FINE FOODS & PHARMACEUTICALS N.T.M. S.p.A.

Registered office: VIA BERLINO 39 VERDELLINO (BG)
Registered in the BERGAMO Companies Register
Tax code and company reference number: 09320600969
Registered in the BERGAMO REA no. 454184
Subscribed share capital € 22,770,445.02 Fully paid up
VAT number: 09320600969

FINEFOODS
HEALTH & BEAUTY CSDMO

Half-year Financial Report as of 30 June 2025

05 August 2025 Board of Directors

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CORPORATE POSITIONS

Board of Directors

Chairman and CEO
Marco Francesco Eigenmann
Managing Director
Pietro Oriani
Directors
Ada Imperadore
Adriano Pala Ciurlo
Deborah Maria Venturini
Elena Sacco
Giovanni Eigenmann
Marco Costaguta
Paolo Ferrario
Susanna Pedretti

Board of Statutory Auditors

Chairperson
Croci Guido
Statutory Auditors
Massimo Petrelli
Ottavia Alfano

Auditing Company

EY S.p.A.

Manager responsible for preparing the Company's Financial Reports

Pietro Bassani
Appointed by the Board of Directors on 21 April 2021 under Article 27-bis of the Articles of Association.

Committees

Control and Risk Committee
Ada Imperadore
Elena Sacco
Susanna Pedretti
Remuneration Committee
Ada Imperadore
Susanna Pedretti

Related Party Committee

Ada Imperadore

Elena Sacco

Susanna Pedretti

Environmental, Social and Governance (ESG) Committee

Ada Imperadore

Deborah Maria Venturini

Pietro Oriani

Supervisory Body

Cristiana Renna

Paolo Villa

Susanna Pedretti

Half-year Report on Operations

Report on Operations: Summary

Directors' Report

Introduction

The 30 June 2025 condensed consolidated interim Financial Statements have been prepared under the International Accounting Standards - IAS and International Financial Reporting Standards - IFRS issued by the International Accounting Standards Board (IASB) and the interpretations of the IFRS Interpretations Committee (IFRSIC) and the Standing Interpretations Committee (SIC), recognised in the European Union under (EC) Regulation no. 1606/2002 and in force at the end of the period. All of the above standards and interpretations are referred to as "IAS/IFRS".
The 30 June 2025 condensed consolidated interim Financial Statements have been prepared under IAS 34 Interim Financial Reporting.
The scope of consolidation as of 30 June 2025 includes the Parent Company Fine Foods & Pharmaceuticals N.T.M. S.p.A., and the subsidiary Fine Cosmetics S.p.A. (formerly Euro Cosmetic S.p.A.), of which Fine Foods holds 100% of the capital.
On 14 July 2025, the Company announced that Euro Cosmetic S.p.A. had formally changed its registered name to **Fine Cosmetics S.p.A.**. For further details, please refer to the Events following the end of the financial year section.

Information on the Group companies

Fine Foods & Pharmaceuticals N.T.M. S.p.A. (hereafter referred to as "Fine Foods" and/or the "Parent Company" and/or "Holding Company"), registered and domiciled in Bergamo, is a joint-stock company, with its registered office in Via Berlino 39, Verdellino - Zingonia (BG). The Company, listed on the Euronext STAR Milan segment of Borsa Italiana's Euronext Milan Market, is an Italian independent Contract Services Development & Manufacturing Organization (CSDMO), specialising in the contract development and manufacturing of products for the nutraceutical, pharmaceutical, and cosmetics industries, with a customer-centric, service-oriented philosophy.
Founded in 1984, Fine Foods proved to be a reliable and capable strategic partner for customers in the reference sectors. The company's organisation can provide successful design process and solid, long-term partnerships. The continuous search for excellence is part of the company's business model and includes research and development, innovation, process reliability, product quality, ESG, and sustainable management of the Group's supply chain.
Fine Foods is a benefit corporation which relies on certifications and ratings under international standards. These guarantee its sustainability commitment across the business.

Fine Foods develops and manufactures drugs, food supplements and other nutraceutical products and medical devices for pharmaceutical and nutraceutical companies. These products are in the form of powders, soluble, effervescent and chewable granules, filmed and effervescent tablets and hard gelatine capsules, and in various types of packaging: sachets, sticks, pillboxes, jars, blisters, tubes and strips. The fact Fine Foods operates in the pharmaceutical and nutraceutical sectors allows it to benefit from commercial synergies, knowledge and technologies developed in both markets.

The **pharmaceutical** production is carried out at the Company's 26,100 sqm Brembate plant. In the 2016-2020 period, €19 million worth of investments were made to expand this plant, increasing
the total walkable covered area to 14,200 sqm. During the 2023 financial year, work began on further expanding the site, which included constructing a new building of around 11,000 sqm for the production of solid oral pharmaceutical forms. The Brembate pharmaceutical

plant has the authorisation to produce pharmaceuticals and European GMP certification, both issued by the Italian Medicines Agency (AIFA, Agenzia Italiana del Farmaco), and occupational and environmental safety approval.

The following images show the current Brembate plant.

The following image shows the plant under construction, adjacent to the current pharmaceutical workshop (updated July 2025).

The production of **nutraceutical** products is carried out at the Company's 45,600 sqm plant in Zingonia, Verdellino. In the 2016-2019 period, €19.7 million worth of investments were made to expand this plant. This expansion was completed in 2019. The Zingonia - Verdellino plant produces nutraceutical products under HACCP (Hazard Analysis and Critical Control Points) regulations and GMP (Good Manufacturing Practices) applicable to food supplements. The Company has obtained authorisation from the Italian Ministry of Health and is constantly monitored by the Local Health Authority (ATS). It holds appropriate certifications for environmental, food and worker safety and to produce medical devices. It successfully passed an inspection by the US Food Drug Administration in 2017. The Zingonia - Verdellino plant has a Company owned total covered surface area of 28,800 sqm, including a recent expansion of 12,900 sqm of covered surface area resulting in an 80 per cent increase on the pre-existing surface area.

The images below show the Zingonia plant from above.

Fine Foods N.T.M. S.p.A. holds the following certifications:

- UNI EN ISO 9001: standard defining quality management system requirements. Scope: research, development and production of food supplements, food for special groups, pharmaceuticals for third parties.
- UNI EN ISO 14001: standard defining environmental protection management system requirements. Scope: contract research, development and production of food supplements, food for special groups, pharmaceuticals through the following processes: reception and storage of raw materials and packaging materials, grinding, mixing, granulation, screening, compressing, dedusting, filming, capsuling; packaging in bags, blisters, bottles, jars and tubes; storage and shipment of finished products.
- ISO 45001: standard defining Occupational Health and Safety Management System requirements. Scope: research, development and production of food supplements, food for special groups, pharmaceuticals for third parties through the following processes: reception and storage of raw materials and packaging materials, grinding, mixing, granulation, screening, compressing, dedusting, filming, capsuling; packaging in bags, blisters, bottles, jars and tubes; storage and shipment of finished products.
- SMETA (Sedex Member Ethical Trade Audit): an audit and reporting methodology created by Sedex (one of the world's leading business ethics organisations providing an online platform used by over 60,000 members in more than 180 countries to help companies operate responsibly and sustainably, protect their workers and ensure an ethical supply chain) using a best practice model in ethic business audit techniques. The aim is to provide a central and standardised verification protocol for organisations interested in demonstrating a commitment to social issues and ethical and environmental standards in their supply chain. The Company uses a SMETA audit as a tool to enhance the practices adopted in its ethical and responsible business. SMETA bases its assessment criteria on the ETI (Ethical Trade Initiative) code, integrating it with applicable national and local laws and comprises four modules: health and safety, labour standards, environment and business ethics.

Verdellino-Zingonia plant:

- UNI EN ISO 13485: standard defining the regulatory requirements of a quality management system to produce medical devices. Scope: contract designing and manufacturing of invasive medical devices concerning body orifices for gastrointestinal and oral use.
- FSSC 22000: is a certification scheme based on the ISO 22000 standard, which defines a food safety management system, integrated with the ISO/TS 22002-1 technical standard and FSSC 22000 additional requirements. Scope: contract manufacturing (dry mixing, fluid-bed granulation, compressing, film coating, encapsulation, mixing of water-based liquids), and packaging. This applies to food supplements and foods for special diets in the form of powders, granules, tablets, capsules, and liquids, packaged in plastic and polylaminate materials.

Please note that Fine Foods N.T.M. S.p.A. adopts an Organisation, Management and Control System under Legislative Decree 231/2001 "regulating the administrative responsibility of legal persons, companies and associations, including those without legal status", which introduced into the Italian regulatory system the concept of administrative liability for legal persons resulting from the commission of a criminal offence. Supervising the operation and compliance with the rules and principles in this system is entrusted to a Supervisory Body with independent initiative and control powers. In 2021 it became necessary to update the system following the new tax offences referred to in Article 25 quinquiesdecies and smuggling referred to in Article 25 sexiesdecies in Legislative Decree no. 231/2001. This updating included risk control for the offences referred to in the previous articles and a risk assessment review. On 14 November 2024, Fine Foods Board of Directors approved the revision of the Organisation, Management and Control System (OMC) to meet the new regulatory additions in the list of predicate offences of Legislative Decree 231/2001, to strengthen the Company's compliance system. Under Legislative Decree no. 24/2023, in July 2023, Fine Foods N.T.M. S.p.A. committed to respecting and guaranteeing the anonymity of those who report violations or offences identified within the company by managing the above reports using an external channel: The Teseo Whistleblowing ERM Platform.

The subsidiary Fine Cosmetics S.p.A. is a CSDMO specialising in research and development, production and sales of cosmetics. Since October 2021, Fine Cosmetics has been part of Fine Foods & Pharmaceuticals N.T.M. S.p.A. Group, driving growth and innovation while ensuring increased production capacity, enhanced cross-functional expertise, and a broader range of solutions.

The facility's surface area, along with its mixing plants, packaging lines, and laboratories, has expanded, reaching its current configuration: a modern plant spanning approximately 20,000 sqm. The Customer portfolio consists of prestigious cosmetics and pharmaceutical companies, operating in the GD (large-scale retail), GDO (organised large-scale retail) and Discount sectors and specialised channels such as national and international pharmacies and single- and multi-brand perfumeries. Fine Cosmetics develops and manufactures contract cosmetic products, including:

- ORAL HYGIENE: paste and gel toothpastes, with microencapsulated, mono- and bi-phasic active ingredients, alcoholic and non-alcoholic mouthwashes, and breath-freshening products.
- SKIN CARE: w/o, o/w emulsions, microemulsions, and gels.
- DEODORANTS: solid sticks, roll-ons, sprays, with or without antiperspirant, with or without alcohol, with "on-demand" active ingredients.
- BODY CLEANSING: bath foams, shower gels, intimate cleansers, liquid soaps.
- HAIR CARE: shampoos, conditioners, modelling waxes, gels.
- PERFUMERY: perfumed body waters, eau de parfum, after-shave.

The Quality Management System within Fine Cosmetics certifies:

- compliance with GMPc requirements (UNI EN ISO 22716);
- compliance with UNI EN ISO 9001 requirements;
- compliance with IFS – HCP requirements;
- compliance with COSMOS Natural & Organic requirements;
- compliance with ECO BIO COSMESI requirements;
- RSPO SCCS (Roundtable on Sustainable Palm Oil – Supply Chain Certification Standard). Compliance with HALAL requirements

The following image shows some of the Group's products (Nutra, Pharma and Cosmetics Business Units):

Fine Foods Group does not have trademarks or hold any product patent rights. These remain the customer's property. The Group has relationships with more than 130 highly loyal customers, including major Italian and multinational pharmaceutical, nutraceutical and cosmetics companies including Alfasigma, Alkaloid, Angelini, Aurobindo, Bolton, Chiesi, Colgate, Cura Cosmetics Group, Davines, DOC, Dompè, Dr Max, EG-Stada, Equilibra, Farmaceutici Dott. Ciccarelli, GFL, Giuliani, Gynov, Herbalife, IBSA, Krka, Menarini, Mirato, Orifarm Generics, Orion, Paglieri, PepsiCo, Perrigo, Pharmanutra, PXG Pharma, Recordati, Sandoz, Sanofi, Swiss Fragrances, Teva, UGA, Uriach, Vemedia, Viatris, Zentiva, and Zeta Farmaceutici.

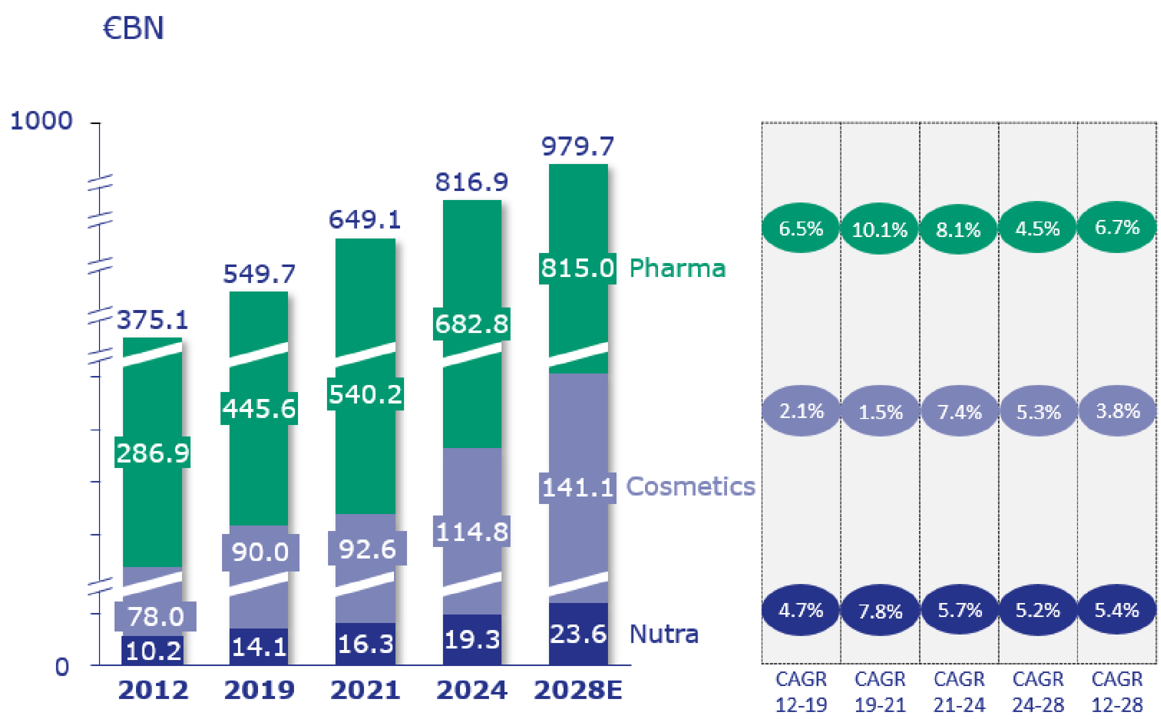
Market development

Fine Foods is one of the players in the European nutraceutical market and is focused on contract manufacturing of food supplements. The nutraceutical market is the Group’s primary target market, and where 55.5% revenue from customer contracts was recorded as of 30 June 2025. Within this market, the Group’s target segment is the dietary supplements segment in Europe. The segment’s expected value is estimated to grow from €19.3 billion in 2024 to €23.6 billion in 2028, with a CAGR '24-'28 of 5.2%. As of 30 June 2025, revenue from customer contracts generated by the Group’s Nutra Business Unit was €71.4 million, slightly down from €72.1 as of 30 June 2025.

The Pharmaceutical market is the Group’s second reference market, where 32.3% of revenue from customer contracts was recorded in H1 2025. As of 30 June 2025, the Company recorded revenue of €41.6 in the Pharma Business Unit, with an increase from €37.1 at the end of the same period in 2024 (+12.1%).
Forecasts for European pharmaceutical production show growth from €682.8 billion in 2024 to €815.0 billion in 2028, reflecting a CAGR '24-'28 of 4.5% over the period. The pharmaceutical market was stable with customers loyal to their suppliers. Expected growth can be seen in the development of CDMOs that produce medicines for pharmaceutical companies (i.e. Fine Foods). The expected demand for pharmaceutical products is steadily growing due to the increase in the average age of the world’s population and the rise in health standards adopted, especially in developed countries.

