Newlat FOOD SpA

A multibrand company

HALF-YEAR FINANCIAL REPORT

AT 30 JUNE 2023

DIRECTORS' REPORT ON OPERATING PERFORMANCE

AT 30 JUNE 2023

Contents

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Newlat Food S.p.A.
Registered Office in Reggio Emilia, Via J.F. Kennedy, 16,
Paid-in share capital: Euro 43,935,050.00
Tax and VAT ID 00183410653 / no. 277595 on the Economic and Administrative Index (REA) of Reggio Emilia
Company subject to management and coordination by Newlat Group S.A. pursuant to Articles 2497 et seq. of the Italian Civil Code.

Operations in the first half of 2023 show a positive pre-tax result of Euro 14,643 thousand and a total net result of Euro 10,724 thousand.

In the Directors' Report on Operations as at 30 June 2023 herein, EM Foods SAS which was acquired on 2 January 2023, was included in the scope of consolidation. Proforma financial and economic information was not included for comparative data.

During the first half of the year, the Group recorded an increase in turnover (+23.2%) compared to the figures for the same period of the previous year thanks to the ability to acquire new customers in the Dairy segment (+26%), Bakery segment (+35%) and in the Pasta segment (+18%) and an increase in the average sales price as a consequence of the high inflation that continued in H1 2023.

Net of the acquisition of EM Foods, the increase in turnover would have been 19.1%.

The Group also confirmed its great ability to increase its margins (EBITDA margin of 9.3% as at 30 June 2023, 7.5% as at 30 June 2022).

The margins achieved as at 30 June reflect non-recurring costs, in particular related to the newly acquired company EM Foods Sas. Net of these non-recurring costs the Group's margin as at 30 June 2023 would have been 10.2%.

In short, the highlights of the half year can be summarised as follows:

- The results achieved by the Group in a highly unstable environment and with a market characterised by high inflation in general are quite extraordinary, with a performance that beat the same period of the previous year and the company's forecasts (EBITDA of Euro 38.5 million, or 9.3%, compared with Euro 25.2 million at 30 June 2022, or 7.5%). With this in mind, the strategy implemented by the Group since the previous year of keeping its customer base unchanged and acquiring new customers has proved effective, with excellent results in terms of increased turnover and margins.
- On 7 December 2022 Newlat Food S.p.A. signed a contract with Alsa France (the "Seller") to acquire 100% of the ordinary shares and voting rights of EM Foods S.A.S. following the Seller's exercise of the put option signed by the parties on 19 October 2022. As required by French law, Alsa France exercised its option to sell 100% of the ordinary shares and voting rights of EM Foods S.A.S., after EM Foods S.A.S.'s workers' council formally agreed to the sale to Newlat Food. The acquisition was then finalised at the beginning of January 2023. The closing of the acquisition of EM Foods S.A.S. took place on 2 January 2023. With this acquisition the Newlat Group enters the bakery and dessert mixes sector, a particularly interesting business becoming increasingly popular with consumers. At the same time, Newlat Food S.p.A. signed a long-term contract with Unilever BV for the production of several products related to important brands such as Carte d'Or, Maizena and Mondamin. The signing of this agreement constituted a condition precedent for the conclusion of the acquisition of EM Foods S.A.S.
- On 9 June, Newlat Food sold 3,900,000 of its own shares, or 8.88% of the share capital, to a group of institutional investors including Helikon Investments and Banor at a price of Euro 5.80 per share. The same investors also simultaneously signed an option contract for the purchase, under certain conditions, of the remaining part of treasury

shares held by the company.

- Particularly worthy of note is the extraordinary performance of the dairy sector (+26%), bakery segment (+35%) and the pasta sector (+18%) thanks to the acquisition of new important customers, which led to an increase in sales volumes. The other business units also enjoyed organic growth above company forecasts and significantly better than the market as a whole. These figures augur well for the end of the financial year and provide a solid basis to develop the guidelines of the business plan and to embark on external growth.
- Growth figures by geographical area are also reassuring: +24% in the German market and +16% in the United Kingdom thanks also to the first synergies in the commercial area.

Lastly, the financial data once again confirm the group's great ability to generate cash from operations, which allowed it to increase its margin levels from the same period of the previous year (9.3% EBITDA margin as at 30 June 2023 v 7.5% as at 30 June 2022) and a net financial position that improved by Euro 40.6 million, thanks also to the sale of treasury shares for a total amount of about Euro 23 million and cash generation from operations of about Euro 17 million. The cash conversion as at 30 June 2023 was 77%.
The first half of 2023 closed with a net profit after tax of Euro 10.7 million, sharply up from Euro 2.2 million in the first half of 2022.

Outlook

Considering the short period of time historically covered by the Group's order book and the difficulties and uncertainties of the current global economic situation, it is not easy to develop forecasts for H2 2023, which in any case seems to be very positive. The Group will continue to pay particular attention to cost controls and financial management in order to maximise the generation of free cash flow, to be allocated both to organic growth externally and to the remuneration of Shareholders.
At the date of approval of the half-year report, the conflict between Russia and Ukraine was still ongoing. Since the beginning of the conflict there has been a crisis in the Oil & Gas sector and in the procurement of raw materials that has injected a great deal of uncertainty into the world economy, not to mention a progressive increase in prices, which is influencing the Group's commercial policies, leading to a redefinition of sales conditions with the main customers. In view of the above, the Group is unable to predict the extent to which these events might affect the outlook for the Group for 2023, but, based on the data available when this report was being prepared, the Directors believe they can reasonably exclude the possibility of significant negative impacts.

Going concern

With reference to the content of the previous paragraph, even taking into account the complexity of a rapidly evolving market, the Group feels it is fair and reasonable to assume it status as a going concern in view of its ability to generate cash flows from operating activities and fulfil its obligations in the foreseeable future, particularly in the next 12 months, based on the solid financial structure as described below:

- The considerable level of cash reserves available at 30 June 2023.
- The presence of authorised and unused Group credit lines.
- The continual support given by the leading banks to the Newlat Group, partly because of its market-leading status.

Note that, the Group's economic and financial performance in H1 2023 was higher than budgeted. It should also be noted that the cash and cash equivalents, amounting to Euro 303 million, the credit lines currently available and the cash flows that will be generated by operational management are considered more than sufficient to fulfil obligations and finance the Group's operations.

EVENTS AFTER THE END OF H1 2023

After 30 June 2023 there were no atypical or unusual transactions requiring changes to the interim financial statements at 30 June 2023.

BOARDS AND OFFICERS

Board of Directors

Name and surname	Position
Angelo Mastrolia	Executive Chairman of the Board of Directors and Director (**)
Giuseppe Mastrolia	Chief Executive Officer and Director (**)
Stefano Cometto	Chief Executive Officer and Director (**)
Benedetta Mastrolia	Director (***)
Maria Cristina Zoppo	Director (*)
Valentina Montanari	Director (*)
Eric Sandrin	Director (*) *Lead Independent Director*

(*) Independent director, pursuant to article 148 of the Consolidated Law on Finance (TUF) and article 3 of the Corporate Governance Code, who took office on the trading start date. Member of the *Control and Risks Committee*, member of the *Remuneration and Appointments Committee*, member of the *Related Party Transactions Committee*,

(**) Executive director.

(***) Non-executive director.

Board of Statutory Auditors

Name and surname	Position
Massimo Carlomagno	Chairman
Ester Sammartino	Standing Auditor
Antonio Mucci	Standing Auditor
Cinzia Voltolina	Alternate Auditor
Giovanni Rayneri	Alternate Auditor

Remuneration and Appointments Committee

Name and surname	Position
Eric Sandrin	Chairman
Maria Cristina Zoppo	Member
Valentina Montanari	Member

Control and Risks Committee

Name and surname	Position
Valentina Montanari	Chairman
Maria Cristina Zoppo	Member
Eric Sandrin	Member

Related Party Transactions Committee

Name and surname	Position
Maria Cristina Zoppo	Chairman
Valentina Montanari	Member
Eric Sandrin	Member

Financial Reporting Officer

Rocco Sergi

Independent Auditing Firm

PricewaterhouseCoopers S.p.A.

General information

Newlat Food S.p.A. (hereinafter also "Newlat" or the "Company" and, together with its subsidiaries, the "Newlat Group" or the "Group") is incorporated in Italy in the form of a public limited company and operates under Italian law. The Company has its registered office at 16, Via J. F. Kennedy, Reggio Emilia.

The Newlat Group is a group operating in the food sector with a large and structured product portfolio organised into the following business units: Pasta, Milk Products, Bakery Products, Dairy Products, Special Products, Instant Noodles & Bakery Mixes and Other Products.

The Company is subject to management and coordination by the parent Newlat Group S.A. (hereinafter "Newlat Group"), a company that as at 30 June 2023 directly owns 61.64% of the share capital, while the remaining part (36.06%) is held primarily by institutional investors and 2.30% by Newlat itself.

This report on operations contains economic, equity and financial information of the Newlat Group at 30 June 2023, 31 December 2022 and 30 June 2022.

Alternative performance indicators

The following financial report presents and comments on some financial indicators and reclassified statements (relating to the statement of financial position and the statement of cash flows) not defined by IFRSs.

These amounts, defined below, are used to comment on the Group's business performance in compliance with the provisions of the Consob Communication of 28 July 2006 (DEM 6064293), as subsequently amended and supplemented (Consob Communication no. no. 5/21 of 29 April 2021, which implements the ESMA guidelines 32-382-1138 of 4 March 2021).

The alternative performance indicators listed below constitute additional information beyond IFRS requirements to help users of the financial report to better understand the Group's results, assets and liabilities and cash flows. Note that Newlat Food's method of calculating these indicators, which is consistent from one year to the next, may differ from the methods used by other companies.

Financial indicators used to measure the economic performance of the Group:

- EBITDA: the operating income (OI) before depreciation, amortisation and write-downs, as well as income from business combinations.
- Gross Income (GI) / Profit (Loss) before taxes: operating income less financial expense.
- Net profit (NP): gross profit less taxes.
- Cash conversion: the ratio of EBITDA to the difference between EBITDA and total investments.

Net financial position is given by the algebraic sum of:

- Cash and cash equivalents
- Non-current financial assets, recorded under other non-current assets

- Current financial assets, recorded under ‘other receivables’
- Payables to banks
- Non-current financial liabilities, recorded under ‘other non-current liabilities’.

Reclassified statement of cash flows
A cash flow that represents a measure of the Group's self-financing and is calculated from the cash flow generated by operating activities, adjusted for net interest paid and cash flow absorbed by investments, less income from the realisation of fixed assets. The statement of cash flows is presented using the indirect method.

The Group presents the income statement by destination (otherwise known as "at cost of sales”), which is considered more representative than the so-called presentation by nature of expenditure, which is also reported in the notes to the Annual Financial Report. The form chosen is, in fact, compliant with the internal reporting and business management methods.

Corporate governance

Corporate governance is the set of rules, systems and mechanisms designed to effectively implement the organisation's decision-making processes in the interest of all Group stakeholders. The parent company Newlat Food S.p.A. complies with the Corporate Governance Code for Listed Companies, which was last updated in June 2020. A traditional governance system is in place which includes three structures: the Shareholders' Meeting, the Board of Directors and the Board of Statutory Auditors.

Board of Directors

The Board of Directors is the body charged with administering the company using the powers allocated to it by law and by the by-laws. It is structured and operates to ensure that its functions are performed efficiently and effectively. Directors act and make decisions to create value for shareholders, and they report on operations during the Shareholders' Meeting. With regard to appointing and replacing the entire Board of Directors and/or some of its members, the Company's Articles of Association require board members to be elected on the basis of candidate lists in accordance with the methods outlined in more detail in the Report on Corporate Governance and Ownership Structure and in compliance with existing legislation on gender representation. On 28 April 2023, the Shareholders' Meeting appointed a four-person Board of Directors, increased to seven when the Company's shares began trading on the MTA, which will remain in office until the 2024 financial statements are approved.

Board Committees

The Board of Directors has no internal committees other than those required by the Corporate Governance Code, with the exception of the Related Party Transactions Committee, in order to comply with the provisions of the Related Parties Regulation.

The Company has not set up any committees that carry out the functions of two or more of the committees set out in the Corporate Governance Code, nor has it reserved these functions for the entire Board of Directors, under the coordination of the Chairman, or divided them differently to the way set out in the Corporate Governance Code.

