSs.

These amounts, defined below, are used to comment on the Group's business performance in compliance with the provisions of the Consob Communication of 28 July 2006 (DEM 6064293), as subsequently amended and supplemented (Consob Communication no. 0092543 of 3 December 2015 implementing the ESMA/2015/1415 guidelines).

The alternative performance indicators listed below constitute additional information beyond IFRS requirements to help users of this interim report to better understand the Group's results, assets and liabilities and cash flows. Note that the Group's method of calculating these indicators, which is consistent from one year to the next, may differ from the methods used by other companies.

Financial indicators used to measure the economic performance of the Group:

- EBITDA: the operating income (OI) before depreciation, amortisation and write-downs, as well as income from business combinations.
- Gross Income (GI) / Profit (Loss) before taxes: operating income less financial expense.
- Net profit (NP): gross profit less taxes.
- Cash conversion: the ratio of EBITDA to the difference between EBITDA and total investments.

Net financial position is given by the algebraic sum of:

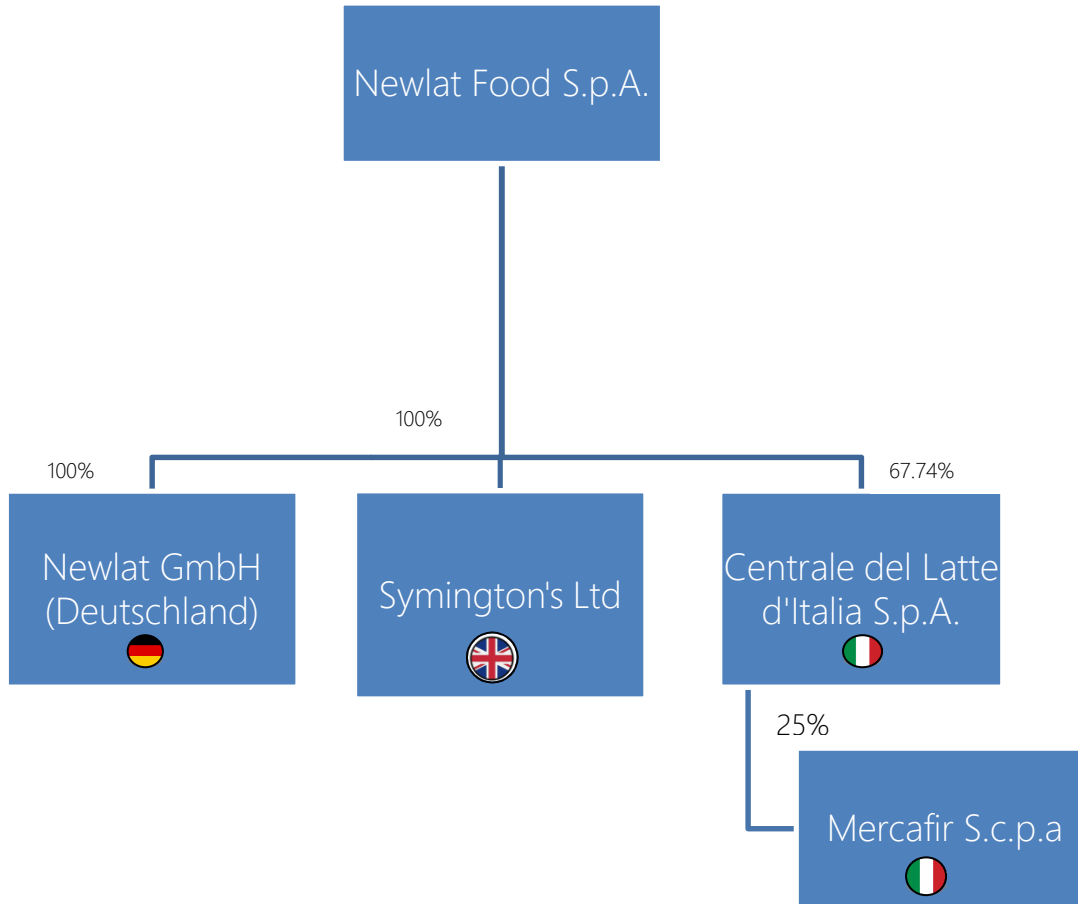
- Cash and cash equivalents
- Non-current financial assets, recorded under "other non-current assets"
- Current financial assets, recorded under "current financial assets measured at fair value through profit or loss"
- Payables to banks
- Non-current financial liabilities, recorded under "other non-current liabilities".

Reclassified statement of cash flows

A cash flow that represents a measure of the Group's self-financing and is calculated from the cash flow generated by operating activities, adjusted for net interest paid and cash flow absorbed by investments, less income from the realisation of fixed assets. The statement of cash flows is presented using the indirect method.

The Group presents the income statement by destination (otherwise known as "at cost of sales"), which is considered more representative than the so-called presentation by nature of expenditure, which is also reported in the notes to the Annual Financial Report. The form chosen is, in fact, compliant with the internal reporting and business management methods.

Group Structure



The table below shows the main information regarding the Newlat Group companies:

Name	Registered Office	Currency	Share capital at 30 September 2022	Control percentage	
				At 30 September 2022	At 31 December 2021
Newlat Food S.p.A.	Italy - Via J.F. Kennedy 16, Reggio Emilia	EUR	43,935,050	Parent company	Parent company
Newlat GmbH	Germany - Franzosenstraße 9, Mannheim (Germany)	EUR	1,025,000	100%	100%
Centrale del Latte d'Italia S.p.A.	Turin - Via Filadelfia 220, 10137 Thornes Farm Business	EUR	28,840,041	67.74%	67.74%
Symington's Ltd	Leeds - Park, Pontefract Ln, Leeds LS9	GBP	100	100%	100%

A table summarising the carrying amount of each subsidiary recorded in the Company's separate financial statements at 30 September 2022 and the equity and profit/loss data for the period for each subsidiary is provided below:

Name	Carrying amount of equity investment (in thousands of euros)	Shareholders' equity (thousands of euros)	Profit/loss for the period (in thousands of euros)
	30/09/2022	30/09/2022	30/09/2022
Newlat GmbH (Deutschland)	68,525	34,553	1,905
Centrale del Latte d'Italia S.p.A.	25,426	65,334	2,197
Symington's Ltd	63,914	26,262	1,749

A brief description of the subsidiaries' activities is provided below:

- Newlat GmbH (Deutschland) is active in the production and sale in Germany of traditional forms of German pasta (*spätzle* and flavoured pasta), instant cups and sauces, as well as the marketing of pasta produced by Newlat Food.
- Centrale del Latte d'Italia S.p.A. is a company active in the production and marketing of about 120 products ranging from milk and its derivatives to yoghurt and plant-based beverages that are distributed under the trademarks TappoRosso, Mukki, Tigullio and Vicenza in the reference territories at over 16,000 points of sale, both mass-market retailers and traditional traders. Its shares are listed on the Euronext STAR Milan segment of the Mercato Telematico Azionario organised and managed by Borsa Italiana S.p.A.
- Symington's Ltd: a group specialising in the production and sale of instant noodles.

INTERIM REPORT ON OPERATIONS AS AT 30 SEPTEMBER 2022



**DIRECTORS' OBSERVATIONS ON PERFORMANCE
AT 30 September 2022**

Significant events in the period and outlook

Considering the short period of time historically covered by the Group's order book and the difficulties and uncertainties of the current global economic situation, it is not easy to develop forecasts for the last quarter of 2022, which in any case seems to be very positive. The Group will continue to pay particular attention to cost controls and financial management in order to maximise the generation of free cash flow, to be allocated both to organic growth externally and to the remuneration of Shareholders.

At the date of approval of the interim report as at 30 September 2022, the conflict between Russia and Ukraine that had broken out in February 2022 was still ongoing. Since the beginning of the conflict there has been a crisis in the Oil & Gas sector and in the procurement of raw materials that has injected a great deal of uncertainty into the world economy, not to mention a progressive increase in the prices of raw materials, packaging (both primary and secondary), transport and electricity, which is influencing the Group's commercial policies, leading to a redefinition of sales conditions with the main customers. In view of the above, the Group is unable to predict the extent to which these events might affect the outlook for the Group for 2022, but, based on the data available when this interim report was being prepared, the Directors believe they can reasonably exclude the possibility of significant negative impacts.