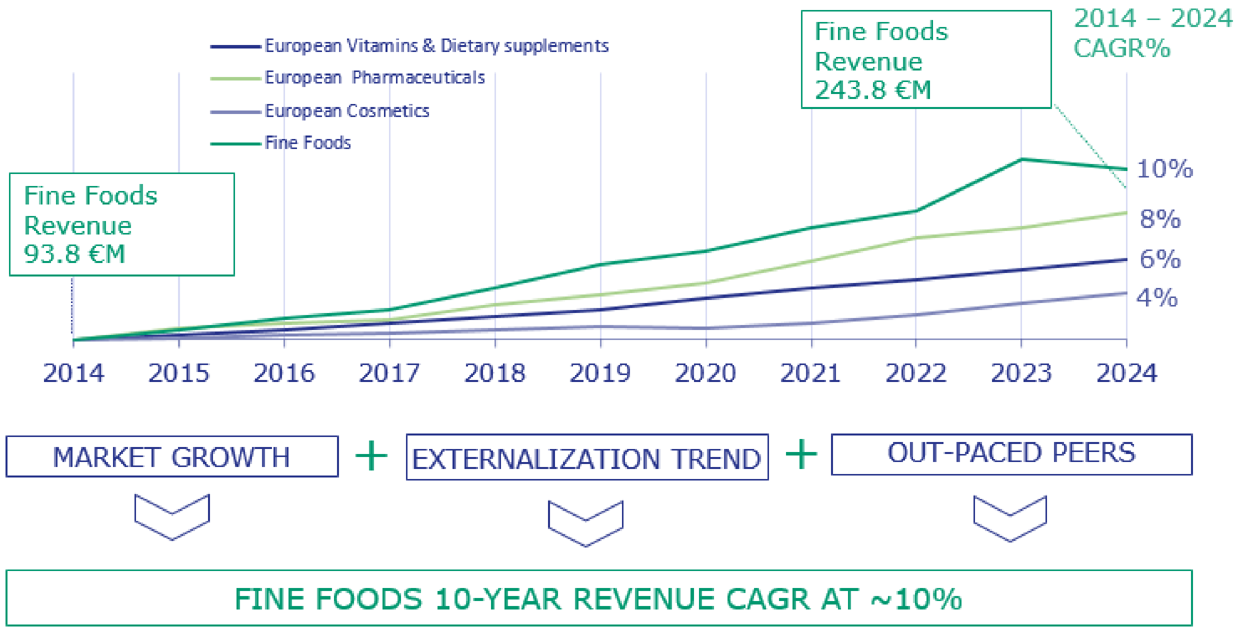
The Group's third reference market is where the subsidiary Fine Cosmetics operates, where 12.2% of revenues from contracts with customers in H1 2025 were recorded, amounting to €15.7 million.
These figures aggregate the values of the following categories: "Cosmetics" refers to the aggregation of Euromonitor’s "Bath and Shower", "Deodorants", "Hair Care" and "Skin Care" categories. "Biocides" refers to the aggregation of the Euromonitor’s "Oral Care", "Dermatologicals", "Surface Care" and "Adult Mouth Care" categories.

The diagram below shows the European trend and forecast for this market, in terms of value. A CAGR '24-'28 of 5.3% was recorded for the relevant period.



Sources: Euromonitor International, Industrial, Pharmaceuticals, 2024 Edition Production MSP, EUR Fixed Ex Rates, Current Prices. Consumer Health, 2025 Edition, Retail Value RSP, EUR Fixed Ex Rates, Current Prices. Cosmetics as per aggregation of Euromonitor's Bath and Shower, Deodorants, Hair Care, Skin Care, Fragrances and Sun Care; Biocides as per aggregation of Euromonitor's Oral Care, Dermatologicals, Adult Mouth Care, 2024 Edition, Retail Value RSP, EUR Fixed Ex Rates, Current Prices.

The above analysis showed that Fine Foods is outperforming the market and its competitors. The reference markets showed high and steady growth and resilience during recessions. Despite this, Fine Foods has significantly outperformed its reference end markets over the past decade, with sales in 2024 at 2.6 times the level achieved in 2014.



Sources: Euromonitor International, Industrial, Pharmaceuticals, 2024 Edition Production MSP, EUR Fixed Ex Rates, Current Prices. Consumer Health, 2025 Edition, Retail Value RSP, EUR Fixed Ex Rates, Current Prices. Cosmetics as per aggregation of Euromonitor's Bath and Shower, Deodorants, Hair Care, Skin Care, Fragrances and Sun Care; Biocides as per aggregation of Euromonitor's Oral Care, Dermatologicals, Adult Mouth Care, 2024 Edition, Retail Value RSP, EUR Fixed Ex Rates, Current Prices.

Significant events

On 19 May 2025, the Group unveiled its new logo, which reflects Fine Foods' distinctive positioning across its three core market sectors - nutraceuticals, pharmaceuticals and cosmetics. It reinforces the synergies among its Business Units while encapsulating the company's forward-looking vision. The name Fine Foods, accompanied by the payoff "Health & Beauty CSDMO", clearly defines the Group's market focus (Health & Beauty). The inclusion of S for Services highlights its unique role within the CDMO sector, positioning the Group as a Contract Services Development & Manufacturing Organisation (CSDMO), which redefines the traditional CDMO model by providing end-to-end support throughout the product life cycle.

On 19 June 2025, Intesa Sanpaolo and Fine Foods & Pharmaceuticals N.T.M. S.p.A. announced the completion of a €30 million loan to support the expansion of the pharmaceutical production facility in Brembate (Bergamo), which started at the end of 2023. This financing complements the resources already available to Fine Foods to support the strong growth of its Pharma Business Unit.

General economic performance

During the first half of 2025, the global economic environment remained complex, and was characterised by ongoing macroeconomic and geopolitical uncertainties. While some central banks initiated a cautious loosening of monetary policy, inflation continued to exceed target levels across several advanced economies, weighing on consumer sentiment and investment momentum.

According to estimates by the International Monetary Fund, global growth for 2025 is projected to remain stable at approximately 3.2%, consistent with 2024 levels. In the United States, economic performance has remained relatively robust, with growth forecast at 2.4%, underpinned by moderating inflation and a gradual recovery in consumer spending. Conversely, the Eurozone has continued to experience slow growth (+0.9%), impacted by subdued domestic demand and persistently tight financial conditions.

Among emerging markets, performance has been mixed. In China, government stimulus measures have supported economic activity despite structural weaknesses in the real estate sector and continued low consumer confidence. China's GDP is expected to grow by around 4.5% in 2025. India remains one of the principal contributors to global economic expansion, with growth exceeding 6%, supported by strong macroeconomic fundamentals, resilient consumption, and increased public investment.

Against this backdrop, the Italian economy has demonstrated moderate resilience, with GDP growth forecast at approximately 0.8% for 2025, broadly in line with the wider EU average. Growth is primarily being driven by exports and the ongoing implementation of initiatives under the National Recovery and Resilience Plan (PNRR). However, weak domestic demand, declining industrial output, and elevated interest rates continue to pose challenges.

Management Performance

Economic indicators for the year *(In thousands of Euro)*	**30/06/2025**	**30/06/2024**
Revenue	128,730	122,834
EBITDA	20,299	16,009
EBIT	12,503	8,279
Net profit (loss) for the period	8,755	4,469

As outlined in the table above, the Group recorded a positive performance across all key indicators during the first half of 2025, when compared with the same period in 2024.

Revenue increased by 4.8%, from €122.8 million as of 30 June 2024 to €128.7 million as at 30 June 2025.

EBITDA grew by 27% from €16 million as of 30 June 2024 to €20.3 million as of 30 June 2025. EBITDA Margin was 15.8% from 13% in H1 2024.

EBIT was €12.5 million up 51% compared to 30 June 2024.

The Group closed the period with a net profit of approximately €8.8 million (€4.5 million as of 30 June 2024).

Fine Foods economic performance

Parent Company Fine Foods' revenue as of 30 June 2025 was €113.1 million, compared to €109.3 million in the first half of 2024, and recorded an increase of 3.4%.

The Pharma Business Unit continued its growth, bringing turnover to €41.6 million with an increase of 12.1% in the first half of 2025, while the Nutra Business Unit, whose revenue in the first half of 2025 was €71.4 million compared to €72.2 million in the same period of the previous year, closed with a result of substantial break-even.

The Holding Company's EBITDA grew by more than 15% and was €19 million (€16.5 million in H1 2024). The Group's enhanced profitability reflects the ongoing efficiency programmes which have contributed to improving operating efficiency and reinforcing its competitive position.

EBITDA Margin as of 30 June 2025 was 16.8%, up from 15.1% in H1 2024.

The Parent Company closed with a net profit of €9.2 million as of 30 June 2025.

Fine Cosmetics financial performance

Fine Cosmetics' revenue for H1 2025 was €15.7 million, showing an excellent growth trend of 15.7% compared to €13.5 million as of 30 June 2024. The Company's EBITDA of €1.3 million and positive EBIT for the period were the result of the BU reorganisation process and the actions taken to strengthen the organisational and commercial structure.

Business outlook

In its July 2025 update of the "World Economic Outlook", the International Monetary Fund (IMF) confirmed a global growth forecast for the current year of 3.2%, in line with the estimate made at the beginning of the year. Although inflationary pressures are gradually easing in some advanced economies, the trajectory of disinflation remains uncertain and monetary policy remains cautious. Against this backdrop, interest rates are likely to remain high for longer than initially expected, possibly affecting demand and access to credit by businesses.

For the Euro area, the IMF forecasts moderate growth (+0.9%), mainly supported by the services sector, which held up well in the first months of the year. However, signs of weakness in the manufacturing industry persist, accompanied by a slowdown in private investment. Uncertainty related to geopolitical tensions and international balances continues to be a potential risk factor for global economic and trade stability.

The Group operates in market sectors expected to grow in Europe and globally in the coming years, although the nutraceutical segment dedicated to weight management is undergoing repositioning. The strong trend of major industry players outsourcing nutraceutical, pharmaceutical, and cosmetics production to subcontractors was confirmed. Fine Foods & Pharmaceuticals N.T.M. S.p.A. aims to strengthen its competitive position by expanding its market share across its three core business units—Nutra, Pharma, and Cosmetics—enhancing their synergies. The Group's approach will be increasingly customer-oriented, with an evolved and integrated service model that provides long-term strategic support and distinctive and unrivalled expertise along the entire value chain in the Health & Beauty sectors. The Group keeps monitoring opportunities for external growth to enhance diversification in pharmaceutical forms and packing solutions.

The Nutra BU will continue its growth by focusing on quality, innovation and development of high value-added services to support customers. The planned production capacity expansion, initiated in 2024 with the purchase of land, was confirmed, with initial investments scheduled for 2025 to extend the production facility. The Nutra BU remains committed to delivering innovative services that enhance customer competitiveness, while pursuing diversification across its customer base and product range.

In 2025, the fast-growing and accelerating Pharma BU will continue to focus on managing the anticipated strong growth from significant multi-year agreements signed with key international customers. The expansion of the production facility, launched in late 2023, has been nearly completed. The AIFA inspection of the plant was carried out. The Group confirms that revenue generation will start in 2026.

Following a phase of integration, reorganisation, and optimisation, supported by targeted investments and the strengthening of management with sector experience, the Cosmetics BU is beginning to show positive signs. Renaming Euro Cosmetic to Fine Cosmetics preserves the company's historical value, while accelerating the Cosmetics BU's strategic evolution, supporting innovation and fostering strategic partnerships in the international Beauty and Personal Care industry. A gradual improvement in revenue and profit margins is expected in 2025, contributing positively to the Group's overall performance.

While acknowledging that the Group's turnover growth may not follow a strictly linear pattern from quarter to quarter due to the nature of the business, the strong order backlog for the current year and existing multi-year agreements support the expectation of sustained profit growth, backed by an increasingly strong and reliable organisational structure.

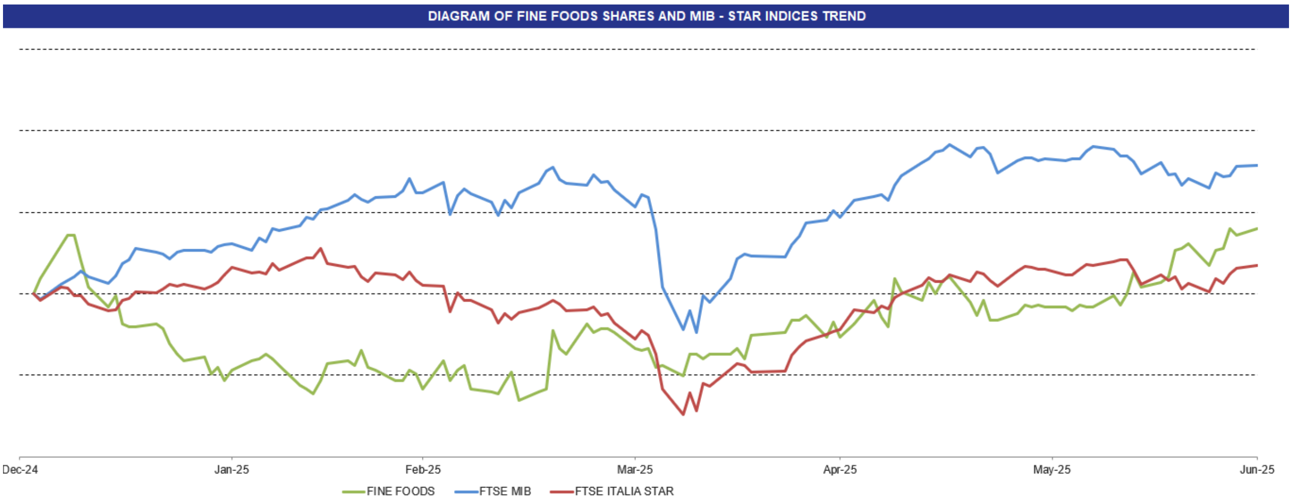
The Group, which obtained its EcoVadis Platinum rating for the third consecutive year in 2024, will continue its commitment to sustainability, strengthening its role as a reference partner for its customers, and provide solutions that are increasingly aligned with the growing ESG market expectations.

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

As of 30 June 2025, the Fine Foods & Pharmaceuticals N.T.M. S.p.A. share was listed at €8.10 per share, with an increase of 8 percentage points than the listing as of 30 December 2024 (€7.50 per share).

Market capitalisation as of 30 June 2025 was €207 million.

The diagram below shows the Fine Foods share performance compared with the leading stock market indices as of 30 June 2025:



The table below shows the main share and stock market data as of 30 June 2025.

Share and stock market data	as of 30 June 2025
First listing price (02/01/2025)	7.50
Maximum listing price	8.10
Minimum listing price	6.52
Last listing price (30/06/2025)	8.10
No. of listed outstanding shares	22,060,125
No. of unlisted outstanding shares	3,500,000
Total capitalisation	€207 million

Balance sheet and financial position

The diagram below shows the net financial debt under Consob recommendation of 21 April 2021 and ESMA32-382-1138 guidelines.

Thousands of Euro	**30 June 2025**	**31 December 2024**
A. Liquid assets	21,903	19,210
B. Cash or cash equivalents	-	-
C. Other current financial assets	-	-
D. Liquidity (A) + (B) + (C)	**21,903**	**19,210**
E. Current financial receivables	**-**	**-**
E. Current financial debt (including debt instruments, but excluding the current portion of non-current financial debt)	2,329	7,660
F. Current portion of non-current financial debt	10,947	11,033
G. Current financial debt (E + F)	**13,276**	**18,693**
- guaranteed		
- secured by collateral	1,926	1,921
- not guaranteed	11,350	16,772
H. Net current financial debt (G - D)	**(8,627)**	**(518)**
I. Non-current financial debt (excluding current portion and debt instruments)	60,253	35,835
J. Debt instruments	-	-
K. Trade payables and other non-current payables	-	-
L. Non-current financial debt (I + J + K)	**60,253**	**35,835**
- guaranteed	-	-
- secured by collateral	4,530	5,495
- not guaranteed	55,722	30,341
M. Total Financial Debt (H + L)	**51,625**	**35,318**

For a better understanding of the Group's balance sheet and financial position, a reclassified Balance Sheet is provided below.

Working capital	**30 June 2025**	**31 December 2024**
Inventories	41,001,171	31,908,612
Trade receivables	44,953,749	37,536,476
Other current assets	6,536,807	7,776,302
Trade payables	(38,507,203)	(36,555,144)
Other current liabilities	(16,607,137)	(15,420,659)
Provisions for risks and charges / deferred taxes	(2,269,852)	(1,884,042)
Total working capital (A)	**35,107,535**	**23,361,545**
Fixed assets		
Tangible fixed assets	137,978,389	126,139,938
Intangible assets and rights of use	16,091,068	15,970,398

Other receivables and non-current assets	1,802,716	4,049,200
Employee severance indemnities and other provisions	(2,191,583)	(2,143,626)
Total fixed assets (B)	**153,680,590**	**144,015,911**
Net Invested Capital (A) + (B)	**188,788,124**	**167,377,456**
Sources		
Shareholders' equity	137,162,650	132,059,779
Net financial debt	51,625,474	35,317,677
Total Sources	**188,788,124**	**167,377,456**

Net invested capital as of 30 June 2025 was €188.8 million (€167.4 million as of 31 December 2024) and was covered by:

- Shareholders' equity of €137.2 million (€132.1 million as of 31 December 2024);
- Group's Net Financial Position was €51.6 million as of 30 June 2025, up from €35.3 million as of 31 December 2024. Operations generated a positive cash flow of €9.5 million before capital expenditure. This was offset by net investments (€19.8 million) made in the period, dividend payments (€3.4 million), the buyback of treasury shares (€0.2 million), payment of financial expenses (€1.2 million) and other outlays, including taxes, totalling €1.1 million.

Working capital as of 30 June 2025 was €35.1 million compared to €23.4 million at the end of the previous financial year. Trade Net Working Capital of €47.4 million shows an increase of €14.6 million compared to the balance as of 31 December 2024, largely generated by the increase in Trade Receivables; the latter increase mainly due to the different monthly distribution of turnover within Q2 2025 compared to Q4 2024.

Tangible Fixed Assets increased by approximately €11.8 million in H1 2025, due to net investments of about €19 million and depreciation for the period of €7.2 million.

Intangible Fixed Assets and Rights of Use increased by approximately € 0.1 million compared to 31 December 2024, due to net investments of € 0.8 million and amortisation for the period of € 0.7 million.

Financial indicators

A factor of 180 days was used for DSO, DPO and DIO indices calculation for the first half of 2025.

