

THE BOARD OF DIRECTORS OF VALSOIA S.P.A. APPROVES THE INTERIM REPORT FOR THE FIRST HALF OF 2021

ALL ECONOMIC INDICATORS GROWING COMPARED TO THE 1ST HALF OF 2020

TOTAL REVENUES: € 46.4 MILLION, +6.8%
EBITDA: € 7.9 MILLION, +4.5%
NET PROFIT: € 4.7 MILLION, +3.0%
POSITIVE NET FINANCIAL POSITION FOR € 18.9 MILLION
FOREIGN MARKET REVENUES +14.3%

Bologna 02 September 2021 - The Board of Directors of **Valsoia S.p.A. (MTA: VLS)** met today, under the chairmanship of Mr. Lorenzo Sassoli de Bianchi, which approved the interim report as of June 30, 2021.

Chairman Lorenzo Sassoli de Bianchi commented: "We are satisfied about the results for the first half of the year, which show an increase in turnover and margins, consolidating the excellent performance already achieved in the first half of 2020, and confirming the company's equity and financial solidity (positive net financial position of € 18.9 million). In these first six months of the year, we continued to invest supporting our Brands and their leadership, together with a number of extraordinary operations. First of all, the start up in the management of the newly acquired "Piadina Loriana" and the "Oreo O's Cereals" distributed by us. At the end of April, we have also finalized an agreement with the company Vallé Italia for the exclusive distribution on the Italian territory, from January 1, 2022, of all the "VALLÉ" brand products, to further strengthening our portfolio of leading brands in the Food markets. We also continue the internationalization of our Company accelerating the direct presence in some markets with high potential for us, as evidenced in particular by the operation, in the process of completion, of the acquisition in Sweden of the Swedish Green Food Company AB".

MAIN ECONOMIC INDICATORS AS AT 30 JUNE 2021

Economic indicators (in thousands of euros)	30.06.2021		30.06.2020		Variation	
	Euro	%	Euro	%	Euro	%
Sales revenues (total)	46,390	100.0	43,447	100.0	+ 2,943	+ 6.8
Value of production	48,339	104.2	44,548	102.5	+ 3,792	+ 8.5
Gross operating income (EBITDA) (*)	7,895	17.0	7,557	17.4	+ 339	+ 4.5
Net operating income (EBIT)	6,635	14.3	6,416	14.8	+ 219	+ 3.4
Net profit for the period	4,722	10.2	4,584	10.6	+ 138	+ 3.0

(*) Interim result not defined as an accounting measure under IFRS and therefore the criteria for defining this parameter may not be homogeneous with those adopted by other companies. This result was positively influenced by the application of IFRS 16 "Leases", amounting to € 283 thousand with reference to the EBITDA value as at 30/06/21 and € 287 thousand with reference to the one as at 30/06/2020.

In the first half of 2021, the Company recorded **Sales revenues** of **€ 46.4 million** compared to € 43.4 million in the same period of 2020. The increase is € 2.9 million **(+6.8%)** compared to the previous year, which had already shown a growth of +17.2% over the same period of 2019.

A comparison of Sales revenues between the first half of 2021 and the same period of 2019 (pre-covid) therefore shows a growth of € 9.3 million (+25.1%).

Sales grew both in **Italy (+6.1%)** and **Foreign (+14.3%)**. In particular, in Italy both **Health Division revenues (+3.7%)** and **Food Division revenues (+10.8%)** rose.

Improved availability and visibility at points of sale, major ongoing investments in consumer marketing and advertising, together with the excellent start to the management of Piadina Loriana, are the basis for the increase in revenues.

During this period, the Company had to absorb and manage higher costs, both linked to Trade (in relation to new commercial agreements and higher sales volumes in promotions), and due to the increase in the cost of sales deriving from the increase in some raw materials, food and non-food, of significant importance for production processes.

The Company has implemented marketing and sales actions consistent with its Annual Plans.

The operating margin for the half-year (**EBITDA**) therefore amounted to **€7.9 million**, up by **+4.5%** compared to the same period of 2020. It should also be noted that the marginality for the same period of 2020 had already increased significantly by € 2.2 million (+41.1%) compared to the same period of 2019.

