



Centrale del Latte d'Italia



HALF-YEAR FINANCIAL REPORT

AT 30 June 2024





DIRECTORS' REPORT ON OPERATING PERFORMANCE

AT 30 June 2024

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This report is available online
at: <https://centralelatteitalia.com/>

Centrale del Latte d'Italia S.p.A. | Head office: Via Filadelfia 220, 10137 Turin – Secondary office: Via dell'Olmattello 20, 50127 Florence
Tax and VAT ID: 01934250018 | Registration in the Company Register – Official Archives of the Chamber of Commerce of Turin | REA number: TO - 520409 | Share Capital: Euro 28,840,041.20

Boards and officers

BOARD OF DIRECTORS

E. D.	N.E.D.	I. D.
•		
•		
•		
	•	
	•	•
	•	•
	•	•

Angelo Mastrolia Chairman
Giuseppe Mastrolia Deputy Chairman
Stefano Cometto Chief Executive Officer
Benedetta Mastrolia Director
Giovanni Maria Rayneri Director
Anna Claudia Pellicelli Director
Valeria Bruni Giordani Director

C.R.C.	R.C.	R.P.C.	I.D.C.
	•		
•	•	•	•
•	•	•	•
•	•	•	•

E.D. = Executive Director

I.D. = Independent Director

N.E.D. = Non-Executive Director

C.R.C. = Control and Risks Committee

R.C. = Remuneration and appointments committee

R.P.C. = Related Party Transactions Committee

I.D.C. = Independent Directors Committee

INDEPENDENT AUDITORS

PricewaterhouseCoopers S.p.A. - Turin

FINANCIAL REPORTING OFFICER

Fabio Fazzari CFO and Investor Relator

As from the 2024 financial year, the company introduced the one-tier system, whose members of the Management Control Committee are:

- Giovanni Maria Rayneri **Chairman**
- Anna Claudia Pellicelli
- Valeria Bruni Giordani

General information

Centrale del Latte d'Italia S.p.A. (hereinafter also referred to as "CLI") is a company incorporated in Italy in the form of a public limited company operating under Italian law. The Company has its registered office at Via Filadelfia 220 in Turin.

The Company operates in the food sector with a large and structured product portfolio organised into the following business units: Milk Products, Dairy Products and Other Products.

67.74% of the Company's share capital is held directly by Newlat Food S.p.A. (hereinafter also referred to as "NLF"), while the remaining part (32.26%) is held by institutional investors.

The Company Board of Director approved one-tier system on 18 march 2024.

The Board of Directors decided the transition to a one-tier governance system for improving the quality of governance, through a simplification of the organisational, administrative and accounting structures of the company, guaranteeing high transparency and greater effectiveness of controls through information flows complete and constant and the overcoming of the inefficiencies caused by two tier system.

The one tier governance system could increase the international recognition of the company, resulting in greater attractiveness for potential international investors.

The one-tier governance system is characterized by the presence of a Board of Directors, which is responsible for strategic supervision and management functions, and a Management Control Committee, established within the same Board, which carries out control functions.

The Shareholders' Meeting resolved its model on 6 May 2024.

This management report shows the financial information of the Company at 30 June 2024 compared to the financial statements at 30 June 2023 and the statement of financial position at 31 December 2023.

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 Company'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 should be used as an information supplement to IFRS requirements to help users of the financial report to better understand the Company's results, assets and liabilities and cash flows. This may differ from the methods used by other companies.

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

- EBITDA: the operating result (OR) before depreciation, amortisation and write-

downs of tangible and intangible assets and financial assets.

- Cash conversion: the ratio of EBITDA to the difference between EBITDA and total investments.

Net financial debt is given by the algebraic sum of:

- Cash and cash equivalents
- Current financial assets,
- Non-current financial liabilities
- Current financial liabilities

Reclassified statement of cash flows

This is a cash flow that represents a measure of the Company'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 Company 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.

Performance of H1 2024

Operations in the first half of 2024 show a positive pre-tax result of Euro 6,774 thousand and a total net result of Euro 4,815 thousand.

The aforementioned result is significantly better than in the same period of the previous year.

In the first half of the year the company recorded a slight decrease in turnover (-2.4% compared to the same period last year), mainly due to a reduction in the average sales price and a slight decrease in volumes in the fresh milk segment. Of note was the extraordinary performance of the Dairy segment, which recorded a 13.4% increase in turnover thanks to the acquisition of new customers and an increase in the average sales price.

The company also confirmed its great ability to improve its margins (EBITDA margin of 9.6% as at 30 June 2024, 9.2% as at 30 June 2023).

With regard to corporate management, we saw an improvement in the purchasing conditions of the main components of the finished product, first and foremost the cost of raw materials and packaging.

The results achieved during the first half of the year once again highlight the company's ability to generate high margins despite particularly difficult market conditions. The comparison with the business plan shows a very positive trend, beyond expectations.

The first half of 2024 closed with a net profit after tax of Euro 4.8 million, up from Euro 3.6 million in the first half of 2023.

Outlook

Considering the short period of time historically covered by the Company's order book and the difficulties and uncertainties of the current global economic situation, it is not easy to develop forecasts for H2 2024, which in any case seems to be very positive. The company 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.

The Company has no way of predicting the extent to which the global economic situation may affect the Company's prospects for 2024, but based on the information available at the date of preparation of this report, the Directors believe that they can reasonably exclude significant adverse impacts.

Going concern

With reference to the content of the previous paragraph, even taking into account the complexity of a rapidly evolving market, the Company 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 June 2024.
- The presence of authorised and unused lines of credit from the Company to the majority shareholder Newlat Food SpA.
- The continual support given by the leading banks to the Newlat Group, partly because of its market-leading status.

Note that the Company's economic and financial performance in H1 2024 was higher than budgeted. It should also be noted that the cash and cash equivalents, amounting to Euro 45 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 Company's operations.

EVENTS AFTER THE END OF H1 2024

After 30 June 2024 there were no atypical or unusual transactions requiring changes to the interim financial report as at 30 June 2024.

MANAGEMENT REPORT

The Company is mainly active in the dairy products sectors, specifically:

- Milk Products
- Dairy Products
- Other Products

The following table contains the income statement of the Company's financial statements:

<i>(In thousands of euros and as a percentage of revenue from contracts with customers)</i>	Half-year ended 30 June					
	2024	%	2023	%	2024 v 2023	%
Revenue from contracts with customers	165,699	100.0%	169,825	100.0%	(4,126)	(2.4%)
Cost of sales	(129,011)	(77.9%)	(135,209)	(79.6%)	6,198	(4.6%)
Gross operating profit/(loss)	36,688	22.1%	34,616	20.4%	2,072	6.0%
Sales and distribution costs	(25,313)	(15.3%)	(24,705)	(14.5%)	(608)	2.5%
Administrative costs	(4,315)	(2.6%)	(4,137)	(2.4%)	(178)	4.3%
Net write-downs of financial assets	(88)	(0.1%)	(201)	(0.1%)	113	(56.2%)
Other revenues and income	2,226	1.3%	2,962	1.7%	(736)	(24.8%)
Other operating costs	(921)	(0.6%)	(1,232)	(0.7%)	311	(25.2%)
Operating profit/(loss) (EBIT)	8,277	5.0%	7,303	4.3%	974	13.3%
Financial income	720	0.4%	259	0.2%	461	178.0%
Financial expenses	(2,223)	(1.3%)	(2,628)	(1.5%)	406	(15.4%)
Profit/(loss) before taxes	6,774	4.1%	4,934	2.9%	1,840	37.3%
Income taxes	(1,959)	(1.2%)	(1,377)	(0.8%)	(582)	42.3%
Net profit/(loss)	4,815	2.9%	3,557	2.1%	1,258	35.4%

Operating income amounted to Euro 8.3 million, a clear increase compared with the same period of 2023.

EBITDA, details of which can be found in the following sections of the segment reporting, was up sharply (+2%), as was the EBITDA margin compared to the same period last year.

Revenue from contracts with customers

Revenue from contracts with customers contains the contractual fees to which the Company 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, CLI is expected to recognise contributions 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>	Half-year ended 30 June				Changes	
	2024	%	2023	%	2024vs2023	%
Milk Products	128,544	77.6%	136,098	80.1%	(7,554)	(5.6%)
Dairy Products	30,079	18.2%	26,524	15.6%	3,555	13.4%
Other Products	7,076	4.3%	7,203	4.3%	(127)	(1.8%)
Revenue from contracts with customers	165,699	100.0%	169,825	100.0%	(4,126)	(2.4%)

Revenues from the **Milk Products** segment were down because of a combined decrease in the average sales price and a slight decrease in sales volumes related to fresh milk.

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

Revenues from the **Other products** segment were in line with the previous period.

