

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



31/12/2025 Consolidated Financial Statements

12 March 2026 Board of Directors

Table of contents

Corporate positions	page	3
Letter from the President to shareholders		5
Report on Operations	"	6
Consolidated Financial Statements as of 31 December 2025	"	134
Manager certification	"	188
Auditing Company and Board of Statutory Auditors Reports	"	189

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

Chairman

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

Supervisory Body

Cristiana Renna

Paolo Villa

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

Dear Shareholders,

In 2025, Fine Foods & Pharmaceuticals N.T.M. S.p.A. focused on strategic consolidation and structural strengthening, responding to ongoing macroeconomic challenges with rigorous management, targeted investment, and long-term planning.

The Group has proven that its business model is strong and can deliver long-term value. It has maintained its growth from previous years while further reinforcing its operations and financial stability.

Our strategy is to create an integrated industrial platform for Pharma, Nutra, and Cosmetics, using scientific expertise, strong formulation, and reliable manufacturing that meets pharmaceutical standards. Diversifying among the three sectors is not just about balancing a portfolio but a fundamental part of the Group's resilience, helping it manage different market cycles while staying stable and maintaining prospective visibility.

This year, we completed a major industrial development: we expanded the Brembate site for pharmaceutical production and secured approvals to begin operations. This investment aligns with our capital allocation policy, boosts the Group's Pharma segment position, and is expected to drive steady revenue growth from 2026, enhancing business visibility and quality.

We have continued to make steady progress in other strategic areas. The decision to enhance the Cosmetics Business Unit by investing in innovation and research facilities, along with consolidating the Nutra Business Unit, demonstrates that our industrial strategy is effective and multi-sector model remains consistent, even as demand grows selectively.

Fine Foods positions itself as an "Invisible Expert," serving as a dependable and skilled Contract Services, Development & Manufacturing Organisation (CSDMO) partner, providing development, production, and solutions on one platform with discreet professionalism. In a market driven by asset-light models and outsourcing to qualified operators, we view process quality, financial stability, and regulatory credibility as unique and lasting advantages.

This steady progress is supported by prudent and responsible leadership. We remain committed to prudent medium- to long-term financially sustainable management, with a disciplined approach to investment and a focus on balancing between growth and financial stability.

Our organisation puts people at its core. Industrial excellence stems from skill, accountability, and a strong corporate culture. Strengthening internal expertise and prioritising top standards in quality, safety, and environmental practices are key to maintaining industrial credibility.

We consistently integrate ESG into our decision-making. We firmly believe that sustainability is essential to long-term competitiveness, appeal, and value creation.

We face the future with confidence and responsibility. Our strong industrial platform, increasingly integrated business areas, and disciplined capital management allow us to address market challenges confidently and focusing on gradually consolidating growth trends.

On behalf of the Board of Directors, I want to thank employees for their dedication, and shareholders for the ongoing support and confidence shown in Fine Foods.

Marco Eigenmann

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

Report on Operations

Report on Operations: Summary

Introduction	8
Information on the Group companies	8
Market development	13
Significant events	14
General economic performance	14
Management Performance	15
Business outlook	16
Fine Foods & Pharmaceuticals N.T.M. S.p.A. Share trend S.p.A.....	17
Balance sheet and financial position	17
Financial situation	19
Income Statement	19
Alternative Performance Indicators.....	22
Main risks and uncertainties for the Group.....	23
Key non-financial indicators.....	30
Environmental information.....	30
Work Risk Assessment Document	30
Personnel Management Information	31
Research and development.....	32
Relationships with subsidiary, associated, parent companies and companies controlled by the parent companies	32
Related Party Relationships	32
Treasury shares buyback programme.....	32
Parent Company shares.....	33
Use of financial instruments significant to the assessment of the financial position and net result for the year.....	33
Events following the end of the financial year	33
Personal data protection - Privacy.....	33
2025 Sustainability Reporting	34

Directors' Report on Operations

Introduction

The 31 December 2025 Consolidated 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 effective at the end of the financial year. All of the above standards and interpretations are hereafter referred to as "IAS/IFRS".

The scope of consolidation as of 31 December 2025 includes the Parent Company Fine Foods & Pharmaceuticals N.T.M. S.p.A. (hereafter "Fine Foods," "Parent Company," and/or "Controlling Company") and its subsidiary Fine Cosmetics S.p.A. (formerly Euro Cosmetic S.p.A.), of which Fine Foods holds 100% of the capital.

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, 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, other nutraceutical products and medical devices for pharmaceutical and nutraceutical companies. These products are in the form of powder or granule blends, film-coated or uncoated swallowable, orally dissolvable or chewable tablets, effervescent tablets, hard gelatin capsules, and liquid formulations available in various types of packaging, including sachets, sticks, pillboxes, jars, blister packs, 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.



Pharmaceutical products are manufactured at the Company's Brembate facility, which, after expansions completed in 2020 and 2025, encompasses more than 135,900 square metres, including approximately 25,500 square metres of covered floor space. 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 image below shows the nearly finished extension of the Brembate plant, built to boost fluid bed granulation and mixing capacity:



The following images show the recently built facility, adjacent to the existing pharmaceutical workshop.



Nutraceutical products are manufactured at the Company's facility in Zingonia - Verdellino, covering a total area of approximately 45,600 square metres. The plant produces 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 Ministry of Health and is constantly monitored by the Local Health Authority (ATS). The Company possesses relevant certifications in environmental, food, and occupational safety, and is authorised to manufacture medical devices. It successfully passed an inspection by the US Food and Drug Administration in 2017. The Zingonia - Verdellino plant has a total covered surface area of approximately 28,800 sqm, including a recent expansion of approximately 12,900 sqm of total production area resulting in an increase of around 80 per cent on the pre-existing surface area.

The images below show the Zingonia - Verdellino plant from above.



Fine Foods & Pharmaceuticals 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: 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.
- 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.

Specifically, the 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 dry powder products, foods for special diets, and foods intended for infants and children. This excludes cereal-based foods and powders, granules, tablets, capsules, and liquids packaged in plastic and poly laminate.

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. 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.

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.

On 29 January **2026**, Fine Foods Group 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.

The subsidiary Fine Cosmetics S.p.A. (formerly Euro Cosmetic S.p.A.) is a CSDMO specialising in research and development, production and sales of cosmetics. In October 2021, it joined the Fine Foods Group, enhancing its growth and innovation through increased production capacity and strengthened cross-functional expertise. In 2025, the subsidiary rebranded, changing its name from Euro Cosmetic S.p.A. to Fine Cosmetics S.p.A. and updating its logo.

Since its acquisition, the surface area of the cosmetics production plant in Trenzano (Brescia), along with its mixing facilities, packaging lines, and laboratories, has expanded to its current state: a modern facility occupying approximately 20,000 square metres. The new 300 square metre Research & Innovation Hub for cosmetics development opened in 2025.

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 image below shows the Trezzano plant.



The image below shows some of the Group's product portfolio (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 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, Haleon, Herbalife, IBSA, Krka, Menarini, Mirato, Orifarm Generics, Orion, Paglieri, PepsiCo, Perrigo, Pharmanutra, PXG Pharma, Recordati, Sandoz, Sanofi, Swiss Fragrances, Teva, UGA, Uriach, Vemedica, Viatrix, Zentiva, and Zeta Farmaceutici.

Market development

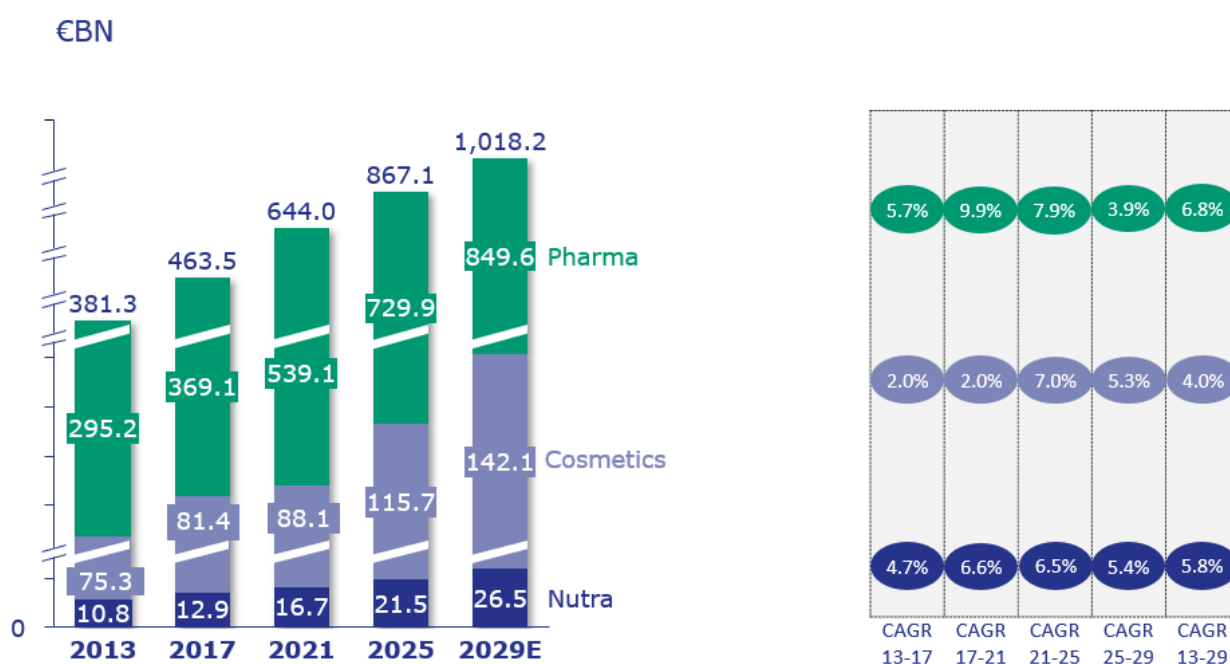
Fine Foods is one of the players in the European nutraceutical market and is focused on contract manufacturing of food supplements. The nutraceutical market is the Group's primary target market, and where 54% revenue from customer contracts was recorded as of 31 December 2025. Within this market, the Group's target segment is the dietary supplements segment in Europe. The segment's expected value is estimated to grow from €21.5 billion in 2025 to €26.5 billion in 2029, with a CAGR '25-'29 of 5.4%. In 2025, revenue from customer contracts generated by the Group's Nutraceutical Business Unit was €136,106,591, down from €142,206,355 in 2024.

The Pharmaceutical market is the Group's second key reference market, where 33.8% of revenue from customer contracts was recorded in 2025. As of 31 December 2025, the Company recorded revenue of €85,166,931 in the Pharma Business Unit, up from €75,765,229 at the end of the previous financial year (+12.4%).

Forecasts for European pharmaceutical production showed growth from €729.9 billion in 2025 to €849.6 billion in 2029, with a CAGR '25-'29 of 3.9% 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.

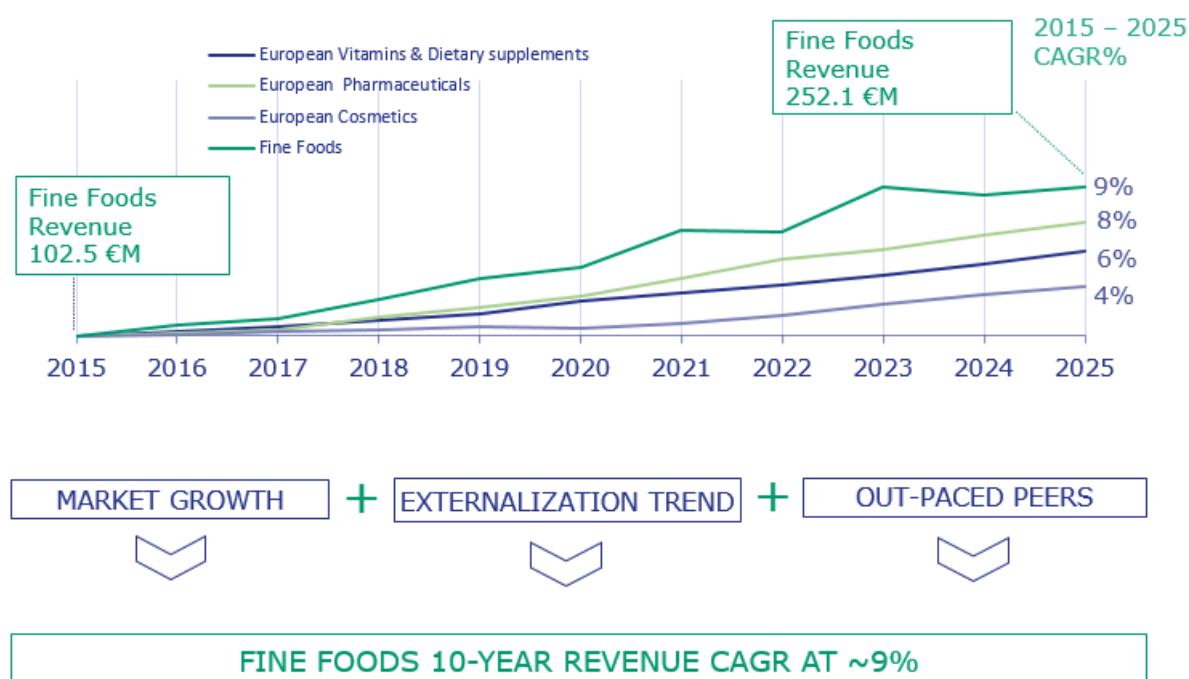
The Group's third key reference market is represented by its subsidiary, Fine Cosmetics, which contributed 12.2% of the Group's revenue from customer contracts in 2025, amounting to €30,785,345. This figure was a 19.4% increase compared to €25,781,247 recorded in 2024. These numbers combine the totals from these Euromonitor categories: 'Bath and Shower', 'Deodorants', 'Fragrances', 'Hair Care', 'Oral Care', 'Skin Care', and 'Sun Care'.

The European cosmetics market is expected to accelerate its growth in the coming years, with forecasts showing an increase from €115.7 billion in 2025 to €142.1 billion in 2029. The CAGR for the period 2025-2029 is 5.3%.



*Sources: Euromonitor International, Industrial, Pharmaceuticals, 2025 Edition Production MSP, EUR Fixed Ex Rates, Current Prices. Consumer Health, 2026 Edition, Retail Value RSP, EUR Fixed Ex Rates, Current Prices. Cosmetics as per aggregation of Euromonitor's Bath and Shower, Deodorants, Fragrances, Hair Care, Oral Care, Skin Care and Sun Care

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 2025 at 2.5 times the level achieved in 2015.



*Sources: Euromonitor International, Industrial, Pharmaceuticals, 2025 Edition Production MSP, EUR Fixed Ex Rates, Current Prices. Consumer Health, 2026 Edition, Retail Value RSP, EUR Fixed Ex Rates, Current Prices. Cosmetics as per aggregation of Euromonitor's Bath and Shower, Deodorants, Fragrances, Hair Care, Oral Care, Skin Care and Sun Care. Company Analysis: the three variables' time series are divided by their respective 2015 value (the basis) and multiplied by a factor of 100; the considered variables are Fine Foods revenue, European Nutraceuticals – Vitamins & Dietary Supplements segment size, European Pharmaceuticals production size and European Cosmetics size.

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.

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.

On 24 October 2025, the Italian Medicines Agency (AIFA) renewed the Parent Company Fine Foods' manufacturing authorisation for medicinal products under Good Manufacturing Practice (GMP), extending its scope to include the new expansion of the Brembate pharmaceutical facility.

On 30 October 2025, the Parent Company Fine Foods signed a new medium-to-long-term loan agreement with Intesa Sanpaolo S.p.A. for €30 million, with due date in 2029, to support the Group's three-year investment plan.

On 25 February 2022, Intesa Sanpaolo and the Parent Company Fine Foods signed a seven-year €70 million financing transaction. The Company made an early €20 million loan repayment in 2023. The Parent Company fully repaid its debt early in December 2025.