The Board of Directors' internal committees are as follows:

- The Control and Risks Committee helps the Board of Directors to assess and make decisions regarding the Internal Control and Risk Management System, the approval of annual and half-year financial statements and relations between the Company and the independent auditor, where support is provided in the form of an adequate investigative phase. For this purpose, the Committee has three members with sufficient financial and accounting experience: Valentina Montanari, as Chairman, Maria Cristina Zoppo and Eric Sandrin, all of whom are non-executive and independent directors.
- The Remuneration and Appointments Committee plays an advisory and recommendatory role, with investigative functions, in the assessments and decisions relating to the composition of the Board of Directors and to the remuneration of directors and managers with strategic responsibilities, overseeing their application and making

general recommendations on the matter. The Remuneration Committee is composed of three members, all of whom are non-executive and independent directors. All members have suitable financial and accounting experience and knowledge. With regard to determining remuneration for board members, the Shareholders' Meeting allots a salary for the duration of the mandate which may consist of a fixed portion and a variable portion commensurate with the achievement of certain targets and/or with the Company's financial results. To be able to list on the STAR segment, exchange regulations require the Remuneration Committee to ensure that a significant share of the pay for executive directors and senior managers be incentive-linked.
Please see the report on remuneration published in accordance with article 123-*ter* of the Consolidated Law on Finance (TUF) for information on the general remuneration policy and the remuneration of executive directors, managers with strategic responsibilities and non-executive directors. For this purpose, the Committee has three members with sufficient financial and accounting experience: Eric Sandrin, as Chairman, Maria Cristina Zoppo and Valentina Montanari, all of whom are non-executive and independent directors.

- The Related Party Transactions Committee (hereinafter also the "RPT Committee") is responsible for ensuring the integrity of transactions with related parties by giving an opinion on the Company's interest in completing a specific transaction, as well as on the suitability and fairness of the corresponding conditions. This committee comprises three non-executive and independent directors: Maria Cristina Zoppo as Chair, Valentina Montanari and Eric Sandrin.

<u>Board of Statutory Auditors</u>
Members of the Board of Auditors are selected on the basis of their ability to meet requirements of professionalism, independence and integrity in accordance with legislation and regulations. The Company's Board of Statutory Auditors was appointed during the Shareholders' Meeting on 28 April 2023 and will remain in office until the approval of the 2024 financial statements.

<u>Internal Control and Risk Management System</u>
The Internal Control and Risk Management System (ICRMS) is the set of rules, procedures and organisational structures designed to enable the Company to conduct its business correctly and in line with set objectives, using a suitable process for identifying, measuring, managing and monitoring the main risks. The Board of Directors identified the nature and level of risk compatible with the Group's strategic objectives when it drew up its strategic, industrial and financial plans. This assessment included all and any risks that may become significant in terms of sustaining the Company's activities in the medium to long term. In support of the ICRMS and the Control and Risks Committee, on 8 July 2019 the Board of Directors appointed Angelo Mastrolia as the director responsible for the ICRMS who will perform the functions listed in point 7.C.4. of the Corporate Governance Code. With the help of the Control and Risks Committee, the Board of Directors has also drawn up guidelines for the ICRMS, identifying the system itself as a cross-sectional process integral

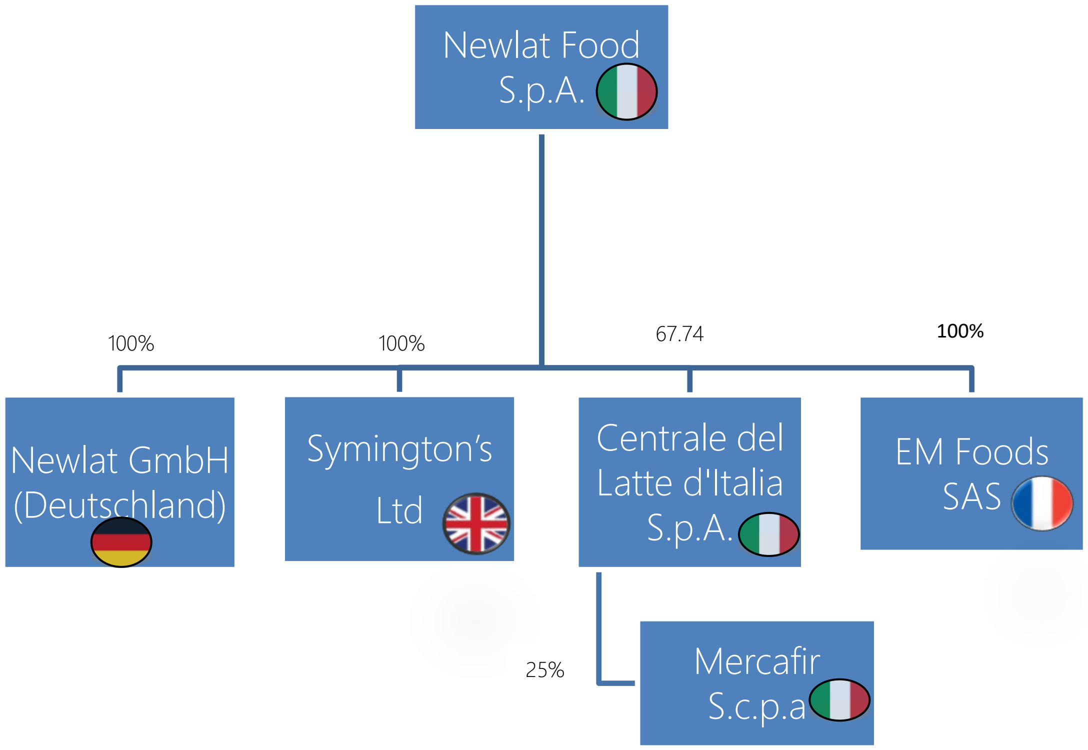
to all business activities and based on the international principles of Enterprise Risk Management (ERM).
The purpose of the ICRMS is to help the Group achieve its performance and profit objectives, obtain reliable economic and financial information and ensure compliance with existing laws and regulations, while shielding the Company from reputational damage and financial loss. In this process, particular importance is given to identifying corporate objectives and classifying and controlling related risks by implementing specific containment actions.
There are various types of potential business risks - strategic, operational (related to the effectiveness and efficiency of business operations), reporting (related to the reliability of economic/financial information), compliance (related to compliance with existing legislation and regulations to avoid damage to the company's reputation and/or financial losses). In view of this, the Internal Audit Department verifies the suitability of the ICRMS through an audit schedule that is approved by the Board of Directors and makes provision for regular reports containing sufficient information on the performance of its activities, as well as timely reports on events of particular importance.
The Board of Directors annually assesses the effectiveness of the ICRMS and its suitability in view of the characteristics of the business based on information and evidence received with the support of the investigative activities performed by the Control and Risks Committee, the Head of Internal Audit and the Supervisory Board pursuant to Italian Legislative Decree 231/2001.

Organisational Model pursuant to Italian Leg. Decree 231/2001, Code of Ethics and fight against corruption

The Newlat Food S.p.A. Board of Directors approved its Organisation, Management and Control Model in accordance with Italian Legislative Decree 231/2001 (hereinafter also "231 Model") on 30 March 2016, updating it most recently on 13 May 2022. The Model was drawn up on the basis of guidelines issued by Confindustria (the Italian industry confederation) in accordance with the relevant legislation, and sets out standards for behaviour, procedures and control activities, in addition to powers and mandates designed to prevent the offences outlined in Italian Legislative Decree 231/2001.
The Organisational Model was published and communicated to all personnel, third-party contractors, customers, suppliers and partners.
No reports of non-compliant behaviour or violations of the Code of Ethics were received during the year.
In order to ensure that the Model is correctly implemented, a Supervisory Board (SB) has been established, currently comprising Massimo Carlomagno, as Chairman, and Ester Sammartino.
The SB sends the Board of Directors a written report every six months on how the Model 231 is being implemented and disseminated within each Company department. The implementation of adequate regular and/or sporadic information flows to the SB is another important tool helping it to fulfil its legal monitoring responsibilities and ensuring that the Model serves its purpose of preventing liability.

No breaches of the Model or irregularities have emerged after examining the information received from managers of the various areas of the Company, and no acts or conduct have come to light that constitute an infringement of the provisions of Italian Legislative Decree 231/2001.

Group Structure



The table below shows the main information regarding the Newlat Group companies:

Name	Registered Office	Currency	Share capital at 30 June 2023	Control percentage	
				At 30 June 2023	At 31 December 2022
Newlat Food S.p.A.	Italy - Via J.F. Kennedy 16, Reggio Emilia	EUR	43,935,050	Parent company	Parent company
Newlat GmbH	Germany - Franzosenstraße 9, Mannheim (Germany)	EUR	1,025,000	100%	100%
Centrale del Latte d'Italia S.p.A.	Via Filadelfia 220, 10137 Turin	EUR	28,840,041	67.74%	67.74%
Symington's Ltd	Thornes Farm Business Park, Pontefract Ln, Leeds LS9	GBP	100,000	100%	100%
EM Foods Sas	951 Rue Denis Papin, 54710 Ludres, France	EUR	1,000,000	100%	-

A table summarising the carrying amount of each subsidiary recorded in the Company's separate financial statements at 30 June 2023 and the equity and profit/loss data for the period for each subsidiary and the parent company is provided below:

Name	Carrying amount of equity investment (in thousands of euros)	Shareholders' equity (thousands of euros)	Profit/loss for the period (in thousands of euros)
	30/06/2023	30/06/2023	30/06/2023
Newlat GmbH (Deutschland)	68,525	39,473	3,175
Centrale del Latte d'Italia S.p.A.	25,409	67,235	3,558
Symington's Ltd	63,914	21,290	481
EM Foods Sas	1,000	403	(598)

A brief description of the subsidiaries' activities is provided below:

- Newlat GmbH (Deutschland) is active in the production and sale in Germany of traditional forms of German pasta (*spätzle* and flavoured pasta), instant cups and sauces, as well as the marketing of pasta produced by Newlat Food.
- Centrale del Latte d'Italia S.p.A. is a company active in the production and marketing of about 120 products ranging from milk and its derivatives to yoghurt and plant-based beverages that are distributed under the trademarks TappoRosso, Mukki, Tigullio and Vicenza in the reference territories at over 16,000 points of sale, both mass-market retailers and traditional traders. Its shares are listed on the Euronext STAR Milan segment of the Mercato Telematico Azionario organised and managed by Borsa Italiana S.p.A.
- Symington's Ltd is active in the production and sale of a wide range of products, including:

  - Instant noodles, where it is the leader in the authentic and Asian inspiration segment
  - Soups and various ready meals, rice and couscous ready meals
  - Baked goods including toasted breads for desserts and cakes

  The company has three production plants and a logistics distribution centre, and its markets are United Kingdom, United States and Australia.
- EM Foods Sas, a leading manufacturer of baking and dessert mixes.

HALF-YEAR FINANCIAL REPORT

DIRECTORS' OBSERVATIONS ON PERFORMANCE AT 30 JUNE 2023

MANAGEMENT REPORT

The Newlat Group is an important player in the Italian and European agri-food sector. In particular, as at 30 June 2023 the Group has a strong position in its domestic market and a significant presence in the German market.
The Newlat Group is mainly active in the pasta, dairy and baked goods sectors, as well in special products such as health & wellness, gluten free and baby food. The Newlat Group's product range is divided into the following business units:

- Pasta
- Milk Products
- Dairy Products
- Bakery Products
- Instant Noodles & Bakery Mixes
- Special Products; and
- Other Products

The following table contains the Group's consolidated income statement:

(In thousands of euros and as a percentage of revenue from contracts with customers)	Half-year ended 30 June					
	2023	%	2022	%	2023 v 2022	%
Revenue from contracts with customers	413,294	100.0%	335,478	100.0%	77,816	23.2%
Cost of sales	(336,735)	(81.5%)	(274,635)	(81.9%)	(62,100)	22.6%
Gross operating profit/(loss)	**76,559**	**18.5%**	**60,844**	**18.1%**	**15,716**	**25.8%**
Sales and distribution costs	(45,109)	(10.9%)	(42,915)	(12.8%)	(2,195)	5.1%
Administrative costs	(10,954)	(2.6%)	(10,900)	(3.2%)	(54)	0.5%
Net write-downs of financial assets	(459)	(0.1%)	(387)	(0.1%)	(72)	18.6%
Other revenues and income	4,534	1.1%	4,873	1.5%	(339)	(6.9%)
Income from business combinations	1,685	0.4%	-	-	1,685	100.0%
Other operating costs	(3,312)	(0.8%)	(3,797)	(1.1%)	484	(12.8%)
Operating profit/(loss) (EBIT)	**22,944**	**5.5%**	**7,718**	**2.3%**	**15,226**	**197.3%**
Financial income	3,637	0.9%	1,274	0.4%	2,363	185.5%
Financial expenses	(11,939)	(2.9%)	(5,919)	(1.8%)	(6,020)	101.7%
Profit/(loss) before taxes	**14,643**	**3.5%**	**3,073**	**0.9%**	**11,569**	**376.4%**
Income taxes	(3,919)	(0.9%)	(891)	(0.3%)	(3,028)	339.7%
Net profit/(loss)	**10,724**	**2.6%**	**2,182**	**0.7%**	**8,542**	**391.5%**

Operating income amounted to Euro 22.9 million, a sharp increase compared with the same period of the previous year. In absolute terms, EBITDA (Euro 38.5 million at 30 June 2023 and Euro 25.2 million at 30 June 2022) and the EBITDA Margin (9.3% in 2023 and 7.5% in 2022) were up markedly compared to the figures for the same period last year. The following is a brief commentary on the most significant changes to the main income statement items that occurred in the half years under review.