Indicator	30 June 2025	31 December 2024	Calculation Method
Capital structure margin	(16,906,807)	(10,050,557)	Shareholders' equity - Property, plant and machinery - Other intangible assets - Rights of use
Asset ratio	0.89	0.9	Shareholders' equity/(Property, plant and machinery + Other intangible assets + Rights of use)
Liquidity margin	5,003,409	(6,145,412)	Total current assets - Inventories - Total current liabilities
Current ratio	1.07	0.9	(Total current assets - Inventories)/Total current liabilities
Net Working Capital/Turnover	19.0%	13.5%	(Trade receivables + Inventories - Trade payables) / Turnover LTM
Cash Conversion Ratio	(47.6%)	48.5%	Operating cash flow / Adjusted EBITDA
Leverage	1.3	1.1	Net Financial Position / Adjusted EBITDA LTM
DSO	63	56	(Trade receivables/Sales revenue)*365
DPO	100	95	(Trade payables/Raw material purchase cost)*365
DIO	106	83	(Inventories/Raw material purchase cost)*365

Financial situation

To better understand the Group's operating results, a reclassification of the Income Statement is provided below

Income Statement

Item	30 June 2025	%	30 June 2024	%	Absolute change	% Changes
Revenue from contracts with customers	128,730,041	100%	122,834,210	100%	5,895,830	4.8%
Costs for consumption of raw materials, change in inventories of finished goods and work in progress.	(69,490,382)	(54.0%)	(70,879,223)	(57.7%)	1,388,842	(2.0%)
INDUSTRIAL ADDED VALUE	**59,239,659**	**46.0%**	**51,954,987**	**42.3%**	**7,284,672**	**14.0%**
Other revenue and income	628,698	0.5%	506,810	0.4%	121,888	24.1%
Costs for services	(12,387,434)	(9.6%)	(11,796,596)	(9.6%)	(590,838)	5.0%
Personnel costs	(26,723,670)	(20.8%)	(23,519,142)	(19.1%)	(3,204,528)	13.6%
Other operating costs	(458,629)	(0.4%)	(1,136,950)	(0.9%)	678,321	(59.7%)
EBITDA	**20,298,624**	**15.8%**	**16,009,108**	**13.0%**	**4,289,516**	**26.8%**
ADJUSTED EBITDA	**21,597,692**	**16.8%**	**16,009,108**	**13.0%**	**5,588,584**	**34.9%**
Amortisation, depreciation, and impairment losses	(7,795,164)	(6.1%)	(7,729,713)	(6.3%)	(65,451)	0.8%
EBIT	**12,503,460**	**9.7%**	**8,279,396**	**6.7%**	**4,224,064**	**51.0%**
ADJUSTED EBIT	**13,802,528**	**10.7%**	**8,279,396**	**6.7%**	**5,523,132**	**66.7%**
Financial income	155,677	0.1%	9,212	0%	146,465	1590.0%
Financial charges	(1,343,331)	(1.0%)	(1,921,064)	(1.6%)	577,733	(30.1%)
Changes in fair value of financial assets and liabilities	-	0%	(12,881)	(0.0%)	12,881	(100%)
INCOME BEFORE TAXES	**11,315,806**	**8.8%**	**6,354,663**	**5.2%**	**4,961,144**	**78.1%**
ADJUSTED INCOME BEFORE TAXES	**12,614,874**	**9.8%**	**6,354,663**	**5.2%**	**6,260,211**	**98.5%**
Income taxes	2,560,614	2.0%	1,885,375	1.5%	675,239	35.8%
Net profit (loss) for the financial year	**8,755,192**	**6.8%**	**4,469,288**	**3.6%**	**4,285,904**	**95.9%**
ADJUSTED net profit (loss)	**9,693,803**	**7.5%**	**4,469,288**	**3.6%**	**5,224,515**	**116.9%**

The table below shows the reconciliation of Industrial Added Value, EBITDA, EBIT, Income before taxes, and net Profit (Loss) for the period, and the Adjusted related values.

Industrial Added Value was determined using the following income statement classification:

	30 June 2025	30 June 2024
Revenue from contracts with customers	**128,730,041**	**122,834,210**
Costs for consumption of raw materials, change in inventories of finished goods and work in progress	(69,490,382)	(70,879,223)
Industrial Added Value	**59,239,659**	**51,954,987**

The diagram below shows the definition of the subtotals for the other income statement items.

	30 June 2025	30 June 2024
Profit/(loss) for the financial year (1)	***8,755,192***	***4,469,288***
Income taxes	(2,560,614)	(1,885,375)
Income before taxes (2)	***11,315,806***	***6,354,663***
Changes in fair value of financial assets and liabilities	-	12,881
Financial charges	1,343,331	1,921,064
Financial income	(155,677)	(9,212)
EBIT (3)	***12,503,460***	***8,279,396***
Amortisation	7,795,164	7,729,713
EBITDA (4)	***20,298,624***	***16,009,108***

Extraordinary and non-recurring items that have been adjusted during the period ended 30 June 2025 are shown in the table below. For further details, please refer to what is reported below.

	30 June 2025	30 June 2024
Non-recurring income and charges attributable to Fine Cosmetics	49,853	-
Non-recurring income and charges attributable to Fine Foods	1,249,214	-
Total non-recurring income and charges (5)	***1,299,068***	***-***

As a result of these non-recurring costs, Adjusted EBIT, Adjusted income before taxes and Adjusted net profit (loss) are shown in the table below.

ADJ EBITDA (4) + (5)	***21,597,692***	***16,009,108***
EBIT ADJ (3)+(5)	***13,802,528***	***8,279,396***
Income before taxes	***11,315,806***	***6,354,663***
Change in Warrant FV	-	-
Non-recurring income and charges (5)	1,299,068	-
ADJ Income before taxes	***12,614,874***	***6,354,663***
Income taxes	(2,560,614)	(1,885,375)
tax effect on non-recurring income and charges	*(360,457)*	-
ADJ income/(loss)	***9,693,803***	***4,469,288***

Revenue from sales and services went from €122.8 million as of 30 June 2024 to €128.7 million as of 30 June 2025, increasing by 4.8%.

The proportion of raw material costs on sales revenue, of approximately 54%, improved compared to what was shown in the previous Half-year Financial Report (57.7%). Personnel costs amounted to €27 million, with an increase of €3.2 million compared to the same period in FY 2024.

As of 30 June 2025, EBITDA was €20.3 million (15.8% of EBITDA Margin), up from €16 million in the previous financial year (13% of EBITDA Margin). Adjusted EBITDA reached €21.6 million, with a record percentage margin of 16.8%.

The following non-recurring expenses were incurred in 2025, impacting EBITDA:

- ✓ Severance and redundancy incentives were €50,800;
- ✓ Operating expenses of approximately €888,700, including personnel costs for employees and temporary staff, were incurred to support the start-up of the new pharmaceutical facility;
- ✓ An additional €359,500 was allocated to the risk provision for salary adjustments as of 31 December 2024.

Adjusted EBIT was €13.8 million compared to €8.3 million as of 30 June 2024.
The Adjusted net result was €9.7 million (compared to €4.5 million in H1 2024).

Alternative Performance Indicators

To facilitate an understanding of Fine Foods' financial and economic performance, the directors have identified in the previous paragraphs several Alternative Performance Indicators ("APIs"). These indicators are the tools that assist the directors in identifying operating trends and making investments, resource allocations and other operating decisions.

For a correct interpretation of these APIs, the following should be noted:

- these indicators are constructed exclusively from historical data and are not indicative of the company's future performance;
- APIs are not required by the International Financial Reporting Standards (IFRS) and, although derived from the Company's Financial Statements, are not subject to audit;
- the APIs must not be considered as a replacement for the indicators provided for by the International Financial Reporting Standards (IFRS);
- these APIs should be read alongside the financial information derived from the Company's Financial Statements;
- the definitions of the indicators used, since they do not derive from the reference accounting standards, may not be consistent with those adopted by other groups/companies or comparable to them;
- the APIs used have been developed with continuity and uniformity of definition and representation for periods when financial information is included in these consolidated interim Financial Statements.

The APIs below were selected and presented in the Report on Operations because the Group believes that:

- the Net financial debt allows a better assessment of the overall debt level, the equity strength and the debt repayment capacity;
- Fixed assets and Net investments in tangible and intangible fixed assets, calculated as the sum of increases (net of decreases) in tangible fixed assets (including the right to use leased assets) and intangible fixed assets - Net working capital and Net invested capital allow a better assessment of the ability to meet short-term commercial commitments through current commercial assets and the consistency between the investments and financing sources structure over time;
- EBITDA is the operating result before depreciation, amortisation and provisions. The defined EBITDA is a measure used by management to monitor and evaluate the Company's operating performance. EBITDA is not an IFRS accounting measure and is an alternative measure for evaluating the Company's operating performance. Since the reference accounting principles do not regulate the EBITDA composition, the criteria for its definition applied by the Company may not be consistent with those adopted by other companies or comparable to them.
- The ADJUSTED EBITDA is the operating result before Amortisation, depreciation and provisions minus operating revenue and costs that, although inherent to the business, are non-recurring and significantly impact results. The defined ADJUSTED EBITDA is a measure used by Company management to monitor and evaluate the Company's operating performance. ADJUSTED EBITDA is not an IFRS accounting measure and is an alternative measure for evaluating the Company's operating performance. Since the reference accounting principles do not regulate the ADJUSTED EBITDA composition, the criteria for its definition applied by the Company may not be consistent with those adopted by other companies or comparable to them.
- The *ADJUSTED EBIT* is the Company operating result minus operating revenue and costs that, although inherent to the business, are non-recurring and significantly impact results. The Company's definition criteria may not be consistent with those adopted by other groups. The balance obtained by the Company may not be comparable.
- The *ADJUSTED INCOME BEFORE TAX* is the Company income before taxes minus operating revenue and costs that, although inherent to the business, are non-recurring and significantly impact results and the fair value change of warrants. The Company's definition criteria may not be consistent with those adopted by other groups. The balance obtained by the Company may not be comparable.
- The ADJUSTED NET INCOME is the Company net result minus operating revenue and costs that, although inherent to the business, are non-recurring and significantly impact results and the fair value change of warrants, after deduction of the relevant tax. The Company's definition criteria may not be consistent with those adopted by other groups. The balance obtained by the Company may not be comparable.

These indicators are commonly used by analysts and investors in the sector to which the Company belongs to evaluate the Company's performance.

Main risks and uncertainties for the Group

The following paragraph illustrates the main risks to which the Group is exposed and the directors' mitigating actions.

Liquidity risk

The Group monitors the liquidity shortage risk using a liquidity planning tool. The Group's objective is to maintain a balance between continuity in the availability of funds and flexibility of use with tools such as credit lines and loans, mortgages and bonds. The Group's policy is to ensure that total loans due within the next 12 months remain below the 60% threshold. As of 30 June 2025, 18.1% of the Group's debt is due in less than one year (2024: 34.3%), calculated based on the book value of debts in the Consolidated Financial Statements.

The Group checked that access to funding sources is sufficiently available, and debts due within 12 months can be extended or refinanced with existing credit institutions.

The Parent Company is in advanced negotiations with several major banks to secure a new loan to support ongoing investments. These banks have expressed their approval.

The table below summarises the Group's due date profile of financial liabilities based on undiscounted contractually agreed payments.

30 June 2025	**Total**	**1 to 12 months**	**1 to 5 years**	**> 5 years**
Financial liabilities				
Non-current bank borrowings	59,417,531	-	27,975,934	31,441,597
Current bank borrowings	12,923,133	12,923,133	-	-
Non-current lease payables	835,136	-	708,771	126,365
Current lease payables	353,044	353,044	-	-
Total financial liabilities	**73,528,844**	**13,276,177**	**28,684,705**	**31,567,962**

31 December 2024	**Total**	**1 to 12 months**	**1 to 5 years**	**> 5 years**
Financial liabilities				
Non-current bank borrowings	34,987,777	-	33,378,530	1,609,247
Current bank borrowings	18,367,370	18,367,370	-	-
Non-current lease payables	847,512	-	831,668	15,844
Current lease payables	325,230	325,230	-	-
Total financial liabilities	**54,527,890**	**18,692,600**	**34,210,198**	**1,625,091**

Interest rate risk

Interest rate risk is a function of interest rate trends and the company's related positions, identifiable in bond investments and debt transactions. The risk is the increase in financial charges associated with rising interest rates.

This risk may be indicated differently depending on the valuation parameter.

• Cash Flow Risk: this is related to the possibility of realising losses connected to a reduction in expected receipts or an increase in expected costs. It is linked to items with payment profiles indexed to market rates. As these rates change, the company's position will change (variable rate financing)

• Fair Value Risk: this is linked to the possibility of losses related to an unexpected change in the value of an asset or liability following a sudden change in rates.

Credit risk

This is the risk that a customer or a financial instrument counterparty causes a financial loss by failing to fulfil an obligation; for the Group, the risk is mainly related to the failure to collect trade receivables. Fine Foods' main counterparties are major companies active in the nutraceutical and pharmaceutical sectors. The Group carefully evaluates its customers' credit standing, considering that, due to its business's nature, the relationships with its customers are long-term.

Price risk

The price risk is mitigated using a solid cost accounting procedure that can identify the production cost. In this way, remunerative and competitive prices are established and adopted with the customer.

Risk of changes in cash flows

The risk of changes in cash flows is not considered significant in view of the Group's balance sheet. It is considered that the risks to which the business activity is exposed are not higher than those physiologically connected to the overall business risk.

Tax risks

The Group companies are subject to the taxation system under applicable Italian tax laws. Unfavourable changes to this legislation, and any Italian tax authorities or Law orientation related to the application, interpretation of tax regulations to determine the tax burden (Corporate Income Tax "IRES", Regional Tax on Production Activities "IRAP") and the Value Added Tax "VAT", could have significant negative effects on the companies economic, capital and financial situation.

The Group is exposed to the risk that the financial administration or law may adopt different interpretations or positions concerning tax and fiscal legislation from those adopted by Fine Foods Group in carrying out its business. Tax and fiscal legislation, and its interpretation, are complex elements due to the continuous legislation evolution and interpretation from administrative and jurisdictional bodies.

The Group will periodically undergo inspections to verify such regulations' correct application and the correct payment of taxes. Disputes with Italian or foreign tax authorities could involve the companies in lengthy proceedings, resulting in the payment of penalties or sanctions, with possible significant adverse effects on its business, economic, capital and financial situation.

Due to the complexity and continuous changes in tax and fiscal regulations and their interpretation, it is impossible to exclude that the financial administration or law may make interpretations, or take positions, that contrast with those adopted by the Group. This might result in negative consequences on its economic, capital and financial situation.

Risks related to the information system's reliability

The Group is exposed to the risk of accidental events or malicious actions to IT systems (hardware, software, databases, etc.) that impact their reliability, with potential negative effects on the Group's economic, capital and financial situation.

The Group implements security procedures and policies to ensure proper IT systems management. It has perimeter and internal security equipment. Infrastructures are equipped with high reliability techniques for critical systems and are checked annually. The IT department periodically conducts simulated external attacks to assess the robustness of the security system. The Group has a disaster recovery plan to ensure the reliability of its IT systems. The Group's IT systems comply with the General Data Protection Regulation.

The IT systems department is subject to internal audits, by Quality Assurance, and external audits, by certification bodies and customers.

Risks related to the concentration of revenue on major customers

The Group has a significant concentration of revenue on its main customers, amounting to approximately 63.3% on the top five customers as of 31 December 2024. The loss of one or more of these relationships would have a significant impact on Group revenue. Contracts with the Group's main customers do not have minimum guaranteed quantities. If these relationships continue, there is no certainty that the amount of revenue generated by the Group in subsequent years will be similar to or greater than those recorded in previous years. The possible occurrence of such circumstances could have significant adverse effects on the Group's economic, capital and financial situation.

The Group mitigates this risk by building stable and long-lasting relationships with its customers and customer loyalty, through commercial activities for acquiring new customers and M&A for identifying and acquiring target companies.

Risks related to production authorisations

The Group faces the risk of non-approval, by governmental or health authorities and institutions, of the individual production stages that characterise its activities, if it is found not to comply with the regulatory requirements applicable to plants and the production of pharmaceuticals and nutraceutical products, with potentially adverse effects on its economic, capital and financial position.

During the many audits conducted by customers and authorities, the Group has never received any reports of critical non-compliance.

GMP compliance is ensured by applying strict quality procedures and periodic systemic internal audits.

In addition, the Group has a procedure for promptly handling any observations or deviations identified by the authorities.

Risks relating to environmental, occupational health and safety regulations

The Group is exposed to the risk of accidental contamination of the environment in which its employees work, and possible injuries in the workplace. Any violations of environmental regulations, and the adoption of prevention and protection systems in the field of safety that are not appropriate to the Group's needs, could lead to the application of administrative sanctions, including significant monetary sanctions or an injunction, including suspensions or interruptions of production, with potentially adverse effects on the Group's economic, capital and financial position.

To address these risks, the Group has a robust system for managing worker health and safety standards and environmental protection of the areas where the Group operates. The Company has ISO45001:2018 (OH&S) and ISO14001:2015 (environment) certifications attesting to the proper system structuring and application and is subject to annual certified bodies' and internal audits.

Risks related to climate change: physical risks

Climate change can produce systemic effects that negatively affect financial activities.

Physical risks of climate change can be classified as "acute" if caused by extreme events such as droughts, floods, and storms, or "chronic" if caused by progressive changes like rising temperatures, sea-level rise, water stress, and resource depletion.

The Group faces potential operational disruptions due to extreme weather events that could damage critical infrastructure, plants, machinery, and facilities. These events may lead to increased repair and maintenance costs, and production delays or shutdowns, impacting business continuity, reputation, and profitability.

Extreme weather conditions, such as heavy rainfall and floods, could compromise the quality of water used in production processes, which will raise purification costs.