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>	Half-year ended 30 June				Changes	
	2024	%	2023	%	2024vs2023	%
Mass Distribution	104,448	63.0%	106,531	62.7%	(2,083)	-2.0%
B2B partners	6,081	3.7%	6,401	3.8%	(320)	-5.0%
Normal trade	39,580	23.9%	41,074	24.2%	(1,494)	-3.6%
Private labels	8,248	5.0%	8,525	5.0%	(277)	-3.2%
Food services	7,343	4.4%	7,294	4.3%	49	0.71%
Total revenue from contracts with customers	165,699	100.0%	169,825	100.0%	(4,126)	(2.4%)

Revenues in the **Mass Distribution** channel decreased as a result of a reduction in sales volumes due to a drop in demand for fresh milk, partially offset by an increase in demand in the Dairy segment.

Revenues from the **B2B partners** channel decreased as a result of a reduction in the average sales price in the Milk segment.

Revenues in the **Normal Trade** channel decreased as a result of a reduction in sales volumes due to a drop in demand for fresh milk.

Revenues from the **Private Label** channel were essentially in line with the same period of the previous year.

Revenues from the **Food services** channel were essentially in line with the same period of the previous year.

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

(In thousands of euros and as a percentage)	Half-year ended 30 June				Changes	
	2024	%	2023	%	2024vs2023	%
Italy	149,804	90.4%	154,096	90.7%	(4,292)	-3%
Germany	6,904	4.2%	6,460	3.8%	444	7%
Other countries	8,991	5.5%	9,269	5.6%	(278)	-3%
Total revenue from contracts with customers	165,699	100.0%	169,825	100.0%	(4,126)	(2.4%)

Revenues in **Italy** decreased due to a drop in average sales price and volumes in the Milk segment, partially offset by an increase in volumes in the Dairy segment.

Revenues in **Germany** increased due to higher volumes in the Dairy segment.

Revenues from **Other Countries** were substantially in line with the same period of the previous year.

Operating costs

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

(In thousands of euros)	Half-year ended 30 June	
	2024	2023
Cost of sales	(129,011)	(135,209)
Sales and distribution costs	(25,313)	(24,705)
Administrative costs	(4,315)	(4,137)
Total operating costs	(158,639)	(164,051)

Cost of sales represented 77.9% of turnover (79.6% at 30 June 2023). In absolute terms, the decrease in the cost of sales is directly linked to the lower sales volumes recorded in the first half of 2024. The decreased impact is mainly due to a decrease in the main cost components of the finished product.

Commercial sales and distribution expenses increased due to higher costs incurred in the distribution of products related to the traditional channel.

Administrative costs are in line with 30 June 2023.

EBITDA amounted to Euro 16 million (9.6% of sales) compared with Euro 15.6 million at 30 June 2023 (9.2% of sales), up by 2.2%.

The following table shows EBITDA by activity segment:



<i>(In thousands of euros)</i>	At 30 June 2024			
	<i>Milk products</i>	<i>Dairy products</i>	<i>Other Products</i>	<i>Total financial statements</i>
Revenue from contracts with customers (third parties)	128,544	30,079	7,076	165,699
EBITDA (*)	11,664	3,741	563	15,968
EBITDA margin	9.1%	12.4%	8.0%	9.6%
Amortisation, depreciation and write-downs	7,321	184	98	7,603
Net write-downs of financial assets			88	88
Operating profit/(loss)	4,343	3,557	377	8,277
Financial income	-	-	720	720
Financial expenses	-	-	(2,223)	(2,223)
Profit/(loss) before taxes	4,343	3,556	(1,126)	6,774
Income taxes	-	-	(1,959)	(1,959)
Net profit/(loss)	4,343	3,556	(3,085)	4,815
Total assets as at 30 June 2024	190,408	11,507	72,708	274,623
Total liabilities as at 30 June 2024	93,741	17,576	91,859	203,176
Investments as at 30 June 2024	2,505		-	2,505
Employees (number) as at 30 June 2024	542	65	12	619

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

<i>(In thousands of euros)</i>	At 30 June 2023			
	<i>Milk products</i>	<i>Dairy products</i>	<i>Other Products</i>	<i>Total financial statements</i>
Revenue from contracts with customers (third parties)	136,098	26,524	7,203	169,825
EBITDA (*)	12,011	3,215	395	15,620
EBITDA margin	8.8%	12.1%	5.5%	9.2%
Amortisation, depreciation and write-downs	7,834	184	98	8,116
Net write-downs of financial assets			201	201
Operating profit/(loss)	4,177	3,031	95	7,303
Financial income			259	259
Financial expenses			(2,628)	(2,628)
Profit/(loss) before taxes	4,177	3,031	(2,274)	4,934
Income taxes			(1,377)	(1,377)
Net profit/(loss)	4,177	3,031	(3,651)	3,557
Total fixed assets as at 31 December 2023	180,328	8,073	63,059	251,460
Total liabilities as at 31 December 2023	90,842	14,374	79,612	184,828
Investments as at 30 June 2023	710	585	-	1,295
Employees (number) as at 30 June 2023	530	63	12	605

(*) 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 8.3 million (5% of sales) compared with Euro 7.3 million at 30 June 2023 (4.3% of sales), up by 13.3%.

The tax rate was 28.9% in line with the same period of the previous year.

Net profit as at 30 June 2024 amounted to Euro 4.8 million, an increase compared to 30 June 2023 (net profit of Euro 3.6 million).

EBITDA

The table below provides a reconciliation of EBITDA, the EBITDA margin and cash conversion at 30 June 2024 and 2023.

<i>(In thousands of euros and as a percentage)</i>	At and for the year ended 31 December	
	2024	2023
Operating profit/(loss) (EBIT)	8,277	7,303
Amortisation, depreciation and write-downs	7,603	8,116
Net write-downs of financial assets	88	201
EBITDA (*) (A)	15,968	15,620
Revenue from contracts with customers	165,699	169,825
EBITDA margin (*)	9.6%	9.2%
investments (B)	2,505	1,295
Cash conversion [(A) - (B)]/(A)	84.3%	91.7%

(*) 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 Company's financial statements when assessing the Company's results.

To assess performance, the Company's management monitors, among other things, EBITDA by business unit as shown in the following table:

<i>(In thousands of euros and as a percentage of revenue from contracts with customers)</i>	Half-year ended 30 June				Changes	
	2024	%	2023	%	2024 v 2023	%
Milk Products	11,664	9.1%	12,011	8.8%	(347)	(2.9%)
Dairy Products	3,741	12.4%	3,215	12.1%	526	16.4%
Other products	563	8.0%	345	5.5%	169	42.9%
EBITDA	15,968	9.6%	15,620	9.2%	348	2.2%

EBITDA related to the **Milk Products** segment decreased in absolute value due to a decrease in sales, but in terms of impact improved due to more favourable purchasing conditions of the main finished product components compared to 30 June 2023.

EBITDA related to the **Dairy Products** segment was up, mainly due to an increase in the average sales price as well as an increase in volumes mainly related to Mascarpone.

EBITDA for the **Other products** segment increased due to an improvement in the purchase costs of products resold.

Net financial debt

The following table provides details of the composition of the Company's net financial debt as at 30 June 2024 and 31 December 2023, 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 June	At 31 December
	2024	2023
Net financial debt		
A. Cash and cash equivalents	8,274	6,762
B. Cash equivalents	36,962	29,270
C. Other current financial assets	2,526	3,026
D Cash and cash equivalents (A)+(B)+(C)	47,762	39,058
E. Current financial liabilities	(34,792)	(19,125)
F. Current portion of non-current financial debt	(10,605)	(11,486)
G. Current financial indebtedness (E)+(F)	(45,397)	(30,611)
H. Net current financial indebtedness (G)+(D)	2,365	8,447
I. Non-current financial liabilities	(44,780)	(49,937)
J. Debt instruments	-	-
K. Trade and other non-current liabilities	-	-
L. Non-current financial indebtedness (I)+(J)+(K)	(44,780)	(49,937)
M. Net financial indebtedness (H)+(L)	(42,416)	(41,490)

At 30 June 2024, without considering lease liabilities, net financial debt was as follows:

<i>(In thousands of euros)</i>	At 30 June	At 31 December
	2024	2023
Net financial debt	(42,416)	(41,490)
Non-current lease liabilities	9,490	11,458
Current lease liabilities	10,074	9,674
Net Financial Position	(22,852)	(20,359)

Changes in net financial debt as of 30 June 2024 are shown below:

Net financial position at 31 December 2023 (million euros)	(41.5)
EBITDA	16.0
Net working capital	(11.2)
Interest and taxes	(1.4)
Investments	(2.5)
Other	(1.8)
Net financial position at 30 June 2024 (million euros)	(42.4)

INVESTMENTS

The following table provides a breakdown of the Company's investments in property, plant and equipment and intangible assets at 30 June 2024:

<i>(In thousands of euros and as a percentage)</i>	At 30 June			
	2024	%	2023	%
Land and buildings	25	1.0%	64	4.9%
Plant and machinery	2,073	82.8%	750	57.9%
Industrial and commercial equipment	73	2.49%	203	15.7%
Assets under construction and payments on account	334	13.3%	278	21.5%
Investments in property, plant and equipment	2,505	100.0%	1,295	100.0%

During the reporting period, the Company made investments totalling Euro 2,505 thousand.

