

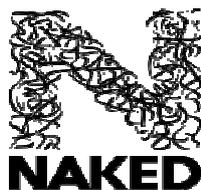


A multibrand company



## HALF-YEAR FINANCIAL REPORT AT 30 JUNE 2021







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## DIRECTORS' REPORT ON OPERATIONS AT 30 JUNE 2021

## Contents

<b>BOARDS AND OFFICERS</b> .....	10
Board of Directors.....	10
Board of Statutory Auditors.....	10
Remuneration and Appointments Committee.....	11
Control and Risks Committee.....	11
Related Party Transactions Committee.....	11
Financial Reporting Officer.....	11
Independent Auditing Firm.....	11
Corporate governance.....	14
Group Structure.....	18
<b>HALF-YEAR FINANCIAL REPORT</b> .....	20
Financial statements and explanatory notes.....	34
Consolidated statement of financial position.....	35
Consolidated income statement.....	36
Consolidated statement of other comprehensive income.....	36
Consolidated statement of changes in equity.....	37
Consolidated cash flow statement.....	38
Explanatory notes.....	39
Explanatory notes at 30 June 2021.....	43
Scope of consolidation and goodwill.....	44
Consolidation criteria and methodology.....	44
Sectoral information.....	44
Current assets.....	49
Shareholders' equity.....	52
Non-current liabilities.....	53
Current liabilities.....	55
Income statement.....	56
Earnings per share.....	56
Related party transactions.....	57
Other receivables and current assets.....	58
Disputes and potential liabilities.....	59
<b>CERTIFICATION OF THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS PURSUANT TO ARTICLE 154-BIS OF ITALIAN LEGISLATIVE DECREE 58/98</b> .....	60

This report is available online  
at: [www.newlat.it](http://www.newlat.it)

**Newlat Food S.p.A.**

Registered Office in Reggio Emilia, Via J.F. Kennedy, 16,  
Reggio Emilia (RE) Paid-in share capital: Euro 43,935,050.00  
Tax and VAT code 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.

Analysis of H1 2021 performance cannot ignore how the ongoing COVID-19 pandemic has impacted the health of people and economies in Italy and around the world. In this context, the Group composed of Newlat Food S.p.A. (hereinafter also the “Company” or the “Parent Company”) and its subsidiaries (the “Newlat Group” or the “Group”) have demonstrated that they are able to achieve economies of scale and maintain substantially unchanged margins despite a market that has returned to “normal levels of demand” and a sector – that of Food Services linked to HO.RE.CA. – still severely impacted by the effects of the COVID-19 pandemic.

With regard to events following H1 2021, note that the continuous search for growth through external lines led on 4 August 2021 to the acquisition of 100% of the ordinary shares and voting rights of the Symington's Group.

This company operates in the UK and produces – both under its own brands and for third-party brands – a wide range of instant noodles (Naked) where it is a market leader in the authentic and Asian inspiration segment, soups and various ready meals under the Mug Shot brand, rice and couscous ready meals (Twistd), baked goods including croutons (Rochelle brand), cake and cake mixes (with about 75% market share in the private label segment), Chicken Tonight brand condiments and Ragu brand sauces. These products are mainly sold in the United Kingdom, the United States and Australia. The company has three production plants and a logistics distribution centre located in northern England, with annual revenues of approximately Euro 123 million.

The acquisition aims to consolidate Newlat Food's presence in the UK market, leveraging Symington's national distribution platform.

The acquisition of Symington's falls perfectly within the plans and timings envisaged by the external growth and capital utilisation strategies announced during the IPO phase, thus allowing the Newlat Group to exceed the annual revenue threshold of over Euro 600 million from August 2021.

The transaction will generate significant synergies between Newlat Food and Symington's, including:

- The instant food market.
- Cross-selling and expansion of the Group's product portfolio.
- Internalisation or production.
- Synergies in the supply of raw materials.

In a market context still heavily influenced by the pandemic, the Group managed to maintain a level of revenues above that of the market, registering a slight decrease of 3.9% compared with the same period of the previous year, with the milk sector strongly penalised by a crisis that still persists in Italy and Europe, while in the pasta sector, thanks to its leading position in Germany, the Group saw organic growth of 5% with the same scope of consolidation.

Particularly worthy of note is the extraordinary performance of the dairy sector (+11%) 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: +7% in the German market and a substantial stability in other countries, which offers hope also in light of the recent acquisition of the Symington's Group.

Finally, the financial data once again confirm the Group's great ability to generate cash from operations, thanks also to those synergies and economies of scale announced following the acquisition on 1 April 2020 of Centrale del Latte d'Italia (hereinafter also "CLI"), which made it possible to maintain the margins recorded in the same period of the previous year (8.8% EBITDA margin at 30 June 2021 v 9.1% at 30 June 2020) and a net financial position improving by Euro 11.5 million and with a cash conversion of 87.3%.

## BOARDS AND OFFICERS

### Board of Directors

Name and surname	Position
<b>Angelo Mastrolia</b>	Executive Chairman of the Board of Directors and Director (**)
<b>Giuseppe Mastrolia</b>	Chief Executive Officer and Director (**)
<b>Stefano Cometto</b>	Chief Executive Officer and Director (**)
<b>Benedetta Mastrolia</b>	Director (***)
<b>Maria Cristina Zoppo</b>	Director (*)
<b>Valentina Montanari</b>	Director (*)
<b>Eric Sandrin</b>	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
<b>Massimo Carlomagno</b>	Chairman
<b>Ester Sammartino</b>	Standing Auditor
<b>Antonio Mucci</b>	Standing Auditor
<b>Giovanni Carlozzi</b>	Alternate Auditor
<b>Giorgio de Franciscis</b>	Alternate Auditor

## Remuneration and Appointments Committee

<b>Name and surname</b>	<b>Position</b>
Eric Sandrin	Chairman
Maria Cristina Zoppo	Member
Valentina Montanari	Member

## Control and Risks Committee

<b>Name and surname</b>	<b>Position</b>
Valentina Montanari	Chairman
Maria Cristina Zoppo	Member
Eric Sandrin	Member

## Related Party Transactions Committee

<b>Name and surname</b>	<b>Position</b>
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 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 2021 directly owns 61.64% of the share capital, while the remaining part (38.36%) is held primarily by institutional investors.

This report on operations contains economic, equity and financial information of the Newlat Group at 30 June 2021, 31 December 2020 and 30 June 2020. For a more consistent understanding of the Group's economic performance, the comparative economic data at 30 June 2020 include the proforma economic balances of the Centrale del Latte d'Italia Group as at 1 January 2020 instead of from the actual acquisition date of 1 April 2020.

## 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. 0092543 of 3 December 2015 implementing the ESMA/2015/1415 guidelines).

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'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 July 2018. 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 8 July 2019, 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 2021 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.

#### Board of Statutory Auditors

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 8 July 2019 and will remain in office until the approval of the 2021 financial statements.

#### Internal Control and Risk Management System

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 Company'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.

In addition to strategic risks, there are various types of business risk: operational (related to the effectiveness and efficiency of business operations), reporting (related to the reliability of economic and financial information) and compliance (related to compliance with existing laws and regulations to prevent the Company from suffering reputational damage 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 "Model 231") on 30 March 2016, updating it most recently on 9 August 2019. 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 Model 231 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.

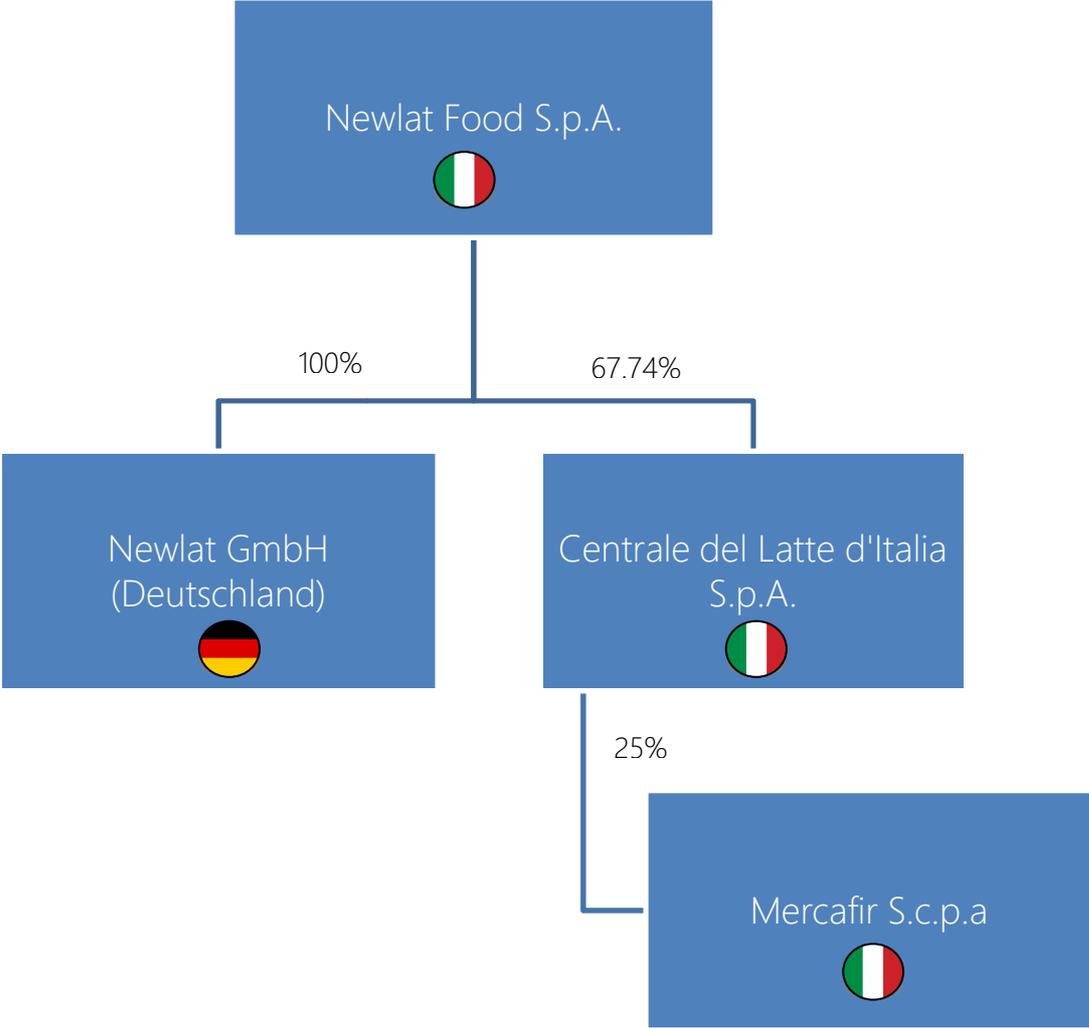
In order to ensure that the Model is correctly implemented, a Supervisory Board (SB) has been established, currently comprising Massimo Carlomagno, as Chairman, and Ester Sammartino.