Going concern

With reference to the content of the previous paragraph, even taking into account the complexity of a rapidly evolving market, the Group feels it is fair and reasonable to assume its status as a going concern in view of its ability to generate cash flows from operating activities and fulfil its obligations in the foreseeable future, particularly in the next 12 months, based on the solid financial structure as described below:

- The considerable level of cash reserves available at 30 September 2022.
- The presence of authorised and unused Group credit lines.
- the continual support given by the leading banks to the Newlat Group, partly because of its market-leading status.

Note that the Group's economic and financial performance in the first nine months of 2022 was higher than budgeted. It should also be noted that the cash and cash equivalents, amounting to Euro 409 million, the credit lines currently available and the cash flows that will be generated by operational management are considered more than sufficient to fulfil obligations and finance the Group's operations.

EVENTS AFTER 30 SEPTEMBER 2022

The continuous search for growth through external lines on 19 October 2022 led to the subscription of a put option relating to 100% of the ordinary shares and voting rights of EM Foods.

EM Foods is a company founded in 2021 to include all the activities of the Alsa production plant based in Ludres, France, which has been the main Alsa plant since 1972. Alsa is a long-standing manufacturer of bakery products and cake mixes founded in 1897 and acquired by Dr. Oetker in 2018.

Moreover, Newlat Food signed a preliminary agreement with a multinational company for a long-term supply agreement (the “LTSA”). The finalisation of this agreement, which is expected by year-end, is a condition precedent for the conclusion of the acquisition of EM Foods.

The acquisition of EM Foods's industrial know-how and the important partnership with a multinational company will enable Newlat Food to enter the growing segment of bakery mixes and desserts as a major player. The company will produce a very wide range of products including brownies, puddings, muffins, baking powder and cake mixes, building on the strong brand awareness of the “Minuto” brand, already used by the Newlat Group in Germany to sell well-known, high-quality ready meals.

The acquisition will also allow the company to develop further synergies with the existing Symington's division (the undisputed leader in the bakery mixes and desserts segment in the UK, with 75% market share in the private label sector). Symington's will also provide a solid distribution platform for the “Minuto” brand in the UK.

MANAGEMENT REPORT

The Newlat Group is an important player in the Italian and European agri-food sector. In particular, as at 30 September 2022 the Group has a strong position in its domestic market and a significant presence in the German and English markets.

The Newlat Group is mainly active in the pasta, dairy and baked goods sectors, as well in special products such as health & wellness, gluten free and baby food. The Newlat Group's product range is divided into the following business units:

- Pasta
- Milk Products
- Dairy Products
- Bakery Products
- Instant Noodles
- Special Products; and
- Other Products

The following table contains the Group's consolidated income statement:

<i>(In thousands of euros and as a percentage of revenue from contracts with customers)</i>	At 30 September					
	2022	%	2021 Proforma	%	2022 v. 2021	%
Revenue from contracts with customers	521,193	100.0%	452,516	100.0%	68,678	15.2%
Cost of sales	(433,379)	(83.2%)	(353,178)	(78.0%)	(80,201)	22.7%
Gross operating profit/(loss)	87,814	16.8%	99,337	22.0%	(11,523)	(11.6%)
Sales and distribution costs	(62,496)	(12%)	(56,921)	(12.6%)	(5,575)	9.8%
Administrative costs	(15,518)	(3%)	(21,375)	(4.7%)	5,857	(27.4%)
Net write-downs of financial assets	(533)	(0.1%)	(1,108)	(0.2%)	575	(51.9%)
Other revenues and income	7,018	1.3%	6,379	1.4%	639	10%
Other operating costs	(4,540)	(0.9%)	(8,350)	(1.8%)	3,810	(45.6%)
Operating profit/(loss) (EBIT)	11,745	2.3%	17,964	4.0%	(6,219)	(34.6%)
Financial income	2,349	0.5%	776	0.2%	1,573	202.7%
Financial expenses	(8,988)	(1.7%)	(6,824)	(1.5%)	(2,164)	31.7%
Profit/(loss) before taxes	5,106	1%	11,917	2.6%	(6,811)	(57.2%)
Income taxes	(1,569)	(0.3%)	(47)	-	(1,521)	3,206.2%
Net profit/(loss)	3,537	0.7%	11,869	2.6%	(8,332)	(70.2%)

Operating income amounted to Euro 11.75 million, down compared to the same period of 2021. This decrease is mainly due to the sharp increase in some costs of supplying goods and services, first of all those relating to the cost of raw materials, packaging and transport, which the Group partially offset with an increase in list prices. Personnel costs improved significantly as a result of some retirements and resignations, which were not followed by any new hires for the moment.

EBITDA as at 30 September 2022 was Euro 39.65 million, or 7.6%, compared to Euro 43.47 million as at 30 September 2021, or 9.6% on a like-for-like basis.

The following is a brief commentary on the most significant changes to the main income statement items that occurred in the periods under review:

Revenue from contracts with customers

Revenue from contracts with customers contains the contractual fees to which the Group is entitled in exchange for the transfer of the promised goods or services to customers. The contractual fees may include fixed or variable amounts or both and are recognised net of rebates, discounts and promotions, such as contributions to the mass distribution channel. In particular, in the context of existing contractual relations with mass distribution operators, contributions are expected to be recognised as year-end bonuses linked to the achievement of certain turnover volumes or amounts related to the positioning of products.

SEGMENT REPORTING

The following table provides a breakdown of revenue from contracts with customers by business unit as monitored by management.

<i>(In thousands of euros and as a percentage)</i>	At 30 September				Changes	
	2022	%	2021 Proforma	%	2022 v 2021	%
<i>Pasta</i>	143,674	27.6%	105,321	23.3%	38,353	36%
<i>Milk Products</i>	181,154	34.8%	173,020	38.2%	8,134	5%
<i>Bakery Products</i>	31,498	6%	28,890	6.4%	2,608	9%
<i>Dairy Products</i>	31,026	6%	24,624	5.4%	6,402	26%
<i>Special Products</i>	26,232	5%	23,683	5.2%	2,549	11%
<i>Instant noodles</i>	96,442	18.5%	86,327	19.1%	10,115	12%
<i>Other Assets</i>	11,167	2.1%	10,652	19.1%	516	5%
Revenue from contracts with customers	521,193	100.0%	452,516	100.0%	68,677	15.2%

Revenues in the **Pasta** segment increased in the period under review due to higher sales volumes, the acquisition of new customers and an increase in the average sales price.

Revenues from the **Milk Products** segment were up because of higher average sales prices and higher demand in the food services and normal trade sectors.

Revenues from the **Bakery Products** segment were up because of higher average sales prices and higher demand in the private label and B2B sectors.

Revenues in the **Dairy Products** segment increased in the period under review due to higher sales volumes, the acquisition of new customers and an increase in the average sales price.

Revenues from the **Special Products** segment were up because of higher average sales prices and higher demand.

Revenues from the **Instant Noodles** segment were higher because of higher average sales prices.

Revenues from the **Other Products** segment were in line with the same period of 2021 with the same scope of consolidation.

The following table provides a breakdown of revenue from contracts with customers by distribution channels, as monitored by management:

<i>(In thousands of euros and as a percentage)</i>	At 30 September				Changes	
	2022	%	2021 Proforma	%	2022 v. 2021	%
Mass Distribution	317,928	61%	263,685	58.4%	54,243	20.6%
B2B partners	46,907	9%	41,486	9.3%	5,422	13.1%
Normal trade	67,755	13%	60,822	13.2%	6,933	11.4%
Private labels	78,179	15%	77,312	16.8%	867	1.1%
Food services	10,424	2.0%	9,211	2.1%	1,213	13.2%
Total revenue from contracts with customers	521,193	100.0%	452,516	100.0%	68,677	15.2%

Revenues from the **Mass Distribution** channel increased, mainly due to higher demand due to the acquisition of new customers and higher average sales prices.

Revenues from the **B2B Partners** channel increased mainly because of higher average sales prices and higher demand.

Revenues from the **Normal trade** channel increased mainly because of higher demand and higher average sales prices.