General economic performance

According to reports from the International Monetary Fund and OECD, global economy saw moderate growth amid gradual declining inflation, careful monetary policy, and ongoing geopolitical and trade challenges in 2025. Major central banks, such as the Federal Reserve and European Central Bank, gradually eased their restrictive policies adopted in previous years but kept interest rates higher than the historical average.

The International Monetary Fund's World Economic Outlook 2025 reported that global economic growth was approximately 3.1%, indicating a restrained and variable expansion across various regions.

Within the group of advanced economies, the United States experienced robust growth, driven by sustained consumer spending and investment in technology and infrastructure, consistent with Federal Reserve evaluations. According to the European Central Bank's forecasts, the euro area's growth ranged from 0.7% to 0.9%, limited by weak manufacturing and declining external demand. The gradual drop in inflation supported domestic consumption recovery during the year.

Based on reports from the Bank of Italy and ISTAT, Italy's economic growth in 2025 was modest at approximately 0.7%, which matched the Eurozone average. Weak industrial output and external demand slowed economic activity, but services and tourism remained positive contributors. Investments benefited from National Recovery and Resilience Plan programmes, though less than previously.

According to estimates from the International Monetary Fund, China achieved growth rates ranging from 4.5% to 4.7% among emerging economies, while India remained notably robust with rates exceeding 6%.

OECD analysis indicates that 2025 saw inflation and growth gradually balance and global supply chains improve. Geopolitical tensions and trade fragmentation still create uncertainty for international trade and global value chains.

Management Performance

Economic indicators for the year (In thousands of Euro)	31/12/2025	31/12/2024
Revenue	252,059	243,753
EBITDA	34,433	30,420
Operating profit (EBIT)	16,416	14,644
Profit (Loss) for the financial year	10,097	8,156

The table above provides an initial overview of the Group's economic performance in 2025: turnover rose from €243.8 million in 2024 to €252.1 million in 2025, with an increase of 3.4%. EBITDA grew by 13.2% to €34.4 million in 2025. EBITDA Margin increased from 12.5% in 2024 to 13.7% in 2025. EBIT increased by 12.1% compared to the previous year. The 2025 financial year closed with a net profit of €10.1 million, compared to €8.2 million in 2024.

Fine Foods economic performance

The 2025 revenue of the Parent Company Fine Foods & Pharmaceuticals N.T.M. S.p.A. were €221.3 million, compared to €218 million in the previous year, with an increase of 1.5%.

The Pharma Business Unit continued its growth, with a turnover to €85.2 million and a 12.4% increase compared to 2024. This helped offset a -4.3% decline in the Nutra Business Unit, which reported revenue of €136.1 million in 2025 compared to €142.2 million in the previous year. Following excellent results achieved in Q4 2024, the Nutra BU recorded a slowdown in growth at the end of 2025, in line with market dynamics. The nutraceutical segment focused on weight-control products is undergoing a transformation, driven by emerging trends in the customisation of food supplements to meet individual needs. This shift is redefining the sector, with its effects being evaluated.

The Parent Company's EBITDA increased by 7.5% compared to 2024 and was €33.2 million (€30.1 million in 2024). The Group's enhanced profitability reflects the ongoing efficiency programmes which have contributed to improving operating efficiency and reinforcing its competitive position.

The Nutra Business Unit's EBITDA reached €22.4 million in 2025, up from the previous year (+0.7%) despite the decline in turnover. The Pharma BU closed with EBITDA of €10.8 million, with a sharp increase compared to 2024 (+25.2%).

The Parent Company's EBITDA Margin as of 31 December 2025 was 15%, up from 14.2% in 2024. The Nutra BU's EBITDA Margin was 16.5% at the end of the financial year (2024: 15.7%). The Pharma BU's EBITDA Margin increased from 11.3% as of 31 December 2024 to 12.6%, recording growth of 1.3%.

Cosmetics Business Unit Performance

The Cosmetics Business Unit recorded revenue of €30.8 million in 2025, sharply up from €25.8 million at the end of the previous year (+19,4%). The Company's EBITDA was €1.2 million, with a sharp increase compared to the negative figure achieved at the end of the previous year.

Business outlook

In 2025, global macroeconomic scenario was complicated: though the easing inflation, there were tight financial conditions, and ongoing geopolitical tensions which intensified recently because of events between late February and early March 2026.

Major central banks, such as the European Central Bank and Federal Reserve, started gradually normalising monetary policy but remained cautious to support ongoing disinflation, as reflected in their economic bulletins and official statements.

The International Monetary Fund's recent considerations reported that global economic growth was approximately 3% in 2025, reflecting a moderate expansion rate that fell short of the pre-pandemic historical average.

In developed economies, the United States maintained robust economic growth, driven by consumer spending and investment in technological advancements, as reflected in OECD assessments. The euro area experienced slower growth due to industrial weakness and reduced international trade, according to the European Central Bank's Economic Bulletins. However, higher purchasing power and lower inflation lead to a gradual recovery in domestic demand in the year's second half.

Italy's economic activity grew modestly, matching the Eurozone average, due to weak manufacturing and external demand. The Bank of Italy found that services and tourism boosted growth, and falling inflation helped revive household spending.

According to the International Monetary Fund, China's moderate growth among emerging economies was aided by economic policy support and rising domestic consumption, despite ongoing issues in real estate and concerns about high debt. As noted by the OECD, India continues to drive global growth due to robust domestic demand, infrastructure investment, and the rapid digitalisation of its economy.

According to the International Monetary Fund's forecast scenarios, the global economy is expected to remain largely steady in 2026. Inflation should keep falling slowly, while financial conditions are anticipated to improve at a modest pace. However, increased geopolitical tensions, greater fragmentation of global trade, and the expansion of restrictive trade and tariff policies among major economies pose risks. These factors may influence the stability of supply chains and international trade dynamics.

As highlighted in 2025, the market segments in which the Group operates are expected to grow in Europe and globally in the coming years. The nutraceutical segment focused on weight-control products is undergoing a transformation, driven by emerging trends in the customisation of food supplements to meet individual needs. This shift is redefining the sector, with its full effects being evaluated.

Meanwhile, the main players in the Health & Beauty sector are increasingly outsourcing, opting for integrated partners to develop and manufacture nutraceutical, pharmaceutical, and cosmetics solutions. This shift supports asset-light business models that emphasise advanced research and brand management.

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, serving as an Invisible Expert, with an evolved and integrated service model over shelf visibility that provides long-term strategic support, formulation innovation and distinctive expertise along the value chain in the Health & Beauty sectors. This approach turns complex issues into practical solutions, predicts trends, and creates unique, safe, high-performing products.

The Group keeps monitoring opportunities for external growth to enhance diversification in pharmaceutical forms and packing solutions.

The Nutra BU will keep focusing on quality, innovation and development of high value-added services to support customers. Following the contraction observed in 2025, modest growth is anticipated for the 2026 financial year. The first quarter is projected to experience a continued decline, with a gradual recovery expected over the rest of the year, consistent with the market dynamics. The expansion plan remains on track. It will increase production capacity and develop new forms and technologies to enhance the product range and sustain medium- to long- term growth.

The fast-growing Pharma Business Unit will remain focused on managing the significant increase in volumes, supported by multi-year agreements with major international customers and improvements to production processes at its facilities. Brembate's expanded plant has begun production after securing approval, with initial revenue expected in 2026.

Following a phase of integration, reorganisation, and optimisation, supported by targeted investments, a new cosmetics development laboratory and strengthened management, the Cosmetics BU continues to deliver positive results. Fine Cosmetics is projected towards a future of innovation and strategic partnerships in the international Beauty and Personal Care industry. Its contribution to the Group's development and growth is expected to strengthen in 2026.

Due to the nature of the business, Fine Foods Group's revenue may fluctuate each quarter and may not be comparable year-over-year. However, the order book, established multi-year contracts, and development pipeline indicate stable profit historical growth trends, supported by a strong and reliable organisation.

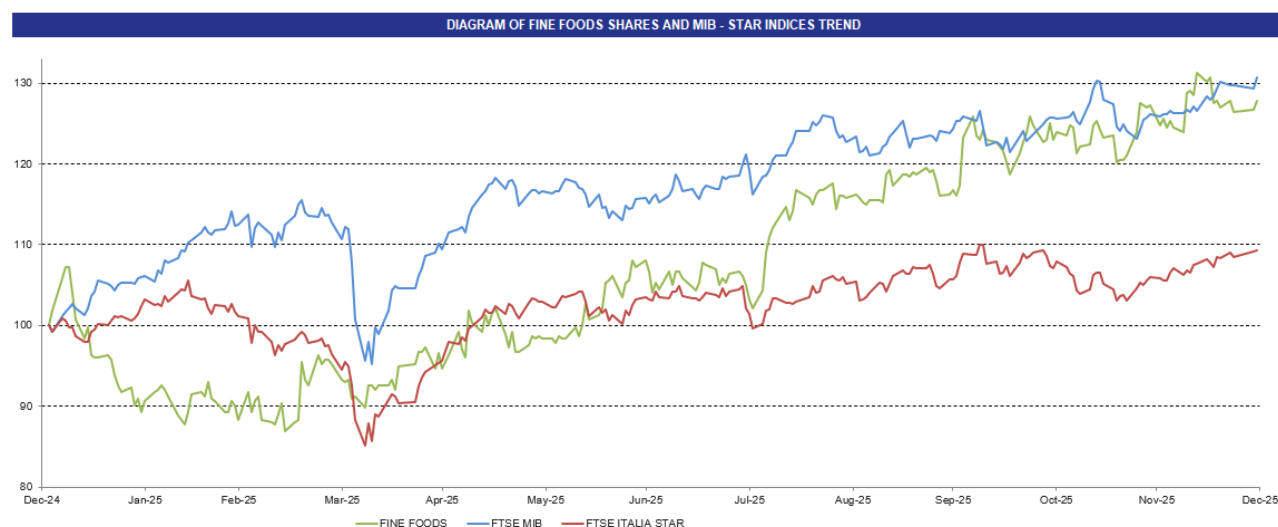
The Group, which obtained its EcoVadis Platinum rating for the third consecutive year in 2024, remains committed to sustainability, supported by enhancements to its organisational structure, strengthening its role as a reference partner for its customers, and providing solutions that are increasingly aligned with the growing ESG market expectations.

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

As of 30 December 2025, the Fine Foods & Pharmaceuticals N.T.M. S.p.A. share was listed at €9.58 per share, with an increase of 28 percentage points than the listing as of 30 December 2024 (€7.50 per share).

Market capitalisation as of 30 December 2025 was €245 million.

The diagram below shows the Fine Foods share performance compared with the leading stock market indices as of 31 December 2025:



The table below shows the main share and stock market data as of 31 December 2025:

Share and stock market data

as of 31 December 2025

First listing price (02/01/2025)	7.50
Maximum listing price	9.84
Minimum listing price	6.52
Last listing price (30/12/2025)	9.58
No. of listed outstanding shares	22,060,125
No. of unlisted outstanding shares	3,500,000
Total capitalisation	€245 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	31 December 2025	31 December 2024
A. Liquid assets	37,884	19,210
B. Cash or cash equivalents	-	-
C. Other current financial assets	-	-
D. Liquidity (A) + (B) + (C)	37,884	19,210
E. Current financial receivables	-	-
E. Current financial debt (including debt instruments, but excluding the current portion of non-current financial debt)	393	7,660
F. Current portion of non-current financial debt	11,751	11,033
G. Current financial debt (E + F)	12,144	18,693
- <i>guaranteed</i>	-	-
- <i>secured by collateral</i>	272	1,921
- <i>not guaranteed</i>	11,842	16,772
H. Net current financial debt (G - D)	(25,740)	(518)
I. Non-current financial debt (excluding current portion and debt instruments)	73,636	35,835
J. Debt instruments	-	-
K. Trade payables and other non-current payables	-	-
L. Non-current financial debt (I + J + K)	73,636	35,835
- <i>guaranteed</i>	-	-
- <i>secured by collateral</i>	2,732	5,495
- <i>not guaranteed</i>	70,815	30,341
M. Total Financial Debt (H + L)	47,896	35,318

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

	31 December 2025	31 December 2024
Working capital		
Inventories	34,954,626	31,908,612
Trade receivables	36,606,666	37,536,476
Other current assets	6,906,755	7,776,302
Trade payables	(36,351,971)	(36,555,144)
Other current liabilities	(17,750,461)	(15,420,659)
Total working capital (A)	24,365,615	25,245,588
Fixed assets		
Tangible fixed assets	144,157,789	126,139,938
Intangible assets and rights of use	16,326,903	15,970,398
Other receivables and non-current assets	2,188,455	4,049,200
Employee severance indemnities and other provisions	(4,936,954)	(4,027,668)
Total fixed assets (B)	157,736,193	142,131,868
Net Invested Capital (A) + (B)	182,101,808	167,377,456
Sources	31 December 2025	31 December 2024

Shareholders' equity	134,205,722	132,059,779
Net financial debt	47,896,096	35,317,677
Total Sources	182,101,808	167,377,456

Net invested capital as of 31 December 2025 was €182.1 million (€167.4 million as of 31 December 2024) and was covered by:

- Shareholders' equity of €134.2 million (€132.1 million as of 31 December 2024);
- Net Financial Position was €47.9 million as of 31 December 2025, (+€12.6 million compared to the end of the previous year). Operations generated a positive cash flow of €39 million before capital expenditure. This was offset by net investments (€36.4 million) made in the period, the purchase of treasury shares (€4.6 million), dividend distribution (€3.4 million) and financial charges (€2.8 million).

Working capital as of 31 December 2025 was €24.4 million compared to €25.2 million at the end of the previous financial year. Commercial Net Working Capital as of 31 December 2025 was €35.2 million compared to €32.9 million as of 31 December 2024. This increase is due to the rise in inventories (from €31.9 million to €35 million, +€3 million).

Tangible Fixed Assets increased by approximately €18 million in 2025, due to net investments of €34.5 million and amortisation, depreciation, and impairment losses for the period of about €16.5 million. In 2025, extraordinary investments of €23 million were made to expand the pharmaceutical and nutraceutical plants.

Intangible Fixed Assets and rights of use were €16.3 million as of 31 December 2025, substantially in line with the previous year-end (€16 million at the previous year-end).

