

THE BOARD APPROVED THE 30 SEPTEMBER 2021 INTERIM FINANCIAL REPORT

FINE FOODS & PHARMACEUTICALS N.T.M. S.p.A. CLOSED THE FIRST NINE MONTHS OF 2021:

REVENUES: €143.4 million (+17%)

ADJ EBITDA: €18.8 million (+15%)

ADJ EBIT: €9.2 million (+18%)

ADJ NET PROFIT: €10.5 million (+102%)

Verdellino, 12 November 2021

The Board of Directors of Fine Foods & Pharmaceuticals N.T.M. S.p.A. approved the Interim Financial Report as of 30 September 2021.

ADJ summary results

Thousands of Euro	30/09/2021	30/09/2020	Difference	Difference in %
Revenues	143,375	122,615	20,760	17%
EBITDA ⁽¹⁾	* 18,834	16,326	2,508	15%
EBITDA Margin ⁽²⁾	* 13.1%	13.3%		
Net profit	** 10,462	5,181	5,281	102%

Thousands of Euro	30/09/2021	31/12/2020	Difference
Shareholders' equity	153,427	141,008	12,419
Net Financial Position ⁽³⁾	(10,644)	(42,760)	32,117

* As of 30 September 2021, non-recurring charges totalling €852,000 were not included.
As of 30 September 2020, non-recurring charges totalling €932,000 were not included. ⁽⁴⁾

** As of 30 September 2021, non-recurring financial charges totalling €12.7 million (with no tax effect), ⁽⁵⁾ related to the change in the fair value of the warrants fully settled as of 30 June 2021, and non-recurring charges totalling €852,000 (€614,000 net of the related tax effect) were not included.
As of 30 September 2020 non-recurring financial income totalling €3.7 million (with no tax effect) and non-recurring charges totalling €932,000 (€672,000 net of the related tax effect) were not included.

(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.

Sede legale: 24040 Zingonia-Verdellino (BG) via Berlino, 39 - tel. 0039 035.4821382 fax 0039 035.4821588 - www.finefoods.it - E-mail: info@finefoods.it
Cap. Soc. € 22.770.445,02 i.v. - P.IVA IT 09320600969 - Registro Imprese e Cod.Fisc. 09320600969

- ✓ Revenues generated by the "Food" Business Unit: €106.4 million
- ✓ Revenues generated by the "Pharma" Business Unit: €28.2 million
- ✓ Revenues generated by the "Pharmatek" Business Unit: €8.8 million
- ✓ EBITDA* Margin: 13.1% (First nine months of 2020: 13.3%)
- ✓ The Net Financial Position was positive (net cash) with about € 10.6 million

The Board of Directors approved today the Interim Financial Report as of 30 September 2021.

The Board of Directors Chairman Marco Francesco Eigenmann, said:

“We are particularly pleased with our results for these nine months. Fine Foods reported a 17 per cent increase in revenues, adding the result of Pharmatek PMC, acquired last January, to an organic growth of 10 per cent, which was in line with our historical performance. Despite the continuing pandemic problems, the supply chain crisis and the unforeseen increase in energy costs, we look to the future with optimism, encouraged by the new opportunities and synergies that will arise from the newly acquired Euro Cosmetic.”

30 SEPTEMBER 2021 INCOME STATEMENT AND BALANCE SHEET DATA

The Interim Financial Report as of 30 September 2021 is prepared under IAS/IFRS Accounting Standards, issued by the IASB (International Accounting Standards Board) and is not subject to audit. The consolidated financial statements include the results for the first nine months 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		30/09/2021	30/09/2020
Revenues		143,375	122,615
EBITDA ⁽¹⁾	*	18,834	16,326
EBIT ⁽²⁾	*	9,193	7,791
Income before taxes	**	11,414	7,925
Net profit	**	10,462	5,181

* As of 30 September 2021, non-recurring charges totalling €852,000 were not included.
As of 30 September 2020, non-recurring charges totalling €932,000 were not included.

** As of 30 September 2021, non-recurring financial charges totalling €12.7 million (with no tax effect), related to the change in the fair value of the warrants fully settled as of 30 June 2021, and non-recurring charges totalling €852,000 (€614,000 net of the related tax effect) were not included.
As of 30 September 2020 non-recurring financial income totalling €3.7 million (with no tax effect) and non-recurring charges totalling €932,000 (€672,000 net of the related tax effect) were not included.

