The Board of Directors of Fine Foods & Pharmaceuticals N.T.M. S.p.A today approved the Group's Interim Financial Report as of 31 March 2023.

Fine Foods closes Q1 2023 with Revenues +29.2% and EBITDA +100.6% compared to Q1 2022

The significant recovery in Food BU revenues (+37.8%)
complements the strong revenue growth of the Pharma BU (+41.8%).

Positive EBITDA margins of € 7.9 million,
this value doubled compared to Q1 2022.

EBITDA Margin increased from 7.8% in Q1 2022 to 12.1% in Q1 2023.

Highlights

- Q1 2023 **Revenues** were € 65.6 million, with a strong increase (+29.2%) compared to € 50.8 million in Q1 2022.
- Q1 2023 **EBITDA** was € 7.9 million, which doubled from € 4 million in Q1 2022.
- Q1 2023 **EBITDA Margin** of 12.1%, improved from 7.8% in Q1 2022. EBITDA Margin would be at 13% net of energy cost increases.
- Q1 2023 **Operating Result (EBIT)** was € 4.2 million compared to € 0.4 million in Q1 2022.
- Q1 2023 **Income Before Taxes** was € 4.3 million, with a shift from € -2.3 million in Q1 2022.
- Q1 2023 **Profit for the Period** was € 2.9 million, with a shift from the Loss for the Period of € -2.5 million in Q1 2022.
- The Group's **Net Financial Position** as of 31 March 2023 was € 51.5 million, compared to € 43.6 million as of 31 December 2022.

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Verdellino (Bergamo, Italy), 15 May 2023 - 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, and cosmetics industries, listed on Euronext STAR Milan (ticker: FF), today approved the Group's Interim Financial Report as of 31 March 2023, prepared under IAS/IFRS Accounting Standards issued by the IASB (International Accounting Standards Board) and not subject to audit.

Q1 2023 showed Consolidated Revenues of € 65.6 million, up 29.2% compared to € 50.8 million in Q1 2022.

Fine Foods & Pharmaceuticals N.T.M. S.p.A, CEO Giorgio Ferraris said: *"Q1 2023 closed with an important revenue growth of 29.2%, confirming our ability to ground actions to support development in the most complex situations. We are pleased with the Food and Pharma BUs performance and are optimistic about the future of the Cosmetic BU, which in the first quarter was penalised by the integration of the two plants following the merger."*

Food Business Unit Revenues in Q1 2023 were € 40.7 million compared to € 29.5 million in Q1 2022, with an increase of 37.8% compared to Q1 2022 despite the continuing Russian-Ukrainian conflict and other market difficulties.

The Pharma Business Unit contributed to Q1 2023 growth, with an increase of 41.8%, from € 11.9 million in Q1 2022 to € 16.8 million in Q1 2023, generated by increased volumes of existing products and new production.

Cosmetic Business Unit contribution in the Q1 2023 was € 8.1 million compared to € 9.4 million recorded in the same period of 2022: despite a significant back-log of orders, up compared to the first quarter of the previous year, Cosmetic BU recorded a decrease mainly due to the temporary production slowdown due to the restructuring of the Trenzano production site and the integration operations of Pharmatek, which just merged into Euro Cosmetic.

EBITDA in Q1 2023 was € 7.9 million, with a significant improvement compared to € 4 million in the first quarter of the previous year of 100.6%.

EBITDA Margin in Q1 2023 was 12.1% compared to 7.8% in Q1 2022. The margin improvement derived from the reduction in the impact of personnel and energy costs on revenues, and better absorption of fixed costs on revenues. However, the energy percentage cost is still higher than the historical cost. This impact is estimated at almost 1 percentage point on EBITDA.
Net of the increase in energy cost mentioned above, EBITDA in Q1 2023 would be € 8.6 million and the EBITDA margin 13% (9.7% in Q1 2022).

Fine Foods & Pharmaceuticals N.T.M. S.p.A. Chief Executive Officer, Giorgio Ferraris, said: *"Although penalised by the international situation, Fine Foods' margins recovered significantly in Q1 2023 compared to Q1 2022 due to the deployment of timely commercial actions and the implementation of production efficiency and cost control initiatives."*

Operating Result (EBIT) in Q1 2023 was € 4.2 million, strongly recovering compared to € 0.4 million in Q1 2022.