Financial indicators

Indicator	31 December 2025	31 December 2024	Calculation Method
Capital structure margin	(26,278,970)	(10,050,557)	Shareholders' equity - Property, plant and machinery - Other intangible assets - Rights of use
Asset ratio	0.8	0.9	Shareholders' equity/(Property, plant and machinery - Other intangible assets - Rights of use)
Liquidity margin	15,150,686	(6,145,412)	Total current assets - Inventories - Total current liabilities
Current ratio	1.2	0.9	(Total current assets - Inventories)/Total current liabilities
Net Working Capital/Turnover	14.0%	13.5%	(Trade receivables + Inventories - Trade payables) / Turnover
Cash Conversion Ratio	6.8%	48.5%	Operating cash flow / Adjusted EBITDA
Leverage	1.3	1.1	Net Financial Position / Adjusted EBITDA
DSO	53	56	(Trade receivables/Sales revenue)*365
DPO	95	95	(Trade payables/Raw material purchase cost)*365
DIO	92	83	(Inventories/Raw material purchase cost)*365

Financial situation

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

Income Statement

Item	31 December 2025	%	31 December 2024	%	Absolute change	% Changes
Revenue from contracts with customers	252,058,868	100.0%	243,752,830	100.0%	8,306,038	3.4%
Costs for consumption of raw materials, change in inventories of finished goods and work in progress.	(139,240,012)	(55.2%)	(141,306,663)	(58.0%)	2,066,652	(1.5%)
INDUSTRIAL ADDED VALUE	112,818,856	44.8%	102,446,166	42.0%	10,372,690	10.1%
Other revenue and income	1,404,036	0.6%	1,317,440	0.5%	86,595	6.6%
Costs for services	(25,807,034)	(10.2%)	(23,601,211)	(9.7%)	(2,205,823)	9.3%
Personnel costs	(52,468,547)	(20.8%)	(47,623,798)	(19.5%)	(4,844,749)	10.2%
Other operating costs	(1,514,645)	(0.6%)	(2,118,224)	(0.9%)	603,579	(28.5%)
EBITDA	34,432,666	13.7%	30,420,374	12.5%	4,012,292	13.2%
ADJUSTED EBITDA	38,120,222	15.1%	33,182,689	13.6%	4,937,533	14.9%
Amortisation, depreciation, and impairment losses	(18,016,341)	(7.1%)	(15,776,371)	(6.5%)	(2,239,970)	14.2%
EBIT	16,416,325	6.5%	14,644,003	6.0%	1,772,322	12.1%
ADJUSTED EBIT	20,103,881	8%	17,406,318	7.1%	2,697,563	15.5%
Financial income	200,769	0.1%	699,711	0.3%	(498,943)	(71.3%)
Financial charges	(3,046,807)	(1.2%)	(3,498,895)	(1.4%)	452,088	(12.9%)
Changes in fair value of financial assets and liabilities	0	0%	(12,881)	(0.0%)	12,881	(100.0%)
INCOME BEFORE TAXES	13,570,287	5.4%	11,831,939	4.9%	1,738,348	14.7%
ADJUSTED INCOME BEFORE TAXES	17,257,843	6.8%	14,594,254	6.0%	2,663,589	18.3%
Income taxes	3,473,001	1.4%	3,676,060	1.5%	(203,059)	(5.5%)
Profit (loss) for the financial year	10,097,286	4%	8,155,879	3.3%	1,941,407	23.8%
ADJUSTED income/(loss)	12,758,112	5.1%	10,192,838	4.2%	2,565,274	25.2%

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

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

	31 December 2025	31 December 2024
Revenue from contracts with customers	252,058,868	243,752,830
Costs for consumption of raw materials, change in inventories of finished goods and work in progress	(139,240,012)	(141,306,663)
Industrial Added Value	112,818,856	102,446,166

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

	31 December 2025	31 December 2024
Profit/(loss) for the financial year (1)	10,097,286	8,155,879
Income taxes	(3,473,001)	(3,676,060)
Income before taxes (2)	13,570,287	11,831,939
Changes in fair value of financial assets and liabilities	-	12,881
Financial charges	3,046,807	3,498,895
Financial income	(200,769)	(699,711)
EBIT (3)	16,416,325	14,644,003
Amortisation	18,016,341	15,776,371
EBITDA (4)	34,432,666	30,420,374

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 December 2025	31 December 2024
Non-recurring income and charges attributable to Fine Foods	3,637,702	2,762,315
Non-recurring income and charges attributable to Fine Cosmetics	49,853	-
Total non-recurring income and charges (5)	3,687,556	2,762,315

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.

	31 December 2025	31 December 2024
Adjusted EBITDA (4) + (5)	38,120,222	33,182,689
Adjusted EBIT (3) + (5)	20,103,881	17,406,318
Income before taxes	13,570,287	11,831,939
Non-recurring income and charges (5)	3,687,556	2,762,315
Adjusted Income before taxes	17,257,843	14,594,254
Income taxes	(3,473,001)	(3,676,060)
tax effect on non-recurring income and charges (5)	(1,026,729)	(725,356)
Adjusted income/(loss)	12,758,112	10,192,838

Revenue from sales and services increased from €243.8 million in 2024 to €252.1 million in 2025, recording an increase of 3.4%.

Raw material costs on sales revenues, of approximately 55.2%, increased compared to the end of the previous year (58.0%).

Cost of Services increased by €2.2 million from €23.6 million in 2024 to €25.8 million in 2025. This change was due to the cost of utilities (+€1.0 million) and maintenance (+€1.2 million).

Personnel costs were €52.5 million, with an increase of €4.8 million compared to 2024, generated by the hiring of new employees and greater use of temporary staff.

The Group's Adjusted EBITDA in 2025 was €38.1 million (15.1% EBITDA Margin), up €4.9 million compared to €33.2 million in the previous year (13.6% EBITDA margin). The Group's enhanced profitability reflects the ongoing efficiency programmes which have contributed to improving operating efficiency and reinforcing its competitive position.

Non-recurring expenses were incurred in 2025, impacting EBITDA and mainly relating to the Parent Company, Fine Foods. Particularly:

- ✓ Operating costs, including staff costs (permanent and agency staff) of approximately €1.9 million to support the start-up of the new pharmaceutical plant. These operating costs were classified as ordinary expenses following receipt of the AIFA authorisation in October 2025;
- ✓ A reserve has been set aside to cover risks and expenses from disputes resolved in 2025 concerning wage differences, totalling €1.4 million;
- ✓ Consultancy costs relating to strategic development projects were €378,000;
- ✓ Severance and redundancy incentives were €53,800;

Non-recurring expenses were incurred in 2024, impacting EBITDA and exclusively relating to the Parent Company, Fine Foods. Particularly:

- ✓ Severance and redundancy incentives for certain executives were approximately €473,000.
- ✓ A non-competition agreement was signed with Ferraris for approximately €700,000.
- ✓ A risk provision of €1.6 million was allocated for salary adjustments.

Adjusted EBIT was €20.1 million in 2025, compared to €17.4 million (+15,5%) recorded in 2024. Adjusted Income Before Taxes as of 31 December 2025 was €17.3 million compared to €14.6 million in the previous year. The Group closed 2025 with an Adjusted profit of €12.8 million, compared to €10.2 million in 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 Measures ("APMs"). 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 APMs, the following should be noted:

- these indicators are constructed exclusively from historical data and are not indicative of the Company's future performance;
- APMs 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 APMs must not be considered as a replacement for the indicators provided for by the International Financial Reporting Standards (IFRS);
- these APMs 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 APMs 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 APMs 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 - thus, 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 groups/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 calculation 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 calculation 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 calculation 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 director's 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 bank loans, mortgages and bonds. The Group's policy is to keep loan numbers due in the next 12 months around 60%. As of 31 December 2025, 15.1% of the Group's financial 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 table below summarises the Group's due date profile of financial liabilities based on undiscounted contractually agreed payments.

31 December 2025	Total	1 to 12 months	1 to 5 years	> 5 years
Financial liabilities				
Non-current bank borrowings	72,736,116	-	71,416,146	1,319,970
Current bank borrowings	12,752,615	12,752,615	-	-
Non-current lease payables	899,666	-	858,556	41,110
Current lease payables	390,589	390,589	-	-
Total financial liabilities	86,778,987	13,143,204	72,274,702	1,361,081

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

To support the significant ongoing investments, which were primarily covered by the cash generated from business operations in 2024, the Parent Company is considering securing a new bank loan to finance the remaining investments.

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 borrowing costs 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 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 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 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 ongoing geopolitical conflicts

The Group faces the risk of cancelling or suspending orders for products exported to countries at war (e.g.: Russia, Ukraine and neighbouring areas), affecting the Nutra BU. The Group is monitoring this risk through continuous contact with customers who export to areas affected by the conflict to manage any critical issues promptly.

Ongoing Middle East conflicts and tensions may increase instability and complicate geopolitics. Fine Foods and its key customers have minimal presence in conflict-affected regions and the Group regularly assesses any impact on operations.

Risks related to the concentration of Group revenue on major customers

The Group has historically had a significant concentration of revenue among its main customers. 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 always 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 business and 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. As Nutra and Pharma customer bases expand, coupled with the acquisition of the Cosmetics Business Unit, revenue concentration, while still evident, has become more dispersed and is gradually declining.

Manufacturer's liability risks

The Group faces risks related to products manufactured with a quality that does not comply with the customer's specifications and risks related to future due diligence obligations along the supply chain. This could expose the Group to possible liability action or claims for compensation, with potentially adverse effects on the Group's economic, capital and financial position.

Suppliers of raw materials and packaging undergo a qualification process and monitoring of ESG requirements. This procedure will cover service providers in 2026. The Company has an international food alert and fraud monitoring system.

The Group stipulated a policy with a leading insurance company with a limit of €20 million per event, per year. A further risk mitigating action is included in the Business Continuity Plan and concerns product procurement, verification and manufacturing processes.

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 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 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 Group 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 Farindustria, to align its energy efficiency with the best international standards.

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

To address the effects of climate change on water resources, ongoing efforts aim to reduce water consumption. An internal task force regularly monitors progress and evaluates the effectiveness of the measures implemented.

Climate change risks: transition risks

These risks refer to the financial loss resulting from the challenges and costs associated with moving to a more sustainable and less carbon-dependent economic model. This situation is driven 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 Farindustria, to align its energy efficiency with the best international standards.

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

To address the effects of climate change on water resources, ongoing efforts aim to reduce water consumption. An internal task force regularly monitors progress and evaluates the effectiveness of the measures implemented.

Energy cost risk

Energy costs remained high compared to historical cost, with high price 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. As of this document's date, the business impact of recent events in the Middle East (late February to March 2026) could not be determined.

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. Additionally, three facilities are equipped with photovoltaic systems that together provide 850 kW of capacity. These systems cover part of the Group's energy need through energy from renewable resources, meeting about 11.8% of the Group's energy consumption in 2025. The Group reduces short-term risk by using fixed-price contracts to hedge against changes in the natural gas market's variable costs.

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

Exceeding pollution limits or mishandling hazardous 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 Group 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. The Group aims to ensure that all its

plants receive the ISO certifications above. Currently, the Trenzano site is uncertified, even though it uses environmental and health and safety management systems that follow ISO standards.

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. To address potential medium- to long-term sustainability risks, the Group will review analysis applications in 2026 to identify at-risk raw materials and consider additional mitigation measures if needed.

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 Group 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. The Group aims to ensure that all its plants receive the ISO certifications above. Currently, the Trenzano site is uncertified, even though it uses environmental and health and safety management systems that follow ISO standards.

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 losing 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.

To comply with the EU pay transparency directive which will be implemented in Italy in June 2026, the Company has started internal changes and is pursuing gender equality certification (UNI PdR 125).

Risks related to salary adjustments claims

Fine Foods develops and manufactures contract products including food supplements, nutraceuticals, and pharmaceuticals, employing more than 700 staff under the National Collective Labour Agreement for the Food Industry. Workers in the production departments are required to clock in at external 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 late 2024, the Company has received several reimbursement requests mainly from former employees for wage differences related to time spent changing clothes and travelling between external turnstiles and changing rooms. The Company has resolved previously initiated disputes and is considering negotiations with trade unions to establish mutually agreed regulations regarding employee clothing. This process aims to facilitate the resolution of any future claims related to past matters.

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.

To address potential medium- to long-term sustainability risks, the Group will review analysis applications in 2026 to identify at-risk raw and packaging materials. The goal is to identify vulnerable suppliers, and consider additional mitigation measures if needed.

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 Company implemented procedures for supplier selection and assessment 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 and adopted procedure.

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 implementing monitoring audits, where necessary;
- 3) Sending questionnaire to update requirements and data, monitoring of ESG requirements (based on the supplier's inherent ESG risk)
- 4) performance assessment

Due to recent regulatory changes and the Group's medium-term sustainability strategy, ESG requirements will be updated in 2026 to ensure ongoing oversight and due diligence under applicable standards and value chain best practices.

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 Group to terminate relationships with non-compliant suppliers, with consequent operations slowdowns.

The Company implemented procedures for supplier selection and assessment 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 and adopted procedure.

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 implementing monitoring audits, where necessary;
- 3) Sending questionnaire to update requirements and data, monitoring of ESG requirements (based on the supplier's inherent ESG risk)
- 4) performance assessment

Due to recent regulatory changes and the Group's medium-term sustainability strategy, ESG requirements will be updated in 2026 to ensure ongoing oversight and due diligence under applicable standards and value chain best practices.

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 Company implemented procedures for supplier selection and assessment 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 and adopted procedure.

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 implementing monitoring audits, where necessary;
- 3) Sending questionnaire to update requirements and data, monitoring of ESG requirements (based on the supplier's inherent ESG risk)
- 4) performance assessment

Due to recent regulatory changes and the Group's medium-term sustainability strategy, ESG requirements will be updated in 2026 to ensure ongoing oversight and due diligence under applicable standards and value chain best practices.

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

Risk that staff may misuse company data, either improperly, without authorisation, or due to lack of competence, when working with generative Artificial Intelligence (AI) tools.

Unmonitored increasing use of generative AI tools may risk confidential data loss and cause financial or reputational damage to the Group. These circumstances occur because of a lack of oversight and/or clear internal policies regarding AI, and insufficient employee awareness of the limitations of these systems, which may lead to improper use.

Regulation (EU) 2024/1689, known as the AI Act, sets out new rules from the European Commission for generative AI platforms to address key issues. This includes:

- adding data without authorisation, processing information incorrectly or ineffectively, and disclosing sensitive or private data;
- fraudulent use of company resources, manipulation of databases, copyright infringement, creation of new harmful businesses.

This legislation forms a key element of Europe's wider plan, highlighting how crucial this matter is and underlining the necessity of supervision to safeguard citizens' privacy and the expertise of European businesses.

To comply with the EU AI Regulation 2024/1689 and reduce risks from generative AI, the Company is exploring risk mitigation measures, including:

- implementing technological Proof-of-Concept (POC), starting with enterprise solutions for corporate accounts;

- implementing an internal AI policy detailing procedures for consultation, authorisation, and restrictions regarding the potential use of AI applications;
- regular training for authorised staff to highlight AI misuse risks.

Key non-financial indicators

The following Company business non-financial indicators are provided for a better understanding of the Company situation, operating trend and result:

- The Group maintains consolidated and continuous relationships with **more than 130 customers**;
- The Group can count on **148 production lines** located in the various plants;
- The Group produces **2,107** Stock-Keeping Units (SKUs);
- The Group employs **839** 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 October 2025, the Parent Company underwent a surveillance audit 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 2026.

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.

The Trezzano site did not experience any environmental damage. In response to the incident earlier this year, where ATOO issued a warning about a "spill on the ground," the Authority (AATO Brescia) asked for the disciplinary action to be dropped. They explained that the puddle in the yard was minor, likely accidental, and similar to what happens in comparable situations.

To protect the environment, Group companies give all the types of waste that are generated by the Zingonia - Verdellino, Brembate and Trezzano 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 (Trezzano site) is filed at the Company's registered office and was revised on 12 December 2025 in its fifth version.

In October 2025, 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 March 2026 and will be a "recertification".

During the year, 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.

In 2025, three occupational illness reports were submitted. One was not accepted by INAIL, so the Parent Company was not held liable. The other two claims are still pending confirmation, but it is likely they are not related to Fine Foods, as the Fine Foods occupational physician filed them three to four months after the employees started working at the Company.

In the first half of the year, Fine Cosmetics experienced an accident. Although the initial prognosis was 20 days, it was ultimately extended to 64 days. The event prompted action by the 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.

During 2025, Fine Foods' Supervisory Body did not identify any anomalies in the implementation of the current Organisation, Management and Control System under Legislative Decree no. 231/2001. They based their findings on the evidence of the assigned activities performance and deemed the control system correct and generally supplemented by a constant procedure updating process. This applied even during the Covid emergency.

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 2025, 5574 training courses and seminars were held, for all levels, making 31,946 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 delivered
Nutraceuticals	1,283	8,168.5
Pharmaceuticals	4,144	21,489.5
Fine Cosmetics (Trenzano)	147	2,288
TOTAL	5,574	31,946

During the year there were no serious accidents at work that resulted in serious injuries to personnel enrolled in the employee register for which corporate responsibility was ascertained or charges relating to occupational illnesses on employees or former employees.

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.

Essential intangible resources

The Group defines essential intangible resources as non-physical assets that are fundamental to its business model and serve as value creation drivers:

- a) Intellectual capital, encompassing implicit knowledge, systems, procedures, and protocols within the organisation, and value generated through innovations and processes;
- b) Human capital, relating to employees' skills, capabilities, and experience;
- c) Social and relational capital, primarily referring to relationships with customers, suppliers, and stakeholders.

