THE BOARD APPROVED THE 31 DECEMBER 2020 DRAFT FINANCIAL STATEMENTS

FINE FOODS & PHARMACEUTICALS N.T.M. S.p.A. CLOSED WITH GROWTH ALSO IN 2020:

REVENUES + 8%

ADJ EBITDA +10%

ADJ EBITDA MARGIN AT 13%

PROPOSED ORDINARY DIVIDEND OF € 0.14 PER SHARE

Verdellino, 30 March 2021

The Board of Directors of Fine Foods & Pharmaceuticals N.T.M. S.p.A.:

- Approved the draft Financial Statements prepared for the first time based on international accounting standards;
- Proposed the distribution of an ordinary dividend for the 2020 financial year of € 0.14 per share;
- Proposed to revoke and grant a new authorisation to purchase and dispose of treasury shares;
- Convened the Ordinary and Extraordinary Shareholders' Meeting for 21 April 2021 on a single call;
- Approved the Articles of Association text, which will be effective after trading of the company's financial instruments on the MTA (Italian Equities Market), possibly adhering to the STAR segment.

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ADJ summary results

Thousands of Euro		31.12.2020	31.12.2019	Difference	Difference in %
Revenues		171,955	159,672	12,283	8%
EBITDA (1)	*	22,287	20,280	2,007	10%
EBITDA Margin (2)	*	13.0%	12.7%		
Net profit	**	9,339	11,857	(2,518)	(21%)

Thousands of Euro		31.12.2020	31.12.2019	Difference
Shareholders' equity		141,008	130,672	10,336
Net Financial Position (3)	***	(53,758)	(42,969)	(10,789)

* FY 2020 does not include non-recurring charges totalling €1.2 million.
FY 2019 does not include non-recurring charges totalling €2.8 million.

** FY 2020 does not include non-recurring financial income of €4.9 million (with no tax effect) and non-recurring charges totalling €1.2 million (€0.8 million net of the related tax effect).
FY 2019 does not include non-recurring financial charges totalling €12.6 million (with no tax effect) and non-recurring charges totalling €2.8 million (€2 million net of the related tax effect).

*** The balance as of 31 December 2020 does not include the financial debt generated by warrants for €11 million.
The balance as of 31 December 2019 does not include the financial debt caused by warrants for €18.6 million.

(1) Operating profit before depreciation, amortisation and write-downs
(2) Ratio between EBITDA and revenues
(3) Cash and cash equivalents and financial assets net of financial liabilities

- ✓ Revenues generated by the "Food" Business Unit: € 132 million (FY 2019: € 119.2 million; + 10.7%)
- ✓ Revenues generated by the "Pharma" Business Unit: € 40 million (FY 2019: € 40.5 million; -1.2%)
- ✓ EBITDA* Margin: 13% (FY 2019: 12.7%)
- ✓ The Net Financial Position*** was positive (net cash) by € 53.8 million against a value of € 43 million at 31 December 2019

The Board of Directors of Fine Foods & Pharmaceuticals N.T.M. S.p.A . - a company listed on AIM Italia and the leading independent Italian company in the Contract Development and Manufacturing Organisation (CDMO) of solid oral forms for the pharmaceutical and nutraceutical industries - today approved the 31 December 2020 Draft Financial Statements.

The Chief Executive Officer, Giorgio Ferraris, commented:

"Year 2020 was extremely challenging. The province of Bergamo, where our two plants are located, was the first community in Europe to be hit by COVID-19 and it took all the resilience of our company and our employees to come out, almost unscathed, from this dreadful threat, at that time unknown.

For most part of the first half of the year we fared in uncharted territory, accruing a gap in our revenues, that was eventually offset by an extraordinary second half, full though of inevitable inefficiencies triggered by the chaotic and erratic pattern of the year.

Once again, despite the situation, Fine Foods significantly outperformed the reference markets, Food Supplements and Medicinal Products in solid oral forms and we also managed to slightly increase the EBITDA margin, which, considered the circumstances, is nothing short of an extraordinary feat and the employee's satisfaction surged to all time levels.

We believe that the year 2020 showed the solidity of FF's business model and the strengths and reliability of our organization. The COVID tragedy further consolidated the cohesion of our company and the trust of all our stakeholders, which will be instrumental to resume our programs of organic growth and acquisitions in 2021."

