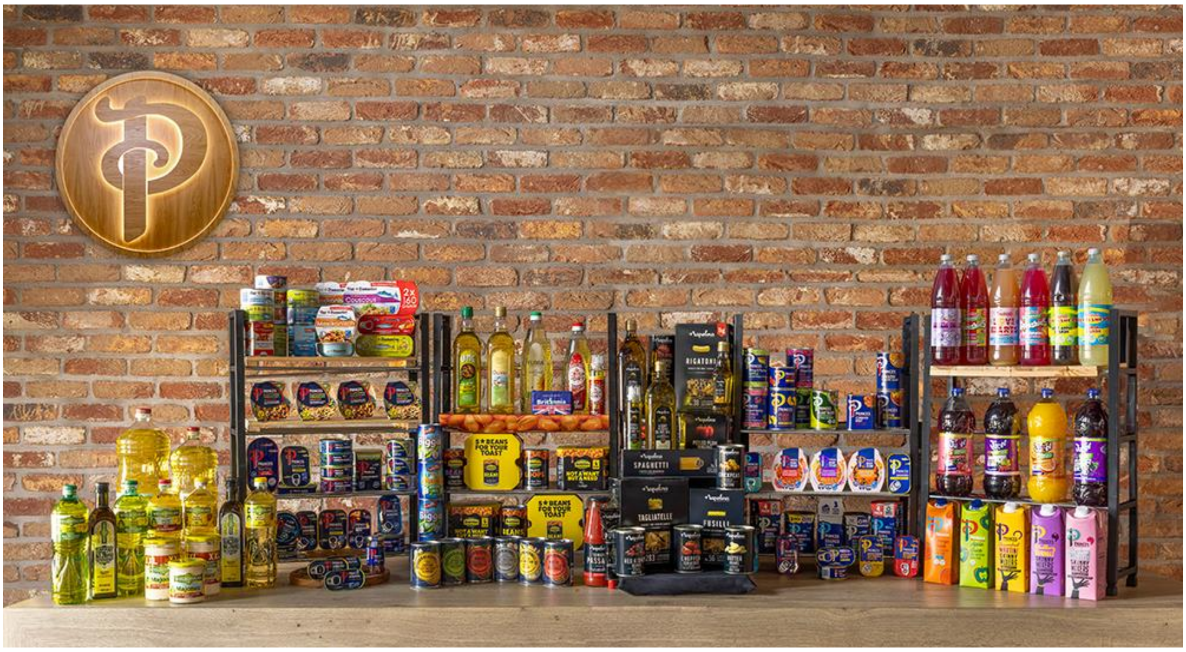
Newlat FOOD SpA

A multibrand company



INTERIM MANAGEMENT REPORT

AT 30 September 2024

DIRECTORS' REPORT ON OPERATING PERFORMANCE

AT 30 September 2024

Contents

This report is available online at: www.newlat.it

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.

Introductory part

On 27 May 2024 an agreement was signed for the acquisition of 100% of the share capital of Princes Limited (hereinafter also referred to as "Princes", and together with its subsidiaries the "Princes Limited Group"), then finalised the following July. With this acquisition, the Newlat Group expects to achieve proforma sales of approximately Euro 2.8 billion during the financial year with a strong position in the UK market and an Adjusted EBITDA of approximately Euro 188 million.
The transaction was financed through available resources, a shareholder loan of approximately Euro 200 million and a Euro 300 million loan from a pool of banks.
Through this transaction and with a global operating network of 31 plants, Newlat became the first unicorn in the food sector listed on the STAR segment able to offer a diversified range of products in as many as ten distinct categories.
On 30 July 2024, all of the conditions precedent stipulated in the Agreement were fulfilled and therefore the Company acquired the entire share capital of Princes Limited.
Therefore, the Princes Limited Group is included in the Group's scope of consolidation as from August.

With regard to the third quarter figures, the Group confirmed its great ability to increase its margins to Euro 74.3 million with an EBITDA margin of 8.3% thanks to the contribution of the Princes Limited Group and the ability of the Newlat Group (excluding the Princes Limited Group) to continue to generate double-digit margins (10.4% EBITDA margin as at 30 September 2024 compared to 9.5% as at 30 September 2023).

The financial figures show a net financial position of Euro 437 million (excluding the shareholders' loan of Euro 200 million), which worsened sharply compared to the figures as at 31 December 2023 as a result of the acquisition of the Princes Group, which led to the repayment of the loan to Mitsubishi Corporate Finance.

The cash conversion as at 30 September 2024 was 71.9%.

The third quarter of 2024 closed with a net profit after tax of Euro 170.8 million, sharply up from Q3 2023 thanks to the positive contribution from the business combination amounting to Euro 158 million as shown in the consolidated income statement.

Outlook

The acquisition of Princes will enable the Group to achieve economies of scale and economic synergies and consolidate the excellent results achieved despite an international landscape that remains very complex.
Based on the available indicators, the Group expects turnover for the entire financial year to be substantially stable compared to last year, and in terms of margins the Group will strive to improve on its performance in 2023.
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, also in view of the recent acquisition of the Princes Limited Group.

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 September 2024.
- 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 Q3 2024 was higher than budgeted. It should also be noted that the cash and cash equivalents, amounting to Euro 334 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 30 September 2024

After 30 September 2024 there were no atypical or unusual transactions requiring changes to the interim financial statements at 30 September 2024.

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	Chair
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	Chair
Maria Cristina Zoppo	Member
Valentina Montanari	Member

Control and Risks Committee

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

Related Party Transactions Committee

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

Financial Reporting Officer

Rocco Sergi

Independent Auditing Firm

PricewaterhouseCoopers S.p.A.

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, Foods, Drinks, Fish, Italian products, Oils 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 September 2024 directly owns 41.1% of the share capital (representing 58.2% of the voting rights), 21.2% by Mitsubishi Corporation and 37.61% by institutional investors and retail.
Only 0.09% is held by the company through the purchase of own shares.

This report on operations contains economic, equity and financial information of the Newlat Group at 30 September 2024, 31 December 2023 and 30 September 2023.

In order to represent the Group's economic performance, it was necessary to include combined economic information in the interim report for the period ended 30 September 2024, as well as the recognition of badwill from the business combination, reflecting the nine months of operations of the Princes Limited Group acquired on 31 July 2024, and therefore only included in the scope of consolidation for two months in 2024. For the sake of comparability, combined economic information has also been reported, in the income statement in the directors' report on operating performance, for the 2023 financial year.

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 bulletin no. 5/21 of 29 April 2021 implementing the ESMA 32-382-1138 guidelines dated 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.