The Company's investment policy is aimed at innovation and diversification in terms of product supply. In particular, the Company 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, primarily in the Milk segment.

OTHER INFORMATION

Policy for analysing and managing risks connected with the activities of the Company

This section provides information on exposure to risks connected with the activities of the Company as well as the objectives, policies and processes for managing such risks and the methods used to assess and to mitigate them. The guidelines for the Company's ICRMS, defined by the Board of Directors, identify the internal control system as a cross-sectional process integral to all business activities. The purpose of the ICRMS is to help the Company achieve its performance and profit objectives, obtain reliable economic and financial information and ensure compliance with existing laws and regulations, while shielding the company from reputational damage and financial loss. In this process, particular importance is given to identifying corporate objectives, classifying (based on combined assessments regarding the probability and the potential impact) and controlling related risks by implementing specific containment actions. There are various types of potential business risks: strategic, operational (related to the effectiveness and efficiency of business operations), reporting (related to the reliability of economic-financial information), compliance (related to the observance of the laws and regulations in force, to avoid the company suffering damage to its image or and/or economic losses) and, lastly, financial. Those in charge of the various company departments identify and assess the risks within their jurisdiction, whether these originate within or outside the Company, and identify actions to limit and reduce them (so-called "first-level control").

On top of this come the activities of the Financial Reporting Officer and their staff (so-called "second-level control") and those of the Manager of the Internal Audit function (so-called "third-level control") who continuously monitors the efficiency and effectiveness of the internal audit and risk management system through risk assessment activities, the performance of audit operations and the subsequent management of follow up.

The results of the risk identification procedures are reported and discussed to and discussed by the Company's senior management so that they can be covered and insured and the residual risk can be evaluated.

The following paragraphs describe the risks considered to be significant and connected with the activities of the Company (the order in which they are listed does not imply any classification, either in terms of probability of their occurrence or in terms of possible impact):

STRATEGIC RISKS

Risks relating to the macroeconomic and sector situation

The activity of the Company is influenced by the general conditions of the economy in the various markets where it operates. A period of economic crisis, with a consequent slow-down in consumption, can have a negative impact on the sales trends of the Company. The current macroeconomic context causes significant uncertainty regarding forecasts, with the resulting risk that reduced performance could impact margins in the short term. The Company pursues its aim of increasing its industrial efficiency and improving its production capacity while reducing overheads.

OPERATING RISKS

Risks related to the high level of competitiveness of the sector

The food & beverage market in which the Company operates is characterised by a particularly significant level of competition, competitiveness and dynamism. This market is characterised in particular by (i) increasing competitiveness of companies that produce so-called private label products with prices lower than those charged by the Company; (ii) increasing prevalence of online sales (where the Company is starting to have a presence) resulting in a decrease in product prices, especially in the mass distribution channel, through which the Company generates a significant percentage of its revenues, namely 63.0% at 30 June 2024; (iii) frequent promotional campaigns over time and with significant discounts; (iv) consolidation of existing operators (through M&As), especially in the mass distribution channel. The Company pursues its aim of increasing its industrial efficiency and improving its production capacity while reducing overheads and being competitive in its reference markets. Moreover, thanks to the presence of some "unique" products, the Company is able to face any level of competition.

ENVIRONMENTAL AND CLIMATE RISKS

In view of the forthcoming entry into force of the "integrated financial statements", two standards were published in June 2023 that set out the basic requirements for financial

reporting related to sustainability (IFRS S1) and the disclosure of information about climate-specific risks and opportunities (IFRS S2), starting with financial years beginning on 1 January 2024. These impacts are taken into account by the Company in the application of international accounting standards when material, assessing their effects both in the application of individual accounting standards and on the company's ability to continue as a going concern. In this context, note that no material risks have arisen for the Company from the application of the individual standards, and no doubts or uncertainties have arisen with regard to events or conditions that might call into question its ability to operate as a going concern. Specifically, the Group constantly monitors the latest regulations on climate-related issues. At this time no laws have been passed that have a direct impact on the Company, which will adjust the key assumptions used in the value-in-use calculations and the sensitivity to changes in assumptions should a change become necessary.

The impact of climate change assessment and the target of zero net carbon emissions for the activities of the Group by 2025 have been taken into account in the evaluation of estimates and judgements in the preparation of the Group's financial statements. The details of the climate risk assessment were deemed proportionate to the nature of the business, and the current assessment was sufficient to identify physical climate risks as well as transition risks that are material to the Group's operations or financial position. The climate change analysis performed since the previous year, which mainly related to emissions and water consumption, did not reveal any issues that could not be attributed to or addressed in the ordinary course of business, and did not reveal any significant material economic issues that had an impact on the preparation of these financial statements.

The following considerations were made:

- The impact of climate change is not expected to be significant while the business remains a going concern.
- The impact of climate change is more evident on organic goods as all agricultural ingredients are at risk mainly due to water scarcity and high temperatures: to mitigate and keep the risk low. The company and the Group have implemented emergency supply plans.
- The impact of climate change on the cash flow projections used in impairment assessments of the value in use of non-current assets including goodwill. No risk factors were identified as at 30 June 2024.
- The impact of climate change on factors (such as residual values, useful lives and depreciation methods, provisions and onerous contracts) that determine the carrying value of non-current assets: no risk factors were identified as at 30 June 2024.

INFLATION-RELATED RISKS

The sector the Group competes in has been exposed to the challenges of incremental inflationary pressures. Although there are some favourable factors for the global economy

stemming from the further easing of global supply chain pressures due to improving supply and weakening demand, downside risks to global growth persist. The risks arising from the relative weakening of industry sector performance together with changes in consumer behaviour, as well as the overall evolution of the macroeconomic landscape, are constantly monitored by the Company and the Group to mitigate any impacts. During the first half of 2024 these effects gradually diminished with positive effects on company margins, which recorded levels never before reached by the Company.

FINANCIAL RISKS

Management of financial risks

The main business risks identified, monitored and, as specified below, actively managed by the Company are as follows:

- Market risk, arising from the fluctuation of interest rates and of exchange rates between the euro and the other currencies in which the Company operates.
- Credit risk, arising from the possibility of counterparty default.
- Liquidity risk, arising from a lack of financial resources to meet commitments.

The Company's objective is to manage its financial exposure over time so that liabilities are balanced with assets on the statement of financial position and that the necessary operational flexibility is in place by using bank loans and the cash generated by current operating activities.

The ability to generate liquidity from core operations, together with the ability to borrow, allows the Company to adequately meet its operational, working capital financing and investment needs, as well as to comply with its financial obligations. The Company's financial policy and the management of the related financial risks are centrally guided and monitored. In particular, the central finance function is responsible for assessing and approving forecast financial requirements, monitoring performance and taking corrective action where necessary.

Exchange risk

Exposure to the risk of exchange rate fluctuations derives from the Company's commercial activities conducted in currencies other than the euro. Revenues and costs denominated in foreign currency can be influenced by fluctuations in the exchange rate, bringing about an impact on trade margins (economic risk), and trade and financial payables and receivables denominated in foreign currency can be impacted by the conversion rates used, with a knock-on effect on the profit or loss (transaction risk). Finally, fluctuations in exchange rates are also reflected in period results and equity.

The main exchange rates to which the Company is exposed are:

- Euro/USD, in relation to transactions carried out in US dollars.
- Euro/GBP, in relation to transactions carried out in pound sterling.
- Euro/CHF, in relation to transactions carried out in Swiss francs.

The Company does not adopt specific policies to hedge exchange rate fluctuations because management does not believe that this risk can significantly harm the Company's

results, since the amount of inflows and outflows of foreign currency is not only insignificant, but also fairly similar in terms of volumes and timing.

A hypothetical positive or negative change of 100 bps in the exchange rates relating to the currencies in which the Company operates would not have a significant impact on the net result and shareholders' equity of the periods under review, insofar as foreign-currency exposure is less than 1% of turnover.

Interest rate risk

The Company uses external financial resources in the form of debt and uses the liquidity available in market instruments. Changes in interest rate levels affect the cost and return of the various forms of funding and use, thus affecting net financial expense. Exposure to interest rate risk is constantly monitored according to the trend of the Euribor curve, in order to assess possible interventions to contain the risk of a potential rise in market interest rates. At the reference dates, there were no hedges carried out by trading in derivatives.