Revenues from the **Private Label** channel increased slightly compared with the same period of 2021, with the same scope of consolidation.

Revenues from the **Food Services** channel are up due to an increase in demand and average sales price compared to the same period in 2021, with the same scope of consolidation.

The following table provides a breakdown of revenue from contracts with customers by geographical area as monitored by management:

<i>(In thousands of euros and as a percentage)</i>	At 30 September				Changes	
	2022	%	2021 Proforma	%	2022 v. 2021	%
Italy	278,015	53.3%	242,555	53.6%	35,460	14.6%
Germany	88,631	17%	79,135	17.5%	9,496	12%
United Kingdom	106,917	20.5%	85,441	18.9%	21,476	25.1%
Other countries	47,629	9.1%	45,384	10.3%	2,245	4.9%
Total revenue from contracts with customers	521,193	100.0%	452,515	100.0%	68,677	15.2%

Revenues from **Italy** increased mainly because of higher sales volumes in Pasta and Bakery and higher average sales prices.

Revenues from **Germany** increased mainly because of higher sales volumes in the Pasta and Dairy sector and higher average sales prices.

Revenues from the **United Kingdom** increased mainly because of higher sales volumes in the Pasta and Instant Noodles sector and higher average sales prices.

Revenues from **Other Countries** increased slightly compared with the first nine months of 2021, with the same scope of consolidation.

Operating costs

The following table lists the operating costs as shown in the income statement by destination:

<i>(In thousands of euros and as a percentage of revenue from contracts with customers)</i>	At 30 September				Changes	
	2022	%	2021 Proforma	%	2022 v 2021	%
Cost of sales	(433,379)	(83.2%)	(353,178)	(78.0%)	(80,201)	22.7%
Sales and distribution costs	(62,496)	(12%)	(56,921)	(12.6%)	(5,575)	9.8%
Administrative costs	(15,518)	(3%)	(21,375)	(4.7%)	5,857	(27.4%)
Total operating costs	(511,392)	(98.1%)	(431,474)	(95.3%)	(79,918)	5.1%

Cost of sales represented 83.2% of sales revenues (78% at 30 September 2021). In absolute terms, the increase in the cost of sales is directly linked to the increase in sales volumes recorded in the first nine months of 2022. The increase in terms of impact is related to increases in the average cost of the main finished product components.

The increase in sales and distribution expenses is due to an increase in logistics-related costs.

Administrative expenses were 27% lower than 30 September 2021 as a result of some retirements and resignations, which were not followed by any new hires for the time being.

EBITDA amounted to Euro 39.65 million (7.6% of sales revenues), compared with Euro 43.5 million at 30 September 2021 (9.6% of sales revenues).

The following table shows EBITDA by activity segment:

At 30 September 2022								
<i>(In thousands of euros)</i>	Pasta	Milk products	Bakery Products	Dairy products	Special Products	Instant Noodles	Other Products	Consolidated Financial Statements total
Revenue from contracts with customers (third parties)	143,674	181,154	31,498	31,026	26,232	96,442	11,167	521,193
EBITDA (*)	6,629	14,362	3,165	3,258	2,686	9,210	335	39,645
EBITDA margin	4.61%	7.93%	10.05%	10.5%	10.24%	9.55%	3%	7.61%
Amortisation, depreciation and write-downs	3,260	13,026	13,978	237	1,143	7,362	361	27,367
Net write-downs of financial assets	-	-	-	-	-	-	533	533
Operating profit/(loss)	3,369	1,336	1,187	3,021	1,543	1,848	(559)	11,745
Financial income	-	-	-	-	-	-	2,349	2,349
Financial expenses	-	-	-	-	-	-	(8,988)	(8,988)
Profit/(loss) before taxes	3,369	1,336	1,187	3,021	1,543	1,848	(7,198)	5,106
Income taxes	-	-	-	-	-	-	(1,569)	(1,569)
Net profit/(loss)	3,369	1,336	1,187	3,021	1,543	1,848	(8,767)	3,537

(*) EBITDA is calculated as the absolute sum of the operating result, net write-downs of financial assets and depreciation/amortisation and write-downs.

Proforma at 30 September 2021								
<i>(In thousands of euros)</i>	Pasta	Milk products	Bakery Products	Dairy products	Special Products	Instant Noodles	Other Products	Consolidated Financial Statements total
Revenue from contracts with customers (third parties)	105,321	173,020	28,890	24,624	23,683	86,327	10,652	452,515
EBITDA (*)	7,144	15,872	4,520	3,689	2,587	9,354	302	43,468
EBITDA margin	6.78%	9.17%	15.65%	14.98%	10.92%	10.84%	2.83%	9.61%
Amortisation, depreciation and write-downs	3,290	10,558	1,403	251	1,715	6,824	359	24,398
Net write-downs of financial assets	-	-	-	-	-	-	1,108	1,108
Operating profit/(loss)	3,855	5,314	3,117	3,439	873	2,531	(1,165)	17,964
Financial income	-	-	-	-	-	-	776	776
Financial expenses	-	-	-	-	-	-	(6,824)	(6,824)
Profit/(loss) before taxes	3,855	5,314	3,117	3,439	873	2,531	(7,213)	11,915
Income taxes	-	-	-	-	-	-	(47)	(47)
Net profit/(loss)	3,855	5,314	3,117	3,439	873	2,531	(7,261)	11,869

(*) EBITDA is calculated as the absolute sum of the operating result, net write-downs of financial assets and depreciation/amortisation and write-downs.

EBIT amounted to Euro 11.75 million (2.25% of sales) compared with Euro 18 million at 30 September 2022 (3.97% of sales), down by 1.72%.

The tax rate used by the Company in the quarter in question is 31%.

The net profit for the six months ended 30 September 2022 amounted to Euro 3.5 million, a decrease compared to 30 September 2021 (net profit of Euro 11.87 million), which benefited from the provisional tax effect of 5.1 million for the release of deferred tax liabilities related to the clearance of misalignments arising from the merger transaction, as envisaged by Italian Decree-Law 104/2020 (the so-called “Decreto Agosto” - August Decree), as previously reported.

EBITDA

The table below provides a reconciliation of proforma EBITDA, the EBITDA margin and cash conversion at 30 September 2022 and 2021.

<i>(In thousands of euros and as a percentage)</i>	At 30 September	
	2022	2021 Proforma
Operating profit/(loss) (EBIT)	11,745	17,963
Amortisation, depreciation and write-downs	27,367	24,398
Net write-downs of financial assets	533	1,108
EBITDA (*) (A)	39,645	43,468
Revenue from contracts with customers	521,193	452,516
EBITDA Margin (*)	7.6%	9.6%
investments (B)	7,938	8,713
Cash conversion [(A) - (B)]/(A)	80.0%	80.0%

To assess performance, management monitors, among other things, EBITDA by business unit as shown in the table below.

<i>(In thousands of euros and as a percentage of revenue from contracts with customers)</i>	At 30 September				Changes	
	2022	%	2021 Proforma	%	2022 v. 2021	%
Pasta	6,629	4.6%	7,144	6.8%	(515)	(7.2%)
Milk Products	14,362	7.9%	15,872	9.2%	(1,510)	(9.5%)
Bakery Products	3,165	10%	4,520	15.6%	(1,355)	(30%)
Dairy Products	3,258	10.5%	3,689	15.0%	(431)	(11.7%)
Special Products	2,686	10.2%	2,587	10.9%	99	3.8%
Instant Noodles	9,210	9.5%	9,354	10.8%	(144)	(1.5%)
Other assets	335	3%	302	2.8%	34	11.1%
EBITDA	39,645	7.6%	43,468	9.6%	(3,824)	(8.8%)

EBITDA for the **Pasta** segment decreased due to a worsening in the purchasing conditions for all components of the finished product, which was not fully passed on to end customers.

EBITDA for the **Milk Products** segment decreased due to a worsening in the purchasing conditions for all components of the finished product, which was not fully passed on to end customers.

EBITDA for the **Bakery Products** segment decreased due to a worsening in the purchasing conditions of all components of the finished product, which was not fully passed on to end customers.

EBITDA for the **Dairy Products** segment decreased due to a deterioration in the purchasing conditions of all components of the finished product, which was not fully passed on to end customers.