The comparison of the operating margin between the first half of 2021 and the same period of 2019 therefore shows an overall growth of € 2.5 million (+47%).

The operating margin ratio (**Ebitda margin %**) in 2021 was **17.0%**, compared to 17.4% in the same period of the last year, and 14.4% in the same period in 2019.

Net income for the period, as a result of the aforementioned, amounted to **€ 4.7 million**, an increase compared to the same period of 2020 of +3.0%.

The ratio of net income to sales revenue in 2021 was 10.2% compared to 10.6% in the same period of 2020, and 8.1% in the same period of 2019.

NET FINANCIAL POSITION AS AT 30 JUNE 2021

Description (in thousands of euros)	30.06.2021 Euro	31.12.2020 Euro	30.06.2020 Euro
Cash	3	3	3
Current accounts and bank deposits	25,471	29,566	35,397
Short-term financial assets	0	0	0
Total liquidity	25,474	29,568	35,400
Current financial liabilities	(2,612)	(2,603)	(2,597)
Short-term liabilities for operating leases (Ifrs 16)	(535)	(543)	(523)
Short-term net financial position	22,327	26,422	32,280
Medium-term financial liabilities	(2,296)	(3,573)	(4,906)
Medium-term liabilities for operating leases (Ifrs 16)	(1,110)	(1,370)	(1,554)
TOTAL NET FINANCIAL POSITION (*)	18,921	21,479	25,820

(*) The figures include the (negative) effect on the NFP deriving from application of Ifrs 16 Leases, amounting to (2,077) thousand euros as of June 30, 20/20; (1,913) thousand euros as of December 31, 2020 and (1,645) thousand euros as of June 30, 21.

As of June 30, 2021, the **Net Financial Position** was positive by **€ 18.9 million**, compared to €25.8 million as of June 30, 2020, and reflects the cash outlay of approximately € 13 million made at the end of December 2020 for the acquisition of the Piadina Loriana Business Unit.

In the first half of 2021, the current operation continued its positive cash generation with an operating cash flow of € 8 million. The increase in the change in net working capital, due to the marked increase in the volume of business in the period, added to the usual peak in financial requirements for the seasonal nature of the ice cream business, absorbed cash of approximately € 5.2 million. Moreover, during the period, investments were made in the renovation of

production plant and machinery for over € 1 million and taxes were paid for around € 0.5 million. In line with its policy, the Company also distributed dividends for € 4.1 million during the period.

Net of the effect of the application of IFRS16 at June 30, 2021, the NFP is € 20.6 million, compared with € 23.4 million at the beginning of the period.

TREND OF HOUSEHOLDS PRODUCED

Description (in thousands of Euros)	30.06.2021		30.06.2020		Variation
	Euro	Inc. %	Euro	Euro	%
Health Division products (a)	24,576	53.0%	23,687	54.6%	+3.7%
Food Division products (b)	14,989	32.3%	13,523	31.1%	+10.8%
Others (c)	2,782	6.0%	2,700	6.2%	+3.0%
TOTAL REVENUES ITALY	42,347	91.3%	39,910	91.9%	+6.1%
Foreign sales	4,043	8.7%	3,537	8.1%	+14.3%
TOTAL REVENUES	46,390	100%	43,447	100%	+6.8%

- (a) Brands Valsoia Bontà e Salute, Vitasoya, Naturattiva
- (b) Brands Santa Rosa (jams), Diete.Tic, Weetabix
- (c) Supplements, Industrial products

The turnover of all the Company's divisions rose in the first half of 2021 compared with the same period of the previous year (+3.7% for the Health Division and +10.8% for the Food Division). Only Santa Rosa Jams recorded a contraction in revenues in the first half due to the strong acceleration in consumption and stock policies that occurred in the same period of the previous year, which showed for Santa Rosa a +34.5% compared to the same period of 2019 due to the effects of the first lockdown. However, the result for the first half of 2021 for the Santa Rosa Jams brand is +9.2% higher than the one registered in 2019 (pre Covid).

The comparison with the same period of 2019 is just as significantly positive for Valsoia "Bontà e Salute" and the entire Italian health division (+11.8%), as well as for Weetabix (+24.5%) and Diete.Tic (+36.7%).