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 scope of consolidation at the date of preparation of this report (10 September 2021) differs from 30 June 2021 due to the acquisition of 100% of the shares of Symington's, controlled directly by Newlat Food S.p.A.

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

Name	Registered Office	Currency	Share capital at 30 June 2021	Control percentage	
				At 30 June 2021	At 31 December 2020
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	28,840,041.20	67.74%	67.59%

A table summarising the carrying amount of each subsidiary recorded in the Company's separate financial statements at 30 June 2021 and the equity and profit/loss data for the period for each subsidiary is provided below:

Name	Carrying amount of equity investment (thousands of euros)	Shareholders' equity (thousands of euros)	Profit/loss for the period (in thousands of euros)
	30/06/2021	30/06/2021	30/06/2021
Newlat GmbH (Deutschland)	68,324	30,458	1,860
Centrale del Latte d'Italia S.p.A.	25,409	67,663	6,841

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 STAR segment of the Mercato Telematico Azionario organised and managed by Borsa Italiana S.p.A.

## HALF-YEAR FINANCIAL REPORT



## DIRECTORS' OBSERVATIONS ON PERFORMANCE AT 30 JUNE 2021

## Significant events in the period and outlook

On 1 February 2021, the Board of Directors of Newlat S.p.A. approved the issue of an unrated, unsecured, non-convertible and non-subordinated senior bond for a minimum value of Euro 150 million and a maximum of Euro 200 million. The duration of the bond is set at six years from the date of issue.

On 19 February 2021, this bond was successfully issued at an interest rate of 2.625% for a value of Euro 200 million. This substantial amount of liquidity was partially used for the acquisition of all of Symington's shares on 4 August 2021 and will also be used for future acquisitions.

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 detailed forecasts for H2 2021, which is however expected to be 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 and external growth.

## Business continuity

With reference to the content of the previous paragraph, even taking into account the complexity of a rapidly evolving market, the Company feels it is fair and reasonable to assume that the consolidated half-year financial statements as at 30 June 2021 were prepared on the basis of this assumption, taking into account the ability of the Newlat Group to generate cash flows from operations and fulfil its obligations in the foreseeable future, particularly in the next 12 months, based on the Group's solid financial structure as described below:

- the considerable level of cash reserves available at 30 June 2021;
- The Group's constant ability to generate cash from operations.
- The presence of authorised credit lines at 30 June 2021 and at today's date but not used.
- The solidity of Newlat Group S.A. as the majority shareholder and the continual support provided by the leading Italian and foreign banks to the Group, partly because of its market-leading status.

Given the global spread of COVID-19 in 2020 and H1 2021, the Group's economic and financial performance in the first half of 2021 was higher than the budget forecast and the business plan. It should also be noted that the cash and cash equivalents at 30 June 2021, amounting to Euro 400 million, the credit lines currently available but unused 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 in the coming months.

## EVENTS AFTER THE END OF H1 2021

On 4 August 2021 a contract was stipulated with Speedboat Acquisitionco Limited, as the seller, for the purchase of 100% of the ordinary shares and voting rights of the Symington's Group (consisting of Symington's Limited, Symington's Limited (Holding) and Symington's Australia PTY Limited) for a consideration of GBP 53 million, equal to Euro 62.13 million. Not being subject to any conditions precedent, the operation involved the purchase of the shares on the same date of 4 August 2021.

With the exception of the aforementioned significant acquisition transaction, no atypical or unusual transactions took place after 30 June 2021 and up to today's date, nor transactions requiring changes to the condensed half-year consolidated financial statements as at 30 June 2021.

## REPORT ON OPERATIONS

The Newlat Group is an important player in the Italian and European agri-food sector. In particular, as at 30 June 2021 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;
- Special Products; and
- Other Products

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

<i>(In thousands of euros and as a percentage of revenue from contracts with customers)</i>	At 30 June				Proforma	
	2021	%	2020	%	2020	%
Revenue from contracts with customers	245,495	100.0%	208,384	100.0%	255,363	100.0%
Cost of sales	(194,321)	(79.2%)	(165,257)	(79.3%)	(199,517)	(78.1%)
<b>Gross operating profit/(loss)</b>	<b>51,173</b>	<b>20.8%</b>	<b>43,127</b>	<b>20.7%</b>	<b>55,845</b>	<b>21.9%</b>
Sales and distribution costs	(31,285)	(12.7%)	(23,611)	(11.3%)	(31,306)	(12.3%)
Administrative costs	(11,810)	(4.8%)	(11,478)	(5.5%)	(14,472)	(5.7%)
Net write-downs of financial assets	(920)	(0.4%)	(438)	(0.2%)	(696)	(0.3%)
Other revenues and income	5,649	2.3%	4,535	2.2%	5,125	2.0%
Income from business combinations	-	-	20,296		19,271	7.5%
Other operating costs	(4,104)	(1.7%)	(2,623)	(1.3%)	(3,320)	(1.3%)
<b>Operating profit/(loss) (EBIT)</b>	<b>8,702</b>	<b>3.5%</b>	<b>29,809</b>	<b>14.3%</b>	<b>30,448</b>	<b>11.9%</b>
Financial income	462	0.2%	264	0.1%	313	0.1%
Financial expenses	(3,798)	(1.5%)	(1,043)	(0.5%)	(1,618)	(0.6%)
<b>Profit/(loss) before taxes</b>	<b>5,366</b>	<b>2.2%</b>	<b>29,031</b>	<b>13.9%</b>	<b>29,144</b>	<b>11.4%</b>
Income taxes	1,794	0.7%	(2,612)	(1.3%)	(2,978)	(1.2%)
<b>Net profit/(loss)</b>	<b>7,160</b>	<b>2.9%</b>	<b>26,418</b>	<b>12.7%</b>	<b>26,165</b>	<b>10.2%</b>

Operating income amounted to Euro 8.7 million, down compared to the same period of 2020. Net of the significant non-recurring income from the business combination recorded in the first half of 2020, operating income was down by 22% versus the first half of the previous year, mainly as a result of the decrease in revenues from customers. In absolute value, EBITDA was down by Euro 1.4 million (-6.3%) while the EBITDA margin was consistent with the same period of the previous year (8.8% at 30 June 2021 v 9.1% at 30 June 2020).

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, Newlat is expected to recognise contributions as year-end bonuses linked to the achievement of certain turnover volumes or amounts related to the positioning of products.

### SEGMENT REPORTING

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

<i>(In thousands of euros and as a percentage)</i>	At 30 June				Changes	
	2021	%	2020	%	2021 v 2020	%
Pasta	73,865	30.1%	70,354	27.6%	3,512	5.0%
Milk Products	113,144	46.0%	126,371	49.5%	(13,227)	(10.5%)
Bakery Products	19,593	8.0%	20,173	7.9%	(580)	(2.9%)
Dairy Products	15,669	6.4%	14,126	5.5%	1,543	10.9%
Special Products	16,122	6.6%	16,624	6.5%	(502)	(3.0%)
Other assets	7,101	2.9%	7,716	3.1%	(615)	(8.0%)
<b>Revenue from contracts with customers</b>	<b>245,494</b>	<b>100.0%</b>	<b>255,363</b>	<b>100.0%</b>	<b>(9,869)</b>	<b>(3.9%)</b>

Revenues from the **Pasta** segment were up in the period in question because of higher sales volumes, particularly in Germany.

Revenues from the **Milk Products** segment were down because of lower sales volumes and an increase in promotional activities, which led to lower average prices, particularly with regard to the subsidiary Centrale del Latte d'Italia.

Revenues from the **Bakery Products** segment were slightly lower because of lower sales volumes.

Revenues from the **Dairy Products** segment increased as a result of a rise in sales volumes.

Revenues from the **Special Products** segment were slightly lower because of lower sales volumes.

Revenues from the **Other Products** segment fell sharply during the periods under review because of lower sales volumes in the traditional food service sector, which was hit by the COVID-19 pandemic crisis.

