



*The Board of Directors of Fine Foods & Pharmaceuticals N.T.M. S.p.A.
today approved the Group's Interim Financial Report as of 30 September 2024.*

Adjusted EBITDA of € 23.4 million (+27.8%)

Adjusted EBITDA Margin of 13.2%

Adjusted EBIT of € 11.7 million (+78.2%)

Highlights

- Consolidated **Revenue** in 9M 2024 was **€ 177.2 million**, slightly down 4.6% from € 185.7 million in the same period of 2023 - a year that had seen exceptional results.
- **EBITDA** for the period was **€ 23.1 million** and **showed an increase of 26%** compared to € 18.3 million in the same period of 2023. **Adjusted EBITDA** for the period was € 23.4 million, **+27.8%** compared to the same period of 2023.
- **EBITDA Margin** in 9M 2024 was **13%**, up 310 bps compared to the same period of 2023.
- **Operating result (EBIT)** as of 30 September 2024 was **€ 11.4 million**, with a **strong increase** compared to € 2.2 million in 2023. **Adjusted EBIT** in 9M 2024 was € 11.7 million, with an increase of 78.2% compared to € 6.6 million in the same period of 2023.
- The **Result for the Period** was a **profit of € 6.6 million** compared to a loss of € 1.8 million as of 30 September 2023. **The Adjusted Result for the Period** was **€ 6.9 million** (€ 2.6 million as of 30 September 2023).
- The Group's **Net Financial Position** as of 30 September 2024 was € 45 million, compared to € 43.6 million as of 31 December 2023.

Verdellino (Bergamo, Italy), 14 November 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 nutraceutical, pharmaceutical, and cosmetics industries, listed on Euronext STAR Milan (ticker: FF) today approved the Interim Financial Report as of 30 September 2024 prepared under IAS/IFRS Accounting Standards issued by the IASB (International Accounting Standards Board) and not subject to audit.

Consolidated Revenue for 9M 2024 was **€ 177.2 million** (€ 185.7 million in the same period of 2023).

Analysing the dynamics by Business Unit, the **Pharma BU maintained its positive trend** in the first nine months of 2024, with an 8.7% increase in turnover compared to the same period last year, reaching € 55.2 million. The **Nutra BU** achieved € 102.5 million in revenue, an 8.1% decrease from € 111.5 million in the same period of 2023. This was mainly due to a **temporary stock realignment by some customers**, as noted in the first half of 2024 report.



The **Cosmetics BU** revenue was € 19.6 million in 9M 2024, a decrease from € 23.4 million in the same period of 2023. This was mainly due to **delays in developing new business and a revision of the customer portfolio** as part of the Business Unit's restructuring.

Fine Foods & Pharmaceuticals N.T.M. S.p.A. CEO and General Manager Pietro Oriani said: "Revenue for the first nine months of 2024 was slightly lower than the excellent values achieved in the same period of 2023 due to internal and external dynamics. However, we expect a recovery in the fourth quarter of 2024 compared to the earlier quarters, which could allow us to end 2024 roughly on par with 2023. Considering the market growth prospects across our operating segments and ongoing investments to expand and optimise production capacity, we are confident that we can maintain historical growth trends in revenue and margins in the coming years. Despite the international economic and geopolitical uncertainty, we are steadily improving our margins due to our increasingly reliable organisation."

The **Group's EBITDA** reached **€ 23.1 million** in 9M 2024, up from € 18.3 million recorded in the same period last year, with an increase of **26%**. **Adjusted EBITDA** increased by **27.8%** to **€ 23.4 million**¹.

EBITDA Margin for the period was **13%**, a good improvement from 9.9% in 9M 2023. **Adjusted EBITDA Margin** rose to **13.2%**.

As noted in the half-year report, the Group benefited during this period from the revised pricing policy introduced in the second half of 2023, which reduced the impact of raw material and packaging costs on revenue. In addition, the continuous improvement programmes initiated by Fine Foods to enhance operational efficiency yielded positive results.

EBIT (Operating Result), similarly to EBITDA, benefited from the dynamics mentioned above, rising from € 2.2 million as of 30 September 2023 to **€ 11.4 million as of 30 September 2024**, with an increase of € 9.2 million. 9M 2023 EBIT included the former Pharmatek's goodwill impairment of € 4.4 million, which was identified as a non-recurring item without tax effect.

Income before taxes in 9M 2024 was **€ 9.3 million** compared to € 0.5 million in the same period of 2023.

The **Result for the Period** was a **profit of € 6.6 million** compared to a loss of € 1.8 million in 9M 2023. **The Adjusted Result for the Period** was **€ 6.9 million** (compared to € 2.6 million as of 30 September 2023).

Tangible Fixed Assets increased by € 12.8 million in 9M 2024, due to net investments of € 23.5 million and depreciation for the period of € 10.7 million.

Intangible fixed assets and rights of use were € 16 million as of 30 September 2024 (compared to € 16.3 million at the end of FY 2023).

