



DIRECTORS' REPORT ON OPERATIONS AT 30 September 2023

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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 2023 show a positive pre-tax result of Euro 25,152 thousand and a total net result of Euro 18,175 thousand.

In the Directors' Report on Operations as at 30 September 2023 herein, EM Foods SAS, which was acquired on 2 January 2023, was included in the scope of consolidation. Proforma financial and economic information was not included for comparative data.

During the first nine months of 2023, the Group recorded an increase in turnover (+15.2%) compared to the figures for the same period of the previous year thanks to the ability to acquire new customers in the Dairy segment (+25%), Bakery segment (+15%) and in the Pasta segment (+11%) and higher average sales price compared to the same period of the previous year.

Net of the acquisition of EM Foods, the increase in turnover would have been 11.2%.

The Group also confirmed its great ability to increase its margins (EBITDA margin of 9.5% as at 30 September 2023, 7.6% as at 30 September 2022).

The margins achieved as at 30 September reflect non-recurring costs, in particular related to the newly acquired company EM Foods Sas. Net of these non-recurring costs, the Group's margin as at 30 September 2023 would have been 9.7%.

In short, the highlights of the first nine months of 2023 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 performance that beat the same period of the previous year and the company's forecasts (EBITDA of Euro 57.1 million, or 9.5%, compared with Euro 39.6 million at 30 September 2022, or 7.6%). With this in mind, the strategy implemented by the Group since the previous year of keeping its customer base unchanged and acquiring new customers has proved effective with excellent results in terms of increased turnover and margins.
- Particularly worthy of note is the extraordinary performance of the dairy sector (+25%), bakery segment (+15%) and the pasta sector (+11%) 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: +20% in the German market and +12% in the United Kingdom thanks also to the first synergies in the commercial area.
- On 7 December 2022 Newlat Food S.p.A. signed a contract with Alsa France (the "Seller") to acquire 100% of the ordinary shares and voting rights of EM Foods S.A.S. following the Seller's exercise of the put option signed by the parties on 19 October 2022. As required by French law, Alsa France exercised its option to sell 100% of the ordinary shares and voting rights of EM Foods S.A.S., after EM Foods S.A.S.'s workers' council formally agreed to the sale to Newlat Food. The acquisition was then finalised at the beginning of January 2023, and the closing of the acquisition of EM Foods

S.A.S. took place on 2 January 2023. With this acquisition the Newlat Group enters the bakery and dessert mixes sector, a particularly interesting business becoming increasingly popular with consumers. At the same time, Newlat Food S.p.A. signed a long-term contract with Unilever BV for the production of several products related to important brands such as Carte d'Or, Maizena and Mondamin. The signing of this agreement constituted a condition precedent for the conclusion of the acquisition of EM Foods S.A.S.

- On 9 June, Newlat Food sold 3,900,000 of its own shares, or 8.88% of the share capital, to a group of institutional investors including Helikon Investments and Banor at a price of Euro 5.80 per share. The same investors also simultaneously signed an option agreement for the purchase of the remaining part of the company's own shares under certain conditions.

Lastly, the financial data once again confirm the group's great ability to generate cash from operations, which allowed it to increase its margin levels from the same period of the previous year (9.5% EBITDA margin as at 30 September 2023 v 7.6% as at 30 September 2022) and a net financial position that improved by Euro 49 million, thanks also to the sale of treasury shares for a total amount of about Euro 23 million and cash generation from operations of about Euro 26 million. The cash conversion as at 30 September 2023 was 77.4%.

Net profit after tax amounted to Euro 18.2 million, a sharp increase from Euro 3.5 million in the same period last year.

Outlook

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.

As of the date of approval of this interim report, due to the conflicts in Israel and the continuation of the war in Ukraine, there was a crisis in the Oil & Gas sector, which led to a great deal of uncertainty about the development of the world economy. 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 the end of the current year and the next year, but, based on the data available when this 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 it 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 2023.
- 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 2023 was higher than budgeted. It should also be noted that the cash and cash equivalents, amounting to Euro 321 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 2023

After 30 September 2023 there were no atypical or unusual transactions requiring changes to the interim financial statements at 30 September 2023.

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 |
| Cinzia Voltolina | Alternate Auditor |
| Giovanni Rayneri | 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 & Bakery Mixes and Other Activities.

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 2023 directly owns 61.64% of the share capital, while the remaining part (35.70%) is held primarily by institutional investors and 2.66% by Newlat itself.

This report on operations contains economic, equity and financial information of the Newlat Group at 30 September 2023, 31 December 2022 and 30 September 2022.

Alternative performance indicators

The following financial 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 bulletin no. 5/21 of 29 April 2021 implementing the ESMA 32-382-1138 guidelines dated 4 March 2021).

The alternative performance indicators listed below constitute additional information beyond IFRS requirements to help users of the financial report to better understand the Group's results, assets and liabilities and cash flows. Note that Newlat Food'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

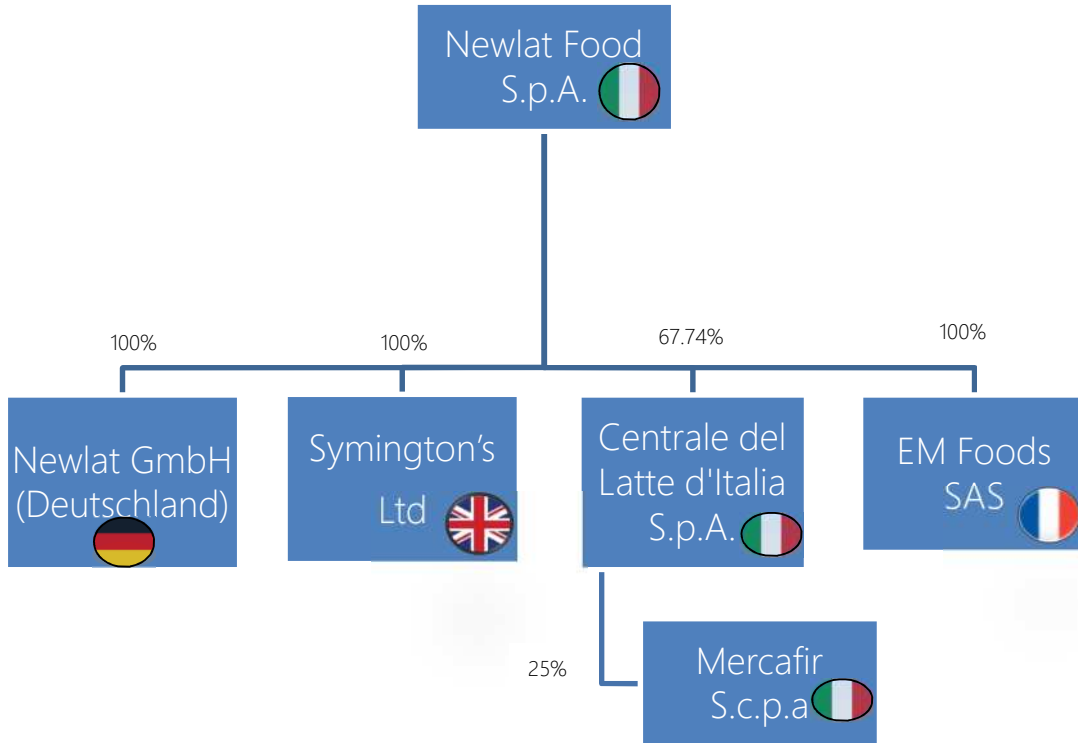
- Current financial assets, recorded under 'other receivables'
- Payables to banks
- Non-current financial liabilities, recorded under 'other non-current liabilities'.