The following table provides a breakdown of revenue from contracts with customers by distribution channels, as monitored by management:

<i>(In thousands of euros and as a percentage)</i>	At 30 June				Changes	
	2021	%	2020	%	2021 v 2020	%
Mass Distribution	151,010	61.5%	159,813	62.6%	(8,804)	(5.5%)
<i>B2B partners</i>	24,635	10.0%	25,987	10.2%	(1,352)	(5.2%)
<i>Normal trade</i>	41,348	16.8%	41,473	16.2%	(125)	(0.3%)
<i>Private labels</i>	22,328	9.1%	21,240	8.3%	1,088	5.1%
<i>Food services</i>	6,174	2.5%	6,849	2.7%	(675)	(9.9%)
<b>Total revenue from contracts with customers</b>	<b>245,495</b>	<b>100.0%</b>	<b>255,363</b>	<b>100.0%</b>	<b>(9,868)</b>	<b>(3.9%)</b>

Revenues from the **Mass Distribution** channel decreased, primarily due to lower demand.

Revenues from the **B2B partners** channel decreased, mainly due to lower demand.

Revenues from the **Normal trade** channel were largely unchanged, albeit down slightly because of the COVID-19 pandemic.

Revenues from the **Private label** channel were up because of higher sales volumes.

Revenues from the **Food Services** channel decreased because of lower “Other Products” sales volumes in the HoReCa sector.

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

<i>(In thousands of euros and as a percentage)</i>	At 30 June				Changes	
	2021	%	2020	%	2021 v 2020	%
Italy	163,893	66.8%	176,780	69.2%	(12,887)	(7.3%)
Germany	50,370	20.5%	47,107	18.4%	3,263	6.9%
Other countries	31,232	12.8%	31,476	12.4%	(244)	(0.8%)
<b>Total revenue from contracts with customers</b>	<b>245,495</b>	<b>100.0%</b>	<b>255,363</b>	<b>100.0%</b>	<b>(9,868)</b>	<b>(3.9%)</b>

Revenues from **Italy** decreased, mainly due to lower demand.

Revenues from **Germany** increased as a result of higher volumes in the Pasta sector.

Revenues from **Other Countries** were broadly in line with the first half of 2020.

## Operating costs

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

<i>(In thousands of euros and as a percentage of revenue from contracts with customers)</i>	At 30 June				Changes	
	2021	%	2020	%	2021 v 2020	%
Cost of sales	194,321	79.2%	199,517	78.1%	(5,196)	-2.6%
Sales and distribution costs	31,285	12.7%	31,306	12.3%	(21)	-0.1%
Administrative costs	11,810	4.8%	14,472	5.7%	(2,662)	-18.4%
<b>Total operating costs</b>	<b>237,416</b>	<b>96.7%</b>	<b>245,295</b>	<b>96.1%</b>	<b>(7,879)</b>	<b>-3.2%</b>

Cost of sales represented 79.2% of sales revenues (78.1% at 30 June 2020). In absolute terms, the decrease in the cost of sales is directly linked to the decrease in sales volumes recorded in the first half of 2021. The increased impact is due to increases in the average cost of raw materials, cream and butter and a decrease in average sales prices.

Sales and distribution expenses are in line with the same period of the previous year.

Administrative expenses were 18.4% lower than in the first half of 2020 due to the decrease in the number of units due to retirements or resignations.

EBITDA amounted to Euro 21.7 million (8.8% of sales revenues), compared with Euro 23.1 million at 30 June 2020 (9.1% of sales revenues), down by 6.3%.

The following table shows EBITDA by activity segment:

<i>(In thousands of euros)</i>	Half-year at 30 June 2021						Consolidated Financial Statements total
	Pasta	Milk Products	Bakery Products	Dairy Products	Special Products	Other assets	
Revenue from contracts with customers	73,865	113,144	19,593	15,669	16,122	7,101	245,494
EBITDA (*)	4,246	10,439	2,770	2,320	1,737	191	21,703
EBITDA margin	5.75%	9.23%	14.14%	14.81%	10.77%	2.69%	8.84%
Amortisation, depreciation and write-downs	2,193	7,126	1,094	167	1,143	359	12,082
Net write-downs of financial assets						920	920
<b>Operating profit/(loss)</b>	<b>2,053</b>	<b>3,313</b>	<b>1,676</b>	<b>2,153</b>	<b>594</b>	<b>(1,088)</b>	<b>8,702</b>
Financial income	-	-	-	-	-	462	462
Financial expenses	-	-	-	-	-	(3,798)	(3,798)
<b>Profit/(loss) before taxes</b>	<b>2,053</b>	<b>3,313</b>	<b>1,676</b>	<b>2,153</b>	<b>594</b>	<b>(4,424)</b>	<b>5,366</b>
Income taxes	-	-	-	-	-	1,794	1,794
<b>Net profit/(loss)</b>	<b>2,053</b>	<b>3,313</b>	<b>1,676</b>	<b>2,153</b>	<b>594</b>	<b>(2,631)</b>	<b>7,160</b>
Total assets	145,817	229,148	16,574	921	18,317	330,060	740,836
Total liabilities	92,596	101,913	15,765	360	14,935	357,759	583,328
Investments	632	2,884	268	73	66	50	3,973
Employees (number)	489	539	188	65	153	59	1,493

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

(In thousands of euros)	Half-year at 30 June 2020						Consolidated Financial Statements total
	Pasta	Milk Products	Bakery Products	Dairy Products	Special Products	Other assets	
Revenue from contracts with customers (third parties)	70,354	126,371	20,173	14,126	16,624	7,716	255,363
EBITDA (*)	4,066	12,165	2,949	2,074	1,692	205	23,150
EBITDA margin	5.8%	10%	15%	15%	10%	3%	9.1%
Amortisation, depreciation and write-downs	2,267	6,581	839	167	1,068	356	11,278
Net write-downs of financial assets						695	695
Income from business combinations						19,271	19,271
<b>Operating profit/(loss)</b>	<b>1,799</b>	<b>5,584</b>	<b>2,110</b>	<b>1,907</b>	<b>624</b>	<b>18,425</b>	<b>30,448</b>
Financial income	-	-	-	-	-	313	313
Financial expenses	-	-	-	-	-	(1,618)	(1,618)
<b>Profit/(loss) before taxes</b>	<b>1,799</b>	<b>5,584</b>	<b>2,110</b>	<b>1,907</b>	<b>624</b>	<b>17,120</b>	<b>29,143</b>
Income taxes	-	-	-	-	-	-	-
<b>Net profit/(loss)</b>	<b>1,799</b>	<b>5,584</b>	<b>2,110</b>	<b>1,907</b>	<b>624</b>	<b>17,120</b>	<b>29,143</b>
Total assets	113,738	268,468	16,156	8,602	17,962	112,173	537,099
Total liabilities	40,827	249,723	16,933	13,205	15,932	44,423	381,043
Investments	316	474	283	-	34	171	1,278
Employees (number)	530	597	132	60	145	34	1,498

(\*) 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 8.7 million (3.5% of sales) compared with Euro 11.2 million at 30 June 2020 (4.4% of sales), down by 22%.

The tax rate net of income from the business combination with CLI in the first half of 2020 was 33%.

Net profit at 30 June 2021 was Euro 7.2 million, a net increase compared to 30 June 2020 – net of income from business combinations – of 3.8%.

EBITDA

The table below provides a reconciliation of EBITDA, the EBITDA margin and cash conversion at 30 June 2021 and 2020.

<i>(In thousands of euros and as a percentage)</i>	At 30 June	
	2021	2020
Operating profit/(loss) (EBIT)	8,702	30,448
Amortisation, depreciation and write-downs	12,082	11,278
Net write-downs of financial assets	920	695
Income from business combinations		(19,271)
<b>EBITDA (*) (A)</b>	<b>21,703</b>	<b>23,150</b>
Revenue from contracts with customers	245,495	255,363
<b>EBITDA margin (*)</b>	<b>8.8%</b>	<b>9.1%</b>
investments (B)	3,973	1,278
<b>Cash conversion [(A) - (B)]/(A)</b>	<b>80.5%</b>	<b>94%</b>

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

<i>(In thousands of euros and as a percentage of revenue from contracts with customers)</i>	Half-year ended 30 June			
	2021	%	2020	%
Pasta	4,246	5.7%	4,066	5.8%
Milk Products	10,439	9.2%	12,165	9.6%
Bakery Products	2,770	14.1%	2,949	14.6%
Dairy Products	2,320	14.8%	2,074	14.7%
Special Products	1,737	10.8%	1,692	10.2%
Other assets	191	2.7%	205	2.7%
<b>EBITDA</b>	<b>21,703</b>	<b>8.8%</b>	<b>23,150</b>	<b>9.1%</b>

EBITDA of the **Pasta** segment was in line with the same period of the previous year.

EBITDA of the **Milk Products** segment was down because of the decrease in sales volumes, especially at the subsidiary Centrale del Latte d'Italia.

EBITDA from the **Bakery Products** segment decreased mainly as a result of lower volumes, a slight increase in promotional activities and a slight deterioration in supply chain management.

EBITDA from the **Dairy Products** segment increased mainly due to the increase in sales volumes with higher margins, particularly mascarpone.

EBITDA of the **Special Products** segment increased mainly due to an improvement in the supply chain.

EBITDA in the **Other Products** segment was in line with the same period of the previous year.