EBITDA from the **Special Products** segment was in line with the same period of 2021 with the same scope of consolidation.

EBITDA for the **Instant Noodles** segment decreased due to a worsening in the purchasing conditions for all components of the finished product, which was not fully passed on to end customers.

EBITDA from the **Other Products** segment was in line with the same period of the previous year, with the same scope of consolidation.

The trend of EBITDA in the various business lines is a direct consequence of a clear corporate decision to only partially pass on the inflationary effects that characterised the first nine months of 2022, seeking to retain customers considered strategic that will allow the Group to create value in the medium-long term at the expense of its margins in the short term.

Net financial debt

The following table shows the breakdown of the net financial debt of the Company as at 30 September 2022 and 31 December 2021, determined in accordance with the Guidelines on disclosure obligations pursuant to Regulation EU 2017/1129 and in accordance with Recommendations ESMA32-382-1138, as per CONSOB notice no. 5/21 of 29 April 2021:

<i>(In thousands of euros)</i>	At 30 September 2022	At 31 December 2021
Net financial debt		
A. Cash and cash equivalents	409,093	384,888
B. Other current financial assets	4,314	35
C. Cash and cash equivalents (A)+(B)	413,407	384,923
D. Current financial payables	(152,839)	(104,642)
E. Current portion of non-current financial debt	(39,615)	(30,525)
F. Current financial indebtedness (D)+(E)	(192,454)	(135,167)
G. Net current financial indebtedness (C)+(F)	220,953	249,756
H. Non-current financial debt	(87,089)	(119,937)
I. Debt instruments	(199,310)	(198,455)
J. Trade and other non-current payables	-	-
K. Non-current financial indebtedness (I)+(J)+(H)	(286,400)	(318,392)
L. Net financial indebtedness (G)+(K)	(65,446)	(68,636)
Total treasury shares	27,078	15,759
M. Net financial debt	(38,368)	(52,877)

Comparing the net financial position at 30 September 2022 with the corresponding data at 31 December 2021 demonstrates a significant improvement of Euro 14.5 million thanks to the Newlat Group's ability to generate cash flows from operations.

Without considering lease liabilities, the positive net financial position was as follows:

<i>(In thousands of euros)</i>	At 30 September 2022	At 31 December 2021
Net financial debt	(38,368)	(52,877)
Current lease liabilities	8,879	7,887
Non-current lease liabilities	22,460	31,175
Net Financial Position	(7,029)	(13,815)

Changes in net financial position as of 30 September 2022 are shown below, in summary:

Proforma Net Financial Position at 31 December 2021 (million euros)	(52.9)
EBITDA	39.6
Net working capital	(4.1)
Interest and taxes	(8.2)
Investments	(11.9)
Other minor operating costs	(0.9)
Net Financial Position at 30 September 2022 (million euros)	(38.4)

The net financial position compared with 31 December 2021 has improved considerably by some Euro 14.5 million due to the positive performance in the period and the Group's ability to generate cash from operations.

INVESTMENTS

The following table provides a breakdown of the Group's investments in property, plant and equipment and intangible assets at 30 September 2022:

<i>(In thousands of euros and as a percentage)</i>	At 30 September 2022	%
Land and buildings	76	1%
Plant and machinery	7,007	88.3%
Industrial and commercial equipment	107	1.3%
Other assets	-	-
Assets under construction and payments on account	72	0.9%
Investments in property, plant and equipment	7,261	91.5%
Patents and intellectual property rights	677	8.5%
Concessions, licences, trademarks and similar rights	-	-
Other assets	-	-
Investments in intangible assets	677	8.5%
Total investments	7,938	100.0%

During the reporting period, the Group made investments totalling Euro 7,938 thousand.

The Group's investment policy is aimed at innovation and diversification in terms of product supply. In particular, the Group attaches importance to the development of new products, with the aim of continuously improving customer satisfaction.

Investments in property, plant and equipment relate mainly to purchases of plant and machinery, mostly in connection with projects for updating and renovating production and packaging lines.

Investments in intangible assets relate mainly to multi-year research and development carried out by the subsidiary Symington's.

The following table provides a breakdown by business unit of the Group's investments as at 30 September 2022:

<i>(In thousands of euros and as a percentage)</i>	At 30 September	
	2022	%
Special Products	250	3.1%
Pasta	1,096	13.8%
Bakery Products	535	6.7%
Milk Products	2,174	27.4%
Dairy Products	850	10.7%
Instant Noodles	2,993	37.7%
Other assets	40	0.5%
Total investments	7,938	100.0%

Investments in the Milk Products business unit relate to efficiency improvements of the production facilities at the plants used by the subsidiary Centrale del Latte d'Italia.

Investments in the Special Products business unit relate mainly to new software and packaging systems.

Investments in the Pasta business unit relate mainly to the new packaging facility for pasta products, located at the Sansepolcro (AR) plant.

Investments in the Bakery Products business unit mainly relate to the new packaging facility for baked products at the Sansepolcro (AR) plant.

Positions or transactions deriving from atypical and/or unusual transactions

Pursuant to Consob Communication no. 6064293 of 28 July 2006, it is hereby disclosed that, at 30 September 2022, no atypical and/or unusual transactions occurred outside the Company's normal business that could give rise to doubts regarding the accuracy and completeness of the information in the financial statements, conflicts of interest, protection of assets and the safeguarding of minority shareholders.

Treasury shares and shares of parent companies

In compliance with the provisions of article 2428 of the Italian Civil Code, note that at 30 September 2022 the Parent company holds treasury shares, for a purchase cost of approximately Euro 27.08 million, which decreased consolidated shareholders' equity. As of 30 September, the company owned 9.80% of the share capital of 4,305,208.

Transactions with related parties

The Group's transactions with related parties (hereinafter, "**Related Party Transactions**"), identified based on criteria defined by IAS 24 – Related Party Disclosures, are mainly of a commercial or financial nature and are carried out under normal market conditions. The Group did not carry out Related Party Transactions that were unusual in terms of characteristics, or significant in terms of amount, other than those of an ongoing nature. The Group deals with the following related parties:

- parent company ("**Parent Company**");
- companies controlled by the parent company other than its own subsidiaries ("**Companies controlled by the parent company**").

Reggio Emilia, 11 November 2022

For the Board of Directors
Angelo Mastrolia
Chairman of the Board of Directors

Pursuant to paragraph 2, article 154-*bis* of the Consolidated Law on Finance, the Financial Reporting Officer Rocco Sergi declares that the accounting information contained in this document corresponds to the contents of accounting documents, books and records.

Reggio Emilia, 11 November 2022

Rocco Sergi
Officer in charge of preparing the
company's financial reports

Financial statements and explanatory notes

Consolidated statement of financial position

<i>(in thousands of euros)</i>	At 30 September 2022	At 31 December 2021
Non-current assets		
Property, plant and equipment	151,570	157,417
Right-of-use assets	32,237	38,572
<i>of which from related parties</i>	1,876	3,948
Intangible assets	94,224	97,824
Equity investments in associates	1,401	1,401
Non-current financial assets measured at fair value through profit or loss	1,164	731
Financial assets measured at amortised cost	799	801
<i>of which from related parties</i>	735	735
Deferred tax assets	8,043	7,580
Total non-current assets	289,438	304,326
Current assets		
Inventories	89,209	63,881
Trade receivables	61,140	67,184
<i>of which from related parties</i>	-	19
Current tax assets	3,228	3,324
Other receivables and current assets	7,651	11,262
Current financial assets measured at fair value through profit or loss	4,314	35
Cash and cash equivalents	409,093	384,888
<i>of which from related parties</i>	176,260	126,552
Total current assets	574,634	530,574
TOTAL ASSETS	864,071	834,900
Shareholders' equity		
Share capital	43,935	43,935
Reserves	76,642	81,447
Translation reserve	(2,548)	(478)
Net profit/(loss)	2,582	5,134
Total shareholders' equity attributable to the Group	120,611	130,038
Shareholders' equity attributable to minority interests	15,415	14,477
Total consolidated equity	136,026	144,515
Non-current liabilities		
Provisions for employee benefits	13,911	14,223
Provisions for risks and charges	2,108	2,030
Deferred tax liabilities	18,997	19,097
Non-current financial liabilities	263,939	287,216
Non-current lease liabilities	22,460	31,175
<i>of which from related parties</i>	-	1,261
Total non-current liabilities	321,414	353,741
Current liabilities		
Trade payables	187,421	179,024
<i>of which from related parties</i>	187	163
Current financial liabilities	183,575	127,280
<i>of which from related parties</i>	88,026	40,435
Current lease liabilities	8,879	7,887
<i>of which from related parties</i>	1,990	2,881
Current tax liabilities	3,746	3,364
Other current liabilities	23,008	19,087
<i>of which from related parties</i>	686	411
Total current liabilities	406,631	336,643
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	864,071	834,900