31 DECEMBER 2020 INCOME STATEMENT AND BALANCE SHEET DATA

The Financial Statements are prepared under IAS/IFRS, issued by the IASB (International Accounting Standards Board) and are subject to audit.

ADJ Profit and loss figures

Thousands of Euro		31.12.2020	31.12.2019
Revenues		171,955	159,672
EBITDA (1)	*	22,287	20,280
EBIT (2)	*	10,651	10,920
Income before taxes	**	12,984	15,536
Net profit	**	9,339	11,857

* FY 2020 does not include non-recurring charges totalling €1.2 million.
FY 2019 does not include non-recurring charges totalling €2.8 million.

** FY 2020 does not include non-recurring financial income of €4.9 million (with no tax effect) and non-recurring charges totalling €1.2 million (€0.8 million net of the related tax effect).
FY 2019 does not include non-recurring financial charges totalling €12.6 million (with no tax effect) and non-recurring charges totalling €2.8 million (€2 million net of the related tax effect).

(1) Operating profit before depreciation, amortisation and write-downs
(2) Operating profit

2020 **Revenues** were approximately € 172 million with an overall increase of 8% compared to € 160 million in 2019. No Mergers and Acquisitions were performed during the 2020 financial year and the revenue increase was due to the company's organic growth component which was generated mainly by the Food business area.

EBITDA* amounted to approximately € 22 million and recorded an increase of € 2 million compared to the previous year, increasing its percentage on revenues from 12.7% to 13.0%.

EBIT* amounted to approximately € 10.6 million. This was a slight decrease compared to the previous year due to the full rate depreciation of the investments for the expansion of the Zingonia-Verdellino and Brembate production sites, which became operational in 2019.

Income before taxes** showed a decrease compared to 2019 generated by the change in fair value of the asset securities management, which, although positive, was lower than the previous year.

Net Profit** closed at € 9.3 million, down on the previous year due to the increase in the tax rate on income before taxes (from 24% in 2019 to 28% in 2020).

Balance Sheet Data

Thousands of Euro	FY 2020	FY 2019
Fixed assets	95,280	91,218
Net Working Capital	9,585	18,973
Other receivables and payables	(5,555)	(2,804)
Employee benefits	(1,063)	(1,100)
Net Invested Capital	**98,248**	**106,287**
Shareholders' equity	141,008	130,672
Net Financial Position	(42,760)	(24,385)

Fixed Assets increased by approximately€ 4.1 million compared to the previous year. This item includes investments of about € 16.0 million, including mainly new plant and machinery purchases, depreciation of about € 11.6 million and disposals for a net book value of approximately € 0.2 million.

The decrease in **Net Working Capital** is generated by the positive trend in Trade Receivables (reduction of € 4.4 million), Inventories (reduction of € 2.8 million) and Trade Payables (an increase of € 2.1 million).

The **Other Receivables and Payables** item showed a negative balance of approximately € 5.6 million at 31 December 2020, an increase compared to the end of the previous year, mainly due to the higher liability for current taxes of € 2.4 million.

Shareholders' equity confirmed the company solidity with an increase of more than € 10 million compared to the previous year, despite the purchase of treasury shares for € 4 million and the distribution of dividends approved by the 30 April 2020 Shareholders' Meeting for € 2.7 million.

The **Net Financial Position** was positive (net cash), by about € 42.8 million. An excellent cash generation, mainly from operating activities and working capital management, fully supported the new investments and the ongoing buy-back programme and dividends distribution.

SIGNIFICANT EVENTS AFTER THE YEAR-END

On 19 January 2021, under the binding term sheet signed on 16 November 2020, the company completed the acquisition of the entire share capital of Pharmatek PMC S.r.l. The transaction's consideration is € 11.2 million, subject to a price-adjustment of € 6 million if specific EBITDA targets are achieved over the next three years. The total disbursement, including earn-outs, is estimated at €17.2 million.

On 18 March 2021, the company signed a new Intesa San Paolo bank loan for € 8 million. The loan was disbursed on 23 March 2021 in a single instalment and expires on 18 September 2023. The applicable interest rate is equal to the one-month EURIBOR, which is increased by a fixed spread. This loan is not subject to financial constraints.

On 19 March 2021, the company signed a new Deutsche Bank loan of € 8.5 million. The loan was disbursed on 23 March 2021 in a single instalment which expires on 23 March 2023. The applicable interest rate is equal to the one-month EURIBOR, which is increased by a fixed spread. This loan is not subject to financial constraints.