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 as at 30 September 2023 | Control percentage | |
|------------------------------------|--|----------|---------------------------------------|----------------------|---------------------|
| | | | | At 30 September 2023 | At 31 December 2022 |
| 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 | EUR | 28,840,041 | 67.74% | 67.74% |
| Symington's Ltd | Thornes Farm Business Park, Pontefract Ln, Leeds LS9 | GBP | 100,000 | 100% | 100% |
| EM Foods Sas | 951 Rue Denis Papin, 54710 Ludres, France | EUR | 1,000,000 | 100% | - |

A table summarising the carrying amount of each subsidiary recorded in the Company's separate financial statements at 30 September 2023 and the equity and profit/loss data for the period for each subsidiary and the parent company 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) |
|------------------------------------|--|---|--|
| | 30/09/2023 | 30/09/2023 | 30/09/2023 |
| Newlat GmbH (Deutschland) | 68,525 | 40,776 | 4,478 |
| Centrale del Latte d'Italia S.p.A. | 25,409 | 69,932 | 6,254 |
| Symington's Ltd | 63,914 | 21,134 | 73 |
| EM Foods Sas | 1,000 | (102) | (1,103) |

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 is active in the production and sale of a wide range of products, including:

- Instant noodles, where it is the leader in the authentic and Asian inspiration segment
- Soups and various ready meals, rice and couscous ready meals
- Baked goods including toasted breads for desserts and cakes

The company has three production plants and a logistics distribution centre, and its markets are United Kingdom, United States and Australia.

- EM Foods Sas, a leading manufacturer of baking and dessert mixes.

INTERIM MANAGEMENT REPORT

**DIRECTORS' OBSERVATIONS ON PERFORMANCE
AT 30 SEPTEMBER 2023**

MANAGEMENT REPORT

The Newlat Group is an important player in the Italian and European agri-food sector. In particular, as at 30 September 2023 the Group has a strong position in its domestic market and a significant presence in the German market.

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 & Bakery Mixes
- Special Products; and
- Other Activities

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> | Income statement of the first nine months | | | | Changes | |
|---|---|--------------|---------------|--------------|---------------|---------------|
| | 2023 | % | 2022 | % | 2023 v 2022 | % |
| Revenue from contracts with customers | 600,666 | 100.0% | 521,193 | 100.0% | 79,473 | 15.2% |
| Cost of sales | (491,968) | (81.9%) | (433,379) | (83.2%) | (58,589) | 13.5% |
| Gross operating profit/(loss) | 108,698 | 18.1% | 87,814 | 16.8% | 20,884 | 23.8% |
| Sales and distribution costs | (64,317) | (10.7%) | (62,496) | (12.0%) | (1,821) | 2.9% |
| Administrative costs | (15,716) | (2.6%) | (15,518) | (3.0%) | (199) | 1.3% |
| Net write-downs of financial assets | (586) | (0.1%) | (533) | (0.1%) | (53) | 9.9% |
| Other revenues and income | 6,712 | 1.1% | 7,018 | 1.3% | (305) | (4.4%) |
| Income from business combinations | 1,685 | 0.3% | - | - | 1,685 | 100.0% |
| Other operating costs | (4,666) | (0.8%) | (4,540) | (0.9%) | (126) | 2.8% |
| Operating profit/(loss) (EBIT) | 31,810 | 5.3% | 11,745 | 2.3% | 20,065 | 170.8% |
| Financial income | 6,788 | 1.1% | 2,349 | 0.5% | 4,439 | 189.0% |
| Financial expenses | (13,447) | (2.2%) | (8,988) | (1.7%) | (4,459) | 49.6% |
| Profit/(loss) before taxes | 25,152 | 4.2% | 5,106 | 1.0% | 20,046 | 392.6% |
| Income taxes | (6,977) | (1.2%) | (1,569) | (0.3%) | (5,408) | 344.7% |
| Net profit/(loss) | 18,175 | 3.0% | 3,537 | 0.7% | 14,637 | 413.8% |

Operating income amounted to Euro 31.8 million, a sharp increase compared with the same period of the previous year. In absolute terms, EBITDA (Euro 57.1 million at 30 September 2023 and Euro 39.6 million at 30 September 2022) and the EBITDA Margin (9.5% in 2023 and 7.6% in 2022) were up markedly compared to the figures for the same period last year. 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 table below 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> | Income statement of the first nine months | | | | Changes | |
|--|---|---------------|----------------|---------------|---------------|--------------|
| | 2023 | % | 2022 | % | 2023 v 2022 | % |
| Pasta | 160,045 | 26.6% | 143,674 | 27.6% | 16,371 | 11.4% |
| Milk Products | 200,068 | 33.3% | 181,154 | 34.8% | 18,914 | 10.4% |
| Bakery Products | 36,075 | 6.0% | 31,498 | 6.0% | 4,578 | 14.5% |
| Dairy Products | 38,702 | 6.4% | 31,026 | 6.0% | 7,676 | 24.7% |
| Special Products | 27,465 | 4.6% | 26,232 | 5.0% | 1,233 | 4.7% |
| Instant noodles & bakery mixes | 126,230 | 21.0% | 96,442 | 18.5% | 29,789 | 30.9% |
| Other Activities | 12,081 | 2.0% | 11,167 | 2.1% | 914 | 8.2% |
| Revenue from contracts with customers | 600,666 | 100.0% | 521,193 | 100.0% | 79,474 | 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 significantly due to the combined effect of an increase in the average sales price and higher volumes compared to the same period of the previous year.

Revenues from the **Bakery Products** segment increased because of higher average sales prices and volumes due also to the acquisition of new customers.

Revenues from the **Dairy Products** segment increased sharply as a result of a rise in sales volumes.

Revenues from the **Special Products** segment were in line with the same period of the previous year.

Revenues for the **Instant noodles & bakery mixes** segment increased as a result of the acquisition of EM Foods and an increase in the average sales price, especially in the UK Mass Distribution market.

Revenues from the **Other Activities** segment were up slightly because of higher average sales prices.

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> | Income statement of the first nine months | | | | Changes | |
|--|---|---------------|----------------|---------------|---------------|--------------|
| | 2023 | % | 2022 | % | 2023 v 2022 | % |
| Mass Distribution | 384,618 | 64.0% | 317,928 | 61.0% | 66,690 | 21% |
| B2B partners | 52,327 | 8.7% | 46,907 | 9.0% | 5,419 | 12% |
| Normal trade | 70,731 | 11.8% | 67,755 | 13.0% | 2,976 | 4% |
| Private labels | 80,592 | 13.4% | 78,179 | 15.0% | 2,413 | 3% |
| Food services | 12,399 | 2.1% | 10,424 | 1.9% | 1,975 | 19% |
| Total revenue from contracts with customers | 600,666 | 100.0% | 521,192 | 100.0% | 79,473 | 15.2% |

Revenues from the **Mass Distribution** channel increased, mainly due to an increase in demand related to the Group's main segments and a higher average sale price compared to the same period last year.

Revenues from the **B2B partners** channel saw higher demand, mainly due to the acquisition of new customers, especially in the bakery segment. The figures as at 30 September 2023 are affected by the inclusion of the newly acquired EM Foods in the scope of consolidation.

Revenues from the **Normal trade** channel were up as a result of an increase in sales demand due to the acquisition of new customers and an improvement in sales conditions in terms of average sales price.

