

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



Interim Financial Report as of 31 March 2025

8 May 2025 Board of Directors

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CORPORATE POSITIONS

Board of Directors

Chairman and Managing Director

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

Chairman

Croci Guido

Statutory Auditors

Massimo Pretelli

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

Supervisory Body

Cristiana Renna

Paolo Villa

Susanna Pedretti

Remuneration Committee

Ada Imperadore

Susanna Pedretti

Elena Sacco

Related Party Committee

Ada Imperadore

Elena Sacco

Susanna Pedretti

Environmental, Social and Governance (ESG) Committee

Ada Imperadore

Deborah Maria Venturini

Pietro Oriani

Consolidated income statement

<i>(amounts in € units)</i>	3 months 31 March 2025	3 months 31 March 2024
Revenues and income		
Revenue from contracts with customers	62,996,851	65,564,696
Other revenue and income	301,280	264,086
Total revenues	63,298,131	65,828,782
Operating costs		
Costs for consumption of raw materials, change in inventories of finished goods and work in progress.	33,713,268	38,426,273
Personnel costs	13,322,167	11,634,821
Costs for services	5,887,278	6,337,369
Other operating costs	482,855	565,724
Amortisation, depreciation, and impairment losses	3,815,421	3,796,105
Total operating costs	57,223,143	60,760,292
Operating result	6,074,989	5,068,490
Changes in fair value of financial assets and liabilities		(19,496)
Financial income	22,716	8,336
Financial charges	(701,358)	(1,083,042)
Income before taxes	5,396,347	3,974,288
Income taxes	1,359,389	1,156,496
Profit/(loss) for the financial year	4,036,957	2,817,791

Consolidated comprehensive income statement

<i>(amounts in € units)</i>	3 months 31 March 2025	3 months 31 March 2024
Profit /(loss) for the financial year (A)	4,036,957	2,817,791
Components that will not be subsequently reclassified to profit/(loss) for the financial year		
Revaluation of net employee benefit liabilities/assets	-	-
Tax effect	-	-
Other comprehensive income (B) components	-	-
Comprehensive profit/(loss) (A+B)	4,036,957	2,817,791

Consolidated statement of financial position

	As of 31 March	As of 31 December
(amounts in € units)	2025	2024
Assets		
Non-current assets		
Property, plant and machinery	133,574,867	126,139,938
Goodwill	11,507,954	11,507,954
Other intangible fixed assets	1,605,734	1,556,083
Rights of use	2,845,969	2,906,361
Other non-current assets	124,754	597,853
Deferred tax assets	2,421,386	3,451,347
Total non-current assets	152,080,663	146,159,536
Current assets		
Inventories	38,680,360	31,908,612
Trade receivables	43,394,917	37,536,476
Tax receivables	16,622	17,998
Other current assets	9,488,581	7,758,304
Cash and other liquid assets	7,890,545	19,210,213
Total current assets	99,471,025	96,431,604
Total assets	251,551,688	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/(losses) carried forward	12,847,788	4,691,909
Profit/(loss) for the financial year	4,036,957	8,155,879
Total Shareholders' Equity	136,096,737	132,059,779
Non-current liabilities		
Non-current bank borrowings	30,370,585	34,987,777
Employee benefits	2,196,232	2,143,626
Provision for risks and charges	1,665,000	1,600,000
Provision for deferred taxes	285,170	284,042
Non-current lease payables	804,188	847,512
Total non-current liabilities	35,321,175	39,862,958
Current liabilities		
Current bank borrowings	20,110,637	18,367,370
Trade payables	42,356,145	36,555,144
Taxes payable	547,413	219,112
Current lease payables	338,879	325,230
Other current liabilities	16,780,702	15,201,547
Total current liabilities	80,133,776	70,668,403
Total Shareholders' equity and Liabilities	251,551,688	242,591,140