With reference to interest rate risk, a sensitivity analysis was carried out to determine the effect on the income statement for the period and shareholders' equity that would result from a hypothetical positive and negative change of 50 bps in interest rates compared with those actually recorded in each period. The analysis was carried out mainly with regard to the following items: (i) cash and cash equivalents and (ii) short- and medium-/long-term financial liabilities. With regard to cash and cash equivalents, reference was made to the average inventory and the average rate of return for the period, while for short- and medium-/long-term financial liabilities, the precise impact was calculated.

The table below shows the results of the analysis carried out:

<i>(In thousands of euros)</i>	Impact on profit net tax		Impact on shareholders' equity net of tax	
	- 50 bps	+ 50 bps	- 50 bps	+ 50 bps
As at 30 June 2024	(185)	185	(185)	185
As at 31 December 2023	(188)	188	(188)	188

Credit risk

The Company is exposed to the credit risk inherent in the possibility of its customers becoming insolvent and/or less creditworthy so it monitors the situation continually.

Credit risk derives essentially from the Company's commercial activity, where its counterparties are predominantly mass and retail distribution operators. Retail receivables are extremely fragmented, while the mass distribution segment is characterised by a larger exposure to a single client.

The following table provides a breakdown of trade receivables at 30 June 2024 and 31 December 2023 grouped by maturity, net of the provision for bad debts:

<i>(In thousands of euros)</i>	Not overdue	1-90 days overdue	91-180 days overdue	More than 181 days overdue	Total
Gross trade receivables at 30 June 2024	30,947	7,059	1,089	7,954	47,049
Provision for bad debts	-	-	-	(2,586)	(2,586)
Net trade receivables at 30 June 2024	30,947	7,059	1,089	5,368	44,463
Gross trade receivables at 31 December 2023	3,297	17,854	2,541	5,774	29,446
Provision for bad debts	-	-	-	(2,590)	(2,590)
Net trade receivables at 31 December 2023	3,297	17,854	2,541	3,265	26,957

Liquidity risk

Liquidity risk is the risk that, due to the inability to find new funds or to liquidate assets on the market, the Company will not be able to meet its payment obligations, resulting in a negative impact on results if it is forced to incur additional costs to meet its obligations or an insolvency situation.

The liquidity risk to which the Company may be subject comprises the failure to find sufficient financial resources for its operations, as well as for the development of its industrial and commercial activities. The two main factors that determine the Company's liquidity situation are the resources generated or absorbed by operating and investment activities, and the maturity and renewal status of payables or the liquidity of financial commitments and market conditions. In particular, the main factor affecting the Company's liquidity is the resources absorbed by operating activities: the sector in which the Company has seasonal sales phenomena, with peak liquidity requirements in the third quarter caused by a higher volume of trade receivables compared with the rest of the year. The Group's commercial and finance teams work together to manage the changing liquidity requirements, which involves carefully planning financial requirements related to sales, drafting the budget at the beginning of the year and carefully monitoring requirements throughout the year.

Since they are also subject to seasonal phenomena, liquidity requirements linked to inventory dynamics are subject to analysis as well: planning purchases of raw materials for the inventory is managed in accordance with established practices, with the Chair involved in decisions that could have an impact on the Company's financial equilibrium.

Based on established practices inspired by prudence and stakeholder protection, the Company's financing activity involves negotiating credit lines with the banking system and continually monitoring the Company's cash flows.

The table below provides a breakdown of the Company's financial requirements by contractual maturity:

<i>(In thousands of euros)</i>	Carrying amount at 30 June 2024	Within one year	Expiry Beyond one year	Beyond 5 years
Total financial liabilities	70,614	35,323	32,144	3,146

From the assessments performed, there were no significant impacts to be noted on the Company's business.

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 half of 2024 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 the provisions of article 2428 of the Italian Civil Code, it is confirmed that as at 30 June 2024 the Company did not trade in any treasury shares or shares of parent companies and does not, at 30 June 2024, hold any treasury shares or shares of parent companies.

Share performance

In H1 2024 the stock of Centrale del Latte d'Italia S.p.A., listed on the Italian stock exchange in the Euronext Milan, managed by Borsa Italiana S.p.A., reached a maximum value of Euro 3.16 per share compared to a low of Euro 2.6. On the last trading day of the half year the company's stock closed at Euro 2.96 per share, which is equivalent to a market capitalisation of Euro 41.4 million.

Branch offices

A branch office was opened in Florence, in Via dell'Olmaticello 20.

Transactions with related parties

The Company'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 explanatory notes to the interim financial statements report on the income statement items at 30 June 2024 and 30 June 2023 and the statement of financial position items at 31 December 2023 pertaining to related party transactions. This information has been extracted from the Interim Financial Statements at 30 June 2024 and from calculations carried out by the Company based on the outcome of general and operational accounting work.

The Company 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 or which have already been illustrated.

The lease of the business unit, which Newlat Food S.p.A, was subject to verification and approval by the Related Parties Committee as it was considered significant. No issues of note were found.

For information on the remuneration of members of corporate bodies and senior managers, see the explanatory notes to the interim financial statements as at 30 June 2024.

The Company deals with the following related companies:

- Direct or indirect parent company ("**Parent Company**").
- Companies controlled by the direct parent or indirect parent companies other than its own subsidiaries and associates ("**Companies controlled by the parent companies**").

Turin, 09 September 2024

For the Board of Directors
Angelo Mastrolia
Chair of the Board of Directors

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

Turin, 09 September 2024

Mr Fabio Fazzari
Officer in charge of preparing the
company's financial reports



Financial statements and explanatory notes

Balance Sheet as at 30 June 2024

<i>(In thousands of euros)</i>	At 30 June 2024	At 31 December 2023
Non-current assets		
Property, plant and equipment	103,711	105,694
Right-of-use assets	16,515	17,915
<i>of which from related parties</i>	10,104	11,809
Intangible assets	19,517	19,527
Equity investments in associates	1,397	1,397
Non-current financial assets measured at fair value through profit or loss	703	703
Deferred tax assets	2,041	2,041
Total non-current assets	143,884	147,277
Current assets	-	-
Inventories	24,414	23,738
Trade receivables	44,463	26,957
<i>of which from related parties</i>	6,597	7,117
Current tax assets	130	130
Other receivables and current assets	13,970	14,301
<i>of which from related parties</i>	5,842	5,842
Current financial assets measured at fair value through profit or loss	1	1
Financial receivables measured at amortised cost	2,525	3,025
<i>of which from related parties</i>	2,525	3,025
Cash and cash equivalents	45,236	36,032
<i>of which from related parties</i>	36,962	29,270
Total current assets	130,739	104,184
TOTAL ASSETS	274,623	251,461
Shareholders' equity	-	-
Share capital	28,840	28,840
Reserves	37,792	34,834
Net profit/(loss)	4,815	2,959
Total shareholders' equity	71,448	66,632
Non-current liabilities	-	-
Provisions for employee benefits	5,462	5,786
Provisions for risks and charges	1,438	1,369
Deferred tax liabilities	5,878	5,994
Non-current financial liabilities	35,290	38,479
Non-current lease liabilities	9,490	11,458
<i>of which from related parties</i>	5,223	7,012
Total non-current liabilities	57,558	63,086
Current liabilities	-	-
Trade payables	83,380	78,317
<i>of which from related parties</i>	10,442	21,136
Current financial liabilities	35,323	20,937
<i>of which from related parties</i>	21,639	8,296
Current lease liabilities	10,074	9,674
<i>of which from related parties</i>	8,918	8,890
Current tax liabilities	505	241
Other current liabilities	16,336	12,573
<i>of which from related parties</i>	3,383	1,615
Total current liabilities	145,618	121,742
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	274,623	251,461

Income statement

<i>(In thousands of euros)</i>	Half-year ended 30 June	
	2024	2023
Revenue from contracts with customers	165,699	169,825
<i>of which from related parties</i>	626	1,224
Cost of sales	(129,011)	(135,209)
<i>of which from related parties</i>	(3,711)	(3,084)
Gross operating profit/(loss)	36,688	34,616
Sales and distribution costs	(25,313)	(24,705)
Administrative costs	(4,315)	(4,137)
<i>of which from related parties</i>	(24)	(24)
Net write-downs of financial assets	(88)	(201)
Other revenues and income	2,226	2,962
Other operating costs	(921)	(1,232)
Operating profit/(loss)	8,277	7,303
Financial income	720	259
<i>of which from related parties</i>	605	254
Financial expenses	(2,223)	(2,628)
<i>of which from related parties</i>	(274)	(122)
Profit/(loss) before taxes	6,774	4,934
Income taxes	(1,959)	(1,377)
Net profit/(loss)	4,815	3,557
Basic net profit/(loss) per share	0.34	0.25
Diluted net profit/(loss) per share	0.34	0.25