Net financial debt

The following table shows the breakdown of the net financial debt of the Company as at 30 June 2021 and 31 December 2020, determined in accordance with the Guidelines on disclosure obligations pursuant to Regulation EU 2017/1129 and in accordance with Recommendations ESMA32-382-1138, as per CONSOB notice no. 5/21 of 29 April 2021:

<i>(In thousands of euros)</i>	At 30 June 2021	At 31 December 2020
<b>Net financial debt</b>		
A. Cash	340	323
B. Other cash and cash equivalents	399,325	181,804
C. Securities held for trading	4,746	4
<b>D. Cash and cash equivalents (A)+(B)+(C)</b>	<b>404,412</b>	<b>182,131</b>
<b>E. Current financial receivables</b>	-	-
F. Current bank payables	(58,280)	(35,976)
G. Current portion of non-current debt	(25,451)	(27,145)
H. Other current financial debt	(8,349)	(6,570)
<b>I. Current financial debt (F)+(G)+(H)</b>	<b>(92,080)</b>	<b>(69,691)</b>
<b>J. Net current financial debt (I)+ (E)+ (D)</b>	<b>312,332</b>	<b>112,440</b>
K. Non-current bank payables	(88,162)	(94,811)
L. Bonds	(198,336)	
M. Other non-current financial payables	(9,158)	(12,436)
<b>N. Non-current financial debt (K)+(L)+(M)</b>	<b>(295,656)</b>	<b>(107,247)</b>
<b>O. O. Net financial debt (J)+ (N)</b>	<b>16,676</b>	<b>5,194</b>

Comparing the net financial position at 30 June 2021 with the corresponding data at 31 December 2020 demonstrates a significant improvement of Euro 11.5 million in the net financial position at 30 June 2021 thanks to the Newlat Group's ability to generate cash flows from operations.

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

<i>(In thousands of euros)</i>	At 30 June 2021	At 31 December 2020
<b>Net financial debt</b>	<b>16,676</b>	<b>5,194</b>
Current lease liabilities	6,465	6,570
Non-current lease liabilities	9,158	12,436
<b>Net Financial Position</b>	<b>32,299</b>	<b>24,199</b>

Changes in net financial position as of 30 June 2021 are shown below, in summary:

<b>Net Financial Position at 31 December 2020 (million euros)</b>	<b>5.2</b>
EBITDA	21.7
Net purchases of treasury shares	(5.6)
Changes in net working capital	6.6
Interest and taxes	(2.4)
Investments	(8.8)
<b>Net Financial Position at 30 June 2021 (million euros)</b>	<b>16.7</b>

The net financial position compared with 31 December 2020 has improved considerably by some Euro 11.5 million due to the positive half-year performance and the Group's ability to generate cash from operations.

### 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 2021:

<i>(In thousands of euros and as a percentage)</i>	Half-year ended 30 June	
	2021	%
Land and buildings	108	2.7%
Plant and machinery	1,604	39.5%
Industrial and commercial equipment	170	4.2%
Other assets	91	2.2%
Tangible fixed assets under construction and advances	2,040	50.2%
<b>Investments in property, plant and equipment</b>	<b>4,013</b>	<b>98.8%</b>
Patents and intellectual property rights	29	0.7%
Concessions, licences, trademarks and similar rights	22	0.5%
<b>Investments in intangible assets</b>	<b>51</b>	<b>1.2%</b>
<b>Total investments</b>	<b>4,064</b>	<b>100.0%</b>

During the reporting period, the Group made investments totalling Euro 4,064 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, as well as in connection with the new warehouse at the CLI production site in Turin.

Investments in intangible assets relate mainly to the purchase and updating of software.

The following table provides a breakdown by business unit of the Group's investments in H1 2021:

<i>(In thousands of euros and as a percentage)</i>	Half-year ended 30 June	
	2021	%
Special Products	66	1.6%
Pasta	714	17.6%
Bakery Products	271	6.7%
Milk Products	2,889	71.1%
Dairy Products	73	1.8%
Other products	51	1.3%
<b>Total investments</b>	<b>4,064</b>	<b>100.0%</b>

Investments in the Milk Products business unit relate to efficiency improvements of the production facilities at the plants used by the Centrale del Latte d'Italia.

Investments in the Special Products business unit relate mainly to new software and packaging systems.

Investments in the Pasta business unit relate mainly to the new packaging facility for pasta products, located at the Sansepolcro (AR) plant.

Investments in the Bakery Products business unit mainly relate to the new packaging facility for baked products at the Sansepolcro (AR) plant.

## 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 assess 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 61.5% on an aggregate basis at 30 June 2021; (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.

### 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.

The Group does not adopt specific policies to hedge exchange rate fluctuations because management does not believe that this risk can significantly harm the Group's results, since the amount of inflows and outflows of foreign currency is not only insignificant, but also fairly similar in terms of volumes and timing.

A hypothetical positive or negative change of 100 bps in the exchange rates relating to the currencies in which the Group operates would not have a significant impact on the net result and shareholders' equity of the periods under review, insofar as foreign-currency exposure is less than 1% of sales revenues.

#### 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:

<i>(In thousands of euros)</i>	Impact on profit net tax		Impact on shareholders' equity net of tax	
	- 50 bps	+ 50 bps	- 50 bps	+ 50 bps
Half-year at 30 June 2021	(189)	189	(189)	189
Year ended 31 December 2020	(258)	258	(258)	258

### 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 2021 and 31 December 2020 grouped by maturity, net of the provision for bad debts:

<i>(In thousands of euros)</i>	Not overdue	1-90 days overdue	91-180 days overdue	More than 181 days overdue	Total
<b>Gross trade receivables at 30 June 2021</b>	44,339	10,316	2,418	16,937	<b>74,010</b>
<b>Provision for bad debts</b>	-	(819)	(1,841)	(16,937)	<b>(19,597)</b>
<b>Net trade receivables at 30 June 2021</b>	<b>44,339</b>	<b>9,497</b>	<b>577</b>	<b>(0)</b>	<b>54,413</b>
<b>Gross trade receivables at 31 December 2020</b>	51,716	17,917	3,375	16,937	<b>89,945</b>
<b>Provision for bad debts</b>	-	(819)	(921)	(16,937)	<b>(18,677)</b>
<b>Net trade receivables at 31 December 2020</b>	<b>51,716</b>	<b>17,098</b>	<b>2,454</b>	<b>(0)</b>	<b>71,268</b>

### 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:

<i>(In thousands of euros)</i>	Carrying amount at 30 June 2021	Within one year	Expiry Beyond one year	Beyond 5 years
<b>Total financial liabilities</b>	<b>372,113</b>	<b>85,615</b>	<b>73,409</b>	<b>213,089</b>

#### **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 2021 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 the provisions of article 2428 of the Italian Civil Code, note that at 30 June 2021 the Parent company holds 1,087,600 treasury shares, for a purchase cost of approximately Euro 6.6 million, which decreased consolidated shareholders' equity. Subsequent to the closure of the first half of 2021, in July and August 2021 the Parent Company purchased a further 514,969 own 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 explanatory notes to the consolidated financial statements report on the income statement items at 30 June 2021 and 30 June 2020 and the statement of financial position items 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. For information on the remuneration of members of corporate bodies and senior managers, see the explanatory notes to the consolidated financial statements.

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, 10 September 2021

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, 10 September 2021

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



## Financial statements and explanatory notes

## Consolidated statement of financial position

<i>(in thousands of euros)</i>	At 30 June 2021	At 31 December 2020
<b>Non-current assets</b>		
Property, plant and equipment	149,518	151,541
Right-of-use assets	15,496	18,452
<i>of which from related parties</i>	5,332	6,708
Intangible assets	50,602	51,058
Equity investments in associates	1,401	1,397
Non-current financial assets measured at fair value through profit or loss	745	746
Financial assets measured at amortised cost	801	801
<i>of which from related parties</i>	735	735
Prepaid tax assets	4,485	5,466
<b>Total non-current assets</b>	<b>223,048</b>	<b>229,461</b>
<b>Current assets</b>		
Inventories	45,801	41,347
Trade receivables	54,413	71,268
<i>of which from related parties</i>	19	606
Current tax assets	1,042	1,888
Other receivables and current assets	12,121	11,003
<i>of which from related parties</i>	573	
Current financial assets measured at fair value through profit or loss	4,746	4
Cash and cash equivalents	399,665	182,127
<i>of which from related parties</i>	107,275	69,351
<b>Total current assets</b>	<b>517,788</b>	<b>307,637</b>
<b>TOTAL ASSETS</b>	<b>740,836</b>	<b>537,099</b>
<b>Shareholders' equity</b>		
Share capital	43,935	43,935
Reserves	93,049	61,134
Net profit/(loss)	4,763	37,556
<b>Total shareholders' equity attributable to the Group</b>	<b>141,747</b>	<b>142,626</b>
Shareholders' equity attributable to minority interests	15,760	13,431
<b>Total consolidated equity</b>	<b>157,508</b>	<b>156,057</b>
<b>Non-current liabilities</b>		
Provisions for employee benefits	14,846	15,411
Provisions for risks and charges	1,588	1,587
Deferred tax liabilities	6,902	12,081
Non-current financial liabilities	286,498	94,811
Non-current lease liabilities	9,158	12,436
<i>of which from related parties</i>	2,712	4,144
<b>Total non-current liabilities</b>	<b>318,991</b>	<b>136,326</b>
<b>Current liabilities</b>		
Trade payables	146,136	151,388
<i>of which from related parties</i>	166	213
Current financial liabilities	85,615	63,121
<i>of which from related parties</i>	30,805	981
Current lease liabilities	6,465	6,570
<i>of which from related parties</i>	2,847	2,812
Current tax liabilities	3,891	3,438
Other current liabilities	22,230	20,200
<b>Total current liabilities</b>	<b>264,337</b>	<b>244,717</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>740,836</b>	<b>537,099</b>

