



The Board of Directors of Fine Foods & Pharmaceuticals N.T.M. S.p.A today approved the 30 June 2024 Half-year Financial Report.

Record first-half EBITDA of € 16 million (+27%) and a strong profitability increase (+300 bps)

*Growth in EBITDA and Group margins continues,
evidence of an increasingly reliable organisation management.*

*Work expanding the Group's production capacity
to seize market opportunities continues.*

Former General Manager Pietro Oriani was co-opted and appointed as Director and CEO.

Highlights

- H1 2024 **Revenue** was € 122.8 million, slightly down compared to H1 2023. This follows an exceptional performance in the third and fourth quarters of 2023.
- H1 2024 **EBITDA** was € 16 million, up 27% compared to € 12.6 million in H1 2023.
- H1 2024 **EBITDA Margin** of 13% sharply improved from 9.9% in H1 2023.
- H1 2024 **Operating result (EBIT)** was € 8.3 million, with a strong increase compared to € 448,000 in the same period of 2023.
- H1 2024 **Net Profit** was € 4.5 million compared to a loss of € 1.7 million in H1 2023.
- The Group's **Net Financial Position** as of 30 June 2024 was € 43.2 million, which improved compared to 31 December 2023.

Verdellino (Bergamo, Italy), 13 September 2024 - 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 Half-year Financial Report as of 30 June 2024, prepared under IAS/IFRS Accounting Standards issued by the IASB (International Accounting Standards Board).

H1 2024 showed **Consolidated Revenue of € 122.8 million**, slightly down from H1 2023. This stability comes after an exceptional performance in the third and fourth quarters of 2023.

Pharma Business Unit revenue was € 37.1 million and recorded a 7% increase compared to the same period of the previous year. This helped offset a 4% decline in the **Nutra Business Unit**, which saw its revenue drop to € 72.2 million in H1 2024 from € 75.4 million in H1 2023. This decrease was attributed to the temporary realignment of inventories by certain customers, as noted in the Q1 2024 Interim Financial Report.



The **Cosmetic Business Unit** H1 2024 revenue was € 13.5 million, down from € 17.2 million in the same period of the previous year. This was due to the postponement of new business development from the first half to the second half of 2024, following the reorganisation of the business unit.

Fine Foods & Pharmaceuticals N.T.M. S.p.A. CEO Giorgio Ferraris said: "Market data indicates potential for growth across all segments in which we operate. Supported by ongoing investments to increase and streamline the Group's production capacity, we are confident we can maintain the historical revenue and margin growth trends in the coming years. The consistent rise in EBITDA and EBITDA Margin underscores reliable operational management, which we anticipate will continue to define the Pharma and Nutra business units and the reorganised Cosmetic business unit, even with an uncertain international economic and geopolitical landscape."

H1 2024 EBITDA grew significantly by +27% to € 16 million, compared to € 12.6 million in H1 2023. The half-year just ended benefited from the revised sales price policy implemented in H2 2023. This adjustment reduced the proportion of raw and packaging material costs on Sales Revenue. Additionally, there was a continuous improvement in organisational efficiency.

EBITDA Margin showed excellent results, rising from 9.9% to 13%. The margin improvement derived from the sales price policy, reduction in the impact of raw and packaging materials and energy purchasing costs on the turnover.

The Group's **EBIT** for the period benefited from the above cost dynamics and **was € 8.3 million compared to € 448,000 as of 30 June 2023**.

H1 2024 closed with a **Net Profit for the period of € 4.5 million, compared the Net Loss of € 1.7 million in H1 2023**. Excluding the goodwill write-down, H1 2023 would have recorded a Net Profit of € 2.7 million. H1 2023 Net Profit was positively impacted by the Parent Company's asset securities management (positive fair value change of € 1.7 million), which was concluded in 2024, without any significant impact on the Income Statement.

Tangible Fixed Assets increased by approximately € 5.1 million in H1 2024, due to investments of approximately € 12.2 million and depreciation for the period of € 7.1 million.

Intangible Fixed Assets and Rights of Use decreased by approximately € 0.2 million compared to 31 December 2023, due to net investments of € 0.4 million and depreciation for the period of € 0.6 million.

Working capital as of 30 June 2024 was € 40.3 million compared to € 42.6 million at the end of the previous financial year. Commercial net working capital of € 47.2 million improved compared to the balance of € 48.1 million as of 31 December 2023.

Shareholders' Equity as of 30 June 2024 was € 128.4 million (€ 126.9 million as of 31 December 2023).

