

## THE BOARD OF DIRECTORS APPROVES THE 30 June 2021 HALF-YEAR FINANCIAL REPORT

### FINE FOODS & PHARMACEUTICALS N.T.M. S.p.A. CLOSED FIRST HALF OF 2021:

**REVENUES: €98.6 million (+31%)**

**ADJ EBITDA: €13.1 million (+47%)**

**ADJ EBIT: €6.7 million (+102%)**

**ADJ NET PROFIT: €6.5 million (+323%)**

Verdellino, 13 September 2021

The Board of Directors of Fine Foods & Pharmaceuticals N.T.M. S.p.A. approves the 30 June 2021 Half-year Financial Report.

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#### ADJ summary results

Thousands of Euro	30.06.2021	30.06.2020	Difference	Difference in %
Revenues	98,614	75,438	23,176	31%
EBITDA <sup>(1)</sup>	*	13,136	8,942	4,193
EBITDA Margin <sup>(2)</sup>	*	13.3%	11.9%	
Net profit	**	6,467	1,529	4,937
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Thousands of Euro	30.06.2021	31.12.2020	Difference	
Shareholders' equity	153,260	141,008	12,252	
Net Financial Position <sup>(3)</sup>	(20,658)	(42,760)	22,103	

\* The first half of 2021 does not include non-recurring charges totalling €273,000.  
The first half of 2020 does not include non-recurring charges totalling €697,000.

\*\* The first half of 2021 does not include non-recurring financial charges totalling €12.7 million (with no tax effect) related to the change in fair value of warrants fully settled at the same time and non-recurring charges totalling €273,000 (€197,000 net of the related tax effect).

The first half of 2020 does not include non-recurring financial income totalling €3.7 million (with no tax effect) and non-recurring charges totalling €697,000 (€503,000 net of the related tax effect).

(1) Operating profit before depreciation, amortisation and impairment losses

(2) Ratio between EBITDA and revenues

(3) Cash and cash equivalents and financial assets net of financial liabilities

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

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- ✓ Revenues generated by the "Food" Business Unit: €73.3 million
- ✓ Revenues generated by the "Pharma" Business Unit: €19.3 million
- ✓ Revenues generated by the new "Pharmatek" Business Unit: €6 million
- ✓ EBITDA\* Margin: 13.3% (FIRST HALF 2020: 11.9%)
- ✓ The Net Financial Position was positive (net cash) with about € 20.7 million

Fine Foods & Pharmaceuticals N.T.M. S.p.A., listed on the STAR segment of the MTA of Borsa Italiana, is a leading Italian Company in the Contract Development and Manufacturing Organisation (CDMO) of oral solid forms for the pharmaceutical and nutraceutical industries. The Fine Foods Group is also active in the cosmetics, biocides and medical devices industries with its recent acquisition of Pharmatek-PMC.

The Board of Directors approved today the Consolidated Half-Year Financial Report as of 30 June 2021.

The Chief Executive Officer, Giorgio Ferraris, commented:

*"Fine Foods showed once again an amazing resilience in turbulent times. In the first half of 2021 we achieved a substantial growth of revenues and EBITDA, despite the fact that our reference markets were and are still struggling to go back to pre-COVID levels. On the ESG front Fine Foods has obtained the Gold rating from EcoVadis and continues the commitment to improve the already advanced sustainable model."*

## 30 June 2021 INCOME STATEMENT AND BALANCE SHEET DATA

The abridged consolidated interim financial statements as of 30 June 2021 are prepared under IAS/IFRS, issued by the IASB (International Accounting Standards Board) and are subject to audit. The abridged interim financial statements include the results for the first half of the 2021 financial year for the newly acquired Pharmatek. Pharmatek is an unlisted company based in Cremosano (CR) specialising in the production of cosmetics, medical surgical aids and medical devices.