The Group is aware of potential climate change effects on infrastructure from extreme events and the possible rise in energy usage due to increasing temperatures and is assessing how to address these challenges through transition plans or business resilience analyses. The Group has insurance coverage for "catastrophic risks." The Group is continually updating its expertise and capabilities in handling "transition risks" also through its association with Farmindustria, to align its energy efficiency with international standards.

The Group implemented a dedicated team coordinated by an energy manager which implements measures to increase all Group sites' energy efficiency.

It carries out operations to reduce water consumption and an internal task force meets periodically to monitor improvements and the implemented measures effectiveness.

Climate change risks: transition risks

These risks are tied to the challenges and costs associated with moving to a more sustainable and less carbon-dependent economic model. This situation is driven, for example, by the implementation of climate protection Directives and Regulations, advancements in technology, and shifts in market confidence and consumer preferences.

The absence of investments to reduce climate impact by lowering energy consumption may have a negative effect on the Group's Income Statement due to increases in operating costs and exposure to energy price fluctuations and possible regulatory measures e.g. introducing carbon taxes.

Water scarcity for industrial purposes, particularly following extended periods of drought, can negatively affect production efficiency. Similarly, extreme weather events can disrupt the supply chain, causing partial or complete interruptions in the supply chain.

The Group is aware of potential climate change effects on infrastructure from extreme events and the possible rise in energy usage due to increasing temperatures and is updating its risk assessment. The Group has insurance coverage for "catastrophic risks." The Group is continually updating its expertise and capabilities in handling "transition risks" also through its association with Farmindustria, to align its energy efficiency with international standards.

The Group implemented a dedicated team coordinated by an energy manager which implements measures to increase all Group sites' energy efficiency.

It carries out operations to reduce water consumption and an internal task force meets periodically to monitor improvements and the implemented measures effectiveness.

Energy cost risk

Energy costs remain high compared to historical prices, with high volatility. The supply of energy available for the European market and domestic energy stocks are the reasons why the estimated negative impacts on the Group's economic, financial and capital position, and the likelihood of their occurrence, may be gradually reduced.

The Group assembled a team coordinated by an energy manager to monitor the energy market trend to minimise the impact of energy costs and implement appropriate measures to increase production sites' energy efficiency. Fine Foods installed two co-generators for self-generation of electricity from gas combustion, which eliminated its exposure to the risk of electricity component fluctuations and optimised the efficient use of the heat developed through co-generation. There are photovoltaic systems at three plants with a total power of 850 kW covering part of the energy requirements (approx. 1% of the total energy demand). To manage the fluctuation of energy costs, part of them will be rebilled during 2025.

Legal and reputational risks related to the mismanagement of Substances of Very High Concern

Exceeding pollution limits or mishandling dangerous chemicals that have long-term effects on human health or the environment (as listed in the REACH list and Annex VI of the CLP Regulation) can result in fines and operational restrictions and severely damage Fine Foods' reputation. The use of substances that hinder the recycling of safe, high-quality secondary materials or most harmful substances (as listed by ECHA) can expose the company to additional legal and reputational risks. This risk may arise from either direct impacts of business activities or regulatory requirements.

The Group has a robust system for managing worker health and safety standards and environmental protection of the areas where the Group operates. The Company has ISO45001:2018 (OH&S) and ISO14001:2015 (environment) certifications attesting to the proper system structuring and application and is subject to annual certified bodies' and internal audits.

Operational risk from a shortage of virgin raw materials

The Company faces operational risks related to the scarcity of virgin raw materials, such as palm oil, coffee, and various natural extracts. These shortages can increase operational costs for Fine Foods due to competition for supply. As these commodities are subject to stricter regulations, their limited availability and rising costs may negatively impact the continuity of production and profitability.

Fine Foods can adjust its selling prices if there are raw material cost increases. The purchasing department informs the sales department of raw material price increases, the sales department assesses its impact on the pricing of products that include this raw material and shares it with the customer.

The Group maintains a stock-pile of continuously used raw materials which is sufficient to cover a sudden lack on the market.

Economic and reputational risks due to accidents and injuries

Accidents involving employees could lead to operational disruptions and reputational damage, potentially slowing down company operations. If such incidents affect employee health and safety, the Company could face legal claims, compensation costs, and sanctions for non-compliance with regulations and organisation systems (OMC 231). An unsafe working environment could reduce the Company's appeal to potential investors and diminish employee motivation, leading to higher turnover rates.

To address these risks, the Group has a robust system for managing worker health and safety standards and environmental protection of the areas where the Group operates. The Company has ISO45001:2018 (OH&S) and ISO14001:2015 (environment) certifications attesting to the proper system structuring and application and is subject to annual certified bodies' and internal audits.

Risks related to human capital management

The growing demand in the labour market for certain technical and specialised profiles makes them highly attractive, which exposes the Company to the risk of turnover of highly qualified personnel, who are in short supply. Failure to implement the necessary policies to successfully manage human capital can have a negative impact on the Company's economic, capital and financial position.

To address these risks, it is necessary to adopt new, more inclusive business models and policies to enhance and promote talent. The Company implemented human capital management policies and procedures designed to support employees throughout their lifecycle within the Company. This includes recruitment, onboarding, continuous training programmes, internal career development paths, work-life balance initiatives, workplace health promotion (WHP) measures, and the activation of various internal communication channels.

Risks related to salary adjustments claims

Fine Foods develops and manufactures contract products including food supplements, nutraceuticals, and pharmaceuticals, employing more than 650 staff under the National Collective Labour Agreement for the Food Industry. Workers in the production departments are required to clock in at turnstiles before proceeding to the changing rooms, where they change into company-issued attire such as trousers, tunics, caps, shoes, and, if necessary, beard covers. Once dressed, workers clock in again at the start of their shift and proceed to their workstations, with the same process being followed at the end of their work shift. Since the end of 2024, the Company has received claims, mainly from former employees, for salary adjustments relating to the time taken to change into and out of company-provided clothing in the changing rooms. Some of them request additional payment for salary differences for the time spent travelling between the external turnstiles and the changing room, and vice versa. The Company is defending itself in ongoing legal proceedings and is considering negotiating an agreed regulation with the trade unions. This would regulate the process of dressing for employees and offer a resolution for past claims. The Company allocated a special provision for the above risk as of 31 December 2024.

Risks related to supplier relationships: shortages of raw and packaging materials.

Considering the complex geopolitical situation and climatic risks that may jeopardise some harvests, the Group risks increased costs in 2025 for the purchase of raw and packaging materials necessary to carry out its business, and delays in production due to the more difficult availability of raw and packaging materials, with potential adverse effects on the Group's business, economic, capital and financial position. The Group’s business is characterised, in certain cases, by a limited substitutability of suppliers, particularly in the pharmaceutical sector.

Fine Foods can adjust its selling prices if there are raw material cost increases. The purchasing department informs the sales department of raw material price increases, the sales department assesses its impact on the pricing of products that include this raw material and shares it with the customer.

The Group maintains a stock-pile of continuously used raw materials which is sufficient to cover a sudden lack on the market. Additionally, mitigating actions are included in the Business Continuity Plan.

Reputational risk due to suppliers' non-compliance with equal opportunity and diversity laws

If suppliers fail to comply with principles of diversity and equal opportunity—particularly in relation to wages, career advancement, and other employment practices—the Company could suffer a potential loss of consumer confidence and a decrease in sales.

The Group implemented procedures for supplier selection based on Environmental, Social, and Governance criteria (ESG), assessing their environmental, ethical and social performance, and compliance with health, safety, and human rights regulations. Suppliers are evaluated through audits, document analysis, and questionnaires based on their risk level.

The Group adopted a Supplier Code of Conduct, which must be signed when entering into commercial contracts,

and a monitoring system to ensure compliance with requirements. This system consists of four phases: 1) Annual risk assessment, by establishing three different risk matrices (chemical, packaging and service suppliers) to assign a criticality index to each supplier. 2) Planning and implementation of monitoring audits 3) Distribution of questionnaires to update requirements and data, monitoring ESG criteria. 4) Performance evaluation.

Reputational and legal risk for violating workers' human rights along the value chain

The Group faces reputational risk from potential human rights violations by suppliers within its value chains. If suppliers fail to protect the health and safety of their workers and fundamental human and labour rights, they could face increased legal claims and sanctions for regulatory non-compliance. Such incidents may disrupt supplier and Fine Foods operations, potentially forcing the Company to terminate relationships with non-compliant suppliers, with consequent operations slowdowns.

The Group implemented procedures for supplier selection based on Environmental, Social, and Governance criteria (ESG), assessing their environmental, ethical and social performance, and compliance with health, safety, and human rights regulations. Suppliers are evaluated through audits, document analysis, and questionnaires based on their risk level.

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Financial and reputational risk for violating employee safety conditions along the value chain

Violating safety conditions for workers along the value chain is a significant risk for the Group. If suppliers or subcontractors fail to implement appropriate safety measures, it can result in work accidents, operational disruptions, and legal sanctions for these entities. These events can lead to delays in delivery and increased procurement and project management costs for the Group. They may harm the Company's reputation and reduce stakeholder confidence, ultimately causing financial losses.

The Group implemented procedures for supplier selection based on Environmental, Social, and Governance criteria (ESG), assessing their environmental, ethical and social performance, and compliance with health, safety, and human rights regulations. Suppliers are evaluated through audits, document analysis, and questionnaires based on their risk level.

The Group adopted a Supplier Code of Conduct, which must be signed when entering into commercial contracts,

and a monitoring system to ensure compliance with requirements. This system consists of four phases: 1) Annual risk assessment, by establishing three different risk matrices (chemical, packaging and service suppliers) to assign a criticality index to each supplier. 2) Planning and implementation of monitoring audits 3) Distribution of questionnaires to update requirements and data, monitoring ESG criteria. 4) Performance evaluation.

Legal and reputational risks related to damage to user health and safety due to unsafe products

The Group faces significant risks related to user health and safety due to unsafe products. Distributing products that fail to meet safety standards could cause physical harm or damage to user health, exposing the Group to potential lawsuits, product recalls, and regulatory penalties. Such incidents can lead to substantial costs for compensation and legal fees, and operational disruptions. Negative public and stakeholder perceptions may severely harm the Company's reputation, diminishing customer and investor confidence, and negatively impacting the Group's revenues and market position.

The Group has a reliable quality system and several certifications which guarantee compliance with good manufacturing standards.

All finished products and raw materials undergo thorough analysis to ensure they meet release specifications.

Key non-financial indicators

We provide the following company business non-financial indicators for a better understanding of the Company situation, operating trend and result:

- During the first half of the year, the Group had approximately 130 customers;
- The Group can count on 142 production lines located in the various plants;
- The Group produced about 1,600 Stock-Keeping Units (SKUs) during the first half of the year;
- The Group employs 830 people.

Environmental information

The environmental objectives and policies, including the measures adopted and the improvements made to the business activity that had the greatest impact on the environment, can be summarised as follows:

In June 2024, the Parent Company underwent an audit for certification renewal under the UNI EN ISO 14001:2015 standard, which certifies the presence of a management system to prevent waste management, air and water environmental issues.

The next maintenance visit is planned for 14, 15 and 16 October 2025.

A management system illustrates how to intervene if harmful events occur.

During the financial year, there were no events that caused damage to the environment for which the Group companies were found guilty, nor were sanctions or penalties imposed for environmental crimes or damages.

To protect the environment, Group companies give all the types of waste that are generated by the Zingonia - Verdellino, Brembate and Trenzano sites to authorised third parties, which follow the provisions of current legislation.

Work Risk Assessment Document

Under Legislative Decree no. 81 of 09/04/2008 and Legislative Decree no. 106/09 and subsequent amendments, which contain reference standards for workplace health and safety, the Parent Company has drawn up the Risk Assessment Document (DVR - Documento di Valutazione dei Rischi) filed at its registered office and revised on 14 April 2025, version no. 21.

The Risk Assessment Document for the subsidiary Fine Cosmetics (Trenzano site) is filed at the company's registered office and was revised on 11 March 2025 in its fifth version.

In June 2024, the Parent Company underwent the annual audit for the ISO 45001:2018 certification renewal, the international standard for an occupational health and safety management system (as of 21 May 2014, Fine Foods was certified under OHSAS 18001, the reference standard before ISO 45001).

The next maintenance visit is planned for 30 and 31 October 2025.

During H1 2025, Fine Foods reported no accidents that led to absences exceeding 40 days at initial prognosis or involved serious injuries to registered employees, for which company liability was established.

During 2025, two occupational disease complaints were filed. One complaint was not recognised by INAIL and, as a result, the Parent Company was not found liable. The other complaint has not yet been answered.

Regarding the subsidiary Fine Cosmetics, an accident occurred in the first half of the year involving 20 days in first prognosis and exceeding 40 days prognosis on 30/06/2025. The injury case is still open. The event prompted action by the ATS ATS (Agency for Health Protection), which subsequently issued an inspection report requesting supporting documentation, which was complied with. We are awaiting further communication from the supervisory authority.

No occupational disease claims were filed.

Personnel Management Information

To better understand the Group situation and management performance, some information relating to personnel management is provided.

Attention was paid to personnel's professional growth. In the first half of 2025, 3,163 training courses and seminars were held, for all levels, making 17,006 hours of training. These aimed at increasing technical skills and maintaining an adequate level of quality, safety, hygiene and environment skills.

Plant	Number of courses	Total hours
Zingonia plant	669	4,200
Brembate	2,424	11,659
Trenzano	70	1,147
TOTAL	**3,163**	**17,006**

During the year, the Company promptly implemented all the protections legally prescribed. It reserved an unconditional commitment to worker safety issues, whether or not the staff were employed, and the population surrounding its sites. The Company based its strategy on:

- dissemination of a safety culture within the organisation;
- specific dedicated operating procedures and adequate management systems;
- prevention and protection from exposure to contagious and non-contagious risks;
- the minimisation of risk exposure in each production activity;
- surveillance and monitoring of prevention and protection activities.

This process involved the following phases:

- identifying exposure to possible hazards related to the methods, products, and operations carried out;
- risk assessment of the event severity and frequency;
- identifying prevention actions, where possible, and mitigating residual risk;
- investigation and analysis of incidents to learn lessons and increase prevention capacity;
- developing risk minimisation plans based on technological investments, implementing safety management systems, and staff training and education.

Research and development

The Fine Foods Group is active in the contract manufacturing and development of oral solid forms for the pharmaceutical, nutraceutical, and cosmetics industries.

Research and development come from a structured cooperation with customers aimed at providing them with new formulations for their products, ensuring their effectiveness, quality and innovation.

The costs incurred for product research and development are not capitalised but are included in operating costs and charged to the income statement.

Relationships with subsidiary, associated, parent companies and companies controlled by the parent companies

During 2025, the Parent Company distributed a dividend of € 0.14 per share to the holding company Eigenfin S.r.l. as per the shareholders' resolution approving the 2024 Financial Statements.

During 2023, Fine Foods granted its subsidiary Fine Cosmetics S.p.A. € 11 million in intercompany financing, disbursed in three instalments as follows:

- First instalment of € 2 million in January 2023;
- Second instalment of € 4 million in June 2023;
- Third instalment of € 5 million in October 2023.

The applicable interest rate is equal to the six-month EURIBOR, which is increased by a fixed spread. The first capital repayment instalment is scheduled for June 2026.

Related Party Relationships

The Procedure for Transactions with Related Parties (last revision March 2022), under art. 2391-bis of the Italian Civil Code and art. 4 of the "Regulations for transactions with related parties" issued by Consob with resolution no. 17221 of 12 March 2010, is available on the Company's website (https://www.finefoods.it/).

During the first half of 2025, transactions between the Company and related parties identified under the provisions of international accounting standard IAS 24 included the remuneration of Directors, established under applicable regulations, based on assessments of mutual interest and economic benefit.

Treasury shares buyback programme

On 08 May 2025, the Parent Company's Board of Directors resolved to launch the treasury share buyback programme to implement and comply with the authorisation to buyback and dispose of treasury shares approved by the 17 April 2025 Shareholders' Meeting.

The Programme will last 18 months after the 08 May 2025 authorising resolution date, unless there is an early interruption which will be legally reported to the Market. The arrangement in one or more issues of treasury shares is without time limits.

The table below summarises the situation regarding treasury shares as of 30/06/2025:

	Number	Fees Euro
Initial balance	1,077,669	14,139,356
Purchased shares	31,360	249,533
Shares allocated free of charge		
Shares sold		
Shares cancelled due to excess capital		
Shares cancelled to cover losses		
Final balance	1,109,029	14,388,889

As of 18 July 2025, Fine Foods & Pharmaceuticals N.T.M. S.p.A. holds a total of 1,140,706 treasury shares equal to 4.4628% of the share capital.

Under at. 2357-ter of the Civil Code, the buyback of treasury shares involved booking a "Negative reserve for treasury shares in portfolio" under liabilities in the consolidated interim Financial Statements. The number of treasury shares held by the company having recourse to the risk capital market does not exceed one-fifth of the share capital, as required by Article 2357 of the Civil Code.

Parent Company shares/quotas

During the year, the Company did not hold Parent Company shares or quotas.

Use of financial instruments significant to the assessment of the balance sheet, financial position and net result for the year

The Group has not undertaken any financial risk management policies, as it is not considered relevant to the Company.

Events following the end of the period

In early July 2025, the parent company Fine Foods secured a new unsecured loan of €20 million with Banca Nazionale del Lavoro, with a due date in 2030.

On 14 July 2025, the Company announced that Euro Cosmetic had officially changed its name to Fine Cosmetics: a name that shows a forward-looking approach while carrying forward its brand legacy and further enhancing the company's relationship with the Fine Foods Group. The name change is accompanied by the launch of a new logo which aligns with the Group's visual identity and core values.

