The Board of Directors approved today the Interim Financial Report as of 30 September 2022.

Revenues up for Fine Foods, driven by Pharma and Cosmetics BUs

The first nine months of 2022 showed revenues up by 5.5% compared to 2021,
due to the Cosmetics BU and Pharma BU performance.
The Pharma BU exceeded the turnover for 2021 (+38.7%) in the first nine months of 2022.
This was because of the integration and streamlining of the Group business.

- **Revenues** for the first nine months of 2022 were € 152.8 million, up 5.5% compared to € 144.9[1] million in the same period of 2021, benefiting from the Pharma BU performance and the consolidation of the revenues of the acquired companies. Revenues in Q3 2022 (€ 52.2 million) showed an improvement compared to revenues in previous quarters.
- **EBITDA** in 9M 2022 was € 12.1 million compared to € 18 million in 9M 2021. Adjusted EBITDA[2] for the period was € 12.6 million, down from € 18.8 million in 9M 2021, due to the supply chain crisis and the significant increase in energy costs. In Q3 2022 these costs were € 2.6 million (€ 5.4 million in 9M 2022).
- **EBITDA Margin** in 9M 2022 was 7.9%, down from 12.4%[1] in 9M 2021. Adjusted EBITDA Margin was 8.2% in 9M 2022, compared to the 9M 2021 Adjusted EBITDA Margin of 13%[1]. Excluding the energy cost increases, Adjusted EBITDA Margin was 12% in Q3 2022 and 10.8% in 9M 2022. These values were closer to Fine Foods' historical margin trends.
- The **Operating Profit (EBIT)** in 9M 2022 was € 1 million, down from € 8.3 million in 9M 2021. The Adjusted EBIT was € 1.4 million, down from € 9.2 million in 9M 2021, due to the same causes that impacted Adjusted EBITDA and a depreciation and amortisation increase.
- **Income Before Taxes** in 9M 2022 was € -11.6 million compared to € -2.2 million in the same period of 2021. Adjusted Income Before Taxes was € -11.1 million down from € +11.4 million in 9M 2021. This loss was almost entirely attributable to the negative result from financial operations totalling € -12.6 million, which includes, in addition to the financial charges for the period, the negative change in Fair Value of asset management and the write-down of a financial receivable.
- The Group's **Net Financial Position** as of 30 September 2022 was € 46.8 million, up from the NFP of € 15.7 million as of 31 December 2021. There was a progressive improvement of the NFP trend in the first three quarters of FY 2022.

[1] See footnote
[2] See footnote

Verdellino (Bergamo, Italy), 14 November 2022 - The Board of Directors of Fine Foods & Pharmaceuticals N.T.M. S.p.A. - an Italian independent Contract Development & Manufacturing Organisation (CDMO) that develops and manufactures contract products for the pharmaceutical, nutraceutical, cosmetics, biocides and medical devices industries, listed on Euronext STAR Milan (ticker: FF), approved the Interim Financial Report as of 30 September 2022.

The first nine months of 2022 saw a progressive business growth for Fine Foods. This was due to strengthening R&D, marketing and commercial activities, and defensive actions on the cost structure undertaken by the Group to cope with the complexity and uncertainty of the evolving international economic and geo-political situation.

The first nine months of 2022 showed **Revenues** of € 152.8 million, up 5.5% from € 144.9 million in 9M 2021.

The Q3 2022 revenue trend (€ 52.2 million) increased compared to the previous quarters as follows: € 49.8 million in Q2 2022, € 50.8 million in Q1 2022, and € 50 million in Q4 2021. The Parent Company Q3 2022 revenues (€ 43.8 million) were higher than the previous three quarters.

The Pharma Business Unit confirmed its turnover increase in Q3 2022, reaching € 40 million in 9M 2022. This represented a growth of 38.7% compared to the same period of the previous year. The Pharma BU revenues in 9M 2022 have exceeded the FY 2021 revenues.

The contribution of the Cosmetics Business Unit in 9M 2022 was € 26.5 million. Considering that Pharmatek was acquired in January 2021 and Euro Cosmetic in October 2021, a year-on-year comparison was not shown. However, comparing the Cosmetics BU revenues in 9M 2022 to the aggregate figure of the two stand-alone companies in the same period of 2021, there was an increase of 8.5% due to the progressive organisational, production and commercial integration of the two companies.

Revenues of the Food Business Unit in 9M 2022 were € 86.4 million compared to € 107.2 million in 9M 2021. This result was mainly attributable to a production decrease in markets affected by the Russian-Ukrainian conflict and a slowdown in our customers' activities in the Multilevel Marketing sector. They saw a sales drop following the recovery of the post-Covid economy.