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

ADJ Profit and loss figures

Revenues for the first nine months of 2021 were approximately €143.4 million with an increase of 17% compared to €122.6 million in the first nine months of 2020. Revenues generated by the newly acquired Pharmatek amounted to €8.8 million, consequently the Group's growth is mostly organic and attributable to the excellent performance of the parent company Fine Foods (turnover +10% compared to the previous period).

EBITDA* amounted to €18.8 million and recorded an increase of €2.5 million compared to the previous period, keeping its percentage on revenues substantially consistent (from 13.3% to 13.1%).

EBIT* amounted to approximately €9.2 million, with an increase compared to the first nine months of 2020, when it was €7.8 million; the EBIT margin was in line with 30 September 2020 - 6.4%.

Income before taxes** reached €11.4 million as of 30 September 2021 compared to €7.9 million in the previous period and **Net Profit**** reached €10.5 million compared to €5.2 million as of 30 September 2020.

Balance Sheet Data

Thousands of Euro	30/09/2021	31/12/2020
Fixed assets	110,801	95,280
Net Trade Working Capital	30,224	9,585
Other receivables and payables	3,125	(5,555)
Employee benefits	(1,366)	(1,063)
Net Invested Capital	142,784	98,248
Shareholders' equity	153,427	141,008
Net Financial Position	(10,644)	(42,760)

Fixed assets increased by approximately €15.5 million compared to 31 December 2020; 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 and other intangible assets contributed by the newly acquired company (€3.8 million as of 30 September 2021).

Net Trade Working Capital as of 30 September 2021 was €30.2 million compared to €9.6 million at the end of the previous year. This is mainly due to higher trade receivables, which are structurally higher in the interim reports (increase of €12.7 million, of which €3.3 million contributed by Pharmatek) and higher Inventories for raw materials procurement (increase of €8.3 million, of which €1.4 million contributed by the Pharmatek subsidiary). Trade payables recorded an increase, which partially offset the growth in the above-mentioned assets (increase of €0.3).

Other Receivables and Payables showed a positive balance of approximately €3.1 million as of 30 September 2021 compared to the negative balance at the end of the previous year (negative balance of €5.6 million). This was mainly due to an increase in Other non-financial assets, including the VAT Receivable and a reduction in Other financial liabilities, including the IRES liability, which was unallocated by the Parent Company as of 30 September 2021 due to a negative pre-tax result.

Shareholders' equity confirmed the company solidity with an increase of approximately €12.4 million compared to the previous year-end despite the purchase of treasury shares for €6.2 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 €10.6 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 08 October 2021 Fine Foods & Pharmaceuticals N.T.M. S.p.A. acquired a controlling stake in Euro Cosmestic S.p.A., taking over approximately 72.9% of the share capital, worth €26,815,961. The Company obtained a credit line from Intesa San Paolo S.p.A. for short-term financing, valid until 31 March 2022, for €27 million. In the coming months, the above credit line will be converted into a structured medium-term loan. Euro Cosmetic shares are listed on Euronext Growth Milan, organised and managed by Borsa Italiana S.p.A. As a result, the Fine Foods' obligation to launch a takeover bid for the remaining 1,286,800 shares of Euro Cosmetic was met. The bid consideration will be €8.6 per ordinary share.

On 11 November 2021 Fine Foods & Pharmaceuticals N.T.M. S.p.A. acquired a plot of land located in the municipalities of Brembate (BG) and Filago (BG) with a registered surface area of approximately 100,000 sqm for approximately €3 million.

BUSINESS OUTLOOK

Fine Foods' revenues as of 30 September 2021 were up compared to the corresponding period in 2020 at Group level and on a like-for-like basis. In spite of the difficulties caused by the SARS-CoV-2 virus outbreak and the consequent social and health situation, and the worldwide problems linked to the procurement of raw materials and the sharp increases in energy costs - the effects of which will impact the last months of 2021 and the 2022 financial year -, the Board of Directors believes that, for the 2021 financial year and future financial years, revenue growth, at Group level, can remain in line with the historical trend and accompanied by a progressive improvement in expected margins.

This press release is available on the Fine Foods website www.finefoods.it, in the Investor Relations/Press Releases section.

It should be noted that under Article 154-ter, paragraph 5, of Legislative Decree no. 58 of 24 February 1998, the Interim Financial Report as of 30 September 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, Investor Relations/Financial Reports section, and the authorised storage system 1info - www.1info.it.