Personal data protection - Privacy

Under EU Regulation 2016/679, General Data Protection Regulation ("GDPR"), the Company has implemented a corporate organisation system for the protection of personal data to comply with the EU regulatory framework, which strengthens Privacy and the individuals' data protection rights.

Verdellino, 05 August 2025

for the Board of Directors
Chairman

Marco Francesco Eigenmann

30 June 2025 condensed consolidated interim Financial Statements

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Interim consolidated income statement

(amounts in € units)	Notes	Half-year as of 30 June 2025	Half-year as of 30 June 2024
Revenue and income			
Revenue from contracts with customers	*2.1*	128,730,041	122,834,210
Other revenue and income	*2.2*	628,698	506,810
Total revenue		**129,358,739**	**123,341,020**
Operating costs			
Costs for consumption of raw materials, change in inventories of finished goods and work in progress.	*2.3*	69,490,382	70,879,223
Personnel costs	*2.4*	26,723,670	23,519,142
Costs for services	*2.5*	12,387,434	11,796,596
Other operating costs	*2.6*	458,629	1,136,950
Amortisation, depreciation, and impairment losses	*2.7*	7,795,164	7,729,713
Total operating costs		**116,855,279**	**115,061,625**
Operating result		**12,503,460**	**8,279,396**
Changes in fair value of financial assets and liabilities	*2.8*	-	(12,881)
Financial income	*2.9*	155,677	9,212
Financial charges	*2.10*	(1,343,331)	(1,921,064)
Income before taxes		**11,315,806**	**6,354,663**
Income taxes	*2.11*	2,560,614	1,885,375
Profit/(loss) for the financial year		**8,755,192**	**4,469,288**

Interim consolidated comprehensive income statement

(amounts in € units)		Half-year as of 30 June 2025	Half-year as of 30 June 2024
Profit /(loss) for the financial year (A)	**Notes**	**8,755,192**	**4,469,288**
Components that will not be subsequently reclassified to profit/(loss) for the financial year			
Revaluation of net employee benefit liabilities/assets	*4.4*	32,573	51,790
Tax effect		(7,818)	(12,430)
Other comprehensive income (B) components		**24,756**	**39,360**
Comprehensive profit/(loss) (A+B)		**8,779,948**	**4,508,648**

Interim consolidated statement of financial position

		Half-year as of	Financial Statements as of
(amounts in € units)	**Notes**	**30 June 2025**	**31 December 2024**
Assets			
Non-current assets			
Property, plant and machinery	*3.1*	137,978,389	126,139,938
Goodwill	*3.2*	11,507,954	11,507,954
Other intangible fixed assets	*3.3*	1,724,124	1,556,083
Rights of use	*3.4*	2,858,990	2,906,361
Other non-current assets	*3.7*	124,754	597,853
Deferred tax assets	*3.5*	1,677,963	3,451,347
Total non-current assets		**155,872,173**	**146,159,536**
Current assets			
Inventories	*3.8*	41,001,171	31,908,612
Trade receivables	*3.9*	44,953,749	37,536,476
Tax receivables	*3.10*	16,622	17,998
Other current assets	*3.11*	6,520,185	7,758,304
Cash and other liquid assets	*3.12*	21,903,370	19,210,213
Total current assets		**114,395,097**	**96,431,604**
Total assets		**270,267,271**	**242,591,140**
Shareholders' equity			
Share Capital	*4.1*	22,770,445	22,770,445
Other reserves	*4.1*	111,279,830	102,919,409
Employee benefit reserve	*4.1*	216,683	191,928
FTA reserve	*4.1*	(6,669,789)	(6,669,789)
Profits carried forward	4.1	810,290	4,691,909
Profit/(loss) for the financial year	4.1	8,755,192	8,155,879
Total Shareholders' Equity		**137,162,650**	**132,059,779**
Non-current liabilities			
Non-current bank borrowings	*4.2*	59,417,531	34,987,777
Employee benefits	*4.4*	2,191,583	2,143,626
Provision for risks and charges	*4.5*	1,977,500	1,600,000
Provision for deferred taxes	*3.6*	292,352	284,042
Non-current lease payables	*3.4*	835,136	847,512
Total non-current liabilities		**64,714,103**	**39,862,958**
Current liabilities			
Current bank borrowings	*4.3*	12,923,133	18,367,370
Trade payables	*4.6*	38,507,203	36,555,144
Taxes payable	*4.7*	428,289	219,112
Current lease payables	*3.4*	353,044	325,230
Other current liabilities	*4.8*	16,178,848	15,201,547
Total current liabilities		**68,390,518**	**70,668,403**
Total Shareholders' equity and Liabilities		**270,267,271**	**242,591,140**

Interim consolidated cash flow statement

		Half-year as of 30 June 2025	Half-year as of 30 June 2024
PROFIT/(LOSS) FOR THE FINANCIAL YEAR		**8,755,192**	**4,469,288**
Adjustments to reconcile profit after tax with net cash flows:			
Depreciation and impairment of property, plant and machinery	2.7	7,151,002	7,084,264
Amortisation and impairment of intangible fixed assets	2.7	409,247	409,870
Amortisation of rights of use	2.7	234,914	232,556
Other write-downs of fixed assets	2.7	-	3,023
Financial income	2.9	(155,677)	(9,212)
Financial charges	2.10	1,321,403	1,893,011
Changes in fair value of financial assets and liabilities	2.8	-	12,881
Financial charges on financial liabilities for leases	3.4	21,928	28,053
Income taxes	2.11	802,782	629,620
Gains on the disposal of property, plant and machinery	2.2	(73,442)	(70,275)
Current assets write-downs	3.8,3.9	694,008	252,941
Net change in severance indemnity and pension funds	4.4	49,159	(31,151)
Net change in provision for risks and charges	4.5	377,500	(2,105)
Net change in deferred tax assets and liabilities	3.5,3.6	1,800,463	1,301,932
Interest paid	2.10	(1,156,273)	(1,881,704)
Income taxes paid		(577,561)	-
Changes in working capital:			
(Increase)/decrease in inventories	3.8	(9,671,555)	99,998
(Increase)/decrease in trade receivables	3.9	(7,532,285)	(238,148)
(Increase)/decrease in other non-financial assets and liabilities	3.7,3.10.3.11,4.7,4.8	2,647,265	1,032,816
Increase/(decrease) in trade payables	4.6	1,952,059	785,653
NET CASH FLOWS FROM OPERATING ACTIVITIES		**7,050,131**	**16,003,311**
Investments:			
Investments in tangible fixed assets	3.1	(19,040,407)	(12,341,967)
Disposal of tangible fixed assets	3.1	124,390	241,890
Investments in intangible fixed assets	3.3	(577,291)	(409,079)
Net (investments)/disposals in financial assets		-	(236,170)
NET CASH FLOWS FROM INVESTMENTS		**(19,493,307)**	**(12,745,326)**
Financing:			
New financing	4.2,4.3	31,949,345	2,484,494
Funding repayment	4.2,4.3	(12,963,828)	(6,256,019)
Principal payments - lease liabilities	3.4	(172,106)	(224,986)
Dividends paid to the parent company's shareholders	4.1	(3,427,544)	(2,937,895)
Sale/(purchase) of treasury shares	4.1	(249,533)	(118,327)
CASH FLOWS FROM FINANCING		**15,136,334**	**(7,052,733)**
NET CHANGE IN CASH AND CASH EQUIVALENTS		**2,693,158**	**(3,794,749)**
Cash and short-term deposits as of 1 January		**19,210,213**	**19,000,047**
Cash and short-term deposits as of 30 June		**21,903,370**	**15,205,296**

Interim consolidated Shareholders' equity changes

	Notes	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 2025	*4.1*	**22,770,445**	**5,000,000**	**(14,139,356)**	**19,366,185**	**86,743,750**	**1,532,549**	**4,416,281**	**(6,669,789)**	**191,928**	**4,691,909**	**8,155,879**	**132,059,780**
Profit/(loss) for the financial year												8,755,192	8,755,192
Other income statement components										24,756			24,756
Comprehensive profit/(loss)		-	-	-	-	-	-	-	-	24,756	-	-	8,755,192
Dividends					(3,427,544)								**(3,427,544)**
Reclassification													**-**
Purchase of treasury shares				(249,533)									**(249,533)**
Allocation of the 2024 financial year loss							12,037,498				(3,881,619)	(8,155,879)	**-**
Balance as of 30 June 2025	*4.1*	**22,770,445**	**5,000,000**	**(14,388,889)**	**15,938,641**	**86,743,750**	**13,570,047**	**4,416,281**	**(6,669,789)**	**216,683**	**810,290**	**8,755,192**	**137,162,651**

1. Corporate information

Fine Foods & Pharmaceuticals N.T.M. S.p.A. (hereafter referred to as "Fine Foods" and/or the “Parent Company" and/or "Holding Company"), registered and domiciled in Bergamo, is a joint-stock company, with its registered office in Via Berlino 39, Verdellino - Zingonia (BG). The Company, listed on the Euronext STAR Milan segment of Borsa Italiana’s Euronext Milan Market, is an Italian independent Contract Services Development & Manufacturing Organization (CSDMO), specialising in the contract development and manufacturing of products for the nutraceutical, pharmaceutical, and cosmetics industries, with a customer-centric, service-oriented philosophy.

Founded in 1984, Fine Foods proved to be a reliable and capable strategic partner for customers in the reference sectors. The company’s organization can provide successful design process and solid, long-term partnerships. The continuous search for excellence is part of the company’s business model and includes research and development, innovation, process reliability, product quality, ESG, and sustainable management of the Group's supply chain. Fine Foods is a benefit corporation which relies on certifications and ratings under international standards. These guarantee its sustainability commitment across the business. Fine Foods is a growing and

future-oriented company.

The scope of consolidation as of 30 June 2025 includes the Parent Company Fine Foods & Pharmaceuticals N.T.M. S.p.A., and the subsidiary Fine Cosmetics S.p.A. (Formerly Euro Cosmetic S.p.A.).

The publication of the Fine Foods & Pharmaceuticals N.T.M. S.p.A. 30 June 2025 condensed consolidated interim Financial Statements was authorised by the Board of Directors on 05 August 2025.

1.1 Significant events during the period

On 19 May 2025, the Group unveiled its new logo, which reflects Fine Foods’ distinctive positioning across its three core market sectors - nutraceuticals, pharmaceuticals and cosmetics. It reinforces the synergies among its Business Units while encapsulating the company’s forward-looking vision. The name Fine Foods, accompanied by the payoff "Health & Beauty CSDMO", clearly defines the Group’s market focus (Health & Beauty). The inclusion of S for Services highlights its unique role within the CDMO sector, positioning the Group as a Contract Services Development & Manufacturing Organisation (CSDMO), which redefines the traditional CDMO model by providing end-to-end support throughout the product life cycle.

On 19 June 2025, Intesa Sanpaolo and Fine Foods & Pharmaceuticals N.T.M. S.p.A. announced the completion of a €30 million loan to support the expansion of the pharmaceutical production facility in Brembate (Bergamo), which started at the end of 2023. This financing complements the resources already available to Fine Foods to support the strong growth of its Pharma Business Unit.

1.2 Form and content of the 30 June 2025 consolidated interim Financial Statements

1.2.1 Principles followed when preparing the Financial Statements

The 30 June 2025 condensed consolidated interim Financial Statements have been prepared under the International Accounting Standards - IAS and International Financial Reporting Standards - IFRS issued by the International Accounting Standards Board (IASB) and the interpretations of the IFRS Interpretations Committee (IFRSIC) and the Standing Interpretations Committee (SIC), recognised in the European Union under (EC) Regulation no. 1606/2002 and in force at the end of the financial year. All of the above standards and interpretations are referred to as "IAS/IFRS".

The 30 June 2025 condensed consolidated interim Financial Statements have been prepared under IAS 34 *Interim Financial Reporting*. The Group has prepared the condensed consolidated interim Financial Statements as a going concern. The directors consider there are no uncertainties that cast doubt on this assumption. They have assessed a reasonable expectation that the Group has adequate resources to continue as a going concern for the near future, not less than 12 months from the Financial Statements’ date.

The condensed consolidated interim Financial Statements do not present all the information required to prepare the annual consolidated Financial Statements. For this reason, it is necessary to read the condensed consolidated interim Financial Statements together with the Financial Statements as of 31 December 2024.

1.2.2 New accounting standards, interpretations and amendments adopted by the Group

The accounting standards and assessment criteria adopted to prepare the condensed consolidated interim Financial Statements are consistent with those used in the 31 December 2024 Financial Statements to which reference is made, except for the adoption of the new standards and amendments effective from 1 January 2025. A new amendment (Lack of Exchangeability – Amendments to IAS 21) is applicable for the first time in 2025, but it has no impact on the Group's interim consolidated financial statements.

The Group has not adopted any new standards, interpretations or amendments early, which have been issued but are not effective.

1.2.3 Consolidation standards

The condensed consolidated interim Financial Statements include the 30 June 2025 Financial Statements of Fine Foods & Pharmaceuticals N.T.M. S.p.A., the Parent Company, and financial statements of the companies over which Fine Foods has control under IFRS 10.

Control happens when the Group is exposed or entitled to variable returns, arising from its relationship with the investee while affecting those returns by exercising its power over it. The Group controls a subsidiary when:

- it has power over the investee (i.e. it has valid rights that give it the ability to direct the relevant activities of the investee);
- it has the exposure or rights to variable returns arising from the relationship with the investee;
- it has the ability to exercise power over the investee to affect its returns.

There is a presumption that a majority of the voting power involves control. To support this presumption and when the Group holds less than a majority of the voting rights (or similar rights), the Group considers all relevant facts and circumstances to determine whether it controls the investee, including:

- Contractual arrangements with other holders of voting rights;
- Rights resulting from contractual arrangements;
- Group voting rights and potential voting rights.

The Group reconsiders whether it has control of a subsidiary if facts and circumstances indicate that there have been changes in one or more of those three elements relevant to the definition of control. Consolidation of a subsidiary begins when the Group obtains control and ceases when the Group loses control. The assets, liabilities, revenue and expenses of the subsidiary acquired or disposed of during the period are included in the Consolidated Financial Statements from the date on which the Group obtains control until the date on which the Group no longer exercises control over the company.

Profit (loss) for the year and other Comprehensive Income Statement components are allocated to the shareholders of the Parent Company and non-controlling interests, even if this results in the non-controlling interests having a negative balance. When necessary, adjustments are made to the financial statements of subsidiaries to ensure conformity with the Group's accounting policies. Intragroup assets and liabilities, equity, revenue, expenses and cash flows relating to transactions between Group entities are cancelled on consolidation.

Changes in shareholding in a subsidiary that do not result in a loss of control are recorded in Shareholder's equity.

If the Group loses control of a subsidiary, it must cancel the related assets (including goodwill), liabilities, non-controlling interests and other components of Shareholder's equity, while any gain or loss is recorded in the Income Statement. Any retained shareholding shall be recorded at fair value.

1.2.4 Consolidation area

Under Articles 38 and 39 of Legislative Decree 127/91 and Article 126 of Consob resolution no. 11971 of 14 May 1999, amended by resolution no. 12475 of 6 April 2000, details of the companies included in the consolidation area of Fine Foods & Pharmaceuticals N.T.M. S.p.A. as of 30 June 2025 (and 31 December 2024) are provided below.

Parent company:

Company name	Registered office	Currency	Share Capital
Fine Foods & Pharmaceuticals N.T.M. S.p.A.	Verdellino (BG)	EUR	22,770,445

Consolidated subsidiaries:

Company name	Ownership percentage	Registered office	Currency	Share Capital
Fine Cosmetics S.p.A.	100%	Trenzano (BS)	EUR	1,582,968

The ultimate Parent Company of Fine Foods & Pharmaceuticals N.T.M. S.p.A. is Eigenfin S.r.l., an unlisted company based in Italy.

1.2.5 Current/non-current classification

Assets and liabilities in the Group's Financial Statements are classified as current/non-current. An asset is current when:

- it is expected to be realised or held for sale or used as part of ordinary business activities;
- it is held primarily for trading purposes;
- it is expected to be realised within 12 months after the end of the reporting period or
- consists of cash or cash equivalents unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- is expected to be settled as part of ordinary business activities;
- it is held primarily for trading purposes;
- it is expected to be settled within 12 months after the end of the reporting period; or
- the entity does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

The liability contractual terms that could result in its settlement, at the option of the counterparty, through the issue of equity instruments do not affect its classification.

The Group classifies other liabilities as non-current.

Deferred income tax assets and liabilities are classified as non-current assets and liabilities.