The decline in the Food Business Unit in 9M 2022 was largely offset by increases in turnover in the Pharma and Cosmetics BUs.

EBITDA in 9M 2022 was € 12.1 million compared to € 18 million in 9M 2021. Adjusted EBITDA was € 12.6 million, down from € 18.8 million during the same period of the previous financial year, due to the supply chain crisis and the significant increase in energy costs. In Q3 2022 these costs were € 2.6 million (€ 5.4 million in 9M) with an incidence on revenues of 5% compared to 1.1% in Q3 2021 (3.5% in 9M compared to 1% in 9M 2021, equal to a change in absolute value of approximately € 4 million).

Both effects were attributable to the continuing international economic situation.

EBITDA Margin in 9M 2022 was 7.9% and Adjusted EBITDA Margin was 8.2%, down from 12.4% and 13% in 9M 2021 respectively. The Adjusted EBITDA Margin comparison over the last four quarters showed a 4.7% in Q4 2021, a 7.8% in Q1 2022, an 8.9% in Q2 2022 and an 8% in Q3 2022. This quarter was marked by further significant increases in energy costs. Excluding the above increases, Adjusted EBITDA Margin was 12% in Q3 2022 and 10.8% in 9M 2022. These values were closer to Fine Foods' historical margin trends.

In Q3 2022, the material and energy cost increases were further shared with customers. The incidence of production downtime that affected the first part of the year was substantially reduced due to efficient stock management. The Group is addressing the energy crisis with the use of co-generators and photovoltaic systems and securing the supply with forward contracts.

The **Operating Profit** (EBIT) in 9M 2022 was € 1 million, down from € 8.3 million in 9M 2021. The Adjusted EBIT was € 1.4 million, down from € 9.2 million in 9M 2021, due to the same causes that impacted Adjusted EBITDA, as above mentioned, and a depreciation and amortisation increase.

Income before taxes for the first nine months of 2022 was € -11.6 million and Adjusted Income before taxes was € -11.1 million, down from € -2.2 million and € +11.4 million in 9M 2021, respectively. This loss was almost entirely attributable to the negative result from financial operations totalling € -12.6 million, which lead to a 9M 2022 **Loss for the period** of € -11.9 million (Adjusted Loss for the period € -11.6 million) compared to € -2.9[3] million in 9M 2021 (Adjusted Profit for the period € +7.4[4] million in 9M 2021).
The negative result from financial operations was due to two factors.

- The Parent Company's equity securities management from which a negative change in Fair Value of € 7.9 million in the first nine months of 2022 emerged. Despite the negative Fair Value change, the overall management showed a positive performance of about € 3.9 million as of 30 September 2022.
- In October 2022, Fine Foods received the Expert's Report on the Leakage Reimbursement Request against the former Euro Cosmetic's shareholders. Based on this Report, Fine Foods was granted a reimbursement of € 3.5 for purchase price adjustment - out of € 6.7 million originally requested.
  The Expert did not deem this portion of the receivable admissible, even if, in their opinion, a Contract literal interpretation suggests that the Leakage reimbursement request should be entirely granted to the acquiring party. The Company will consider further action to recover the claim in its entirety.
  The Result for the Period was impacted by the write-down of the remaining part of the related financial receivables for € 3.2 million.

Fine Foods & Pharmaceuticals N.T.M. S.p.A. Chief Executive Officer, Giorgio Ferraris, said:

"We confirm the recovery trend from the most critical quarter of the current crisis, i.e. Q4 2021, although the geopolitical and macroeconomic environment is significantly penalising 2022 margins, mainly due to rising energy costs, which are subject to geopolitical factors. We are optimistic about the outlook for the coming months and the continued improvement of the critical supply chain issues."

[3] See footnote

[4] See footnote

Tangible Fixed Assets, Intangible Fixed Assets and Rights to Use were €128.2 million as of 30 September 2022 compared to € 127.5 million as of 31 December 2021, increasing by € 0.6 million due to investments of approximately € 11.8 million and amortisation and depreciation of approximately € 11.1 million.

Working capital as of 30 September 2022 was € 48.9 million compared to € 34.6 million at the end of the previous financial year. This decline was generated by the increase in trade receivables (€ 9.5 million) and inventories (€ 7.5 million), which rose sharply due to the unavailability of raw and packaging materials. The "Other current assets" item improved (€ 4.1 million) due to the reduction of the VAT Receivable of € 4.4 million.

The **Shareholders' Equity** as of 30 September 2022 was impacted by the loss for the period and the distribution of Dividends.