Revenue from contracts with customers

Revenue from contracts with customers contains the contractual fees to which the Group is entitled in exchange for the transfer of the promised goods or services to customers. The contractual fees may include fixed or variable amounts or both and are recognised net of rebates, discounts and promotions, such as contributions to the mass distribution channel. In particular, in the context of existing contractual relations with mass distribution operators, contributions are expected to be recognised as year-end bonuses linked to the achievement of certain turnover volumes or amounts related to the positioning of products.

SEGMENT REPORTING

The table below provides a breakdown of revenue from contracts with customers by business unit as monitored by management.

(In thousands of euros and as a percentage)	Half-year ended 30 June				Changes	
	2023	%	2022	%	2023 v 2022	%
Pasta	108,492	26.2%	91,942	27.4%	16,550	18%
Milk Products	136,098	32.8%	116,229	34.6%	19,869	17%
Bakery Products	27,384	6.6%	20,274	6.0%	7,110	35%
Dairy Products	26,524	6.4%	21,009	6.3%	5,515	26%
Special Products	22,977	5.5%	16,885	5.0%	6,092	36%
Instant Noodles & Bakery Mixes	84,618	20.5%	62,077	18.5%	22,541	36%
Other Products	7,203	1.7%	7,062	2.1%	141	2%
Revenue from contracts with customers	413,294	100.0%	335,478	100,0%	77,816	23.2%

Revenues in the **Pasta** segment increased in the period under review due to higher sales volumes, the acquisition of new customers and an increase in the average sales price.
Revenues from the **Milk Products** segment were up significantly (+16.4%) due to the combined effect of an increase in the average sales price and higher volumes compared to the same period of the previous year.
Revenues from the **Bakery Products** segment increased because of higher average sales prices and volumes due also to the acquisition of new customers.
Revenues from the **Dairy Products** segment increased sharply as a result of a rise in sales volumes.
Revenues from the **Special Products** segment were up because of higher average sales prices.
Revenues for the **Instant noodles & bakery mixes** segment increased as a result of the acquisition of EM Foods and an increase in the average sales price, especially in the UK Mass Distribution market.
Revenues in the **Other Products** segment were in line with the previous period due to the combined effect of a decrease in sales volumes and an increase in the average sales price.
The following table provides a breakdown of revenue from contracts with customers by distribution channels, as monitored by management:

(In thousands of euros and as a percentage)	Half-year ended 30 June				Changes	
	2023	%	2022	%	2023 v 2022	%
Mass Distribution	261,745	63.3%	204,754	61.0%	56,991	28%
B2B partners	44,034	10.7%	30,803	9.2%	13,231	43%
Normal trade	45,520	11.0%	41,005	12.2%	4,515	11%
Private labels	53,728	13.0%	52,724	15.7%	1,004	2%
Food services	8,266	2.0%	6,193	1.7%	2,073	33%
Total revenue from contracts with customers	413,294	100.0%	335,478	100,0%	77,815	23.2%

Revenues from the **Mass Distribution** channel increased, mainly due to an increase in demand related to the Group's main segments and a higher average sale price compared to the same period last year.
Revenues from the **B2B partners** channel saw higher demand, mainly due to the acquisition of new customers, especially in the bakery segment. The figures as at 30 June 2023 are affected by the inclusion of the newly acquired EM Foods in the scope of consolidation.
Revenues from the **Normal trade** channel increased sharply as a result of an increase in sales demand due to the acquisition of new customers and an improvement in sales conditions in terms of average sales price.
Revenues from the **Private label** channel increased in the Pasta and Dairy segment as a result of higher average sales prices.
Revenues from the **Food services** channel were essentially in line with the same period of the previous year.

The following table provides a breakdown of revenue from contracts with customers by geographical area as monitored by management:

(In thousands of euros and as a percentage)	Half-year ended 30 June				Changes	
	2023	%	2022	%	2023 v 2022	%
Italy	217,417	52.6%	178,951	53.3%	38,466	21%
Germany	70,929	17.2%	57,050	17.0%	13,879	24%
United Kingdom	79,635	19.3%	68,820	20.5%	10,815	16%
Other countries	45,313	11.0%	30,657	9.1%	14,656	48%
Total revenue from contracts with customers	413,294	100,0%	335,478	100,0%	77,816	23.2%

Revenues in **Italy** were up mainly because of higher sales volumes and average sales prices.
Revenues from **Germany** increased as a result of higher volumes in the Pasta sector and a general increase in the average sales price.
Revenues in the **United Kingdom** increased due to a higher average sales price than in the same period last year.
Revenues from **Other Countries** increased mainly due to the acquisition of EM Foods. Net of the acquisition, revenues in other countries would still increase as a consequence of an increase in demand and the average selling price.

Operating costs

The following table lists the operating costs as shown in the income statement by destination:

(In thousands of euros and as a percentage of revenue from contracts with customers)	Half-year ended 30 June					
	2023	%	2022	%	2023 v 2022	%
Cost of sales	(336,735)	(81.5%)	(274,635)	(81.9%)	(62,100)	22.6%
Sales and distribution costs	(45,109)	(10.9%)	(42,915)	(12.8%)	(2,195)	5.1%
Administrative costs	(10,954)	(2.6%)	(10,900)	(3.2%)	(54)	0.5%
Total operating costs	(392,798)	(95.0%)	(328,450)	(98%)	(64,348)	20%

Cost of sales represented 81.5% of sales revenues (81.9% at 30 June 2022). In absolute terms, the increase in the cost of sales is directly linked to the increase in sales volumes recorded in the first half of 2023. The decrease in terms of impact is related to better condition in the supply chain value.

The proportion of sales and distribution expenses fell sharply due to an improvement in the Group's logistics by optimising transport costs and the distribution network.

Administrative expenses were in line with the same period last year. In terms of impact, there was a slight decrease due to an improvement in administrative processes as well as the exit of some people due to retirements and resignations who for the moment have not been replaced.

EBITDA was Euro 38.5 million (or 9.3% of sales revenue) compared to Euro 25.2 million as of 30 June 2022 (or 7.5% of sales revenue), with a clear increase both in absolute terms and in terms of margins.

The following table shows EBITDA by activity segment:

(In thousands of euros)	Half-year as at 30 June 2023							
	Pasta	Milk products	Bakery Products	Dairy products	Special Products	Instant Noodles & Bakery Mixes	Other assets	Consolidated Financial Statements total
Revenue from contracts with customers (third parties)	108,492	136,098	27,384	26,524	22,977	84,618	7,203	413,294
EBITDA (*)	12,393	12,011	3,697	3,215	2,417	4,384	395	38,511
EBITDA margin	11.42%	8.83%	13.50%	12.12%	10.52%	5.18%	5.48%	9.32%
Amortisation, depreciation and write-downs	2,177	7,834	825	184	956	4,720	98	16,793
Net write-downs of financial assets							459	459
Income from business combinations							1,685	1,685
Operating profit/(loss)	10,217	4,177	2,872	3,031	1,461	(336)	1,523	22,944
Financial income	-	-	-	-	-		3,637	3,637
Financial expenses	-	-	-	-	-		(11,939)	(11,939)
Profit/(loss) before taxes	10,217	4,177	2,872	3,031	1,461	(336)	(6,778)	14,643
Income taxes	-	-	-	-	-		(3,919)	(3,919)
Net profit/(loss)	10,217	4,177	2,872	3,031	1,461	(336)	(10,697)	10,724

(*) EBITDA is calculated as the absolute sum of the operating result, net write-downs of financial assets and depreciation/amortisation and write-downs.

(In thousands of euros)	Half-year as at 30 June 2022							
	Pasta	Milk products	Bakery Products	Dairy products	Special Products	Instant Noodles	Other assets	Consolidated Financial Statements total
Revenue from contracts with customers (third parties)	91,942	116,229	20,274	21,009	16,885	62,077	7,062	335,478
EBITDA (*)	4,137	9,531	2,240	2,143	1,825	5,089	225	25,191
EBITDA margin	4.50%	8.20%	11.05%	10.20%	10.81%	8.20%	3.19%	7.51%
Amortisation, depreciation and write-downs	2,193	7,249	935	167	1,143	5,129	271	17,087
Net write-downs of financial assets							387	387
Operating profit/(loss)	1,944	2,282	1,305	1,976	682	(40)	(433)	7,718
Financial income	-	-	-	-	-		1,274	1,274
Financial expenses	-	-	-	-	-		(5,919)	(5,919)
Profit/(loss) before taxes	1,944	2,282	1,305	1,976	682	(40)	(5,078)	3,073
Income taxes	-	-	-	-	-		(891)	(891)
Net profit/(loss)	1,944	2,282	1,305	1,976	682	(40)	(5,969)	2,182

(*) EBITDA is calculated as the absolute sum of the operating result, net write-downs of financial assets and depreciation/amortisation and write-downs.

EBIT amounted to Euro 14.6 million (3.5% of sales) compared to Euro 3.1 million as at 30 June 2022 (0.9% of sales), a clear increase compared to the same period last year.

The tax rate was 27%.

Net profit as at 30 June 2023 was Euro 10.7 million, a sharp increase from 30 June 2022.

EBITDA

The table below provides a reconciliation of EBITDA, the EBITDA margin and cash conversion at 30 June 2023 and 2022.

(In thousands of euros and as a percentage)	Half-year ended 30 June	
	2023	2022
Operating profit/(loss) (EBIT)	21,259	7,717
Amortisation, depreciation and write-downs	16,793	17,087
Net write-downs of financial assets	459	387
EBITDA (*) (A)	38,511	25,190
Revenue from contracts with customers	413.294	335,478
EBITDA margin (*)	9.3%	7.5%
investments (B)	9,145	4,582
Cash conversion [(A)-(B)]/(A)*	76.1%	81.8%

(*) Operating profit/(loss) (EBIT), EBITDA, the EBITDA margin and the cash conversion are alternative performance indicators not identified as an accounting measure under IFRS and, therefore, should not be considered alternative measures to those provided by the Group's financial statements when assessing the Group's results.

To assess performance, management monitors, among other things, EBITDA by business unit as shown in the table below.

(In thousands of euros and as a percentage of revenue from contracts with customers)	Half-year ended 30 June				Changes	
	2023	%	2022	%	2023 v 2022	%
Pasta	12,393	11.4%	4,137	4.5%	8,256	199.6%
Milk Products	12,011	8.8%	9,531	8.2%	2,480	26.0%
Bakery Products	3,697	13.5%	2,240	11.0%	1,457	65.0%
Dairy Products	3,215	12.1%	2,143	10.2%	1,072	50.0%
Special Products	2,417	10.5%	1,825	10.8%	592	32.4%
Instant Noodles & Bakery Mixes	4,384	5.1%	5,089	8.2%	(705)	(13.9%)
Other assets	395	5.5%	225	3.2%	170	75.6%
EBITDA	38,511	9.3%	25,191	7.5%	13,320	52.9%

The EBITDA of the **Pasta** segment was up compared to the same period of the previous year due to both an increase in demand from existing and new customers and an increase in the average sales price

The EBITDA for the **Milk Products** segment was markedly up compared to the same period of the previous year, showing a significant margin recovery compared to 30 June 2022.

The EBITDA for the **Bakery Products** segment improved significantly compared to the same period last year due to higher sales volumes and a higher average selling price compared to 30 June 2022.

The EBITDA for the **Dairy Products** segment increased significantly compared to the same period of the previous year due to higher sales volumes and a higher average selling price compared to 30 June 2022.

EBITDA from the **Special Products** segment was in line with the same period of the previous year. The increase in absolute values is directly related to the increase in revenue.

EBITDA for the **Instant Noodles & Bakery Mixes** segment decreased compared to the same period last year due to non-recurring costs associated with the acquired company EM Foods.
EBITDA for the **Other Products** segment increased compared to the same period of the previous year due to an increase in the average sales price.

Net financial debt
The following table provides details of the composition of the Group's net financial debt as at 30 June 2023 and 31 December 2022, determined in accordance with the provisions of Consob Communication DEM/6064293 of 28 July 2006 and in accordance with paragraph 175 et seq. of the recommendations contained in the document prepared by ESMA, no. 32-382-1138 of 4 March 2021 (guidelines on disclosure requirements under Regulation EU 2017/1129, so-called "Prospectus Regulation"):

(In thousands of euros) Net financial debt	At 30 June 2023	At 31 December 2022
A. Cash and cash equivalents	93,761	149,911
B. Cash equivalents	209,430	137,909
C. Other current financial assets	23,857	19,625
D Cash and cash equivalents (A)+(B)+(C)	327,048	307,445
E. Current financial liabilities	(20,916)	(32,282)
F. Current portion of non-current financial liabilities	(40,457)	(41,067)
G. Current financial indebtedness (E)+(F)	(61,373)	(73,349)
H. Net current financial indebtedness (G)+(D)	265,675	234,096
I. Non-current financial liabilities	(134,157)	(144,447)
J. Debt instruments	(200,754)	(199,450)
K. Trade and other non-current payables	-	-
L. Non-current financial indebtedness (I)+(J)+(K)	(334,911)	(343,897)
M. Net financial indebtedness (H)+(L)	(69,236)	(109,800)

Comparing the net financial position at 30 June 2023 with the corresponding data at 31 December 2022 demonstrates a significant improvement of Euro 40.6 million thanks to the Newlat Group's ability to generate cash flows from operations and the sale of treasury shares.