The Group's **Net Financial Position** as of 30 June 2024 was € 43.2 million, improving by € 0.4 million compared to the NFP of € 43.6 million as of 31 December 2023. Operations generated a positive cash flow of €19.8 million, which was partly absorbed by financial charges and taxes (€ 3.8 million), net investments made during the period (€12.6 million), distribution of dividends (€2.9 million) and the purchase of treasury shares (€0.1 million).

SIGNIFICANT EVENTS OCCURRING AFTER 30 June 2024

On 25 July 2024, the Fine Foods & Pharmaceuticals N.T.M. S.p.A. Board of Directors appointed Pietro Oriani as Company General Manager, granting him ordinary management powers, effective as of 2 August 2024. During the same Board meeting, Giorgio Ferraris announced his resignation from his roles as Director and



Chief Executive Officer due to personal reasons. The resignation takes effect from today's date, coinciding with the Board's approval of the Half-Year Financial Report of the Fine Foods Group as of 30 June 2024.

On 2 August 2024, the Parent Company signed a preliminary contract for the purchase of approximately 21,000 sqm located in the municipality of Zingonia-Verdellino (BG), via Madrid 1, bordering the current Fine Foods nutraceutical plant. The total value of the investment is anticipated to be approximately € 4 million, of which € 3,270,000 has already been paid as an advance.

BUSINESS OUTLOOK

Despite the current international economic and geopolitical situation, and temporary shifts in some customers' inventory management, the target markets continue to expand. The Group is set on growing its market share and will persist in developing its business across three key sectors: Nutraceuticals, Pharmaceuticals, and Cosmetics by strengthening their operations. Fine Foods will seize any opportunities for growth through external lines.

The Nutra BU commercial strategies implemented, which focus on product quality, innovation, and enhancing customer support services, were confirmed. The Company is preparing a production capacity increase by expanding the current plant, with the first few investments planned during 2025.

In 2024, the Pharma BU will continue its preparatory activities to face the strong growth expected buoyed by significant multi-year agreements signed with key international customers. Fine Foods confirms that work for the production plant expansion started at the end of 2023, and will be completed in 2025. The new site will start generating revenue from 2026.

The Cosmetic BU's reorganisation, integration, process optimisation and investments made due to increased efficiency and enhanced capacity to fulfil customer demands are showing positive signs. We expect a shift in trends in the second half of 2024. This will lead to an increase in the top line and profit margins, contributing positively to the Group's results.

Management is confident it can maintain the historical revenue and margin growth trends in the coming years. Along with its financial objectives, the Group intends to continue its sustainability programme in this and future financial years, and serve as a benchmark for customers by assessing products that align with the evolving market demands, which include sustainability.



FORMER GENERAL MANAGER PIETRO ORIANI WAS CO-OPTED AND APPOINTED AS DIRECTOR AND CEO.

Today, the Board of Directors, with the approval of the Board of Statutory Auditors, unanimously resolved to co-opt and appoint General Manager Pietro Oriani as a new Director and Chief Executive Officer. During the same meeting, the Board of Directors confirmed that Oriani met the necessary requirements to hold this office. The complete text of Oriani's curriculum vitae is available to Shareholders at the Company's registered office and on the Company's website (www.finefoods.it, Governance section). The new Director will hold office, under Article 2386 of the Italian Civil Code and Company's Articles of Association, until the next Shareholders' Meeting. If confirmed by the Shareholders, he will remain in office for the Board of Directors' duration, until the approval of the Financial Statements as of 31 December 2026. Oriani assumed the role of Investor Relations Officer and ESG Committee member.

As of today, Pietro Oriani does not hold any Company shares.

As announced on 25 July 2024, former CEO Giorgio Ferraris' resignation became effective today. Under Recommendation no. 31 of the Corporate Governance Code, the Company did not pay any indemnities or other termination benefits to the former Chief Executive Officer.

Given Giorgio Ferraris' roles and extensive knowledge of the Company and Fine Foods Group business, the Company decided it was appropriate to stipulate (i) a three-year consultancy contract with an annual gross compensation of €100,000 ("Consultancy Contract"); and (ii) a five-year confidentiality and non-competition agreement with a gross compensation of €700,000, to be paid within the current year ("Non-Competition Agreement"). The Non-Competition Agreement includes a penalty equal to twice the above consideration if breached.