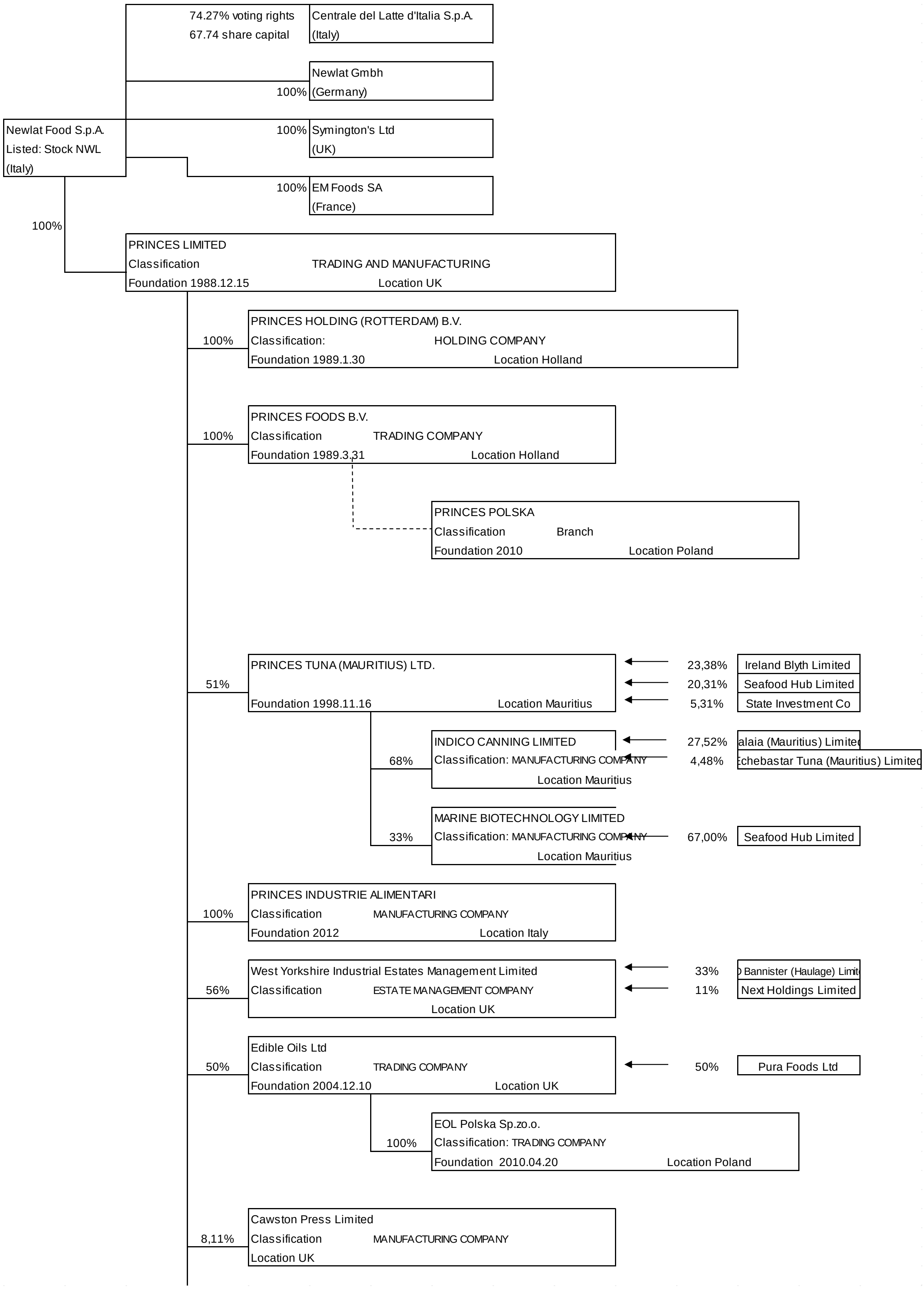
Net financial position is given by the algebraic sum of:

- Cash and cash equivalents
- Current financial assets, recorded under current financial assets measured at fair value through profit or loss and under financial receivables measured at amortised cost.
- Amounts due to banks recorded under current and non-current financial liabilities.
- Financial liabilities for leases recognised as current and non-current.

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.

Group Structure



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

Name	Registered Office	Currency	Share capital at 30 September 2024	Control percentage At 30 September 2024	Control percentage At 31 December 2023
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%	100%
Princes Limited	Royal Liver Building Pier Head Liverpool	GBP	7,000,000	100%	-

A table summarising the carrying amount of each subsidiary recorded in the Company's separate financial statements at 30 September 2024 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) 30/09/2024	Shareholders' equity (thousands of euros) 30/09/2024	Profit / loss for the period (in thousands of euros) 30/09/2024
Newlat GmbH (Deutschland)	68,525	39,984	(282)
Centrale del Latte d'Italia S.p.A.	25,409	75,251	8,618
Symington's Ltd	63,914	29,998	1,495
EM Foods Sas	1,000	1,135	(1,739)
Princes Limited	1€	242,076	(2,540)

A brief description of the direct 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 Milan market 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.
- Princes Limited: a group active in the production and sale of products related to canned vegetables, tuna, oils, beverages, tomatoes and pasta.

INTERIM MANAGEMENT REPORT

DIRECTORS' OBSERVATIONS ON PERFORMANCE AT 30 September 2024

INTRODUCTION TO THE REPORT ON OPERATIONS

Acquisition of the Princes Limited Group

On 27 May 2024 an agreement was signed for the acquisition of 100% of the share capital of Princes Limited (hereinafter also referred to as "Princes", and together with its subsidiaries the "Princes Limited Group"), then finalised the following July.

On 17 June 2024, a purchase and sale agreement was entered into with Mitsubishi Corporation as seller, pursuant to which Newlat acquired 100% of the share capital of Princes for a net cash consideration of GBP 1.

The Agreement stipulated that Newlat must provide the necessary financial resources to enable Princes Limited to repay its outstanding loan to Mitsubishi Corporation. The Transaction envisaged was financed through the Company's available liquidity, a Loan from the Newlat Group for a total amount of Euro 200 million and a loan of Euro 300 million that was provided by a pool of leading international banks.

On 30 July 2024 all conditions precedent envisaged by the agreement to purchase Princes Limited were fulfilled, and therefore, the Company purchased the entire share capital of that group. With the completion of the agreement, Newlat Group also sold 9,319,841 shares of the company, representing 21.2% of the company's capital, to Mitsubishi Corporation against payment of approximately Euro 58 million.

MANAGEMENT REPORT

The Newlat Group is an important player in the Italian and European agri-food sector. In particular, as at 30 September 2024 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
- Foods
- Drinks
- Fish
- Italian Products
- Oils
- Other Products

The following is a brief commentary on the most significant changes to the main income statement items that occurred in the periods under review. As previously highlighted, regarding the financial data presented in the directors' report on operating performance, combined (aggregated) data for both Newlat and the Princes Group are reflected for fiscal years 2023 and 2024.

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)	Combined income statement of the first nine months				Changes	
	2024	%	2023	%	2024 v 2023	%
Pasta	143,300	7.1%	160,045	7.7%	(16,745)	(10%)
Milk Products	197,533	9.7%	200,068	9.6%	(2,535)	(1%)
Bakery Products	32,454	1.6%	36,075	1.7%	(3,621)	(10%)
Dairy Products	44,375	2.2%	38,702	1.9%	5,673	15%
Special Products	14,308	0.7%	27,465	1.3%	(13,157)	(48%)
Instant noodles	110.398	5.4%	126,230	6.1%	(15,832)	(113%)
Foods	464,920	22.9%	493,080	23.7%	(28,160)	(6%)
Drinks	2644,247	13.0%	258,809	12.4%	5,438	2%
Fish	349,570	17.2%	327,905	15.7%	21,665	7%
Italian Products	128,763	6.4%	129,116	6.2%	(353)	0%
Oils	266,207	13.1%	274,147	13.2%	(7,940)	(3%)
Other Products	11,391	0.6%	12,081	0.6%	(690)	(6%)
Revenue from contracts with customers	2,027,465	100.0%	2,083,723	100.0%	(56,258)	(2.7%)