Without considering lease liabilities, the positive net financial position was as follows:

(In thousands of euros)	At 30 June 2023	At 31 December 2022
Net financial debt	(69,236)	(109,800)
Current lease liabilities	7,974	7,567
Non-current lease liabilities	38,115	39,173
Net Financial Position	(23,148)	(63,060)

Changes in net financial position as of 30 June 2023 are shown below, in summary:

Net Financial Position at 31 December 2022 (million euros)	(109.8)
EBITDA	38.5
Treasury shares	21.0
Net working capital	5.6
Interest and taxes	(12.2)
Investments	(13.4)
Other minor operating costs	1.0
Net Financial Position at 30 June 2023 (million euros)	(69.2)

The net financial position compared with 31 December 2022 has improved considerably by some Euro 40.6 million due to the positive half-year performance and the Group's ability to generate cash from operations for about Euro 17.6 million and about Euro 23 million from the sale of treasury shares in June.

INVESTMENTS

The following table provides a breakdown of the Group's investments in property, plant and equipment and intangible assets in the half year ended 30 June 2023:

(In thousands of euros and as a percentage)	At 30 June		At 31 December	
	2023	%	2022	%
Land and buildings	460	5.0%	613	4.0%
Plant and machinery	6,255	68.1%	11,332	73.2%
Industrial and commercial equipment	790	8.6%	1,295	8.4%
Other assets	48	0.5%	49	0.3%
Assets under construction and payments on account	540	5.9%	1,205	7.8%
Investments in property, plant and equipment	8,093	88.1%	14,494	93.7%
Patents and intellectual property rights	155	1.7%	112	0.7%
Concessions, licences, trademarks and similar rights	2	0.0%	63	0.4%
Other assets	935	10.2%	804	5.2%
Investments in intangible assets	1,092	1.7%	979	6.3%
Total investments	9,184	100.0%	15,473	100.0%

During the reporting period, the Group made investments totalling Euro 9,184 thousand. The Group's investment policy is aimed at innovation and diversification in terms of product supply. In particular, the Group attaches importance to the development of new products, with the aim of continuously improving customer satisfaction.

Investments in property, plant and equipment relate mainly to purchases of plant and machinery, mostly in connection with projects for updating and renovating production and packaging lines.

Investments in intangible assets mainly relate to the purchase and updating of application software and investments of a long-term nature in customers of the subsidiary Symington's.

The following table provides a breakdown by business unit of the Group's investments in H1 2023:

(In thousands of euros and as a percentage)	At 30 June		At 31 December	
	2023	%	2022	%
Special Products	750	8.2%	1,973	12.8%
Pasta	2,919	31.8%	3,762	24.3%
Bakery Products	682	7.4%	1,167	7.5%
Milk Products	710	7.7%	1,752	11.3%
Dairy Products	585	6.4%	1,306	8.4%
Instant Noodles & Bakery Mixes	3,384	36.8%	5,208	33.7%
Other assets	155	1.7%	305	2.0%
Total investments	9,184	100.0%	15,473	100.0%

Investments in the Pasta business unit relate mainly to the new packaging facility for pasta products, located at plants in Italy and Germany.

Investments in the Instant Noodles & Bakery Mixes business unit mainly relate to the new plant at Symington's and the purchase of SAP software by EM Foods.

OTHER INFORMATION

Policy for analysing and managing risks connected with the activities of the Group

This section provides information on exposure to risks connected with the activities of the Group as well as the objectives, policies and processes for managing such risks and the methods used to asses and to mitigate them. The guidelines for the Group's ICRMS, defined by the Board of Directors, identify the internal control system as a cross-sectional process integral to all business activities. The purpose of the ICRMS is to help the Group achieve its performance and profit objectives, obtain reliable economic and financial information and ensure compliance with existing laws and regulations, while shielding the Company from reputational damage and financial loss. In this process, particular importance is given to identifying corporate objectives, classifying (based on combined assessments regarding the probability and the potential impact) and controlling related risks by implementing specific containment actions. There are various types of potential business risks: strategic, operational (related to the effectiveness and efficiency of business operations), reporting (related to the reliability of economic-financial information), compliance (related to the observance of the laws and regulations in force, to shield against damage to its image or and/or economic losses) and, lastly, financial. Those in charge of the company departments identify and assess the risks within their jurisdiction, whether these originate within or outside the Group, and identify actions to limit and reduce them (so-called "first-level control").

On top of this come the activities of the Financial Reporting Officer and their staff (so-called "second-level control") and those of the Manager of the Internal Audit function (so-called "third-level control") who continuously monitors the efficiency and effectiveness of

the internal audit and risk management system through risk assessment activities, the performance of audit operations and the subsequent management of follow up.
The results of the risk identification procedures are reported and discussed to and discussed by the Group's senior management so that they can be covered and insured and the residual risk can be evaluated.
The following paragraphs describe the risks considered to be significant and connected with the activities of the Group (the order in which they are listed does not imply any classification, in terms of either probability of occurrence or possible impact):

STRATEGIC RISKS

Risks relating to the macroeconomic and sector situation

The activity of the Group is influenced by the general conditions of the economy in the various markets where it operates. A period of economic crisis, with a consequent slow-down in consumption, can have a negative impact on the sales trends of the Group. The current macroeconomic context causes significant uncertainty regarding forecasts, with the resulting risk that reduced performance could impact margins in the short term. The Group pursues its aim of increasing its industrial efficiency and improving its production capacity while reducing overheads.

Risks connected with the external growth strategy

The Group has so far based its growth strategy on acquisitions of other companies, businesses or business units, and the plan is to continue this external growth strategy. The Group is therefore exposed to the risk of not being able to identify suitable companies or businesses in the future in order to feed its external growth strategy, or of not having the financial resources necessary to acquire the identified entities. The Group is also exposed to the risk that its past or future acquisitions will bring about unexpected costs and/or liabilities that prevent it from achieving its objectives.

OPERATING RISKS

Risks related to the high level of competitiveness of the sector

The food & beverage market in which the Group operates is characterised by a particularly significant level of competition, competitiveness and dynamism. This market is characterised in particular by (i) increasing competitiveness of companies that produce so-called private label products with prices lower than those charged by the Group; (ii) increasing prevalence of online sales (where the Group is starting to have a presence) resulting in a decrease in product prices, especially in the mass distribution channel, through which the Group generates a significant percentage of its revenues, namely 63% at 30 June 2023; (iii) frequent promotional campaigns over time and with significant discounts; (iv) consolidation of existing operators (through M&As), especially in the mass distribution channel. The Group pursues its aim of increasing its industrial efficiency and improving its production capacity while reducing overheads and being competitive in its reference markets. Moreover, thanks to the presence of some "unique" products, the Group is able to face the competition.

ENVIRONMENTAL AND CLIMATE RISKS

With regard to climate change impacts, the subsidiary Centrale del Latte d'Italia S.p.A. has one plant close to a water course and one plant located not far from a reservoir, which have not caused significant problems in recent years. More potential impacts related to climate change can be found at the level of the supply chain, since agriculture and livestock breeding are closely linked to the climatic conditions of the areas the raw materials come from.

Other potential risks that are not considered critical may relate to the transition of business to a green economy.

FINANCIAL RISKS

Management of financial risks

The main business risks identified, monitored and, as specified below, actively managed by the Group are as follows:

- Market risk, arising from the fluctuation of interest rates and of exchange rates between the euro and the other currencies in which the Group operates.
- Credit risk, arising from the possibility of counterparty default.
- Liquidity risk, arising from a lack of financial resources to meet commitments.

The Group's objective is to manage its financial exposure over time so that liabilities are balanced with assets on the statement of financial position and that the necessary operational flexibility is in place by using bank loans and the cash generated by current operating activities.

The ability to generate liquidity from core operations, together with the ability to borrow, allows the Group to adequately meet its operational, working capital financing and investment needs, as well as to comply with its financial obligations. The Group's financial policy and the management of the related financial risks are centrally guided and monitored. In particular, the central finance function is responsible for assessing and approving forecast financial requirements, monitoring performance and taking corrective action where necessary.

Exchange risk

Exposure to the risk of exchange rate fluctuations derives from the Group's commercial activities conducted in currencies other than the euro. Revenues and costs denominated in foreign currency can be influenced by fluctuations in the exchange rate, bringing about an impact on trade margins (economic risk), and trade and financial payables and receivables denominated in foreign currency can be impacted by the conversion rates used, with a knock-on effect on the profit or loss (transaction risk). Finally, fluctuations in exchange rates are also reflected in consolidated results and equity.

The main exchange rates to which the Group is exposed are:

- Euro/USD, in relation to transactions carried out in US dollars.
- Euro/GBP, in relation to transactions carried out in pound sterling.
- GBP/AUD, in relation to transactions carried out in pound sterling.

- Euro/CHF, in relation to transactions carried out in Swiss francs.

The Group has specific policies to hedge against exchange rate fluctuations, particularly in its subsidiary Symington's.

It is the Group's policy not to invest in derivative financial instruments of a speculative nature. However, in cases where derivative financial instruments do not meet all the conditions for hedge accounting, changes in the fair value of such instruments are recognised in the income statement as financial expenses and/or income. Derivative financial instruments are accounted for under hedge accounting rules when:

- At the beginning of the hedge there is a formal designation and documentation of the hedging relationship.
- The hedge is assumed to be highly effective.
- Effectiveness can be reliably measured and the hedge itself is highly effective during the designated periods.

The method of accounting for derivative financial instruments changes depending on whether
the conditions and requirements of IFRS 9 are fulfilled or not. Specifically:

Cash flow hedges

In the case of a derivative financial instrument for which a hedging relationship is formally documented for changes in cash flows originating from an asset or liability or from a future transaction (underlying hedged item) that is deemed to be highly probable and could affect profit or loss, the effective portion resulting from the fair value adjustment of the derivative financial instrument is recognised directly in an equity reserve. When the underlying hedged item becomes manifest, this reserve is removed from equity and allocated to the carrying amount of the underlying item. Any ineffective portion of the change in value of the hedging instrument is immediately allocated to the income statement under financial expenses and/or income.

When a hedging financial instrument matures, is sold or exercised, or the company changes the correlation with the underlying item, and the expected transaction originally hedged has not yet occurred but is still considered probable, the related gains and losses arising from the fair value adjustment of the financial instrument remain in equity and are recognised in the income statement when the transaction occurs as described above. If the likelihood of the underlying transaction ceases to exist, the related gains and losses of the derivative contract originally recognised in equity are immediately recognised in the income statement.

Fair value hedges of monetary assets and liabilities

Where a derivative financial instrument is used to hedge changes in the value of monetary assets or liabilities already recorded in the financial statements that could affect the income statement, profits and losses related to changes in fair value of the derivative financial instruments are immediately recorded in the income statement. Similarly, gains and losses relating to the hedged item change the carrying value of that item and are recognised in the income statement

Interest rate risk

The Group uses external financial resources in the form of debt and uses the liquidity available in market instruments. Changes in interest rate levels affect the cost and return of the various forms of funding and use, thus affecting consolidated net financial expense. Exposure to interest rate risk is constantly monitored according to the trend of the Euribor curve, in order to assess possible interventions to contain the risk of a potential rise in market interest rates. At the reference dates, there were no hedges carried out by trading in derivatives.

With reference to interest rate risk, a sensitivity analysis was carried out to determine the effect on the consolidated income statement and consolidated shareholders' equity that would result from a hypothetical positive and negative change of 50 bps in interest rates compared with those actually recorded in each period. The analysis was carried out mainly with regard to the following items: (i) cash and cash equivalents and (ii) short- and medium-/long-term financial liabilities. With regard to cash and cash equivalents, reference was made to the average inventory and the average rate of return for the period, while for short- and medium-/long-term financial liabilities, the precise impact was calculated.

The table below shows the results of the analysis carried out:

(In thousands of euros)	Impact on profit net tax		Impact on shareholders' equity net of tax	
	- 50 bps	+ 50 bps	- 50 bps	+ 50 bps
Half-year as at 30 June 2023	(366)	366	(366)	366
Half-year as at 30 June 2022	(216)	216	(216)	216

Credit risk

The Group is exposed to the credit risk inherent in the possibility of its customers becoming insolvent and/or less creditworthy, so it monitors the situation continually.

Credit risk derives essentially from the Group's commercial activity, where its counterparties are predominantly mass and retail distribution operators. Retail receivables are extremely fragmented, while the mass distribution segment is characterised by a larger exposure to a single client.