Revenues from the **Private label** channel increased in the Pasta and Dairy segment as a result of higher average sales prices.

Revenues from the **Food services** channel increased as a result of improved sales conditions in terms of average sales price.

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> | Income statement of the first nine months | | | | Changes | |
|--|---|---------------|----------------|---------------|---------------|--------------|
| | 2023 | % | 2022 | % | 2023 v 2022 | % |
| Italy | 305,126 | 50.8% | 278,015 | 53.3% | 27,111 | 10% |
| Germany | 106,393 | 17.7% | 88,631 | 17.0% | 17,762 | 20% |
| United Kingdom | 119,453 | 19.9% | 106,917 | 20.5% | 12,535 | 12% |
| Other countries | 69,694 | 11.6% | 47,629 | 9.1% | 22,065 | 46% |
| Total revenue from contracts with customers | 600,666 | 100.0% | 521,193 | 100.0% | 79,473 | 15.2% |

Revenues in **Italy** were up mainly because of higher sales volumes and average sales prices.

Revenues from **Germany** increased as a result of higher volumes in the Pasta sector and a general increase in the average sales price.

Revenues in the **United Kingdom** increased due to a higher average sales price than in the same period last year.

Revenues from **Other Countries** increased mainly due to the acquisition of EM Foods. Net of the acquisition, revenues in other countries would still increase as a consequence of an increase in demand and the average selling price.

Operating costs

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

| <i>(In thousands of euros)</i> | Income statement of the first nine months | |
|--------------------------------|---|------------------|
| | 2023 | 2022 |
| Cost of sales | (491,968) | (433,379) |
| Sales and distribution costs | (64,317) | (62,496) |
| Administrative costs | (15,716) | (15,518) |
| Total operating costs | (572,001) | (511,392) |

Cost of sales represented 82% of sales revenues (83% at 30 September 2022). In absolute terms, the increase in the cost of sales is directly linked to the higher sales volumes recorded in the first nine months of 2023. The slight decrease in terms of impact is linked to an improvement in supply chain conditions.

The proportion of sales and distribution expenses fell sharply due to an improvement in the Group's logistics by optimising transport costs and the distribution network.

Administrative expenses were in line with the same period last year.

EBITDA was Euro 57.1 million (or 9.5% of sales revenue) compared to Euro 39.6 million as of 30 September 2022 (or 7.6% of sales revenue), with a clear increase both in absolute terms and in terms of margins.

The following table shows EBITDA by activity segment:

| At 30 September 2023 | | | | | | | | |
|---|---------------|---------------|-----------------|----------------|------------------|--------------------------------|------------------|---|
| (In thousands of euros) | Pasta | Milk products | Bakery Products | Dairy products | Special Products | Instant Noodles & Bakery Mixes | Other Activities | Consolidated Financial Statements total |
| Revenue from contracts with customers (third parties) | 160,045 | 200,068 | 36,075 | 38,702 | 27,465 | 126,230 | 12,081 | 600,666 |
| EBITDA (*) | 17,389 | 18,538 | 5,009 | 4,813 | 2,784 | 7,865 | 695 | 57,094 |
| EBITDA margin | 10.87% | 9.27% | 13.89% | 12.44% | 10.14% | 6.23% | 5.75% | 9.51% |
| Amortisation, depreciation and write-downs | 3,303 | 11,600 | 1,238 | 276 | 1,434 | 8,385 | 147 | 26,382 |
| Write-downs net of financial assets | | | | | | | 586 | 586 |
| Income from business combinations | | | | | | | 1,685 | 1,685 |
| Operating profit/(loss) | 14,237 | 6,787 | 3,772 | 4,537 | 1,350 | (520) | 1,647 | 31,811 |
| Financial income | - | - | - | - | - | - | 6,788 | 6,788 |
| Financial expenses | - | - | - | - | - | - | (13,447) | (13,447) |
| Profit/(loss) before taxes | 14,237 | 6,787 | 3,772 | 4,537 | 1,350 | (520) | (5,012) | 25,152 |
| Income taxes | - | - | - | - | - | - | (6,977) | (6,977) |
| Net profit/(loss) | 14,237 | 6,787 | 3,772 | 4,537 | 1,350 | (520) | (11,989) | 18,175 |

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

| At 30 September 2022 | | | | | | | | |
|---|--------------|---------------|-----------------|----------------|------------------|-----------------|------------------|---|
| (In thousands of euros) | Pasta | Milk products | Bakery Products | Dairy products | Special Products | Instant Noodles | Other Activities | 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% | 10.50% | 10.24% | 9.55% | 3.00% | 7.61% |
| Amortisation, depreciation and write-downs | 3,260 | 13,026 | 1,978 | 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.

EBIT amounted to Euro 31.8 million (5.3% of sales) compared to Euro 11 million as at 30 September 2022 (2.3% of sales), a clear increase compared to the same period last year.

The tax rate was 27.7%.

Net profit as at 30 September 2023 was Euro 18.2 million, a sharp increase from 30 September 2022.

EBITDA

The table below provides a reconciliation of EBITDA, the EBITDA margin and cash conversion at 30 September 2023 and 2022.

| <i>(In thousands of euros and as a percentage)</i> | At 30 September 2023 | At 31 December 2022 |
|--|----------------------------|------------------------|
| Operating profit/(loss) (EBIT) | 30,127 | 11,745 |
| Amortisation, depreciation and write-downs | 26,382 | 27,367 |
| Net write-downs of financial assets | 586 | 533 |
| EBITDA (*) (A) | 57,094 | 39,644 |
| Revenue from contracts with customers | 600,666 | 521,193 |
| EBITDA margin (*) | 9.5% | 7.6% |
| investments (B) | 12,896 | 7,938 |
| Cash conversion [(A) - (B)]/(A) | 77.4% | 80.0% |

(*) Operating profit/(loss) (EBIT), EBITDA, the EBITDA margin and the cash conversion are alternative performance indicators not identified as an accounting measure under IFRS and, therefore, should not be considered alternative measures to those provided by the Group's financial statements when assessing the Group's results. EBIT was considered net of income from business combinations

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> | Income statement of the first nine months | | | | Changes | |
|---|--|-------------|---------------|-------------|---------------|--------------|
| | 2023 | % | 2022 | % | 2023 v 2022 | % |
| Pasta | 17,389 | 10.9% | 6,629 | 4.6% | 10,760 | 162.3% |
| Milk Products | 18,538 | 9.3% | 14,362 | 7.9% | 4,176 | 29.1% |
| Bakery Products | 5,009 | 13.9% | 3,165 | 10.0% | 1,845 | 58.3% |
| Dairy Products | 4,813 | 12.4% | 3,258 | 10.5% | 1,555 | 47.7% |
| Special Products | 2,784 | 10.1% | 2,686 | 10.2% | 98 | 3.7% |
| Instant Noodles & Bakery Mixes | 7,865 | 6.2% | 9,210 | 9.5% | (1,345) | (14.6%) |
| Other Activities | 695 | 5.8% | 335 | 3.0% | 360 | 107.5% |
| EBITDA | 57,094 | 9.5% | 39,645 | 7.6% | 17,449 | 44.0% |

The EBITDA of the **Pasta** segment was up compared to the same period of the previous year due to both an increase in demand from existing and new customers and an increase in the average sales price

The EBITDA for the **Milk Products** segment was markedly up compared to the same period of the previous year, showing a significant margin recovery compared to 30 September 2022.