BUSINESS OUTLOOK

According to various 2021 analyses, the second half of the year could see vaccines overcoming the pandemic crisis and a sustained economic recovery. Before then, global economic performance will be volatile, especially in Europe, depending on contagion waves. Global growth in 2021 is expected to be around 4.8%, offsetting the 4.1% decline in 2020 and bringing aggregate GDP back to pre-crisis levels. Asia will drive global recovery.

For Italy, 2021 could be a two-sided year, with downside risks in the first half of the year and an upside trend in the second half. In any case, it will take years to recover pre-COVID-19 levels. Overall, a GDP rebound of 4.7% is expected for 2021, after the 8.3% decline in 2020. The recovery will be more noticeable for investment than consumption. Fiscal policy support will only be partially withdrawn. Although new stimulus measures are unlikely in the Eurozone or the United States, monetary policies will remain accommodating. The current situation is characterised by the persistence of the health emergency's second wave. Its duration and possible effects are difficult to predict. The new health crisis makes it even more complex to predict the duration of the recession caused by the pandemic's start in March 2020 and its effects on the global economy.

The excellent volume trend during 2020 is mainly due to Fine Foods products' essentiality. The company has demonstrated its ability to cope with the emergency and ensure production continuity. The positive trend in volumes in the first quarter of 2021 leads us to exclude negative effects in the current year.

PROFIT ALLOCATION PROPOSAL

The Board of Directors proposed the following to the Shareholders' Meeting:

- ✓ to approve the Fine Foods & Pharmaceuticals N.T.M. S.p.A. 31 December 2020 Financial Statements, which show a net profit of € 13,364,228;
- ✓ to distribute an ordinary dividend of € 0.14 for each share with rights;
- ✓ to allocate the remainder to the Extraordinary Reserve.

The ex-dividend date is 03 May 2021, recorded on 04 May 2021 and the payment will start on 05 May 2021.

FINE FOODS & PHARMACEUTICALS N.T.M. S.p.A. ORDINARY SHAREHOLDERS' MEETING CONVOCATION

The Board of Directors resolved to call the ordinary and extraordinary Shareholders' Meeting, according to the financial calendar, for 21 April 2021 in a single call, with the following Agenda:

Ordinary Meeting:

1. 31 December 2020 Financial Statements, related and consequent resolutions.
2. Appoint the new Board of Directors.
3. Appoint the new Board of Statutory Auditors.
4. Authorise the purchase and disposal of treasury shares under articles 2357 and 2357-ter of the Civil Code, subject to the revocation of the unexecuted part of a previous Shareholders' Meeting authorisation dated 30 April 2020. Related and consequent resolutions.
5. Approve the plan to list the "Fine Foods & Pharmaceuticals N.T.M. S.p.A." ordinary shares and warrants on the Mercato Telematico Azionario, (Equities Market), possibly adhering to the STAR segment, organised and managed by Borsa Italiana S.p.A.; related and consequent resolutions.

Extraordinary meeting:

1. Amend the articles of association, preliminary and related to the listing of shares on the Mercato Telematico Azionario (Equities Market), possibly the STAR segment, organised and managed by Borsa Italiana S.p.A.; related and consequent resolutions.

REVOCATION AND GRANTING OF NEW AUTHORISATION TO PURCHASE AND DISPOSE TREASURY SHARES

The Board of Directors resolved to submit to the Shareholders' Meeting the granting of a new authorisation to purchase and dispose of treasury shares, subject to revocation of the previous 30 April 2020 resolution.

TRANSLISTING PROJECT UPDATE

The Board of Directors noted that the filing with Consob and Borsa Italiana of the simplified prospectus is expected in mid-April 2021 and, hopefully, the company's admission's ordinary shares and warrants on the MTA, possibly STAR Segment, will take place by June 2021.

The Board of Directors resolved to approve the Company's Articles of Association text, which will be effective subject to trading the company's financial instruments on the MTA, possibly adhering to the STAR Segment. This will incorporate the regulatory provisions applicable to companies with shares listed on a regulated market and propose its approval to the shareholders' meeting.

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This press release is available on the Fine Foods website www.finefoods.it, in the Investor Relations/Press Releases section.

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Fine Foods & Pharmaceuticals N.T.M. S.p.A., founded in 1984, is the leading independent Italian company in the contract development and manufacturing organisation (CDMO) of solid oral forms for the pharmaceutical and nutraceutical industries. The company is recognised on the market for its high-quality products and has long-term relationships with most of its customers (more than one hundred). It has more than 600 employees and has generated revenues for about 172 million Euros with over 60 per cent of its sales volumes abroad in 2020.