Income Before Taxes in Q1 2023 was € 4.3 million compared to € -2.3 million in the same quarter of the previous year.

Profit for the Period in Q1 2023 was € 2.9 million, with an extremely positive result compared to the Loss for the Period of € -2.5 million in Q1 2022.

The result for both periods was impacted by changes in the Fair Value of financial assets. In Q1 2023, the Parent Company's asset securities management showed a positive change in Fair Value of € 1.1 million. The trend contrasted the previous year (negative change in Fair Value of € 2.4 million). The overall securities management showed a positive performance of about € 5.1 million as of 31 March 2023.

Tangible Fixed Assets, Intangible Fixed Assets and Rights of Use of € 128 million increased by about € 1 million in Q1 2023 as a result of net investments of € 4.7 million and depreciation and amortisation for the period of € 3.7 million.

Commercial Net Working Capital, of € 58.9 million as of 31 March 2023 against € 46.3 million as of 31 December 2022, changed as follows: increase in trade receivables (€ 12.2 million) as a consequence of the significant increase in turnover and inventories (€ 8.9 million), which were still affected by the actions taken to cope with raw and packaging materials procurement difficulties, net of the increase in trade payables (€ 8.6 million).

Shareholders' Equity as of 31 March 2023 was € 136.1 million, up from 31 December 2022 (€ 133.3 million) mainly due to the positive result for the period.

The Group's **Net Financial Position** as of 31 March 2023 was € 51.5 million, compared to € 43.6 million as of 31 December 2022. The change of € 7.9 million was mainly due to an increase in commercial Net Working Capital and CAPEX made during the period.

SIGNIFICANT EVENTS OCCURRING AFTER 31 MARCH 2023

No significant events occurred after the end of the period.

BUSINESS OUTLOOK

The Group will develop the business along three main lines - Pharma, Food and Cosmetics - by strengthening corporate functions' activities. Fine Foods will seize any opportunities for growth through external lines.

The Pharma BU is expected to significantly grow due to the multi-year agreements signed with important customers that will require a production plant expansion as resolved by the Board of Directors on 30 March 2023. This is estimated at € 30 million over about two years.

The integration and optimisation of processes will continue for the Cosmetic BU. Investments for the Trenzano site production capacity expansion and closure of the Cremosano plant will be completed shortly. The greater efficiency generated by these activities will increase the ability to meet customer demands.

The increase in sales recorded in the quarter confirmed the effectiveness of the commercial actions taken for the Food BU and allowed us to forecast a largely positive outlook.

The Groups believes in a fair and sustainable future, creating long-term value for the benefit of its stakeholders and contributing to the development and well-being of the communities in which it operates. Fine Foods has been a benefit corporation since April 2021 and strives to return the value it receives. ESG issues for Fine Foods are a structured set of activities and the Group intends to continue its sustainability programme in the future.

TREASURY SHARES BUYBACK PROGRAMME

Today, the Company's Board of Directors resolved to launch the treasury share buyback programme to implement and comply with the authorisation to buyback and dispose of treasury shares approved by the 09 May 2023 Shareholders' Meeting (the "2023 Resolution").

Programme purposes

The Programme aims at stabilising, supporting liquidity and market efficiency, and obtaining a securities portfolio ("securities stock") to be used for any extraordinary transactions, including exchanges of equity investments with other parties, including any bonds convertible into Company shares or bonds with warrants, and dividends in shares. The Board of Directors may add additional objectives or modify those

existing in the Programme, under the 2023 Resolution and current legislation, in which case the market will be promptly notified.

Maximum number of shares to be purchased and maximum value

Purchases in the 18-month period from 09 May 2023, even if carried out in several tranches, may involve a maximum number of revolving ordinary shares (meaning the maximum number of treasury shares held in the portfolio each time) of 2,000,000 ordinary shares (currently equal to 9.1% of the ordinary shares issued by the Company and 7.8% of today's Company share capital) without a nominal value. This is within the legal limits and the authorisation under the 2023 Resolution. The maximum value of the Company's ordinary shares that may be purchased under this Programme has been set at Euro 26,000,000.

Programme duration

The Programme will last 18 months as of 9 May 2023, unless there is an early interruption which will be legally reported to the Market. It is understood that the disposal of treasury shares in one or more tranches on Euronext STAR Milan of Borsa Italiana S.p.A. or outside this system is without time limits.