1.3 Summary of significant accounting policies

1.3.1 Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The acquisition cost is determined as the sum of the consideration transferred, measured at fair value at the acquisition date, and the amount of the minority shareholding in the acquired Company. For each business combination, the Group determines whether to measure the minority shareholding in the acquired Company at fair value or in proportion to the minority shareholding's share of the acquired Company's identifiable net assets. The acquisition costs are charged in the period and classified as administrative expenses. The Group determines that it has acquired a business when the integrated set of assets includes at least one production factor and one material process that contribute significantly to the ability to generate an output. The acquired process is considered material if it is critical to the ability to continue to generate an output and the received production factors include an organised workforce that has the necessary skills, knowledge or experience to perform that process or contributes significantly to the ability to create an output. This is considered unique or scarce or cannot be replaced without high cost, effort or delay to the ability to create an output. When the Group acquires a business, it classifies or designates the financial assets acquired or liabilities assumed under contractual terms, financial conditions and other relevant terms valid at the acquisition date. This includes testing whether an embedded derivative should be separated from the primary contract. The acquirer records any contingent consideration at fair value at the acquisition date. Contingent consideration classified as an asset is not remeasured and its subsequent payment is accounted with a balancing entry under equity. The change in fair value of contingent consideration classified as an asset or liability shall be recorded in Income Statement as a financial instrument within the IFRS 9 "Financial Instruments" scope. Contingent consideration that is not within the scope of IFRS 9 is measured at fair value at the Financial Statements date and changes in fair value are recorded in the Income Statement. Goodwill is initially recorded at cost represented by the excess of all consideration paid and the amount recorded for non-controlling interests over the net identifiable assets acquired and liabilities assumed by the Group. If the fair value of the net assets acquired exceeds the amount paid, the Group reassesses whether it has correctly identified all assets acquired and liabilities assumed and reviews the procedures used to determine the amounts to be recorded at the acquisition date. If the reassessment still results in a fair value of the net assets acquired higher than the amount paid, the difference (gain) is recorded in the income statement. After the initial recording, goodwill is assessed at cost net of accumulated impairment losses. For impairment testing purposes, goodwill acquired in a business combination is allocated from the acquisition date to each Group cash-generating unit that is expected to benefit from the combination synergies, regardless of whether other assets or liabilities of the acquired entity are assigned to those units. If goodwill has been allocated to a cash-generating unit and the entity disposes of part of that unit's operations, any goodwill associated with it is carried over when determining the gain or loss on disposal. Goodwill associated with the discontinued operation is determined based on the relative values of the discontinued operation, and the portion of the cash-generating unit retained.

When performing what above, the directors use complex assumptions and estimates which are subject to their judgement. The main assumptions underlying this concern:

- allocation of assets and liabilities book values to individual CGUs,
- forecasting future cash flows, for the explicit period of the Group's business plan,
- defining normalised cash flows underlying the estimate of the final value, and
- defining long-term growth rates and discount rates applied to future cash flow forecasts.

1.3.2 Fair value measurement

The Group measures financial instruments such as derivatives, and non-financial assets such as property investments, at fair value at each reporting date. Fair value is the price that would be received to sell an asset or paid to transfer a liability at the valuation date during an ordinary transaction between market participants. A fair value measurement assumes that the transaction to sell the asset or to transfer the liability takes place:

- in the main market for the asset or liability;

or

- in the absence of a main market, in the most advantageous market for the asset or liability.

The main or most advantageous market must be accessible to the Group.

The fair value of an asset or liability is measured by adopting the assumptions that market participants would use in pricing the asset or liability, assuming that they are acting in their best economic interest.

A fair value measurement of a non-financial asset considers a market participant's ability to generate economic benefits by using the asset to its highest and best use or by selling it to another market participant who would use it to its highest and best use.

The Group uses valuation techniques appropriate for the circumstances and for which there is sufficient available data to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the Financial Statements are categorised according to the fair value hierarchy, as described below:

- Level 1 - listed prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 - inputs other than quoted prices included in Level 1 that are directly or indirectly observable for the asset or liability;
- Level 3 - valuation techniques for which the inputs are not observable for the asset or liability.

The fair value measurement is classified entirely at the same level of the fair value hierarchy in which the input of the lowest level of the hierarchy used for the measurement is classified.

The Company's Financial Statements show financial assets and financial liabilities, and derivative instruments at fair value. For these items, the Company defines whether transfers have occurred between the hierarchy levels by reviewing the categorisation (based on the lowest level input, which is significant for the entire fair value measurement) at each reporting date.

At each Financial Statements date, the Group's management analyses changes in the value of assets and liabilities for which revaluation or restatement is required under the Company's accounting policies.

For this analysis, the most recent valuation's main inputs are verified, linking the information used in the valuation to contracts and other relevant documents.

Management compared each change in each asset and liability fair value with the relevant external sources to determine whether the change is reasonable.

For fair value disclosures, the Group defines the classes of assets and liabilities based on the asset or liability nature, characteristics and risks and the fair value hierarchy level outlined above. The following table sets out the fair value measurement hierarchy for the Company's assets and liabilities as of 30 June 2025 and 31 December 2024.

30 June 2025	Total	Book value	Fair value level 1	Fair value level 2	Fair value level 3
Financial assets					
Cash and other liquid assets	21,903,370	21,903,370	21,903,370	-	-
Total financial assets	**21,903,370**	**21,903,370**	**21,903,370**	**-**	**-**
Financial liabilities					
Non-current bank borrowings	59,417,531	59,417,531		59,417,531	
Current bank borrowings	12,923,133	12,923,133		12,923,133	
Non-current lease payables	835,136	835,136		835,136	
Current lease payables	353,044	353,044		353,044	
Total financial liabilities	**73,528,844**	**73,528,844**	**-**	**73,528,844**	**-**

31 December 2024	Total	Book value	Fair value level 1	Fair value level 2	Fair value level 3
Financial assets					
Cash and other liquid assets	19,210,213	19,210,213	19,210,213	-	-
Total financial assets	**19,210,213**	**19,210,213**	**19,210,213**	**-**	**-**
Financial liabilities					
Non-current bank borrowings	34,987,777	34,987,777	-	34,987,777	
Current bank borrowings	18,367,370	18,367,370	-	18,367,370	
Non-current lease payables	847,512	847,512	-	847,512	
Current lease payables	325,230	325,230	-	325,230	
Total financial liabilities	**54,527,890**	**54,527,890**	**-**	**54,527,890**	**-**

The Group's management has verified that the fair value of financial assets and liabilities approximates the book value.

1.4 Operating sectors: disclosure

For management and production purposes, the Group is organised into business units based on the products and services provided and has three operating sectors, which are described below:

- the Pharma sector: Fine Foods & Pharmaceuticals N.T.M. S.p.A. manufactures pharmaceuticals at its 26,100 sqm plant in Brembate, in the province of Bergamo. The plant produces powders and granules, tablets, film-coated tablets and hard gelatine capsules, packaged in sachets, blisters and pillboxes.
- the Nutra sector: Fine Foods & Pharmaceuticals N.T.M. S.p.A. produces nutraceuticals at its 45,600 sqm plant in Zingonia, in the province of Bergamo. The Zingonia plant produces soluble and effervescent powders and granules, soluble, effervescent and chewable tablets, film-coated tablets and hard gelatine capsules, packaged in pouches, sticks, sachets, jars, pillboxes, blisters and strips.
- the Cosmetics sector: The subsidiary Fine Cosmetics is active in the contract manufacturing and trading of cosmetic products (hair, skin, and oral care) at its Trenzano plant in the Brescia province.

The directors monitor the business units' results separately to make decisions on resource allocation and performance review. Sector performance is assessed based on the operating result. Financial management and income taxes of the Parent Company are managed at the Parent Company level and are not allocated to the operating sectors.

30 June 2025	Nutra	Pharma	Cosmetics	Total sectors
Revenue and income				
Revenue from contracts with customers	71,438,779	41,618,013	15,673,249	128,730,041
Other revenue and income	374,413	208,052	46,234	628,698
Total revenue	**71,813,191**	**41,826,065**	**15,719,483**	**129,358,739**
Operating costs				
Costs for consumption of raw materials, change in inventories of finished goods and work in progress	41,875,487	19,102,449	8,512,445	69,490,382
Personnel costs	11,171,803	11,818,222	3,733,645	26,723,670
Costs for services	5,103,843	5,163,121	2,120,469	12,387,434

Other operating costs	(22,654)	380,603	100,681	458,629
Amortisation, depreciation, and impairment losses	3,439,013	3,118,007	1,238,144	7,795,164
Total operating costs	**61,567,493**	**39,582,402**	**15,705,384**	**116,855,279**
OPERATING RESULT	**10,245,698**	**2,243,663**	**14,098**	**12,503,460**

30 June 2024	**Nutra**	**Pharma**	**Cosmetics**	**Total sectors**
Revenue and income				
Revenue from contracts with customers	72,156,788	37,133,300	13,544,122	122,834,210
Other revenue and income	199,660	170,011	137,139	506,810
Total revenue	**72,356,448**	**37,303,311**	**13,681,261**	**123,341,020**
Operating costs				
Costs for consumption of raw materials, change in inventories of finished goods and work in progress	44,301,755	17,690,492	8,886,975	70,879,223
Personnel costs	10,283,061	10,011,107	3,224,973	23,519,142
Costs for services	5,578,482	4,304,781	1,913,333	11,796,596
Other operating costs	537,209	410,019	189,723	1,136,950
Amortisation, depreciation, and impairment losses	3,456,823	3,079,477	1,193,412	7,729,713
Total operating costs	**64,157,330**	**35,495,877**	**15,408,418**	**115,061,625**
OPERATING RESULT	**8,199,118**	**1,807,434**	**(1,727,157)**	**8,279,396**

30 June 2025					
	Nutra	**Pharma**	**Cosmetics**	**Non-sector**	**Total**
Assets					
Non-current assets					
Property, plant and machinery	47,161,646	74,873,567	14,888,386	1,054,790	137,978,389
Goodwill	-	-	11,507,954	-	11,507,954
Other intangible fixed assets	980,676	550,195	193,254	-	1,724,124
Rights of use	213,975	82,376	2,562,639	-	2,858,990
Other non-current assets	-	-	-	124,754	124,754
Deferred tax assets	-	-	-	1,677,963	1,677,963
Total non-current assets	**48,356,296**	**75,506,138**	**29,152,233**	**2,857,506**	**155,872,173**
Current assets					
Inventories	19,461,983	15,737,042	5,802,145	-	41,001,171
Trade receivables	21,588,776	16,248,203	7,116,770	-	44,953,749
Tax receivables	-	-	-	16,622	16,622
Other current assets	886,932	629,033	123,549	4,880,672	6,520,185
Current financial assets	-	-	-	-	-
Cash and other liquid assets	-	-	-	21,903,370	21,903,370
Total current assets	**41,937,691**	**32,614,279**	**13,042,464**	**26,800,664**	**114,395,097**
Total assets	**90,293,987**	**108,120,417**	**42,194,696**	**29,658,170**	**270,267,271**
Shareholders' equity					
Share Capital	-	-	-	22,770,445	22,770,445
Other reserves	-	-	-	111,279,830	111,279,830
Employee benefit reserve	-	-	-	216,683	216,683
FTA reserve	-	-	-	(6,669,789)	(6,669,789)
Profits carried forward	-	-	-	810,290	810,290
Profit/(loss) for the financial year	-	-	-	8,755,192	8,755,192

Total Shareholders' Equity	**-**	**-**	**-**	**137,162,650**	**137,162,650**
Non-current liabilities					
Non-current bank borrowings	-	-	-	59,417,531	59,417,531
Employee benefits	454,666	331,242	1,405,676	-	2,191,583
Provisions for risks and charges	1,119,631	857,869	-	-	1,977,500
Provision for deferred taxes	-	-	-	292,352	292,352
Non-current lease payables	161,264	61,308	612,564	-	835,136
Total non-current liabilities	**1,735,561**	**1,250,419**	**2,018,240**	**59,709,882**	**64,714,103**
Current liabilities					
Current bank borrowings	-	-	-	12,923,133	12,923,133
Trade payables	16,764,611	15,455,279	6,287,313	-	38,507,203
Taxes payable	-	-	-	428,289	428,289
Current lease payables	54,766	22,168	276,110	-	353,044
Other current liabilities	6,663,923	7,933,584	1,581,341	-	16,178,848
Total current liabilities	23,483,300	23,411,031	8,144,764	13,351,422	68,390,518
Total Shareholders' equity and Liabilities	**25,218,861**	**24,661,450**	**10,163,005**	**210,223,955**	**270,267,271**

31 December 2024					
	Nutra	**Pharma**	**Cosmetics**	**Non-sector**	**Total**
Assets					
Non-current assets					
Property, plant and machinery	48,030,175	61,708,822	15,343,136	1,057,806	126,139,938
Goodwill	-	-	11,507,954	-	11,507,954
Other intangible fixed assets	860,675	445,753	249,654	-	1,556,083
Rights of use	99,171	44,562	2,762,628	-	2,906,361
Other non-current assets	-	-	-	597,853	597,853
Deferred tax assets	-	-	-	3,451,347	3,451,347
Total non-current assets	**48,990,022**	**62,199,137**	**29,863,372**	**5,107,006**	**146,159,536**
Current assets					
Inventories	14,762,030	12,935,039	4,211,543	-	31,908,612
Trade receivables	19,278,745	13,365,900	4,891,832	-	37,536,476
Tax receivables	-	-	-	17,998	17,998
Other current assets	295,001	171,612	171,417	7,120,275	7,758,304
Cash and other liquid assets	-	-	-	19,210,213	19,210,213
Total current assets	**34,335,775**	**26,472,551**	**9,274,792**	**26,348,486**	**96,431,604**
Total assets	**83,325,797**	**88,671,688**	**39,138,163**	**31,455,492**	**242,591,140**
Shareholders' equity					
Share Capital	-	-	-	22,770,445	22,770,445
Other reserves	-	-	-	102,919,409	102,919,409
Employee benefit reserve	-	-	-	191,928	191,928
FTA reserve	-	-	-	(6,669,789)	(6,669,789)
Profits carried forward	-	-	-	4,691,909	4,691,909
Profit/(loss) for the financial year	-	-	-	8,155,879	8,155,879
Total Shareholders' Equity	-	-	-	**132,059,779**	**132,059,779**
Non-current liabilities					
Bonds	-	-	-	-	-
Non-current bank borrowings	-	-	-	34,987,777	34,987,777
Employee benefits	391,428	397,007	1,355,191	-	2,143,626

Provisions for risks and charges	833,638	766,362	-	-	1,600,000
Provision for deferred taxes	-	-	-	284,042	284,042
Non-current lease payables	67,109	30,155	750,249	-	847,512
Total non-current liabilities	**1,292,175**	**1,193,523**	**2,105,440**	**35,271,819**	**39,862,958**
Current liabilities					
Current bank borrowings	-	-	-	18,367,370	18,367,370
Trade payables	16,166,964	16,897,288	3,490,892	-	36,555,144
Taxes payable	-	-	-	219,112	219,112
Current lease payables	33,871	15,219	276,140	-	325,230
Other current liabilities	5,626,936	4,319,003	1,363,865	3,891,744	15,201,547
Total current liabilities	**21,827,770**	**21,231,511**	**5,130,897**	**22,478,226**	**70,668,403**
Total Shareholders' equity and Liabilities	**23,119,945**	**22,425,034**	**7,236,337**	**189,809,824**	**242,591,140**

Please note that it is not necessary to reconcile the revenue and operating result reported in the Financial Statements with sector disclosure as there are no reconciling items.

As for the aggregation of revenues, the Group generates a significant part of its turnover from a limited number of customers, the first five customers, in the period ended 30 June 2025, cumulatively accounting for approximately 58.7% of the turnover, compared to 60.5% reported on 30/06/2024.

The breakdown of revenue by geographical area is shown in paragraph "2.1. Revenue from contracts with customers."

1.5 Capital management

For Group's capital managing purposes, capital is the issued share capital, convertible preferred shares, the share premium reserve and other capital reserves attributable to the Parent Company's shareholders. The capital management primary objective is to maximise its value for shareholders. The Group manages the capital structure and makes adjustments based on economic conditions and financial covenant requirements. To maintain or adjust the capital structure, the Group may intervene on dividends paid to shareholders, repay the capital to shareholders or issue new shares. The Group controls capital using a gearing ratio, which is the ratio of net debt to total capital plus net debt. The Group's policy is to maintain this ratio below 40%.

	30/06/2025	31/12/2024
Interest-bearing loans and borrowings other than convertible preferred shares	72,340,664	53,355,147
Lease payables	1,188,180	1,172,743
Minus: liquid assets and short-term deposits	(21,903,370)	(19,210,213)
Minus: current financial assets	-	-
Net debt	**51,625,474**	**35,317,677**
Shareholders' equity	137,162,650	132,059,779
Equity and net debt	**188,788,124**	**167,377,456**
Gearing ratio	**27%**	**21%**

INCOME STATEMENT

2.1 Revenue from contracts with customers

Revenue as of 30 June 2025 was €128,730,041, compared to €122,834,210 in the first half of the previous year, with an increase of 4.6%.
A breakdown by business unit and geographical area is provided below:

(Amounts in Euro units)	**30 June 2025**	**30 June 2024**
Business Unit – Nutra	71,438,779	72,156,788
Business Unit – Pharma	41,618,013	37,133,300
Business Unit – Cosmetic	15,673,249	13,544,122
Total Revenue from contracts with customers	**128,730,041**	**122,834,210**

The Nutra sector, which accounts for 55.5% of the Group's turnover, saw a decrease compared to the same period last year, dropping from €72.1 million to €71.4 million, with a decrease of 1%. The Pharma segment, which accounts for 32.3% of the Group's turnover, grew in 2025, with an increase of 10.8% compared to 30 June 2024 (+ €4.5 million). The Cosmetics Business Unit, which accounts for 12.2% of Group turnover, saw revenue rise from €13.5 million as of 30 June 2024 to €15.7 million as of 30 June 2025, marking a significant increase of 13.6%.

(Amounts in Euro units)	**30 June 2025**	**30 June 2024**
Italian Revenue	74,001,469	70,796,956
Foreign Revenue	54,728,572	52,037,254
Total Revenue from contracts with customers	**128,730,041**	**122,834,210**

For the first half of 2025, Group revenue was primarily generated from sales in Italy (57.5%), in line with the corresponding period in 2024 (57.6%).