Revenues in the Pasta segment decreased due to the combined effect of a reduction in the average sales price and a slight decrease in volumes in Germany and in the B2B and PL segment.
Revenues from the Milk Products segment were down because of a decrease in the average sales price and a slight drop in sales volumes, especially of fresh milk.
Revenues from the Bakery Products segment were down because of a reduction in the average sales price and a decrease in demand in the domestic and private label markets.
Revenues from the Dairy Products segment increased sharply as a result of a rise in sales volumes.
Revenues from the Special Products segment decreased as a result of a drop in sales volumes linked to investments made at the Ozzano Taro plant.
Revenues from the Instant noodles & bakery mixes segment were down because of a combined reduction in the average sales price and a slight decrease in volumes in the United Kingdom and in the Mass Distribution and Private Labels segments.
Revenues in the Foods segment were down mainly due to a 6% drop in volume as a result of increased competition in baked beans, and a lower average selling price compared to the same period last year.
Revenues in the Drinks segment increased due to a higher average sales price than in the same period of the previous year (+4%) despite a slight decline in sales volumes in the juices and carbonated drinks segment.
Revenues in the Fish segment increased due to higher sales volumes, particularly in the frozen segment in the UK and European markets, and a higher average sales price than in the same period last year.
Revenues from the Italian products segment were in line due to the combined effect of a decrease in volumes with low margins offset by a higher average sales price compared to the same period of the previous year.

Revenues in the **Oils** segment decreased mainly due to a decrease in sales volumes, particularly in Poland, offset by an excellent performance in the UK market.
Revenues from the **Other Products** segment were down slightly as a result of lower average sales prices.

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)	Combined income statement of the first nine months				Changes	
	2024	%	2023	%	2024 v 2023	%
Mass Distribution	733,373	36.2%	749,001	35.9%	(15,628)	(2%)
B2B partners	166,105	8.2%	182,327	8.8%	(16,221)	(9%)
Normal trade	63,870	3.2%	70,731	3.4%	(6,861)	(10%)
Private labels	9144,348	45.1%	901,885	43.3%	12,463	1%
Food services	149,768	7.4%	179,779	8.5%	(30,011)	(17%)
Total revenue from contracts with customers	2,027,465	100.0%	2,083,723	100.0%	(56.258)	(2.7%)

Revenues from the **Mass Distribution** channel decreased mainly as a result of lower volumes in the Foods, Milk and Pasta sectors.
Revenues from the **B2B partners** channel decreased mainly due to a reduction in volumes in the Pasta and Foods sectors.
Revenues in the **Normal trade** channel decreased mainly due to a decrease in volumes in the milk & dairy sector.
Revenues from the **Private label** channel increased as a result of the main effect in the Fish and Dairy segment.
Revenues related to the **Food services** channel decreased as a main consequence of a contraction in demand in the Foods world.

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)	Combined income statement of the first nine months				Changes	
	2024	%	2023	%	2024 v 2023	%
Italy	329,999	16.3%	353,566	17.0%	(23,567)	(7%)
Germany	146,278	7.2%	129,382	6.2%	16,896	13%
United Kingdom	1,069,508	52.8%	1,106,760	53.1%	(37,252)	(3%)
Other countries	481,680	23.8%	494,014	23.7%	(12,334)	(2%)
Total revenue from contracts with customers	2,027,465	100,0%	2,083,723	100.0%	(56,257)	(2.7%)

Revenues in ***Italy*** were down, mainly due to lower sales in the pasta, bakery and milk segments.
Revenues from ***Germany*** increased as a result of higher volumes in the Dairy and Italian Products sectors.
Revenues in the *UK* decreased mainly due to the performance of the Foods segment in the Food Services channel.
Revenues from *Other Countries* decreased mainly due to the performance of the Pasta and Oils sectors.

Combined EBITDA

The table below provides a reconciliation of the combined EBITDA, EBITDA margin and cash conversion at 30 September 2024 and 2023.

(In thousands of euros and as a percentage)	At 30 September 2024	At 30 September 2023
Operating profit/(loss) (EBIT)	257,512	228,695
Amortisation, depreciation and write-downs	75,467	70,760
Net write-downs of financial assets	439	67,522
Income from business combinations	(222,738)	(224,423)
EBITDA (*) (A)	110,680	142,554
Revenue from contracts with customers	2,048,178	2,095,489
EBITDA margin (*)	5.4%	6.8%

(*) 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, among other things management monitors combined EBITDA by business unit as shown in the table below.

(In thousands of euros and as a percentage of revenue from contracts with customers)	Combined income statement of the first nine months				Changes	
	2024	%	2023	%	2024 v 2023	%
Pasta	16,233	11.3%	17,389	10.9%	(1,156)	(6.6%)
Milk Products	19,410	9.8%	18,538	9.3%	872	4.7%
Bakery Products	5,489	16.9%	5,009	13.9%	480	9.6%
Dairy Products	5,610	12.6%	4,813	12.4%	797	16.6%
Special Products	1,751	12.2%	2,784	10.1%	(1,034)	(37.1%)
Instant Noodles & Bakery Mixes	8,483	7.7%	7,865	6.2%	618	7.9%
Foods	36,670	7.9%	55,307	11.1%	(18,637)	(33.7%)
Drinks	9,256	3.5%	11,333	4.3%	(2,076)	(18.3%)
Fish	16,841	4.8%	16,196	4.9%	646	4.0%
Italian Products	2,463	1.9%	11,216	8.6%	(8,753)	(78.0%)
Oils	4,923	1.8%	2,168	0.8%	2,756	127.1%
Other Products	(18,453)	(145.3%)	(10,064)	(83.3%)	(8,389)	83.4%
EBITDA	**108,6760**	**5.4%**	**142,554**	**6.8%**	**(33,878)**	**(23.8%)**

The EBITDA of the **Pasta** segment was lower because of decreased turnover. In terms of impact, there was an improvement in margins due to better purchasing conditions for the main components of the finished product.
The EBITDA for the **Milk Products** segment increased significantly compared to the same period of the previous year both in absolute terms and in terms of turnover.
EBITDA from the **Bakery Products** segment improved significantly compared to the same period last year due to better purchasing conditions
The EBITDA for the **Dairy Products** segment increased significantly compared to the same period of the previous year due to the combined effect of higher sales volumes and a higher average selling price compared to 30 September 2023.
EBITDA from the **Special Products** segment was in line with the same period of the previous year. The decrease in absolute values is directly correlated to the drop in turnover due to investments at the Ozzano Taro plant.
EBITDA for the **Instant Noodles & Bakery Mixes** segment increased both in absolute and relative terms as a result of better purchasing conditions.
EBITDA from the **Foods** segment decreased mainly due to lower sales volumes.
EBITDA from the **Drinks** segment decreased mainly due to lower sales volumes.
EBITDA related to the **Fish** segment increased mainly due to an increase in volumes and the average sales price.
EBITDA from the **Italian Products** segment decreased mainly due to lower sales volumes.
The EBITDA of the **Oils** segment increased mainly due to higher volumes and higher average sales prices.
To correctly assess performance, among other things management monitors standardised EBITDA as shown in the table below.

(In thousands of euros and as a percentage)	At 30 September 2024	At 30 September 2023
EBITDA (*)	108,676	142,554
Non-recurring expense (income)	19,099	5,113
Standardised EBITDA (*)	127,775	147,667
Revenue from contracts with customers	2,027,465	2,095,490
Standardised EBITDA margin (*)	6.3%	7.0%

(*) EBITDA, Standardised EBITDA and the Standardised EBITDA margin 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.