Fine Foods & Pharmaceuticals N.T.M. S.p.A., listed on Euronext STAR Milan, is an Italian independent Contract Development and Manufacturing Organisation (CDMO). It develops and manufactures contract products for the pharmaceutical and nutraceutical industries. Fine Foods is also active in the cosmetics, biocides and medical devices industries with its acquisition of Pharmatek-PMC and the most recent Euro Cosmetic acquisition. 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.

For information:

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

Investor Relations

Tel. +39 035 4821382

ir@finefoods.it

CDR Communication

Media Relations

Marianna Tremolada

marianna.tremolada@cdr-communication.it

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

Sede legale: 24040 Zingonia-Verdellino (BG) via Berlino, 39 - tel. 0039 035.4821382 fax 0039 035.4821588 - www.finefoods.it - E-mail: info@finefoods.it
Cap. Soc. € 22.770.445,02 i.v. - P.IVA IT 09320600969 - Registro Imprese e Cod.Fisc. 09320600969

30 September 2021 FINANCIAL STATEMENTS

CONSOLIDATED INCOME STATEMENT

<i>(amounts in € units)</i>	Nine months 30/09/2021	Nine months 30/09/2020
Revenues and income		
Revenues from contracts with customers	143,375,070	122,614,712
Other revenues and income	1,694,601	678,276
Total revenues	145,069,671	123,292,988
Operating costs		
Costs for consumption of raw materials, change in inventories of finished goods and work in progress.	(87,077,702)	(74,754,010)
Personnel costs	(25,079,682)	(21,446,132)
Costs for services	(14,013,632)	(10,921,047)
Other operating costs	(916,607)	(777,699)
Amortisation, depreciation, and impairment losses	(9,640,744)	(8,534,477)
Total operating costs	(136,728,367)	(116,433,366)
Changes in fair value of financial assets and liabilities	(10,027,799)	6,834,138
Financial income	24,854	44,621
Financial charges	(513,262)	(239,121)
Income before taxes	(2,174,903)	13,499,260
Income taxes	(713,607)	(2,483,465)
Profit/(loss) for the financial year	(2,888,510)	11,015,795

CONSOLIDATED COMPREHENSIVE INCOME STATEMENT

<i>(amounts in € units)</i>	Nine months 30/09/2021	Nine months 30/09/2020
Profit /(loss) for the financial year (A)	(2,888,510)	11,015,795
Components that will not be subsequently reclassified to profit/(loss) for the financial year		
Revaluation of net employee benefit liabilities/assets	37,620	(2,684)
Tax effect	(9,029)	644
Other comprehensive income (B) components	28,591	(2,040)
Comprehensive profit/(loss) (A+B)	(2,859,918)	11,013,754

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

<i>(amounts in € units)</i>	30/09/2021	31/12/2020
Assets		
Non-current assets		
Property, plant and machinery	92,643,470	93,413,964
Goodwill	12,563,283	-
Other intangible fixed assets	3,294,505	1,510,516
Rights of use	2,299,581	355,457
Non-current financial assets	-	-
Deferred tax assets	1,489,232	1,607,531
Total non-current assets	112,290,071	96,887,467
Current assets		
Inventories	27,942,987	19,647,515
Trade receivables	25,335,075	12,660,157
Tax receivables	123,895	-
Other current assets	9,254,072	3,292,257
Current financial assets	70,228,951	71,608,964
Cash and other liquid assets	522,145	3,342,518
Total current assets	133,407,124	110,551,410
Total assets	245,697,195	207,438,877
Shareholders' equity		
Share Capital	22,770,445	22,601,885
Other reserves	140,228,892	123,847,446
Employee benefit reserve	(13,796)	(61,681)
FTA reserve	(6,669,789)	(9,883,868)
Profits carried forward	-	(8,859,849)
Profit/(loss) for the financial year	(2,888,510)	13,364,228
Total Shareholders' Equity	153,427,242	141,008,161
Non-current liabilities		
Bonds	6,651,708	6,632,483
Non-current bank borrowings	24,754,982	9,060,857
Employee benefits	1,366,296	1,062,790
Provision for deferred taxes	613,320	414,035
Non-current lease payables	1,356,111	147,179
Other non-current financial liabilities	3,000,000	-
Total non-current liabilities	37,742,417	17,317,343
Current liabilities		
Bonds	3,307,077	3,297,542
Current bank borrowings	17,663,501	1,863,255
Trade payables	23,053,941	22,722,377
Taxes payable	682,296	2,480,968
Current lease payables	374,169	192,529
Other current financial liabilities	3,000,000	10,997,144
Other current liabilities	6,446,552	7,559,559
Total current liabilities	54,527,536	49,113,373
Total Shareholders' equity and Liabilities	245,697,195	207,438,877