Statement of comprehensive income

Net profit/(loss) (A)	4,815	3,557
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)	-	-
Total other components of comprehensive income that will not be subsequently reclassified to the income statement	-	-
Total other components of comprehensive income, net of tax effect (B)	-	-
Total comprehensive net profit/(loss) (A)+(B)	4,815	3,557

Statement of changes in shareholders' equity

<i>(In thousands of euros)</i>	Share capital	Reserves	Net profit/(loss)	Total shareholders' equity of the Company
At 31 December 2022	28,840	34,683	154	63,678
Allocation of net profit/(loss) for the previous year	-	154	(154)	-
Net profit/(loss)	-	-	4,815	4,815
Total comprehensive net profit/(loss) for the year	-	0	4,815	4,815
At 30 June 2023	28,840	34,838	4,815	68,493
Net profit/(loss)	-	-	(1,856)	(1,856)
Actuarial gains/(losses) net of the related tax effect	-	(4)	-	(4)
Total comprehensive net profit/(loss) for the year	-	(4)	(1,856)	(1,860)
At 31 December 2023	28,840	34,834	2,959	66,633
Allocation of net profit/(loss) for the previous year	-	2,959	(2,959)	-
Net profit/(loss)	-	-	4,815	4,815
Total comprehensive net profit/(loss) for the year	-	0	4,815	4,815
At 30 June 2024	28,840	34,834	7,774	71,448

Statement of cash flows

<i>(In thousands of euros)</i>	At 30 June	
	2024	2023
Profit/(loss) before taxes	6,774	4,934
- <i>Adjustments for:</i>		
Amortisation, depreciation and write-downs	7,691	8,319
Financial expense/(income)	1,503	2,369
<i>of which from related parties</i>	<i>(274)</i>	<i>(122)</i>
Cash flow generated /(absorbed) by operating activities before changes in net working capital	15,968	15,622
Change in inventory	(676)	1,217
Change in trade receivables	(17,595)	(6,282)
Change in trade payables	5,063	6,799
Change in other assets and liabilities	2,283	2,197
Use of provisions for risks and charges and for employee benefits	(255)	(261)
Taxes paid	-	-
Net cash flow generated /(absorbed) by operating activities	4,788	19,291
Investments in property, plant and equipment	(2,505)	(1,295)
Net cash flow generated /(absorbed) by investment activities	(2,505)	(1,295)
New financial payables	15,284	
Repayments of long-term financial debt	(4,188)	(13,969)
Repayments of lease liabilities	(3,272)	(3,800)
<i>of which from related parties</i>	<i>(1,857)</i>	<i>(1,857)</i>
Net interest expense	(1,403)	(2,369)
Net cash flow generated/(absorbed) by financing activities	6,421	(20,138)
Total changes in cash and cash equivalents	8,704	(2,142)
Cash and cash equivalents at start of year	36,032	26,623
<i>of which from related parties</i>	<i>12,549</i>	<i>31,327</i>
<i>Offsetting of financial receivables</i>	<i>500</i>	<i>(3,025)</i>
Total changes in cash and cash equivalents	8,704	(2,142)
Cash and cash equivalents at end of year	45,236	21,456
<i>of which from related parties</i>	<i>36,962</i>	<i>12,549</i>

Explanatory notes

Basis of preparation

The condensed half-year financial statements at 30 June 2024 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 June should therefore be read in conjunction with the annual financial statements for the year ended 31 December 2023.

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 for the six months ending 30 June 2024 are the same as those used for the annual financial statements at 31 December 2023, except for the new accounting standards, amendments and interpretations applicable from 1 January 2024, 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 2024 and adopted by the Company:

Accounting standards, amendments and interpretations endorsed by the European Union and effective from 1 January 2024

Effective date	New accounting standard/amendment	Date of EU approval (OJEU publication date)
1 January 2024	Amendments to IFRS 16: Lease liabilities in a sale and leaseback transaction (Amendments to IFRS 16)	21 Nov 2023 (EU) 2023/2579
1 January 2024	Amendments to IAS 1: - Classification of liabilities as current or non-current - Classification of liabilities as current non-current - Deferment of the date of entry into force - Non-current liabilities with covenants	20 Dec 2023 (EU) 2023/2822

- 1) With Regulation (EU) No. 2023/2579 of 20 November 2023, the European Commission endorsed the document “Lease Liability in a Sale and Leaseback (Amendments to IFRS 16 Leases)”, published by the IASB® Board on 22 September 2022.

With the Amendments to IFRS 16, the IASB Board clarified the following accounting treatment for subsequent measurement of the lease liability arising from a sale and leaseback:

- The lessee-seller applies the requirements of IFRS 16.36-46 for the subsequent measurement of lease liabilities arising from the leaseback.
- In applying the above paragraphs of IFRS 16, the seller-lessee shall determine the “lease payments payable” or the “revised lease payments payable” in a manner that does not recognise any amount of gain or loss that relates to the right-of-use asset retained thereby. The lease liability is then reduced by the amount of the initially estimated lease payments payable, with any difference between the estimated and actual payments recognised in profit/(loss) for the year.
- The application of the above provisions does not preclude the lessee-seller from recognising in profit or loss the gain or loss arising from the partial or total termination of the contract as required by paragraph IFRS 16.46(a).

The lessee-seller must establish its own accounting policy for determining the lease payments to be included in the initial estimate of the lease liability.

- 2) With Regulation (EU) No. 2023/2822 of 19 December 2023, the European Commission endorsed the following documents published by the IASB Board:
- Classification of Liabilities as Current or Non-Current (Amendments to IAS 1 Presentation of Financial Statements), published on 23 January 2020.
 - Non-current Liabilities with Covenants (Amendments to IAS 1 Presentation of Financial Statements), published on 31 October 2022.

Amendments to IAS 1

Right to defer settlement of a liability for at least 12 months after the end of the financial year

The IASB Board's first objective was to clarify the apparently conflicting concepts expressed in paragraphs 69(d) and 73 of IAS 1.

Specifically, IAS 1.69(d) provided as a general criterion for classifying a liability as non-current the existence of an "unconditional right of the entity to defer settlement of the liability for at least 12 months after the reporting period" and IAS 1.73 referred instead to "an entity's discretion to refinance or roll over the obligation for at least 12 months after the reporting period of an existing financing arrangement". It was therefore unclear from a combined reading of these two paragraphs whether it was sufficient to have a right to defer settlement of a liability for at least 12 months at the end of the financial year, or whether it was also relevant to the classification of a liability in the financial statements whether the entity intended to exercise that right or not.

With the Amendments to IAS 1, the IASB Board clarified that:

- The right to defer the settlement of a liability for a period of at least 12 months after the end of the reporting period, referred to in paragraph 69(d), need not be unconditional but need only be "substantive and...must exist at the end of the reporting period".
- The classification of a liability as current or non-current must not be affected by an entity's intentions to exercise or not to exercise the right to defer payment beyond 12 months (e.g. an intention to refinance or roll over a loan by extending its maturity) and by decisions made between the end of the reporting period and the date of its publication (e.g. a decision to repay a loan early).

Methods for settling a liability

The Amendments to IAS 1 clarified that, for the purposes of classifying a liability as current or non-current, the term settled (in paragraph 69(a), (c) and (d)) refers to a transfer to the counterparty that results in the settlement of the liability. The transfer could be of:

- a) cash or other economic resources, e.g. goods or services; or
- b) the entity's own equity instruments, unless paragraph 76B applies.

Contractual provisions in a liability that allow the counterparty to require the liability to be settled by the transfer of the entity's own equity instruments (e.g. a convertible bond) do not affect the classification of the liability as current or non-current if, by applying IAS 32 "Financial Instruments: presentation in the financial statements", the entity classifies the option as an equity instrument, recognising it separately from the financial liability as a component of equity of a compound financial instrument (e.g. an option to convert into a fixed number of shares of a convertible bond).

Financial reporting

An entity must disclose information in the financial statements about events that occur between the end of the reporting period and the date the financial statements are authorised for issue that are specifically defined in IAS 1 as non-adjusting subsequent events in accordance with the requirements of IAS 10 "Events after the Reporting Period":

- a) Long-term refinancing of a liability classified as current;
- b) Rectification of the breach of a long-term financing contract classified as current;
- c) Granting by the lender of a grace period to rectify a breach of a long-term financing contract classified as current;
- d) Settlement of a liability classified as non-current.

If management intends or expects to settle a liability classified as non-current within twelve months after the reporting period, it does not change the classification in the financial statements but must disclose the timing of such settlement in the notes.

Liabilities from loan contracts with covenants

The IASB Board has clarified that where the right to defer the settlement of a liability arising from a loan contract for at least 12 months after the reporting period is subject to compliance with specific covenants, the liability is classified as non-current if all covenants under the contract have been met up to the reporting period, even if they are calculated in the first few months of the following reporting period.