The manager responsible for preparing the company's financial reports - Pietro Bassani - declared, under Article 154-ter, paragraph 2, of Legislative Decree no. 58 of 24 February 1998, that the accounting information contained in the press release corresponds to the documented results, books and accounting records.

Thousands of Euro	30.06.2021	30.06.2020
Revenues	98,614	75,438
EBITDA <sup>(1)</sup>	* 13,136	8,942
EBIT <sup>(2)</sup>	* 6,728	3,334
Income before taxes	** 8,939	2,930
Net profit	** 6,467	1,529

\* The first half of 2021 does not include non-recurring charges totalling €273,000.  
 The first half of 2020 does not include non-recurring charges totalling €697,000.  
 \*\* The first half of 2021 does not include non-recurring financial charges totalling €12.7 million (with no tax effect) related to the change in fair value of warrants fully settled at the same time and non-recurring charges totalling €273,000 (€197,000 net of the related tax effect).  
 The first half of 2020 does not include non-recurring financial income totalling €3.7 million (with no tax effect) and non-recurring charges totalling €697,000 (€503,000 net of the related tax effect).  
 (1) Operating profit before depreciation, amortisation and impairment losses  
 (2) Operating profit

### ADJ Profit and loss figures

**Revenues** for the first half of 2021 were approximately €98.6 million with an increase of 31% compared to €75.4 million in the first half of 2020. Revenues generated by the newly acquired Pharmatek amounted to €6 million, consequently the Group's growth is mostly organic and attributable to the excellent performance of the parent company Fine Foods (turnover +23% compared to the previous period).

**EBITDA\*** amounted to €13.1 million and recorded an increase of €4.2 million compared to the previous period, increasing its percentage on revenues from 11.9% to 13.3%.

**EBIT\*** amounted to approximately €6.7 million, with an increase compared to the first half of 2020, when it was €3.3 million; the EBIT margin showed a positive trend, rising from 4% as of 30 June 2020 to 7% as of 30 June 2021.

**Income before taxes\*\*** reached €8.9 million as of 30 June 2021 compared to €2.9 million in the previous period and **Net Profit\*\*** reached €6.5 million compared to €1.5 million as of 30 June 2020.

## Balance Sheet Data

<b>Thousands of Euro</b>	<b>30.06.2021</b>	<b>31.12.2020</b>
Fixed assets	111,522	95,280
Net Working Capital	24,493	9,585
Other receivables and payables	(2,017)	(5,555)
Employee benefits	(1,395)	(1,063)
Net Invested Capital	<b>132,603</b>	<b>98,248</b>
Shareholders' equity	153,260	141,008
Net Financial Position	(20,658)	(42,760)

**Fixed assets** increased by approximately €16.2 million compared to 31 December 2021; this increase is mainly attributable to the goodwill generated by the acquisition of Pharmatek (€12.6 million) which was recorded in the consolidated financial statements. The increase was also due to the rights of use contributed by the newly acquired company (€3.9 million as of 30 June 2021).

**Net working capital** as of 30 June 2021 was €24.5 million compared to €9.6 million at the end of the previous period. This is mainly due to higher trade receivables, which are structurally higher at the reporting date (Increase of €12 million, of which €3.6 million contributed by Pharmatek) and higher Inventories for raw materials procurement (increase of €6.7 million, of which €1.3 million contributed by the Pharmatek subsidiary). Trade payables recorded an increase, which partially offset the growth in the above-mentioned assets (increase of €3.8 million, of which €2.3 million contributed by the Pharmatek subsidiary).

**Other Receivables and Payables** showed a negative balance of approximately €2 million as of 30 June 2021, with a decrease compared to the end of the previous year (negative balance of €5.6 million) mainly due to the increase in Other non-financial assets, including VAT credit.

**Shareholders' equity** confirmed the company solidity with an increase of approximately €12.3 million compared to the previous year-end despite the purchase of treasury shares for €2.5 million and the distribution of dividends of €3.2 million. The increase in Equity is mainly generated by the conversion of listed and unlisted warrants.