The results of the presence and sales abroad are significantly relevant and record an increase of +14.3% compared to the same period of the previous year, already strongly growing (+43.9% towards the first half of 2019).

MAIN EVENTS OCCURRING DURING AND AFTER THE END OF THE FIRST HALF OF 2021

During July the trend in revenues continued to be positive for all the Company's main brands with the exception of Santa Rosa jams, again due to the extraordinary nature of the first half of 2020 regarding the health emergency.

Regarding international markets, in July 2021 Valsoia reached a preliminary agreement for the acquisition of the "Swedish Green Food Company" already operating in the Swedish market for the distribution of the Valsoia brand "Bontà e Salute". The agreement is of strategic importance for the acceleration of the Company's internationalization process, including through direct presence in markets deemed to have high potential for the Company's brands. The agreement will be finalized by September 2021.

In the summer months the first billboard campaigns were also carried out in the main cities of the three Baltic States and Slovenia.

With a view to the future, during the first half of the year the Company also carried out a number of important operations envisaged in its business plans:

- the successful start-up of management of the newly acquired **Piadina Lorian**;
- the launch of distribution of the **Oreo O's** cereal brand, achieving the distribution targets for the period;
- the **partnership in the USA** with the important American distribution structure WFF covering the entire national territory;
- the agreement with the company **Vallè Italia S.r.l.** for the exclusive distribution in Italy of the entire portfolio of "Vallè" brand products, which will be effective from January 1, 2022;
- the continuation of the **distribution coverage of natural and 100% vegetable "food supplements"** dedicated to large-scale retail trade with the achievement of a distribution coverage equal to 50% of the weighted Hyper + Super. The presentation to retailers is supported by a significant television advertising campaign to support the launch;
- the finalization of the first **"corporate sustainability 2019-2020"** Report;
- the launch of the **"gran cookie"** ice cream;
- the launch of the vegetable **"super sausage"**, an innovative product of the highest quality level compared to the benchmarks of traditional products;
- the extension of the **"sugar-free"** drinks line;
- the launch of a line of vegetable oat-based yoghurts;
- the launch of a hazelnut and cocoa spread with an oat base and no added sugar.

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The manager in charge of drawing up the corporate accounting documents, Mr. Nicola Mastacchi, hereby declares, pursuant to paragraph 2 of Article 154-bis of the Consolidated Law on Finance, that the accounting information contained in this press release corresponds to the documented results, books and accounting records.

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The Financial Report as at 30 June 2021 will be made available to the public at the Company's registered office and at the 1Info storage mechanism (www.1info.it) within the terms and according to the procedures provided for by the regulations in force, and will also be available in the Investor Relations section of the website (www.valsoiaspa.com).

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Valsoia S.p.A. (www.valsoiaspa.com) founded in 1990, was a "pioneer" in the development of the Italian market of alternative vegetable products. Today it is a reference company in the health food market in Italy and has expanded its product portfolio to include traditional food brands. The Valsoia brand "Bontà e Salute" represents, for the consumer, innovation and attention to health through good, natural and healthy products. Since July 14, 2006, Valsoia S.p.A. has been listed on the MTA market organized and managed by Borsa Italiana S.p.A.

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Attachments: Financial Statements as at 30 June 2021 attached.

ACCOUNTING STATEMENTS

FIGURES IN EUROS

STATEMENT OF FINANCIAL POSITION	Notes	June 30, 2021	December 31, 2020
CURRENT ASSETS			
Cash and cash equivalents	(1)	25,474,249	29,568,134
Current financial assets		0	0
Trade receivables, net	(2)	14,531,863	6,944,151
Inventories	(3)	10,179,792	8,528,435
Other current assets	(4)	814,362	1,290,545
Total current assets		51,000,266	46,331,265
NON-CURRENT ASSETS			
Goodwill	(5)	17,453,307	17,453,307
Intangible assets	(6)	26,860,140	27,128,049
Property, plant and equipment	(7)	9,965,317	9,547,894
Fixed assets for right of use	(8)	1,649,575	1,918,593
Financial assets	(9)	110,000	110,000
Deferred tax assets	(10)	0	291,432
Other non-current assets	(11)	50,100	131,315
Total non-current assets		56,088,439	56,580,590
TOTAL ASSETS		107,088,705	102,911,855