The following table provides a breakdown of trade receivables (from consolidated financial statements) at 30 June 2023 and 31 December 2023 grouped by maturity, net of the provision for bad debts:

(In thousands of euros)	Not overdue	1-90 days overdue	91-180 days overdue	More than 181 days overdue	Total
Gross trade receivables at 30 June 2023	62,098	9,002	5,266	25,020	101,386
Provision for bad debts	-	(166)	(1,405)	(18,358)	(19,929)
Net trade receivables at 30 June 2023	62,098	8,836	3,861	6,662	81,457
Gross trade receivables at 31 December 2022	54,712	32,757	3,844	20,407	111,720
Provision for bad debts	-	(166)	(1,405)	(18,166)	(19,737)
Net trade receivables at 31 December 2022	54,712	32,591	2,439	2,241	91,982

Liquidity risk

Liquidity risk is the risk that, due to the inability to find new funds or to liquidate assets on the market, the Group will not be able to meet its payment obligations, resulting in a negative impact on results if it is forced to incur additional costs to meet its obligations or an insolvency situation.

The liquidity risk to which the Group may be subject comprises the failure to find sufficient financial resources for its operations, as well as for the development of its industrial and commercial activities. The two main factors that determine the Group's liquidity situation are on the one hand the resources generated or absorbed by operating and investment activities, and on the other the maturity and renewal status of payables or the liquidity of financial commitments and market conditions. In particular, the main factor affecting the Group's liquidity is the resources absorbed by operating activities: the sector in which the Group operates has seasonal sales phenomena, with peak liquidity requirements in the third quarter caused by a higher volume of trade receivables compared with the rest of the year. The Company's commercial and finance teams work together to manage the changing liquidity requirements, which involves carefully planning financial requirements related to sales, drafting the budget at the beginning of the year and carefully monitoring requirements throughout the year.

Since they are also subject to seasonal phenomena, liquidity requirements linked to inventory dynamics are subject to analysis: planning purchases of raw materials for the inventory is managed in accordance with established practices, with the Chairman involved in decisions that could have an impact on the Group's financial equilibrium.

Based on established practices inspired by prudence and stakeholder protection, the Group's financing activity involves negotiating credit lines with the banking system and continually monitoring the Group's cash flows.

The table below provides a breakdown of the Group's financial requirements by contractual maturity:

(In thousands of euros)	Carrying amount at 30 June 2023	Within one year	Expiry	
			Beyond one year	Beyond 5 years
Total financial liabilities	350,195	53,400	287,423	9,372

Environmental and climate risks

As part of the Group's ERM (Enterprise Risk Management) model, risks of an operational, financial, strategic and compliance nature were assessed, including ESG risks for the four types mentioned. This assessment showed that with regard to climate change impacts, the Group manages one plant in Italy close to a water course and one plant located not far from a reservoir, which have not caused significant problems in recent years. More potential impacts related to climate change can be found at the level of the supply chain, since agriculture and livestock breeding are closely linked to the climatic conditions of the areas the raw materials come from.

Other potential risks that are not considered critical may relate to the transition of business to a green economy.

These effects were also taken into account in the preparation of the impairment tests.

From the assessments performed, there were no significant impacts to be noted on the Group's business.

Positions or transactions deriving from atypical and/or unusual transactions

Pursuant to CONSOB Communication no. 6064293 of 28 July 2006, note that during the first half of 2022 no atypical and/or unusual transactions occurred outside the normal operation of the company that could give rise to doubts regarding the correctness and completeness of the information in the financial statements, conflicts of interest, protection of company assets and safeguarding the minority shareholders.

Treasury shares and shares of parent companies

In compliance with Article 2428 of the Italian Civil Code, note that as of 30 June 2023 the Parent Company held 1,008,521 treasury shares

Subsequent to the closure of the first half of 2023, in July and August 2022 the Parent Company purchased a further 52,099 own shares for a total value of approximately Euro 312 Thousands.

Transactions with related parties

The Group's transactions with related parties (hereinafter, "Related Party Transactions"), identified based on criteria defined by IAS 24 – Related Party Disclosures, are mainly of a commercial or financial nature and are carried out under normal market conditions. On 6 September 2019 the Board of Directors resolved to adopt the Procedure for Transactions with Related Parties.

The explanatory notes to the half-yearly financial statements report on the income statement items at 30 June 2023 and 30 June 2022 and the statement of financial position items at 30 June 2023 and 31 December 2022 pertaining to related party transactions. This information has been extracted from the consolidated financial statements based on accounting findings.
The Group did not carry out Related Party Transactions that were unusual in terms of characteristics, or significant in terms of amount, other than those of an ongoing nature.
The Group deals with the following related parties:

- parent company ("Parent Company");
- companies controlled by the parent company other than its own subsidiaries ("Companies controlled by the parent company").

Reggio Emilia (RE), 11 September 2023

For the Board of Directors
Angelo Mastrolia
Chairman of the Board of Directors

Pursuant to paragraph 2, article 154-*bis* of the Consolidated Law on Finance, the Financial Reporting Officer Rocco Sergi declares that the accounting information contained in this document corresponds to the contents of accounting documents, books and records.

Reggio Emilia, 11 September 2023

Rocco Sergi
Officer in charge of preparing the
company's financial reports

Financial statements and explanatory notes

Consolidated statement of financial position as at 30 June 2023

(In thousands of euros)	At 30 June 2023	At 31 December 2022
Non-current assets		
Property, plant and equipment	159,895	154,106
Right-of-use assets	45,299	46,509
of which from related parties	*15,414*	*16,722*
Intangible assets	93,637	92,345
Equity investments in associates	1,401	1,401
Non-current financial assets measured at fair value through profit or loss	787	1,213
Financial assets measured at amortised cost	803	801
of which from related parties	*735*	*735*
Deferred tax assets	7,210	7,148
Total non-current assets	309,032	303,522
Current assets		
Inventories	89,687	85,213
Trade receivables	81,457	91,982
of which from related parties		*681*
Current tax assets	2,416	1,889
Other receivables and current assets	15,710	19,045
Current financial assets measured at fair value through profit or loss	1,981	6,525
Financial receivables measured at amortised cost	21,877	13,099
of which from related parties	*21,877*	*13,099*
Cash and cash equivalents	303,191	287,820
of which from related parties	*79,430*	*97,909*
Total current assets	516,318	505,573
TOTAL ASSETS	825,350	809,094
Shareholders’ equity		
Share capital	43,935	43,935
Reserves	101,963	77,296
Translation reserve	2,021	(2,982)
Net profit/(loss)	9,459	6,223
Total shareholders' equity attributable to the Group	157,379	124,471
Shareholders’ equity attributable to minority interests	16,098	14,834
Total consolidated equity	173,477	139,306
Non-current liabilities		
Provisions for employee benefits	11,005	11,399
Provisions for risks and charges	1,568	2,038
Deferred tax liabilities	25,449	19,991
Non-current financial liabilities	296,795	304,723
Non-current lease liabilities	38,115	39,173
of which from related parties	*13,486*	*14,703*
Total non-current liabilities	372,933	377,324
Current liabilities		
Trade payables	183,643	193,776
Current financial liabilities	53,400	65,780
of which from related parties	*981*	*8,929*
Current lease liabilities	7,974	7,567
of which from related parties	*2,409*	*2,356*
Current tax liabilities	5,665	3,688
Other current liabilities	28,259	21,654
Total current liabilities	278,940	292,466
TOTAL LIABILITIES AND SHAREHOLDERS’ EQUITY	825,350	809,094

Consolidated income statement as at 30 June 2023

(In thousands of euros)	Half-year ended 30 June 2023	2022
Revenue from contracts with customers	413,294	335,478
Cost of sales	(336,735)	(274,635)
of which from related parties	*(1,642)*	*(1,707)*
Gross operating profit/(loss)	76,559	60,844
Sales and distribution costs	(45,109)	(42,915)
Administrative costs	(10,954)	(10,900)
of which from related parties	*84*	*153*
Net write-downs of financial assets	(459)	(387)
Other revenues and income	4,534	4,873
Income from business combinations	1,685	
Other operating costs	(3,312)	(3,797)
Operating profit/(loss)	22,944	7,718
Financial income	3,637	1,274
of which from related parties	*1,395*	*32*
Financial expenses	(11,939)	(5,919)
of which from related parties	*(458)*	*(40)*
Profit/(loss) before taxes	14,643	3,073
Income taxes	(3,919)	(897)
Net profit/(loss)	10,724	2,182
Profit/(loss) attributable to minority interests	1,265	897
Group net profit/(loss)	9,459	1,285
Basic net profit/(loss) per share	0.22	0.03
Diluted net profit/(loss) per share	0.22	0.03

Consolidated statement of other comprehensive income

(In thousands of euros)	Half-year ended 30 June 2023	2022
Net profit/(loss) (A)	10,724	2,182
b) Other components of comprehensive income that will not be subsequently reclassified to the income statement:		
Actuarial gains/(losses)	-	-
Total other components of comprehensive income that will not be subsequently reclassified to the income statement:	-	-
c) Components of comprehensive income that will be subsequently reclassified to the income statement:		
Hedging instruments net of tax effects	(155)	284
Translation reserve	2,556	(1,018)
Total other components of comprehensive income that will be subsequently reclassified to the income statement	2,401	(734)
d) Total other components of comprehensive income, net of tax effect (B+C)	2,401	(734)
Total comprehensive net profit/(loss) (A)+(D)	13,125	1,448
Profit/(loss) attributable to minority interests	1,265	1,113
Group net profit/(loss)	11,861	335

Consolidated statement of changes in equity

(In thousands of euros)	Share capital	Reserves	Net profit/(loss)	Total shareholders' equity attributable to the Group	Shareholders' equity attributable to minority interests	Total
At 31 December 2021	43,935	80,968	5,134	130,038	14,477	144,515
Allocation of net profit/(loss) for the previous year		5,134	(5,134)	-		-
Treasury shares		(8,588)		(8,588)		(8,588)
Total treasury shares		(8,588)		(8,588)		(8,588)
Other changes		17		17	(17)	-
Net profit/(loss)			1,285	1,285	897	2,182
Hedge accounting		284		284		284
Translation reserve		(1,018)		(1,018)		(1,018)
Actuarial gains/(losses) net of the related tax effect				-		-
Total comprehensive net profit/(loss) for the year		(735)	1,285	551	897	1,448
At 30 June 2022	43,935	76,797	1,285	122,017	15,357	137,375
Treasury shares		(3,143)		(3,143)		(3,143)
Total treasury shares		(3,143)		(3,143)		(3,143)
Other changes		436		436		436
Net profit/(loss)			4,938	4,938	(523)	4,415
Hedge accounting		300		300		300
Total non-current liabilities		(1,610)		(1,610)		(1,610)
Actuarial gains/(losses) net of the related tax effect		1,534		1,534		1,534
Total comprehensive net profit/(loss) for the year		224	4,938	5,162	(523)	4,639
At 31 December 2022	43,935	74,313	6,223	124,472	14,834	139,306
Allocation of net profit/(loss) for the previous year		6,223	(6,223)	-		-
Treasury shares		21,044		21,044		21,044
Total treasury shares		21,044		21,044		21,044
Net profit/(loss)			9,459	9,459	1,265	10,724
Hedge accounting		(155)		(155)		(155)
Translation reserve		2,558		2,558		2,558
Total comprehensive net profit/(loss) for the year		2,403	9,459	11,861	1,265	13,125
At 30 June 2023	43,935	103,983	9,459	157,379	16,098	173,477

Consolidated cash flow statement as at 30 June 2023

(In thousands of euros)	At 30 June 2023	2022
Profit/(loss) before taxes	14,643	3,073
- Adjustments for:		
Amortisation, depreciation and write-downs	17,252	17,473
Capital losses/(gains) on disposal	-	
Other non-monetary changes from business combinations	(1,685)	
Financial expense/(income)	8,302	4,645
of which from related parties	*1,637*	*(40)*
Cash flow generated /(absorbed) by operating activities before changes in net working capital	38,511	25,191
Change in inventory	(1,094)	(21,013)
Change in trade receivables	14,435	6,106
Change in trade payables	(15,405)	11,111
Change in other assets and liabilities	8,565	1,647
Use of provisions for risks and charges and for employee benefits	(864)	(285)
Taxes paid	(2,873)	(832)
Net cash flow generated /(absorbed) by operating activities	41,275	21,925
Investments in property, plant and equipment	(8,093)	(4,080)
Investments in intangible assets	(1,092)	(502)
Investments of financial assets	(3,959)	(5,599)
Deferred fee for acquisitions		
Acquisitions	(1,000)	(300)
Net cash flow generated /(absorbed) by investment activities	(14,144)	(10,481)
New financial payables	19,500	
Repaid financial payables	(36,783)	(35,646)
Issuance of Bond Loan	-	
Repayments of lease liabilities	(4,196)	(7,019)
of which from related parties	*(2,980)*	*(1,430)*
Net interest expense	(8,302)	(4,645)
Acquisition of minority interests	-	(17)
Treasury shares	21,044	(8,588)
Net cash flow generated/(absorbed) by financing activities	(8,737)	(55,915)
Total changes in cash and cash equivalents	18,394	(44,472)
Cash and cash equivalents at start of year	287,820	384,888
of which from related parties	*97,909*	*126,552*
Offsetting of cash and cash equivalents	(3,024)	
Total changes in cash and cash equivalents	18,394	(44,472)
Cash and cash equivalents at end of year	303,191	340,417
of which from related parties	*79,430*	*155,694*

Explanatory notes

Basis of preparation

The condensed consolidated half-year financial statements at 30 June 2023 were prepared in accordance with the international accounting principles (IAS/IFRS) adopted by the European Union for interim financial statements (IAS 34). The financial statements were prepared in accordance with IAS 1, while the explanatory notes were prepared in condensed form applying the option provided for in IAS 34 and therefore do not include all the information required for an annual report prepared in accordance with IFRSs. The condensed consolidated half-year financial statements at 30 June 2023 should therefore be read in conjunction with the consolidated annual financial statements for the year ended 31 December 2022.