2.2 Other revenue and income

As of 30 June 2025, the Group's other revenue and income was €628,698 compared to €506,810 in the previous year. This is detailed below:

(Amounts in Euro units)	**30 June 2025**	**30 June 2024**
White Certificates	179,809	205,645
Other revenue and income	236,582	129,074
Write-down adjustments to receivables and liquid assets	19,867	13,016
Capital gains	80,876	125,711
Damage compensation	11,289	10,893
Contingent assets and allowances	100,275	22,470
Total other revenue and income	**628,698**	**506,810**

2.3 Costs for raw materials, change in inventories of finished goods and work in progress.

As of 30 June 2025, the cost of raw materials and consumables, net of change in inventories, was €69,490,382 compared to €70.879.223 in the previous six months, with a decrease of 2%. The proportion of costs of purchasing materials on revenue from customer contracts (54%) decreased compared to the value recorded at the end of the first half of 2024 (57.7%).
A breakdown is provided below:

(Amounts in Euro units)	**30 June 2025**	**30 June 2024**
Goods purchased	76,744,414	69,068,411
Ancillary materials and consumables	1,838,526	1,718,737
Inventory changes	(8,967,297)	329,393
Obsolescence	(125,262)	(237,318)
Total costs for consumption of raw materials, change in inventories of finished goods and work in progress	**69,490,382**	**70,879,223**

2.4 Personnel costs

As of 30 June 2025, the Group's personnel costs were €26,723,670 compared to €23,519,142 in H1 2024, increasing by 13.6%. This is detailed below:

(Amounts in Euro units)	**30 June 2025**	**30 June 2024**
Wages and salaries	16,180,484	14,614,486
Social security contributions	5,416,952	4,665,188
Severance indemnity	995,756	873,110
External personnel	3,770,977	3,366,358
Provision for salary adjustments	359,500	-
Total personnel costs	**26,723,670**	**23,519,142**

2.5 Costs for services

As of 30 June 2025, the Group's service costs were €12,387,434 compared to €11,796,596 in H1 2024, increasing by 5%. A breakdown is provided below:

(Amounts in Euro units)	**30 June 2025**	**30 June 2024**
Other costs	381,445	333,470
External and ecological analyses	418,769	432,270
Insurance	350,390	293,088
Bank fees	43,837	44,705
Statutory auditors and directors remuneration	601,851	1,171,109
Rental, lease and miscellaneous costs	479,379	493,240
Trade fair and advertising costs	541,303	339,965
Costs for processing goods on behalf of third parties	217,874	399,003
Ordinary maintenance costs	2,068,259	1,718,414
Cleaning, pest control and surveillance costs	1,028,159	996,884
Transport, fuel and tolls costs	363,258	439,462
Temporary employment	527,437	572,078
Sales commissions	137,553	135,685
Qualifications and Calibration	317,386	111,238
Consultancy costs	1,155,422	1,209,669
Ticket	456,811	433,750
Various utilities	1,984,246	1,454,433
Effluent and solid waste disposal	811,867	779,106
Electronic Data Processing (EDP) fees and maintenance	502,189	439,029
Total service costs	**12,387,434**	**11,796,596**

The "Rental, lease and miscellaneous costs" item refers to short term and low-value contracts for which the Group took advantage of the exemption granted by the principle, as reported in paragraph "3.4 Leases."

2.6 Other operating costs

Other operating costs as of 30 June 2025 were €458,629 compared to €1,136,950 in H1 2024.

(Amounts in Euro units)	**30 June 2025**	**30 June 2024**
Other operating costs	81,338	26,372
Donations	9,670	56,890
Capital losses from dismissal of assets	7,434	55,436
Penalties and indemnities	208,335	205,828
Membership Fees	114,428	117,059
Bad debt provision	115,012	277,940
IMU and TARI	198,720	183,619
Corporate, entertainment costs and gifts	17,172	50,955
Duties, taxes, and stamp charges	205,399	159,571
CONAI/Co.Re.Pla adjustment	(501,038)	-
Contingent liabilities and allowances payable	2,162	3,280
Other operating costs	**458,629**	**1,136,950**

During H1 2025, the Company received a reimbursement of approximately €501,000 related to the CONAI environmental contribution on packing, following the submission of the 2024 declaration. This income was not recognised in the 2024 financial statements as the conditions for accrual-based recognition were not met at year-end.

2.7 Amortisation, depreciation, and impairment losses

As of 30 June 2025, the Group's depreciation, amortisation and impairment losses were € 7,795,164 compared to € 7,729,713 in H1 2024. This is detailed below:

(Amounts in Euro units)	**30 June 2025**	**30 June 2024**
Depreciation of tangible assets	7,151,002	7,084,264
Amortisation of intangible assets	409,247	440,341
Amortisation of rights of use	234,914	202,085
Tangible fixed assets write-downs	-	3,023
Total amortisation, depreciation, and impairment losses	**7,795,164**	**7,729,713**

2.8 Changes in Fair Value on financial assets and liabilities

As of 30 June 2025, there were no changes in the fair value of financial assets and liabilities, compared to a negative balance of €12,881 in the first half of 2024. This is detailed below:

(Amounts in Euro units)	**30 June 2025**	**30 June 2024**
Change in fair value of other securities	-	(12,881)
Total changes in Fair Value on financial assets and liabilities	**-**	**(12,881)**

The "*Changes in fair value of other securities*" item shows the change in fair value of securities the Parent Company held with a major credit institution. The securities portfolio was completely and permanently disposed of in the first half of 2024, making the charges recognised in the Income Statement for this period final. From opening to closure, the asset management generated a total positive cash flow of € 5.7 million.

2.9 Financial income

As of 30 June 2025, the Group's financial income was €155,677 compared to €9,212 in H1 2024. This is detailed below:

(Amounts in Euro units)	**30 June 2025**	**30 June 2024**
Foreign exchange gains	154,406	8,186
Bank interest income	1,270	1,026
Total financial income	**155,677**	**9,212**

2.10 Financial charges

As of 30 June 2025, the Group's financial charges were €1,343,331compared to €1,921,064 in H1 2024. This is detailed below:

(Amounts in Euro units)	**30 June 2025**	**30 June 2024**
Interest expenses on financing and bank loans	1,079,436	1,647,829
Interest expenses on bank accounts	102,584	124,797
Foreign exchange losses	59,789	67,283
Financial charges on severance indemnity discounting	31,381	30,148
Interest expenses (Factoring)	48,213	22,954
Interest on financial liabilities for lease	21,928	28,053
Total financial charges	**1,343,331**	**1,921,064**

The decrease in financial charges compared to H1 2024 was mainly attributable to a reduction in interest rates. However, overall bank debt increased due to the initiation of several new loan agreements. For additional details, refer to section 4.2: Non-current bank borrowings.

2.11 Income taxes

The tax burden as of 30 June 2025 was €2,560,614 compared to €1,885,375 in H1 2024.

(Amounts in Euro units)	**30 June 2025**	**30 June 2024**
Current taxes	802,782	629,620
Deferred tax assets and liabilities	1,800,463	1,301,932
Taxes from previous years	(42,631)	(46,177)
Total income tax	**2,560,614**	**1,885,375**

The Parent Company Fine Foods Financial Statements included the following:

- As of 30 June 2025, €803,000 and as of 30 June 2024, €629,000 were recognised in current taxes for IRAP and IRES purposes;
- As of 30 June 2025, deferred tax assets on IRES tax losses recognised in assets as of 31 December 2024 were used in full. As of 30 June 2024, €1,199,000 of deferred tax assets allocated to tax loss assets (IRES) against the positive half-year tax result;
- As of 30 June 2025, €43,000 in previous years' taxes for a correction of the IRES tax burden estimated in the Financial Statements as of 31/12/24. As of 30 June 2024, €46,000 in previous years' taxes for a correction of the IRAP tax burden estimated in the Financial Statements as of 31/12/23.

As of 30 June 2025 and 30 June 2024, the subsidiary Fine Cosmetics, having recorded an EBIT that was slightly positive in 2025 and negative in 2024, did not recognise current taxes and, as a precaution, did not record deferred tax assets on the tax losses incurred.

For details on deferred taxes, see 3.5 Deferred tax assets and note 3.6 Deferred tax provision.

BALANCE SHEET

ASSETS

3.1 Property, plant and machinery

The net book value of tangible fixed assets as of 30 June 2025 was €137,978,389 compared to €126,139,938 as of 31 December 2024. Changes in tangible fixed assets and their respective accumulated depreciation are shown below.

(Amounts in Euro units)	Land and buildings	Plant and Machinery	Industrial and commercial equipment	Other assets	Fixed assets under construction and advances to suppliers	Total property, plant and machinery
Historical cost - 01 January 2025	**76,711,024**	**133,059,126**	**14,681,548**	**11,272,537**	**30,679,149**	**266,403,384**
Increases	31,705	2,145,489	634,346	1,458,360	14,771,427	19,041,327
Decreases	-	(203,762)	(65,007)	(362,320)	-	(631,089)
Reclassifications	489	3,854,408	208,692	44,058	(4,107,646)	-
Other changes	-	-	-	-	(928)	(928)
Historical cost - 30 June 2025	**76,743,218**	**138,855,261**	**15,459,578**	**12,412,635**	**41,342,002**	**284,812,694**
Amortisation provision - 01 January 2025	**29,228,741**	**90,070,010**	**12,546,845**	**8,417,849**	**-**	**140,263,444**
Increases	1,365,860	4,676,903	571,524	536,716	-	**7,151,002**
Decreases	-	(203,766)	(65,007)	(311,369)	-	**(580,141)**
Amortisation provision - 30 June 2025	**30,594,601**	**94,543,147**	**13,053,361**	**8,643,197**	**-**	**146,834,305**
Net book value - 01 January 2025	**47,482,284**	**42,989,116**	**2,134,703**	**2,854,687**	**30,679,149**	**126,139,939**
Net book value - 30 June 2025	**46,148,618**	**44,312,114**	**2,406,217**	**3,769,438**	**41,342,002**	**137,978,389**

The main investments made in the period related to assets under construction, and particularly the new pharmaceutical production site in Brembate.

3.2 Goodwill

The goodwill net book value as of 30 June 2025 was € 11,507,954. No change from 31 December 2024 was reported.

(Amounts in Euro units)	30 June 2025	31 December 2024
Segment reporting: Cosmetics		
Fine Cosmetics Goodwill	11,507,594	11,507,594
Total Goodwill	**11,507,594**	**11,507,594**

As required by the international accounting standard IAS 36, the Group performs an impairment test at least once a year and in circumstances where an impairment indicator becomes apparent.
As of 31 December 2024, the Group performed an impairment test, using the cash flows from Business Plan 25-29, with a three-year and a five-year time horizon, having a positive outcome in both cases. In preparing this condensed consolidated Half-year Financial Report, external and internal impairment indicators were thoroughly reviewed. This included: comparing the "Cosmetics" CGU's actual and budgeted results for the first half, confirming future forecasts, assessing interest rate, market trends and economic context, evaluating overall Group performance, and checking if book value exceeded market capitalisation.
As of 30 June 2025, the financial results for the subsidiary Fine Cosmetics, measured by EBITDA and EBIT, and with a Net Invested Capital consistent with 31 December 2024 figures, were good. In a general context of reduced interest rates, management has not identified any risk factors that would require an interim impairment test.

3.3 Other intangible fixed assets

The net book value of intangible assets as of 30 June 2025 was €1,724,124 compared to €1,556,083 as of 31 December 2024. Changes in intangible fixed assets and their respective amortisation provisions are shown below.

(Amounts in Euro units)	Industrial patents and intellectual property rights	Total intangible fixed assets
Historical cost – 1 January 2025	**7,354,817**	**7,354,817**
Increases	577,291	577,291
Historical cost - 30 June 2025	**7,932,108**	**7,932,108**
Amortisation provision - 01 January 2025	**5,798,737**	**5,798,737**
Increases	409,247	409,247
Amortisation provision - 30 June 2025	**6,207,984**	**6,207,984**
Net book value - 01 January 2025	**1,556,081**	**1,556,081**
Net book value - 30 June 2025	**1,724,124**	**1,724,124**

Intangible fixed assets mainly refer to software licences.

3.4 Leases

The breakdown of the right of use by nature of the underlying assets is shown below:

(Amounts in Euro units)	Property	Plant and machinery	Equipment	Cars and vehicles	Total
Right of use as of 1 January 2025	**8,003,638**	**2,049,465**	**154,939**	**124,552**	**10,332,595**
Increases	54,596	-	132,948	-	187,543
Right of use as of 30 June 2025	**8,058,234**	**2,049,465**	**287,887**	**124,552**	**10,520,138**
Amortisation provision as of 1 January 2025	5,497,866	1,649,128	154,939	124,300	7,426,234
Increases	170,860	59,715	4,087	253	234,914
Amortisation provision as of 30 June 2025	**5,668,726**	**1,708,843**	**159,027**	**124,552**	**7,661,148**
Net book value as of 1 January 2025	**2,505,772**	**400,337**	**-**	**252**	**2,906,361**
Net book value as of 30 June 2025	**2,389,508**	**340,622**	**128,860**	**-**	**2,858,990**

Below is a breakdown of the current and non-current liabilities arising from applying IFRS 16 as the Right of use as of 31 December 2024 and 30 June 2025.

Financial liability	
Financial liability as of 1 January 2025	**1,172,742**
Increases	187,543
Interest	10,940
Fees	(183,045)
Financial liability as of 30 June 2025	**1,188,181**
Short-term financial liability	353,044
Long-term financial liability	835,136

The Group's main lease relates to a building located in Trenzano at Fine Cosmetics.

The Group has some lease contracts that include options for extension or early termination. Management negotiates these options to flexibly administer the leased assets portfolio and align management to the Group's operational needs. Management exercises its professional assessment to define extension or early termination options. Renewal for contracts that did not provide for it or for contracts already being considered for early termination was not considered.

3.5 Deferred tax assets

Deferred tax assets as of 30 June 2025 were €1,677,963 compared to €3,451,347 as of 31 December 2024.
Below is a breakdown.

(Amounts in Euro units)	**01 January 2025**	**2025 EC taxes**	**30 June 2025**
Deferred tax assets for inventory write-down	362,932	(34,948)	327,983
Deferred tax assets for goodwill amortisation	108,331	(13,542)	94,789
Deferred tax assets on IRES tax loss	2,526,486	(1,824,753)	701,732
Deferred tax assets on salary adjustments	446,400	100,301	546,701
Deferred tax assets for other items	7,199	(441)	6,758
Total deferred tax assets	**3,451,347**	**(1,773,385)**	**1,677,963**

As of 30 June 2025, the deferred tax assets recognised on tax losses were generated by the subsidiary. According to the multi-year plan (2025-2029) approved by the Board of Directors on 7 March 2025, these assets are expected to be recovered through future taxable profits earned by the company. The results achieved in H1 2025 confirmed the recovery assumptions contained in the above plan.

3.6 Provision for deferred taxes

As of 30 June 2025, the Group's deferred tax provision was €292,352 compared to €284,042 as of 31 December 2024.
Below is a detail of the transactions that generated deferred taxes and their impact on the Income Statement and as of 30 June 2025.

(Amounts in Euro units)	**01 January 2025**	**2025 financial year**	**OCI**	**30 June 2025**
Deferred taxes lease IFRS 16	265,552	2,255		267,807
Deferred taxes IAS 19	18,491	(1,763)	7,818	24,545
Total deferred taxes	**284,042**	**492**	**7,818**	**292,352**

3.7 Other non-current assets

As of 30 June 2025, non-current assets were €124,754 (compared to €597,853 as of 31 December 2024).

(Amounts in Euro units)	**30 June 2025**	**31 December 2024**
Tax credit - tax benefits - amount after 12 months	124,754	597,853
Total non-current financial assets	**124,754**	**597,853**

These receivables were attributable to tax credits for subsidised goods.

3.8 Inventories

Inventories net of the related write-down provision as of 30 June 2025 were €41,001,171 compared to €31,908,612 as of 31 December 2024.

(Amounts in Euro units)	**30 June 2025**	**31 December 2024**
Raw materials, ancillary materials, and consumables	27,422,577	24,135,322

Inventory write-down provision	(1,175,568)	(1,300,830)
Work in progress and semi-finished products	5,193,789	4,014,787
Finished products	9,560,372	5,059,332
Total inventories	**41,001,171**	**31,908,612**

Asset inventories are valued at the lower of purchase or production cost and realisable value based on market trends. The purchase cost includes any directly attributable ancillary charges.

Changes in the obsolescence provision are shown below:

Balance as of 31 December 2024	**1,300,830**
Provision allocation	578,997
Provision Use	(704,258)
Balance as of 30 June 2025	**1,175,568**

The inventory obsolescence provision set aside as of 30 June 2025 was €1,175,568 and was intended to cover write-downs made mainly due to goods expiring or non-compliant.

Uses for the year mainly refer to disposals made in 2025 concerning expired or non-conforming batches written off as of 31 December 2024.

3.9 Trade receivables

As of 30 June 2025, trade receivables were €46,004,654 (€38,526,664 as of 31 December 2024), gross of the related bad debt provision of €1,050,905 (€990,188 as of 31 December 2024).

The table below shows the distribution by geographical area of the trade receivables amount, which does not consider the bad debt provision.

(Amounts in Euro units)	**30 June 2025**	**31 December 2024**
ITALY trade receivables	30,883,476	21,773,899
EEC trade receivables	13,269,921	15,295,328
NON-EEC trade receivables	1,851,257	1,457,437
Total trade receivables	**46,004,654**	**38,526,664**

The first five customers represent 49.3% of the trade receivables (gross of the bad debt provision) reported in the Financial Statements for approximately €22.7 million.