For details on assets recognised in the financial statements, please refer to the relevant notes in the Consolidated and Separate Financial Statements.

Research and development

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

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/>).

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 31/12/2025:

	Number	Fees Euro
Initial balance	1,077,669	14,139,356
Purchased shares	510,420	4,582,874
Shares allocated free of charge		
Shares sold		
Shares cancelled due to excess capital		
Shares cancelled to cover losses		
Final balance	1,588,089	18,722,230

As of 06 March 2026, Fine Foods & Pharmaceuticals N.T.M. S.p.A. holds 2,010,102 treasury shares equal to 7.8642% of the share capital, at a weighted average price of € 10.8082.

Under art. 2357-ter of the Civil Code, the purchase 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

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

Use of financial instruments significant to the assessment of the 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 financial year

No significant events occurred after the end of the financial year.

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.



2025 Sustainability Reporting

under Directive 2013/34/EU of the European Parliament and Council, as amended by Directive (EU) 2022/2464 of the European Parliament and Council

Summary

General disclosures	38
Environmental commitment	77
2. Disclosure under Article 8 of Regulation 2020/852.....	77
3. Climate change.....	82
4. Pollution.....	89
5. Water and marine resources.....	91
6. Biodiversity and ecosystems.....	94
7. Resource use and the circular economy.....	96
Social commitment	102
8. Own workforce.....	102
9. Workers in the value chain.....	119
10. Consumers and end users.....	123
Governance and business conduct	129
11. Business conduct.....	129

FINE FOODS 2025 FIGURES		
€252.1 Million Turnover	+9.5% CAGR*	€10.5 Million Profit attributable to the Company's ordinary shareholders for basic earnings per share
ECOVADIS PLATINUM 85/100  Top one per cent of companies in the EcoVadis ranking Medal awarded in 2025	SUSTAINALYTICS  SUSTAINALYTICS Overall ESG risk score: 25.9 Medium Risk (+0,5 since 2021) Management Score of ESG Material Risk: Strong	SYNESGY  Synesgy The sustainability network. ESG Performance: B Good level of sustainability
100% Renewable electricity supply	758 MWh Self-generated energy from renewable sources	14.40% Share of renewable sources in total energy consumption
177.40 MWh/M€ Energy intensity per net revenue 1,365 MWh/ton Energy intensity relative to bulk production	236.73 m3/M€ Water intensity per net revenue 1.82 m3/ton Water intensity relative to bulk production	15% Waste for recovery
84,216.71 tCO₂eq Total GHG emissions (location-based) 82,989.91 tCO₂eq Total GHG emissions (market-based)	8,107.08 tCO₂eq Scope 1 1,226.81 tCO₂eq Scope 2 (location-based) 0 tCO₂eq Scope 2 (market-based) 74,865.23 tCO₂eq Scope 3	329.19 tCO₂eq/M€ GHG intensity per net revenue (market-based) 2.53 tCO₂eq/ton GHG intensity relative to bulk production
40% Women on Board of Directors 32% Women in Senior Management	839 Total employees +8% compared to 2024	51% Male employees 49% Female employees
75% of employees under the age of 50, average age is 40.6 years	5% Foreign hired employees	99% Employees hired with open-ended contracts
7.39% Outgoing turnover rate 13.83% Hiring rate	34,864 Number of training hours provided 41.6 Average hours of training per capita	19 Good practices for health promotion in the Company
95% Raw and packaging materials suppliers assessed under ESG criteria	approximately 300 Students involved in meetings on sustainability and orientation issues 6 Students accepted for internships and school-to-work projects	€48,200 Donations for philanthropic activities

TRADE ASSOCIATIONS													
 CONFINDUSTRIA	 FARMINDUSTRIA												
 COSMETICA ITALIA associazione nazionale imprese cosmetiche	 qualità, gusto e piacere												
OTHER ASSOCIATIONS													
 food supplements europe	 INDUSTRIE FARMACI ACCESSIBILI												
UNITED NATIONS GLOBAL COMPACT													
WE SUPPORT  Active members of the Global Compact since 2021	<table><tr><td>3 GOOD HEALTH AND WELL-BEING </td><td>4 QUALITY EDUCATION </td><td>5 GENDER EQUALITY </td><td>7 AFFORDABLE AND CLEAN ENERGY </td></tr><tr><td>8 DECENT WORK AND ECONOMIC GROWTH </td><td>11 SUSTAINABLE CITIES AND COMMUNITIES </td><td>12 RESPONSIBLE CONSUMPTION AND PRODUCTION </td><td>13 CLIMATE ACTION </td></tr><tr><td>15 LIFE ON LAND </td><td>16 PEACE, JUSTICE AND STRONG INSTITUTIONS </td><td>17 PARTNERSHIPS FOR THE GOALS </td><td></td></tr></table>	3 GOOD HEALTH AND WELL-BEING 	4 QUALITY EDUCATION 	5 GENDER EQUALITY 	7 AFFORDABLE AND CLEAN ENERGY 	8 DECENT WORK AND ECONOMIC GROWTH 	11 SUSTAINABLE CITIES AND COMMUNITIES 	12 RESPONSIBLE CONSUMPTION AND PRODUCTION 	13 CLIMATE ACTION 	15 LIFE ON LAND 	16 PEACE, JUSTICE AND STRONG INSTITUTIONS 	17 PARTNERSHIPS FOR THE GOALS 	
3 GOOD HEALTH AND WELL-BEING 	4 QUALITY EDUCATION 	5 GENDER EQUALITY 	7 AFFORDABLE AND CLEAN ENERGY 										
8 DECENT WORK AND ECONOMIC GROWTH 	11 SUSTAINABLE CITIES AND COMMUNITIES 	12 RESPONSIBLE CONSUMPTION AND PRODUCTION 	13 CLIMATE ACTION 										
15 LIFE ON LAND 	16 PEACE, JUSTICE AND STRONG INSTITUTIONS 	17 PARTNERSHIPS FOR THE GOALS 											

General disclosures
ESRS 2

1.1 Drafting criteria

General criteria for drafting sustainability statements

This Sustainability Report has been prepared under the Corporate Sustainability Reporting Directive (CSRD), transposed into Italian law by Legislative Decree 125 of 6 September 2024 and the European Sustainability Reporting Standards (ESRS).

The data and information reported are consolidated and refer to the Group companies included in the scope of the Annual Financial Report as of 31 December 2025. These include:

the Parent Company Fine Foods & Pharmaceutical N.T.M. S.p.A.

the subsidiary Fine Cosmetics S.p.A.

The Sustainability Report derives from the analysis conducted under the double materiality principle, enabling the identification of relevant impacts, risks, and opportunities (IROs) for the Group. The Double Materiality analysis considered the Group's direct activities, and its value chain and business relations divided between the *Nutraceuticals*, *Pharmaceuticals* and *Cosmetics* Business Units, ensuring an integrated and comprehensive approach. The level of data coverage for the different stages of the value chain is detailed in the different sections below.

This document highlights the Company's activities in relation to the key issues, and other sustainability areas that are crucial to Fine Foods' ongoing efforts to build a more responsible future.

The necessary information for drafting the 2025 Impact Report is included; the Group prepares and publishes this report under Law No. 208 of December 28, 2015, Article 1, paragraphs 382–383.

In this report, no information regarding intellectual property, knowledge, or innovation results has been omitted. Additionally, no details about forthcoming developments or ongoing negotiations have been withheld, under Articles 19 bis (3) and 29 bis (3) of Directive 2013/34/EU.

Disclosures in relation to specific circumstances

This Report covers the period from 1 January to 31 December 2025. The time intervals are based on ESRS 1 section 6.4 *Definition of short-, medium- and long-term for reporting purposes*:

- *Short-term*: the one-year reporting period of the Annual Financial Report;
- *Medium-term*: up to five years following the short-term reporting period;
- *Long-term*: beyond five years from the end of the short-term reporting period.

The document will include comparisons with 2024, which has been set as the reference and base year.

Where information is subject to estimation, the underlying assumptions and the process leading to its determination, including inherent uncertainties, are disclosed throughout this document. Any quantitative or monetary data based on estimates is explicitly identified in this or the relevant chapters².

The following metrics have been estimated and are subject to a certain degree of uncertainty:

- Hours of operation of the Group's facilities, which influence the calculation of air pollutant emissions. This estimate was determined by considering the number of hours the plants operated daily and total operating days throughout the year. It was assumed that the plants functioned continuously during working hours and on scheduled operating days.
- Calculation of the average supplier delay time for the subsidiary Fine Cosmetics.

In addition, Scope 3 value chain category estimates were calculated with some uncertainty, as shown in the table below.

SCOPE CATEGORY	3	DESCRIPTION OF THE ESTIMATE
-------------------	---	-----------------------------

² All forward-looking statements are based on reasonable assumptions made by Fine Foods' management. However, such statements are subject to inherent uncertainties.

3.1	Emissions related to purchased goods and services, calculated by multiplying the kilograms of raw materials and packaging acquired by the corresponding emission factors sourced from the Ecoinvent 3.10 database. Product category modelling has been enhanced compared to 2024, using one of the following approaches: - products linked to a specific Ecoinvent process use the available database; - if no Ecoinvent process exists for a product, it is modelled as General Chemical.
3.2	Emissions associated with capital goods, particularly the new plant under construction in 2025 and the purchase of new machinery, reporting the impact in the year of purchase and using spend-based logic. Impacts were quantified by multiplying the budget spent in 2025 by factors from the DEFRA document "UK full dataset 1990 to 2021 including conversion factors by SIC code for SCOPE 3."
3.3	Emissions associated with fuels and energy not reported in scope 1 and 2. Following a market-based approach, the emission factor related to the upstream phase of electricity production was adjusted by incorporating the specific emission factors associated with different renewable energy sources, as certified in the guarantee of origin certificates. As the guarantee of origin certificates for the reference year were unavailable at the time of calculation, the 2025 quantity was modelled based on the 2024 distribution of renewable energy sources. Accordingly, 5,681.92 MWh were modelled by hydroelectric power, using emission factors taken from the Ecoinvent 3.10 database.
3.4	Emissions related to logistics calculated by measuring the distance between the capital of the country of production and the destination for foreign suppliers, or by assuming an average distance of 250 km for Italian suppliers. Transport was modelled using: road transport via 16-32 t EURO 5 trucks; a combination of road transport and cargo shipping. Emissions were determined as the result of the associated kg/km and the emission factors taken from the Ecoinvent 3.10 database for road and sea transport.
3.5	Emissions linked to the end-of-life stage of waste generated by the organisation calculated as the result between the quantities of waste produced (in kg or m³) and sent for treatment or disposal (categorised by EWC code) and the corresponding emission factor taken from the Ecoinvent 3.10 database. The 2024 analysis was refined by separating hazardous waste and calculating its emissions.
3.6	Not relevant
3.7	Not relevant
3.8	Emissions linked to upstream leased assets, especially those stemming from energy and natural gas use at a property rented by Fine Foods. Impacts were determined by multiplying billed energy use with DEFRA 2025 and ISPRA 2024 emission factors.
3.9	Total considered emissions related to outgoing logistics were calculated by multiplying the kg/km associated with the organisation's activities by emission factors from the Ecoinvent 3.10 database for road and sea transport. The kg/km was determined by using transport documents that record the shipped weight and customer's destination city for each order, allowing calculation of the distance from the Group's departure point. Shipping distances were estimated primarily for land transport (modelling them as covered by 16-32 t EURO 5 lorries or trains), and for longer trips, by sea (modelling them as covered by cargo ships) or air.
3.10	Not relevant
3.11	Not relevant
3.12	Not relevant
3.13	Not relevant
3.14	Not relevant

3.15	Not relevant
------	--------------

In addition to the disclosures required by the ESRS standards and Directive 2022/2464, this Report provides information on the evaluation of environmentally sustainable economic activities under EU Regulation 2020/852. For further details, please refer to the "Disclosure under Article 8 of Regulation 2020/852" chapter in this document. Additionally, the Group's calculation of its Inventory of Direct (Scope 1) and Indirect (Scope 2 and Scope 3) GHG Emissions was calculated under the GHG Protocol guidelines which establishes international best practices for managing, reporting, and verifying GHG emissions. For further details, please refer to the "Gross Scopes 1, 2, 3, and Total GHG emissions" chapter in this document.

1.2 Fine Foods Group

History and identity

Fine Foods is an Italian independent Contract Development & Manufacturing Organization (CDMO). It develops and manufactures contract products for the nutraceutical, pharmaceutical and cosmetics industries.

Established in 1984, the Company was created to seize a market opportunity by offering pharmaceutical companies new production pathways in the sector of food supplements. In 1991, it opened the Brembate plant for pharmaceuticals and in 1997, the Zingonia plant for nutraceuticals. Pharma and Nutra have always worked in synergy, each benefiting from the other through cross-fertilisation and constant improvement.

From the beginning, Fine Foods has pursued excellence, delivering scientific rigour and high-quality Italian manufacturing to its customers in the pharmaceutical contract manufacturing sector. Customer loyalty, always a key priority, stands as proof of world-class production exported across the globe. Fine Foods has expanded its production capacity and the range of technical and scientific solutions offered to its customers. Continuous investment in research and development, together with rigorous quality control, ensures that the Company remains a trusted partner, guaranteeing reliability and ongoing innovation.

In 2018, Fine Foods was listed on AIM before moving to the Euronext STAR Milan market in 2021, becoming the first CDMO to be listed in this segment.

In 2021, after acquiring Pharmatek, Fine Foods entered the cosmetics sector, opening up to new market segments and creating valuable research and development synergies. The organisational structure and consolidated business model were expanded to integrate this new area, ensuring strong prospects for future growth.

After the Pharmatek-PMC acquisition, growth in the CDMO cosmetics segment continued in the second half of 2021 when Euro Cosmetic S.p.A. was acquired. The Company is active in the oral hygiene, skin and hair care, personal deodorant, body care and perfumery cosmetics sectors. This enables new commercial cross-selling synergies, new solutions and business opportunities.

For more than a decade, Fine Foods has recognised ESG issues as a key driver of growth. In 2010, it obtained ISO 14001 environmental certification, followed in 2014 by OHSAS 18001, updated to ISO 45001, for occupational health and safety. Social responsibility has been a focus since 2015, with the introduction of the 231 Organisation and Management System under Legislative Decree 231/2001 (or "231 System"), and since 2016 through SMETA/SEDEX assessments. In 2021, Fine Foods became a Benefit Corporation and joined the UN Global Compact, reaffirming its ethical and transparent approach to business.

The Company published its first Sustainability and Impact Report in 2022 and received the EcoVadis Platinum Rating, which it continues to hold.

The Group employed 839 people and achieved total revenue of €252.1 million as of 31 December 2025.

Eurocosmetics has been renamed Fine Cosmetics S.p.A. to reinforce the Group's identity, marking the Group transition into a Contract Service Development & Manufacturing Organisation (CSDMO). This change demonstrates the Group's ongoing commitment to addressing customer requirements.



Euronext STAR Milan, which is part of Borsa Italiana's Euronext Milan market, was established in 2001 to improve the value of exceptional SMEs and increase their visibility to Italian and foreign investors.

The Borsa Italiana's STAR segment trades securities of companies with medium capitalisation (in Italy between €40 million and €1 billion) which comply with requirements of excellence (transparency, liquidity and governance international standards).

After 40 years, Fine Foods has become a reliable partner skilled in anticipating and meeting the expectations of the most demanding customers, growing and evolving with them, as part of the same enterprise.

Fine Foods strives to generate value for customers with high-quality products and services, for employees through an ethical and transparent workplace that encourages growth, and for the community through sustainable, internationally certified environmental practices.

Fine Foods' goal is to be recognised by its customers as a strategic partner for their success, and it bases its operations on the following key principles:

Reliability: Fine Foods' organisational structure is built on teamwork, motivation, and the continuous training of its people. This approach enables the Company to deliver the highest levels of expertise and professionalism to every customer and project. Financial strength, robust investment capacity, meticulous supply chain management, and state-of-the-art technologies are the foundation of long-lasting customer relationships.