Compliance with contractual covenants to be calculated after the reporting period is not relevant to the classification of the liability in the statement of financial position.

Disclosure of liabilities arising from loan contracts with covenants

The Amendments to IAS 1 introduced the following disclosure requirements with respect to liabilities arising from loan contracts, which are classified as non-current liabilities in the statement of financial position, and whose right to defer their settlement for at least 12 months after the end of the reporting period is subject to covenant compliance:

a) Information about the covenants (including the nature of the covenants and when the entity is required to comply with them) and the carrying amount of the related liabilities.

b) Information about any facts and circumstances that indicate that the entity may have difficulty complying with the covenants. These facts and circumstances could also refer to the situation where the covenants to be met in the 12 months following the end of the reporting period would not be met using the figures at the end of the financial year.

The Amendments to IAS 1 are effective for financial statements for financial years beginning on or after 1 January 2024 and are to be applied retroactively in accordance with IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors. Early application is permitted by providing adequate disclosure in the notes to the financial statements.

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

At the reporting date of this document, the competent bodies of the European Union had not yet concluded the approval process required for the adoption of the amendments and principles described above.

- On May 30, 2024, the IASB published the document "Amendments to the Classification and Measurement of Financial Instruments—Amendments to IFRS 9 and IFRS 7". This document clarifies some problematic aspects that emerged from the post-implementation review of IFRS 9, including the accounting treatment of financial assets whose returns vary upon the achievement of ESG objectives (i.e. green bonds). In particular, the amendments aim to:

- clarify the classification of financial assets with variable returns and linked to environmental, social and corporate governance (ESG) objectives and the criteria to be used for the assessment of the SPPI test;

- determine that the date on which the liabilities are settled by electronic payment systems is the date on which the liability is settled. However, an entity is allowed to adopt an accounting policy to allow a financial liability to be derecognised before delivering cash on the settlement date under certain specific conditions. With these amendments, the IASB has also introduced additional disclosure requirements with regard in particular to investments in equity instruments designated as FVOCI.

The amendments will apply from the financial statements for the years beginning on or after 1 January 2026.

- On May 9, 2024, the IASB published the new IFRS 19 Subsidiaries without Public Accountability: Disclosures.

This standard introduces some simplifications referring to the disclosure required by other international accounting standards. The principle can be applied by an entity that meets the following main criteria:

- It is a subsidiary company;
- Has not issued equity or debt instruments listed on a market and is not in the process of issuing them;
- Has its own parent company that prepares consolidated financial statements in accordance with IFRS.

The new standard will come into force from 1 January 2027, but early application is allowed.

- On April 9, 2024, the IASB published the new IFRS 18 Presentation and Disclosure in Financial Statements, which will replace IAS 1 Presentation of Financial Statements. This standard aims to improve the presentation of the main financial statements and introduces important changes with reference to the income statement. In particular, the new standard requires to:

- Classify revenues and expenses into three new categories (operating section, investment section and financial section), in addition to the categories of taxes and discontinued operations already present in the income statement;
- Present two new sub-totals, the operating result and the result before interest and taxes (i.e. EBIT).

Furthermore:

- Requests more information on the performance indicators defined by management;
- Introduces new criteria for the aggregation and disaggregation of information; and
- Introduces some changes to the cash flow statement format, including the request to use the operating result as a starting point for the presentation of the cash flow statement prepared using the indirect method and the elimination of some classification options for some currently existing items (such as interest paid, interest received, dividends paid and dividends received).

This standard will enter into force from 1 January 2027, but early application is allowed.

- On 15 August 2023, the IASB published an amendment titled "Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability". The document requires an entity to apply a methodology in a consistent manner in order to verify whether a currency can be converted into another and, when this is not possible, how to determine the exchange rate to be used, as well as the disclosure to provide in the Notes. The amendments will take effect as of 1 January 2025, but early application is allowed.

- On 30 January 2014, the IASB published the standard IFRS 14 – Regulatory Deferral Accounts which permits those adopting IFRS for the first time to continue to report amounts relating to Rate Regulation Activities according to the previous accounting standards adopted.

The directors didn't expect any significant impact linked to the introduction of these amendments and accounting standards



Notes to the half-yearly report as at 30 June 2024

Criteria and methods

The half-year financial report includes the Balance Sheet, the Income Statement, the Comprehensive Income Statement, the changes in Shareholders' Equity and the Company's Cash Flow Statement and related Explanatory Notes, prepared on the basis of the relative accounting situation in accordance with IFRS accounting standards.

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 Company's activity is identifiable in the following business segments: Milk Products, Dairy Products and Other Products. 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 Company's performance at and for the interim period ended 30 June 2024, and the reconciliation of these items with respect to the corresponding amount included in the Interim Report.

<i>(In thousands of euros)</i>	At 30 June 2024			
	<i>Milk products</i>	<i>Dairy products</i>	<i>Other Products</i>	<i>Total financial statements</i>
Revenue from contracts with customers (third parties)	128,544	30,079	7,076	165,699
EBITDA (*)	11,664	3,741	563	15,968
EBITDA margin	9.1%	12.4%	8.0%	9.6%
Amortisation, depreciation and write-downs	7,321	184	98	7,603
Net write-downs of financial assets			88	88
Operating profit/(loss)	4,343	3,557	377	8,277
Financial income	-	-	720	720
Financial expenses	-	-	(2,223)	(2,223)
Profit/(loss) before taxes	4,343	3,556	(1,126)	6,773
Income taxes	-	-	(1,959)	(1,959)
Net profit/(loss)	4,343	3,556	(3,085)	4,815
Total assets as at 30 June 2024	190,408	11,507	72,708	274,623
Total liabilities as at 30 June 2024	93,741	17,576	91,859	203,176
Investments as at 30 June 2024	2,505	-	-	2,505
Employees (number) as at 30 June 2024	542	65	12	619

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

<i>(In thousands of euros)</i>	At 30 June 2023			
	<i>Milk products</i>	<i>Dairy products</i>	<i>Other Products</i>	<i>Total financial statements</i>
Revenue from contracts with customers (third parties)	136,098	26,524	7,203	169,825
EBITDA (*)	12,011	3,215	395	15,620
EBITDA margin	8.8%	12.1%	5.5%	9.2%
Amortisation, depreciation and write-downs	7,834	184	98	8,116
Net write-downs of financial assets	-	-	201	201
Operating profit/(loss)	4,177	3,031	95	7,303
Financial income	-	-	259	259
Financial expenses	-	-	(2,628)	(2,628)
Profit/(loss) before taxes	4,177	3,031	(2,274)	4,934
Income taxes			(1,377)	(1,377)
Net profit/(loss)	4,177	3,031	(3,651)	3,557
Total fixed assets as at 31 December 2023	180,328	8,073	63,059	251,460
Total liabilities as at 31 December 2023	90,842	14,374	79,612	184,828
Investments as at 30 June 2023	710	585	-	1,295
Employees (number) as at 30 June 2023	530	63	12	605

(*) 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 June 2024 and the main statement of financial position items at 31 December 2023 examined by the chief operating decision maker in order to assess the Company's performance, and the reconciliation of these items with respect to the corresponding amount included in the half-year financial report.

Non-current assets

Below is a description of the main items that make up the non-current assets.

<i>(In thousands of euros)</i>	At 30 June 2024	At 31 December 2023
Non-current assets		
Property, plant and equipment	103,711	105,694
Right-of-use assets	16,515	17,915
Intangible assets	19,517	19,527
Equity investments in associates	1,397	1,397
Non-current financial assets measured at fair value through profit or loss	703	703
Deferred tax assets	2,041	2,041
Total non-current assets	143,884	147,277

Fixed assets, plant and equipment

<i>(In thousands of euros)</i>	Land and buildings	Plant and machinery	Industrial and commercial equipment	Leasehold improvements	Assets under construction and payments on account	Total
Historical cost at 31 December 2023	85,488	131,378	18,604	358	818	236,646
Investments	25	2,073	73	-	334	2,505
Disposals	-	-	(106)	-	-	(106)
Reclassifications	-	463	-	-	(463)	-
Historical cost at 30 June 2024	85,513	133,864	18,572	358	689	239,045
Accumulated amortisation/depreciation as at 31 December 2023	28,392	84,629	17,606	325	-	130,951
Depreciation/Amortisation	776	3,485	225	1	-	4,487
Disposals	-	-	(106)	-	-	(106)
Accumulated amortisation/depreciation as at 30 June 2024	29,168	88,114	17,725	326	-	135,333
Net carrying amount at 31 December 2023	57,096	46,749	998	33	818	105,694
Net carrying amount at 30 June 2024	56,345	45,800	845	32	689	103,711

The decrease is mainly due to amortisation/depreciation for the period. The increases for the period mainly relate to the completion of the investment in the Milk segment.