The preparation of interim financial statements in accordance with IAS 34 Interim Financial Reporting requires judgements, estimates and assumptions that have an effect on the values of revenues, costs and assets and liabilities, and on the disclosures relating to contingent assets and liabilities at the reporting date. It should be noted that these estimates may differ from the actual results achieved in the future. The financial statement items that most require greater subjectivity on the part of the Directors when producing the estimates and for which a change in the conditions underlying the assumptions used could have a significant impact on the financial statements are: goodwill, depreciation and amortisation of non-current assets, deferred taxes, the provision for doubtful receivables, the provision for inventory write-downs, the provisions for risks, the defined benefit plans for employees, payables for the purchase of equity investments contained in the other liabilities and the determination of the fair value of the assets and liabilities acquired as part of the business combinations.

Measurement criteria

The measurement criteria used for the preparation of the consolidated financial statements for the six months ending 30 June 2023 are the same as those used for the consolidated financial statements at 31 December 2022, except for the new accounting standards, amendments and interpretations applicable from 1 January 2023, which are described below and which – it is noted – did not have a material impact on the equity and economic situation as at 30 June 2023.

Accounting standards, amendments and interpretations not yet adopted, but applicable in advance:

Amendments to IAS 1 — Presentation of Financial Statements: Classification of Liabilities as Current or Non-Current	In January 2020, the IASB issued amendments to IAS 1 - Presentation of Financial Statements: Classification of liabilities as current or non-current to clarify how to classify payables and other liabilities as current or non-current, and in particular how to classify liabilities with an uncertain settlement date and liabilities that can be settled by conversion to equity. These amendments will go into effect on 1 January 2024.
IFRS 16 – Leases: Liability in a Sale and Leaseback	In September 2022 the IASB made changes to IFRS 16 - Leases: Liability in a Sale and Leaseback to provide guidelines for the valuation of the liability arising from a sale and leaseback transaction designed to ensure that the seller-lessee does not recognise any amount of gain or loss in respect of the retained right of use. These amendments will go into effect on 1 January 2024. The Company does not expect any significant impact from the adoption of these amendments.
IAS 1 – Presentation of Financial Statements: Non-current Liabilities with Covenants	In October 2022 the IASB amended IAS 1 – Presentation of Financial Statements: Non-current Liabilities with Covenants to clarify how conditions that an entity must meet within twelve months after the reporting period affect the classification of a liability. These amendments will come into force on 1 January 2024. The Company does not expect any significant impact from the adoption of these amendments.

Accounting standards, amendments and interpretations effective from 1 January 2023 and adoptable by the Company

Amendments to IFRS 17 — Insurance Contracts: Initial Application of IFRS 17 and IFRS 9 - Comparative Information	In December 2021 the IASB issued amendments to IFRS 17 — Insurance Contracts: Initial Application of IFRS 17 and IFRS 9 - Comparative Information, which provides a transitional option relating to comparative information on financial assets presented upon initial adoption of IFRS 17. The amendments are intended to help companies avoid temporary accounting mismatches between financial assets and liabilities from insurance contracts, thus improving the usefulness of disclosures for users of the financial statements. These amendments will go into effect on 1 January 2023.

Amendments to IAS 12 – Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction	In May 2021 the IASB issued amendments to IAS 12 - Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction, to specify how companies should account for deferred taxation on transactions such as leases and decommissioning obligations, transactions for which companies recognise both an asset and a liability. Specifically, it was clarified that the exemption does not apply and that companies are required to recognise deferred taxation on such transactions. These amendments will go into effect on 1 January 2023, with advance application allowed.
IFRS 17 — Insurance Contracts	In May 2017 the IASB issued IFRS 17 - Insurance Contracts, which establishes standards for the recognition, measurement, presentation and disclosure of insurance contracts issued, as well as guidance on reinsurance contracts held and investment contracts with discretionary participation issued. In June 2020 the IASB issued amendments to IFRS 17 aimed at helping companies implement IFRS 17 and making it easier for companies to explain their financial performance. The new standard and amendments are effective from 1 January 2023.
Amendments to IAS 1 — Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of Accounting policies	In February 2021 the IASB issued amendments to IAS 1 - Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of accounting policies that require companies to disclose information about their material accounting policies rather than their significant accounting policies and provide guidance on how to apply the concept of materiality to accounting policy disclosures. These amendments will go into effect on 1 January 2023.
Amendments to IAS 8 – Accounting Policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates	In February 2021 the IASB issued amendments to IAS 8 - Accounting Policies, Changes in Accounting Estimates and Errors: Definition of accounting estimates that clarifies how companies should distinguish changes in accounting principles from changes in accounting estimates. These amendments will go into effect on 1 January 2023.

The Group does not expect any significant economic and financial impacts from the provisions resulting from the entry into force of the aforementioned principles.

In any case, the Group has not adopted in advance any accounting standards or amendments with a later effective date.

Explanatory notes as at 30 June 2023

Scope of consolidation and goodwill

Name	Registered Office	Currency	Share capital at 30 June 2023	Control percentage At 30 June 2023	Control percentage At 31 December 2022
Newlat Food S.p.A.	Italy - Via J.F. Kennedy 16, Reggio Emilia	EUR	43,935,050	Parent company	Parent company
Newlat GmbH	Germany - Franzosenstraße 9, Mannheim (Germany)	EUR	1,025,000	100%	100%
Centrale del Latte d'Italia S.p.A.	Via Filadelfia 220, 10137 Turin	EUR	28,840,041	67.74%	67.74%
Symington's Ltd	Thornes Farm Business Park, Pontefract Ln, Leeds LS9	GBP	100,000	100%	100%
EM Foods Sas	951 Rue Denis Papin, 54710 Ludres, France	EUR	1,000,000	100%	-

Consolidation criteria and methodology

The condensed half-year consolidated financial statements illustrate the Group's equity, economic and financial situation in accordance with IFRS.
The subsidiaries were consolidated using the line-by-line method. With regard to the subsidiary Centrale del Latte d'Italia S.p.A. (also listed on the Milan Euronext STAR segment and owned 67.74% as at 30 June 2023), minority interests were recognised.
The associate company Marcafir, in which the subsidiary Centrale del Latte d'Italia S.p.A. has a 25% stake, was consolidated using the equity method.

Sectoral information

IFRS 8 - *Operating Segments* defines an operating segment as a component:

- That engages in business activities from which it may earn revenues and incur expenses.
- Whose operating results are reviewed regularly by the entity's chief operating decision maker.
- For which discrete financial information is available.

For the purposes of IFRS 8, the Group's activity is identifiable in the following business segments: Pasta, Milk Products, Bakery Products, Dairy Products, Special Products and Other Products.

The table below shows the main statement of financial position and income statement items examined by the chief operating decision maker in order to assess the Group's performance at and for the half year ended 30 June 2023:

(In thousands of euros)	Half-year as at 30 June 2023							
	Pasta	Milk products	Bakery Products	Dairy products	Special Products	Instant Noodles & Bakery Mixes	Other assets	Consolidated Financial Statements total
Revenue from contracts with customers (third parties)	108,492	136,098	27,384	26,524	22,977	84,618	7,203	413,294
EBITDA (*)	12,393	12,011	3,697	3,215	2,417	4,384	395	38,511
EBITDA margin	11.42%	8.83%	13.50%	12.12%	10.52%	5.18%	5.48%	9.32%
Amortisation, depreciation and write-downs	2,177	7,834	825	184	956	4,720	98	16,793
Net write-downs of financial assets							459	459
Income from business combinations							1,685	1,685
Operating profit/(loss)	10,217	4,177	2,872	3,031	1,461	(336)	1,523	22,944
Financial income	-	-	-	-	-		3,637	3,637
Financial expenses	-	-	-	-	-		(11,939)	(11,939)
Profit/(loss) before taxes	10,217	4,177	2,872	3,031	1,461	(336)	(6,778)	14,643
Income taxes	-	-	-	-	-		(3,919)	(3,919)
Net profit/(loss)	10,217	4,177	2,872	3,031	1,461	(336)	(10,697)	10,724
Total assets	122,632	189,879	25,156	9,387	33,191	66,403	378,701	825,350
Total liabilities	92,710	86,341	17,276	14,942	18,601	70,657	351,348	651,875
Investments	2,919	710	682	585	750	3,384	155	9,185
Employees (number)	507	530	198	63	152	740	12	2,202

(*) EBITDA is calculated as the absolute sum of the operating result, net write-downs of financial assets and depreciation/amortisation and write-downs.

(In thousands of euros)	Half-year as at 30 June 2022							
	Pasta	Milk products	Bakery Products	Dairy products	Special Products	Instant Noodles	Other assets	Consolidated Financial Statements total
Revenue from contracts with customers (third parties)	91,942	116,229	20,274	21,009	16,885	62,077	7,062	335,478
EBITDA (*)	4,137	9,531	2,240	2,143	1,825	5,089	225	25,191
EBITDA margin	4.50%	8.20%	11.05%	10.20%	10.81%	8.20%	3.19%	7.51%
Amortisation, depreciation and write-downs	2,193	7,249	935	167	1,143	5,129	271	17,087
Net write-downs of financial assets							387	387
Operating profit/(loss)	1,944	2,282	1,305	1,976	682	(40)	(433)	7,718
Financial income	-	-	-	-	-		1,274	1,274
Financial expenses	-	-	-	-	-		(5,919)	(5,919)
Profit/(loss) before taxes	1,944	2,282	1,305	1,976	682	(40)	(5,078)	3,073
Income taxes	-	-	-	-	-		(891)	(891)
Net profit/(loss)	1,944	2,282	1,305	1,976	682	(40)	(5,969)	2,182
Total assets	88,107	197,184	21,322	8,911	34,048	55,954	403,567	809,093
Total liabilities	72,482	104,715	20,004	8,458	20,500	62,424	381,205	669,787
Investments	3,762	1,752	1,167	1,306	1,973	5,208	305	15,473
Employees (number)	501	524	194	63	155	643	73	2,153

(*) EBITDA is calculated as the absolute sum of the operating result, net write-downs of financial assets and depreciation/amortisation and write-downs.

The table above shows the main income statement items at 30 June 2022 and the main statement of financial position items at 31 December 2022 examined by the chief operating decision maker in order to assess the Group's performance, and the reconciliation of these items with respect to the corresponding amount included in the half-year financial report.

Acquisition EM FOODS SAS

On 7 December 2022 Newlat Food S.p.A. signed a contract with Alsa France (the "Seller") to acquire 100% of the ordinary shares and voting rights of EM Foods S.A.S. following the Seller's exercise of the put option signed by the parties on 19 October 2022. As required by French law, Alsa France exercised its option to sell 100% of the ordinary shares and voting rights of EM Foods S.A.S., after EM Foods S.A.S.'s workers' council formally agreed to the sale to Newlat Food. The acquisition was then finalised at the beginning of January 2023.
The closing of the acquisition of EM Foods S.A.S. took place on 2 January 2023. With this acquisition, the Newlat Group enters the bakery and dessert mixes sector, a particularly interesting business becoming increasingly popular with consumers.
At the same time, Newlat Food S.p.A. signed a long-term contract with Unilever BV for the production of several products related to important brands such as Carte d'Or, Maizena and Mondamin. The signing of this agreement constituted a condition precedent for the conclusion of the acquisition of EM Foods S.A.S.