The **Net Financial Position** stood at a positive value (net cash) of approximately €20.7 million, down from the previous year mainly due to the acquisition of Pharmatek, which had an impact of €17.2 million on the Group's NFP.

#### **SIGNIFICANT EVENTS AFTER THE PERIOD-END**

On 9 November 2020, the company announced to the market the translisting process from the AIM Market to MTA had begun. From 12 July 2021, Fine Foods & Pharmaceuticals N.T.M. S.p.A. was listed on the STAR Segment of the Mercato Telematico Azionario ("MTA") organised and managed by Borsa Italiana S.p.A. At the end of the process, which has received Consob and Borsa Italiana approval, the Company's ordinary shares are traded on the main list. Fine Foods debuted on the AIM Italia multilateral trading system on 1 October 2018 with a capitalisation of €216.5 million. On 9 July, the last day on AIM, it rose to €347.6 million in addition to dividends distributed in FY2019, 2020 and 2021 totalling €8.2 million and creating €139.3 million of value equal to 64.3% of the initial capitalisation in less than three years.

#### **BUSINESS OUTLOOK**

The Fine Foods Group expects good sales volumes for the second half of 2021 and a substantial alignment with the historical growth of the Parent Company and positive performance from the Pharmatek subsidiary.

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This press release is available on the Fine Foods website [www.finefoods.it](http://www.finefoods.it), in the Investor Relations/Press Releases section.

It should be noted that under Article 154-ter, paragraph 2, of Legislative Decree no. 58 of 24 February 1998, the half-year financial report as of 30 June 2021, approved by the Board of Directors on today's date, will be made available today to shareholders and the public at the registered office, on the Company's website at [www.finefoods.it](http://www.finefoods.it), Investor Relations/Financial Statements and Reports section, and the authorised storage system 1info - [www.1info.it](http://www.1info.it).

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Fine Foods & Pharmaceuticals N.T.M. S.p.A., listed on the STAR segment of the MTA of Borsa Italiana, is an independent Italian contract development & manufacturing organisation (CDMO). It develops and manufactures contract products for the pharmaceutical and nutraceutical industry; the Fine Foods Group is also active in the cosmetics, biocides and medical devices industries with its recent acquisition of Pharmatek-PMC.

Founded in 1984, from a pharmaceutical and nutraceutical synergy, Fine Foods has been pursuing quality and innovation on behalf of its customers as its primary objective. With € 172 million revenue in 2020 and an 11 per cent CAGR over the last decade, it is a growing and future-oriented company.

The sustainability of the business model and the holistic approach to ESG, together with product innovation, are drivers that will allow the Group to fully develop its intrinsic potential.

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## 30 June 2021 FINANCIAL STATEMENTS

### INTERIM CONSOLIDATED INCOME STATEMENT

(amounts in € units)	Half-year as of 30 June 2021	Half-year as of 30 June 2020
<b>Revenues and income</b>		
Revenues from contracts with customers	98,614,404	75,438,236
Other revenues and income	1,193,913	615,035
<b>Total revenues</b>	<b>99,808,317</b>	<b>76,053,271</b>
<b>Operating costs</b>		
Costs for consumption of raw materials, change in inventories of finished goods and work in progress.	(59,643,455)	(45,500,496)
Personnel costs	(17,431,308)	(14,449,817)
Costs for services	(9,153,877)	(7,246,057)
Other operating costs	(716,916)	(611,722)
Amortisation, depreciation, and impairment losses	(6,407,581)	(5,608,308)
<b>Total operating costs</b>	<b>(93,353,138)</b>	<b>(73,416,399)</b>
Changes in fair value of financial assets and liabilities	(10,182,613)	3,558,937
Financial income	23,059	10,439
Financial charges	(366,322)	(252,839)
<b>Income before taxes</b>	<b>(4,070,697)</b>	<b>5,953,409</b>
Income taxes	(2,396,222)	(1,206,586)
<b>Profit/(loss) for the financial year</b>	<b>(6,466,919)</b>	<b>4,746,823</b>