Right-of-use assets

The changes recorded under the investment item refer mainly to the lease of machinery used in the production process.

<i>(In thousands of euros)</i>	Right-of-use assets
Historical cost at 31 December 2023	39,948
Investments	1,707
Disposals	(1,964)
Changes in the scope	-
Historical cost at 30 June 2024	39,691
Accumulated amortisation/depreciation as at 31 December 2023	22,033
Depreciation/Amortisation	3,107
Disposals	(1,964)
Changes in the scope	-
Accumulated amortisation/depreciation as at 30 June 2024	23,176
Net carrying amount at 31 December 2023	17,915
Net carrying amount at 30 June 2024	16,515

Intangible assets

<i>(In thousands of euros)</i>	Goodwill	Concessions, licences, trademarks and similar rights	Other assets	Assets under development	Total
Historical cost at 31 December 2023	570	42,395	-	2	42,967
Investments	-	-	-	-	-
Historical cost at 30 June 2024	570	42,395	-	2	42,967
Accumulated amortisation/depreciation as at 31 December 2023	220	23,220	-	-	23,440
Depreciation/Amortisation	-	10	-	-	10
Accumulated amortisation/depreciation as at 30 June 2024	220	23,230	-	-	23,450
Net carrying amount at 31 December 2023	350	19,175	-	2	19,527
Net carrying amount at 30 June 2024	350	19,165	-	2	19,517

Goodwill

Goodwill of Euro 350 thousand refers to the effect of the merger between Centrale del Latte d'Italia S.p.A. and Centro Latte Rapallo in 2013.

Concessions, licences, trademarks and similar rights

The following table shows a breakdown of "Concessions, licences, trademarks and similar rights" as at 30 June 2024:

<i>(In thousands of euros)</i>	At 30 June 2024	At 31 December 2023
Trademarks with an indefinite useful life	19,132	19,132
Total net book value	19,132	19,132

Trademarks with an indefinite useful life

This item refers to the following trademarks:

"Latte Rapallo", "Latte Tigullio", "Centrale del Latte di Vicenza" and "Mukki" for a total of Euro 19,132 thousand.. As at 30 June 2024, the trademarks with an indefinite useful life were not subject to impairment testing, in consideration of the fact that no Trigger Events were found that required an Impairment exercise as at 30 June 2024.

note that during the first half of 2024 the market capitalization being lower than the value of the Company's net equity, as at 30 June 2024 the margin is higher than what was forecast in the Business Plan that the Impairment Test of 31 December 2023 was based on. In fact the Company's management has not identified negative conditions that would have required carrying out a further impairment test compared to the positive assessment carried out for the financial statements as of 31 December 2023.

Equity investments in associates

The investments of associate companies amounting to Euro 1,397 thousand refer mainly to the investment held by Centrale del Latte d'Italia SpA in Mercafir Scpa.

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

The balance mainly includes the interest in Futura S.r.l. for a total of approximately Euro 689 thousand (less than 5% stake).

Deferred tax assets

At 30 June 2024, this item totalled Euro 2,041 thousand. Prepaid taxes refer mainly to the appropriation of taxed provisions. Based on the approved multi-year business plans, management believes that these receivables can be recovered with future taxable income.

Current assets

<i>(In thousands of euros)</i>	At 30 June 2024	At 31 December 2023
Current assets		
Inventories	24,414	23,738
Trade receivables	44,463	26,957
Current tax assets	130	130
Other receivables and current assets	13,970	14,301
Current financial assets measured at fair value through profit or loss	1	1
Financial receivables measured at amortised cost	2,525	3,025
Cash and cash equivalents	45,236	36,032
Total current assets	130,739	104,184

Inventories

Closing inventories were up by Euro 0.7 million on 31 December 2023 because of an increase in warehouse stock.

<i>(In thousands of euros)</i>	At 30 June	At 31 December
	2024	2023
Raw materials, supplies, consumables and spare parts	15,228	14,481
Finished products and goods	9,302	9,377
Advance payments	31	26
Total gross inventories	24,561	23,884
Inventory write-down reserve	(147)	(147)
Total inventories	24,414	23,737

The provision for inventory write-downs has not changed since 31 December 2023.

Trade receivables

There are no significant changes in the receipt conditions. Total 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 Company assesses whether there are expected losses on 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 Company'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".

The provision for doubtful receivables changed as follows during 2024 and the for the period reflects the exposure of the receivables – net of the provision for doubtful receivables – at their presumed realisable value.

<i>(In thousands of euros)</i>	Provision for doubtful trade receivables
Balance at 31 December 2022	(3,034)
Provisions	(417)
Uses	861
Balance at 31 December 2023	(2,590)
Provisions	(88)
Releases	93
Balance at 30 June 2024	(2,586)

Current tax assets and liabilities

Current tax assets totalled Euro 130 thousand, in line with 31 December 2023.

Current tax liabilities amounted to Euro 505 thousand, up from 31 December 2023 due to the recognition of taxes for the period.

Other receivables and current assets

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

<i>(In thousands of euros)</i>	At 30 June 2024	At 31 December 2023
Tax assets	6,285	6,969
Receivables from social security institutions	3	4
Accrued income and prepaid expenses	730	534
Advance payments	857	851
Other receivables	6,095	5,943
Total other receivables and current assets	13,970	14,301

Financial receivables measured at amortised cost

Financial receivables measured at amortised cost refer to financial receivables from the related party Newlat Property SpA for a total amount of Euro 2,525 thousand down compared to 31 December 2023 as a result of offsetting against medium-long-term lease debt.

Cash and cash equivalents

“Cash and cash equivalents” consist of sight current accounts with banks. For details of the net financial debt, please see the report on operations in this document.

At 30 June 2024, cash and cash equivalents were not subject to restrictions or constraints. Part of the aforementioned cash and cash equivalents of Euro 36,962 thousand is attributable to cash pooled with the direct parent Newlat Food.

Please see the statement of cash flows for changes in the "Cash and cash equivalents" item during the year under review.

Shareholders' equity

Share capital

As at 30 June 2024 the Company's fully subscribed and paid-up share capital totalled Euro 28,840,041.20, divided into 14,000,020 ordinary shares with no nominal value.

As reported in the statement of changes in shareholders' equity, the changes as at 30 June 2024 relate solely to the recognition of the net comprehensive income for the period in the amount of Euro 4,815 thousand.

Non-current liabilities

<i>(In thousands of euros)</i>	At 30 June 2024	At 31 December 2023
Non-current liabilities		
Provisions for employee benefits	5,462	5,786
Provisions for risks and charges	1,438	1,369
Deferred tax liabilities	5,878	5,994
Non-current financial liabilities	35,290	38,479
Non-current lease liabilities	9,490	11,458
Total non-current liabilities	57,558	63,086

Provisions for employee benefits

At 30 June 2024, this item totalled Euro 5,462 thousand, down from Euro 5,786 thousand at 31 December 2023, mainly because of the payment of the T.F.R. due to resignations and retirements.

<i>(In thousands of euros)</i>	Employee severance indemnity
Balance at 31 December 2022	6,279
Financial expenses	219
Actuarial losses/(gains)	6
Benefits paid	(718)
Balance at 31 December 2023	5,786
Benefits paid	(324)
Balance at 30 June 2024	5,4612

Provisions for risks and charges

The table below shows a breakdown of and changes in the item: “Provisions for risks and charges”:

<i>(In thousands of euros)</i>	Provision for agents' indemnities	Other provisions for risks and charges	Total provisions for risks and charges
Balance at 31 December 2022	1,168	68	1,236
Provisions	134	-	134
Uses	(1)	-	(1)
Balance at 31 December 2023	1,301	68	1,369
Provisions	82	-	82
Uses	(13)	-	(13)
Balance at 30 June 2024	1,371	68	1,439

The provision for agents' indemnities represents a reasonable forecast of the charges that would be borne by the Company in the event of future interruption of agency relationships.

Deferred tax liabilities

Deferred tax liabilities mainly refer to the allocation of capital gains from the acquisition of Centrale del Latte Toscana, the fair value valuation of the Mukki, Rapallo-Tigullio and Vicenza trademarks, and the fair value valuation of the Centrale del Latte land.

Non-current and current financial liabilities

Please refer to the “Net Financial Debt” section in the management report. As at 30 June 2024, the covenants relating to the loan granted by MS Capital Services were respected. With regard to the financial constraints on the other financing lines, the check is performed on the annual data as at 31 December, as per contractual requirements. The Company maintains that it is likely that these covenants will be complied with during the current year.

Current and non-current lease liabilities

This item includes the financial debt related to the right-of-use values recorded under fixed assets.