Consolidated cash flow statement

	3 months 31 March 2025	3 months 31 March 2024
PROFIT FROM OPERATING ACTIVITIES AFTER TAX	4,036,957	2,817,791
Adjustments to reconcile profit after tax with net cash flows:		
Depreciation and impairment of property, plant and machinery	3,511,188	3,483,403
Amortisation and impairment of intangible fixed assets	189,244	196,420
Amortisation of rights of use	114,988	116,283
Financial income	(22,716)	107,537
Financial charges	690,115	954,028
Changes in fair value of financial assets and liabilities	-	19,496
Financial charges on financial liabilities for leases	11,243	13,141
Income taxes	344,345	408,250
Gains on the disposal of property, plant and machinery	(44,084)	(23,926)
Current assets write-downs	142,752	304,524
Net change in severance indemnity and pension funds	52,603	6,982
Net change in provisions for risks and charges	65,000	-
Net change in deferred tax assets and liabilities	1,057,675	748,246
Interest paid	(678,642)	(1,074,706)
Changes in working capital:		
(Increase)/decrease in inventories	(6,858,983)	2,398,005
(Increase)/decrease in trade receivables	(5,913,957)	(6,093,584)
(Increase)/decrease in other non-financial assets and liabilities	280,722	416,762
Increase/(decrease) in trade payables	5,801,002	831,104
NET CASH FLOWS FROM OPERATING ACTIVITIES	2,779,452	5,629,756
Investments:		
Investments in tangible fixed assets	(10,990,739)	(5,304,285)
Disposal of tangible fixed assets	88,713	79,632
Investments in intangible fixed assets	(238,898)	(238,482)
Net (investments)/disposals in financial assets	-	195,783
NET CASH FLOWS FROM INVESTMENTS	(11,140,924)	(5,267,351)
Financing:		
New financing	2,351,238	162,734
Funding repayment	(5,225,164)	(5,382,224)
Principal payments - lease liabilities	(84,271)	(135,992)
Sale/(purchase) of treasury shares	-	(118,327)
CASH FLOWS FROM FINANCING	(2,958,196)	(5,473,809)
NET CHANGE IN CASH AND CASH EQUIVALENTS	(11,319,668)	(5,111,405)
Cash and short-term deposits as of 1 January	19,210,213	19,000,047
Cash and short-term deposits as of 31 March	7,890,545	13,888,641

Consolidated Shareholders' equity changes

	Share Capital	Legal reserve	Negative reserve for treasury shares in the portfolio	Merger surplus reserve	Share premium reserve	Extraordinary reserve	Other reserves	FTA reserve	Employee benefit reserve	Profits/losses carried forward	Profit/loss for the financial year	Total Shareholders' equity
Balance as of 1 January 2025	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											4,036,957	4,036,957
Other income statement components												
Comprehensive profit/(loss)	-	-	-	-	-	-	-	-	-	-	4,036,957	4,036,957
Dividends												-
Purchase of treasury shares												-
2024 profit allocation										8,155,879	(8,155,879)	-
Balance as of 31 March 2025	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	12,847,788	4,036,957	136,096,737

Explanatory Notes

Accounting Standards and consolidation area

The Fine Foods Group's Interim Financial Report as of 31 March 2025 has been prepared under the Stock Exchange Regulations, which set the publication of the Interim Financial Reports as a requirement for maintaining a listing on the MTA - STAR segment.

The Interim Financial Report has 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 applicable at the end of the period. The accounting standards and assessment criteria adopted to prepare this Interim Financial Report are consistent with those used in the 31 December 2024 Financial Statements to which reference is made.

The scope of consolidation as of 31 March 2025 includes the Parent Company Fine Foods & Pharmaceuticals N.T.M. S.p.A., and the subsidiary Euro Cosmetic S.p.A..

The Interim Financial Report as of 31 March 2025 is not subject to auditing by the auditing company.