## Consolidated income statement

<i>(In thousands of euros)</i>	Half-year ended 30 June	
	2021	2020
Revenue from contracts with customers	245,495	208,384
Cost of sales	(194,321)	(165,257)
<i>of which from related parties</i>	<i>(1,693)</i>	<i>(1,693)</i>
<b>Gross operating profit/(loss)</b>	<b>51,173</b>	<b>43,127</b>
Sales and distribution costs	(31,285)	(23,611)
Administrative costs	(11,810)	(11,478)
<i>of which from related parties</i>	<i>(82)</i>	<i>(60)</i>
Net write-downs of financial assets	(920)	(438)
Other revenues and income	5,649	4,535
Income from business combinations	0	20,296
Other operating costs	(4,104)	(2,623)
<b>Operating profit/(loss)</b>	<b>8,702</b>	<b>29,809</b>
Financial income	462	264
<i>of which from related parties</i>		<i>162</i>
Financial expenses	(3,798)	(1,043)
<i>of which from related parties</i>	<i>(74)</i>	<i>(111)</i>
<b>Profit/(loss) before taxes</b>	<b>5,366</b>	<b>29,031</b>
Income taxes	1,794	(2,612)
<b>Net profit/(loss)</b>	<b>7,160</b>	<b>26,418</b>
<b>Profit (loss) attributable to minority interests</b>	<b>2,396</b>	<b>847</b>
<b>Group net profit/(loss)</b>	<b>4,763</b>	<b>25,575</b>
Basic net profit/(loss) per share	0.11	0.63
Diluted net profit/(loss) per share	0.11	0.63

## Consolidated statement of other comprehensive income

<i>(In thousands of euros)</i>	Half-year ended 30 June	
	2021	2020
<b>Net profit/(loss) (A)</b>	<b>7,160</b>	<b>26,418</b>
a) Other components of comprehensive income that will not be subsequently reclassified to the income statement:		
Actuarial gains/(losses)		(575)
Tax effect on actuarial gains/(losses)	-	181
<b>Total other components of comprehensive income that will not be subsequently reclassified to the income statement</b>	<b>-</b>	<b>(394)</b>
<b>Total other components of comprehensive income, net of tax effect (B)</b>	<b>-</b>	<b>(394)</b>
<b>Total comprehensive net profit/(loss) (A)+(B)</b>	<b>7,160</b>	<b>26,025</b>
<b>Profit (loss) attributable to minority interests</b>	<b>2,396</b>	<b>687</b>
<b>Group net profit/(loss)</b>	<b>4,763</b>	<b>25,338</b>

## Consolidated statement of changes in equity

<i>(In thousands of euros)</i>	Share capital	Reserves	Net profit/(loss)	Total shareholders' equity attributable to the Group	Shareholders' equity attributable to minority interests	Total
<b>At 31 December 2019</b>	<b>40,780</b>	<b>43,593</b>	<b>7,173</b>	<b>91,544</b>		<b>91,544</b>
Allocation of net profit/(loss) for the previous year		7,173	(7,173)	-		-
Acquisition of Centrale del Latte d'Italia SpA					19,817	19,817
Capital increase costs		(146)		(146)		(146)
Future capital increase		11,322		11,322		11,322
<b>Total capital increase</b>		<b>11,176</b>	<b>-</b>	<b>11,176</b>	<b>-</b>	<b>11,176</b>
Net profit/(loss)			25,575	25,575	843	26,418
Actuarial gains/(losses) net of the related tax effect		(244)		(244)	(150)	(394)
<b>Total net profit/(loss) for the period</b>		<b>(244)</b>	<b>25,575</b>	<b>25,331</b>	<b>693</b>	<b>26,025</b>
<b>At 30 June 2020</b>	<b>40,780</b>	<b>61,698</b>	<b>25,575</b>	<b>128,052</b>	<b>20,511</b>	<b>148,562</b>
Future capital increase		(11,322)		(11,322)	(19,817)	(31,139)
Acquisition of Centrale del Latte d'Italia SpA	2,221	9,101		11,322	19,817	31,139
Acquisition of minority stakes in Centrale del Latte d'Italia S.p.A.	934	3,617		4,551	(7,354)	(2,803)
Capital increase costs		(418)		(418)		(418)
<b>Total capital increase</b>	<b>3,155</b>	<b>978</b>	<b>-</b>	<b>4,133</b>	<b>(7,354)</b>	<b>(3,221)</b>
Net purchases of treasury shares		(922)		(922)		(922)
<b>Total treasury shares</b>		<b>(922)</b>		<b>(922)</b>		<b>(922)</b>
Net profit/(loss)			11,981	11,981	245	12,227
Actuarial gains/(losses) net of the related tax effect		(618)		(618)	31	(587)
<b>Total net profit/(loss) for the year</b>		<b>(618)</b>	<b>11,981</b>	<b>11,363</b>	<b>276</b>	<b>11,640</b>
						-
<b>At 31 December 2020</b>	<b>43,935</b>	<b>61,136</b>	<b>37,556</b>	<b>142,626</b>	<b>13,431</b>	<b>156,056</b>
Allocation of net profit/(loss) for the previous year		37,556	(37,556)		-	-
Net purchases of treasury shares		(5,642)		(5,642)		(5,642)
<b>Total treasury shares</b>		<b>(5,642)</b>		<b>(5,642)</b>		<b>(5,642)</b>
Net profit/(loss)			4,763	4,763	2,396	7,160
Other changes					(67)	(67)
Actuarial gains/(losses) net of the related tax effect			0	0	0	-
<b>Total net profit/(loss) for the period</b>			<b>4,763</b>	<b>4,763</b>	<b>2,329</b>	<b>7,093</b>
<b>At 30 June 2021</b>	<b>43,935</b>	<b>93,051</b>	<b>4,763</b>	<b>141,747</b>	<b>15,761</b>	<b>157,508</b>

## Consolidated cash flow statement

<i>(In thousands of euros)</i>	Half-year ended 30 June	
	2021	2020
Profit/(loss) before taxes	5,366	29,038
- <i>Adjustments for:</i>		
Amortisation, depreciation and write-downs	13,002	9,237
Capital losses/(gains) on disposal	-	(5)
Financial expense/(income)	3,336	772
<i>of which from related parties</i>	<i>(74)</i>	<i>160</i>
Other non-monetary changes from business combinations	-	(20,296)
Other non-monetary changes	-	15
<b>Cash flow generated /(absorbed) by operating activities before changes in net working capital</b>	<b>21,704</b>	<b>18,760</b>
Change in inventory	(4,454)	(7,618)
Change in trade receivables	15,935	1,843
Change in trade payables	(5,252)	7,538
Change in other assets and liabilities	1,511	5,628
Use of provisions for risks and charges and for employee benefits	(564)	(278)
Taxes paid	(1,105)	(2,871)
<b>Net cash flow generated /(absorbed) by operating activities</b>	<b>27,777</b>	<b>23,003</b>
Investments in property, plant and equipment	(3,075)	(3,703)
Investments in intangible assets	(21)	(163)
Investments in financial assets	(4,745)	21
Deferred fee for acquisitions	(600)	-
Combination of Centrale del Latte d'Italia	-	19,760
<b>Net cash flow generated /(absorbed) by investment activities</b>	<b>(8,441)</b>	<b>15,914</b>
New long-term financial debt	29,452	25,000
Repayments of long-term financial debt	(15,271)	(12,020)
Issuance of Bond Loan	200,000	
<i>Repayments of lease liabilities</i>	<i>(6,934)</i>	<i>(2,485)</i>
<i>of which from related parties</i>	<i>(1,397)</i>	<i>(1,488)</i>
Net interest expense	(3,336)	(772)
Acquisition of minority interests	(67)	
Purchase of own shares	(5,642)	
<b>Net cash flow generated/(absorbed) by financing activities</b>	<b>198,202</b>	<b>9,723</b>
<b>Total changes in cash and cash equivalents</b>	<b>217,537</b>	<b>48,640</b>
<b>Cash and cash equivalents at start of year</b>	<b>182,127</b>	<b>100,884</b>
<i>of which from related parties</i>	<i>38,629</i>	<i>45,338</i>
<b>Total changes in cash and cash equivalents</b>	<b>217,537</b>	<b>48,640</b>
<b>Cash and cash equivalents at end of year</b>	<b>399,665</b>	<b>149,524</b>
<i>of which from related parties</i>	<i>107,275</i>	<i>38,629</i>

## Explanatory notes

### **Basis of preparation**

The condensed consolidated half-year financial statements at 30 June 2021 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 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 2021 should therefore be read in conjunction with the consolidated annual financial statements for the year ended 31 December 2020.

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 2021 are the same as those used for the consolidated financial statements at 31 December 2020, except for the new accounting standards, amendments and interpretations applicable from 1 January 2021, 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 2021.

#### *Accounting standards, amendments and interpretations effective from 1 January 2021 and adopted by the Group:*

Amendments to IFRS 16 “Leases: COVID-19-Related Rent Concessions beyond 30 June 2021”. On 31 March 2021 the IASB published a modification to this principle that extends for one year the May 2020 amendment that clarified the circumstance according to which the lessee may assess that specific reductions in rents (as a consequence of COVID-19) may not be considered as changes to the plan, and therefore account for them accordingly. The new amendment applies from 1 April 2021. The amendment has not yet been approved by the EU. However, its application would not entail changes to

the economic and capital balances in H1 2021.

*New accounting standards and amendments not yet applicable and not adopted in advance by the Group:*

Amendments to IAS 1 – “Presentation of Financial Statements: Classification of Liabilities as Current or Non-current. On 23 January 2020 the IASB published this amendment in order to clarify the presentation of liabilities in financial statements. Specifically:

It clarifies that the classification of liabilities as current or non-current should be based on the rights existing at the end of the reporting period, and in particular on the right to defer payment for at least 12 months.