Liabilities were recognised in compliance with the IFRS 16 "Leases" 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 is a portion of Euro 790 thousand beyond 5 years.

Current liabilities

<i>(In thousands of euros)</i>	At 30 June 2024	At 31 December 2023
Current liabilities		
Trade payables	83,380	78,317
Current financial liabilities	35,323	20,937
Current lease liabilities	10,074	9,674
Current tax liabilities	505	241
Other current liabilities	16,336	12,573
Total current liabilities	145,618	121,742

Trade payables

Trade payables refer mainly to balances deriving from transactions for the purchase of goods destined for sale.

<i>(In thousands of euros)</i>	At 30 June 2024	At 31 December 2023
Trade payables to suppliers	72,938	57,182
Trade payables to related parties	10,442	21,136
Total trade payables	83,380	78,317

There are no particular changes in payment times to suppliers.

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 lease liabilities

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

Other current liabilities consist mainly of tax payables and payables to employees or social security institutions.

<i>(In thousands of euros)</i>	At 30 June	At 31 December
	2024	2023
Payables to employees	6,863	5,305
Payables to social security institutions	1,865	1,380
Tax liabilities	2,806	2,912
Accrued expenses and deferred income	2,472	2,618
Miscellaneous payables	2,330	358
Total other current liabilities	11,356	12,573

Income statement

Please refer to the management report for a more uniform analysis of the Company's economic situation.

Earnings per share

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

<i>(In thousands of euros)</i>	Half-year ended 30 June	
	2024	2023
Profit for the year attributable to the Company in thousands of euros	4,815	3,557
Weighted average number of shares in circulation	14,000	14,000
Earnings per share	0.344	0.254

Related party transactions

The Company'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 Company deals with the following related parties:

- Newlat Food S.p.A. and Newlat Group SA, respectively direct and indirect parent company.

- Companies controlled by the direct parent or indirect parent companies other than its own subsidiaries and associates ("**Companies controlled by the parent companies**").

The following table provides a detailed breakdown of the statement of financial position items relating to the Company's transactions with related parties at 30 June 2024 and 31 December 2023.

<i>(In thousands of euros)</i>	Direct parent company	Indirect parent company	Companies controlled by the parent companies		Total	Total statement of financial position items	% of statement of financial position item
	Newlat Food	Newlat Group	New Property	Newservice			
Right-of-use assets							
At 30 June 2024	6,901	-	3,203	-	10,104	16,514	61.2%
At 31 December 2023	8,281	-	3,528	-	11,809	17,915	65.9%
Trade receivables							
At 30 June 2024	6,258	339	-	-	6,597	44,463	14.8%
At 31 December 2023	6,920	197	-	-	7,117	26,957	26.4%
Other receivables and current assets							
At 30 June 2024	5,842	-	-	-	5,842	13,970	41.8%
At 31 December 2023	5,842	-	-	-	5,842	14,301	40.8%
Current financial assets measured at fair value through profit or loss							
At 30 June 2024	-	-	2,525	-	2,525	3,025	83.5%
At 31 December 2023	-	-	3,025	-	3,025	3,025	100.0%
Cash and cash equivalents							
At 30 June 2024	36,962	-	-	-	36,962	45,236	81.7%
At 31 December 2023	29,270	-	-	-	29,270	36,032	81.2%
Non-current lease liabilities							
At 30 June 2024	2,970	-	2,253	-	5,223	9,490	55.0%
At 31 December 2023	3,944	-	3,068	-	7,012	11,458	61.2%
Trade payables							
At 30 June 2024	8,820	8	1,326	288	10,442	83,380	12.5%
At 31 December 2023	20,961	30	145	-	21,136	78,317	27.0%
Current financial liabilities							
At 30 June 2024	18,614	3,025	-	-	21,639	35,323	61.3%
At 31 December 2023	5,271	3,025	-	-	8,296	20,937	39.6%
Current lease liabilities							
At 30 June 2024	8,294	-	624	-	8,918	10,074	88.5%
At 31 December 2023	8,279	-	611	-	8,890	9,674	91.9%
Other current liabilities							
At 30 June 2024	3,383	-	-	-	3,383	16,336	20.7%
At 31 December 2023	1,615	-	-	-	1,615	12,573	12.8%

The table below provides a breakdown of the income statement items relating to the Company's transactions with related parties for the interim periods ended 30 June 2024 and 2023.

(In thousands of euros)	Direct parent company	Indirect parent company	Companies controlled by the parent companies		Total	Total statement of financial position items	% of total statement of financial position item
	Newlat Food	Newlat Group	New Property	Other companies controlled by the parent companies			
Revenue from contracts with customers							
At 30 June 2024	626	-	-	-	626	165,699	0.4%
At 30 June 2023	1,224	-	-	-	1,224	169,825	0.7%
Cost of sales							
At 30 June 2024	2,831	-	409	471	3,711	129,011	2.9%
At 30 June 2023	2,425	-	413	246	3,084	135,209	2.3%
Administrative costs							
At 30 June 2024	-	24	-	-	24	4,315	0.6%
At 30 June 2023	-	24	-	-	24	4,137	0.6%
Financial income							
At 30 June 2024	345	260	-	-	605	720	84.0%
At 30 June 2023	212	42	-	-	254	605	42.0%
Financial expenses							
At 30 June 2024	207	-	67	-	274	2,223	12.3%
At 30 June 2023	35	8	79	-	122	2,628	4.6%

Disputes, contingent liabilities and contingent assets

Furthermore, there are no substantial changes to the situations regarding disputes or contingent liabilities from 30 June 2024.

CERTIFICATION OF THE CONDENSED HALF-YEAR FINANCIAL STATEMENTS PURSUANT TO ART. 154 BIS OF ITALIAN LEGISLATIVE DECREE 58/98

Taking into consideration article 154-*bis* (3) and (4) of Italian Legislative Decree no. 58 of 24 February 1998, the undersigned, Angelo Mastrolia, as Chairman, and Fabio Fazzari, as Financial Reporting Officer, of the company Centrale del Latte d'Italia S.p.A. certify:

- The financial statements are adequate, in relation to the characteristics of the company, and
- The effective application of the administrative and accounting procedures for preparing the condensed half-year financial statements during the first half of 2024.

The assessment of the adequacy of the administrative and accounting procedures for drawing up the condensed half-year financial statements at 30 June 2024 is based on a process defined by Centrale del Latte d'Italia S.p.A. in compliance with the Internal Control – Integrated Framework model issued by the Committee of Sponsoring Organizations of the Treadway Commission, which is a generally internationally accepted framework of reference.

We can also certify that:

- a. the condensed half-year financial statements:
 - Were drafted in conformity with the applicable international accounting standards endorsed by the European Community under the terms of Regulation (EC) N° 1606/2002 of the European Parliament and Council, of 19 July 2002.
 - Correspond with the accounting books and records.
 - Are capable of providing a true and correct representation of the Company's balance sheet, economic and financial situation.
- b. The interim report on performance includes a reliable analysis of the references to important events that occurred in the first six months of the year and to their impact on the condensed half-year financial statements, together with a description of the main risks and uncertainties for the remaining six months of the year. The interim report on operations also includes a reliable analysis of the information on the significant transactions with related parties.

Turin, 09 September 2024

Angelo Mastrolia
Chairman of the BoD

Fabio Fazzari
Financial Reporting Officer



REVIEW REPORT ON CONDENSED INTERIM FINANCIAL STATEMENTS

To the shareholders of
Centrale del Latte d'Italia SpA

Foreword

We have reviewed the accompanying condensed interim financial statements of Centrale del Latte d'Italia SpA as of 30 June 2024, comprising the balance sheet, the income statement, the statement of comprehensive income, the statement of changes in shareholders' equity, the statement of cash flows and related explanatory notes. The directors of Centrale del Latte d'Italia SpA are responsible for the preparation of the condensed interim financial statements in accordance with the international accounting standard applicable to interim financial reporting (IAS 34) as adopted by the European Union. Our responsibility is to express a conclusion on these condensed interim financial statements based on our review.

Scope of Review

We conducted our work in accordance with the criteria for a review recommended by Consob in Resolution No. 10867 of 31 July 1997. A review of condensed interim financial statements consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than a full-scope audit conducted in accordance with International Standards on Auditing (ISA Italia) and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion on the condensed interim financial statements.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed interim financial statements of Centrale del Latte d'Italia SpA as of 30 June 2024 are not prepared, in all material respects, in accordance with the international accounting standard applicable to interim financial reporting (IAS 34) as adopted by the European Union.

Turin, 9 September 2024

PricewaterhouseCoopers SpA

Signed by

Monica Maggio
(Partner)

This review report has been translated into the English language solely for the convenience of international readers. Accordingly, only the original text in Italian language is authoritative.

PricewaterhouseCoopers SpA

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