The EBITDA for the **Bakery Products** segment improved significantly compared to the same period last year due to higher sales volumes and a higher average selling price compared to 30 September 2022.

The EBITDA for the **Dairy Products** segment increased significantly compared to the same period of the previous year due to higher sales volumes and a higher average selling price compared to 30 September 2022.

EBITDA from the **Special Products** segment was in line with the same period of the previous year. The increase in absolute values is directly related to the increase in revenue. EBITDA for the **Instant Noodles & Bakery Mixes** segment decreased compared to the same period last year due to non-recurring costs associated with the acquired company EM Foods.

EBITDA for the **Other Activities** segment increased compared to the same period of the previous year due to an increase in the average sales price.

Net financial debt

The following table provides details of the composition of the Group's net financial debt as at 30 September 2023 and 31 December 2022, determined in accordance with the provisions of Consob Communication DEM/6064293 of 28 July 2006 and in accordance with paragraph 175 et seq. of the recommendations contained in the document prepared by ESMA, no. 32-382-1138 of 4 March 2021 (guidelines on disclosure requirements under Regulation EU 2017/1129, so-called "Prospectus Regulation"):

| <i>(In thousands of euros)</i> | At 30 September | At 31 December |
|--|------------------|------------------|
| Net financial debt | 2023 | 2022 |
| A. Cash and cash equivalents | 75,637 | 149,911 |
| B. Cash equivalents | 245,107 | 137,909 |
| C. Other current financial assets | 23,004 | 19,625 |
| D Cash and cash equivalents (A)+(B)+(C) | 343,748 | 307,445 |
| E. Current financial payables | (36,869) | (32,282) |
| F. Current portion of non-current financial debt | (39,876) | (41,067) |
| G. Current financial indebtedness (E)+(F) | (76,745) | (73,349) |
| H. Net current financial indebtedness (G)+(D) | 267,003 | 234,096 |
| I. Non-current financial payables | (125,334) | (144,447) |
| J. Debt instruments | (202,149) | (199,450) |
| K. Trade and other non-current payables | - | - |
| L. Non-current financial indebtedness (I)+(J)+(K) | (327,483) | (343,897) |
| M. Net financial indebtedness (H)+(L) | (60,481) | (109,800) |

Comparing the net financial position at 30 September 2023 with the corresponding data at 31 December 2022 demonstrates a significant improvement of Euro 49.3 million thanks to the Newlat Group's ability to generate cash flows from operations and the sale of treasury shares.

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

| <i>(In thousands of euros)</i> | At 30 September 2023 | At 31 December 2022 |
|--------------------------------|-------------------------|------------------------|
| Net financial debt | (60,481) | (109,800) |
| Current lease liabilities | 7,562 | 7,567 |
| Non-current lease liabilities | 38,108 | 39,173 |
| Net Financial Position | (14,811) | (63,060) |

Net financial debt compared with 31 December 2022 has improved considerably by some Euro 48.3 million due to the positive period performance 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 in the period ended 30 September 2023:

| <i>(In thousands of euros and as a percentage)</i> | At 30 September | | At 31 December | |
|--|-----------------|---------------|----------------|---------------|
| | 2023 | % | 2022 | % |
| Land and buildings | 576 | 4.5% | 613 | 4.0% |
| Plant and machinery | 9,423 | 73.1% | 11,332 | 73.2% |
| Industrial and commercial equipment | 1,218 | 9.4% | 1,295 | 8.4% |
| Other assets | 48 | 0.4% | 49 | 0.3% |
| Assets under construction and payments on account | 540 | 4.2% | 1,205 | 7.8% |
| Investments in property, plant and equipment | 11,804 | 91.6% | 14,494 | 93.7% |
| Patents and intellectual property rights | 155 | 1.2% | 112 | 0.7% |
| Concessions, licences, trademarks and similar rights | 2 | 0.0% | 63 | 0.4% |
| Other assets | 935 | 7.2% | 804 | 5.2% |
| Investments in intangible assets | 1,092 | 8.4% | 979 | 6.3% |
| Total investments | 12,896 | 100.0% | 15,473 | 100.0% |

During the reporting period, the Group made investments totalling Euro 12,896 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 mainly relate to the purchase and updating of application software and investments of a long-term nature in customers of the subsidiary Symington's.

The following table provides a breakdown by business unit of the Group's investments as at 30 September 2023:

| <i>(In thousands of euros and as a percentage)</i> | At 30 September | | At 31 December | |
|--|-----------------|---------------|----------------|---------------|
| | 2023 | % | 2022 | % |
| Special Products | 750 | 5.8% | 1,973 | 12.8% |
| Pasta | 5,203 | 40.3% | 3,762 | 24.3% |
| Bakery Products | 682 | 5.3% | 1,167 | 7.5% |
| Milk Products | 710 | 5.5% | 1,752 | 11.3% |
| Dairy Products | 685 | 4.5% | 1,306 | 8.4% |
| Instant Noodles & Bakery Mixes | 4,811 | 37.3% | 5,208 | 33.7% |
| Other Activities | 155 | 1.2% | 305 | 2.0% |
| Total investments | 12,896 | 100.0% | 15,473 | 100.0% |

Investments in the Pasta business unit relate mainly to the new packaging facility for pasta products, located at plants in Italy and Germany.

Investments in the Instant Noodles & Bakery Mixes business unit mainly relate to the new plant at Symington's and the purchase of SAP software by EM Foods.

OTHER INFORMATION

Positions or transactions deriving from atypical and/or unusual transactions

Pursuant to CONSOB Communication no. 6064293 of 28 July 2006, note that during the first nine months of 2023 no atypical and/or unusual transactions occurred outside the normal operation of the company that could give rise to doubts regarding the correctness and completeness of the information in the financial statements, conflicts of interest, protection of company assets and safeguarding the minority Shareholders.

Treasury shares and shares of parent companies

In compliance with Article 2428 of the Italian Civil Code, note that as of 30 September 2023 the Parent Company held 1,164,335 treasury shares

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. On 6 September 2019 the Board of Directors resolved to adopt the Procedure for Transactions with Related Parties.