Quality: for Fine Foods, quality extends beyond technical excellence. The Group selects raw materials from reliable suppliers who meet its strict Code of Ethics. It uses constantly updated technology and a highly advanced procedural system. The expertise of highly qualified professionals is applied to certified production, the outcome of best practices refined through years of projects and experience.

Ethics: at Fine Foods, professional ethics are paramount. The Group rejects discrimination and ensures equal opportunities for all employees, with fair treatment based solely on merit. Employees are the true driving force behind the business success. Fine Foods works to foster a fair, stable, and transparent working environment.

Flexibility: open internal communication and constructive dialogue at every level and across company functions are essential to maintaining flexibility and supporting growth synergies. The principles of lean production and continuous improvement guide operations, supported by an agile, constant and interdisciplinary problem-solving approach that ensures flexibility.

Sustainability: creating value means making a positive impact on everything Fine Foods is connected to, including employees, the environment, and the wider community. The Group strives to return the value it receives from its employees, the environment, and the communities it serves to build a more sustainable future, in line with its values.

Business model

Fine Foods is a leading European player in the Contract Development and Manufacturing Organization (CDMO) sector, distinguished as a strategic partner for contract development and manufacturing. The Group operates across several specialised Fine Foods plants, dedicated to the production of oral solid forms for the nutraceutical and pharmaceutical sectors, and the Fine Cosmetics facility, which ensures a strong presence in the cosmetics industry.

Nutraceuticals

In the nutraceutical sector, Fine Foods has developed two distinctive approaches to meet diverse customer ready-to-market and tailor-made needs.

The first approach allows for a faster time-to-market, using ready-made and validated solutions, while the second offers innovation and exclusivity, with products tailored to individual customer requirements.

These approaches are built on solid expertise in formulation and production technology, developed through years of experience and continuous improvement.

A clear example of this expertise is the Zingonia plant, the largest facility in Europe dedicated to the production of food supplements. By positioning as a CDMO for nutraceutical and pharmaceutical products, Fine Foods can meet the rigorous quality standards demanded by pharmaceutical companies. Within the plant, every stage of the production process is managed with efficiency, flexibility and speed, supported by well-established best practices and procedures. This ensures the delivery of products that are competitive, innovative and capable of interpreting or anticipating market trends.

The Company's excellence is driven by its Research and Development department which, through agility, flexibility and a reduced time-to-market, offers a wide range of high-quality products across diverse therapeutic areas. The nutraceutical R&D department has a "ready-to-market" approach to accelerate the "time-to-market" of new products designed as targeted solutions for multiple therapeutic areas. This has led to the creation of a portfolio designed around customer needs, providing timely and effective responses within a dynamic and innovative market.

The result is a catalogue of products tested through stability studies and ready to enter a rapidly evolving market that demands swift and precise solutions. Choosing a "ready-to-market" product means access to the market launch phase, without losing the high quality and innovative content of every Fine Foods solution.

Therapeutic areas covered include:

- Probiotics – probiotic-based products for gastrointestinal well-being and beyond
- Multivitamins and Minerals – from traditional multivitamin products to more advanced formulations featuring branded ingredients or new delivery formats
- Immune System – from classic vitamin C or plant extract– based products to innovative products with branded ingredients or new dosage formats
- Sleep and Relaxation – from single-ingredient melatonin-based products to enhanced solutions combining plant extracts or using advanced dosing technologies
- Gastrointestinal system – from fibre-based products to cutting-edge formulations with branded ingredients or new delivery formats
- Circulatory system – an innovative formulation combining probiotics and B vitamins, specifically developed to support and enhance cardiac function
- Osteoarticular system – from mineral-based products to more cutting-edge formulations with branded ingredients.
- Urinary system – probiotic, cranberry, and vitamin-based formulations available in traditional and innovative formats
- Female health – from formulations specifically designed for pregnant women to probiotic-based solutions supporting female urinary health and well-being
- Beauty – from traditional vitamin– based formulations to products enriched with collagen, hyaluronic acid, and probiotics
- Active ageing – formulations promoting healthy and active ageing, based on vitamins, minerals, branded ingredients, and probiotics
- Mental well-being – innovative probiotic-based formulations with branded ingredients.

Forms manufactured:



Capsules



Tablets



Effervescent tablets



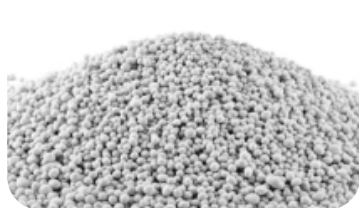
Film-coated tablets



Chewable tablets



Soluble tablets



Granules



Effervescent granules



Powders

Available packaging:



Bottles



Blisters



Bags



Sachets



Pillboxes



Sticks



Strips



Tubes

Pharmaceuticals

Fine Foods approaches every project in the pharmaceutical sector with scientific rigour, established best practices, and strong technical expertise. Robust financial stability, combined with an efficient decision-making process, enables the Company to serve as a trusted partner of excellence for customers pursuing growth opportunities or joint investments. The Group ensures that customer audits are straightforward and efficient, consistently meeting the most stringent standards.

Fine Foods has become a key partner in Technology Transfer. The Brembate plant is a modern and efficient contract manufacturing facility for pharmaceutical customers, where speed of execution and meticulous attention to detail make Technology Transfer smooth and effective. Our in-depth pharmaceutical knowledge interprets customer needs to deliver high-quality results in the best possible way at speed.

Forms manufactured:



Capsules



Tablets



Effervescent
tablets



Film-coated
tablets



Granules



Effervescent
granules



Powders

Available packaging:



Blisters



Bags



Sachets



Pillboxes

Cosmetics

Fine Cosmetics produces innovative, quality skin care, deodorants, body and hair care, perfumery and oral hygiene products which follow the latest consumer trends. Fine Cosmetics creates new business opportunities for customers by providing a comprehensive service including first briefing, consultancy, formulation and final packaging with a careful quality tracking.

The Company supports its customers throughout every stage of project development, providing solutions that meet marketing, quality, performance, and safety requirements. This is achieved through rigorous quality control, continuous updating of technical expertise, and the cross-fertilisation of knowledge and best practices across functions.

The Group pursues innovation that anticipates market trends, helping customers achieve leadership in their segments through consistent and effective communication, continuous partnerships with top suppliers, bilateral cooperation with laboratories and universities.

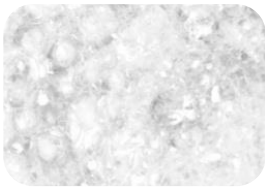
Forms manufactured:



Perfumed waters



After-Shave



Bath and shower
gel



Shaping waxes



Mouthwash and
breath products



Cream



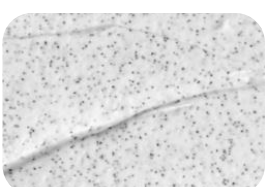
Gel and paste
toothpaste



Roll-on, stick and
spray deodorants



Intimate cleansers



Emulsions and
microemulsions



Gel



Liquid soaps



Shampoo and
conditioner

Available packaging:



Airless containers



Special containers for deo sticks



Bottles and jars with dispensers



Bottles and jars with screw and press-on caps and stoppers



Bottles and jars with cache pumps



Bottles and jars with protective caps



Bottles and jars with roll-on



Bottles and jars with screwed or crimped vaporisers



Bottles and jars with sleeve labels



Bottles and jars with protective seals



Plastic, glass or metal bottles and jars



Bottles



Lip sticks



Coextruded tubes for creams



Aluminium tubes



Laminated tubes for toothpaste

Research and Development

Fine Foods is active in the contract development and manufacturing of oral and solid forms for the 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.

The Group's business model relies on key intangible assets, summarised into three main categories:

- Intellectual capital, encompassing implicit knowledge, existing systems, procedures, protocols, and value generated through innovations and processes;
- Human capital, relating to employees' skills, capabilities, and experience;
- Social and relational capital, primarily referring to relationships with customers, suppliers, and stakeholders.

Value chain

Fine Foods is positioned within the value chain of pharmaceuticals, nutraceuticals and cosmetics, focusing its core business on the following stages of value creation:

Business Development	Business development at Fine Foods is based on strengthening the trust relationships established with customers, while expanding its customer base through direct contacts, ad hoc sessions, participation in trade fairs and industry events, and digital marketing tools that showcase our latest innovations.
Research and Development	Through its internal R&D division, Fine Foods studies and formulates new nutraceutical and cosmetic products and checks the transfer of production processes of registered pharmaceuticals to its plants (technology transfer).
Scale Up and Production	The Group carries out Scale-Up, i.e. the transition from laboratory to industrial scale with smaller plants having the leading production technologies. These speed up and streamline manufacturing, intercept and anticipate any problems and critical issues in the processes and launch production in compliance with the expected productivity and quality parameters.
Quality Assurance and Control	The Group quality system covers production cycle phases so that its products can meet customer requirements under statutory and regulatory requirements.

The operations carried out by the Group's three business units are part of their respective value chains, which are detailed in the following figures.

NUTRACEUTICALS AND COSMETICS



PHARMACEUTICALS



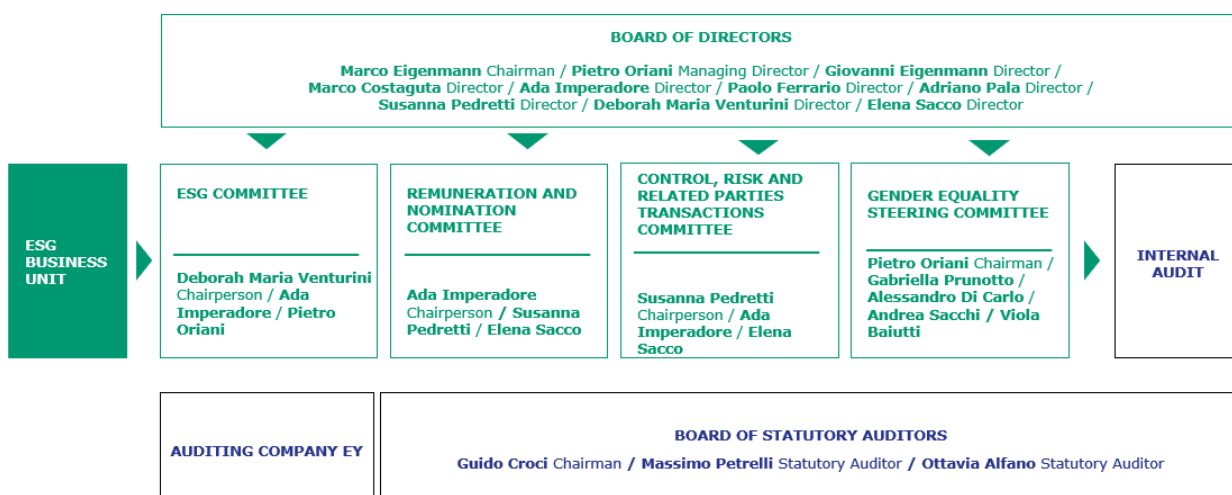
1.3 Governance

The Fine Foods corporate governance system is based on Borsa Italiana (Italian Stock Exchange)'s Corporate Governance Code, which defines a sound governance to guide the Group towards sustainable success.

Fine Foods has adopted a traditional governance model and consists of the following corporate bodies:

- Shareholders' Meeting
- Board of Directors
- Board of Statutory Auditors

The Gender Equality Steering Committee was established in 2025 to for the effective adoption and application of the Gender Equality Management System and Policy under UNI PdR 125:2022.



Board of Directors

The Board of Directors' main role is to guide the Group towards sustainable success, deciding on strategic direction and monitoring its implementation. It promotes the best dialogue with the shareholders and other relevant stakeholders. The Board of directors comprises six executive directors and four non-executive directors, and four independent directors who have the professionalism and skills appropriate to the entrusted tasks (Figure 1 **Errore. L'origine riferimento non è stata trovata.**).

In forming its Board of Directors, Fine Foods applies diversity criteria. The Board of Directors of the Parent Company comprises 40% members from the least represented gender (Figure 2) and 20% members aged between 30 and 50. (Table 1).

Age of members	Male	Female	Total
30-50 years	1	1	2
> 50 years	5	3	8
Total	6	4	10

Table 1 – Board composition by gender and age

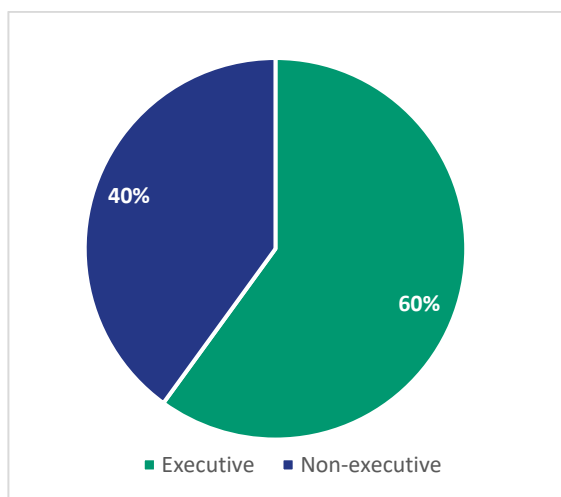


Figure 1 – Executive and non-executive members

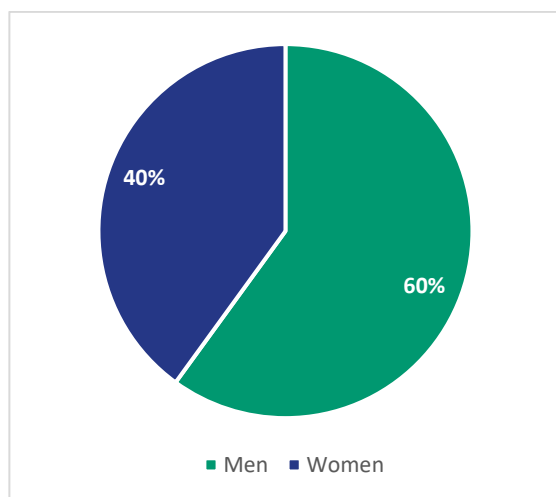


Figure 2 – Composition of the Board of Directors by gender

The Board of Directors includes at least a member with governance, compliance, sustainability, internal control systems and risk management expertise, including compliance matters under Legislative Decree 231/2001.

Committees

The Fine Foods Board of Directors has set up four internal committees with advisory and proposal-making functions:

- Environment, Social and Governance or ESG Committee
- Remuneration and Nomination Committee
- Control, Risk and Related Parties Transactions Committee
- Gender Equality Steering Committee (established in 2025)

The **ESG Committee** advises and makes recommendations to the Board of Directors, defining a strategy that integrates sustainability into business processes. The objective is to promote the ongoing integration of national and international best practices in corporate governance and ESG factors into the Company's strategies, while creating value for shareholders and stakeholders over the medium to long term, in compliance with sustainable development principles.