Changes in the bad debt provision are summarised below:

Balance as of 31 December 2024	**990,188**
Provision allocation	115,012
Provision Use	(54,295)
Balance as of 30 June 2025	**1,050,905**

Trade receivables, net of bad debt provision, are shown in the table below:

(Amounts in Euro units)	**30 June 2025**	**31 December 2024**
ITALY trade receivables	30,740,194	21,459,866
EEC trade receivables	12,688,383	14,863,898
NON-EEC trade receivables	1,525,172	1,212,712
Total trade receivables	**44,953,750**	**37,536,476**

Customer credit quality is assessed based on a generic sector assessment. Individual credit limits are established for all customers. Open trade receivables and assets arising from contracts are monitored regularly. An impairment analysis is performed on receivables at each financial statements date, using a matrix to measure expected losses.

The calculation is based on the receivable recovery probability and historical analysis of losses on receivables that have never been of a significant amount. The assessment considers the money time factor and information on past events available at the reporting date, current conditions and expected market scenarios.

The following table shows the ageing of trade receivables:

(Amounts in Euro units)

30 June 2025	Total receivables	Not due	Overdue 0-30	Overdue 30-60	Overdue 60-90	Overdue 90-180	Overdue +180
Italy	30,883,476	21,653,708	8,664,745	216,653	69,815	229,269	52,001
EEC	13,269,921	10,727,805	1,932,089	317,302	59,957	128,235	101,818
Non-EEC	1,851,257	1,158,753	494,828	165,447	-	25,853	6,377
Gross trade receivables	**46,004,654**	**33,540,266**	**11,091,661**	**699,401**	**129,772**	**383,358**	**160,196**
% Write-down of receivables	2.3%	0%	0%	75.0%	62.9%	90.6%	60.1%
Bad debt provision	1,050,905	-	1,368	524,305	81,638	347,338	96,256
Net trade receivables	**44,953,750**	**33,540,266**	**11,090,293**	**175,097**	**48,135**	**36,020**	**63,939**

3.10 Tax receivables

As of 30 June 2025, tax receivables were €16,622, compared to €17,998 as of 31 December 2024, and were recognised in the balance sheet of the subsidiary Fine Cosmetics. This is detailed below:

(Amounts in Euro units)	30 June 2025	31 December 2024
IRES receivables	16,622	17,998
Total tax receivables	**16,622**	**17,998**

3.11 Other current assets

Total other current assets as of 30 June 2025 were €6,520,185 compared to €7,758,304 as of 31 December 2025. The table below provides a breakdown.

(Amounts in Euro units)	30 June 2025	31 December 2024
White Certificates	513,439	333,630
Tax receivables for tax benefits	534,780	1,370,260
Other receivables	527,559	281,517
VAT receivables	2,647,817	4,233,479
Receivables from social security institutions	196,913	35,625
Receivables for energy account withholdings	6,285	4,836
Receivables for withholding tax on collected coupons, dividends and realised capital gains	1,178,351	1,178,069
Accrued income and prepaid expenses	915,041	320,887
Total other current assets	**6,520,185**	**7,758,304**

The "Other receivables" item mainly refers to advances to suppliers for goods and services.

The VAT receivable was decreased through offsetting procedures, including horizontal offsetting, performed during 2025 upon completion of the VAT Form 2025 submission documentation. The Parent Company has requested an additional €2 million for reimbursement, which will probably be collected by 31 December 2025.

3.12 Cash and other liquid assets

As of 30 June 2025, the Group's cash and liquid assets were €21,903,370 compared to €19,210,213 as of 31 December 2024. This is detailed below:

(Amounts in Euro units)	**30 June 2025**	**31 December 2024**
Bank and postal deposits	21,898,374	19,204,756
Cash and cash equivalents on hand	4,996	5,457
Total cash and other liquid assets	**21,903,370**	**19,210,213**

SHAREHOLDERS' EQUITY

4.1 Shareholders' equity

For the share capital please refer to the paragraph "Categories of shares issued by the Company."
All subscribed shares have been fully paid up.
Other reserves are detailed below:

(Amounts in Euro units)	**30 June 2025**	**31 December 2024**
Legal reserve	5,000,000	5,000,000
Negative reserve for treasury shares in the portfolio	(14,388,889)	(14,139,356)
Merger surplus reserve	15,938,641	19,366,185
Share premium reserve	86,743,750	86,743,750
Extraordinary reserve	13,570,047	1,532,549
Fine Cosmetics 1st consolidation reserve	(6,928,892)	(6,928,892)
IRS derivative hedging reserve	33,384	33,384
Warrant conversion reserve	11,311,789	11,311,789
Total reserves	**111,279,830**	**102,919,409**

Categories of shares issued by the Company

The following table shows the number of Parent Company's shares. No movements occurred during the period.

Type	**Final number**
Ordinary Shares	22,060,125
Redeemable Shares	-
Multiple-voting Shares	3,500,000
Special Shares	-
Total	**25,560,125**

The Parent Company is constantly engaged in buy-back activities (repurchase of its shares on the market), which indicates that the Parent Company believes in its own structural and market growth and that its value is reflected in the negative reserve for the treasury shares in the portfolio. The buy-back plan’s objective is to prepare for upcoming acquisitions and synergies, to enhance the planned expansion phase.

LIABILITIES

4.2 Non-current bank borrowings

As of 30 June 2025, non-current bank borrowings were €59,417,531 compared to €34,987,777 as of 31 December 2024. This is detailed below:

(Amounts in Euro units)	**30 June 2025**	**31 December 2024**
MedioCredito mortgage loan	1,661,547	2,489,863
Intesa loan 10 million	9,984,315	-
Intesa loan 20 million	19,992,240	-
Original Intesa loan 70 million	24,228,807	28,309,906
Subsidiary loans	3,550,621	4,188,008
Total non-current bank borrowings	**59,417,531**	**34,987,777**

Bank borrowings were valued at amortised cost using the effective interest rate method, under IFRS 9 "Financial Instruments".

The mortgage loan taken out in 2016 by Fine Foods with due date on 30 June 2027 has the following features:

- Original total amount €15 million;
- Rate: Six-month Euribor + 1% spread.
- There are no financial constraints.

On 25 February 2022, Intesa Sanpaolo and Fine Foods have signed a € 70 million financing deal to support growth and development projects. In 2023, Fine Foods made an early repayment of € 20 million in capital, coinciding with the closure of its securities portfolio. The loan provides for financial covenants based on the following indicators to be calculated on the Group's consolidated financial statements:

- NFP / EBITDA
- NFP / EQUITY
- EBITDA/Financial charges

As of 30 June 2025, the sole financial covenant assessed on a half-yearly basis (NFP/EBITDA) was met. The covenants should be fully complied with at the next reporting date on 31 December 2025.

In May 2025, Fine Foods secured a €20 million loan from Intesa Sanpaolo, due in May 2031, at a six-month Euribor + 0.75% spread, with one NFP/EBITDA covenant. As of 30 June 2025, the indicator was generally met and is expected to remain so on 31 December 2025.

in June 2025 Fine Foods secured a €10 million loan with Intesa Sanpaolo, due in June 2031, at a six-month Euribor + 0.75% spread, with one NFP/EBITDA covenant. As of 30 June 2025, the indicator was generally met and is expected to remain so on 31 December 2025.

4.3 Current bank borrowings

As of 30 June 2025, current bank borrowings were €12,923,133, compared to €18,367,370 as of 31 December 2024, broken down as follows:

(Amounts in Euro units)	**30 June 2025**	**31 December 2024**
Invoice advances	1,972,791	6,900,000
Accrued expenses interest	3,475	9,482
Factor	-	424,887
Loans and mortgages - amount due within 12 months	10,946,868	11,033,001
Total current bank borrowings	**12,923,133**	**18,367,370**

4.4 Employee benefits

As of 30 June 2025, the "Employee benefits" item was €2,191,583 compared to €2,143,626 as of 31 December 2024. This item refers exclusively to provisions set aside for severance indemnities.

(Amounts in Euro units)	
Balance as of 31 December 2024	**2,143,626**
Provision Use	(59,104)
Discounting interest current year	31,381
Service Cost	108,254
Actuarial profits and losses current year	(32,573)
Balance as of 30 June 2025	**2,191,583**

As required by the international accounting standard, IAS19, the valuation of the Severance indemnity fund follows the method of projecting the present value of the defined benefit obligation with the estimate of the benefits accrued by employees.

Following the changes introduced by Law no. 296 of 27 December 2006 ("2007 Budget Law") and subsequent implementing decrees and regulations, the severance indemnities accrued up to 31 December 2006 will continue to be held by the Company as a defined benefit plan (obligation for accrued benefits subject to actuarial valuation). Amounts accruing from 1 January 2007, due to the choices made by employees during the year, will be allocated to supplementary pension schemes or transferred by the Company to the treasury fund managed by INPS, from when the employee makes their choice, thus becoming defined contribution plans (no longer subject to actuarial valuation).

Defining the employee severance indemnity is the result of applying an actuarial model based on various demographic and economic assumptions.

The table below shows the financial technical bases used:

	30 June 2025	**31 December 2024**
Fine Foods annual discount rate	3.21%	3.18%
Fine Cosmetics annual discount rate	3.70%	3.38%
Annual inflation rate	2.00%	2.00%
Severance indemnity increase annual rate	3.00%	3.00%
Fine Cosmetics salary increases	1.00%	1.00%

The annual discount rate used to define the obligation present value was based on paragraph 83 of IAS 19, concerning market yields of primary companies' bonds at the financial year closing date.

As required by the accounting standard IAS19 "Employee benefits", the sensitivity analysis for each actuarial assumption at the year-end is shown below:

Sensitivity analysis of the main valuation parameters	**DBO as of 30 June 2025**	**DBO as of 31 December 2024**
Turnover rate +1%	1,988,425	1,938,222
Turnover rate -1%	1,971,246	1,925,834
Inflation rate +0.25%	2,005,616	1,957,221
Inflation rate -0.25%	1,955,572	1,908,042
Discount rate +0.25%	1,946,572	1,898,958
Discount rate -0.25%	2,015,214	1,966,904

Estimated future disbursements – Years	**30 June 2025**	**31 December 2024**

1	343,660	312,924
2	182,234	219,081
3	188,310	175,703
4	195,163	181,997
5	203,387	187,655

Service cost and duration	**30 June 2025**	**31 December 2024**
Fine Foods plan duration	7.5	7.7
Fine Cosmetics future annual service cost	203,942	216,508
Fine Cosmetics plan duration	11.8	11.7

4.5 Provisions for risks and charges

The balance of provisions for risks and charges as of 30 June 2025 was €1,977,500 compared to €1,600,000 as of 31 December 2024.

(Amounts in Euro units)	**30 June 2025**	**31 December 2024**
Provisions for risks related to salary adjustments	1,959,500	1,600,000
Other costs	18,000	-
Total provision for risks and charges	**1,977,500**	**1,600,000**

As of 31 December 2024, Fine Foods allocated €1,600,000 to the risk provision for ongoing assessments for potential negotiations with trade unions to settle claims related to employee dressing time. This included €1,500,000 for wages and Social Security contributions, and €100,000 for legal expenses. The estimate was based on an average annual cost per employee, applied to the number of active employees for each year of employment. Employee annual costs for temporary staff as of 31 December 2024 were estimated similarly.

Since negotiations were not concluded by 30 June 2025, the additional costs incurred during the period were allocated in line with the year-end methodology. Concurrently, the prior year's estimate was updated accordingly.

4.6 Trade payables

Trade payables as of 30 June 2025 were €38,507,203, compared to €36,555,143 as of 31 December 2024, broken down geographically as follows:

(Amounts in Euro units)	**30 June 2025**	**31 December 2024**
Trade payables in ITALY	31,906,680	31,303,986
EEC trade payables	5,179,725	4,103,040
NON-EEC trade payables	1,420,798	1,148,117
Total trade payables	**38,507,203**	**36,555,143**

4.7 Taxes payable

Total tax payables as of 30 June 2025 were €428,289 compared to €219,112 as of 31 December 2024.

(Amounts in Euro units)	**30 June 2025**	**31 December 2024**
Payables for IRES	129,548	16,044
Payables for IRAP	298,741	203,068
Total taxes payable	**428,289**	**219,112**

Tax payables referred exclusively to the Parent Company and concerned the allocation of current taxes.

4.8 Other current liabilities

Total other current liabilities as of 30 June 2025 were €16,178,848, compared to €15,201,547 as of 31 December 2024, and are broken down as follows:

(Amounts in Euro units)	30 June 2025	31 December 2024
Other payables	965,805	1,506,996
Advances from customers	94,500	301,223
Payables for withholding taxes on self-employment	89,360	47,850
Payables for withholding taxes on employees	822,711	1,019,689
Payables to employees for production bonuses and accrued thirteenth month's pay, fourteen month's pay holidays	5,891,440	5,150,974
Payables due to pension and social security institutions	3,558,562	3,282,460
Substitute tax on severance indemnity	1,964	612
Accrued expenses and deferred income	4,754,506	3,891,744
Total other current liabilities and payables	**16,178,848**	**15,201,547**

The "Other payables" item mainly includes payables to the insurance company, to directors for unpaid remuneration, including accrued bonuses.

5. Other information

5.1 Commitments and guarantees

	Amount
Guarantees	**25,000,000**
Collateral securities (mortgage on the property of Verdellino in favour of Mediocredito)	25,000,000
Sureties	**41,000**

5.2 Contingent liabilities

At the date of this document's preparation, there were no liabilities and contingent liabilities to be reported in the financial position or to be disclosed.

5.3 Grants, contributions and similar

On the obligation to disclose in the Explanatory Notes any sums of money received during the year as grants, contributions, remunerated appointments and any financial advantages from public administrations, the Group certifies that no sum of money has been received.

5.4 Related party transaction information

During H1 2025, Group Companies did not enter into any transactions with related parties that were under unusual market conditions.

(Amounts in Euro units)	30 June 2025
Directors' remuneration	492,738
Board of Statutory Auditors	54,203

5.5 Events after the Financial Statements date

In early July 2025, the parent company Fine Foods secured a new unsecured loan of €20 million with Banca Nazionale del Lavoro, with a due date in 2030.

On 14 July 2025, the Company announced that Euro Cosmetic had officially changed its name to Fine Cosmetics: a name that shows a forward-looking approach while carrying forward its brand legacy and further enhancing the company's relationship with the Fine Foods Group. The name change is accompanied by the launch of a new logo which aligns with the Group’s visual identity and core values.

Verdellino-Zingonia, 05/08/2025

for the Board of Directors
Chairman

Marco Francesco Eigenmann

Certification of the 30 June 2025 Condensed Half-year Financial Statements under Article 81-ter of Consob Regulation no. 11971 of 14 May 1999 and subsequent amendments and additions

1. The undersigned, Pietro Oriani, in his capacity as Managing Director, and Pietro Bassani, in his capacity as Manager responsible for preparing the Company accounts of Fine Foods & Pharmaceuticals N.T.M. S.p.A. certify the following, under art. 154-bis, paragraphs 3 and 4 of Legislative Decree no. 58 of 24 February 1998:
   - the Financial Statements' adequacy in relation to the Company features;
   - the effective application of the administrative and accounting procedures for the preparation of the Condensed Half-year Financial Statements, during the first half of 2025.
2. No major issues occurred.

3. The undersigned declares that:

3.1 The condensed consolidated interim Financial Statements:
   a) have been prepared in accordance with applicable International Accounting Standards, as adopted by the European Union through EC Regulation No. 1606/2002 of European Parliament and Council on 19 July 2002;
   b) reflect the accounting books and records;
   c) provide a true and fair view of the assets, liabilities, profit or loss and financial position of the issuer and the companies included in the consolidation area;

3.2 the Half-year Report on Operations includes a reliable analysis of the significant events that occurred during the first six months of the financial year and the impact of such events on the Company's condensed consolidated interim Financial Statements, along with a description of the main risks and uncertainties for the remaining six months of the year. Furthermore, the Half-year Report on Operations includes a reliable analysis of significant related party transactions.

Verdellino-Zingonia, 05 August 2025

Managing Director
Pietro Oriani

The Manager preparing the corporate accounts
Pietro Bassani

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

Half-yearly condensed consolidated financial statements as of 30 June 2025

Review report on the interim condensed consolidated financial statements

(Translation from the original Italian text)

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Review report on the interim condensed consolidated financial statements
(Translation from the original Italian text)

To the Shareholders of
Fine Foods & Pharmaceuticals N.T.M. S.p.A.

Introduction

We have reviewed the condensed consolidated interim financial statements, which comprise the interim consolidated statement of financial position, the interim consolidated income statement, the interim consolidated comprehensive income statement, the interim consolidated Shareholders' equity changes and interim consolidated cash flow statement and the related explanatory notes of Fine Foods & Pharmaceuticals N.T.M. S.p.A. and its subsidiary (the "Fine Foods Group") as of 30 June 2025. The Directors of Fine Foods & Pharmaceuticals N.T.M. S.p.A. are responsible for the preparation of the condensed consolidated interim financial statements in accordance with the International Accounting Standard applicable to the interim financial reporting (IAS 34) as issued by the International Accounting Standards Board and adopted by the European Union. Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

Scope of Review

We conducted our review in accordance with the criteria recommended by Consob for the review of the half-yearly financial statements under Resolution no. 10867 of 31 July 1997. A review of condensed consolidated interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (ISA Italia) 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 condensed consolidated interim financial statements.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed consolidated interim financial statements of Fine Foods Group as of 30 June 2025 are not prepared, in all material respects, in accordance with the International Accounting Standard applicable to the interim financial reporting (IAS 34) as issued by the International Accounting Standards Board and adopted by the European Union.

Bergamo, August 5, 2025.

EY S.p.A.
Signed by: Marco Malaguti, Statutory Auditor

This report has been translated into the English language solely for the convenience of international readers. Accordingly, only the original text in Italian language is authoritative.

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