Business combinations

Business combinations, in which the control of a business is acquired, are recognised in accordance with IFRS 3 "Business combination", applying the acquisition method. In particular, identifiable assets, liabilities and potential liabilities are recognised at fair value at the date of acquisition, i.e. the date when control is acquired (the acquisition date), except for deferred tax assets and liabilities, assets and liabilities relative to employee benefits and assets held for sale, which are recognised based on the relative accounting standards. If positive, the difference between the cost of acquisition and the current value of the assets and liabilities is recorded in intangible assets as goodwill; if negative, after having checked that the current values of the assets and liabilities acquired and the cost of acquisition have been properly measured, it is recorded directly in the statement of other comprehensive income, as revenue. Minority interests on the date of acquisition can be measured at fair value or at the pro-rata of the value of the net assets recognised for the acquired company. The valuation method is chosen on a transaction-by-transaction basis. When the assets and liabilities of the acquired business are calculated on a provisional basis, this must be completed within twelve months of the date of acquisition, taking into account only information relating to facts and circumstances existing at the Acquisition Date. In the year in which the aforementioned calculation is concluded, the provisionally recognised values are adjusted with retrospective effect. The ancillary expenses of the transaction are recognised in the income statement at the moment at which they are incurred. The cost of acquisition is represented by the fair value

on the Acquisition Date of the assets transferred, the liabilities assumed and the equity instruments issued for the purpose of the acquisition, and also includes the contingent consideration, i.e. the part of the fee whose amount and disbursement are dependent on future events. The contingent consideration is recognised on the basis of its fair value at the Acquisition Date, and subsequent changes in fair value are recognised in the income statement if the contingent consideration is a financial asset or liability, while contingent considerations classified as equity are not restated and the subsequent elimination occurs directly in equity. Where control is acquired in subsequent phases, the acquisition cost is determined by adding the fair value of the investment previously held in the acquiree and the amount paid for the additional portion. Any difference between the fair value of the investment previously held and its carrying value is charged to the income statement. When control is acquired, any amounts previously recognised as other components of comprehensive income are recognised in the statement of other comprehensive income or, if such reclassification is not envisaged, in another shareholders' equity item.
The following table provides the book values of the net assets acquired as part of the EM Foods Sas Acquisition:

(In thousands of euros)	As at 1 January 2023
Property, plant and equipment	7,376
Financial assets measured at amortised cost	4
Inventories	3,380
Trade receivables	5,431
Other receivables and current assets	523
Trade payables	(6,334)
Current tax liabilities	(38)
Other current payables and liabilities	(1,858)
Deferred tax liabilities	(5,800)
Total net assets acquired	**2,685**
Payment by bank transfer	(1,000)
Income from business combinations recognized provisionally	*1,685*

The transaction was booked in accordance with the guidance contained in IFRS 3 – "Business Combinations" since it can be categorised as an acquisition.

The purchase price allocation process as well as the valuation of assets and liabilities at fair value is still being completed and may change over the coming months.
Management expects to conclude the final valuation of the assets and liabilities at fair value by the end of the current year.

Non-current assets

(In thousands of euros)	At 30 June 2023	At 31 December 2022
Non-current assets		
Property, plant and equipment	159,895	154,106
Right-of-use assets	45,299	46,509
Intangible assets	93,637	92,345
Equity investments in associates	1,401	1,401
Non-current financial assets measured at fair value through profit or loss	787	12.31
Financial assets measured at amortised cost	803	801
Deferred tax assets	7,210	7,148
Total non-current assets	309,032	303,522

The following is a description of the main items that make up intangible assets:

Fixed assets, plant and equipment

(In thousands of euros)	Land and buildings	Plant and machinery	Industrial and commercial equipment	Other assets	Assets under construction and payments on account	Total
Historical cost at 31 December 2022	106,908	319,143	27,557	7,103	2,914	463,625
Investments	460	6,255	790	48	540	8,093
Disposals		(85)	(447)			(532)
Net exchange rate effect	69	243	16			328
Reclassifications						-
Change to the consolidation scope	8,903	28,998		1,614		39,515
Historical cost at 30 June 2023	116,340	354,554	27,915	8,765	3,454	511,028
Accumulated depreciation as at 31 December 2022	(40,594)	(238,142)	(25,437)	(5,347)	-	(309,520)
Depreciation/Amortisation	(1,397)	(8,008)	(567)	(35)		(10,007)
Disposals		82	447			529
Change to the consolidation scope	(6,699)	(23,824)		(1,614)		(32,137)
Accumulated amortisation/depreciation as at 30 June 2023	(48,690)	(269,892)	(25,557)	(6,996)	-	(351,134)
Net carrying amount at 31 December 2022	66,314	81,001	2,119	1,756	2,914	154,106
Net carrying amount at 30 June 2023	67,650	84,662	2,358	1,769	3,454	159,895

The items "plant and machinery", "leasehold improvements" and "industrial and commercial equipment" include investments made mainly in the milk products, pasta and instant noodles sectors.

Right-of-use assets

Real estate right-of-use assets relate mainly to the production plants in Sansepolcro (AR), Ozzano Taro (PR), Reggio Emilia, Lodi, Lecce, Bologna, Corte de' Frati (CR) and Eboli (SA) used by Newlat or Centrale del Latte d'Italia under agreements entered into with the related party New Property S.p.A. and those relating to the subsidiary Symington's. The agreements entered into with the related party New Property S.p.A. fall within the scope of the agreements with related parties. The right-of-use assets at 30 June 2023 also refer to the Delverde production plant, located at Fara San Martino (CH), used by Newlat Food under a financial lease with third parties.

Machinery right-of-use assets refer mainly to the lease of capital goods used in the production process.

The change compared with 31 December 2022 was due mainly to depreciation for the period.

Intangible assets

(In thousands of euros)	Goodwill	Patents and intellectual property rights	Concessions, licences, trademarks and similar rights	Other assets	Assets under development	Total
Historical cost at 31 December 2022	13,290	5,237	131,823	35,721	125	186,196
Investments		155	2	629	306	1,092
Net exchange rate effect	253		301	418		972
Historical cost at 30 June 2023	13,543	5,392	132,127	36,768	431	188,260
Accumulated amortisation/depreciation as at 31 December 2022	(220)	(4,416)	(75,638)	(13,575)	-	(93,850)
Depreciation/Amortisation		(103)	(36)	(634)		(773)
Accumulated amortisation/depreciation as at 30 June 2023	(220)	(4,519)	(75,674)	(14,209)	-	(94,623)
Net carrying amount at 31 December 2022	13,070	821	56,185	22,146	125	92,345
Net carrying amount at 30 June 2023	13,323	873	56,452	22,559	431	93,636

The change from 31 December 2022 is mainly due to amortisation for the period and investments in EM Foods and Symington's.

Goodwill

The goodwill of Euro 13,323 thousand refers to:

- Euro 3,863 thousand refers entirely to Newlat Food's acquisition of Centrale del Latte di Salerno S.p.A. in December 2015, which was subsequently merged by incorporation into Newlat in December 2019.

- Euro 9,207 thousand for Newlat Food's acquisition of the Symington's Ltd Group in August 2021.
- Euro 253 thousand for the positive exchange rate effect recorded in the period.

As at 30 June 2023, considering the results achieved in the first half of 2023, the Group's management did not identify any negative conditions that would have required the performance of an additional impairment test with respect to the positive assessment made for the financial statements as at 31 December 2022;

Concessions, licences, trademarks and similar rights

The following table shows a breakdown of "Concessions, licences, trademarks and similar rights reported among intangible assets":

(In thousands of euros)	**At 30 June 2023**	**At 31 December 2022**
Trademarks with an indefinite useful life *(a)*	44,799	44,799
Trademarks with a finite useful life *(b)*	590	600
Symington's assets with a definite useful life *(c)*	32,266	33,404
Total net book value	77,655	78,803

Trademarks with an indefinite useful life

This item refers to the following trademarks:

- the Drei Glocken and Birkel brands registered by the subsidiary Newlat GmbH in 2014 following the acquisition of the relevant business unit from Ebro Foods, for a total of Euro 18,844 thousand;
- the Centrale del Latte Rapallo-Latte Tigullio, Mukki and Centrale del Latte di Vicenza brands recorded in the separate financial statements of the subsidiary Centrale del Latte d'Italia S.p.A. for a total of Euro 19,132 thousand, revalued during purchase price allocation as part of the acquisition by Newlat Food for a total of Euro 6,823 thousand.

As at 30 June 2023, considering the results achieved in the first half of 2023, the Group's management did not identify any negative conditions that would have required the performance of an additional impairment test with respect to the positive assessment made for the financial statements as at 31 December 2022;

Trademarks with a finite useful life

This item includes brands owned by Newlat Food S.p.A., amortised according to the residual useful life, estimated on the basis of the period of time over which it is considered that they are guaranteed to generate cash flows.

Symington's assets with a definite useful life

This item includes allocations to trademarks with a finite useful life, know-how and customer lists defined in the purchase price allocation following the acquisition of Symington's.

Equity investments in associates

Investments in associated companies amount to Euro 1.4 million and refer to the company Mercafir for an amount of Euro 1,397 thousand and Filat for an amount of Euro 4 thousand. Both companies generated results in the half year close to breakeven.

Non-current financial assets measured at fair value through profit or loss

The balance includes the minority interest in Futura S.r.l. for a total of approximately Euro 657 thousand (less than 5% stake).

Financial assets measured at amortised cost

At 30 June 2023, this item totalled Euro 803 thousand (Euro 801 thousand at 31 December 2022) and referred mainly to security deposits paid by the Parent Company under the production premises lease agreements.

Deferred tax assets

As at 30 June 2023 this item totalled Euro 7,210 thousand (Euro 7,148 thousand as at 31 December 2022).

Prepaid taxes refer mainly to the appropriation of taxed provisions. Based on the multi-year business plans prepared, management believes that these receivables can be fully recovered through future taxable income.

Current assets

(In thousands of euros)	**At 30 June 2023**	**At 31 December 2022**
Current assets		
Inventories	89,687	85,213
Trade receivables	81,457	91,982
Current tax assets	2,416	1,889
Other receivables and current assets	15,710	19,045
Current financial assets measured at fair value through profit or loss	1,981	6,525
Financial receivables measured at amortised cost	21,877	13,099
Cash and cash equivalents	303,191	287,820
Total current assets	516,318	505,573

Inventories

Closing inventories increased compared to the figures as at 31 December 2022 by Euro 4,474 thousand due to the acquisition of EM Foods Sas for a total of Euro 2,813 thousand and an increase in inventories as a result of an increase in sales volumes.

(In thousands of euros)	At 30 June 2023	At 31 December 2022
Raw materials, supplies, consumables and spare parts	45,067	49,478
Finished products and goods	46,191	34,795
Semi-finished products	2,912	2,862
Advance payments	28	26
Total gross inventories	94,197	87,162
Inventory write-down reserve	(4,510)	(1,949)
Total inventories	89,687	85,213

The change in the provision for inventory write-downs is shown below:

(In thousands of euros)	Inventory write-down reserve
Balance at 31 December 2022	1,949
Provisions	1,070
Uses/Releases	(96)
Exchange rate effect	29
Change in consolidation scope	1,558
Balance at 30 June 2023	4,510

Trade receivables

There are no significant changes in the receipt conditions. Receivables are shown net of the provision for write-downs estimated prudentially on the basis of information held in order to adjust their value to the presumed realisable value.

(In thousands of euros)	At 30 June 2023	At 31 December 2022
Trade receivables from customers	101,386	111,038
Trade receivables from related parties	-	681
Trade receivables (gross)	101,386	111,719
Provision for doubtful trade receivables	(19,929)	(19,737)
Total trade receivables	81,456	91,982

At each reporting date, customer receivables are analysed to check their recoverability in accordance with IFRS 9. To perform this analysis, the Group assesses whether there are expected losses from trade receivables over the entire duration of these receivables and takes into account the expertise it has accrued regarding losses on receivables, grouped into similar categories, based on specific factors pertaining to the Group's receivables as well as on the general economic environment. Customer receivables are written down when there is no reasonable expectation that they will be recovered and the write-down takes place in the income statement under "amortisation, depreciation and write-downs". The provision for doubtful receivables changed as follows during H1 2023 and the for the period reflects the exposure of the receivables – net of the provision for doubtful receivables – at their presumed realisable value.

(In thousands of euros)	Provision for doubtful trade receivables
Balance at 31 December 2021	**19,624**
Provisions	1,027
Uses	(914)
Releases	
Change to the consolidation scope	-
Balance at 31 December 2022	**19,737**
Provisions	459
Uses	(267)
Change to the consolidation scope	
Balance at 30 June 2023	**19,929**

Current tax assets

Current tax assets totalled Euro 2,416 thousand (Euro 1,889 thousand at 31 December 2022).

Other receivables and current assets

"Other receivables and current assets" consist of tax receivables, advances to suppliers, prepaid expenses and other short-term receivables:

(In thousands of euros)	At 30 June 2023	At 31 December 2022
Tax assets	5,788	9,615
Receivables from social security institutions	1,019	691
Accrued income and prepaid expenses	1,743	834
Advance payments	2,985	2,322
Other receivables	4,175	5,584
Total other receivables and current assets	**15,710**	**19,045**

Current financial assets measured at fair value through profit or loss

The following table provides a breakdown of "Current financial assets measured at fair value through profit or loss" at 30 June 2023 and 31 December 2022:

(In thousands of euros)	At 30 June 2023	At 31 December 2022
Derivative financial instruments	202	316
Listed bonds	1,779	6,209
Total current financial assets measured at fair value through profit or loss	**1,981**	**6,525**

This item mainly includes government bonds held for the temporary management of excess liquidity and with a view to sale.