The Group's **Net Financial Position** as of 30 September 2022 was € 46.8 million, up from the NFP of € 15.7 million as of 31 December 2021. As highlighted in the half-year results, the change was mainly due to the increase in commercial Net Working Capital, CAPEX made in the period and dividends distributed in H1 2022 following the resolution to approve the Financial Statements for the year ended 31 December 2021. We report the improvement in the NFP trend in the three quarters of the 2022 financial year, with absorption of € 17.3 million in Q1 2022, € 9.2 million in Q2 2022 (€5.3 million net of dividends) and € 4.7 million in Q3 2022 (€ 1.4 million net of the financial receivables write-down).

EVENTS FOLLOWING THE END OF THE PERIOD

By a 13 October 2022 resolution, the Shareholders' Meetings approved the planned Merger by incorporation of "Pharmatek PMC" into "Euro Cosmetic". The proposed merger will be implemented using a simplified procedure under Art. 2505 of the Italian Civil Code . The merger's civil legal effects will run from the date on which the last merger deed registration is made in the Companies' Register or from the date specified in the merger deed (by the end of December 2022). Transactions carried out by Pharmatek PMC will be recorded in the Financial Statements of the merging company as of 1 January 2023, along with the merger tax effects.

BUSINESS OUTLOOK

Due to the results achieved in 9M 2022, we confirm what was stated in the Half-Year Financial Report, i.e. the Group expects to meet the challenges of the current and future years and return to historical growth.

The Group will develop the business along the three main lines - Pharma, Food and Cosmetics - by strengthening R&D, marketing and sales activities and implementing continuous improvement projects.

Due to synergies with the Parent Company, the development and integration activities of the acquired companies continue to generate future business opportunities in the cosmetics sector. Fine Foods will seize any opportunities for growth through external lines.

In addition to the policies for the management of inventories and for recharging the cost of raw and packaging materials, and incremental energy costs to customers, the Group has installed two photovoltaic

systems at its Trenzano (BS) and Brembate (BG) sites. These will bring energy efficiencies in the last period of 2022, and positive environmental effects, which will be consolidated in FY 2023.

The Parent Company applied for recognition by the relevant authorities of the 'White Certificates' resulting from the activation of the two co-generators.

Fine Foods' sustainability programme is continuing and obtained the Platinum Sustainability Rating from Ecovadis. This is an increasingly competitive factor in a world oriented toward developing and implementing sustainable practices which create wealth while reducing the environmental impact.

The Board of Directors today approved the updates to the Inside Information Disclosure Procedure and the Organisation, Management and Control System under Legislative Decree no. 231/01.

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It should be noted that under Article 154-ter, paragraph 2, of Legislative Decree no. 58 of 24 February 1998, the Interim Financial Report as of 30 September 2022, approved by the Board of Directors on today's date, will be made available today to shareholders and the public at the Company's registered office, on the Company's website at www.finefoods.it, Investor Relations/Financial Reports section, and the authorised storage system 1info - www.1info.it.

Under Art. 154-bis, paragraph 2 of the Consolidated Law on Financial Intermediation, the Manager responsible for preparing the corporate financial reports, Pietro Bassani, declared that the accounting information contained in this press release corresponds to the document results, accounting books and records.

This press release is available on the Fine Foods website www.finefoods.it, in the Investor Relations/Press Releases section. The Inside Information Disclosure Procedure is available on the Fine Foods' website at www.finefoods.it, in the Governance/Corporate Documents section. Organisation, Management, and control System under Legislative Decree no. 231/01 is available on the Fine Foods' website www.finefoods.it, in the Sustainability/Code of Ethics and Policies section.

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Fine Foods & Pharmaceuticals N.T.M. S.p.A., listed on Borsa Italiana's Euronext STAR Milan (Ticker: FF) is an Italian independent CDMO (Contract Development and Manufacturing Organisation) It develops and manufactures contract products for the pharmaceutical, nutraceutical, cosmetics, biocides and medical devices industries. Founded in 1984, Fine Foods proved to be a reliable and capable strategic partner for customers in the reference sectors. The company's organisation can provide successful design process and solid, long-term partnerships. The continuous search for excellence is part of the company's business model and includes research and development, innovation, process reliability, product quality, ESG, and sustainable management of the Group's supply chain. Fine Foods is a benefit corporation which relies on certifications and ratings under international standards. These guarantee its sustainability commitment across the business. With € 193 million revenue in 2021 and more than 11 per cent CAGR over the last decade, Fine Foods is a growing and future-oriented company.