Minimum and maximum prices and volumes

Purchases under the Programme will be made on the market where the Company's shares are listed at a price not higher than the highest price between the last independent transaction and the price of the highest current independent offer on that market or a different price under MAR. The unit price, as provided for in the 2023 Resolution, may not be more than 15 per cent lower or higher than the official stock exchange price of the shares recorded by Borsa Italiana S.p.A. in the session before each transaction. Following the 2023 Resolution, no volume exceeding 25 per cent of the average daily volume of shares traded on the relevant market each trading day may be purchased during the 20 trading days before each purchase date or at a different volume under Art. 3 of Delegated Regulation (EU) 2016/1052 which supplements MAR.

Purchasing methods

Buyback of treasury shares will be made by an appointed intermediary, under the procedures established by applicable regulations and Art. 132 of Legislative Decree no. 58/1998 – particularly the principle of equal treatment of shareholders - and related implementing provisions outlined in the Regulation adopted by Consob resolution no. 11971/1999.

Appointed intermediary

The buyback programme will be coordinated by an authorised intermediary that will carry out the buyback independently and in compliance with the constraints deriving from applicable regulations and within the limits of the resolutions passed by the corporate bodies

Treasury shares currently held

As of 15 May 2023, the Company held 1,033,043 ordinary treasury shares and its subsidiaries did not hold any.

Any subsequent amendments to the buyback programme will be promptly reported by the Company to the public, according to legal methods and time limits. The transactions carried out will be reported to the market under the terms and conditions set out in legislation and regulations.

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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.

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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 and cosmetics 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 € 207 million revenue in 2022 and more than 10 per cent CAGR over the last decade, Fine Foods is a growing and future-oriented company.

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Consolidated income statement

(amounts in € units)	3 months 31 March 2023	3 months 31 March 2022
Revenues and income		
Revenues from contracts with customers	65,560,388	50,754,911
Other revenues and income	228,337	159,075
Total revenues	**65,788,725**	**50,913,987**
Operating costs		
Costs for consumption of raw materials, change in inventories of finished goods and work in progress.	39,416,667	30,918,254
Personnel costs	11,161,688	9,391,616
Costs for services	6,781,231	6,254,710
Other operating costs	480,458	386,242
Amortisation, depreciation, and impairment losses	3,748,501	3,552,684
Total operating costs	**61,588,546**	**50,503,506**
Operating result	**4,200,180**	**410,481**
Changes in fair value of financial assets and liabilities	1,101,887	(2,357,415)
Financial income	20,086	3,725
Financial charges	(1,054,022)	(324,536)
Income before taxes	**4,268,131**	**(2,267,745)**
Income taxes	1,361,792	214,306
Profit/(loss) for the financial year	**2,906,338**	**(2,482,051)**

Consolidated comprehensive income statement

(amounts in € units)	3 months 31 March 2023	3 months 31 March 2022
Profit /(loss) for the financial year (A)	**2,906,338**	**(2,482,051)**
Components that will not be subsequently reclassified to profit/(loss) for the financial year		
Revaluation of net employee benefit liabilities/assets	-	-
Tax effect	-	-
Other comprehensive income (B) components	**-**	**-**
Comprehensive profit/(loss) (A+B)	**2,906,338**	**(2,482,051)**

Consolidated statement of financial position

(amounts in € units)	31 March 2023	31 December 2022
Assets		
Non-current assets		
Property, plant and machinery	105,369,788	104,162,050
Goodwill	15,907,954	15,907,954
Other intangible fixed assets	1,840,333	1,780,551
Rights of use	4,892,147	5,163,111
Other non-current assets	722,204	820,871
Deferred tax assets	7,277,672	7,312,662
Total non-current assets	**136,010,098**	**135,147,200**
Current assets		
Inventories	49,349,216	40,422,499
Trade receivables	51,571,877	39,347,321
Tax receivables	582,899	2,268,044
Other current assets	5,550,865	5,890,398
Current financial assets	67,473,881	66,512,584
Cash and other liquid assets	1,993,070	10,232,262
Total current assets	**176,521,807**	**164,673,109**
Total assets	**312,531,905**	**299,820,309**
Shareholders' equity		
Share Capital	22,770,445	22,770,445
Other reserves	126,373,493	126,461,456
Employee benefit reserve	206,186	206,186
FTA reserve	(6,669,789)	(6,669,789)
Profits carried forward	(9,478,535)	22,610
Profit/(loss) for the financial year	2,906,338	(9,501,145)
Total Shareholders' Equity	**136,108,138**	**133,289,763**
Non-current liabilities		
Non-current bank borrowings	70,939,115	77,573,797
Employee benefits	2,308,155	2,419,013
Provisions for risks and charges	41,105	41,105
Provision for deferred taxes	244,844	240,553
Non-current lease payables	2,068,065	2,222,216
Total non-current liabilities	**75,601,283**	**82,496,684**
Current liabilities		
Bonds	3,326,212	3,323,051
Current bank borrowings	44,071,252	36,590,346
Trade payables	42,002,946	33,450,468
Taxes payable	2,305	-
Current lease payables	566,294	651,576
Other current liabilities	10,853,474	10,018,421
Total current liabilities	**100,822,483**	**84,033,862**
Total Shareholders' equity and Liabilities	**312,531,905**	**299,820,309**