Consolidated income statement

<i>(In thousands of euros)</i>	At 30 September	
	2022	2021
Revenue from contracts with customers	521,193	383,152
Cost of sales	(433,379)	(298,626)
<i>of which from related parties</i>	(2,561)	(2,069)
Gross operating profit/(loss)	87,814	84,526
Sales and distribution costs	(62,496)	(48,827)
Administrative costs	(15,518)	(18,229)
<i>of which from related parties</i>	(230)	(145)
Net write-downs of financial assets	(533)	(1,108)
Other revenues and income	7,018	6,120
Other operating costs	(4,540)	(5,856)
Operating profit/(loss)	11,745	16,627
Financial income	2,349	776
<i>of which from related parties</i>	48	-
Financial expenses	(8,988)	(6,272)
<i>of which from related parties</i>	(60)	(106)
Profit/(loss) before taxes	5,106	11,132
Income taxes	(1,569)	329
Net profit/(loss)	3,537	11,461
Profit/(loss) attributable to minority interests	955	3,193
Group net profit/(loss)	2,582	8,268
Basic net profit/(loss) per share	0.07	0.19
Diluted net profit/(loss) per share	0.07	0.19

Consolidated statement of other comprehensive income

<i>(In thousands of euros)</i>	At 30 September	
	2022	2021
Net profit/(loss) (A)	3,537	11,461
a) Other components of comprehensive income that will not be subsequently reclassified to the income statement:		
Actuarial gains/(losses)		
Tax effect on actuarial gains/(losses)	-	-
Hedging instruments net of tax effect	92	-
Translation reserve	(2,070)	(445)
Total other components of comprehensive income that will not be subsequently reclassified to the income statement	(1,978)	(445)
Total other components of comprehensive income, net of tax effect (B)	(1,978)	(445)
Total comprehensive net profit/(loss) (A)+(B)	1,559	11,016
Profit/(loss) attributable to minority interests	955	3,193
Group net profit/(loss)	604	7,823

Consolidated statement of changes in equity

<i>(In thousands of euros)</i>	Share capital	Reserves	Net profit/(loss)	Total shareholders' equity attributable to the Group	Shareholders' equity attributable to minority interests	Total
At 31 December 2020	43,935	61,136	37,556	142,626	13,431	156,056
Allocation of net profit/(loss) for the previous year	-	37,556	(37,556)	-	-	-
Treasury shares	-	(7,554)	-	(7,554)	-	(7,554)
Total treasury shares		(7,554)		(7,554)		(7,554)
Other changes	-	(549)	-	(549)	(67)	(616)
Net profit/(loss)	-	-	8,268	8,268	3,193	11,461
Translation reserve	-	(445)	-	(445)	-	(445)
Actuarial gains/(losses) net of the related tax effect	-	-	-	-	-	-
Total comprehensive net profit/(loss) for the year	-	(445)	8,268	7,823	3,193	11,016
At 30 September 2021	43,935	52,588	45,824	142,346	16,557	158,902
Treasury shares	-	(8,205)	-	(8,205)	-	(8,205)
Total treasury shares	-	(8,205)	-	(8,205)	-	(8,205)
Other changes	-	11	-	11	-	11
Net profit/(loss)	-	-	(3,134)	(3,134)	(2,087)	(5,221)
Hedging instruments	-	(779)	-	(779)	-	(779)
Translation reserve	-	(33)	-	(33)	-	(33)
Actuarial gains/(losses) net of the related tax effect	-	(166)	-	(166)	7	(159)
Total comprehensive net profit/(loss) for the year	-	(978)	(3,134)	(4,113)	(2,080)	(6,192)
At 31 December 2021	43,935	43,416	42,690	130,039	14,477	144,515
Allocation of net profit/(loss) for the previous year	-	42,690	(42,690)	-	-	-
Treasury shares	-	(10,396)	-	(10,396)	-	(10,396)
Total treasury shares	-	10,396)	-	(10,396)	-	(10,396)
Other changes	-	365	-	365	(17)	348
Net profit/(loss)	-	-	2,582	2,582	955	3,537
Hedging instruments	-	92	-	92	-	92
Translation reserve	-	(2,070)	-	(2,070)	-	(2,070)
Total comprehensive net profit/(loss) for the year	-	(1,978)	2,582	604	955	1,559
At 30 September 2022	43,935	74,094	2,582	120,611	15,415	136,026

Consolidated cash flow statement

<i>(In thousands of euros)</i>	At 30 September	
	2022	2021
Profit/(loss) before taxes	5,106	11,132
- Adjustments for:		
Amortisation, depreciation and write-downs	27,900	19,381
Capital losses/(gains) on disposal	-	-
Financial expense/(income)	6,639	5,495
<i>of which from related parties</i>	<i>(60)</i>	<i>(106)</i>
Cash flow generated /(absorbed) by operating activities before changes in net working capital	39,645	36,008
Change in inventory	(25,329)	(6,496)
Change in trade receivables	5,512	11,523
Change in trade payables	8,397	(7,309)
Change in other assets and liabilities	7,535	(1,659)
Use of provisions for risks and charges and for employee benefits	(234)	(853)
Taxes paid	(1,656)	(2,664)
Net cash flow generated /(absorbed) by operating activities	33,870	35,935
Investments in property, plant and equipment	(7,261)	(6,546)
Investments in intangible assets	(677)	(1,763)
Investments of financial assets	(4,363)	4
Deferred fee for acquisitions	-	(600)
Acquisition of controlling stake in Centrale del Latte d'Italia SpA	-	-
SYMG acquisition	(300)	(63,631)
Net cash flow generated /(absorbed) by investment activities	(12,601)	(72,536)
New long-term financial debt	70,000	36,532
Repayments of long-term financial debt	(36,983)	(13,607)
Issuance of Bond Loan	-	198,434
Repayments of lease liabilities	(11,071)	(8,682)
<i>of which from related parties</i>	<i>(2,142)</i>	<i>(2,102)</i>
Net interest expense	(6,639)	(5,495)
Acquisition of minority interests	(17)	(67)
Treasury shares	(10,396)	(7,554)
Net cash flow generated/(absorbed) by financing activities	4,894	199,561
Total changes in cash and cash equivalents	26,163	162,960
Cash and cash equivalents at start of year	384,888	182,127
<i>of which from related parties</i>	<i>126,552</i>	<i>35,814</i>
Total changes in cash and cash equivalents	26,163	162,960
Effect of changes in exchange rates and the translation reserve	(1,958)	-
Cash and cash equivalents at end of year	409,093	345,088
<i>of which from related parties</i>	<i>176,260</i>	<i>85,592</i>

Explanatory notes

Basis of preparation

The interim report at 30 September 2022 were prepared in accordance with the international accounting principles (IAS/IFRS) adopted by the European Union for interim financial statements (IAS 34). The financial statements were prepared in accordance with IAS 1, while the notes were prepared in condensed form applying the option provided for in IAS 34 and therefore do not include all the information required for an annual report prepared in accordance with IFRSs. The interim financial statements at 30 September 2022 should therefore be read in conjunction with the annual financial statements for the year ended 31 December 2021.

These notes are presented in summary form in order not to duplicate information that has already been published, as required by IAS 34. Specifically, note that the comments refer exclusively to those components of the income statement and balance sheet whose composition or whose variation in amount, nature or unusual character are essential for the understanding of the Company's economic, financial and equity situation.