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

Sede legale: 24040 Zingonia-Verdellino (BG) via Berlino, 39 - tel. 0039 035.4821382 fax 0039 035.4821588 - www.finefoods.it - E-mail: info@finefoods.it
Cap. Soc. € 22.770.445,02 i.v. - P.IVA IT 09320600969 - Registro Imprese e Cod.Fisc. 09320600969

CONSOLIDATED CASH FLOW STATEMENT

	Nine months 30/09/2021	Nine months 30/09/2020
PROFIT/(LOSS) FOR THE FINANCIAL YEAR	(2,888,510)	11,015,795
Adjustments to reconcile profit after tax with net cash flows:		
Depreciation and impairment of property, plant and machinery	8,559,117	7,889,224
Amortisation and impairment of intangible fixed assets	659,294	433,377
Amortisation of rights of use	371,576	211,875
Other write-downs of fixed assets	14,155	-
Financial income	(24,854)	(44,621)
Financial charges	499,428	236,325
Changes in fair value of financial assets and liabilities	10,027,799	(6,834,138)
Financial charges on financial liabilities for leases	13,834	2,796
Income taxes	357,665	2,068,904
Personnel costs for stock grants	793,833	762,076
Gains on the disposal of property, plant and machinery	(72,853)	33,478
Current assets write-downs	542,601	695,950
Net change in severance indemnity and pension funds	(109,339)	(57,677)
Net change in deferred tax assets and liabilities	355,942	414,561
Interest paid	(483,189)	(190,384)
Income taxes paid	(3,538,262)	(677,775)
Changes in net working capital:		
(Increase)/decrease in inventories	(7,006,852)	(3,794,151)
(Increase)/decrease in trade receivables	(9,093,958)	(2,228,456)
(Increase)/decrease in other non-financial assets and liabilities	(7,177,918)	740,670
Disposal of assets held for sale	495,000	-
Increase/(decrease) in trade payables	(3,799,739)	1,131,478
NET CASH FLOWS FROM OPERATING ACTIVITIES	(8,616,719)	793,515
Investments:		
Investments in tangible fixed assets	(6,983,087)	(9,973,142)
Disposal of tangible fixed assets	162,879	(33,478)
Investments in intangible fixed assets	(751,113)	(596,843)
Net (investments)/disposals in financial assets	4,151,576	2,819,171
Acquisition of Subsidiaries	(9,645,232)	-
NET CASH FLOWS FROM INVESTMENTS	(13,064,978)	(7,784,293)
Financing:		
New financing	31,621,332	4,391
Funding repayment	(302,129)	-
Principal payments - lease liabilities	(301,297)	(210,621)
Dividends paid to the parent company's shareholders	(3,205,727)	(2,743,472)
Share capital increase	168,560	37,842
Sale/(purchase) of treasury shares	(6,230,907)	(2,983,446)
CASH FLOWS FROM FINANCING	21,749,833	(5,895,306)
NET CHANGE IN CASH AND CASH EQUIVALENTS	(2,820,374)	(1,870,289)
Cash and short-term deposits as of 1 January	3,342,518	2,627,472
Cash and short-term deposits as of 30 September	522,145	757,182

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

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
Balance as of 1 January 2021	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											(2,888,510)	(2,888,510)
Other income statement components									47,885			47,885
Comprehensive profit/(loss)									47,885		(2,888,510)	(2,840,625)
Dividends						(3,205,727)						(3,205,727)
Stock Grant							793,833					793,833
Purchase of treasury shares			(6,230,907)									(6,230,907)
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)	-
Balance as of 30 September 2021	22,770,445	5,000,000	(14,990,194)	29,741,389	86,743,750	19,556,720	14,177,227	(6,669,789)	(13,796)	-	(2,888,510)	153,427,242

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

Sede legale: 24040 Zingonia-Verdellino (BG) via Berlino, 39 - tel. 0039 035.4821382 fax 0039 035.4821588 - www.finefoods.it - E-mail: info@finefoods.it
Cap. Soc. € 22.770.445,02 i.v. - P.IVA IT 09320600969 - Registro Imprese e Cod.Fisc. 09320600969