Consolidated cash flow statement

	3 months 31 March 2023	3 months 31 March 2022
PROFIT FROM OPERATING ACTIVITIES AFTER TAX	**2,906,338**	**(2,482,051)**
Adjustments to reconcile profit after tax with net cash flows:		
Depreciation and impairment of property, plant and machinery	3,357,350	3,113,071
Amortisation and impairment of intangible fixed assets	196,564	206,442
Amortisation of rights of use	194,588	233,172
Financial income	(20,086)	(3,725)
Financial charges	1,036,765	308,376
Changes in fair value of financial assets and liabilities	(1,101,887)	2,357,415
Financial charges on financial liabilities for leases	17,257	16,160
Income taxes	1,322,783	6,816
Gains on the disposal of property, plant and machinery	15,709	(25,693)
Current assets write-downs	238,825	431,196
Net change in severance indemnity and pension funds	(122,835)	(131,071)
Net change in deferred tax assets and liabilities	39,010	207,490
Interest paid	(1,021,690)	(317,681)
Changes in net working capital:		
(Increase)/decrease in inventories	(8,951,249)	(2,611,262)
(Increase)/decrease in trade receivables	(12,438,848)	(13,108,309)
(Increase)/decrease in other non-financial assets and liabilities	1,637,920	1,345,019
Increase/(decrease) in trade payables	8,552,478	(132,568)
NET CASH FLOWS FROM OPERATING ACTIVITIES	**(4,141,009)**	**(10,587,204)**
Investments:		
Investments in tangible fixed assets	(4,586,163)	(4,000,246)
Disposal of tangible fixed assets	5,369	40,174
Investments in intangible fixed assets	(256,346)	(113,488)
Net (investments)/disposals in financial assets	(1,859,409)	88,076
NET CASH FLOWS FROM INVESTMENTS	**(6,696,550)**	**(3,985,483)**
Financing:		
New financing	15,348,796	71,970,006
Funding repayment	(12,499,411)	(44,355,461)
Principal payments - lease liabilities	(163,056)	(358,566)
Sale/(purchase) of treasury shares	(87,963)	(68,486)
CASH FLOWS FROM FINANCING	**2,598,366**	**27,187,492**
NET CHANGE IN CASH AND CASH EQUIVALENTS	**(8,239,193)**	**12,614,805**
Cash and short-term deposits as of 1 January	**10,232,262**	**17,118,957**
Cash and short-term deposits as of 31 March	**1,993,070**	**29,733,762**

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 2023	**22,770,445**	**5,000,000**	**(13,680,454)**	**29,741,389**	**86,743,750**	**14,240,490**	**4,416,281**	**(6,669,789)**	**206,186**	**22,610**	**(9,501,145)**	**133,289,763**
Profit/(loss) for the financial year											2,906,338	2,906,338
Other income statement components	-	-	-	-	-	-	-	-				**-**
Comprehensive profit/(loss)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	2,906,338	2,906,338
Purchase of treasury shares			(87,963)									**(87,963)**
2022 profit allocation										(9,501,145)	9,501,145	**-**
Balance as of 31 March 2023	**22,770,445**	**5,000,000**	**(13,768,417)**	**29,741,389**	**86,743,750**	**14,240,490**	**4,416,281**	**(6,669,789)**	**206,186**	**(9,478,535)**	**2,906,338**	**136,108,139**