Net financial debt

The following table provides details of the composition of the Group's net financial debt as at 30 September 2024 and 31 December 2023, 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)	At 30 September	At 31 December
Net financial debt	2024	2023
A. Cash and cash equivalents	180,620	103,873
B. Cash equivalents	153,920	208,586
C. Other current financial assets	259,898	13,167
D Cash and cash equivalents (A)+(B)+(C)	594,438	325,626
E. Current financial liabilities	(288,608)	(29,727)
F. Current portion of non-current financial debt	(44,708)	(42,622)
G. Current financial indebtedness (E)+(F)	(333,316)	(72,349)
H. Net current financial indebtedness (G)+(D)	261,122	253,277
I. Non-current financial liabilities	(499,326)	(128,613)
J. Debt instruments	(199,231)	(199,013)
K. Trade and other non-current payables	(203,190)	-
L. Non-current financial indebtedness (I)+(J)+(K)	(901,747)	(327,626)
M. Net financial indebtedness (H)+(L)	(640,625)	(74,348)
Shareholder Loan	203,190	
N. Adjusted net financial debt	(437,435)	(74,348)

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

(In thousands of euros)	At 30 September 2024	At 31 December 2023
Net financial debt	(437,435)	(74,348)
Current lease liabilities	20,361	7,694
Non-current lease liabilities	83,748	37,160
Net Financial Position	(333,326)	(29,493)

Net financial debt worsened significantly compared to 31 December 2023 due to the acquisition of the Princes Group.

INVESTMENTS

The following table provides a breakdown of the Group's investments in property, plant and equipment and intangible assets in the period ended 30 September 2024:

(In thousands of euros and as a percentage)	At 30 September		At 31 December	
	2024	%	2023	%
Land and buildings	486	2.3%	5,633	22.3%
Plant and machinery	9,933	47.7%	10,265	40.7%
Industrial and commercial equipment	1,597	7.7%	2,125	8.4%
Other assets	14	0.1%	243	1.0%
Assets under construction and payments on account	7,329	35.2%	4,827	19.1%
Investments in property, plant and equipment	19,357	93.0%	23,092	91.5%
Patents and intellectual property rights	27	0.1%	662	2.6%
Concessions, licences, trademarks and similar rights	885	4.2%	673	2.7%
Other assets	569	2.7%	796	3.2%
Investments in intangible assets	1,481	4.3%	2,131	8.5%
Total investments	20,838	100.0%	25,224	100.0%

During the reporting period, the Group made investments totalling Euro 20,839 thousand. These investments also include the Princes Group as from August 2024.

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 as at 30 September 2024:

(In thousands of euros and as a percentage)	At 30 September		At 31 December	
	2024	%	2023	%
Special Products	1,216	5.8%	3,102	12.3%
Pasta	6,487	31.1%	10,750	42.6%
Bakery Products	458	2.2%	740	2.9%
Milk Products	2,705	13.0%	2,234	8.9%
Dairy Products	-	-	268	1.1%
Instant Noodles & Bakery Mixes	2,800	13.4%	6,611	26.2%
Other Activities	5,927	28.4%	1,519	6.0%
Foods	578	2.8%	-	-
Oils	667	3.2%	-	-
Total investments	20,838	100.0%	25,224	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, and the construction of the new warehouse at the Mannheim plant

Investments in the Special Products business unit concern the completion of production lines at the Ozzano Taro plant.

Investments in the Instant Noodles & Bakery Mixes business unit mainly relate to projects to upgrade and renovate production and packaging lines.

OTHER INFORMATION

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 nine months of 2024 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 September 2024 the Parent Company held 55,797 treasury shares.

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 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 November 2024

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 November 2024

Rocco Sergi
Financial Reporting Officer

Financial statements and explanatory notes

Consolidated Statement of Financial Position at 30 September 2024

(In thousands of euros)	At 30 September 2024	At 31 December 2023
Non-current assets		
Property, plant and equipment	564,523	164,732
Right-of-use assets	100,678	43,773
of which from related parties	*12,143*	*14,105*
Intangible assets	121,013	91,548
Equity investments in associates	64,118	1,401
Non-current financial assets measured at fair value through profit or loss	785	777
Financial assets measured at amortised cost	803	800
of which from related parties	*735*	*735*
Deferred tax assets	8,589	6,362
Total non-current assets	860,509	309,392
Current assets		
Inventories	504,270	74,099
Trade receivables	338,929	84,634
of which from related parties	*5,638*	*2,493*
Current tax assets	5,644	1,323
Other receivables and current assets	59,157	22,529
Current financial assets measured at fair value through profit or loss	1,532	69
Financial receivables measured at amortised cost	258,366	13,099
of which from related parties	*258,366*	*13,099*
Cash and cash equivalents	334,540	312,459
of which from related parties	-	*93,586*
Total current assets	1,502,438	508,212
TOTAL ASSETS	2,362,946	817,604
Shareholders' equity		
Share capital	43,935	43,935
Reserves	130,755	102,079
Translation reserve	1,193	(1,703)
Net profit/(loss)	168,439	14,325
Total shareholders' equity attributable to the Group	344,322	158,636
Shareholders' equity attributable to minority interests	63,104	16,022
Total consolidated equity	407,426	174,658
Non-current liabilities		
Provisions for employee benefits	15,081	10,951
Provisions for risks and charges	2,459	2,337
Deferred tax liabilities	47,631	22,868
Non-current financial liabilities	614,809	290,466
Non-current lease liabilities	83,748	37,160
of which from related parties	*9,340*	*14,092*
Shareholder Loan	203,190	-
of which from related parties	*203,190*	-
Total non-current liabilities	966,918	363,783
Current liabilities		
Trade payables	460,431	172,198
of which from related parties	*3,830*	*823*
Current financial liabilities	312,955	64,653
of which from related parties	*3,025*	*3,916*
Current lease liabilities	20,361	7,694
of which from related parties	*2,530*	*2,457*
Current tax liabilities	6,669	2,988
Other current liabilities	188,186	31,630
of which from related parties	*73*	*0*
Total current liabilities	988,692	279,163
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	2,362,946	817,604

Consolidated income statement of the first nine months of 2024

(In thousands of euros)	Consolidated income statement of the first nine months	
	2024	2023
Revenue from contracts with customers	896,307	600,666
Cost of sales	(729,578)	(491,968)
of which from related parties	*(2,450)*	*(2,839)*
Gross operating profit/(loss)	**166,729**	**108,698**
Sales and distribution costs	(85,295)	(64,317)
Administrative costs	(49,310)	(15,716)
of which from related parties	*(227)*	*(126)*
Net write-downs of financial assets	(439)	(586)
Other revenues and income	9,384	6,712
Income from business combinations	158,028	1,685
Other operating costs	(4,670)	(4,666)
Operating profit/(loss)	**194,427**	**31,810**
Financial income	9,075	6,788
of which from related parties	*4,329*	*1,501*
Financial expenses	(25,624)	(13,447)
of which from related parties	*(2,877)*	*(493)*
Profit/(loss) before taxes	**177,879**	**25,152**
Income taxes	(7,031)	(6,977)
Net profit/(loss)	**170,848**	**18,175**
Profit/(loss) attributable to minority interests	**2,405**	**2,187**
Group net profit/(loss)	**168,439**	**15,988**
Basic net profit/(loss) per share	3.84	0.37
Diluted net profit/(loss) per share	3.84	0.37