It clarifies that the classification is not affected by expectations about the entity's decision to exercise its right to defer payment of a liability.

It clarifies that the payment refers to the transfer to the counterparty of money, instruments representing capital or other assets or services.

The new amendment applies as of 1 January 2023 or later, and must be applied retroactively. The Group is currently evaluating the impact that the changes will have on the current situation.

Amendments to IFRS 3 - “Business combinations”, IAS 16 – “Property, Plant and Equipment”, IAS 37 - “Provisions, Contingent Liabilities and Contingent Assets”, Annual Improvements 2018-2020. On 14 May 2020 the IASB published a package of amendments clarifying and making minor changes to the following IFRS standards, while the Annual Improvements 2018-2020 Cycle concern IFRS 1, IFRS 9, and illustrative examples attached to IFRS 16.

IFRS 3: updating references to the IAS Conceptual Framework (no change in the accounting treatment of business combinations).

IAS 16: the amendment clarifies the impossibility of deducting from the costs of tangible fixed assets the sums obtained from the sale of goods produced while the company itself is preparing the asset for its use. The company must record these sales as revenues separately from the related costs, in the income statement.

IAS 37: this amendment clarifies the costs to be included in the valuation of contract losses. The new amendments apply as of 1 January 2022, prospectively.

Amendments to IAS 16 – “Property, Plant and Equipment: Proceeds before Intended Use”. In May 2020 the IASB published this amendment which prohibits entities from deducting from the cost of an item of property, plant and equipment any proceeds from the sale of products sold during the period in which this activity is carried out at the place or the conditions necessary for it to be able to operate in the manner in which it was designed by management. Instead, an entity recognises the revenue from the sale of those products and the costs of producing them in the income statement. The amendment will be effective for years starting on or after 1 January 2022 and must be applied retrospectively to items of property, plant and equipment made available for use on or after the commencement date of the period prior to the period in which the entity first applies such amendment. No material impacts are expected for the Group with regard to these changes.

Amendments to IAS 37 – “Onerous Contracts – Costs of Fulfilling a Contract”. In May 2020 the IASB published amendments to IAS 37 to specify which costs should be considered by an entity when assessing whether a contract is onerous or loss-making. The amendment provides for the application of an approach called “directly related cost approach”. Costs that relate directly to a contract for the supply of goods or services include both incremental costs and costs directly attributed to the contractual activities. General and administrative expenses are not directly related to a contract and are excluded unless they can be explicitly charged to the counterparty based on the contract. The amendments will be effective for the years starting on or after 1 January 2022. The Group will apply these changes to contracts for which it has not yet fulfilled all its obligations at the beginning of the year in which it applies these changes for the first time. Annual Improvements 2018-2020 Cycle.

Amendments to IFRS 1 “First-time Adoption of International Financial Reporting Standards – Subsidiary as a first-time adopter”. As part of the 2018-2020 process of annually improving the IFRS standards, the IASB published an amendment that allows a subsidiary that chooses to apply paragraph D16(a) of IFRS 1 to account for cumulative translation differences based on the amounts accounted for by the parent, considering the date of the parent’s transition to IFRS. This amendment also applies to associates or joint ventures that choose to apply paragraph D16(a) of IFRS 1. The amendment will be effective for years starting on or after 1 January 2022, and early application is permitted.

Amendment to IFRS 9 “Financial Instruments – Fees in the ‘10 per cent’ test for derecognition of financial liabilities”. As part of the 2018-2020 process of annually improving the IFRS standards, the IASB published an amendment to IFRS 9 that clarifies the fees that an entity includes in determining whether the conditions of a new or modified financial liability are substantially different from the conditions of the original financial liability. These fees include only those paid or received between the debtor and the lender, including fees paid or received by the debtor or the lender on behalf of others. An entity applies this amendment to financial liabilities that are amended or exchanged after the date of the first financial year in which the entity applies the amendment for the first time. The amendment will be effective for years starting on or after 1 January 2022, and early application is permitted. The Company will apply such amendment to financial liabilities that are subsequently amended or exchanged or on the date of the first period in which the entity first applies such amendment. No material impacts are expected for the Company with regard to this change.

Amendments to IAS 1 “Presentation of Financial Statements” and IFRS Practice Statement 2 “Disclosure of Accounting policies”. On 12 February 2021 the IASB published an amendment to this standard in order to support companies in choosing which accounting standards to disclose in their financial statements. The amendment will be effective for years starting on 1 January 2023, and early application is permitted.

Amendments to IAS 8 - “Accounting policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates”. On 12 February 2021 the IASB published an amendment to this standard in order to introduce a new definition of accounting estimate and to clarify the distinction between changes in accounting estimates,

changes in accounting standards and errors. The amendment will be effective for years starting on 1 January 2023, and early application is permitted.

Amendments to IAS 12 - "Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction". On 7 May 2021 the IASB published an amendment to this standard, which requires companies to recognise deferred tax assets and liabilities on particular transactions that at the time of initial registration give rise to equivalent temporary differences (taxable and deductible), such as transactions relating to lease contracts. The amendment will be effective for years starting on 1 January 2023, and early application is permitted.

## Explanatory notes at 30 June 2021

## Scope of consolidation and goodwill

Name	Registered Office	Currency	Share capital at 30 June 2021	Control percentage	
				At 30 June 2021	At 31 December 2020
Newlat Food S.p.A.	Italy - Via J.F. Kennedy 16, Reggio Emilia Germany -	EUR	43,935,050	Parent company	Parent company
Newlat GmbH	Franzosenstraße 9, Mannheim (Germany)	EUR	1,025,000	100%	100%
Centrale del Latte d'Italia S.p.A.	Via Filadelfia 220, 10137 Turin	EUR	28,840,041.2 0	67.74%	67.59%

## Consolidation criteria and methodology

The condensed half-year consolidated financial statements illustrate the Group's equity, economic and financial situation in accordance with IFRS.

Both 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 stock exchange in the STAR segment, and held at 30 June 2021 at 67.74%), 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 2021:

<i>(In thousands of euros)</i>	Half-year at 30 June 2021						Consolidated Financial Statements total
	Pasta	Milk Products	Bakery Products	Dairy Products	Special Products	Other assets	
Revenue from contracts with customers	73,865	113,144	19,593	15,669	16,122	7,101	245,494
EBITDA (*)	4,246	10,439	2,770	2,320	1,737	191	21,703
EBITDA margin	5.75%	9.23%	14.14%	14.81%	10.77%	2.69%	8.84%
Amortisation, depreciation and write-downs	2,193	7,126	1,094	167	1,143	359	12,082
Net write-downs of financial assets						920	920
<b>Operating profit/(loss)</b>	<b>2,053</b>	<b>3,313</b>	<b>1,676</b>	<b>2,153</b>	<b>594</b>	<b>(1,088)</b>	<b>8,702</b>
Financial income	-	-	-	-	-	462	462
Financial expenses	-	-	-	-	-	(3,798)	(3,798)
<b>Profit/(loss) before taxes</b>	<b>2,053</b>	<b>3,313</b>	<b>1,676</b>	<b>2,153</b>	<b>594</b>	<b>(4,424)</b>	<b>5,366</b>
Income taxes	-	-	-	-	-	1,794	1,794
<b>Net profit/(loss)</b>	<b>2,053</b>	<b>3,313</b>	<b>1,676</b>	<b>2,153</b>	<b>594</b>	<b>(2,631)</b>	<b>7,160</b>
Total assets	145,817	229,148	16,574	921	18,317	330,060	740,836
Total liabilities	92,596	101,913	15,765	360	14,935	357,759	583,328
Investments	632	2,884	268	73	66	50	3,973
Employees (number)	489	539	188	65	153	59	1,493

The table below shows the main income statement items at 30 June 2020 and the main statement of financial position items at 31 December 2020 examined by the chief operating decision maker in order to assess the Group's performance:

<i>(In thousands of euros)</i>	Half-year at 30 June 2020						Consolidated Financial Statements total
	Pasta	Milk Products	Bakery Products	Dairy Products	Special Products	Other assets	
Revenue from contracts with customers	70,354	79,392	20,173	14,126	16,624	7,716	208,384
EBITDA (*)	4,066	7,768	2,949	2,074	1,692	205	18,753
EBITDA margin	5.8%	10%	15%	15%	10%	3%	9.0%
Amortisation, depreciation and write-downs	2,267	4,105	839	167	1,068	356	8,802
Net write-downs of financial assets						438	438
Income from business combinations						20,296	20,296
<b>Operating profit/(loss)</b>	<b>1,799</b>	<b>3,663</b>	<b>2,110</b>	<b>1,907</b>	<b>624</b>	<b>19,707</b>	<b>29,810</b>
Financial income	-	-	-	-	-	264	264
Financial expenses	-	-	-	-	-	(1,036)	(1,036)
<b>Profit/(loss) before taxes</b>	<b>1,799</b>	<b>3,663</b>	<b>2,110</b>	<b>1,907</b>	<b>624</b>	<b>18,936</b>	<b>29,038</b>
Income taxes	-	-	-	-	-	(2,612)	(2,612)
<b>Net profit/(loss)</b>	<b>1,799</b>	<b>3,663</b>	<b>2,110</b>	<b>1,907</b>	<b>624</b>	<b>16,323</b>	<b>26,426</b>
Total assets	113,738	268,468	16,156	8,602	17,962	112,173	537,099
Total liabilities	40,827	249,723	16,933	13,205	15,932	44,423	381,043
Investments	316	474	283	-	34	171	1,278
Employees (number)	530	597	132	60	145	34	1,498