The preparation of interim financial statements in accordance with IAS 34 Interim Financial Reporting requires judgements, estimates and assumptions that have an effect on the values of revenues, costs and assets and liabilities, and on the disclosures relating to contingent assets and liabilities at the reporting date. It should be noted that these estimates may differ from the actual results achieved in the future. The financial statement items that most require greater subjectivity on the part of the directors when producing the estimates and for which a change in the conditions underlying the assumptions used could have a significant impact on the financial statements are: goodwill, depreciation and amortisation of non-current assets, deferred taxes, the provision for doubtful receivables, the provision for inventory write-downs, the provisions for risks, the defined benefit plans for employees, payables for the purchase of equity investments contained in the other liabilities and the determination of the fair value of the assets and liabilities acquired as part of the business combinations.

Measurement criteria

The measurement criteria used for the preparation of the financial statements as at 30 September 2022 are the same as those used for the annual financial statements at 31 December 2021, except for the new accounting standards, amendments and interpretations applicable from 1 January 2022, which are described below and which it is noted did not have a material impact on the Company's current results, assets and liabilities and cash flows.

Accounting standards, amendments and interpretations effective from 1 January 2022 and adopted by the Company:

Accounting standards, amendments and interpretations effective from 1 January 2022 and adopted by the Company:

- Amendments to IAS 37 "Onerous Contracts - Cost of Fulfilling a Contract", aimed at providing clarification on how to determine the onerousness of a contract. The amendment clarifies that when estimating whether a contract is onerous, it is necessary to take into account all costs directly attributable to the contract, including incremental costs and all other costs that the company cannot avoid as a result of entering into such contract.
- Amendments to IAS 16 "Property, Plant and Equipment: Proceeds before Intended Use", intended to define that revenues from the sale of goods produced by an asset before it is ready for its intended use are recognised in profit or loss together with the related production costs.
- Amendments to IFRS 3 "Reference to the Conceptual Framework". The amendments are intended to update the reference in IFRS 3 to the Conceptual Framework in the revised version, without entailing changes to the provisions of the standard.
- Issuance of the document "Annual Improvements to IFRS Standards 2018-2020 Cycle", containing amendments essentially of a technical and editorial nature to the following international accounting standards: "IFRS 1 – First-time Adoption of International Financial Reporting Standards", "IFRS 9 – Financial Instruments", "IAS 41 – Agriculture" and examples of "IFRS 16 – Leases".

These amendments have now been approved following their publication in the Official Journal of the European Union on 02/07/2021.

IFRS accounting standards, amendments and interpretations not yet approved by the European Union

At the date of this document, the competent bodies of the European Union have not yet concluded the endorsement process required for the adoption of the amendments and standards described below.

- On 23/01/2020, the IASB issued "Amendments to IAS 1 Presentation of Financial Statements: classification of liabilities as current or non-current" to clarify the requirements for classifying liabilities as "current" or "non-current". More specifically, the amendments (i) specify that conditions existing at the end of the reporting period are those that should be used to determine whether a right to defer settlement of a liability exists; (ii) specify that management's expectations about events after the balance sheet date are not relevant; and (iii) clarify the situations that should be considered as settling a liability. The amendments enter into force on 01/01/2023.
- On 18/05/2017, the IASB issued the standard "IFRS 17 – Insurance Contracts", which is intended to replace the current "IFRS 4 – Insurance Contracts". Applicable for financial years beginning on or after 01/01/2023, the new standard governs the accounting treatment of insurance contracts issued and reinsurance contracts held.
- On 12/02/2021, the IASB issued the document "Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of Accounting policies".

The objective of the amendments is to develop guidance and examples to assist companies in applying a judgement of materiality in disclosing accounting policies. The amendments to IFRS Practice Statement 2 provide guidance on how to apply the concept of materiality to disclosures about accounting policies. The amendments are effective for financial years beginning on or after 01/01/2023.

- On 12/02/2021 the IASB issued the document “Amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates”. The amendments provide some clarification regarding the distinction between changes in accounting estimates and changes in accounting policies: the former are applied prospectively to future transactions and other future events, the latter are generally also applied retrospectively to past transactions and other past events. The amendments are effective from financial years beginning on or after 01/01/2023.

- On 07/05/2021, the IASB issued the document “Amendments to IAS 12 Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction”. The document addresses from a practical point of view the application of the exemption envisaged by paragraphs 15 and 24 of IAS 12 to transactions that give rise to both an asset and a liability upon initial recognition, and may result in temporary tax differences of the same amount. Under the proposed amendments, the exemption from initial recognition in IAS 12 would not apply to transactions that give rise to equal and offsetting amounts of taxable and deductible temporary differences when executed. The amendments are effective from financial years beginning on or after 01/01/2023.

The Group will adopt these new standards, amendments and interpretations as per their expected date of application. Any impact on the annual financial statements resulting from the new standards/interpretations is still being assessed.

Explanatory notes as at 30 September 2022

Scope of consolidation and goodwill

Name	Registered Office	Currency	Share capital at 30 September 2022	Control percentage	
				At 30 September 2022	At 31 December 2021
Newlat Food S.p.A.	Italy - Via J.F. Kennedy 16, Reggio Emilia	EUR	43,935,050	Parent company	Parent company
Newlat GmbH	Germany - Franzosenstraße 9, Mannheim (Germany)	EUR	1,025,000	100%	100%
Centrale del Latte d'Italia S.p.A.	Via Filadelfia 220, 10137 Turin	EUR	28,840,041	67.74%	67.74%
Symington's Ltd	Thornes Farm Business Park, Pontefract Ln, Leeds LS9	GBP	100	100%	100%

Consolidation criteria and methodology

The interim report illustrates the Group's equity, economic and financial situation in accordance with IFRS.

The subsidiaries were consolidated using the line-by-line method. With regard to the subsidiary Centrale del Latte d'Italia S.p.A. (also listed on the Milan Euronext STAR segment and owned 67.74% as at 30 September 2022), minority interests were recognised.

The associate company Marcafir, in which the subsidiary Centrale del Latte d'Italia S.p.A. has a 25% stake, was consolidated using the equity method.

Sectoral information

IFRS 8 - *Operating Segments* defines an operating segment as a component:

- That engages in business activities from which it may earn revenues and incur expenses.
- Whose operating results are reviewed regularly by the entity's chief operating decision maker.
- For which discrete financial information is available.

The Newlat Group is mainly active in the pasta, dairy and baked goods sectors, as well in special products such as health & wellness, gluten free and baby food. The Newlat Group's product range is divided into the following business units:

- Pasta
- Milk Products
- Dairy Products
- Bakery Products
- Instant Noodles
- Special Products; and
- Other Products

At 30 September 2022								Consolidated Financial Statements total
(In thousands of euros)	Pasta	Milk products	Bakery Products	Dairy products	Special Products	Instant Noodles	Other Products	
Revenue from contracts with customers (third parties)	143,674	181,154	31,498	31,026	26,232	96,442	11,167	521,193
EBITDA (*)	6,629	14,362	3,165	3,258	2,686	9,210	335	39,645
EBITDA margin	4.61%	7.93%	10.05%	10.5%	10.24%	9.55%	3%	7.61%
Amortisation, depreciation and write- downs	3,260	13,026	13,978	237	1,143	7,362	361	27,367
Net write-downs of financial assets	-	-	-	-	-	-	533	533
Operating profit/(loss)	3,369	1,336	1,187	3,021	1,543	1,848	(559)	11,745
Financial income	-	-	-	-	-	-	2,349	2,349
Financial expenses	-	-	-	-	-	-	(8,988)	(8,988)
Profit/(loss) before taxes	3,369	1,336	1,187	3,021	1,543	1,848	(7,198)	5,106
Income taxes	-	-	-	-	-	-	(1,569)	(1,569)
Net profit/(loss)	3,369	1,336	1,187	3,021	1,543	1,848	(8,767)	3,537
Total assets	109,714	207,716	23,140	716	32,596	51,531	438,658	864,071
Total liabilities	49,528	109,806	21,807	338	19,350	56,103	471,114	728,047
Investments	1,096	2,174	535	850	250	2,993	40	7,938
Employees (number)	492	589	188	72	157	622	72	2,192

(*) EBITDA is calculated as the absolute sum of the operating result, net write-downs of financial assets and depreciation/amortisation and write-downs.