Consolidated comprehensive income statement of the first nine months of 2024

(In thousands of euros)	Consolidated income statement of the first nine months	
	2024	2023
Net profit/(loss) (A)	**170,848**	**18,175**
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	(72)	(154)
Translation reserve	2,896	2,809
Total other components of comprehensive income that will not be subsequently reclassified to the income statement	**2,824**	**2,655**
d) Total other components of comprehensive income, net of tax effect (B+C)	**2,824**	**2,655**
Total comprehensive net profit/(loss) (A)+(D)	**173,672**	**20,829**
Profit/(loss) attributable to minority interests	**4,595**	**2,187**
Group net profit/(loss)	**169,077**	**18,643**

Statement of changes in consolidated shareholders' equity as at 30 September 2024

(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 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		20,085		20,085		20,085
Total treasury shares		20,085		20,085		20,085
Other changes		-		-	-	-
Net profit/(loss)			15,988	15,988	2,187	18,175
Hedging instruments net of tax effects		(154)		(154)		(154)
Translation reserve		2,809		2,809		2,809
Actuarial gains/(losses) net of the related tax effect		-		-	-	-
Total comprehensive net profit/(loss) for the year		2,655	15,988	18,643	2,187	20,830
At 30 September 2023	43,935	103,276	15,988	163,199	17,020	180,220
Treasury shares		(1,232)		(1,232)		(1,232)
Total treasury shares		(1,232)		(1,232)		(1,232)
Other changes						
Net profit/(loss)			(1,663)	(1,663)	(999)	(2,662)
Hedging instruments net of tax effects		(97)		(97)		(97)
Translation reserve		(1,494)		(1,494)		(1,494)
Actuarial gains/(losses) net of the related tax effect		(78)		(78)		(78)
Total comprehensive net profit/(loss) for the year		(1,669)	(1,663)	(3,332)	(999)	(4,331)
At 31 December 2023	43,935	100,375	14,325	158,635	16,022	174,657
Allocation of net profit/(loss) for the previous year		14,325	(14,325)	-		-
Treasury shares		8,936		8,936		8,936
Total treasury shares		8,936		8,936		8,936
Other changes		(201)		(201)	44,673	44,741
Net profit/(loss)			168,439	168,439	2,409	170,848
Hedging instruments net of tax effects		3,227		3,227		3,227
Capital gains on own shares		2,392		2,392		2,392
Translation reserve		2,896		2,886		2,896
Actuarial gains/(losses) net of the related tax effect						
Total comprehensive net profit/(loss) for the year		8,515	168,439	176,954	2,409	179,363
At 30 September 2024	43,935	132,151	168,439	344,322	63,104	407,426

Consolidated cash flow statement of the first nine months of 2024

(In thousands of euros)	At 30 September	
	2024	2023
Profit/(loss) before taxes	177,879	25,152
- Adjustments for:		
Amortisation, depreciation and write-downs	37,860	26,968
Financial expense/(income)	16,549	6,659
of which from related parties	*1,452*	*1,008*
Other non-monetary changes from business combinations	(158,028)	(1,685)
Other non-monetary changes	-	-
Cash flow generated /(absorbed) by operating activities before changes in net working capital	74,259	57,094
Change in inventory	(33,582)	5,548
Change in trade receivables	(8,629)	20,298
Change in trade payables	88,952	(29,252)
Change in other assets and liabilities	37,032	6,408
Use of provisions for risks and charges and for employee benefits	(2,084)	(1,156)
Taxes paid	(5,342)	(3,163)
Net cash flow generated /(absorbed) by operating activities	150,607	55,777
Investments in property, plant and equipment	(19,358)	(11,804)
Investments in intangible assets	(1,481)	(1,092)
Divestment of financial assets	(11,089)	(3,096)
Net cash acquired Princes Limited	4,415	(1,000)
Net cash flow generated /(absorbed) by investment activities	(27,513)	(16,992)
New financial payables	578,000	19,500
Repaid financial payables	(424,954)	(28,420)
Repayments of lease liabilities	(11,403)	(7,341)
of which from related parties	*(4,470)*	*(4,470)*
Net interest expense	(16,549)	(6,659)
Sale (purchase) of own shares	8,936	20,085
Net cash flow generated/(absorbed) by financing activities	134,031	(2,835)
Total changes in cash and cash equivalents	257,124	35,950
Cash and cash equivalents at start of year	312,460	287,820
of which from related parties	*93,586*	*97,909*
Offsetting of cash and cash equivalents	(235,045)	(3,025)
Total changes in cash and cash equivalents	257,124	35,950
Cash and cash equivalents at end of year	334,540	320,744
of which from related parties		*80,987*

Explanatory notes

Basis of preparation

The Interim Management Report at 30 September 2024 was prepared in accordance with the international accounting principles (IAS/IFRS) adopted by the European Union for interim reporting (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 interim report for the nine months ended 30 September 2024 must therefore be read together with the annual consolidated financial statements prepared for the year ended 31 December 2023.
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 as at 30 September 2024 are the same as those used for the consolidated financial statements at 31 December 2023, except for the new accounting standards, amendments and interpretations applicable from 1 January 2024, which are described below and which – it is noted – did not have a material impact on the equity and economic situation as at 30 September 2024.

Accounting standards, amendments and interpretations effective from 1 January 2024 and adoptable by the Group:

Effective date	New accounting standard/amendment	Date of EU approval (OJEU publication date)
1 January 2024	Amendments to IFRS 16: - Lease liabilities in a sale and leaseback transaction (Amendments to IFRS 16).	21 Nov 2023 (EU) 2023/2579

1 January 2024	Amendments to IAS 1: - Classification of liabilities as current or non-current and related amendments on the deferral of the effective date. - Non-current liabilities with covenants.	20 Dec 2023 (EU) 2023/2822

1) With Regulation (EU) No. 2023/2579 of 20 November 2023, the European Commission endorsed the document "Lease Liability in a Sale and Leaseback (Amendments to IFRS 16 Leases)", published by the IASB® Board on 22 September 2022.

With the Amendments to IFRS 16, the IASB Board clarified the following accounting treatment for subsequent measurement of the lease liability arising from a sale and leaseback:

- The lessee-seller applies the requirements of IFRS 16.36-46 for the subsequent measurement of lease liabilities arising from the leaseback.
- In applying the above paragraphs of IFRS 16, the seller-lessee shall determine the "lease payments payable" or the "revised lease payments payable" in a manner that does not recognise any amount of gain or loss that relates to the right-of-use asset retained thereby. The lease liability is then reduced by the amount of the initially estimated lease payments payable, with any difference between the estimated and actual payments recognised in profit/(loss) for the year.
- The application of the above provisions does not preclude the lessee-seller from recognising in profit or loss the gain or loss arising from the partial or total termination of the contract as required by paragraph IFRS 16.46(a).

The lessee-seller must establish its own accounting policy for determining the lease payments to be included in the initial estimate of the lease liability.

The Amendments to IFRS 16 become effective with financial statements for financial years beginning on or after 1 January 2024. Early application is permitted by providing adequate disclosure in the notes to the financial statements.

2) With Regulation (EU) No. 2023/2822 of 19 December 2023, the European Commission endorsed the following documents published by the IASB Board:

- Classification of Liabilities as Current or Non-Current (Amendments to IAS 1 Presentation of Financial Statements), published on 23 January 2020.
- Non-current Liabilities with Covenants (Amendments to IAS 1 Presentation of Financial Statements), published on 31 October 2022.