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

## Non-current assets

<i>(In thousands of euros)</i>	At 30 June 2021	At 31 December 2020
<b>Non-current assets</b>		
Property, plant and equipment	149,518	151,541
Right-of-use assets	15,496	18,452
Intangible assets	50,602	51,058
Equity investments in associates	1,401	1,397
Non-current financial assets measured at fair value through profit or loss	745	746
Financial assets measured at amortised cost	801	801
Prepaid tax assets	4,485	5,466
<b>Total non-current assets</b>	<b>223,048</b>	<b>229,461</b>

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

### Fixed assets, plant and equipment

<i>(In thousands of euros)</i>	Land and buildings	Plant and machinery	Industrial and commercial equipment	Other assets	Leasehold improvements	Assets under construction and payments on account	Total
<b>Historical cost at 31 December 2020</b>	<b>93,456</b>	<b>245,723</b>	<b>24,067</b>	<b>4,972</b>	<b>1,901</b>	<b>14,382</b>	<b>384,501</b>
Investments	108	2,248	189	3	83	2,295	4,926
Disposals		(128)	(15)	(25)			(168)
Reclassifications		472	12	5		(489)	-
<b>Historical cost at 30 June 2021</b>	<b>93,564</b>	<b>248,315</b>	<b>24,253</b>	<b>4,955</b>	<b>1,984</b>	<b>16,188</b>	<b>389,260</b>
<b>Provision for depreciation at 31 December 2020</b>	<b>(31,497)</b>	<b>(174,525)</b>	<b>(21,801)</b>	<b>(4,665)</b>	<b>(473)</b>	-	<b>(232,961)</b>
Amortisation	(810)	(5,515)	(572)	(39)	(13)		(6,949)
Disposals		128	15	25			168
<b>Provision for depreciation at 30 June 2021</b>	<b>(32,307)</b>	<b>(179,912)</b>	<b>(22,358)</b>	<b>(4,679)</b>	<b>(486)</b>	-	<b>(239,742)</b>
<b>Net carrying amount at 31 December 2020</b>	<b>61,959</b>	<b>71,198</b>	<b>2,266</b>	<b>307</b>	<b>1,428</b>	<b>14,382</b>	<b>151,541</b>
<b>Net carrying amount at 30 June 2021</b>	<b>61,257</b>	<b>68,403</b>	<b>1,896</b>	<b>276</b>	<b>1,498</b>	<b>16,188</b>	<b>149,518</b>

The “purchases” column shows the investments made during the half-year. Specifically, “assets under construction and payments on account” reflects work in progress in the

factories of both Newlat and the subsidiary Centrale del Latte d'Italia, while the items "plant and machinery", "leasehold improvements" and "industrial and commercial equipment" show the investments made, primarily in the Milk Products sector. The increases in "Other assets" refer mainly to the purchase of electronic office equipment, cars and vehicles.

#### 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. These leases fall within the scope of related party transactions. The right-of-use assets at 30 June 2021 also refer to the Delverde production plant, located at Fara San Martino (CH), used by Newlat 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 2020 was due mainly to depreciation for the period.

#### Intangible assets

<i>(In thousands of euros)</i>	Goodwill	Patents and intellectual property rights	Concessions, licences, trademarks and similar rights	Other assets	Assets under development	Total
Historical cost at 31 December 2020	3,863	4,827	118,715	4,026	2	131,433
Investments		20	22			42
Reclassifications				2	(2)	-
Historical cost at 30 June 2021	3,863	4,847	118,737	4,028	-	131,475
Provision for depreciation at 31 December 2020	-	(3,906)	(72,442)	(4,026)	-	(80,374)
Amortisation		(97)	(402)			(499)
Provision for depreciation at 30 June 2021	-	(4,003)	(72,844)	(4,026)	-	(80,873)
Net carrying amount at 31 December 2020	3,863	921	46,273	0	2	51,059
Net carrying amount at 30 June 2021	3,863	844	45,893	2	-	50,601

The change compared with 31 December 2020 was due mainly to depreciation for the period.

### Goodwill

The goodwill of Euro 3,863 thousand refers entirely to Newlat'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. As at 30 June 2021, the Group's management did not detect any negative effects relating to the activities of the Salerno plant that would require another impairment test in addition to the one that returned positive results performed for the financial statements as at 31 December 2020.

### Concessions, licences, trademarks and similar rights

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

<i>(In thousands of euros)</i>	At 30 June 2021	At 31 December 2020
Trademarks with an indefinite useful life	44,799	44,799
Trademarks with a finite useful life	788	1,026
<b>Total net book value</b>	<b>45,587</b>	<b>45,825</b>

### 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 for a total of Euro 6,823 thousand.

At 30 June 2021 the Group's management did not observe any negative effects relating to the operations of the plants of Newlat GmbH and Centrale del Latte d'Italia S.p.A. which the aforementioned brands refer to that would entail another impairment test in addition to the one performed with positive results for the financial statements as at 31 December 2020.

### 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.

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.

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

The balance includes the 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 2021, this item totalled Euro 801 thousand (Euro 801 thousand at 31 December 2020) and referred mainly to security deposits paid by the Parent Company under the production premises lease agreements.

Prepaid tax assets

At 30 June 2021, this item totalled Euro 4,485 thousand (Euro 5,466 thousand in December 2020). Prepaid taxes refer 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**

<i>(In thousands of euros)</i>	At 30 June 2021	At 31 December 2020
<b>Current assets</b>		
Inventories	45,801	41,347
Trade receivables	54,413	71,268
Current tax assets	1,042	1,888
Other receivables and current assets	12,121	11,003
Current financial assets measured at fair value through profit or loss	4,746	4
Cash and cash equivalents	399,665	182,127
<b>Total current assets</b>	<b>517,788</b>	<b>307,637</b>

Inventories

Closing inventories were up by Euro 4,454 thousand on 31 December 2020 because of an increase in warehouse stock to cover the higher sales levels expected in July and August 2021.

<i>(In thousands of euros)</i>	At 30 June 2021	At 31 December 2020
Raw materials, supplies, consumables and spare parts	23,251	22,135
Finished products and goods	18,484	20,120
Semi-finished products	57	8
Advance payments	5,022	97
<b>Total gross inventories</b>	<b>46,814</b>	<b>42,360</b>
<b>Inventory write-down reserve</b>	<b>(1,013)</b>	<b>(1,013)</b>
<b>Total inventories</b>	<b>45,801</b>	<b>41,347</b>

The change (not made in H1 2021) in the inventory write-down reserve is shown below:

<b>Balance at 31 December 2020</b>	<b>1,013</b>
Provisions	-
Uses/Releases	-
Change to the consolidation scope	-
<b>Balance at 30 June 2021</b>	<b>1,013</b>

### 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.

<i>(In thousands of euros)</i>	At 30 June 2021	At 31 December 2020
Trade receivables from customers	73,991	89,339
Trade receivables from related parties	19	606
<b>Trade receivables (gross)</b>	<b>74,010</b>	<b>89,945</b>
<b>Provision for doubtful trade receivables</b>	<b>(19,597)</b>	<b>(18,677)</b>
<b>Total trade receivables</b>	<b>54,413</b>	<b>71,268</b>

At each reporting date, customer receivables are analysed to check for the existence of impairment indicators. 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 2021 and the for the period reflects the exposure of the receivables – net of the provision for doubtful receivables – at their presumed realisable value.

<b>Balance at 31 December 2019</b>	<b>15,420</b>
Provisions	931
Uses	(28)
Releases	
Change in the scope of consolidation (due to the acquisition of CLI)	2,354
<b>Balance at 31 December 2020</b>	<b>18,677</b>
Provisions	920
<b>Balance at 30 June 2021</b>	<b>19,597</b>

### Current tax assets

Current tax assets totalled Euro 1,042 thousand (Euro 1,888 thousand at 31 December 2020).

Current tax liabilities totalled Euro 3,891 thousand (Euro 3,438 thousand at 31 December 2020). The change compared with 31 December 2020 was due to taxes for the period.

### Other receivables and current assets

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

<i>(In thousands of euros)</i>	At 30 June 2021	At 31 December 2020
Tax assets	6,297	6,103
Receivables from social security institutions	423	805
Accrued income and prepaid expenses	1,114	945
Advance payments	2,923	825
Other receivables	1,364	2,324
<b>Total other receivables and current assets</b>	<b>12,121</b>	<b>11,003</b>

### Cash and cash equivalents

"Cash and cash equivalents" mainly consist of sight current accounts with banks.

At 30 June 2021, cash and cash equivalents were not subject to restrictions or constraints. Part of the aforementioned cash and cash equivalents, amounting to Euro 107,275 thousand, is attributable to the cash pooling relationships of Newlat Food with the parent company Newlat Group S.A.

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 2021, 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 2021 related to:

- Recognition of the total net profit for the period, in the amount of Euro 7,160 thousand.
- Other minor changes in the amount of Euro 67 thousand.
- Purchase of treasury shares for Euro 5.6 thousand.