STATEMENT OF FINANCIAL POSITION

Notes

June 30, 2021

December 31, 2020

CURRENT LIABILITIES

Current payables due to banks	(12)	2,612,393	2,625,206
Short-term operative lease payables (IFRS16)	(13)	534,564	542,782
Trade payables	(14)	19,139,287	15,277,564
Tax payables	(15)	1,086,095	701,532
Provision for risks	(16)	326,808	321,057
Other current liabilities	(17)	3,012,871	2,825,037
Total current liabilities		26,712,018	22,293,178

NON-CURRENT LIABILITIES

Non-current payables due to banks	(18)	2,295,605	3,551,223
Non-current payables (IFRS16)	(19)	1,109,844	1,369,822
Other non-current tax payables	(20)	290,986	290,986
Provision for deferred taxes	(21)	432,568	0
Provision for post-employment benefits	(22)	375,776	395,002
Total non-current liabilities		4,504,779	5,607,033

SHAREHOLDERS' EQUITY

(23)

Share Capital		3,533,773	3,524,533
Legal Reserve		700,605	700,605
Revaluation reserve		33,217,144	26,423,946
IAS/IFRS adjustments reserve	-	1,202,290	- 1,202,290
Other reserves		34,900,447	37,910,740
Profit/(loss) for the period		4,722,229	7,654,110
Total Shareholders' equity		75,871,908	75,011,644

TOTAL

107,088,705

102,911,855

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FIGURES IN EUROS

INCOME STATEMENT	Notes	June 30, 2021	June 30, 2020
VALUE OF PRODUCTION	(24)		
Revenue from sales and services		46,389,733	43,447,022
Changes in inventories of finished goods		1,327,625	666,855
Other revenue and income		622,029	433,872
Total value of production		48,339,387	44,547,749
OPERATING COSTS	(25)		
Purchases		(25,736,802)	(22,560,739)
Services		(8,827,323)	(8,623,239)
Cost of use of assets owned by other, of third party assets		(84,091)	(63,347)
Labour costs		(5,534,814)	(5,583,971)
Changes in raw materials inventory		323,732	467,109
Other overheads		(584,709)	(627,034)
Total operating costs		(40,444,007)	(36,991,221)
GROSS OPERATING RESULT		7,895,380	7,556,528
Amortisation, depreciation and write-downs of fixed assets	(26)	(1,259,927)	(1,140,222)
NET OPERATING RESULT		6,635,453	6,416,306
Net financial income/(charges)	(27)	(29,224)	(54,088)
PRE-TAX PROFIT (LOSS)		6,606,229	6,362,218
TAXES	(28)		
Income taxes		(1,160,000)	(1,220,000)
Deferred tax assets/liabilities		(724,000)	(558,000)
Total taxes		(1,884,000)	(1,778,000)
PROFIT/(LOSS) FOR THE PERIOD		4,722,229	4,584,218
Basic EPS	(29)	0.441	0.429
Diluted EPS	(29)	0.436	0.423

ACCOUNTING STATEMENTS

FIGURES IN EUROS

STATEMENT OF COMPREHENSIVE INCOME	Notes	June 30, 2021	June 30, 2020
PROFIT (LOSS) FOR THE PERIOD		4,722,229	4,584,218
OTHER COMPREHENSIVE INCOME/(EXPENSE) WHICH MAY BE SUBSEQUENTLY RECLASSIFIED TO PROFIT/(LOSS) FOR THE PERIOD		0	0
Total		0	0
OTHER COMPREHENSIVE INCOME/(EXPENSE) WHICH WILL NOT BE SUBSEQUENTLY RECLASSIFIED TO PROFIT/(LOSS) FOR THE PERIOD		0	0
Total		0	0
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD (LOSS)		4,722,229	4,584,218

ACCOUNTING STATEMENTS

FIGURES IN EUROS

STATEMENT OF CASH FLOWS FOR THE PERIODS ENDED AT

(EUR 000)