Net Financial Position

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

<i>Thousands of Euro</i>	31/03/2025	31/12/2024
A. Liquid assets	7,891	19,210
B. Cash or cash equivalents	-	-
C. Other current financial assets	-	-
D. Liquidity (A) + (B) + (C)	7,891	19,210
E. Current financial receivables	-	-
E. Current financial debt (including debt instruments, but excluding the current portion of non-current financial debt)	9,580	7,660
F. Current portion of non-current financial debt	10,869	11,033
G. Current financial debt (E + F)	20,450	18,693
- <i>guaranteed</i>	-	-
- <i>secured by collateral</i>	1,938	1,921
- <i>not guaranteed</i>	18,511	16,772
H. Net current financial debt (G - D)	12,559	(518)
I. Non-current financial debt (excluding current portion and debt instruments)	31,175	35,835
J. Debt instruments	-	-
K. Trade payables and other non-current payables	-	-
L. Non-current financial debt (I + J + K)	31,175	35,835
- <i>guaranteed</i>	-	-

- secured by collateral	5,451	5,495
- not guaranteed	25,723	30,341
M. Total Financial Debt (H + L)	43,734	35,318

Reclassified Balance Sheet

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

Working capital	31/03/2025	31/12/2024
Inventories	38,680,360	31,908,612
Trade receivables	43,394,917	37,536,476
Other current assets	9,505,203	7,776,302
Trade payables	(42,356,145)	(36,555,144)
Other current liabilities	(17,328,115)	(15,420,659)
Provisions for risks and charges / deferred taxes	(1,950,170)	(1,884,042)
Total working capital (A)	29,946,050	23,361,545
Fixed assets	31/03/2025	31/12/2024
Tangible fixed assets	133,574,867	126,139,938
Intangible assets and rights of use	15,959,657	15,970,398
Other receivables and non-current assets	2,546,140	4,049,200
Severance Indemnity	(2,196,232)	(2,143,626)
Total fixed assets (B)	149,884,431	144,015,911
Net Invested Capital (A) + (B)	179,830,481	167,377,456
Sources	31/03/2025	31/12/2024
Shareholders' equity	136,096,737	132,059,779
Net financial debt	43,733,744	35,317,677
Total Sources	179,830,481	167,377,456

Net invested capital as of 31 March 2025 was €179.8 million (€167.4 million as of 31 December 2024) and was covered by:

- Shareholders' equity of €136.1 million (€132.1 million as of 31 December 2024);
- Group's Net Financial Position was €43.7 million as of 31 March 2025, up from €35.3 million as of 31 December 2024. Operations generated a positive cash flow of €3.5 million before capital expenditure. This was offset by net investments (€11.2 million) made in the period, financial charges and tax payments (€0.7 million).

Working capital as of 31 March 2025 was €29.9 million compared to €23.4 million at the end of the previous financial year. The Commercial Net Working Capital, of €39.7 million (compared to €32.9 million as of 31 December 2024), changed as follows: increase in trade receivables (€5.9 million), inventories (€6.8 million) and trade payables (€5.8 million). The increase in trade receivables between 31 December 2024 and 31 March 2025 was mainly due to a different monthly sales distribution in Q1 2025 compared to Q4 2024. The rise in inventories at the end of Q1 2025 is in preparation for fulfilling the substantial customer order backlog scheduled for Q2 2025.

Other current receivables and payables decreased by about €0.2 million.

Tangible Fixed Assets increased by approximately €7.4 million in Q1 2025, due to net investments of about €10.9 million and depreciation for the period of €3.5 million. Intangible fixed assets and rights of use were €16 million as of 31 March 2025, in line with the previous year-end. Other non-current receivables and payables decreased by approximately €1.6 million.