The ESG Committee's core responsibilities include:

- (a) supporting the Board of Directors in identifying issues relevant for generating long-term value, in coordination, where necessary, with the Group's Control and Risk Committee;
- (b) supporting the Board of Directors in approving the Group's business plan, ensuring that the issues relevant for generating long-term value for shareholders and other stakeholders are included in the Plan. This includes:
 - formulating opinions and making proposals to define a strategy that integrates sustainability into business processes;
 - proposing projects and activities to implement this strategy;
 - monitoring the progress of activities and projects that implement the Group's sustainability strategy based on previously defined quantitative and qualitative indicators;
- (c) monitoring the evolution of sustainability issues:
 - assessing the guidelines, best practices and national and international principles gradually emerging on the subject;
 - monitoring the Group's market positioning by participating in the Group's ESG performance assessment and analysing the sustainability performance of competitors and peers;
- (d) promoting the adoption of codes of conduct and policies based on the evolution of the above issues;
- (e) assessing the sustainability reporting, based on its consistency with the requirements specified in national and international regulations and principles expressed by the standards adopted for the Statement preparation. The outcome of its assessments is submitted to the Board of Directors;
- (f) promoting the Group's participation in relevant social responsibility initiatives and events, to consolidate the Company's national and international reputation;
- (g) expressing opinions on issues that may impact sustainability issues, at the request of the Board of Directors or the Managing Director;
- (h) monitoring the implementation of the decisions adopted by the Board of Directors on sustainability issues;
- (i) supervising policies and sustainability issues related to business activities;
- (j) monitoring and promoting stakeholder engagement activities;
- (k) promoting, assessing and verifying the activities for the implementation of the dual purpose required from Benefit Corporations. It verifies that the Parent Company, in addition to profit, pursues purposes of common benefit and operates responsibly, sustainably and transparently towards persons, communities, regions and the environment, cultural and social assets and activities, entities and associations, workers, customers, suppliers, lenders, creditors, public administration and the civil society;
- (l) carrying out any further tasks assigned by the Board of Directors;
- (m) reporting on sustainability-related activities at least every six months to the Board of Directors.

The ESG Committee members regularly engage with Company representatives responsible for monitoring and implementing ESG-related development projects. These representatives include dedicated employees (e.g., ESG specialist), Senior Management (CEO) area managers (e.g., HR Director, Procurement Director, ESG Manager), and external consultants who are experts in the field.

The **Remuneration and Nomination Committee** supports the Board of Directors in its assessment and decisions by carrying out preliminary, propositional and advisory functions. These include:

- (a) self-assessment of the governing body and its committees;
- (b) the best composition of the governing body and its committees;
- (c) identification of candidates for the office of Director if there is a co-optation;
- (d) possible presentation of a list by the outgoing governing body to ensure transparency in its establishment and presentation;
- (e) preparing, updating and implementing succession plans for the chief executive officer and the other executive directors.
- (f) assisting the Board of Directors in drafting Remuneration Policy for Directors, Board of Statutory Auditors members and Key Management Personnel, by formulating specific proposals or expressing opinions so the Policy is functional to the Group sustainable success. It must consider the need to have, retain and motivate persons with the skills and professional expertise required by the Group. The Committee formulates proposals to the Board of Directors or expresses opinions on the remuneration of executive Directors and other Directors holding special offices and performance objectives related to the remuneration variable component;
- (g) monitoring the practical application of the Remuneration Policy and verifying the achievement of performance objectives;
- (h) periodically assessing the adequacy, consistency and practical application of the Remuneration Policy for Directors and Key Management Personnel (including any stock option or share allocation plans, three-year incentive plans, etc.), upon Chairperson of the Board of Directors instructions. To do so, it uses the information provided by Managing Directors, and formulates proposals to the Board of Directors on the matter;
- (i) preliminary review of the annual report on the remuneration policy and compensation, available to the public under applicable legislation.

The **Control, Risk and Related Party Transactions Committee** makes proposals and advises the Board of Directors, based on preliminary analysis, supporting the Board's assessments and decisions on the internal control and risk management system, and the approval of periodic financial and non-financial reports. The Control, Risk and Related Party Transactions Committee, under the Corporate Governance Code, supports the Board of Directors' activities specified below:

- (a) defining the guidelines for the internal control and risk management system in line with the Company's strategies and assessing the system's adequacy for the Group business and the risk profile assumed, and its effectiveness at least once a year;
- (b) appointing and revoking the internal audit head;
- (c) approving the work plan prepared by the internal audit head, at least once a year, after consulting the control body and Chief Executive Officer;
- (d) assessing whether it is appropriate to adopt measures to ensure the effectiveness and impartiality of the other corporate functions specified in Recommendation 32, letter E) of the Corporate Governance Code, checking that they have adequate professional expertise and resources;
- (e) tasking the control body or another expressly set up supervisory body under Art. 6, paragraph 1, letter B) of Legislative Decree no. 231/2001.
- (f) after consulting the control body, assessing the results set out by the statutory auditor in any letter of suggestion, and in the additional Report addressed to the control body;
- (g) describing the primary internal control and risk management system's features and coordination methods between the parties involved in the Corporate Governance Report. It specifies the systems and national and international reference best practices, expressing its overall assessment of the system's adequacy and explaining the supervisory body composition choices referred to in the previous letter.

The Control, Risk and Related Party Transactions Committee, under the Corporate Governance Code, carries out the following when assisting the Board of Directors:

- (a) assesses, together with the Manager responsible for preparing the corporate financial reports and having consulted the statutory auditor and the Board of Statutory Auditors, the correct use of accounting standards and their uniformity for preparing the Consolidated Financial Statements before the Board approved of the Consolidated Financial Statements;
- (b) assesses the suitability of periodic financial and non-financial information to correctly represent the Group's business model, strategies, the impact of its activities, and the performance achieved;
- (c) examines the content of periodic non-financial information relevant to the internal control and risk management system;
- (d) expresses opinions on specific aspects for the identification of the leading corporate risks and supports the Board of Director's assessments and decisions on the management of risks arising from prejudicial events of which it has become aware;
- (e) examines the periodic reports concerning the assessment of the internal control and risk management system and the relevant reports prepared by the Group Internal Audit;
- (f) monitors the independence, adequacy, effectiveness and efficiency of the Group Internal Audit;
- (g) may entrust the Internal Audit with carrying out checks on specific operational areas, simultaneously notifying the Chairperson of the Board of Statutory Auditors and the Director in charge of the internal control and risk management system, unless the request for verification concerns the latter's work;
- (h) reports to the Board of Directors, at least every six months when the annual and half-yearly Financial Statements are approved, on the work and adequacy of the internal control and risk management system.

The **Gender Equality Steering Committee** was established in 2025 for the effective adoption and application of the Gender Equality Management System and Policy under UNI PdR 125:2022. Its tasks are:

- (a) defining the Gender Equality Policy, in coordination with the General Management;
- (b) preparing the Strategic Plan for gender equality outlining measurable goals that the organisation aims to achieve over time. These objectives are assigned as implementation responsibilities and address the KPIs needed for certification and the system's anticipated results, especially regarding the real satisfaction of those involved, namely, women in the Company who directly benefit from these initiatives. While the Strategic Plan is often seen as the result of planning, it can still be changed;
- (c) the plan should evolve based on regular system reviews, and its streamlined, modular design supports adaptation to changing circumstances;
- (d) overseeing diversity and gender parity in corporations;
- (e) implementing KPIs for inclusion, gender equality, and integration;
- (f) monitoring the progress and application of the KPIs and objectives described in the Strategic Plan;
- (g) engaging in the scheduled review of the system conducted by General Management;

- (h) overseeing and tracking the anonymous reports, which are accessible to employees and partners for safely reporting incidents of harassment or workplace bullying, while ensuring full respect for privacy.

Steering Committee members regularly engage with Company representatives overseeing Equality Certification projects. Representatives include ESG employees, senior management (such as the CEO), area managers (HR, Food Plant, Pharma Plant, Marketing), and external field experts.

The Board of Statutory Auditors

Under Article 26 of the Articles of Association, the Board of Statutory Auditors comprises three statutory members and two alternate members, appointed by the Shareholders' Meeting and operating under the law. Auditors are appointed for three financial years, and their term of office expires on the date of the Meeting called to approve the Financial Statements for the last financial year of their term of office, and they can be re-elected. Those who exceed the limits on the number of offices held, or for whom there are grounds for ineligibility or disqualification, or do not meet the requirements of independence, integrity and professionalism and the other requirements laid down by applicable laws and regulations, cannot be elected Auditors and, if elected, shall forfeit their office. To establish the professionalism and integrity requirements, topics relating to commercial law and tax law, business economics and corporate finance, and disciplines with a similar or comparable purpose, and topics and sectors related to the Parent Company's business sector, are considered.

The Board of Statutory Auditors worked with the internal audit head and the Control, Risk and Related Party Transactions Committee by attending committee meetings. These meetings are also attended by the head of the internal audit. The Board of Statutory Auditors cooperated with the Supervisory Body appointed under Legislative Decree no. 231/2001 and liaised with the Chief Executive Officer on the internal control and risk management system. The Board of Statutory Auditors participated in the Remuneration and Nomination Committee works.

For details regarding the expertise of the members of the Group's Governing and Control bodies, please refer to their CVs available on the website in the Governance section.

There are no employee representatives in the Group's management and control bodies.

Internal Audit

The tasks of the internal audit head are:

- (a) verifying the operation and suitability of the internal control and risk management system following international standards, using a Board of Directors approved audit plan based on structured analysis and prioritisation of the main risks;
- (b) preparing periodic reports containing adequate information on their work, risk management methods and containment plan compliance. The periodic reports shall assess the internal control and risk management system suitability;
- (c) preparing timely reports on significant events at the control body's request;
- (d) transmitting the reports referred to in points b) and c) to the chairpersons of the control body, Control and Risk Committee, Board of Directors, and the Chief Executive Officer, except where the reports concern their activity;
- (e) verifying the reliability of information systems, including accounting systems, as part of the audit plan.

Supervisory Body

Fine Foods adopted and effectively implemented a System that represents the organisation and management tool to prevent employees and co-workers from committing offences under Legislative Decree 231/2001. The tasks of supervising the 231 System's adequacy, updating and effectiveness have been delegated to an expressly set up collective Supervisory Body.

Information provided to the Company's administrative, management and supervisory bodies and sustainability issues

The ESG Committee members regularly engage with Company representatives responsible for monitoring the most significant ESG issues and driving key development projects. These Company representatives include dedicated employees (e.g., ESG specialist), area managers (e.g., HR Director, Procurement Director, ESG Manager), and external consultants who are experts in the field and appointed by the Parent Company. Following these interactions, the ESG Committee convenes to review the results shared with them, propose new action plans, assess new policies and/or updates to existing ones, set new objectives, and address issues that have gained public attention or been raised by stakeholders. Focus is given to sustainability impacts, risks, and opportunities (IROs).

The list of material impacts, risks, and opportunities (IROs) can be found in the "*Material impacts, risks, and opportunities and their interaction with strategy and business model*" paragraph below.

The outcomes of the Committee's meetings are reported to the Board of Directors at least every six months, with the Committee providing opinions and making suggestions for a strategy integrating sustainability into business processes.

Integration of sustainability-related performance into incentive systems

The Remuneration and Nomination Committee suggests and oversees the remuneration policies for Directors, members of the Board of Statutory Auditors, and Key Management Personnel. The Remuneration and Nomination Committee has authorised a short-term variable remuneration component for Managing Director Pietro Oriani. This incentive is contingent upon the attainment of specific objectives, including those related to sustainability. These annually updated objectives account for approximately 10% of the total short-term incentive that can potentially be achieved.

In 2024, more executives and managers received annual ESG MBO assignments, provided these goals were relevant to their roles. These objectives mainly concern the supply chain's ESG qualification and Group's ESG assessment, coordinating work teams, and implementing innovative technologies to improve the efficiency of the Company's resource consumption.

Statement on due diligence

While Fine Foods identifies actual and potential negative impacts linked to its activities and implements initiatives to prevent or mitigate them (as detailed in the following paragraphs on Material Topic Standards), the Group has not yet adopted a due diligence process fully aligned with internationally recognised frameworks such as the United Nations guiding principles on business and human rights or the OECD guidelines for multinational enterprises. Starting in 2026, the Group will gradually implement due diligence in business areas impacted by these sustainability principles to improve management of related risks and opportunities.

Risk management and internal controls over sustainability reporting

The Group is gradually incorporating ESG principles and sustainability reporting standards into its risk management and internal control system. To achieve this, Fine Foods has integrated processes into its Financial Closing procedure to ensure that the data behind the figures presented in the reports is complete, accurate, and available within the required timeframes.

The Group has developed clear guidelines for internal and external information requests, providing instructions on extracting and storing data where possible. Additionally, for historical databases, consistency and plausibility checks have been conducted to identify any significant deviations. These checks are part of greenhouse gas emissions reporting.

However, there are no specific formalised procedures for incorporating internal control findings into the sustainability reporting process within the relevant functions. The Group will begin formalising internal monitoring and control processes for sustainability risks and opportunities in 2026.

1.4 Strategy

The 2022–2025 Strategic Plan

The Group's sustainability strategy is outlined in the **2022-2025 Sustainability Plan**. Below are the tables listing the actions planned, targets achieved in 2025 and reference to the sustainable development pillars to which each action contributes.

ETHICS AND GOVERNANCE

Fine Foods aims to implement a governance model oriented towards sustainable success, placing the safety of its products and stakeholders first, while acting responsibly and transparently.

Material topics for the 2022-2025 Sustainability Plan

- Corporate Governance
- Ethics and regulatory compliance
- Product safety
- Cybersecurity
- Sustainable financial growth
- Customer partnerships

Area	Target 2025	Audit - 2025
Bribery and corruption Anti-competitive practices	Updating the Code of Ethics and implementing the Anti-Corruption Policy.	Code of Ethics and Anti-Corruption Policy updated in 2024.
	Training all staff on the Code of Ethics and Anti-Corruption Policy.	All staff trained on anti-corruption issues (whistleblowing) on the "Fine Foods Academy" online portal in 2025.
	MBO system on ESG criteria for all managers who impact ESG results.	MBO system maintenance on ESG criteria for all first-level and middle managers who impact ESG results.
	Ensuring compliance with Legislative Decree 231/01	Implementing the 231 System in all Group companies since 2023.
Data security	Maintaining a high level of corporate and customer data security; Defining and updating data processing policy; No non-conformities detected	Ongoing internal auditing and updated risk assessment; No non-conformities detected in 2025.
Product safety	No product recalls	In 2025, there was one pharmaceutical product recall, meaning the Group did not meet its zero-recall target.

PEOPLE

Fine Foods puts people's safety first and promotes programmes that improve protection and prevention standards. The Group aims to have the best talent and prioritises a peaceful and inclusive environment where people can express their potential, be valued and rewarded based on their commitment and skills. They are encouraged to contribute to Company success.

Material topics for the 2022-2025 Sustainability Plan

- Safety at work
- Health and well-being
- Professional development and performance
- Attracting and retaining talent
- Diversity and equal opportunity
- Labour/Management relations

Area	Target 2025	Audit - 2025
Employee health and safety	UNI EN ISO 45001 certification for all sites	Defining a single policy and harmonising procedures in 2024. Fine Cosmetics certification is still in progress.
	Keeping the injury rate below the average of the last three years	Accident rate below the 2022-2024 average.
Working conditions	Maintaining Lombardy WHP Network accreditation	Accreditation to the "Lombardy WHP Network" network for the Zingonia, Brembate and Trezzano sites was confirmed in 2025.
Social dialogue	At least one management training project to spread the feedback culture	Programme launched in 2025.
Child and forced labour, and human trafficking	Maintaining zero non-conformity	No non-conformities were identified by the SB and Internal Audit.

ENVIRONMENT

The Fine Foods Group is preparing for a low-climate-impact future by using natural resources sustainably, considering their availability and potential to generate long-term value.

Material topics for the 2022-2025 Sustainability Plan

- Combating climate change and using energy efficiently
- Use of water resources
- Waste management and resource circularity
- Air and water protection
- Biodiversity

Area	Target 2025	Audit - 2025
------	-------------	--------------

Energy and GHG	GHG Intensity reduction (SCOPE 1 and 2 location-based in tCO ₂ eq on annual turnover in millions of euros) in 2025 vs 2022 baseline	Comparison of GHG Intensity (GHG emissions in tCO ₂ eq per annual turnover) in 2025 vs 2022 baseline: - 5.1% 37.30 (2025 GHG intensity) 39.30 (2022 GHG intensity).
Water	Implementing group-wide monitoring network	Water monitoring network operating in all Group plants (Zingonia, Brembate and Trezzano).
	Maintaining active projects to reduce water consumption during production compared to the 2022 baseline.	Comparison of water intensity (consumption in m ³ on annual turnover in millions of euros) in 2025 vs 2022 baseline: -32.9% 236.7 (2025 water intensity) 352.6 (2022 water intensity).
Biodiversity	Implementing the Apicoltura Urbana (Urban Beekeeping) Project	The Apicoltura Urbana (Urban Beekeeping) Project, launched in 2024 to install apiaries on Company-owned land in Brembate, is under review for inclusion in the 2026-2028 Plan.
Materials and waste	Waste-to-Recovery Rate increase (quantity of waste sent for recovery as a percentage of total waste produced) in 2025 compared to 2022 baseline.	Comparison of Waste-to-Recovery Rate (quantity of waste sent for recovery as a percentage of total waste produced) in 2025 vs 2022 baseline: +20.6% 15.2% (% waste recovered in 2025) 12.6% (% waste recovered in 2022).
Product end-of-life	Analysis of at least a product LCA	A Life Cycle Assessment in sustainable packaging was carried out in 2023.