The Consultancy Contract and Non-Competition Agreement received approval from the Board of Directors today, subject to the approval of the Board of Statutory Auditors, a favourable opinion from the Committee for Transactions with Related Parties, and a proposal from the Remuneration Committee. The Consultancy Contract and Non-Competition Agreement will be signed today.



Under Art. 154-bis, paragraph 2 of the Consolidated Law on Financial Intermediation (TUF - Testo Unico della Finanza), 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 website www.finefoods.it, in the Investor Relations/Press Releases section. The Interim Financial Report as of 30 June 2024 is available today from the 1Info authorised storage system (www.1Info.it), on website www.finefoods.it (Investor relations/Financial Reports section) and at the Company's registered office. The presentation of the 30 June 2024 results, approved today by the Board of Directors, is available at www.finefoods.it (Investor relations/Presentations section).

Attachments:

1. *Interim consolidated income statement*
2. *Interim consolidated comprehensive income statement*
3. *Interim consolidated statement of financial position*
4. *Interim consolidated cash flow statement*
5. *Interim consolidated Shareholders' equity changes*

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 €251.8 million revenue in 2023, Fine Foods is a growing and future-oriented company.

For further information:

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Interim consolidated income statement

<i>(amounts in € units)</i>	Notes	Half-year as of 30 June 2024	Half-year as of 30 June 2023
Revenue and income			
Revenue from contracts with customers	2.1	122,834,210	127,460,518
Other revenue and income	2.2	506,810	1,108,891
Total revenue		123,341,020	128,569,409
Operating costs			
Costs for consumption of raw materials, change in inventories of finished goods and work in progress.	2.3	70,780,220	79,184,580
Personnel costs	2.4	23,519,142	22,571,196
Costs for services	2.5	11,895,140	13,212,226
Other operating costs	2.6	1,137,410	984,846
Amortisation, depreciation, and impairment losses	2.7	7,729,713	12,168,816
Total operating costs		115,061,625	128,121,664
Operating result		8,279,396	447,745
Changes in fair value of financial assets and liabilities	2.8	(12,881)	1,702,536
Financial income	2.9	9,212	32,367
Financial charges	2.10	(1,921,064)	(2,290,377)
Income before taxes		6,354,663	(107,729)
Income taxes	2.11	1,885,375	1,555,543
Profit/(loss) for the financial year		4,469,288	(1,663,272)

Interim consolidated comprehensive income statement

<i>(amounts in € units)</i>		Half-year as of 30 June 2024	Half-year as of 30 June 2023
Profit/(loss) for the financial year (A)	Notes	4,469,288	(1,663,272)
Components that will not be subsequently reclassified to profit/(loss) for the financial year			
Revaluation of net employee benefit liabilities/assets	4.4	51,790	(28,741)
Tax effect		(12,430)	6,898
Other comprehensive income (B) components		39,360	(21,843)
Comprehensive profit/(loss) (A+B)		4,508,648	(1,685,115)

Interim consolidated statement of financial position

<i>(amounts in € units)</i>	Notes	Half-year as of 30 June 2024	Financial Statements as of 31 December 2023
Assets			
Non-current assets			
Property, plant and machinery	3.1	112,005,212	106,919,123
Goodwill	3.2	11,507,954	11,507,954
Other intangible fixed assets	3.3	1,634,098	1,634,888
Rights of use	3.4	2,971,864	3,165,607
Other non-current assets	3.7	400,086	688,139
Deferred tax assets	3.5	4,940,096	6,234,232
Total non-current assets		133,459,310	130,149,943
Current assets			
Inventories	3.8	42,358,638	42,459,682
Trade receivables	3.9	38,044,020	38,057,766
Tax receivables	3.10	17,967	320,689
Other current assets	3.11	7,257,370	7,740,856
Current financial assets	3.12	3,466,976	3,832,865
Cash and other liquid assets	3.13	15,205,296	19,000,047
Total current assets		106,350,267	111,411,905
Total assets		239,809,577	241,561,848
Shareholders' equity			
Share Capital	4.1	22,770,445	22,770,445
Other reserves	4.1	102,919,409	114,167,028
Employee benefit reserve	4.1	220,433	181,073
FTA reserve	4.1	(6,669,789)	(6,669,789)
Profits carried forward	4.1	4,691,909	22,610
Profit/(loss) for the financial year	4.1	4,469,288	(3,522,098)
Total Shareholders' Equity		128,401,694	126,949,268
Non-current liabilities			
Non-current bank borrowings	4.3	40,514,588	9,734,877
Employee benefits	4.4	2,151,885	2,201,653
Provision for risks and charges	4.5	-	2,105
Provision for deferred taxes	3.6	283,606	263,381
Non-current lease payables	3.4	887,806	1,032,604
Total non-current liabilities		43,837,884	13,234,620
Current liabilities			
Current bank borrowings	4.3	20,129,178	55,269,592
Trade payables	4.6	33,155,115	32,369,462
Taxes payable	4.7	1,242,615	575,488
Current lease payables	3.4	313,002	354,377
Other current liabilities	4.8	12,730,088	12,809,041
Total current liabilities		67,569,998	101,377,960
Total Shareholders' equity and Liabilities		239,809,577	241,561,848