## Non-current liabilities

<i>(In thousands of euros)</i>	At 30 June 2021	At 31 December 2020
<b>Non-current liabilities</b>		
Provisions for employee benefits	14,846	15,411
Provisions for risks and charges	1,588	1,587
Deferred tax liabilities	6,902	12,081
Non-current financial liabilities	286,498	94,811
Non-current lease liabilities	9,158	12,436
<b>Total non-current liabilities</b>	<b>318,991</b>	<b>136,326</b>

### Provisions for employee benefits

At 30 June 2021, this item totalled Euro 14,846 thousand, down from Euro 15,411 thousand at 31 December 2020, 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":

<i>(In thousands of euros)</i>	Provision for agents' indemnities	Provision for legal risks	Other provisions for risks and charges	Total provisions for risks and charges
<b>Balance at 31 December 2020</b>	<b>1,236</b>	<b>224</b>	<b>126</b>	<b>1,587</b>
Provisions		-	1	1
<b>Balance at 30 June 2021</b>	<b>1,236</b>	<b>224</b>	<b>127</b>	<b>1,588</b>

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

The significant decrease of Euro 5,179 thousand compared to the liability at 31 December 2020 is mainly due to the release to the income statement of deferred taxes following the clearance (through the payment of substitute tax) of the capital gains allocated to the brands of the subsidiary Centrale del Latte d'Italia S.p.A., with consequent alignment of the accounting and tax values of these brands.

Non-current and current financial liabilities

The table below contains a breakdown of “Current and non-current financial liabilities”:

<i>(In thousands of euros)</i>	At 30 June		At 31 December 2020	
	Current portion	Non-current portion	Current portion	Non-current portion
Payables to Newlat Group SA for cash pooling	30,805		981	
<b>Total financial debt to Newlat Group</b>	<b>30,805</b>	<b>-</b>	<b>981</b>	<b>-</b>
Deutsche Bank loan agreement	3,000	7,500	3,000	9,000
BPM loan agreement	3,134	8,001	3,115	9,573
BPER loan agreement	1,980	6,060	1,970	7,052
Trade credit facilities	7,456		7,638	
Bond Loan (issued in February 2021)	1,884	198,336		
Other lines of credit	20,000		12,000	
Current account overdrafts	19		3	
BANCA CARIGE	128		255	-
UNICREDIT FILIERA	1,966	2,314	2,772	2,891
ICREA BANCA D'ALBA	400	700	400	1,000
MEDIOCREDITO	441	918	436	1,140
CREDEM	126		378	-
UBI BANCA			191	-
INTESA SANPAOLO			481	-
BANCA POPOLARE DI SONDRIO (SWITZERLAND)	250	359	690	485
UNICREDIT CDP	380	3,699	378	3,886
UNICREDIT FILIERA	465	4,047	464	4,280
BANCO BPM	2,750	6,159	2,456	7,661
INVITALIA LOAN ACCOUNT	351	3,301	246	3,359
CARIPARMA	506	64	504	317
CREDITO COOP CENTROVENETO	507		1,139	42
BANCA CAMBIANO 1884	1,003	1,273	997	1,777
MPS CAPITAL SERVICES BANCA PER LE IMPRESE	1,457	13,052	1,429	13,787
CHIANTI BANCA	400	818	397	1,019
BPER BANCA		5,000	-	-
BANCA PASSADORE	667	677	662	1,011
BANCO DESIO	495	1,098	491	1,347
MONTE DEI PASCHI DI SIENA	4,044	23,121	4,040	25,145
Other lines of credit payables to other lenders	1,000		4,652	39
<b>Total financial debt to banks and other lenders</b>	<b>54,810</b>	<b>286,498</b>	<b>62,140</b>	<b>94,811</b>
<b>Total financial liabilities</b>	<b>85,614</b>	<b>286,498</b>	<b>63,121</b>	<b>94,811</b>

The verification of compliance with financial covenants is performed only on the annual data at 31 December. The Group believes that these covenants will be respected at 31 December 2021.

The increase in non-current financial liabilities is mainly due to the issue of a bond loan for Euro 200 million, which took place on 19 February 2021 in order to finance the Group's future acquisitions (the first of which was finalised on 4 August 2021). The increase in current financial liabilities is mainly due to the use of short-term credit lines in view of the excellent financial conditions enjoyed by the Group.

### 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 CLI and to the lease of industrial facilities and machinery.

Liabilities were recognised in compliance with the IFRS 16 accounting standard that came into effect on 1 January 2019 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 1% and 3%.

There are no payables due beyond five years.

The change compared with 31 December 2020 was due mainly to the reimbursement of rental fees according to existing contractual agreements.

### Current liabilities

<i>(In thousands of euros)</i>	At 30 June 2021	At 31 December 2020
<b>Current liabilities</b>		
Trade payables	146,136	151,388
Current financial liabilities	85,615	63,121
Current lease liabilities	6,465	6,570
Current tax liabilities	3,891	3,438
Other current liabilities	22,230	20,200
<b>Total current liabilities</b>	<b>264,337</b>	<b>244,717</b>

### Trade payables

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

<i>(In thousands of euros)</i>	At 30 June 2021	At 31 December 2020
Trade payables to suppliers	145,970	151,175
Trade payables to related parties	166	213
<b>Total trade payables</b>	<b>146,136</b>	<b>151,388</b>

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.

### Other current liabilities

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

<i>(In thousands of euros)</i>	At 30 June 2021	At 31 December 2020
Payables to employees	12,006	10,181
Payables to social security institutions	3,693	3,837
Payables for acquisitions of business units	-	600
Tax liabilities	2,279	1,575
Accrued expenses and deferred income	2,627	2,934
Miscellaneous payables	1,625	1,073
<b>Total other current liabilities</b>	<b>22,230</b>	<b>20,200</b>

The change compared with 31 December 2020 was due mainly to higher payables to employees.

### **Income statement**

Please refer to the Report on Operations for an analysis of the income statement items for the first half of 2021, which – for the purposes of a greater understanding of the Group's economic performance on a uniform basis – were compared with the proforma income statement figures for the first half of 2020, calculated by retro-dating the acquisition of Centrale del Latte to 1 January 2020 for proforma accounting purposes, though it actually took place on 1 April 2020 and therefore impacted the 2020 consolidated half-year income statements for only three months.

### **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:

	For the half-year ended 30 June	
	2021	2020
Profit for the year attributable to the Group in thousands of euros	4,765	25,578
Weighted average number of shares in circulation	43,935,050	40,780,482
<b>Earnings per share (in Euro)</b>	<b>0.11</b>	<b>0.63</b>

### **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 2021 and 31 December 2020:

<i>(In thousands of euros)</i>	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			
<b>Right-of-use assets</b>						
At 30 June 2021		5,332		5,332	15,496	34.4%
At 31 December 2020		6,708		6,708	18,452	36.4%
<b>Non-current financial assets at amortised cost</b>						
At 30 June 2021		735		735	801	91.7%
At 31 December 2020		735		735	801	91.7%
<b>Trade receivables</b>						
At 30 June 2021			19	19	54,413	0.0%
At 31 December 2020		587	19	606	71,268	0.9%
<b>Other receivables and current assets</b>						
At 30 June 2021		573		573	12,121	4.7%
<b>Cash and cash equivalents</b>						
At 30 June 2021	107,275			107,275	399,665	26.8%
At 31 December 2020	69,351			69,351	182,127	38.1%
<b>Non-current lease liabilities</b>						
At 30 June 2021		2,712		2,712	9,158	29.6%
At 31 December 2020		4,144		4,144	12,436	33.3%
<b>Trade payables</b>						
At 30 June 2021	105		61	166	146,136	0.1%
At 31 December 2020	105		108	213	151,388	0.1%
<b>Current financial liabilities</b>						
At 30 June 2021	30,805			30,805	85,615	36.0%
At 31 December 2020	981			981	63,121	1.6%
<b>Current lease liabilities</b>						
At 30 June 2021		2,847		2,847	6,465	44.0%
At 31 December 2020		2,812		2,812	6,570	42.8%

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 2021 and 2020:

<i>(In thousands of euros)</i>	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			
<b>Cost of sales</b>						
At 30 June 2021		1,664	29	1,693	194,321	0.9%
At 30 June 2020	-	1,650	29	1,679	165,257	1.0%
<b>Administrative costs</b>						
At 30 June 2021	82			82	11,810	0.7%
At 30 June 2020	60	-	-	60	11,478	0.5%
<b>Financial income</b>						
At 30 June 2021	-			-	462	0.0%
At 30 June 2020	162	-	-	162	264	61.4%
<b>Financial expenses</b>						
At 30 June 2021	-	74		74	3,798	1.9%
At 30 June 2020	2	109	-	111	1,036	10.7%

### 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 2021 there were no substantial changes to the situations regarding disputes or contingent liabilities from 31 December 2020.

## 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 2021.

2. Assessment of the adequacy of the administrative and accounting procedures for drawing up the condensed consolidated half-year financial statements at 30 June 2021 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 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 to the accounting 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 year. The interim report on operations also includes a reliable analysis of the information on the significant transactions with related parties.

Reggio Emilia, 10 September 2021

Angelo Mastrolia  
Chairman of the BoD

Rocco Sergi  
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 (hereinafter also the “Company”) and its subsidiaries (the “Newlat Group”) as of 30 June 2021, which comprise the consolidated statement of financial position, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity, the consolidated statement of cash flows and the related explanatory notes. The Directors of the Company are responsible for the preparation of the consolidated condensed interim financial statements in accordance with International Accounting Standard 34 applicable to interim financial reporting 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 Company’s 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 Italy) 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 2021 are not prepared, in all

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#### ***PricewaterhouseCoopers SpA***

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material respects, in accordance with International Accounting Standard 34 applicable to interim financial reporting as adopted by the European Union.

Bologna, 10 September 2021

PricewaterhouseCoopers SpA

*signed by*

Gianni Bendandi  
(Partner)

*“This report has been translated into the English language from the original, which was issued in Italian language, solely for the convenience of international readers. Reference in this report to the financial statements refer to the financial statements in original Italian and not to any their translation.”*