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 (RE), 13 November 2023

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, 13 November 2023

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

Financial statements and explanatory notes

Consolidated Statement of Financial Position at 30 September 2023

| <i>(In thousands of euros)</i> | At 30 September 2023 | At 31 December 2022 |
|--|-------------------------|------------------------|
| Non-current assets | | |
| Property, plant and equipment | 158,718 | 154,106 |
| Right-of-use assets | 44,523 | 46,509 |
| <i>of which from related parties</i> | <i>15,483</i> | <i>16,722</i> |
| Intangible assets | 92,690 | 92,345 |
| Equity investments in associates | 1,401 | 1,401 |
| Non-current financial assets measured at fair value through profit or loss | 777 | 1,213 |
| Financial assets measured at amortised cost | 804 | 801 |
| <i>of which from related parties</i> | <i>735</i> | <i>735</i> |
| Deferred tax assets | 7,100 | 7,148 |
| Total non-current assets | 306,014 | 303,522 |
| Current assets | | |
| Inventories | 83,045 | 85,213 |
| Trade receivables | 76,529 | 91,982 |
| <i>of which from related parties</i> | <i>2,182</i> | <i>681</i> |
| Current tax assets | 2,266 | 1,889 |
| Other receivables and current assets | 14,635 | 19,045 |
| Current financial assets measured at fair value through profit or loss | 1,128 | 6,525 |
| Financial receivables measured at amortised cost | 21,876 | 13,099 |
| <i>of which from related parties</i> | <i>21,876</i> | <i>13,099</i> |
| Cash and cash equivalents | 320,744 | 287,820 |
| <i>of which from related parties</i> | <i>80,987</i> | <i>97,909</i> |
| Total current assets | 520,223 | 505,573 |
| TOTAL ASSETS | 826,236 | 809,094 |
| Shareholders' equity | | |
| Share capital | 43,935 | 43,935 |
| Reserves | 100,816 | 77,296 |
| Translation reserve | 2,461 | (2,982) |
| Net profit/(loss) | 15,988 | 6,223 |
| Total shareholders' equity attributable to the Group | 163,199 | 124,471 |
| Shareholders' equity attributable to minority interests | 17,020 | 14,834 |
| Total consolidated equity | 180,220 | 139,306 |
| Non-current liabilities | | |
| Provisions for employee benefits | 10,679 | 11,399 |
| Provisions for risks and charges | 1,601 | 2,038 |
| Deferred tax liabilities | 25,116 | 19,991 |
| Non-current financial liabilities | 289,375 | 304,723 |
| Non-current lease liabilities | 38,108 | 39,173 |
| <i>of which from related parties</i> | <i>12,870</i> | <i>14,703</i> |
| Total non-current liabilities | 364,880 | 377,324 |
| Current liabilities | | |
| Trade payables | 170,860 | 193,776 |
| <i>of which from related parties</i> | <i>1,122</i> | <i>0</i> |
| Current financial liabilities | 69,184 | 65,780 |
| <i>of which from related parties</i> | <i>981</i> | <i>8,929</i> |
| Current lease liabilities | 7,562 | 7,567 |
| <i>of which from related parties</i> | <i>2,513</i> | <i>2,356</i> |
| Current tax liabilities | 8,506 | 3,688 |
| Other current liabilities | 25,025 | 21,654 |
| Total current liabilities | 281,137 | 292,466 |
| TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY | 826,236 | 809,094 |

Consolidated income statement of the first nine months of 2023

| <i>(In thousands of euros)</i> | Consolidated income statement of the first nine months | |
|---|---|----------------|
| | 2023 | 2022 |
| Revenue from contracts with customers | 600,666 | 521,193 |
| Cost of sales | (491,968) | (433,379) |
| <i>of which from related parties</i> | <i>(2,839)</i> | <i>(2,561)</i> |
| Gross operating profit/(loss) | 108,698 | 87,814 |
| Sales and distribution costs | (64,317) | (62,496) |
| Administrative costs | (15,716) | (15,518) |
| <i>of which from related parties</i> | <i>(126)</i> | <i>(230)</i> |
| Net write-downs of financial assets | (586) | (533) |
| Other revenues and income | 6,712 | 7,018 |
| Income from business combinations | 1,685 | 0 |
| Other operating costs | (4,666) | (4,540) |
| Operating profit/(loss) | 31,810 | 11,745 |
| Financial income | 6,788 | 2,349 |
| <i>of which from related parties</i> | <i>1,501</i> | <i>48</i> |
| Financial expenses | (13,447) | (8,988) |
| <i>of which from related parties</i> | <i>(493)</i> | <i>(60)</i> |
| Profit/(loss) before taxes | 25,152 | 5,106 |
| Income taxes | (6,977) | (1,569) |
| Net profit/(loss) | 18,175 | 3,537 |
| Profit/(loss) attributable to minority interests | 2,187 | 955 |
| Group net profit/(loss) | 15,988 | 2,582 |
| Basic net profit/(loss) per share | 0.37 | 0.07 |
| Diluted net profit/(loss) per share | 0.37 | 0.07 |

Consolidated statement of other comprehensive income

| <i>(In thousands of euros)</i> | Consolidated income statement of the first nine months | |
|--|--|--------------|
| | 2023 | 2022 |
| Net profit/(loss) (A) | 18,175 | 3,537 |
| b) Other components of comprehensive income that will not be subsequently reclassified to the income statement: | | |
| Actuarial gains/(losses) | - | - |
| Total other components of comprehensive income that will not be subsequently reclassified to the income statement: | - | - |
| c) Components of comprehensive income that will not be subsequently reclassified to the income statement: | | |
| Hedging instruments net of tax effects | (154) | 92 |
| Translation reserve | 2,809 | (2,070) |
| Total other components of comprehensive income that will not be subsequently reclassified to the income statement | 2,655 | (1,978) |
| d) Total other components of comprehensive income, net of tax effect (B+C) | 2,655 | (1,978) |
| Total comprehensive net profit/(loss) (A)+(D) | 20,829 | 1,559 |
| Profit/(loss) attributable to minority interests | 2,187 | 955 |
| Group net profit/(loss) | 18,643 | 604 |

Statement of changes in consolidated shareholders' equity as at 30 September 2023

| <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 2021 | 43,935 | 80,968 | 5,134 | 130,038 | 14,477 | 144,515 |
| Allocation of net profit/(loss) for the previous year | | 5,134 | (5,134) | - | | - |
| 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 |
| Hedge accounting | | 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 | 74,093 | 2,582 | 120,610 | 15,415 | 136,026 |
| Treasury shares | | (1,335) | | (1,335) | | (1,335) |
| Total treasury shares | | (1,335) | | (1,335) | | (1,335) |
| Other changes | | 88 | | 88 | | 88 |
| Net profit/(loss) | | | 3,641 | 3,641 | (581) | 3,060 |
| Hedge accounting | | 491 | | 491 | | 491 |
| Total non-current liabilities | | (558) | | (558) | | (558) |
| Actuarial gains/(losses) net of the related tax effect | | 1,534 | | 1,534 | | 1,534 |
| Total comprehensive net profit/(loss) for the year | | 1,467 | 3,641 | 5,108 | (581) | 4,527 |
| At 31 December 2022 | 43,935 | 74,313 | 6,223 | 124,472 | 14,834 | 139,306 |
| Allocation of net profit/(loss) for the previous year | | 6,223 | (6,223) | - | | - |
| Treasury shares | | 20,085 | | 20,085 | | 20,085 |
| Total treasury shares | | 20,085 | | 20,085 | | 20,085 |
| Other changes | | - | | - | - | - |
| Net profit/(loss) | | | 15,988 | 15,988 | 2,187 | 18,175 |
| Hedge accounting | | (154) | | (154) | | (154) |
| Translation reserve | | 2,809 | | 2,809 | | 2,809 |
| Total comprehensive net profit/(loss) for the year | | 2,655 | 15,988 | 18,643 | 2,187 | 20,829 |
| At 30 September 2023 | 43,935 | 103,276 | 15,988 | 163,199 | 17,020 | 180,220 |