June 30, 2021

June 30, 2020

A Opening current net cash	26,400,146	33,655,790
B Cash flow from operating activities for the period		
. Profit/(Loss) for the period	4,722,229	4,584,218
. Net financial (income)/charges and Taxes for the period	1,913,224	1,832,088
. Amortisation, depreciation and write-down of fixed assets	1,259,927	1,140,222
. Capital (gains) - Losses from asset disposal	(13,350)	(8,732)
. Charges for SOP (Stock Option Plans)	187,348	393,123
. Net change in other provisions	(39,882)	174,269
- <i>Cash flow from operating activities before changes in working capital</i>	<i>8,029,496</i>	<i>8,115,188</i>
(Increase)/Decrease in trade receivables	(7,605,774)	(6,823,450)
(Increase)/Decrease in Inventories	(1,576,703)	(1,133,142)
Increase/(Decrease) in trade payables	3,861,723	4,968,771
Net change in other current assets/liabilities	363,062	382,548
- <i>Changes in Working Capital</i>	<i>(4,957,692)</i>	<i>(2,605,273)</i>
- <i>Changes in other operating assets/liabilities</i>	<i>(5,654)</i>	<i>(11,359)</i>
Total(B)	3,066,150	5,498,556
C Taxes paid	(485,442)	0
D Cash flow from (used in) investment activities		
- Net increases in property, plant and equipment	(1,057,626)	(880,873)
- Net increases in intangible assets	(69,009)	(124,550)
- Net change in other non-current assets/liabilities	81,215	0
Total(D)	(1,045,420)	(1,005,423)
E Cash flow from (used in) financial activities		
Increase/(decrease) in medium/long-term loans	(1,255,618)	(961,613)
Increase/(decrease) in medium/long-term loans IFRS 16.	(273,988)	(286,956)
Net financial income/(charges)	(29,224)	(54,088)
Share capital increase	9,240	7,392
Dividends	(4,058,553)	(4,050,041)
Total(E)	(5,608,143)	(5,345,306)
F Cash flow for the period (B+C+D+E)	(4,072,854)	(852,173)
G Closing current net cash (A+F)	22,327,292	32,803,617

ACCOUNTING STATEMENTS

FIGURES IN EUROS

STATEMENT OF CHANGES IN EQUITY	SHARE CAPITAL	LEGAL RESERVE	WR-BACK/REALIGN RESERVES	ADJUST. RESERVE IAS/IFRS	OTHER RESERVES	PROFIT/ (LOSS) FOR THE PERIOD	TOTAL SHAREHOLDERS' EQUITY
BALANCE AS AT JANUARY 1, 2020	3,517,141	700,605	23,103,715	(1,202,290)	37,353,628	7,204,431	70,677,230
Allocation of 2019 profit					3,154,390	(3,154,390)	0
Realignment reserve law 160/2019			3,320,231		(3,320,231)		0
Dividends						(4,050,041)	(4,050,041)
SOP charges					393,123		393,123
Share Capital Increase	7,392						7,392
Comprehensive income/(loss)							
- Result for the period						4,584,218	4,584,218
BALANCE AT JUNE 30, 2020	3,524,533	700,605	26,423,946	(1,202,290)	37,580,910	4,584,218	71,611,922

STATEMENT OF CHANGES IN EQUITY	SHARE CAPITAL	LEGAL RESERVE	WR-BACK/REALIGN RESERVES	ADJUST. RESERVE IAS/IFRS	OTHER RESERVES	PROFIT/ (LOSS) FOR THE PERIOD	TOTAL SHAREHOLDERS' EQUITY
BALANCE AS AT JANUARY 01, 2021	3,524,533	700,605	26,423,946	(1,202,290)	37,910,738	7,654,112	75,011,644
Allocation of 2020 profit					3,595,558	(3,595,558)	0
Realignment reserve law 178/2020			6,793,198		(6,793,198)		0
Dividends						(4,058,553)	(4,058,553)
SOP charges					187,348		187,348
Share Capital Increase	9,240						9,240
Comprehensive income/(loss)							
- Result for the period						4,722,230	4,722,230
BALANCE AS AT JUNE 30, 2021	3,533,773	700,605	33,217,144	(1,202,290)	34,900,446	4,722,231	75,871,909