Proforma at 30 September 2021								Consolidated Financial Statements total
(In thousands of euros)	Pasta	Milk products	Bakery Products	Dairy products	Special Products	Instant Noodles	Other Products	
Revenue from contracts with customers (third parties)	105,321	173,020	28,890	24,624	23,683	86,327	10,652	452,515
EBITDA (*)	7,144	15,872	4,520	3,689	2,587	9,354	302	43,468
EBITDA margin	6.78%	9.17%	15.65%	14.98%	10.92%	10.84%	2.83%	9.61%
Amortisation, depreciation and write-downs	3,290	10,558	1,403	251	1,715	6,824	359	24,398
Net write-downs of financial assets	-	-	-	-	-	-	1,108	1,108
Operating profit/(loss)	3,855	5,314	3,117	3,439	873	2,531	(1,165)	17,964
Financial income	-	-	-	-	-	-	776	776
Financial expenses	-	-	-	-	-	-	(6,824)	(6,824)
Profit/(loss) before taxes	3,855	5,314	3,117	3,439	873	2,531	(7,213)	11,915
Income taxes	-	-	-	-	-	-	(47)	(47)
Net profit/(loss)	3,855	5,314	3,117	3,439	873	2,531	(7,261)	11,869
Total assets	109,960	244,525	16,017	942	16,814	54,548	392,094	834,900
Total liabilities	90,480	185,627	18,661	588	10,287	24,098	360,644	690,385
Investments	1,230	3,970	618	-	66	2,779	50	8,713
Employees (number)	489	534	188	65	153	656	59	2,144

(*) EBITDA is calculated as the absolute sum of the operating result, net write-downs of financial assets and depreciation/amortisation and write-downs.

Non-current assets

(In thousands of euros)	At 30 September 2022	At 31 December 2021
Non-current assets		
Property, plant and equipment	151,570	157,417
Right-of-use assets	32,237	38,572
Intangible assets	94,224	97,824
Equity investments in associates	1,401	1,401
Non-current financial assets measured at fair value through profit or loss	1,164	731
Financial assets measured at amortised cost	799	801
Deferred tax assets	8,043	7,580
Total non-current assets	289,438	304,326

The following is a description of the main items that make up intangible assets:

Fixed assets, plant and equipment

At 30 September 2022, this item totalled Euro 151,570 thousand (Euro 157,417 thousand in December 2021). The items “plant and machinery”, “leasehold improvements” and “industrial and commercial equipment” include investments made mainly in the milk products, pasta and instant noodles sectors.

Right-of-use assets

At 30 September 2022, this item totalled Euro 32,237 thousand (Euro 38,572 thousand in December 2021). Real estate right-of-use assets relate mainly to the production plants in Sansepolcro (AR), Ozzano Taro (PR), Reggio Emilia, Lodi, Lecce, Bologna, Corte de' Frati (CR) and Eboli (SA) used by Newlat or Centrale del Latte d'Italia under agreements entered into with the related party New Property S.p.A. and those relating to the subsidiary Symington's. The agreements entered into with the related party New Property S.p.A. fall within the scope of the agreements with related parties. The right-of-use assets at 30 September 2022 also refer to the Delverde production plant, located at Fara San Martino (CH), used by Newlat Food under a financial lease with third parties. Machinery right-of-use assets refer mainly to the lease of capital goods used in the production process.

The change compared with 31 December 2021 was due mainly to depreciation for the period.

Intangible assets

At 30 September 2022, this item totalled Euro 94,224 thousand (Euro 97,824 thousand in December 2021).

Goodwill

The goodwill of Euro 13,742 thousand refers to:

- Euro 3,863 thousand refers entirely to Newlat Food's acquisition of Centrale del Latte di Salerno S.p.A. in December 2015, which was subsequently merged by incorporation into Newlat in December 2019.
- Euro 9,838 thousand for Newlat Food's acquisition of the Symington's Ltd Group in August 2021.
- Euro 220 thousand for the purchase of the Lylag brand and related industrial assets.
- Euro 179 thousand for the negative exchange rate effect recorded in the period.

While there are no indicators of impairment from internal sources, considering the target market affected by a strong inflationary pressure and the expected trend of discount rates (potentially increasing), the Group's management has nevertheless decided to update its impairment assessment by reviewing the financial years up to 31 December 2021 considering the expected evolution of revenues and margins and taking into account an increasing discount rate. The review conducted did not reveal any indicators of impairment.

Concessions, licences, trademarks and similar rights

The following table shows a breakdown of "Concessions, licences, trademarks and similar rights reported among intangible assets":

<i>(In thousands of euros)</i>	At 30 September 2022	At 31 December 2021
Trademarks with an indefinite useful life (a)	44,799	44,799
Trademarks with a finite useful life (b)	633	695
Symington's assets with a definite useful life (c)	35,305	36,444
Total net book value	80,737	81,938

Trademarks with an indefinite useful life

This item refers to the following trademarks:

- the Drei Glocken and Birkel brands registered by the subsidiary Newlat GmbH in 2014 following the acquisition of the relevant business unit from Ebro Foods, for a total of Euro 18,844 thousand;
- the Centrale del Latte Rapallo-Latte Tigullio, Mukki and Centrale del Latte di Vicenza brands recorded in the separate financial statements of the subsidiary Centrale del Latte d'Italia S.p.A. for a total of Euro 19,132 thousand, revalued during purchase price allocation as part of the acquisition by Newlat Food for a total of Euro 6,823 thousand.

While there are no indicators of impairment from internal sources, considering the target market affected by a strong inflationary pressure and the expected trend of discount rates (potentially increasing), the Group's management has nevertheless decided to update its impairment assessment by reviewing the financial years up to 31 December 2021 considering the expected evolution of revenues and margins and taking into account an increasing discount rate. The review conducted did not reveal any indicators of impairment.

Trademarks with a finite useful life

This item includes brands owned by Newlat Food S.p.A., amortised according to the residual useful life, estimated on the basis of the period of time over which it is considered that they are guaranteed to generate cash flows.

Symington's assets with a definite useful life

This item includes allocations to trademarks with a finite useful life, know-how and customer lists defined in the purchase price allocation following the acquisition of Symington's.

Equity investments in associates

Investments in associated companies amount to Euro 1.4 million and refer to the company Mercafir for an amount of Euro 1,397 thousand and Filat for an amount of Euro 4 thousand. Both companies generated results in the first nine months of 2022 close to breakeven.

Non-current financial assets measured at fair value through profit or loss

The balance includes the interest in Futura S.r.l. for a total of approximately Euro 657 thousand (less than 5% stake).

Financial assets measured at amortised cost

At 30 September 2022, this item totalled Euro 799 thousand (Euro 801 thousand at 31 December 2021) and referred mainly to security deposits paid by the Parent Company under the production premises lease agreements.

Deferred tax assets

At 30 September 2022, this item totalled Euro 8,043 thousand (Euro 7,580 thousand in December 2021). The increase was mainly due to a reclassification from deferred tax liabilities in terms of the net presentation of the item.

Prepaid taxes refer mainly to the appropriation of taxed provisions. Based on the multi-year business plans prepared, management believes that these receivables can be fully recovered through future taxable income.

Current assets

<i>(In thousands of euros)</i>	At 30 September 2022	At 31 December 2021
Current assets		
Inventories	89,209	63,881
Trade receivables	61,140	67,184
Current tax assets	3,228	3,324
Other receivables and current assets	7,651	11,262
Current financial assets measured at fair value through profit or loss	4,314	35
Cash and cash equivalents	409,093	384,888
Total current assets	574,634	530,574

Inventories

At 30 September 2022, this item totalled Euro 89,209 thousand (Euro 63,881 thousand in December 2021). Closing inventories increased by Euro 25,329 thousand compared to 31 December 2021 due to an increase in inventories as a result of both an increase in sales volumes and a general increase in the average purchase price of finished product components and raw materials.

Trade receivables

At 30 September 2022, this item totalled Euro 61,140 thousand (Euro 67,184 thousand in December 2021). There are no significant changes in the receipt conditions. Receivables are shown net of the provision for write-downs estimated prudentially on the basis of information held in order to adjust their value to the presumed realisable value.