Consolidated cash flow statement of the first nine months of 2023

| <i>(In thousands of euros)</i> | Cash flow statement of the nine months | |
|--|--|-----------------|
| | 2023 | 2022 |
| Profit/(loss) before taxes | 25,152 | 5,106 |
| - <i>Adjustments for:</i> | | |
| Amortisation, depreciation and write-downs | 26,968 | 27,900 |
| Capital losses/(gains) on disposal | - | |
| Other non-monetary changes from business combinations | (1,685) | |
| Financial expense/(income) | 6,659 | 6,639 |
| <i>of which from related parties</i> | 1,008 | (60) |
| Cash flow generated /(absorbed) by operating activities before changes in net working capital | 57,094 | 39,645 |
| Change in inventory | 5,548 | (25,329) |
| Change in trade receivables | 20,298 | 5,512 |
| Change in trade payables | (29,252) | 8,397 |
| Change in other assets and liabilities | 6,408 | 7,535 |
| Use of provisions for risks and charges and for employee benefits | (1,156) | (234) |
| Taxes paid | (3,163) | (1,656) |
| Net cash flow generated /(absorbed) by operating activities | 55,777 | 33,870 |
| Investments in property, plant and equipment | (11,804) | (7,261) |
| Investments in intangible assets | (1,092) | (677) |
| Investments of financial assets | (3,096) | (4,363) |
| Deferred fee for acquisitions | | |
| Acquisitions | (1,000) | (300) |
| Net cash flow generated /(absorbed) by investment activities | (16,992) | (12,601) |
| New long-term financial debt | 19,500 | 70,000 |
| Repayments of long-term financial debt | (28,420) | (36,983) |
| Change in current financial debt | - | - |
| Repayments of lease liabilities | (7,341) | (11,071) |
| <i>of which from related parties</i> | (4,470) | (2,142) |
| Net interest expense | (6,659) | (6,639) |
| Acquisition of minority interests | - | (17) |
| Treasury shares | 20,085 | (10,396) |
| Net cash flow generated/(absorbed) by financing activities | (2,835) | 4,894 |
| Total changes in cash and cash equivalents | 35,948 | 26,163 |
| Cash and cash equivalents at start of year | 287,820 | 384,888 |
| <i>of which from related parties</i> | 97,909 | 126,552 |
| Offsetting of cash and cash equivalents | (3,025) | |
| Effect of changes in exchange rates and the translation reserve | | (1,959) |
| Total changes in cash and cash equivalents | 35,948 | 26,163 |
| Cash and cash equivalents at end of year | 320,744 | 409,093 |
| <i>of which from related parties</i> | 80,987 | 176,260 |

Explanatory notes

Basis of preparation

The Interim Management Report at 30 September 2023 was prepared in accordance with the international accounting principles (IAS/IFRS) adopted by the European Union for interim reporting (IAS 34). The financial statements were prepared in accordance with IAS 1, while the explanatory 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 condensed consolidated financial statements at 30 September 2023 should therefore be read in conjunction with the consolidated annual financial statements for the year ended 31 December 2022.

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 consolidated financial statements as at 30 September 2023 are the same as those used for the consolidated financial statements as at 31 December 2022, except for the new accounting standards, amendments and interpretations applicable from 1 January 2023, which are described below and which – it is noted – did not have a material impact on the equity and economic situation as at 30 September 2023.

Accounting standards, amendments and interpretations not yet adopted but applicable in advance.

| | |
|---|--|
| Amendments to IAS 1 — Presentation of Financial Statements: Classification of Liabilities as Current or Non-Current | In January 2020, the IASB issued amendments to IAS 1 - Presentation of Financial Statements: Classification of liabilities as current or non-current to clarify how to classify payables and other liabilities as current or non-current, and in particular how to classify liabilities with an uncertain settlement date and liabilities that can be settled by conversion to equity. These amendments will go into effect on 1 January 2024. |
| IFRS 16 – Leases: Liability in a Sale and Leaseback | In September 2022 the IASB made changes to IFRS 16 - Leases: Liability in a Sale and Leaseback to provide guidelines for the valuation of the liability arising from a sale and leaseback transaction designed to ensure that the seller-lessee does not recognise any amount of gain or loss in respect of the retained right of use. These amendments will go into effect on 1 January 2024. The Company does not expect any significant impact from the adoption of these amendments. |
| IAS 1 – Presentation of Financial Statements: Non-current Liabilities with Covenants | In October 2022, the IASB made changes to IAS 1 - Presentation of Financial Statements: Non-current Liabilities with Covenants to clarify how conditions that an entity must meet within twelve months after the reporting period affect the classification of a liability. These amendments will come into force on 1 January 2024. The Company does not expect any significant impact from the adoption of these amendments. |

Accounting standards, amendments and interpretations effective from 1 January 2023 and adopted by the Company

| | |
|--|--|
| Amendments to IFRS 17 — Insurance Contracts: Initial Application of IFRS 17 and IFRS 9 - Comparative Information | In December 2021 the IASB issued amendments to IFRS 17 — Insurance Contracts: Initial Application of IFRS 17 and IFRS 9 - Comparative Information, which provides a transitional option relating to comparative information on financial assets presented upon initial adoption of IFRS 17. The amendments are intended to help companies avoid temporary accounting mismatches between financial assets and liabilities from insurance contracts, thus improving the usefulness of disclosures for users of the financial statements. These amendments will go into effect on 1 January 2023. |
|--|--|

| | |
|--|---|
| <p>Amendments to IAS 12 – Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction</p> | <p>In May 2021 the IASB issued amendments to IAS 12 - Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction, to specify how companies should account for deferred taxation on transactions such as leases and decommissioning obligations, transactions for which companies recognise both an asset and a liability. Specifically, it was clarified that the exemption does not apply and that companies are required to recognise deferred taxation on such transactions. These amendments will go into effect on 1 January 2023, with advance application allowed.</p> |
| <p>IFRS 17 — Insurance Contracts</p> | <p>In May 2017 the IASB issued IFRS 17 - Insurance Contracts, which establishes standards for the recognition, measurement, presentation and disclosure of insurance contracts issued, as well as guidance on reinsurance contracts held and investment contracts with discretionary participation issued. In June 2020 the IASB issued amendments to IFRS 17 aimed at helping companies implement IFRS 17 and making it easier for companies to explain their financial performance. The new standard and amendments are effective from 1 January 2023.</p> |
| <p>Amendments to IAS 1 — Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of Accounting policies</p> | <p>In February 2021 the IASB issued amendments to IAS 1 - Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of Accounting policies that require companies to disclose information about their material accounting policies rather than their significant accounting policies and provide guidance on how to apply the concept of materiality to accounting policy disclosures. These amendments will go into effect on 1 January 2023.</p> |
| <p>Amendments to IAS 8 – Accounting Policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates</p> | <p>In February 2021 the IASB issued amendments to IAS 8 - Accounting Policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates that clarifies how companies should distinguish changes in accounting principles from changes in accounting estimates. These amendments will go into effect on 1 January 2023.</p> |

The Group does not expect any significant economic and financial impacts from the provisions resulting from the entry into force of the aforementioned principles.

In any case, the Group has not adopted in advance any accounting standards or amendments with a later effective date.

Explanatory notes as at 30 September 2023

Scope of consolidation and goodwill

| Name | Registered Office | Currency | Share capital as at 30 September 2023 | Control percentage | |
|------------------------------------|--|----------|---------------------------------------|----------------------|---------------------|
| | | | | At 30 September 2023 | At 31 December 2022 |
| 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 | EUR | 28,840,041 | 67.74% | 67.74% |
| Symington's Ltd | Thornes Farm Business Park, Pontefract Ln, Leeds LS9 | GBP | 100,000 | 100% | 100% |
| EM Foods Sas | 951 Rue Denis Papin, 54710 Ludres, France | EUR | 1,000,000 | 100% | - |

Consolidation criteria and methodology

The condensed interim report on operations 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 2023), 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.

For the purposes of IFRS 8, the Group's activity is identifiable in the following business segments: Pasta, Milk Products, Bakery Products, Dairy Products, Special Products, Instant Noodles & Bakery Mixes and Other Activities.