Reclassified Income Statement

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

Item	31/03/2025	%	31/03/2024	%	Absolute change	% Changes
Revenue from contracts with customers	62,996,851	100%	65,564,696	100%	(2,567,845)	(3.9%)
Costs for consumption of raw materials, change in inventories of finished goods and work in progress.	(33,713,268)	(53.5%)	(38,426,273)	(58.6%)	4,713,005	(12.3%)
VALUE ADDED	29,283,583	46.5%	27,138,423	41.4%	2,145,160	7.9%
Other revenue and income	301,280	0.5%	264,086	0.4%	37,194	14.1%
Costs for services	(5,889,431)	(9.3%)	(6,337,369)	(9.7%)	447,938	(7.1%)
Personnel costs	(13,322,167)	(21.1%)	(11,634,821)	(17.7%)	(1,687,346)	14.5%
Other operating costs	(482,855)	(0.8%)	(565,724)	(0.9%)	82,869	(14.6%)
EBITDA	9,890,410	15.7%	8,864,595	13.5%	1,025,814	11.6%
ADJUSTED EBITDA	10,197,010	16.2%	8,864,595	13.5%	1,332,415	15.0%
Amortisation, depreciation, and impairment losses	(3,815,421)	(6.1%)	(3,796,105)	(5.8%)	(19,316)	0.5%
EBIT	6,074,989	9.6%	5,068,490	7.7%	1,006,499	19.9%
ADJUSTED EBIT	6,381,589	10.1%	5,068,490	7.7%	1,313,099	25.9%
Financial income	22,716	0%	8,336	0%	14,380	172.5%
Financial charges	(701,358)	(1.1%)	(1,083,042)	(1.7%)	381,684	(35.2%)
Changes in fair value of financial assets and liabilities	0	0%	(19,496)	(0%)	19,496	(100%)
INCOME BEFORE TAXES	5,396,347	8.6%	3,974,288	6.1%	1,422,059	35.8%
ADJUSTED INCOME BEFORE TAXES	5,702,947	9.1%	3,974,288	6.1%	1,728,660	43.5%
Income taxes	(1,359,389)	(2.2%)	(1,156,496)	(1.8%)	(202,893)	17.5%
Profit (loss) for the financial year	4,036,957	6.4%	2,817,791	4.3%	1,219,166	43.3%
ADJUSTED profit/(loss) for the financial year	4,258,016	6.8%	2,817,791	4.3%	1,440,225	51.1%

The table below shows reconciliations of added value, EBITDA, EBIT, Income before taxes and the profit (loss) for the period.

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

	31/03/2025	31/03/2024
Revenue from contracts with customers	62,996,851	65,564,696
Costs for consumption of raw materials, change in inventories of finished goods and work in progress	(33,713,268)	(38,426,273)
Industrial Added Value	29,283,583	27,138,423

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

	31/03/2025	31/03/2024
Profit/(loss) for the financial year (1)	4,036,957	2,817,791
Income taxes	(1,359,389)	(1,156,496)
Income before taxes (2)	5,396,347	3,974,288
Changes in fair value of financial assets and liabilities	-	19,496
Financial charges	701,358	1,083,042
Financial income	(22,716)	(8,336)
EBIT (3)	6,074,989	5,068,490
Amortisation	3,815,421	3,796,105
EBITDA (4)	9,890,410	8,864,595

Extraordinary and non-recurring items impacting EBITDA, that have been adjusted during 2024 and 2025, are shown in the table below. For further details, please refer to what is reported below.

	31/03/2025	31/03/2024
Non-recurring income and charges attributable to Fine Foods	256,747	-
Non-recurring income and charges attributable to Euro Cosmetic	49,853	-
Total non-recurring income and charges (5)	306,601	-

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

ADJ EBITDA (4) + (5)	10,197,010	8,864,595
ADJ EBIT (3) + (5)	6,381,589	5,068,490
Income before taxes	5,396,347	3,974,288
Change in Warrant FV	-	-
Non-recurring income and charges (5)	306,601	-
ADJ Income before taxes	5,702,947	3,974,288
Income taxes	(1,359,389)	(1,156,496)
tax effect on non-recurring income and charges (5) * 27.9%	(85,542)	-
ADJ income/(loss)	4,258,016	2,817,791

Revenue for Q1 2025 declined by 3.9% compared to the same period in 2024.