Working Capital as of 30 September 2024 was **€ 37.4 million** (€ 42.6 million as of the end of the previous financial year) with **Commercial Net Working Capital of € 43.6 million** (€ 48.1 million as of 31 December 2023). The main changes included a decrease in trade receivables (€ 5.2 million), inventories (€ 2.9 million) and trade payables (€ 3.6 million).

Shareholders' Equity as of 30 September 2024 was **€ 130.5 million**, (€ 126.9 million as of 31 December 2023).

The Group's **Net Financial Position** as of 30 September 2024 was **€ 45 million**, with a negative change of € 1.4 million compared to € 43.6 million as of 31 December 2023. **Operations generated a positive cash flow**

¹ Please note that in 9M 2024, non-recurring expenses of € 331,000 impacted EBITDA due to the employment termination of certain Parent Company executives.



of € 30.6 million, which was absorbed by financial charges and taxes (€ 4.8 million), net investments made during the period (€ 24.3 million), distribution of dividends (€ 2.9 million) and the purchase of treasury shares (€ 0.1 million).

SIGNIFICANT EVENTS OCCURRED AFTER 30 SEPTEMBER 2024

No significant events were reported.

BUSINESS OUTLOOK

Fine Foods & Pharmaceuticals N.T.M. S.p.A. aims to increase its market share amidst growing trends in its operating segments. The Group plans to continue developing its business across its three main lines—Nutraceuticals, Pharmaceuticals, and Cosmetics—by strengthening activities within the respective Business Units. The Group will seize any opportunities for growth through external lines.

Commercial initiatives will continue for the Nutra BU to prioritise quality and innovation, and developing services to support customers. The plan to increase production capacity by expanding the current plant was confirmed, with initial investments planned for 2025.

In 2024, the Pharma BU will continue to focus on managing the anticipated strong growth from significant multi-year agreements signed with key international customers. The production plant expansion, which started at the end of 2023, will be completed in 2025, with revenues expected to start in 2026.

Following process integration, reorganisation, optimisation, and along with investments and increased efficiency, the Cosmetic BU is starting to see positive signs. By the end of 2024, we expect improvements in top line and margins, which will positively impact the Group's results in the coming quarters.

While the Group's revenue for the first nine months of 2024 was lower than the strong revenue achieved in the same period of 2023, the fourth quarter of 2024 is expected to recover compared to the earlier quarters of this year, allowing us to close 2024 roughly in line with 2023. Additionally, the Group's margins are expected to progressively improve due to an increasingly strong and reliable organisation.

Management is confident it can maintain the historical revenue and margin growth trends in the coming years. The Group will continue its sustainability programme in the coming years, and aims to become a benchmark for customers, also by offering products that meet growing market expectations for sustainability.

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 September 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 September 2024 results, approved today by the Board of Directors, is available at www.finefoods.it (Investor relations/Presentations section).

Attachments:

1. 9M 2024 consolidated income statement
2. 9M 2024 consolidated comprehensive income statement
3. 9M 2024 consolidated financial position statement



4. *9M 2024 consolidated cash flow statement*
5. *9M 2024 consolidated Shareholders' equity changes statement*

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 nutraceutical, pharmaceutical, 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:

Fine Foods & Pharmaceuticals N.T.M. S.p.A.

Tel +39 035 4821382

Investor Relations: ir@finefoods.it

Media Relations: media.relations@finefoods.it



Consolidated income statement

<i>(amounts in € units)</i>	Nine months 30 September 2024	Nine months 30 September 2023
Revenue and income		
Revenue from contracts with customers	177,226,696	185,686,107
Other revenue and income	738,233	1,387,036
Total revenue	177,964,929	187,073,143
Operating costs		
Costs for consumption of raw materials, change in inventories of finished goods and work in progress.	102,245,328	115,605,924
Personnel costs	34,178,296	32,378,532
Costs for services	16,945,074	19,503,402
Other operating costs	1,503,550	1,259,173
Amortisation, depreciation, and impairment losses	11,720,657	16,158,322
Total operating costs	166,592,904	184,905,353
Operating result	11,372,025	2,167,790
Changes in fair value of financial assets and liabilities	(12,881)	1,703,519
Loss on financial receivables	-	-
Financial income	664,945	130,262
Financial charges	(2,738,515)	(3,489,591)
Income before taxes	9,285,574	511,980
Income taxes	2,671,897	2,272,317
Profit/(loss) for the financial year	6,613,677	(1,760,337)

Consolidated comprehensive income statement

<i>(amounts in € units)</i>	Nine months 30 September 2024	Nine months 30 September 2023
Profit/(loss) for the financial year (A)	6,613,677	(1,760,337)
Components that will not be subsequently reclassified to profit/(loss) for the financial year		
Revaluation of net employee benefit liabilities/assets	51,790	(28,741)
Tax effect	(12,430)	6,898
Other comprehensive income (B) components	39,360	(21,843)
Comprehensive profit/(loss) (A+B)	6,653,037	(1,782,180)