The table below shows the main statement of financial position and income statement items examined by the chief operating decision maker in order to assess the Group's performance at 30 September 2023:

| At 30 September 2023 | | | | | | | | |
|---|---------|---------------|-----------------|----------------|------------------|--------------------------------|------------------|---|
| <i>(In thousands of euros)</i> | Pasta | Milk products | Bakery Products | Dairy products | Special Products | Instant Noodles & Bakery Mixes | Other Activities | Consolidated Financial Statements total |
| Revenue from contracts with customers (third parties) | 160,045 | 200,068 | 36,075 | 38,702 | 27,465 | 126,230 | 12,081 | 600,666 |
| EBITDA (*) | 17,389 | 18,538 | 5,009 | 4,813 | 2,784 | 7,865 | 695 | 57,094 |
| EBITDA margin | 10.87% | 9.27% | 13.89% | 12.44% | 10.14% | 6.23% | 5.75% | 9.51% |
| Amortisation, depreciation and write-downs | 3,152 | 11,751 | 1,238 | 276 | 1,434 | 8,385 | 147 | 26,382 |
| Net write-downs of financial assets | | | | | | | 586 | 586 |
| Income from business combinations | | | | | | | 1,685 | 1,685 |
| Operating profit/(loss) | 14,237 | 6,787 | 3,772 | 4,537 | 1,350 | (520) | 1,647 | 31,811 |
| Financial income | - | - | - | - | - | - | 6,788 | 6,788 |
| Financial expenses | - | - | - | - | - | - | (13,447) | (13,447) |
| Profit/(loss) before taxes | 14,237 | 6,787 | 3,772 | 4,537 | 1,350 | (520) | (5,012) | 25,152 |
| Income taxes | - | - | - | - | - | - | (6,977) | (6,977) |
| Net profit/(loss) | 14,237 | 6,787 | 3,772 | 4,537 | 1,350 | (520) | (11,989) | 18,175 |
| Total assets | 151,263 | 189,039 | 20,120 | 8,001 | 27,762 | 67,347 | 362,705 | 826,237 |
| Total liabilities | 125,745 | 75,897 | 30,669 | 13,238 | 30,508 | 72,261 | 297,700 | 646,017 |
| Investments | 5,203 | 710 | 682 | 685 | 750 | 4,811 | 155 | 12,896 |
| Employees (number) | 568 | 533 | 198 | 70 | 137 | 643 | 71 | 2,220 |

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

| At 30 September 2022 | | | | | | | | |
|---|---------|---------------|-----------------|----------------|------------------|-----------------|------------------|---|
| <i>(In thousands of euros)</i> | Pasta | Milk products | Bakery Products | Dairy products | Special Products | Instant Noodles | Other Activities | 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% | 10.50% | 10.24% | 9.55% | 3.00% | 7.61% |
| Amortisation, depreciation and write-downs | 3,260 | 13,026 | 1,978 | 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 fixed assets as at 31 December 2022 | 88,107 | 197,184 | 21,322 | 8,911 | 34,048 | 55,954 | 403,567 | 809,093 |
| Total liabilities as at 31 December 2022 | 72,482 | 104,715 | 20,004 | 8,458 | 20,500 | 62,424 | 381,205 | 669,787 |
| Investments as at 30 September 2022 | 1,230 | 3,970 | 618 | - | 66 | 2,779 | 50 | 8,713 |
| 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.

The table above shows the main income statement items at 30 September 2022 and the main statement of financial position items at 31 December 2022 examined by the chief operating decision maker in order to assess the Group's performance, and the reconciliation of these items with respect to the corresponding amount included in the Interim Management Report:

Acquisition EM FOODS SAS

On 7 December 2022 Newlat Food S.p.A. signed a contract with Alsa France (the "Seller") to acquire 100% of the ordinary shares and voting rights of EM Foods S.A.S. following the Seller's exercise of the put option signed by the parties on 19 October 2022. As required by French law, Alsa France exercised its option to sell 100% of the ordinary shares and voting rights of EM Foods S.A.S., after EM Foods S.A.S.'s workers' council formally agreed to the sale to Newlat Food. The acquisition was then finalised at the beginning of January 2023.

The closing of the acquisition of EM Foods S.A.S. took place on 2 January 2023. With this acquisition the Newlat Group enters the bakery and dessert mixes sector, a particularly interesting business becoming increasingly popular with consumers.

At the same time, Newlat Food S.p.A. signed a long-term contract with Unilever BV for the production of several products related to important brands such as Carte d'Or, Maizena and Mondamin. The signing of this agreement constituted a condition precedent for the conclusion of the acquisition of EM Foods S.A.S.

Business combinations

Business combinations, in which the control of a business is acquired, are recognised in accordance with IFRS 3 "Business combination", applying the acquisition method. In particular, identifiable assets, liabilities and potential liabilities are recognised at fair value at the date of acquisition, i.e. the date when control is acquired (the acquisition date), except for deferred tax assets and liabilities, assets and liabilities relative to employee benefits and assets held for sale, which are recognised based on the relative accounting standards. If positive, the difference between the cost of acquisition and the current value of the assets and liabilities is recorded in intangible assets as goodwill; if negative, after having checked that the current values of the assets and liabilities acquired and the cost of acquisition have been properly measured, it is recorded directly in the statement of other comprehensive income, as revenue. Minority interests on the date of acquisition can be measured at fair value or at the pro-rata of the value of the net assets recognised for the acquired company. The valuation method is chosen on a transaction-by-transaction basis. When the assets and liabilities of the acquired business are calculated on a provisional basis, this must be completed within twelve months of the date of acquisition, taking into account only information relating to facts and circumstances existing at the Acquisition Date. In the year in which the aforementioned calculation is concluded, the provisionally recognised values are adjusted with retrospective effect. The ancillary expenses of the transaction are recognised in the income statement at the moment at which they are incurred. The cost of acquisition is represented by the fair value

on the Acquisition Date of the assets transferred, the liabilities assumed and the equity instruments issued for the purpose of the acquisition, and also includes the contingent consideration, i.e. the part of the fee whose amount and disbursement are dependent on future events. The contingent consideration is recognised on the basis of its fair value at the Acquisition Date, and subsequent changes in fair value are recognised in the income statement if the contingent consideration is a financial asset or liability, while contingent considerations classified as equity are not restated and the subsequent elimination occurs directly in equity. Where control is acquired in subsequent phases, the acquisition cost is determined by adding the fair value of the investment previously held in the acquiree and the amount paid for the additional portion. Any difference between the fair value of the investment previously held and its carrying value is charged to the income statement. When control is acquired, any amounts previously recognised as other components of comprehensive income are recognised in the statement of other comprehensive income or, if such reclassification is not envisaged, in another shareholders' equity item.

The following table provides the book values of the net assets acquired as part of the EM Foods Sas Acquisition:

| <i>(In thousands of euros)</i> | As at 1 January 2023 |
|--|-----------------------------|
| Property, plant and equipment | 7,376 |
| Financial assets measured at amortised cost | 4 |
| Inventories | 3,380 |
| Trade receivables | 5,431 |
| Other receivables and current assets | 523 |
| Trade payables | (6,334) |
| Current tax liabilities | (38) |
| Other current payables and liabilities | (1,858) |
| Deferred tax liabilities | (5,800) |
| Total net assets acquired | 2,685 |
| Payment by bank transfer | (1,000) |
| <i>Income from business combinations recognised provisionally</i> | <i>1,685</i> |

The transaction was booked in accordance with the guidance contained in IFRS 3 – "Business Combinations" since it can be categorised as an acquisition.