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31 DECEMBER 2020 FINANCIAL STATEMENTS

INCOME STATEMENT

	Year ended 31 December	
	2020	**2019**
Revenues and income		
Revenues from contracts with customers	171,955,007	159,672,133
Other income	4,997,187	1,941,129
Total revenues	**176,952,194**	**161,613,263**
Operating costs		
Costs for consumption of raw materials, change in inventories of finished goods and work in progress.	(108,828,064)	(96,607,941)
Personnel costs	(30,972,513)	(28,477,578)
Costs for services	(14,975,285)	(17,207,866)
Other operating costs	(1,055,019)	(1,811,789)
Amortisation, depreciation, and write-downs	(11,636,753)	(9,360,029)
Total operating costs	**(167,467,634)**	**(153,465,203)**
Changes in fair value of financial assets and liabilities	7,652,331	(7,513,584)
Financial income	57,308	3,055
Financial charges	(510,567)	(522,644)
Income before taxes	**16,683,632**	**114,886**
Income taxes	(3,319,404)	(2,905,150)
Profit/(loss) for the financial year	**13,364,228**	**(2,790,264)**
Profit/(loss) per share		
▶ Basic – profit for the year attributable to the Company ordinary shareholders	**0.58**	**(0.12)**
▶ Diluted – profit for the year attributable to the Company ordinary shareholders	**0.55**	**(0.12)**

COMPREHENSIVE INCOME STATEMENT

	Year ended 31 December	
	2020	**2019**
Profit/(loss) for the financial year (A)	**13,364,228**	**(2,790,264)**
Components that will not be subsequently reclassified in the operating result for the financial year		
Revaluation of net employee benefit liabilities/assets	(17,381)	(63,778)
Tax effect	4,172	15,307
Other comprehensive income (B) components	**(13,210)**	**(48,471)**
Comprehensive profit (loss) (A+B)	**13,351,018**	**(2,838,735)**

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STATEMENT OF FINANCIAL POSITION

	As of 31 December		As of 1 January
(amounts in € units)	**2020**	**2019**	**2019**
Assets			
Non-current assets			
Property, plant and machinery	93,413,964	89,332,612	78,575,754
Other intangible fixed assets	1,510,516	1,273,296	1,059,699
Rights of use	355,457	612,328	857,091
Deferred tax assets	1,607,531	1,437,424	1,661,946
Total non-current assets	**96,887,467**	**92,655,660**	**82,154,490**
Current assets			
Inventories	19,647,515	22,487,824	21,987,420
Trade receivables	12,660,157	17,093,400	21,379,867
Tax receivables	-	140,661	716,572
Other current assets	3,292,257	2,377,902	4,575,742
Current financial assets	71,608,964	72,167,993	-
Cash and other liquid assets	3,342,518	2,627,472	74,637,090
Total current assets	**110,551,410**	**116,895,252**	**123,296,691**
Total assets	**207,438,877**	**209,550,913**	**205,451,181**
Shareholders' equity			
Share Capital	22,601,885	22,564,043	22,563,970
Other reserves	123,847,446	123,552,274	121,499,329
Employee benefit reserve	(61,681)	(48,471)	-
FTA reserve	(9,883,868)	(12,605,185)	(12,726,822)
Profits carried forward	(8,859,849)	-	(381,962)
Profit/(loss) for the financial year	13,364,228	(2,790,264)	8,686,286
Total Shareholders' Equity	**141,008,161**	**130,672,396**	**139,640,801**
Non-current liabilities			
Bonds	6,632,483	9,896,567	9,859,540
Non-current bank borrowings	9,060,857	10,722,977	12,743,312
Employee benefits	1,062,790	1,099,905	1,088,321
Provision for deferred taxes	414,035	920,113	-
Non-current lease obligations	147,179	317,251	567,485
Total non-current liabilities	**17,317,343**	**22,956,813**	**24,258,659**
Current liabilities			
Bonds	3,297,542	-	-
Current bank borrowings	1,863,255	10,611,947	5,509,174
Trade payables	22,722,377	20,608,429	23,871,811
Taxes payable	2,480,968	252,744	126,762
Current lease obligations	192,529	277,656	274,798
Other current financial liabilities	10,997,144	18,583,904	6,057,032
Other current liabilities	7,559,559	5,587,024	5,712,144
Total current liabilities	**49,113,373**	**55,921,704**	**41,551,721**
Total Shareholders' equity and Liabilities	**207,438,877**	**209,550,913**	**205,451,181**