### INTERIM CONSOLIDATED COMPREHENSIVE INCOME STATEMENT

(amounts in € units)	Half-year as of 30 June 2021	Half-year as of 30 June 2020
<b>Profit /(loss) for the financial year (A)</b>	<b>(6,466,919)</b>	<b>4,746,823</b>
<b>Components that will not be subsequently reclassified to profit/(loss) for the financial year</b>		
Revaluation of net employee benefit liabilities/assets	36,107	(2,684)
Tax effect	(8,666)	644
<b>Other comprehensive income (B) components</b>	<b>27,441</b>	<b>(2,040)</b>
<b>Comprehensive profit/(loss) (A+B)</b>	<b>(6,439,478)</b>	<b>4,744,783</b>

## INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(amounts in € units)	Half year as of	Financial Statements as of
	30/06/2021	31/12/2020
<b>Assets</b>		
<b>Non-current assets</b>		
Property, plant and machinery	93,019,099	93,413,964
Goodwill	12,563,283	-
Other intangible fixed assets	3,369,580	1,510,516
Rights of use	2,458,081	355,457
Non-current financial assets	111,581	-
Deferred tax assets	1,511,967	1,607,531
<b>Total non-current assets</b>	<b>113,033,591</b>	<b>96,887,467</b>
<b>Current assets</b>		
Inventories	26,362,402	19,647,515
Trade receivables	24,654,559	12,660,157
Other current assets	8,941,272	3,292,257
Current financial assets	70,184,394	71,608,964
Cash and other liquid assets	4,606,334	3,342,518
<b>Total current assets</b>	<b>134,748,960</b>	<b>110,551,410</b>
<b>Total assets</b>	<b>247,782,551</b>	<b>207,438,877</b>
<b>Shareholders' equity</b>		
Share Capital	22,770,445	22,601,885
Other reserves	143,644,843	123,847,446
Employee benefit reserve	(18,139)	(61,681)
FTA reserve	(6,669,789)	(9,883,868)
Profits carried forward	-	(8,859,849)
Profit/(loss) for the financial year	(6,466,919)	13,364,228
<b>Total Shareholders' Equity</b>	<b>153,260,441</b>	<b>141,008,161</b>
<b>Non-current liabilities</b>		
Bonds	6,645,190	6,632,483
Non-current bank borrowings	24,744,835	9,060,857
Employee benefits	1,395,170	1,062,790
Provision for deferred taxes	544,214	414,035
Non-current lease payables	1,420,323	147,179
Other non-current financial liabilities	3,000,000	-
<b>Total non-current liabilities</b>	<b>37,749,733</b>	<b>17,317,343</b>
<b>Current liabilities</b>		
Bonds	3,303,883	3,297,542
Current bank borrowings	11,561,276	1,863,255
Trade payables	26,523,810	22,722,377
Taxes payable	4,745,638	2,480,968
Current lease payables	457,506	192,529
Other current financial liabilities	3,000,000	10,997,144
Other current liabilities	7,180,264	7,559,559
<b>Total current liabilities</b>	<b>56,772,376</b>	<b>49,113,373</b>
<b>Total Shareholders' equity and Liabilities</b>	<b>247,782,551</b>	<b>207,438,877</b>

## INTERIM CONSOLIDATED CASH FLOW STATEMENT

	Half-year as of 30 June 2021	Half-year as of 30 June 2020
<b>PROFIT/(LOSS) FOR THE FINANCIAL YEAR</b>	<b>(6,466,919)</b>	<b>4,746,823</b>