The purchase price allocation process as well as the valuation of assets and liabilities at fair value is still being completed 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 current year.

Non-current assets

| <i>(In thousands of euros)</i> | At 30 September 2023 | At 31 December 2022 |
|--|-------------------------|------------------------|
| Non-current assets | | |
| Property, plant and equipment | 158,718 | 154,106 |
| Right-of-use assets | 44,523 | 46,509 |
| Intangible assets | 92,690 | 92,345 |
| Equity investments in associates | 1,401 | 1,401 |
| Non-current financial assets measured at fair value through profit or loss | 777 | 12.31 |
| Financial assets measured at amortised cost | 804 | 801 |
| Deferred tax assets | 7,100 | 7,148 |
| Total non-current assets | 306,014 | 303,522 |

Fixed assets, plant and equipment

The increase compared to 31 December 2022 is mainly due to the addition of the new company EM Foods Sas to the scope of consolidation.

Investments for the period amounted to Euro 11,804 thousand.

Depreciation for the period amounted to Euro 14,841 thousand.

Right-of-use assets

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 2023 also refer to the Delverde production plant, located at Fara San Martino (CH), used by Newlat Food under a financial lease with third parties and the production plants of the subsidiary Symington's Limited.

Machinery right-of-use assets refer mainly to the lease of capital goods used in the production process.

The change compared with 31 December 2022 was due mainly to depreciation for the period.

Intangible assets

The change from 31 December 2022 is mainly due to amortisation for the period and investments in EM Foods and 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.

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

The balance includes the minority 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 2023, this item totalled Euro 804 thousand (Euro 801 thousand at 31 December 2022) and referred mainly to security deposits paid by the Parent Company under the production premises lease agreements.

Deferred tax assets

As at 30 September 2023 this item totalled Euro 7,228 thousand (Euro 7,148 thousand as at 31 December 2022).

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 2023 | At 31 December 2022 |
|--|----------------------|---------------------|
| Current assets | | |
| Inventories | 83,045 | 85,213 |
| Trade receivables | 76,529 | 91,982 |
| Current tax assets | 2,266 | 1,889 |
| Other receivables and current assets | 14,635 | 19,045 |
| Current financial assets measured at fair value through profit or loss | 1,128 | 6,525 |
| Financial receivables measured at amortised cost | 21,876 | 13,099 |
| Cash and cash equivalents | 320,744 | 287,820 |
| Total current assets | 520,223 | 505,573 |

Inventories

Closing inventories were down by Euro 2,168 thousand on 31 December 2022 because of a decrease in warehouse stock.

Trade receivables

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 their recoverability in accordance with IFRS 9. 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

Current tax assets totalled Euro 2,266 thousand (Euro 1,889 thousand at 31 December 2022).

Other receivables and current assets

“Other receivables and current assets” consist of tax receivables, advances to suppliers, prepaid expenses and other short-term receivables:

Current financial assets measured at fair value through profit or loss

This item mainly includes government securities held for the temporary management of excess liquidity and with a view to their sale, and derivative financial instruments used as hedging instruments against exchange rate effects in hedge accounting.

Financial receivables measured at amortised cost

Financial receivables measured at amortised cost refer to financial receivables from the related party New Property SpA totalling Euro 13,099 thousand and Euro 8,777 thousand from the parent company Newlat Group SA.

Cash and cash equivalents

“Cash and cash equivalents” mainly consist of sight current accounts with banks.

At 30 September 2023, cash and cash equivalents were not subject to restrictions or constraints. Part of the aforementioned cash and cash equivalents, amounting to Euro 80,987 thousand, is attributable to the cash pooling relationships of Newlat Food and Centrale del Latte d'Italia with the parent company Newlat Group S.A., and are immediately callable by the Group.

See the statement of cash flows for changes in the “Cash and cash equivalents” item during the period under review.

Shareholders' equity

Share capital

As at 30 September 2023, 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 2023 related to:

- Recognition of the total net profit for the period, in the amount of Euro 18,175 thousand.
- Positive translation reserve of Euro 2,809 thousand.
- Hedging instruments negative for Euro 155 thousand.
- Treasury shares for Euro 20,085 thousand.

Non-current liabilities

| <i>(In thousands of euros)</i> | At 30 September 2023 | At 31 December 2022 |
|--------------------------------------|-------------------------|------------------------|
| Non-current liabilities | | |
| Provisions for employee benefits | 10,679 | 11,399 |
| Provisions for risks and charges | 1,601 | 2,038 |
| Deferred tax liabilities | 25,116 | 19,991 |
| Non-current financial liabilities | 289,375 | 304,723 |
| Non-current lease liabilities | 38,108 | 39,173 |
| Total non-current liabilities | 364,880 | 377,324 |

Provisions for employee benefits

At 30 September 2023, this item totalled Euro 10,679 thousand, down from Euro 720 thousand at 31 December 2022, mainly due to the departure of employees through retirement and resignation.

Provisions for risks and charges

Provisions for risks and charges refer primarily to 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 25,116 thousand at 30 September 2023. The increase of Euro 5,125 thousand compared to the liability as at 31 December 2022 is mainly due to the inclusion of the balances of EM Foods Sas in the scope of consolidation.

Non-current and current financial liabilities

See the Group's net financial position.

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 2023, also considering the results achieved at 30 September 2023. 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 2023 the interest on the bond loan of approximately Euro 5.2 million was paid.

Current and non-current lease liabilities

This item includes 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 4% and 6%.

There are no payables due beyond five years.

The change compared with 31 December 2022 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 2023 | At 31 December 2022 |
|----------------------------------|-------------------------|------------------------|
| Current liabilities | | |
| Trade payables | 170,860 | 193,776 |
| Current financial liabilities | 69,184 | 65,780 |
| Current lease liabilities | 7,562 | 7,567 |
| Current tax liabilities | 8,506 | 3,668 |
| Other current liabilities | 25,025 | 21,654 |
| Total current liabilities | 281,137 | 292,466 |

Trade payables

There are no particular changes in supplier payment terms.

Current financial liabilities

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.

Current tax liabilities

Current tax liabilities totalled Euro 8,506 thousand (Euro 3,688 thousand at 31 December 2022). The change from 31 December 2022 is related to taxes for the period and the payment of the balance for the previous year.

Other current liabilities

This item consists mainly of tax payables and payables to employees and social security bodies.

Income statement

Please refer to the management report for an analysis of the income statement items for the first nine months of 2023.

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:

| <i>(In thousands of euros)</i> | Income statement of the first nine months | |
|---|---|-------------|
| | 2023 | 2022 |
| Profit for the year attributable to the Group in thousands of euros | 15,988 | 2,582 |
| Weighted average number of shares in circulation | 42,770,715 | 39,629,842 |
| Earnings per share (in Euro) | 0.37 | 0.07 |

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 2023 there were no substantial changes to the situations regarding disputes or contingent liabilities from 31 December 2022.

Reggio Emilia, 13 November 2023

Angelo Mastrolia
Chairman of the BoD

Rocco Sergi
Financial Reporting Officer

Pursuant to paragraph 2, article 154-bis of the Italian Consolidated Law on Finance, the Financial Reporting Officer Fabio Fazzari declares that the accounting information contained in this Interim Report corresponds to the contents of accounting documents, books and records.

Reggio Emilia, 13 November 2023

Angelo Mastrolia
Chairman of the BoD

Rocco Sergi
Financial Reporting Officer