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1. The Group reclassified the revenues from services provided to customers from "other revenues" to "revenues", as the latter meet the requirements to be reported under "revenues from customer contracts." The comparative figures have been restated accordingly. Revenues from customer contracts as of 30 September 2021 are currently € 144.9 million compared to € 143.4 million presented before according to the Press Release issued on 12 November 2021. This did not effect the Income Statement subtotal Total revenue or other Income Statement items. The percentages for the 30 September 2021 figures reported in this press release have been recalculated based on the new value of customer contract revenues of € 144.9 million.
2. The Adj. EBITDA is the operating result before Amortisation, Depreciation and Provisions minus operating revenues and costs that, although business related, were non-recurring and did not significantly impact results.
3. The loss for the first nine months of 2021 was attributable to the accounting effects generated by the change in fair value of listed and unlisted warrants held by the Parent Company that have been fully converted into shares.
4. Adjusted Net Income for the first nine months of 2021, of € 7.4 million, was changed in this Interim Financial Report, and in the 30 June 2022 Half-Year Financial Report compared to € 10.5 million in the 30 September 2021 Interim Financial Report and the related Press Release issued on 12 November 2021 to incorporate the taxation on the change in the fair value of the warrants specified in the reply to the question ("interpello") submitted by the Parent Company to the Inland Revenue Agency, received at the end of 2021.

Consolidated income statement

(amounts in € units)	Nine Months 30 September 2022	Nine Months 30 September 2021
Revenues and income		
Revenues from contracts with customers	152,816,103	144,857,681
Other revenues and income	326,276	211,990
Total revenues	**153,142,380**	**145,069,671**
Operating costs		
Costs for consumption of raw materials, change in inventories of finished goods and work in progress.	92,707,301	87,128,213
Personnel costs	28,249,926	25,077,300
Costs for services	19,121,884	14,016,014
Other operating costs	944,914	866,095
Amortisation, depreciation, and impairment losses	11,133,814	9,640,744
Total operating costs	**152,157,839**	**136,728,367**
Changes in fair value of financial assets and liabilities	(7,885,713)	(10,027,799)
Financial income	29,962	24,854
Financial charges	(4,695,584)	(513,262)
Income before taxes	**(11,566,794)**	**(2,174,903)**
Income taxes	322,460	713,607
Profit/(loss) for the financial year	**(11,889,254)**	**(2,888,510)**

Consolidated comprehensive income statement

(amounts in € units)	Nine Months 30 September 2022	Nine Months 30 September 2021
Profit /(loss) for the financial year (A)	**(11,889,254)**	**(2,888,510)**
Components that will not be subsequently reclassified to profit/(loss) for the financial year		
Revaluation of net employee benefit liabilities/assets	324,505	37,620
Tax effect	(40,099)	(9,029)
Other comprehensive income (B) components	**284,406**	**28,591**
Comprehensive profit/(loss) (A+B)	**(11,604,848)**	**(2,859,918)**

Consolidated statement of financial position

(amounts in € units)	30 September 2022	31 December 2021
Assets		
Non-current assets		
Property, plant and machinery	104,103,223	102,886,510
Goodwill	15,907,954	15,907,954
Other intangible fixed assets	2,235,487	2,337,675
Rights of use	5,914,637	6,408,388
Other non-current assets	239,610	237,333
Deferred tax assets	3,058,831	3,482,100
Total non-current assets	**131,459,742**	**131,259,960**
Current assets		
Inventories	42,597,018	35,050,484
Trade receivables	38,906,311	29,433,391
Tax receivables	2,421,903	2,421,853
Other current assets	5,425,182	9,554,455
Current financial assets	66,401,641	77,971,110
Cash and other liquid assets	14,058,769	17,118,957
Total current assets	**169,810,825**	**171,550,251**
Total assets	**301,270,567**	**302,810,211**
Shareholders' equity		
Share Capital	22,770,445	22,770,445
Other reserves	126,509,806	132,615,098
Employee benefit reserve	213,395	(71,012)
FTA reserve	(6,669,789)	(6,669,789)
Profits carried forward	22,610	-
Profit/(loss) for the financial year	(11,889,254)	(1,426,751)
Total Shareholders' Equity	**130,957,212**	**147,217,991**
Non-current liabilities		
Bonds	3,332,679	3,322,876
Non-current bank borrowings	78,924,822	35,298,177
Employee benefits	2,553,678	3,010,691
Provisions for risks and charges	163,099	35,489
Provision for deferred taxes	1,060,981	1,081,159
Non-current lease payables	2,634,404	3,137,292
Other non-current financial liabilities		-
Total non-current liabilities	**88,669,663**	**45,885,684**
Current liabilities		
Bonds	3,319,532	3,310,176