Amendments to IAS 1

Right to defer settlement of a liability for at least 12 months after the end of the financial year

The IASB Board's first objective was to clarify the apparently conflicting concepts expressed in paragraphs 69(d) and 73 of IAS 1.

Specifically, IAS 1.69(d) provided as a general criterion for classifying a liability as non-current the existence of an "unconditional right of the entity to defer settlement of the liability for at least 12 months after the reporting period" and IAS 1.73 referred instead to "an entity's discretion to refinance or roll over the obligation for at least 12 months after the reporting period of an existing financing arrangement". It was therefore unclear from a combined reading of these two paragraphs whether it was sufficient to have a right to defer settlement of a liability for at least 12 months at the end of the financial year, or whether it was also relevant to the classification of a liability in the financial statements whether the entity intended to exercise that right or not.
With the Amendments to IAS 1, the IASB Board clarified that:

- The right to defer the settlement of a liability for a period of at least 12 months after the end of the reporting period, referred to in paragraph 69(d), need not be unconditional but need only be "substantive and...must exist at the end of the reporting period".
- The classification of a liability as current or non-current must not be affected by an entity's intentions to exercise or not to exercise the right to defer payment beyond 12 months (e.g. an intention to refinance or roll over a loan by extending its maturity) and by decisions made between the end of the reporting period and the date of its publication (e.g. a decision to repay a loan early).

Methods for settling a liability

The Amendments to IAS 1 clarified that, for the purposes of classifying a liability as current or non-current, the term settled (in paragraph 69(a), (c) and (d)) refers to a transfer to the counterparty that results in the settlement of the liability. The transfer could be of:

a) cash or other economic resources, e.g. goods or services; or

b) the entity's own equity instruments, unless paragraph 76B applies.

Contractual provisions in a liability that allow the counterparty to require the liability to be settled by the transfer of the entity's own equity instruments (e.g. a convertible bond) do not affect the classification of the liability as current or non-current if, by applying IAS 32 Financial Instruments: presentation in the financial statements, the entity classifies the option as an equity instrument, recognising it separately from the financial liability as a component of equity of a compound financial instrument (e.g. an option to convert into a fixed number of shares of a convertible bond).

Financial reporting

An entity must disclose information in the financial statements about events that occur between the end of the reporting period and the date the financial statements are authorised for issue that are specifically defined in IAS 1 as non-adjusting subsequent events in accordance with the requirements of IAS 10 Events after the Reporting Period:

a) Long-term refinancing of a liability classified as current.

b) Rectification of the breach of a long-term financing contract classified as current.

c) Granting by the lender of a grace period to rectify a breach of a long-term financing contract classified as current.

d) Settlement of a liability classified as non-current.

If management intends or expects to settle a liability classified as non-current within twelve months after the reporting period, it does not change the classification in the financial statements but must disclose the timing of such settlement in the notes.

Liabilities from loan contracts with covenants

The IASB Board has clarified that where the right to defer the settlement of a liability arising from a loan contract for at least 12 months after the reporting period is subject to compliance with specific covenants, the liability is classified as non-current if all covenants under the contract have been met up to the reporting period, even if they are calculated in the first few months of the following reporting period.

Compliance with contractual covenants to be calculated after the reporting period is not relevant to the classification of the liability in the statement of financial position.

Disclosure of liabilities arising from loan contracts with covenants

The Amendments to IAS 1 introduced the following disclosure requirements with respect to liabilities arising from loan contracts, which are classified as non-current liabilities in the statement of financial position, and whose right to defer their settlement for at least 12 months after the end of the reporting period is subject to covenant compliance:

a) Information about the covenants (including the nature of the covenants and when the entity is required to comply with them) and the carrying amount of the related liabilities.

b) Information about any facts and circumstances that indicate that the entity may have difficulty complying with the covenants. These facts and circumstances could also refer to the situation where the covenants to be met in the 12 months following the end of the reporting period would not be met using the figures at the end of the financial year.

The Amendments to IAS 1 are effective for financial statements for financial years beginning on or after 1 January 2024 and are to be applied retroactively in accordance with IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors. Early application is permitted by providing adequate disclosure in the notes to the financial statements.

IFRS accounting standards, amendments and interpretations not yet approved by the European Union

At the date of this document, the competent bodies of the European Union have not yet concluded the endorsement process required for the adoption of the amendments and standards described below:

• On 30 May 2024 the IASB published "Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7". The document clarifies a number of problematic issues that emerged from the post-implementation review of IFRS 9, including the accounting treatment of financial assets whose returns vary when ESG objectives are met (i.e. green bonds). Specifically, the amendments aim to:

- Clarify the classification of financial assets with variable returns linked to environmental, social and corporate governance (ESG) objectives and the criteria to be used for the SPPI test.
- Determine that the date of settlement of liabilities through electronic payment systems is the date on which the liability is extinguished. However, an entity is permitted to adopt an accounting policy to allow a financial liability to be derecognised before delivering cash on the settlement date under certain specified conditions. With these amendments, the IASB also introduced additional disclosure requirements with regard to investments in equity instruments designated as FVOCI.

The amendments will apply to the financial statements for financial years beginning on or after 1 January 2026.

• On 9 May 2024, the IASB published a new principle, IFRS 19 - Subsidiaries without Public Accountability: Disclosures.

The new principal introduces some simplifications with respect to the disclosures required by other IAS-IFRS principles. This principle can be applied by an entity that meets the following main criteria:

- It is a subsidiary company.
- It has not issued equity or debt instruments listed on a market and is not in the process of issuing them.
- It has its own parent company that prepares consolidated financial statements in accordance with IFRS.

The new principle will enter into force on 1 January 2027, but earlier application is permitted.

• On 9 April 2024, the IASB published a new principle, IFRS 18 - Presentation and Disclosure in Financial Statements, which will replace IAS 1 - Presentation of Financial Statements. The new principle aims to improve the presentation of the main financial statements and introduces important changes with regard to the statement of profit or loss. Specifically, the new principle requires:

- Classification of revenues and expenses into three new categories (operating section, investing section and financing section), in addition to the income tax and discontinued operations categories already present in the statement of profit or loss.
- Present two new sub-totals, operating profit or loss and profit or loss before financing and income tax (i.e. EBIT).

The new principle also:

- Requires more information on the performance indicators defined by management.
- Introduces new criteria for the aggregation and disaggregation of information.
- Introduces a number of changes to the format of the statement of cash flows, including the requirement to use the operating profit or loss as the starting point for the presentation of the statement of cash flows prepared under the indirect method and the elimination of certain classification options for some items that currently exist (such as interest paid, interest received, dividends paid and dividends received).

The new principle will enter into force on 1 January 2027, but earlier application is permitted.

• On 15 August 2023 the IASB published "Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability”. The document requires an entity to apply a consistent methodology to ascertain whether one currency can be converted into another, and when this is not possible, how to determine the exchange rate to be used and the disclosures to be made in the notes to the financial statements. The amendment will apply from 1 January 2025, but earlier application is permitted.

• On 30 January 2014, the IASB published IFRS 14 - Regulatory Deferral Accounts, which allows only first-time adopters of IFRSs to continue to recognise amounts related to Rate Regulation Activities under the previous adopted accounting standards.

The directors do not expect any significant effects from the introduction of these amendments and accounting principles.

Explanatory notes as at 30 September 2024

Scope of consolidation and goodwill

The following table provides details of the direct subsidiaries controlled and fully consolidated companies. The new subsidiary, Princes Limited, includes its own subsidiaries.