At each reporting date, customer receivables are analysed to check for the existence of impairment indicators. To perform this analysis, the Group assesses whether there are expected losses from trade receivables over the entire duration of these receivables and takes into account the expertise it has accrued regarding losses on receivables, grouped into similar categories, based on specific factors pertaining to the Group's receivables as well as on the general economic environment. Customer receivables are written down when there is no reasonable expectation that they will be recovered and the write-down takes place in the income statement under "amortisation, depreciation and write-downs".

Current tax assets and liabilities

Current tax assets totalled Euro 3,228 thousand (Euro 3,324 thousand at 31 December 2021).

Current tax liabilities totalled Euro 3,746 thousand (Euro 3,364 thousand at 31 December 2021). The change compared with 31 December 2021 was due to taxes for the period.

Other receivables and current assets

At 30 September 2022, this item totalled Euro 7,651 thousand (Euro 11,262 thousand in December 2021). "Other receivables and current assets" consist of tax receivables, advances to suppliers, prepaid expenses and other short-term receivables.

Cash and cash equivalents

At 30 September 2022, this item totalled Euro 409,093 thousand (Euro 384,888 thousand in December 2021). "Cash and cash equivalents" mainly consist of sight current accounts with banks.

At 30 September 2022, cash and cash equivalents were not subject to restrictions or constraints. Part of the aforementioned cash and cash equivalents, amounting to Euro 176,260 thousand, is attributable to the cash pooling relationships of Newlat Food with the parent company Newlat Group S.A.

See the statement of cash flows for changes in the "Cash and cash equivalents" item as at 30 September 2022.

Shareholders' equity

Share capital

As at 30 September 2022, the Company's fully subscribed and paid-up share capital totalled Euro 43,935,050, divided into 43,935,050 ordinary shares that were dematerialised as a result of the IPO operation in October 2019.

As reported in the statement of changes in consolidated equity, the changes as at 30 September 2022 related to:

- Recognition of the total net profit for the period, in the amount of Euro 2,582 thousand.
- Negative translation reserve of Euro 2,070 thousand.
- Hedging instruments for Euro 92 thousand.
- Other minor changes in the amount of Euro 365 thousand.
- Purchase of treasury shares for Euro 10.4 thousand.

Non-current liabilities

<i>(In thousands of euros)</i>	At 30 September 2022	At 31 December 2021
Non-current liabilities		
Provisions for employee benefits	13,911	14,223
Provisions for risks and charges	2,108	2,030
Deferred tax liabilities	18,997	19,097
Non-current financial liabilities	263,939	287,216
Non-current lease liabilities	22,460	31,175
Total non-current liabilities	321,414	353,741

Provisions for employee benefits

At 30 September 2022, this item totalled Euro 13,911 thousand, down from Euro 14,223 thousand at 31 December 2021, mainly due to the departure of employees through retirement and resignation.

Provisions for risks and charges

At 30 September 2022, this item totalled Euro 2,108 thousand (Euro 2,030 thousand in December 2021). The item is primarily composed of the provision for agents' indemnities, which represents a reasonable forecast of the charges that would be borne by the Group in the event of future interruption of agency relationships.

Deferred tax liabilities

Deferred-tax liabilities amounted to Euro 18,997 thousand at 30 September 2022 (19,097 thousand at 31 December 2021).

Non-current financial liabilities

At 30 September 2022, this item totalled Euro 263,939 thousand (Euro 287,216 thousand in December 2021). Non-current financial liabilities refer to the non-current portion of loans taken out by the Group.

The verification of compliance with financial covenants is performed only on the annual data at 31 December based on the requests of the related contracts. The Group believes

that these covenants will be respected at 31 December 2022, also considering the results achieved at 30 September 2022. The decrease in financial liabilities is mainly due to the repayment of instalments maturing on 30 September and the lower use of short-term credit lines. Moreover, in February 2022 the interest on the bond loan of approximately Euro 5.2 million was paid.

Non-current lease liabilities

At 30 September 2022, this item totalled Euro 22,460 thousand (Euro 31,175 thousand in December 2021). This item includes non-current financial debt relating mainly to multi-year lease agreements for properties used by the Parent Company and by its subsidiaries and to the lease of industrial facilities and machinery.

Liabilities were recognised in compliance with the IFRS 16 accounting standard and determined as the present value of future lease payments discounted at a marginal rate of interest which, based on the length of each individual agreement, was identified in a range between 1% and 3%.

There are no payables due beyond five years.

The change compared with 31 December 2021 was due mainly to the reimbursement of rental fees according to existing contractual agreements.

Current liabilities

<i>(In thousands of euros)</i>	At 30 September 2022	At 31 December 2021
Current liabilities		
Trade payables	187,421	179,024
Current financial liabilities	183,575	127,280
Current lease liabilities	8,879	7,887
Current tax liabilities	3,746	3,364
Other current liabilities	23,008	19,087
Total current liabilities	406,631	336,643

Trade payables

At 30 September 2022, this item totalled Euro 187,421 thousand (Euro 179,024 thousand in December 2021). Trade payables refer mainly to balances deriving from transactions for the purchase of goods destined for sale. There are no particular changes in payment times to suppliers.

Current financial liabilities

At 30 September 2022, this item totalled Euro 183,575 thousand (Euro 127,280 thousand in December 2021). Current financial liabilities refer to maturities within 12 months relating to medium-to-long-term loans and the use of credit lines for down payments. For an analysis of the net financial position, please see the report on operations.

Current lease liabilities

At 30 September 2022, this item totalled Euro 8,879 thousand (Euro 7,887 thousand in December 2021). This item includes short-term financial debt relating mainly to multi-year lease agreements for properties and to the lease of industrial facilities and machinery.

Other current liabilities

At 30 September 2022, this item totalled Euro 23,008 thousand (Euro 19,087 thousand in December 2021). Other current liabilities consist mainly of tax payables and payables to employees or social security institutions. The increase in other current liabilities is mainly attributable to the VAT payable to the tax authorities by the subsidiary Centrale del Latte d'Italia SpA.

Income statement

Please refer to the Report on Operations for an analysis of the income statement items for the first nine months of 2022, which – for the purposes of a greater understanding of the Group's economic performance on a uniform basis – were compared with the proforma income statement figures for the first nine months of 2021, calculated by retro-dating the acquisition of Symington's to 1 January 2021 for proforma accounting purposes, which actually took place on 4 August 2021.

Earnings per share

Basic earnings per share are calculated on the basis of the consolidated profit for the period attributable to the shareholders of the Parent Company divided by the weighted average number of ordinary shares, calculated as follows:

	At 30 September	
	2022	2021
Profit for the year attributable to the Group in thousands of euros	2,582	8,269
Weighted average number of shares in circulation	39,629,842	43,935,050
Earnings per share (in Euro)	0.07	0.19

Related party transactions

The Group's transactions with related parties, identified based on criteria defined by IAS 24 – Related party disclosures, are mainly of a commercial or financial nature and are carried out under normal market conditions.

Despite this, there is no guarantee that, if these transactions had been conducted between or with third parties, said third parties would have negotiated and entered into the relevant contracts, or executed the transactions themselves, under the same conditions and in the same manner.

The Group deals with the following related parties:

- Newlat Group S.A., Swiss parent company; and

- companies controlled by the parent company other than its own subsidiaries and associates (“Companies controlled by the parent companies”).

Disputes and potential liabilities

The Parent Company and its subsidiaries are parties to some legal disputes, for relatively small amounts. The future resolution of such disputes is unlikely to generate significant liabilities for the Group for which specific risk provisions have not already been allocated in the financial statements. As at 30 September 2022 there were no substantial changes to the situations regarding disputes or contingent liabilities from 31 December 2021.

Reggio Emilia, 11 November 2022

For the Board of Directors
Angelo Mastrolia
Chairman of the Board of Directors

Pursuant to paragraph 2, article 154-*bis* of the Consolidated Law on Finance, the Financial Reporting Officer Rocco Sergi declares that the accounting information contained in this document corresponds to the contents of accounting documents, books and records.

Reggio Emilia, 11 November 2022

Rocco Sergi
Officer in charge of preparing the
company's financial reports