Current bank borrowings	38,287,618	64,920,523
Trade payables	30,655,197	32,532,117
Taxes payable	-	5,536
Current lease payables	806,126	774,991
Other current financial liabilities	-	-
Other current liabilities	8,575,220	8,163,193
Total current liabilities	**81,643,692**	**109,706,536**
Total Shareholders' equity and Liabilities	**301,270,567**	**302,810,211**

Consolidated cash flow statement

	9 months 30 September 2022	9 months 30 September 2021
PROFIT/(LOSS) FOR THE FINANCIAL YEAR	**(11,889,254)**	**(2,888,510)**
Adjustments to reconcile profit after tax with net cash flows:		
Depreciation and impairment of property, plant and machinery	9,756,099	8,559,117
Amortisation and impairment of intangible fixed assets	643,726	659,294
Amortisation of rights of use	733,989	371,576
Other write-downs of fixed assets	-	14,155
Impairment of financial receivables	3,266,960	-
Financial income	(29,962)	(24,854)
Financial charges	1,385,843	499,428
Changes in fair value of financial assets and liabilities	7,885,713	10,027,799
Financial charges on financial liabilities for leases	42,781	13,834
Income taxes	(32,753)	357,665
Personnel costs for stock grants	-	793,833
Gains on the disposal of property, plant and machinery	(36,492)	(72,853)
Current assets write-downs	681,515	542,601
Net change in severance indemnity and pension funds	(154,123)	(109,339)
Net change in provisions for risks and charges	150,000	-
Net change in deferred tax assets and liabilities	362,992	355,942
Interest paid	-	(483,189)
Income taxes paid	-	(3,538,262)
Changes in net working capital:		
(Increase)/decrease in inventories	(8,075,510)	(7,006,852)
(Increase)/decrease in trade receivables	(9,696,571)	(9,093,958)
(Increase)/decrease in other non-financial assets and liabilities	4,563,141	(7,177,918)

Disposal of assets held for sale	-	495,000
Increase/(decrease) in trade payables	(1,802,758)	(3,799,739)
NET CASH FLOWS FROM OPERATING ACTIVITIES	**(3,621,712)**	**(8,616,719)**
Investments:		
Investments in tangible fixed assets	(11,092,500)	(6,983,087)
Disposal of tangible fixed assets	156,181	162,879
Investments in intangible fixed assets	(541,538)	(751,113)
Net (investments)/disposals in financial assets	416,796	4,151,576
Acquisition of Subsidiaries	-	(9,645,232)
NET CASH FLOWS FROM INVESTMENTS	**(11,061,062)**	**(13,064,978)**
Financing:		
New financing	72,650,407	31,621,332
Funding repayment	(55,637,508)	(302,129)
Principal payments - lease liabilities	(711,991)	(301,297)
Dividends paid to the parent company's shareholders	(3,866,869)	(3,205,727)
Share capital increase	-	168,560
Sale/(purchase) of treasury shares	(811,452)	(6,230,907)
CASH FLOWS FROM FINANCING	**11,622,588**	**21,749,833**
NET CHANGE IN CASH AND CASH EQUIVALENTS	**(3,060,186)**	**(2,820,374)**
Cash and short-term deposits as of 1 January	**17,118,957**	**3,342,518**
Cash and short-term deposits as of 30 September	**14,058,769**	**522,145**

Consolidated 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 2022	**22,770,445**	**5,000,000**	**(15,939,707)**	**29,741,389**	**86,743,750**	**19,556,720**	**7,512,947**	**(6,669,789)**	**(71,011)**	**-**	**(1,426,751)**	**147,217,991**
Profit/(loss) for the financial year											(11,889,254)	**(11,889,254)**
Other income statement components	-	-	-	-	-	-	-	-	284,406			**284,406**
Comprehensive profit/(loss)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**284,406**	**-**	**(11,889,254)**	**(11,604,848)**
Dividends						(3,866,869)						**(3,866,869)**
IRS derivatives provision							22,390					**22,390**
Stock Grant			3,130,050				(3,130,050)					
Purchase of treasury shares			(811,452)									**(811,452)**
2021 profit allocation						(1,449,361)				22,610	1,426,751	**-**
Balance as of 30 September 2022	**22,770,445**	**5,000,000**	**(13,621,109)**	**29,741,389**	**86,743,750**	**14,240,490**	**4,405,287**	**(6,669,789)**	**213,395**	**22,610**	**(11,889,254)**	**130,957,213**