Consolidated statement of financial position

<i>(amounts in € units)</i>	30 September 2024	31 December 2023
Assets		
Non-current assets		
Property, plant and machinery	119,719,184	106,919,123
Goodwill	11,507,954	11,507,954
Other intangible fixed assets	1,574,366	1,634,888
Rights of use	2,964,772	3,165,607
Other non-current assets	36,438	688,139
Deferred tax assets	4,467,836	6,234,232
Total non-current assets	140,270,550	130,149,943
Current assets		
Inventories	39,560,998	42,459,682
Trade receivables	32,817,503	38,057,766
Tax receivables	299,169	320,689
Other current assets	7,234,578	7,740,856
Current financial assets	2,718,526	3,832,865
Cash and other liquid assets	9,059,344	19,000,047
Total current assets	91,690,119	111,411,905
Total assets	231,960,669	241,561,848
Shareholders' equity		
Share Capital	22,770,445	22,770,445
Other reserves	102,919,409	114,167,028
Employee benefit reserve	220,433	181,073
FTA reserve	(6,669,789)	(6,669,789)
Profits carried forward	4,691,909	22,610
Profit/(loss) for the financial year	6,613,677	(3,522,098)
Total Shareholders' Equity	130,546,083	126,949,268
Non-current liabilities		
Non-current bank borrowings	35,829,494	9,734,877
Employee benefits	2,142,382	2,201,653
Provision for risks and charges	-	2,105
Provision for deferred taxes	285,221	263,381
Non-current lease payables	899,442	1,032,604
Total non-current liabilities	39,156,540	13,234,620
Current liabilities		
Current bank borrowings	19,709,788	55,269,592
Trade payables	28,744,875	32,369,462
Taxes payable	942,268	575,488
Current lease payables	324,946	354,377
Other current liabilities	12,536,169	12,809,041
Total current liabilities	62,258,046	101,377,960
Total Shareholders' equity and Liabilities	231,960,669	241,561,848



Consolidated cash flow statement

	30 September 2024	30 September 2023
PROFIT/(LOSS) FOR THE FINANCIAL YEAR	6,613,677	(1,760,337)
Adjustments to reconcile profit after tax with net cash flows:		
Depreciation and impairment of property, plant and machinery	10,730,674	10,340,729
Amortisation and impairment of intangible fixed assets	641,078	636,454
Amortisation of rights of use	345,881	781,138
Other write-downs of fixed assets	3,023	4,400,000
Financial income	(664,945)	(130,262)
Financial charges	2,691,827	3,480,553
Changes in fair value of financial assets and liabilities	12,881	(1,703,519)
Financial charges on financial liabilities for leases	46,689	9,038
Income taxes	942,268	2,148,001
Gains on the disposal of property, plant and machinery	(70,727)	(99,036)
Current assets write-downs	452,571	81,232
Net change in severance indemnity and pension funds	(40,041)	(282,368)
Net change in provisions for risks and charges	(2,105)	(37,400)
Net change in deferred tax assets and liabilities	1,775,806	124,315
Interest paid	(2,043,422)	(3,310,467)
Income taxes paid	(837,536)	-
Changes in working capital:		
(Increase)/decrease in inventories	2,672,741	(6,739,349)
(Increase)/decrease in trade receivables	5,013,635	(2,768,803)
(Increase)/decrease in other non-financial assets and liabilities	1,168,675	128,370
Increase/(decrease) in trade payables	(3,624,587)	(2,726,107)
NET CASH FLOWS FROM OPERATING ACTIVITIES	25,828,063	2,572,183
Investments:		
Investments in tangible fixed assets	(23,736,396)	(12,465,732)
Disposal of tangible fixed assets	273,365	521,062
Investments in intangible fixed assets	(580,558)	(558,740)
Net (investments)/disposals in financial assets	314,516	52,383,160
NET CASH FLOWS FROM INVESTMENTS	(23,729,073)	39,879,750
Financing:		
New financing	2,360,898	27,110,914
Funding repayment	(11,039,142)	(35,314,267)
Principal payments - lease liabilities	(305,227)	(531,922)
Dividends paid to the parent company's shareholders	(2,937,895)	(2,452,708)
Sale/(purchase) of treasury shares	(118,327)	(221,758)
CASH FLOWS FROM FINANCING	(12,039,693)	(11,409,741)
NET CHANGE IN CASH AND CASH EQUIVALENTS	(9,940,703)	31,042,192
Cash and short-term deposits as of 1 January	19,000,047	10,232,262
Cash and short-term deposits as of 30 September	9,059,344	41,274,454



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 2024	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)	126,949,269
Profit/(loss) for the financial year											6,613,677	6,613,677
Other income statement components									39,360			39,360
Comprehensive profit/(loss)	-	-	-	-	-	-	-	-	39,360	-	6,613,677	6,653,037
Dividends				(2,937,895)								(2,937,895)
Purchase of treasury shares			(118,327)									(118,327)
2023 profit allocation				(9,477,401)						9,522,188	3,522,098	-
Balance as of 30 September 2024	22,770,445	5,000,000	(14,139,356)	17,326,093	86,743,750	(1,280,247)	4,416,281	(6,669,789)	220,434	9,544,798	6,613,677	130,546,084