(Amounts in Euro units)	31 March 2025	31 March 2024
Business Unit - Nutraceuticals	36,765,856	39,844,880
Business Unit - Pharmaceuticals	20,062,846	17,630,830
Business Unit – Cosmetics	6,168,149	8,088,986
Total Revenue from contracts with customers	62,996,851	65,564,696

The Pharma Business Unit, which accounted for 32% of total revenue, continued its strong growth, generating revenue of €20.1 million - an increase of 13.8% compared to Q1 2024. This growth partially offset the decline of 7.7% in the Nutra Business Unit, which recorded revenue of €36.8 million in Q1 2025, down from €39.8 million in Q1 2024. The Cosmetics Business Unit reported revenue of €6.2 million in Q1 2025, compared to €8.1 million in the same period last year. The comparison is affected by the lack of data consistency,

due to a customer portfolio review carried out during the Business Unit's reorganisation in the previous year. During Q1 2025, initiatives were implemented to strengthen the organisational and commercial structure, to support future business generation.

Raw material costs on sales revenue ratio, of approximately 53.5%, decreased compared to what was shown in the Interim Financial Report as of 31 March 2024 (58.6%). Personnel costs amounted to €13.3 million, with an increase of €1.7 million compared to the same period in FY 2024.

The Group's ADJUSTED EBITDA for Q1 2025 was €10.2 million (ADJUSTED EBITDA margin of 16.2%), a notable improvement from €8.9 million (13.5% ADJUSTED EBITDA margin) in the same period last year. This quarter recorded the Group's highest ADJUSTED EBITDA in value and margin.

The Group continues to reap the benefits of continuous improvement programmes and a consistent pricing policy. In Q1 2025, all Business Units recorded improved profitability compared to Q1 2024, with the Cosmetics Business Unit contributing positively to the Group's EBITDA.

ADJUSTED EBIT reached €6.4 million as of 31 March 2025, compared to €5.1 million recorded on 31 March 2024 recording a strong 25.9% growth. ADJUSTED Income Before Taxes for Q1 2025 was €5.7 million, a significant increase from €4 million in Q1 2024. The Group closed Q1 2025 with an ADJUSTED profit of €4.3 million compared to €2.8 million in Q1 2024.

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

- ✓ Severance and redundancy incentives were €85,000;
- ✓ An additional €50,000 was allocated to the risk provision for salary adjustments as of 31 December 2024.
- ✓ Operating expenses of €172,000, including personnel costs for employees and temporary staff, were incurred to support the start-up of the new pharmaceutical facility.

Events following the end of the period

No significant events occurred after the end of the period.

Business outlook

The market segments in which the Group operates are expected to grow in the coming years, in Europe and globally. The 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 monitors potential growth opportunities through acquisitions.

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.

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 production plant expansion, which started at the end of 2023, is progressing as planned and will be completed in 2025, with revenue expected to 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. A gradual improvement in revenue and profit margins is expected in 2025, contributing positively to the Group's overall performance.

While, due to the nature of the business, turnover growth may not be consistent on a quarter-on-quarter basis, a strong order backlog for the current year and existing multi-year agreements support the expectation of strengthening historical revenue and margins growth trends. This is underpinned by an increasingly strong and reliable organisational structure.

The Group, which confirmed 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.

Verdellino-Zingonia, 08 May 2025

For the Board of Directors
Chairman

Marco Francesco Eigenmann

Declaration of the Manager in charge under Article 154-bis of Legislative Decree no. 58/98

Under paragraph 2 of Article 154-bis of Legislative Decree no. 58/1998 (Consolidated Law on Finance - TUF), the Manager in charge of preparing the company's financial reports, Pietro Bassani, certifies that the accounting information contained in the Interim Financial Report as of 31 March 2025 of Fine Foods & Pharmaceuticals N.T.M. S.p.A. reflects the accounting documents, books and records.

Verdellino-Zingonia, 8 May 2025

Managing Director
Pietro Oriani

**The Manager
preparing the corporate
accounts**
Pietro Bassani