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CASH FLOW STATEMENT

	Year ended 31 December	
(amounts in € units)	**2020**	**2019**
PROFIT/(LOSS) FOR THE FINANCIAL YEAR	**13,364,228**	**(2,790,264)**
Adjustments to reconcile profit after tax with net cash flows:		
Depreciation and impairment of property, plant and machinery	10,728,103	8,579,989
Amortisation and impairment of intangible fixed assets	626,440	508,145
Amortisation of use rights	282,210	271,894
Financial income	(57,308)	(529)
Financial charges	506,839	484,433
Changes in fair value of financial assets and liabilities	(7,652,331)	7,513,584
Financial charges on financial liabilities for leases	3,728	5,713
Income taxes	3,831,332	1,745,209
Personnel costs for stock grants	1,016,101	693,085
Gains on the disposal of property, plant and machinery	14,136	(22,932)
Current assets write-downs	2,971,512	789,494
Net change in severance indemnity and pension funds	(62,478)	(65,121)
Net change in deferred tax assets and liabilities	(672,013)	1,159,941
Interest paid	(445,277)	(476,691)
Income taxes paid	(1,289,441)	(1,759,889)
Changes in net working capital:		
(Increase)/decrease in inventories	(66,257)	(1,376,343)
(Increase)/decrease in trade receivables	4,368,298	4,372,911
(Increase)/decrease in other non-financial assets and liabilities	885,175	2,789,293
Increase/(decrease) in trade payables	2,113,948	(3,263,382)
NET CASH FLOWS FROM OPERATING ACTIVITIES	**17,102,716**	**21,948,804**
Investments:		
Investments in tangible fixed assets	(14,945,472)	(19,409,161)
Tangible fixed assets disposals	121,881	95,245
Investments in intangible fixed assets	(863,370)	(721,452)
Net financial assets (investments)/disposals	3,345,917	(67,033,068)
NET CASH FLOWS FROM INVESTMENTS	**(12,341,043)**	**(87,068,436)**
Financing:		
New financing	-	1,500,000
Funding repayment	(10,377,355)	(3,483,308)
Increase/(decrease) in financial liabilities	-	5,102,773
Principal payments - lease liabilities	(280,828)	(274,798)
Dividends paid to the parent company's shareholders	(2,743,472)	(2,232,218)
Increase/(decrease) in capital	37,842	73
Sale/(purchase) of treasury shares	(4,047,042)	(4,712,245)
Other changes in shareholders' equity	-	-
CASH FLOWS FROM FINANCING	**(17,410,856)**	**(4,099,724)**
NET CHANGE IN CASH AND CASH EQUIVALENTS	**715,045**	**(72,009,620)**

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SHAREHOLDERS' EQUITY CHANGES

	Share Capital	Legal reserve	Negative reserve for treasury shares in the portfolio	Merger surplus reserve	Share premium reserve	Extraordinary reserve	Other reserves	FTA reserve	Employee benefit reserve	Profits/losses carried forward	Profit/loss for the financial year	Total Shareholders' equity
Balance as of 1 January 2020	**22,564,043**	**5,000,000**	**(4,712,245)**	**29,741,389**	**86,743,750**	**6,072,106**	**707,274**	**(12,605,186)**	**(48,471)**	**-**	**(2,790,264)**	**130,672,396**
Profit/(loss) for the financial year											13,364,228	**13,364,228**
Other income statement components									(13,210)			**(13,210)**
Comprehensive profit/(loss)	-	-	-	-	-	-	-	-	**(13,210)**	-	**13,364,228**	**13,351,018**
Dividends											(2,743,472)	**(2,743,472)**
Stock Grant							1,016,101					**1,016,101**
Purchase of treasury shares			(4,047,042)									**(4,047,042)**
Warrant exercise	37,842							2,721,318				**2,759,160**
2020 profit allocation						6,069,585				(8,859,849)	2,790,264	-
Balance as of 31 December 2020	**22,601,885**	**5,000,000**	**(8,759,287)**	**29,741,389**	**86,743,750**	**12,141,691**	**1,723,375**	**(9,883,868)**	**(61,681)**	**(8,859,849)**	**10,620,756**	**141,008,161**