Interim consolidated cash flow statement

		Half-year as of 30 June 2024	Half-year as of 30 June 2023
PROFIT/(LOSS) FOR THE FINANCIAL YEAR		4,469,288	(1,663,272)
Adjustments to reconcile profit after tax with net cash flows:			
Depreciation and impairment of property, plant and machinery	2.7	7,084,264	6,821,818
Amortisation and impairment of intangible fixed assets	2.7	409,870	411,551
Amortisation of rights of use	2.7	232,556	535,446
Other write-downs of fixed assets	2.7	3,023	4,400,000
Financial income	2.9	(9,212)	(32,367)
Financial charges	2.10	1,893,011	2,290,888
Changes in fair value of financial assets and liabilities	2.8	12,881	(1,702,536)
Financial charges on financial liabilities for leases	3.4	28,053	(512)
Income taxes	2.11	629,620	1,552,408
Gains on the disposal of property, plant and machinery	2.2	(70,275)	(21,888)
Current assets write-downs	3.8,3.9	252,941	497,988
Net change in severance indemnity and pension funds	4.4	(31,151)	(174,114)
Net change in provision for risks and charges	4.5	(2,105)	(4,800)
Net change in deferred tax assets and liabilities	3.5,3.6	1,301,932	3,135
Interest paid	2.10	(1,881,704)	(2,219,685)
Changes in working capital:			
(Increase)/decrease in inventories	3.8	99,998	(11,128,342)
(Increase)/decrease in trade receivables	3.9	(238,148)	(9,750,142)
(Increase)/decrease in other non-financial assets and liabilities		1,032,816	92,733
Increase/(decrease) in trade payables	4.6	785,653	4,702,605
NET CASH FLOWS FROM OPERATING ACTIVITIES		16,003,311	(5,389,086)
Investments:			
Investments in tangible fixed assets	3.1	(12,341,967)	(8,761,356)
Disposal of tangible fixed assets	3.1	241,890	359,874
Investments in intangible fixed assets	3.3	(409,079)	(436,112)
Net (investments)/disposals in financial assets	3.12	(236,170)	52,370,405
NET CASH FLOWS FROM INVESTMENTS		(12,745,326)	43,532,810
Financing:			
New financing	4.2,4.3	2,484,494	27,284,521
Funding repayment	4.2,4.3	(6,256,019)	(23,491,549)
Principal payments - lease liabilities	3.4	(224,986)	(385,075)
Dividends paid to the parent company's shareholders	4.1	(2,937,895)	(2,452,708)
Sale/(purchase) of treasury shares	4.1	(118,327)	(87,963)
CASH FLOWS FROM FINANCING		(7,052,733)	867,225
NET CHANGE IN CASH AND CASH EQUIVALENTS		(3,794,749)	39,010,949
Cash and short-term deposits as of 1 January		19,000,047	10,232,262
Cash and short-term deposits as of 30 June		15,205,296	49,243,212



Interim consolidated Shareholders' equity changes

	Notes	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 2024	4.1	22,770,445	5,000,000	(14,021,029)	29,741,389	86,743,750	2,286,638	4,416,281	(6,669,789)	181,073	22,610	(3,522,098)	126,949,268
Profit/(loss) for the financial year												4,469,288	4,469,288
Other income statement components										39,360			39,360
Comprehensive profit/(loss)										39,360		4,469,288	4,508,648
Dividends					(2,937,895)								(2,937,895)
Reclassification							(754,088)				754,088		-
Purchase of treasury shares				(118,327)									(118,327)
2023 loss allocation					(7,437,309)						3,915,211	3,522,098	-
Balance as of 30 June 2024	4.1	22,770,445	5,000,000	(14,139,356)	19,366,185	86,743,750	1,532,549	4,416,281	(6,669,789)	220,434	4,691,909	4,469,288	128,401,695