SUSTAINABLE PRODUCTS

Fine Foods helps its customers reach their full market potential by creating long-term partnerships. Thus, it is committed to creating increasingly sustainable products, where sustainability is the innovation driver.

The Group strives to industrialise its customers' products by finding new strategies to decarbonise processes, minimise the use of natural resources and raw materials, and promoting their circular use. This includes researching and suggesting more environmentally friendly materials.

Material topics for the 2022-2025 Sustainability Plan

- Eco-design and innovation
- Researching and suggesting ecological materials

Area	Target 2025	Audit - 2025
Eco-design and innovation; Researching and suggesting ecological material	A training project to acquire LCA skills and training 40 per cent of R&D, purchasing, and sales staff	The purchasing, sales, and R&D departments received training in 2023, with another session scheduled for 2026.
	At least four projects to develop more sustainable products based on Life Cycle Assessment criteria and replace used materials with materials certified according to sustainability standards	Implementation of: A Sustainable Packaging LCA Project in 2024. Total target achieved through 2023 and 2024 results.

SUPPLY CHAIN

The Fine Foods Group promotes and shares its values throughout the supply chain and works towards a qualified supply chain in business ethics, focusing on respect for human rights.

Material topics for the 2022-2025 Sustainability Plan

- Human rights in the supply chain
- Sustainability in the supply chain
- Sustainable procurement and circular economy policies

Area	Target 2025	Audit - 2025
Environmental and social	100% of suppliers assessed under EcoVadis Environmental and Social criteria.	85%: value of raw and packaging materials ordered from suppliers with EcoVadis rating above 40/100.

performance of suppliers	All of suppliers assessed under ESG criteria	95%: value of raw and packaging materials ordered was positively assessed with EcoVadis or ESG Questionnaire.
	All suppliers have signed a Code of Conduct	Inclusion of supplier Code of Conduct (CoC) in new Group contracts + reminder of the CoC in orders issued to existing suppliers. 98% of expenditure on raw and packaging materials is from suppliers who have signed the CoC. 71% of expenditure on services is represented by suppliers who have signed the CoC.

REGIONAL DEVELOPMENT

The Fine Foods Group builds a regional equitable future by promoting actions of common benefit to the communities where it operates.

Material topics for the 2022-2025 Sustainability Plan

- Relations with local communities

Area	Target 2025	Audit - 2025
Relations with local communities	At least one annual common benefit project activated aimed at people care, culture, regional environmental protection and responsible consumption.	Funding of various associations involved in the identified areas. For more information, please refer to the “Benefit Identity” paragraph.
	At least 500 people in the region involved in awareness-raising projects.	More than 500 people in the region have been involved and made aware through local engagement initiatives.

The 2026–2028 Strategic Plan

After completing the 2022-2025 Plan, the Group updated its sustainability strategy for the next three years, aligning with most recent top standards and following Common Benefit Objectives as a Benefit Corporation.

The Group operates **responsibly**, **sustainably** and **transparently** towards people, communities, regions and the environment, cultural and social assets and activities, bodies and associations and other stakeholders.

The 2026–2028 Plan was formally approved by the Fine Foods Group’s ESG Committee on 27 February 2026.

Below are the Strategic Plan objectives until 2028 and the actions planned for 2026.

ENVIRONMENT

Operating sustainably

ESRS	Area	2026-2028 strategy targets	Quantitative KPI baseline	2026 actions and objectives
ESRS E – cross-sector	Environmental Management System	All sites covered by UNI EN ISO 14001 certification <i>Implementing the KPIs and objectives defined by 14001 within this plan</i>	Two of three facilities certified: Zingonia and Brembate (2025).	Establishing Fine Cosmetics procedure/gap analysis
E1 – Climate change	Energy and climate change	Reducing energy intensity [MWh/ton bulk] by 10%, 2024 baseline	1,369 MWh/ton bulk (2024)	Implementing a consumption KPI management control tool
		Reducing GHG intensity [ton CO ₂ e/ton bulk] by 10%, 2024 baseline, Market-Based Scope 1 and 2	2.43 tonCO ₂ /ton bulk (2024)	Internal energy efficiency initiative assessment and feasibility analysis
		<i>Keeping grid electricity fully renewable.</i>	<i>100% (2025), recurring</i>	<i>Keeping grid electricity fully renewable.</i>
E2 – Pollution	Substances of concern	Establishing a hazardous chemical monitoring system that complies with applicable safety standards as outlined in the ISO 14001 Management System	<i>qualitative objective</i>	Internal data update and supplier activation
	Pollution of air, water and soil			

	Microplastics			
E3 – Water and marine resources	Water and marine resources	Reducing water intensity [m3/ton bulk] by 20%, 2024 baseline	1.71 m ³ /ton bulk (2024)	Implementing a consumption KPI management control tool
		Promoting at least one water efficiency project	qualitative objective	Researching and implementing a water efficiency project
E4 – Biodiversity and ecosystems	Biodiversity and ecosystems	Promoting an urban biodiversity project for at least one Group plant	qualitative objective	Researching and implementing an urban biodiversity project for at least one Group plant
E5 – Resource use and the circular economy	Resource inflows, including resource use	Creating internal guidelines for innovative packaging that meet top sustainability and quality standards	qualitative objective	Establishing procedures and comprehensive regulatory assessment
	Waste and resource outflows related to products and services	Reducing waste intensity [ton/ton bulk] by 10%, 2024 baseline	0,597 MWh/ton bulk (2024)	Comprehensive analysis and feasibility study for strategies to enhance internal waste storage efficiency
		Promoting at least a waste volume reduction project for at least one Group plant	qualitative objective	

PEOPLE

Operating responsibly

ESRS	Area	2026-2028 strategy targets	Quantitative KPI baseline	2026 actions and objectives
S1 – Own workforce	Safety at work	All sites covered by UNI EN ISO 45001 certification <i>Implementing the KPIs and objectives defined by 45001 within this plan</i>	Two of three facilities certified: Zingonia and Brembate (2025).	Establishing Fine Cosmetics procedure/gap analysis
		Keeping the accident rate (S1-14) below the 2024 baseline	14 (2024)	Promoting participation in a health and safety training module or awareness campaign
	Working conditions, DE&I and equal opportunities	Establishing a monitoring system for DE&I, living wage, training, and corporate welfare	qualitative objective	Implementing a KPI management control tool for DE&I, living wage, training and corporate welfare
		<i>Ensuring the ongoing WHP certification of all Group plants</i>	qualitative objective	<i>Ensuring the ongoing WHP certification of all Group plants</i>
	Attracting and retaining talent	Obtaining Employer Branding certification	qualitative objective	Establishing procedures and feasibility analysis for Employer Branding certification
	Equal treatment and opportunities for all	Providing training to all employees on Gender Equality and/or Diversity, Equity, and Inclusion (DE&I) topics, and ensuring at least one module is promoted each year.	starting regular monitoring from 2026	Promoting a training module on Gender Equality and/or DE&I topics
		Establishing a company Performance Review system	qualitative objective	Establishing procedures and feasibility analysis for the company Performance Review system
		Obtaining UNI/PdR 125:2022 Gender Equality Certification for the Group	qualitative objective	Obtaining UNI/PdR 125:2022 Gender Equality Certification for the Parent Company Fine Foods
S4 – Consumers and end-users	Personal safety of consumers and/or end-users	0 product recalls <i>Implementing the KPIs and objectives defined by ISO 9001 within this plan</i>	One recall (2025)	0 product recalls <i>Implementing the KPIs and objectives defined by ISO 9001 within this plan</i>
extra ESRS Relations with local communities	Relations with local communities	Promoting at least one local common benefit project each year	qualitative objective	<i>Promoting at least one local common benefit project each year</i>
		Involving at least 1,000 people in locally promoted projects	500 people (2025)	<i>Promoting a local project that attracts more people</i>

GOVERNANCE

Operating transparently

ESRS	Area	2026-2028 strategy targets	Quantitative KPI baseline	2026 actions and objectives
G1 – Business conduct	Corporate culture – Corruption and whistleblower protection	Ensuring processing of whistleblowing reports is upheld within six months	qualitative objective	Ensuring processing of whistleblowing reports is upheld within six months
		Ensuring the 231 Management System is upheld and revising the Code of Ethics to match leading global standards	qualitative objective	Ensuring the 231 Management System is upheld and revising the Code of Ethics to match leading global standards
		Implementing an ESG-based MBO system for all directors and managers influencing ESG outcomes	100% (2025), recurring	Implementing an ESG-based MBO system for all directors and managers influencing ESG outcomes
	Data security	Maintaining a high level of corporate and customer data security	qualitative objective	Maintaining a high level of corporate and customer data security
		Keeping the Data Processing Policy up to date	qualitative objective	Keeping the Data Processing Policy up to date
		No non-conformities detected	0 (2025)	No non-conformities detected
	Corporate culture – Managing relationships with suppliers, including payment practices	Retaining all new suppliers who commit to the Supplier Code of Conduct	98% (2025)	Retaining all new suppliers who commit to the Supplier Code of Conduct and are assessed in the ESG area
		Launching supplier engagement and capacity-building programmes covering at least 80% of spending over three years, with a minimum expenditure cut-off of €50,000	starting regular monitoring from 2026, 0%(2025)	Supplier engagement and capacity building analysis and planning
		Implementing an ESG rating system for the supply chain to formalise the process of updating supplier monitoring procedures	qualitative objective	Updating supplier monitoring procedures
		Ensuring purchasing staff receive annual training in sustainable procurement by delivering one module per year	100% (2025)	Introducing a training module designed for purchasing department staff focused on sustainable procurement
Extra ESRS Customer partnerships, sustainable economic growth	Customers partnerships, sustainable economic growth	Establishing an ESG management control system that provides adaptable and effective solutions for "sustainable" products, ensuring compliance with international standards and regulations in this sector	qualitative objective	Designing and initial mapping the ESG management control system, including the execution of at least one analysis area (i.e. HSE, Energy, DE&I, Training, etc.)

Stakeholders' interests and opinions

The Group's key stakeholders are outlined below, along with their expectations, needs, and how they are involved:

Stakeholder group	Involvement method	Expectations and needs
Employees	- Satisfaction questionnaires - Workshops - Surveys on specific topics - Trade union discussions - Internal communication activities (Zucchetti portal, notice boards) - Training	- Living a stable working condition - Opportunities for professional growth and training - Regular payment of salaries - Carrying out their work safely, effectively and efficiently - Clear work instructions - Objective performance evaluations - Protecting people's psychological and physical well-being - Diversity respect and appreciation - Possibility of using forms of flexibility for work-life balance - Recognising company values - Sustainable use of resources and responsible consumption - Training young people - Supporting community health
Customers	- Daily relations with commercial and technical teams (R&D, REG, QA) - Interviews detecting the needs and relationship satisfaction - Business review meetings at least every six months - F2F meetings in the Company or at industry fairs/events - Innovation meetings - Product campaigns to promote the latest innovations - Supplier qualification process	- Quality - Product safety - Organisational structure reliability and risk management capacity - Ethics and integrity - Favourable price/quality ratio - Partnership development - Professionalism - Report - Availability and cooperation - Fast reaction times - Meeting delivery times - Flexibility - Business continuity - Technical team support - Knowledge and skills - Ad hoc product development support - Innovation - Promoting new product ideas - Good documentation quality - Support developing products with a lower environmental impact - Support providing data to calculate the product's carbon footprint - Supply chain decarbonisation
Shareholders/investors	- Relations with Investor relations management - Shareholders' Meeting - Qualification process - ESG rating agencies	- Share value growth - Investment risks reduction - Corporate Governance - ESG rating
Suppliers	- Daily relations with the procurement team - ESG performance rating portal - Supplier qualification process	- Partnership continuity - Compliance with contractual conditions - Partnership development -
Future generations	- Monitoring channels of the leading international non-governmental organisations (e.g., UN, ILO, GRI, SBT, WWF) - Implementing guidelines - Participating in training events	- Help achieving UN Sustainable Development Goals (SDGs). - Protecting the environment and human rights along the value chain
Local communities	- HR team relationship	- Partnership continuity

	- Cooperation agreements with universities and technical institutes - Agreements to host study-work students - Meetings with the management of schools in the area	- Developing new shared value projects
Local and regulatory authorities	- Requesting and granting authorisations - Inspections - Consultations	- Regulatory compliance - Market feedback
Certification bodies	- Audits	- Regulatory compliance - Information accuracy
Trade associations	- Monitoring update channels - Direct contact for exchanging information on trends and needs of sector companies	- Partnership and constant information flow
Banks	- Direct contact with administrative offices	- Information accuracy - Solvency - Financial soundness
Insurance companies	- Contact with administrative/management offices	- Risk forecasting and management

On 30 March 2022, Fine Foods Board of Directors approved the Engagement Policy. This policy, along with dialogue management, is aimed at enhancing transparency towards the financial community and markets by building, maintaining and developing a dynamic relationship of trust with Investors.

In addition to the ongoing dialogue with the Group's key stakeholders, the Group engaged specific internal stakeholders who were attuned to sustainability matters, and able to identify IROs, due to their roles and expertise. Several experienced employees (including HSE, Procurement, HR and Energy Managers) were interviewed to identify key impacts, risks and opportunities relevant to the Group's business, which were then presented to the ESG Committee during the approval of the Double Materiality assessment.

Benefit Identity

As a Benefit Corporation, the Fine Foods Group pursues multiple **common benefit objectives**, operating responsibly, sustainably and transparently towards people, the local community, environment and other stakeholders. This commitment establishes a strong connection with local areas and communities, guiding Fine Foods to actively contribute to their protection and development.

This initiative, a notable element of Fine Foods' business model, extends to supporting a range of local associations and organisations, and engaging in charitable events. In 2025, €48,200 was allocated to philanthropic activities, showing Fine Foods' commitment to community support and social responsibility.

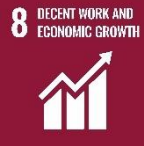
Below is a summary of the Company's local activities for 2024-2025:

Organisation/Association	Intervention area	Supported activities for 2024–2025
AIRC – Italian Association for Cancer Research	Health and scientific research	Donation of €2 per km covered by employees in StraBergamo under the WHP programme
LILT – Italian League for the Fight against Cancer	Health prevention	Free employee dermatology exams by association specialists
Arca di Leonardo	Social inclusion and charitable initiatives	Funding rental spaces for voluntary activities supporting children and seniors in need.