Name	Registered Office	Currency	Share capital at 30 September 2024	Control percentage At 30 September 2024	Control percentage At 31 December 2023
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%	100%
Princes Limited	Royal Liver Building Pier Head Liverpool	GBP	7,000,000	100%	-

Consolidation criteria and methodology

The interim report on operations illustrates the Group's equity, economic and financial situation in accordance with IFRS. Subsidiaries were consolidated on a line-by-line basis. Minority interests were taken in Società Centrale del Latte d'Italia SpA (67.74% owned) and the Princes Limited Group.
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.
The company Edible Oils Ltd, 50% owned by the subsidiary Princes Limited Ltd., was consolidated using the equity method.
The total sales of Edible Oils Limited are included in group revenues. 100% of Edible Oils Limited's sales are to Princes Limited, which it then resells to third-party customers without applying any margin. In essence, Princes Limited is an intermediary acting as an undeclared agent and therefore accounts for 100% of the revenues from these sales and also all costs arising from the purchase transaction from Edible Oils Limited, without any impact on gross profit.
Princes Limited therefore accounts for the result from the Joint Venture in the consolidated statement of profit or loss according to the gross 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, Instant Noodles & Bakery Mixes, Food, Drinks, Fish, Oils, Italian Products and Other Products.

This identification will be revised with the completion of the business combination in order to make the Group's economic and financial information more effective. The table below shows the main of income statement items examined by the chief operating decision maker in order to assess the Group's performance at 30 September 2024.

(In thousands of euros)	At 30 September 2024												
	Pasta	Milk products	Bakery Products	Dairy products	Special Products	Instant Noodles & Bakery Mixes	Foods	Drinks	Fish	Italian Products	Oils	Other Activi-ties	Consolidated Financial Statements total
Revenue from contracts with customers (third parties)	143,300	197,533	32,454	44,375	14,308	110,398	103,425	59,763	85,490	30,129	63,732	11,402	896,307
EBITDA (*)	16,233	17,496	5,489	5,610	1,751	8,525	7,976	4,295	3,923	(458)	3,702	(281)	74,259
EBITDA margin	11.33%	8.86%	16.91%	12.64%	12.23%	7.72%	7.71%	7.19%	4.59%	-1.52%	5.81%	-2.46%	8.29%
Amortisation, depreciation and write-downs	4,883	8,132	1,978	276	2,431	9,053	3,820	2,999	1,018	1,488		1,345	37,421
Net write-downs of financial assets												439	439
Income from business combinations												158,028	158,028
Operating profit/(loss)	11,351	9,365	3,511	5,334	(680)	(528)	4,156	1,296	2,905	(1,947)	3,702	155,964	194,428
Financial income	-	-	-	-	-							9,075	9,075
Financial expenses	-	-	-	-	-							(25,624)	(25,624)
Profit/(loss) before taxes	11,351	9,365	3,511	5,334	(680)	(528)	4,156	1,296	2,905	(1,947)	3,702	139,416	177,879
Income taxes	-	-	-	-	-							(7,031)	(7,031)
Net profit/(loss)	11,351	9,365	3,511	5,334	(680)	(528)	4,156	1,296	2,905	(1,947)	3,702	132,385	170,848

(*) 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)	At 30 September 2023							
	Pasta	*Milk products*	Bakery Products	*Dairy products*	Special Products	Instant Noodles & Bakery Mixes	Other Activities	Consolidated Financial Statements total
Revenue from contracts with customers (third parties)	160,045	200,068	36,075	38,702	27,465	126,230	12,081	600,666
EBITDA (*)	17,389	18,538	5,009	4,813	2,784	7,865	695	57,094
EBITDA margin	10.87%	9.27%	13.89%	12.44%	10.14%	6.23%	5.75%	9.51%
Amortisation, depreciation and write-downs	3,152	11,751	1,238	276	1,434	8,385	147	26,382
Net write-downs of financial assets							586	586
Income from business combinations							1,685	1,685
Operating profit/(loss)	14,237	6,787	3,772	4,537	1,350	(520)	1,647	31,811
Financial income	-	-	-	-	-		6,788	6,788
Financial expenses	-	-	-	-	-		(13,447)	(13,447)
Profit/(loss) before taxes	14,237	6,787	3,772	4,537	1,350	(520)	(5,012)	25,152
Income taxes	-	-	-	-	-		(6,977)	(6,977)
Net profit/(loss)	14,237	6,787	3,772	4,537	1,350	(520)	(11,989)	18,175
Total assets	151,263	189,039	20,120	8,001	27,762	67,347	362,705	826,237
Total liabilities	125,745	75,897	30,669	13,238	30,508	72,261	297,700	646,017
Investments	5,203	710	682	685	750	4,811	155	12,896
Employees (number)	568	533	198	70	137	643	71	2,220

(*) 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 September 2023 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 Interim Management Report:

Acquisition of the Princes Limited Group

Acquisition of the Princes Limited Group

On 27 May 2024 an agreement was signed for the acquisition of 100% of the share capital of Princes Limited (hereinafter also referred to as "Princes", and together with its subsidiaries the "Princes Limited Group"), then finalised the following July.

On 17 June 2024, a purchase and sale agreement was signed with Mitsubishi Corporation, as the seller, under which Newlat acquired 100% of the share capital of Princes for a net cash consideration of 1 GBP. The Agreement stipulated that Newlat would arrange the financial resources necessary for Princes Limited to repay the outstanding loan of 592 million euros owed to Mitsubishi Corporation. The transaction was financed through the Company's available liquidity, a Euro 200 million loan provided by Newlat Group, and a Euro 300 million loan extended by a pool of leading international banks.

On July 30, 2024, all the conditions precedent stipulated in the agreement for the acquisition of Princes Limited were fulfilled, and therefore the Company acquired the entire share capital of that Princes Limited Group. As part of the finalized agreement, Newlat Group also sold 9,319,841 shares of the Company, representing 21.2% of its share capital, to Mitsubishi Corporation for approximately Euro 58 million. Consequently, as of August, the Princes Limited Group is included in the Group's scope of consolidation as from August. Thus, the consolidated income statement reflects only two months of volumes and results from the Princes Group.

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 Acquisition of the Princes Limited Group.

(In thousands of euros)	As at 1 August 2024
Property, plant and equipment including rights of use	460,901
Intangible assets	70.436
Financial assets	63,395
Inventories	397,339
Trade receivables	246,105
Other receivables and current assets	44,388
Cash and cash equivalents	4,415
Deferred tax liabilities	(25,160)
Non-current financial liabilities	(230,211)
Non-current lease liabilities	(52,027)
Employee benefits	(4,870)
Trade payables	(199,281)
Current financial liabilities	(392,578)
Current lease liabilities	(13,164)
Other current liabilities	(127,768)
Total net assets acquired	286,845
Fair value at the consideration acquisition date	(1)
Proportional value of interests/minority interests as at the Execution Date (44.429)	
Provisional write-down of pre-existing Goodwill	(39,461)
Income from business combinations	158,028

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

On first consolidation the fair value measurement of the assets acquired and liabilities assumed was not yet complete. As per the accounting standard in question, management will complete the relevant measurements within 12 months of the purchase date. The badwill calculated in this way is recognised in the consolidated income statement as indicated in IFRS 3, paragraph 34 under "income from business combinations".