### Adjustments to reconcile profit after tax with net cash flows:

Depreciation and impairment of property, plant and machinery	5,676,940	5,190,495
Amortisation and impairment of intangible fixed assets	423,286	276,563
Amortisation of rights of use	256,598	141,250
Other write-downs of fixed assets	14,155	-
Financial income	(23,059)	(10,439)
Financial charges	356,486	250,975
Changes in fair value of financial assets and liabilities	10,182,613	(3,558,937)
Financial charges on financial liabilities for leases	9,836	1,864
Income taxes	2,130,749	956,736
Personnel costs for stock grants	506,662	508,050
Gains on the disposal of property, plant and machinery	(66,680)	(15,540)
Current assets write-downs	393,164	680,948
Net change in severance indemnity and pension funds	(83,465)	(61,386)
Net change in deferred tax assets and liabilities	265,473	249,850
Interest paid	(340,758)	(238,283)
Income taxes paid	(1,178,525)	-

### Changes in net working capital:

(Increase)/decrease in inventories	(5,281,116)	(1,650,346)
(Increase)/decrease in trade receivables	(8,409,154)	(7,266,458)
(Increase)/decrease in other non-financial assets and liabilities	(6,199,016)	1,264,815
Disposal of assets held for sale	495,000	-
Increase/(decrease) in trade payables	(329,870)	4,067,619

<b>NET CASH FLOWS FROM OPERATING ACTIVITIES</b>	<b>(7,667,600)</b>	<b>5,534,599</b>
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### Investments:

Investments in tangible fixed assets	(4,461,539)	(6,053,615)
Disposal of tangible fixed assets	141,705	15,540
Investments in intangible fixed assets	(577,618)	(472,779)
Net (investments)/disposals in financial assets	4,051,764	2,764,051
Acquisition of subsidiaries	(9,645,232),	-

<b>NET CASH FLOWS FROM INVESTMENTS</b>	<b>(10,490,920)</b>	<b>(3,746,803)</b>
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### Financing:

New financing	26,430,000	-
Funding repayment	(1,232,881)	2,791,534
Principal payments - lease liabilities	(209,833)	(140,414)

Dividends paid to the parent company's shareholders	(3,205,727)	(2,743,472)
Share capital increase	168,560	37,166
Sale/(purchase) of treasury shares	(2,527,785)	(2,567,470)
<b>CASH FLOWS FROM FINANCING</b>	<b>19,422,335</b>	<b>(2,622,656)</b>
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	<b>1,263,816</b>	<b>(834,860)</b>
<b>Cash and short-term deposits as of 1 January</b>	<b>3,342,518</b>	<b>2,627,472</b>
<b>Cash and short-term deposits as of 30 June</b>	<b>4,606,334</b>	<b>1,792,612</b>

### INTERIM CONSOLIDATED SHAREHOLDERS' EQUITY CHANGES

	Share Capital	Legal reserve	Negative reserve for treasury shares in the portfolio	Merger surplus reserve	Share premium reserve	Extraordinary reserve	Other reserves	FTA reserve	Employee benefit reserve	Profits/losses carried forward	Profit/loss for the financial year	Total Shareholders' equity
<b>Balance as of 1 January 2021</b>	22,601,885	5,000,000	(8,759,287)	29,741,389	86,743,750	9,398,219	1,723,375	(9,883,868)	(61,681)	(8,859,849)	13,364,228	141,008,161
Profit/(loss) for the financial year											(6,466,919)	(6,466,919)
Other income statement components									43,542			43,542
<b>Comprehensive profit/(loss)</b>									43,542		(6,466,919)	(6,423,377)
Dividends						(3,205,727)						(3,205,727)
Stock Grant							506,662					506,662
Purchase of treasury shares			(2,527,785)									(2,527,785)
Warrant exercise	168,560						11,660,019	3,214,079		8,859,849		23,902,506
2020 profit allocation						13,364,228					(13,364,228)	-
<b>Balance as of 30 June 2021</b>	22,770,445	5,000,000	(11,287,072)	29,741,389	86,743,750	19,556,720	13,890,056	(6,669,789)	(18,139)	-	(6,466,919)	153,260,441

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

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