Derivative financial instruments concern hedging instruments on exchange effects in hedge accounting. The fair value was determined with level 2 information.

Financial receivables measured at amortised cost

Financial receivables measured at amortised cost refer to financial receivables from the related party Newlat Property SpA for a total amount of Euro 13,099 thousand and for an amount of Euro 8.777 thousand from parent company Newlat Group SA.

Cash and cash equivalents

"Cash and cash equivalents" mainly consist of sight current accounts with banks.
At 30 June 2023, cash and cash equivalents were not subject to restrictions or constraints. Part of the aforementioned cash and cash equivalents, amounting to Euro 79,430 thousand, is attributable to the cash pooling relationships of Newlat Food with the parent company Newlat Group S.A., and are immediately callable by the Group.
See the statement of cash flows for changes in the "Cash and cash equivalents" item during the half years under review.

Shareholders' equity

Share capital

As at 30 June 2023, the Company's fully subscribed and paid-up share capital totalled Euro 43,935,050, divided into 43,935,050 ordinary shares that were dematerialised as a result of the IPO operation in October 2019.

As reported in the statement of changes in consolidated equity, the changes as at 30 June 2023 related to:

- Recognition of the total net profit for the period, in the amount of Euro 10,724 thousand.
- Negative translation reserve of Euro 2,558 thousand.
- Hedging instruments negative for Euro 155 thousand.
- Other minor changes in the amount of Euro 17 thousand.
- Treasury shares for Euro 21,044 thousand.

Non-current liabilities

(In thousands of euros)	At 30 June 2023	At 31 December 2022
Non-current liabilities		
Provisions for employee benefits	11,005	11,399
Provisions for risks and charges	1,568	2,038
Deferred tax liabilities	25,449	19,991
Non-current financial liabilities	296,795	304,723
Non-current lease liabilities	38,115	39,173
Total non-current liabilities	372,933	377,324

Provisions for employee benefits

At 30 June 2023, this item totalled Euro 11,005 thousand, down from Euro 394 thousand at 31 December 2022, mainly due to the departure of employees through retirement and resignation.

Provisions for risks and charges

The table below shows a breakdown of and changes in the item "Provisions for risks and charges":

(In thousands of euros)	Provision for agents' indemnities	Provision for legal risks	Other provisions for risks and charges	Total provisions for risks and charges
Balance at 31 December 2022	1,220	690	127	2,038
Provisions	74			74
Uses		(543)		(543)
Balance at 30 June 2023	1,294	147	127	1,568

The provision for agents' indemnities represents a reasonable forecast of the charges that would be borne by the Group in the event of future interruption of agency relationships.

Deferred tax liabilities

Deferred-tax liabilities amounted to Euro 25,449 thousand at 30 June 2023. The increase of Euro 5,459 thousand compared to the liability as at 31 December 2022 is mainly due to the inclusion of the balances of EM Foods Sas in the scope of consolidation.

Non-current and current financial liabilities

See the Group's net financial position.

The verification of compliance with financial covenants is performed only on the annual data at 31 December based on the requests of the related contracts. The Group believes that these covenants will be respected at 31 December 2023, also considering the results achieved at 30 June 2023. The decrease in financial liabilities is mainly due to the repayment of instalments maturing on 30 June and the lower use of short-term credit lines. Moreover, in February 2023 the interest on the bond loan of approximately Euro 5.2 million was paid.

Current and non-current lease liabilities
This item includes financial debt relating mainly to multi-year lease agreements for properties used by the Parent Company and by its subsidiaries and to the lease of industrial facilities and machinery.
Liabilities were recognised in compliance with the IFRS 16 accounting standard and determined as the present value of future lease payments discounted at a marginal rate of interest which, based on the length of each individual agreement, was identified in a range between 4% and 6%.
There are no payables due beyond five years.
The change compared with 31 December 2022 was due mainly to the reimbursement of rental fees according to existing contractual agreements.

Current liabilities

(In thousands of euros)	At 30 June 2023	At 31 December 2022
Current liabilities		
Trade payables	183,643	193,776
Current financial liabilities	53,400	65,780
Current lease liabilities	7,974	7,567
Current tax liabilities	5,665	3,668
Other current liabilities	28,259	21,654
Total current liabilities	**278,940**	**292,466**

Trade payables
Trade payables refer to purchases of raw materials, services and assets, as shown below:

(In thousands of euros)	At 30 June 2023	At 31 December 2022
Trade payables to suppliers	183,643	193,776
Trade payables to related parties	-	-
Total trade payables	**183,643**	**193,776**

There are no particular changes in supplier payment terms.

Current financial liabilities
Current financial liabilities refer to maturities within 12 months relating to medium-to-long-term loans and the use of credit lines for down payments.

Current tax liabilities

Current tax liabilities totalled Euro 5,665 thousand (Euro 3,688 thousand at 31 December 2022). The change from 31 December 2022 is related to taxes for the period and the payment of the balance for the previous year.

Other current liabilities

This item consists mainly of tax payables and payables to employees and social security bodies, as shown below:

(In thousands of euros)	At 30 June 2023	At 31 December 2022
Payables to employees	16,484	11,131
Payables to social security institutions	4,426	3,481
Tax liabilities	2,560	3,783
Accrued expenses and deferred income	3,146	3,021
Miscellaneous payables	1,643	238
Total other current liabilities	28,259	21,654

The change compared with 31 December 2022 was due mainly to higher payables to employees. The item also includes the fair value relating to the call options on treasury shares granted to institutional investors during the first half of 2023. This fair value is a level 2 fair value, determined with information observable on the market.

Income statement

Please refer to the management report for an analysis of the income statement items for the first half of 2023.

Earnings per share

Basic earnings per share are calculated on the basis of the consolidated profit for the period attributable to the shareholders of the Parent Company divided by the weighted average number of ordinary shares, calculated as follows:

(in EUR)	Half-year ended 30 June	
	2023	2022
Profit for the year attributable to the Group in thousands of euros	9,459	1,286
Weighted average number of shares in circulation	42,926,529	39,956,288
Earnings per share (in Euro)	0.22	0.03

Since potential outstanding options have an anti-dilutive effect, the diluted Earnings per share has been reported equal to Earnings per share.

Related party transactions

The Group’s transactions with related parties, identified based on criteria defined by IAS 24 – Related party disclosures, are mainly of a commercial or financial nature and are carried out under normal market conditions. Despite this, there is no guarantee that, if these transactions had been conducted between or with third parties, said third parties would have negotiated and entered into the relevant contracts, or executed the transactions themselves, under the same conditions and in the same manner. The Group deals with the following related parties:

- Newlat Group S.A., Swiss parent company; and
- companies controlled by the parent company other than its own subsidiaries and associates (“Companies controlled by the parent companies”).

The table below provides details of the statement of financial position items relating to the Group's transactions with related parties at 30 June 2023 and 31 December 2022:

(In thousands of euros)	Parent company	Companies controlled by the parent companies		Total	Total statement of financial position items	% of statement of financial position item
	Newlat Group	New Property	Other companies controlled by the parent companies			
Right-of-use assets						
At 30 June 2023		15,414		15,414	45,299	34.0%
At 31 December 2022		16,722		16,722	46,509	36.0%
Non-current financial assets at amortised cost						
At 30 June 2023		735		735	803	91.5%
At 31 December 2022		735		735	801	91.8%
Trade receivables						
At 30 June 2023	0		-	-	81,457	0.0%
At 31 December 2022	681		-	681	91,982	0.7%
Financial receivables measured at amortised cost						
At 30 June 2023	8.777	13,099		21,877	21,877	100.0%
At 31 December 2022		13,099		13,099	13,099	100.0%
Cash and cash equivalents						
At 30 June 2023	79,430			79,430	303,191	26,2%
At 31 December 2022	97,909			97,909	287,820	34.0%
Non-current lease liabilities						
At 30 June 2023		13,486		13,486	38,115	35.4%
At 31 December 2022		14,703		14,703	39,173	37.5%
Trade payables						
At 30 June 2023	4	- 339	335	-	183,643	0.0%
At 31 December 2022	25	- 194	169	-	193,776	0.0%
Current financial liabilities						
At 30 June 2023	981			981	53,400	1.8%
At 31 December 2022	8,929			8,929	65,780	13.6%
Current lease liabilities						
At 30 June 2023		2,409		2,409	7,974	30.2%
At 31 December 2022		2,356		2,356	7,567	31.1%

The following table provides details of the income statement items relating to the Group's transactions with related parties for the half years ended 30 June 2023 and 2022:

(In thousands of euros)	Parent company	Companies controlled by the parent companies		Total	Total statement of financial position items	% of statement of financial position item
	Newlat Group	New Property	Other companies controlled by the parent companies			
Cost of sales						
At 30 June 2023		1,396	246	1,642	336,735	0.5%
At 30 June 2022	-	1,664	29	1,693	274,635	0.6%
Administrative costs						
At 30 June 2023	84			84	10,954	0.8%
At 30 June 2022	153	-	-	153	10,900	1.4%
Financial income						
At 30 June 2023	1,395			1,395	3,637	38.4%
At 30 June 2022	32			32	1,157	2.8%
Financial expenses						
At 30 June 2023	8	450		458	11,939	3.8%
At 30 June 2022	2	38	-	40	5,919	0.7%

Disputes and potential liabilities

The Parent Company and its subsidiaries are parties to some legal disputes, for relatively small amounts. The future resolution of such disputes is unlikely to generate significant liabilities for the Group for which specific risk provisions have not already been allocated in the financial statements. As at 30 June 2023 there were no substantial changes to the situations regarding disputes or contingent liabilities from 31 December 2022.

CERTIFICATION OF THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS PURSUANT TO ARTICLE 154-*BIS* OF ITALIAN LEGISLATIVE DECREE 58/98

1. Taking into consideration article 154-*bis* (3) and (4) of Italian Legislative Decree no. 58 of 24 February 1998, the undersigned, Angelo Mastrolia, as Chairman, and Rocco Sergi, as Financial Reporting Officer, of Newlat Food S.p.A. certify:
    - The financial statements are adequate, in relation to the characteristics of the company, and
    - The effective application

of the administrative and accounting procedures for preparing the condensed consolidated half-year financial statements during the first half of 2023.

2. Assessment of the adequacy of the administrative and accounting procedures for drawing up the condensed half-year consolidated financial statements at 30 June 2023 is based on a process defined by Newlat Food S.p.A. in compliance with the Internal Control – Integrated Framework model issued by the Committee of Sponsoring Organizations of the Treadway Commission, which is a generally internationally accepted framework of reference.
3. We can also certify that:
    a. the condensed consolidated half-year financial statements:
        - Were drafted in conformity with the applicable international accounting standards endorsed by the European Community under the terms of Regulation (EC) N° 1606/2002 of the European Parliament and Council, of 19 July 2002.
        - Correspond with the accounting books and records.
        - Provide a true and correct representation of the asset, economic and financial situation of the Issuer and of the companies included in the consolidation.

    b. The interim report on performance includes a reliable analysis of the references to important events that occurred in the first six months of the year and to their impact on the condensed consolidated half-year financial statements
    together with a description of the main risks and uncertainties for the remaining six months of the financial year. The interim report on operations also includes a reliable analysis of the information on the significant transactions with related parties.

Reggio Emilia (RE), 11 September 2023

Angelo Mastrolia	Rocco Sergi
Chairman of the BoD	Financial Reporting Officer

REVIEW REPORT ON CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

To the shareholders of
Newlat Food SpA

Foreword

We have reviewed the accompanying consolidated condensed interim financial statements of Newlat Food SpA and its subsidiaries (the Newlat Group) as of 30 June 2023, comprising the consolidated statement of financial position, the consolidated income statement, the consolidated statement of other comprehensive income, the consolidated statement of changes in equity, the consolidated cash flow statement and related explanatory notes. The directors of Newlat Food SpA are responsible for the preparation of the consolidated condensed interim financial statements in accordance with the international accounting standard applicable to interim financial reporting (IAS 34) as adopted by the European Union. Our responsibility is to express a conclusion on these consolidated condensed interim financial statements based on our review.

Scope of Review

We conducted our work in accordance with the criteria for a review recommended by Consob in Resolution No. 10867 of 31 July 1997. A review of consolidated condensed interim financial statements consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than a full-scope audit conducted in accordance with International Standards on Auditing (ISA Italia) and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion on the consolidated condensed interim financial statements.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the consolidated condensed interim financial statements of Newlat Group as of 30 June 2023 are not prepared, in all material respects, in accordance with the international accounting standard applicable to interim financial reporting (IAS 34) as adopted by the European Union.

Milano, 11 September 2023

PricewaterhouseCoopers SpA

signed by
Davide Abramo Busnach
(Partner)

This report has been translated into English from the Italian original solely for the convenience of international readers

PricewaterhouseCoopers SpA

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