Non-current assets

(In thousands of euros)	At 30 September 2024	At 31 December 2023
Non-current assets		
Property, plant and equipment	564,253	164,732
Right-of-use assets	100,678	43,773
Intangible assets	121,013	91,548
Equity investments in associates	64,118	1,401
Non-current financial assets measured at fair value through profit or loss	785	777
Financial assets measured at amortised cost	803	800
Deferred tax assets	8,589	6,362
Total non-current assets	860,509	309,392

Fixed assets, plant and equipment

The increase compared to 31 December 2023 is mainly due to the addition of the new Princes Limited Group to the scope of consolidation.

Investments for the period amounted to Euro 19,357 thousand.

Depreciation for the period amounted to Euro 22,003 thousand.

Right-of-use assets

The change from 31 December 2023 is mainly due to the inclusion of the new Princes Limited Group in the scope of consolidation

Intangible assets

The change from 31 December 2023 is mainly due to the inclusion of the new Princes Limited Group in the scope of consolidation

Equity investments in associates

Investments in associated companies amount to Euro 64.1 million and refer to the 50% stake of the Edible Oils Ltd Group for an amount of Euro 62,717 thousand, the company Mercafir for an amount of Euro 1,397 thousand and Filat for an amount of Euro 4 thousand.

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

The balance mainly 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 September 2024, this item totalled Euro 803 thousand (Euro 800 thousand at 31 December 2023) and referred mainly to security deposits paid by the Parent Company under the production premises lease agreements.

Deferred tax assets
As at 30 September 2024 this item totalled Euro 8,589 thousand (Euro 6,362 thousand as at 31 December 2023).
Prepaid taxes refer mainly to the appropriation of taxed provisions and tax losses referring to the Princes Limited Group. 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 September 2024	At 31 December 2023
Current assets		
Inventories	504,270	74,099
Trade receivables	338,929	84,634
Current tax assets	5,644	1,323
Other receivables and current assets	59,157	22,529
Current financial assets measured at fair value through profit or loss	1,532	69
Financial receivables measured at amortised cost	258,336	13,099
Cash and cash equivalents	334,540	312,459
Total current assets	1,502,438	508,212

Inventories
Closing inventories increased due to the acquisition of the Princes Group.

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.
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 increase compared to the figures as at 31 December 2023 is mainly due to the inclusion of the Princes Group in the scope of consolidation.

Current tax assets
Current tax assets totalled Euro 5,644 thousand (Euro 1,323 thousand at 31 December 2023).

Other receivables and current assets
"Other receivables and current assets" consist of tax receivables, advances to suppliers, prepaid expenses and other short-term receivables. The increase was mainly due to the acquisition of the Princes Group.

Current financial assets measured at fair value through profit or loss
This item mainly includes government securities held for the temporary management of excess liquidity and with a view to their sale, and derivative financial instruments used as hedging instruments against exchange rate effects in hedge accounting.

Financial receivables measured at amortised cost
Financial receivables measured at amortised cost refer to financial receivables due from the related party New Property SpA for a total of Euro 13,099 thousand and Euro 245,237 thousand due from the parent company Newlat Group SA, of which Euro 235,405 related to existing cash pooling relationships reclassified from the previous year due to the recent acquisition of the Princes Limited Group, related transactions (shareholders' loan) and overall Group liquidity management.

Cash and cash equivalents
"Cash and cash equivalents" mainly consist of sight current accounts with banks.
At 30 September 2024, cash and cash equivalents were not subject to restrictions or constraints.
See the statement of cash flows for changes in the "Cash and cash equivalents" item during the period under review.

Shareholders' equity

Share capital
As at 30 September 2024, 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 September 2024 related to:

- Recognition of the total net profit for the period, in the amount of Euro 168,439 thousand.
- Positive translation reserve of Euro 2,896 thousand.
- Hedging instruments for Euro 3,227 thousand.
- Treasury shares for Euro 8,936 thousand.
- Capital gains on own shares for Euro 2,392 thousand
- Recognition of minority interests for Euro 63,104 thousand

Non-current liabilities

(In thousands of euros)	At 30 September 2024	At 31 December 2023
Non-current liabilities		
Provisions for employee benefits	15,081	10,951
Provisions for risks and charges	2,459	2,337
Deferred tax liabilities	47,631	22,868
Non-current financial liabilities	614,809	290,466
Non-current lease liabilities	83,748	37,160
Shareholder loan	203,190	-
Total non-current liabilities	966,918	363,783

Provisions for employee benefits

At 30 September 2024 this item amounted to Euro 15,081,000, an increase compared to 31 December 2023 due to the inclusion of the Princes Group in the scope of consolidation. Net of the balances of Princes Limited, there was a decrease of Euro 781 thousand, mainly due to the departure of employees through retirement and resignations.

Provisions for risks and charges

Provisions for risks and charges refer primarily to the provision for agents' indemnities, which 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 47,631 thousand at 30 September 2023. The increase compared to the liabilities as at 31 December 2023 is mainly due to the inclusion of the Princes Group balances 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 2024, also considering the results achieved at 30 September 2024. The increase in financial liabilities was mainly due to new financing for the acquisition of the Princes Group.

In February 2024 the interest on the bond loan of approximately Euro 5.2 million was paid.

Shareholder Loan

This is the loan granted by the parent company Newlat Group SA in the amount of Euro 200 million for the acquisition of Princes Limited. The balance as at 30 September 2024 is inclusive of accrued interest.

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 buildings, 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%.

The change from the figures as at 31 December 2023 is mainly attributable to the acquisition of the Princes Group.

Current liabilities

(In thousands of euros)	At 30 September 2024	At 31 December 2023
Current liabilities		
Trade payables	460,431	172,198
Current financial liabilities	312,955	64,653
Current lease liabilities	20,361	7,694
Current tax liabilities	6,669	2,988
Other current liabilities	188,186	31,630
Total current liabilities	988,602	279,163

Trade payables

There are no particular changes in supplier payment terms. The increase was mainly due to the acquisition of the Princes Group.

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 lease liabilities

Current liabilities for leases refer to short-term instalments due within 12 months relating to multi-year lease agreements.

Current tax liabilities

Current tax liabilities totalled Euro 6,609 thousand (Euro 2,988 thousand at 31 December 2023). The change from 31 December 2023 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. The increase was mainly due to the acquisition of the Princes Group.

Income statement

Please refer to the management report for an analysis of the income statement items for the first nine months of 2024 with the comparative income statement combined as at 30 September 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 thousands of euros)	Income statement of the first nine months	
	2024	2023
Profit for the year attributable to the Group in thousands of euros	168,136	15,988
Weighted average number of shares in circulation	43,879,253	42,770,715
Earnings per share (in Euro)	3.83	0.37

As at 30 September 2024 there are no potential outstanding options that have an anti-dilutive effect, diluted earnings per share have been shown 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").

Disputes and potential liabilities

As at 30 September 2024 there were no substantial changes to the situations regarding disputes or contingent liabilities from 30 September 2024.

Reggio Emilia, 11 November 2024

Angelo Mastrolia Chairman of the BoD	Rocco Sergi Financial Reporting Officer

Pursuant to paragraph 2, article 154-bis of the Italian Consolidated Law on Finance, the Financial Reporting Officer Fabio Fazzari declares that the accounting information contained in this Interim Report corresponds to the contents of accounting documents, books and records.

Reggio Emilia, 11 November 2024

Angelo Mastrolia Chairman of the BoD	Rocco Sergi Financial Reporting Officer