Fondazione Teatro Donizetti	Local culture and area promotion	Supporting the 2024/2025 opera, theatre, and Bergamo Jazz season by joining "Ambasciatori di Donizetti – Capolavori".
Accademia Carrara	Local culture and area promotion	Supporting the "Arte e Natura: pittura su pietra tra Cinque e Seicento" (Art and Nature: painting on stone between the 16th and 17th centuries) temporary exhibition through a three-year membership.
La Margi – Nadia Mangili Bergamo Tourist Guide	Local culture and area promotion	At the start of October, employees were invited to join a guided tour of Bergamo's Upper Town, organised with local guide La Margi.
Higher Technical Institutes and University of Bergamo	Education and guidance	Curricular internships, student guidance meetings, and open day participation
Fondazione JAC – JobsAcademy	Training and employability	Donations for post-diploma technical and professional skill courses
Local educational institutions	Technical and scientific training	Conducting workshops and specialist lessons in pharmaceutical and quality control fields
Apicoltura Urbana (Urban Beekeeping)	Biodiversity protection	Partnering to install an eight-hive apiary on Municipality of Brembate land, with planting to enhance nectar sources
AISM – Associazione Italiana Sclerosi Multipla	Health and scientific research	Supporting AISM (Italian Multiple Sclerosis Society) by welcoming the organisation's volunteers to its premises, encouraging employees to participate in fundraising initiatives by purchasing gardenias in May and apples in October
La Forza e il Sorriso ONLUS	Social inclusion	A donation was made to the non-profit organisation "La Forza e il Sorriso" to support its charitable activities, especially the "Beauty Gives Back" event held during Milan Beauty Week in mid-September.

Consistent with its Benefit Identity, Fine Foods demonstrates its commitment to sustainable development through active support of the United Nations 2030 Agenda and its **Sustainable Development Goals (SDGs)**. Fine Foods contributes to eleven of the seventeen SDGs.



SDGs TARGETED	INITIATIVES IMPLEMENTED UNDER THE 2022-2025 PLAN
 	• Installing photovoltaic systems • Installing production facilities designed to improve energy efficiency • Implementing regular consumption monitoring measures • UNI EN ISO 14064 certification of the organisation's carbon footprint for 2022, with ongoing assessment carried out with the Group CFO for subsequent years.
	• Testing new packaging materials • Partnership on product carbon footprint calculation • Implementing the cross-departmental eco-design process • Installing systems for water consumption optimisation.
 	• Project for inclusion and experimentation with schools • Study guidance meetings and discussion on sustainability issues • Supporting local communities
  	• Requesting suppliers to sign the Code of Conduct. • Assessing raw and packaging materials suppliers under ESG criteria • Partnerships with local organisations • Global Compact membership
	• Training on managing Diversity and Inclusion issues for the HR and ESG departments • Valore D association membership • Obtaining Gender Equality certification
	• New hires • Investing in training and mentoring • A welfare plan for employees
	• Skin cancer prevention screening for employees • Nutritionist and psychological support desks • Initiatives promoting healthy lifestyles in line with the WHP programme

By joining the **United Nations Global Compact (UNGC)**, the world's largest strategic corporate citizenship initiative, Fine Foods commits to the 10 UN Global Compact Principles on human rights, labour, environment and anti-corruption, and the 17 UN Sustainable Development Goals.

Joining the Global Compact has enabled Fine Foods to:

- increase its expertise to address some of the most pressing global challenges, such as climate change and gender equality, and have a major impact on specific goals;
- accelerate ambitious operations and contribute to the achievement of the Sustainable Development Goals;
- meet financial market expectations and promote access to capital;
- measure progress and share it with its Stakeholders;
- share and enhance its commitment to sustainability;
- dialogue with other national and international members and sector experts;
- initiate partnerships and collective actions.

Each year, Fine Foods compiles the Communication on Progress (CoP) required by the UNGC and has set a future target to establish its Business and Human Rights Action Plan.



Material impacts, risks, and opportunities and their interaction with strategy and business model

The following tables describe the sustainability impacts, risks and opportunities that the Fine Foods Group considers to be material.

For each risk or opportunity, the following is specified:

- where they occur along the value chain or within the business model;
- whether the effects are current or anticipated, along with the Group's planned response through actions in its Sustainability Plan.

For the impacts:

- whether they are positive or negative and their effects on people or the environment;
- the related actions outlined in the 2022-2025 Strategic Plan;
- the anticipated timeframes for these impacts;
- whether they arise from Fine Foods Group's direct operations or within its value chain (upstream and downstream) due to business relationships.

Impacts generated by the Group's direct operations

Topic	Sub-topic / Sub-sub-topic	Impact	Timeframe
E1 – Climate change	Climate change mitigation Energy	Contribution to climate change due to the generation of direct and indirect greenhouse gas (GHG) emissions	Short and long-term
E2 – Pollution	Air pollution	Potential air pollution and deterioration of human health due to emissions of air pollutants (e.g. Nox, PM, VOCs) generated by industrial processes (Direct)	Medium-term
E3 – Water and Marine Resources	Water – Water consumption and withdrawals	Potential adverse impacts on ecosystems and local communities due to excessive water consumption in water-stressed areas	Medium-term
E5 – Circular Economy	Resource outflows related to products and services Waste	Potential land occupation and soil pollution due to improper management of process waste	Medium-term
S1 – Own workforce	Working conditions – Health and safety	Occupational injuries and illnesses among workers due to inadequate working conditions and exposure to hazardous chemicals	Medium-term

S1 – Own workforce	Equal treatment and opportunities for all – Training and skill development	Adverse impact on its workers' professional and educational growth due to insufficient training and skills development opportunities	Medium-term
S1 – Own workforce	Equal treatment and opportunities for all – Gender equality and equal pay for work of equal value; anti-violence and harassment measures; diversity	Worker damage due to a lack of inclusion and diversity policies, discrimination, harassment, or violence	Medium-term
S2 – Workers in the Value Chain	Working conditions – Working hours; Work-life balance	Potential adverse impact on employees' well-being due to poor work-life balance, inadequate wages, and inefficient organisation of working hours	Medium-term
S4 – Consumers and End Users	Personal safety of consumers and end users – Health and safety	Potential adverse impact on consumer health due to ineffective communication, or product defects	Medium-term
G1 – Business conduct	Whistleblower protection	Potential adverse impact to individuals due to the absence of adequate reporting mechanisms to ensure the effective operation of whistleblowing procedures	Medium-term
G1 – Business conduct	Managing relationships with suppliers, including payment practices	Adverse impact on suppliers' businesses resulting from unfair payment practices	Medium-term
G1 – Business conduct	Corruption and bribery – Incidents	Potential adverse impact on the industry and economy due to corrupt practices	Medium-term

Table 2 – Impacts generated by the Group's direct operations

Impacts generated along the group's value chain

Topic	Sub-topic / Sub-sub-topic	Impact	Timeframe
E1 – Climate change	Climate change mitigation Energy	Contribution to climate change through indirect greenhouse gas (GHG) emissions linked to suppliers' operations and activities along the value chain	Short and long-term
E2 – Pollution	Water pollution; Soil pollution	Potential contamination of water and soil due to accidental spills	Medium-term
E2 – Pollution	Substances of concern	Potential adverse impact on human health and the environment caused by active substances in pharmaceuticals, supplier raw material production processes, and disposal methods	Short-term
E2 – Pollution	Microplastics	Potential adverse impact on the environment and human health due to the production and release of microplastics	Medium-term

E3 – Water and Marine Resources	Water – Water consumption, withdrawals and discharges	Potential adverse impact on ecosystems and local communities due to excessive water consumption in water-stressed areas and water discharges from supplier production processes.	Medium-term
E4 – Biodiversity and ecosystems	Effects on the size and health of ecosystems;	Potential biodiversity loss and ecosystem damage resulting from raw material processing	Medium-term
E5 – Circular Economy	Resource inflows, including resource use	Contribution to raw materials depletion and unsustainable use of auxiliary materials	Medium-term
E5 – Circular Economy	Waste	Potential land occupation and soil pollution due to improper management of process waste	Medium-term
S2 – Workers in the Value Chain	Equal treatment and opportunities for all – Gender equality and equal pay for work of equal value; Prevention of workplace violence and harassment	Employee damage within the value chain due to a lack of inclusion and diversity policies, discrimination, harassment, or violence	Short, medium, and long-term
S2 – Workers in the Value Chain	Working conditions – Working hours; Work-life balance	Potential adverse impact on workers' well-being along the value chain due to poor work-life balance, inadequate wages, and inefficient organisation of working hours	Medium-term
S2 – Workers in the Value Chain	Working conditions – Health and safety	Occupational injuries and illnesses among workers in the value chain due to inadequate working conditions and exposure to hazardous chemicals:	Medium-term
S2 – Workers in the Value Chain	Other labour-related rights – Child and forced labour	Employee damage within the value chain due to the absence of, or failure to enforce, policies against child and forced labour.	Medium-term
S4 – Consumers and End Users	Personal safety of consumers and end users – Health and safety	Potential adverse impacts on consumer health caused by ineffective communication, poor product design, and manufacturing defects.	Medium-term

Table 3 – Impacts generated along the Group's value chain

Identified risks and opportunities

Risk/Opportunity	Type	Source	Topic	Sub-topic / Sub-sub-topic	Timeframe
Financial and operational opportunities to access subsidised finance schemes through new investments in renewable energy plants	Opportunity	Impact: Implementing sustainable practices	E1 – Climate change	Climate change mitigation Energy	Medium and long-term

Operational risk associated with rising energy procurement costs due to the gradual depletion of fossil fuels and the increasing demand for guarantees of origin	Risk	Dependency: Raw materials and process resources	E1 – Climate change	Energy	Short-term
Legal and reputational risks related to the mismanagement of Substances of Concern	Risk	Dependency: Regulatory framework Impact: potential adverse impact on human health and the environment caused by active substances in pharmaceuticals, production processes, and disposal methods	E2 – Pollution	Substances of concern	Short-term
Operational risk from a shortage of virgin raw materials	Risk	Impact: Contribution to raw material scarcity	E5 – Circular Economy	Resource inflows, including resource use	Medium and long-term
Risks related to human capital management	Risk	Dependency: qualified personnel	S1 – Own workforce	Equal treatment and opportunities for all – Training and skill development	Long-term
Risks related to salary adjustments claims	Risk	Impact: Potential adverse impact on employees' well-being due to poor work-life balance, inadequate wages, and inefficient organisation of working hours	S1 – Own workforce	Working conditions – Fair wages	Short-term
Economic and reputational risks due to accidents and injuries	Risk	Impact: Occupational injuries and illnesses among workers due to inadequate working conditions and exposure to hazardous chemicals	S1 – Own workforce	Working conditions – Health and safety	Medium and long-term
Reputational risk due to suppliers' non-compliance with equal opportunity and diversity laws	Risk	Impact: Employee damage within the value chain due to a lack of inclusion and diversity policies, discrimination, harassment, or violence	S2 – Workers in the Value Chain	Equal treatment and opportunities for all – Gender equality and equal pay for work of equal value	Short, medium, and long-term
Reputational and legal risk for violating workers' human rights along the value chain	Risk	Impact: Employee damage within the value chain due to the absence of, or failure to	S2 – Workers in the Value Chain	Other labour-related rights –	Medium and long-term

		enforce, policies against child and forced labour.		Child and forced labour	
Financial and reputational risk for violating employee safety conditions along the value chain	Risk	Impact: Occupational injuries and illnesses among workers in the value chain due to inadequate working conditions and exposure to hazardous chemicals:	S2 – Workers in the Value Chain	Working conditions – Health and safety	Short-term

Table 4 – Identified Risks and Opportunities

The Group considers that no opportunities present a material risk of significant adjustments to assets and liabilities in the next financial year. An existing risk relates to working hours, for which a dedicated fund was established.

Fine Foods developed a strategy that considers material impacts, risks, and emerging opportunities, by implementing a risk assessment process involving several Managers and/or Process Managers. They are responsible for assessing and managing risks relevant to their areas of responsibility. During the prioritisation phase, the Managing Director plays an active role, followed by the Internal Audit head, which prepares a risk control plan.

Upon reviewing the above tables, no impacts, risks, or opportunities were reported through additional Group-specific disclosures.

1.5 Impact, risk and opportunity management

Description of the processes to identify and assess material impacts, risks and opportunities

The ESRS Standard states that a **sustainability issue** may be considered **material** from one or both of the following perspectives:

- **Impact** perspective: A sustainability issue is considered material when it relates to the Company's actual or potential **impacts**—whether positive or negative—on people or the environment over the short, medium, and long term;
- **Company** perspective: A sustainability issue is deemed material if it results in or can have significant financial impacts on the Company, whether negative (**risks**) or positive (**opportunities**).

These risks and opportunities may arise from **activities** under the Company's direct control and throughout its **value chain** - up and downstream.

To determine relevant sustainability issues, the Group conducted a Double Materiality assessment, which is outlined below.

Impact Materiality

In assessing material sustainability issues, Fine Foods Group identified and assessed its positive, negative, actual and potential impacts on people and the environment.

This process included the following steps:

- 1) Gaining an in-depth understanding of the Group's operational context, including its activities, business relationships, and geographical regions.

In defining Fine Foods Group's material impacts on people and the environment, the following factors were considered:

- all production activities referred to in the "Corporate strategy, business model, and value chain" paragraph.
- the Fine Foods Group's most significant business relationships, detailed in the "Corporate strategy, business model, and value chain" paragraph.
- geographical regions in which Fine Foods Group operates.

Identification of Group actual and potential impacts through direct engagement and dialogue with its stakeholders.

Stakeholder engagement was conducted through a structured process, primarily during the identification and assessment phase of actual and potential negative impacts that could influence decision-making within the Group. This process involved an in-depth corporate-level analysis led by management, during which a long list of impacts was evaluated based on key criteria including likelihood, magnitude, scale and irremediability. Focus was placed on impacts linked to specific activities, business relationships, and geographical areas identified as having a higher risk of negative consequences. Engagement was limited to internal stakeholders, to assess how they might be affected by these impacts. This ensured that priorities were assigned based on severity

and likelihood, while considering positive impacts where relevant. External stakeholders were mapped for future engagement activities. This approach made it possible to identify the most relevant sustainability issues for reporting purposes, ensuring a structured analysis consistent with the Company's sustainability objectives. For a comprehensive overview of Fine Foods Group's stakeholders and their engagement methods, please refer to the "Stakeholders' interests and opinions" paragraph.

2) Impact Materiality assessment and prioritisation

When assessing and prioritising negative and positive impacts, two distinct rating scales were applied:

Negative impacts	Positive impacts
The prioritisation of negative impacts was based on their likelihood and severity, which was assessed through a combination of: - Scale - Scope - Irremediable nature.	Negative impacts were based on their likelihood, scale and scope.

Scale refers to the impact's severity, while *scope* describes how widespread the impact is in terms of value chain stages at which it occurs, while *irremediable nature* indicates how difficult it is to remedy a negative impact.

Financial Materiality

Once the Group had defined its material **impacts**, it identified and assessed sustainability-related **risks** and **opportunities** that have or may have short, medium, or long-term financial effects on the Fine Foods Group, related to:

- Material impacts, as identified through the Impact Materiality assessment;
- Dependencies, meaning the external factors on which the organisation relies to conduct its activities and achieve its objectives;
- Actions under the 2022–2025 Sustainability Plan (Fine Foods for Future 2022–2025) will mitigate negative and maximise positive impacts.

The materiality of these risks and opportunities was assessed and prioritised based on likelihood of occurrence and potential impact, using risk assessment tools that rank risks by severity and help define appropriate management strategies.

Definition of material sustainability issues

The results of the Impact Materiality and Financial Materiality assessment were consolidated. Material impacts, risks, and opportunities were grouped under **material sustainability issues**.

The Group engaged various internal stakeholders in this evaluation process, including investors, top management, and members of the Board of Directors.

As specified in "The role of the administrative, management and control bodies" paragraph, the Board of Directors, with support from the Environmental, Social, and Governance (ESG) Committee, annually reviews the results of the materiality assessment process to determine which material topics should be reported in the Sustainability Disclosure.

The preparation of this report is coordinated by the Parent Company's ESG Department, working closely with relevant corporate departments to ensure accurate data collection and analysis. The document is published simultaneously with the Annual Financial Report, pending approval by the Board of Directors.

The impacts identified through the Double Materiality assessment were linked to different risk areas within the Company's Risk Management System. This is inspired by the COSO ERM Framework, although it was not fully adopted. This approach ensures that the mapping aligns with the principles of integrating risk with strategy and performance. For each identified impact, the Group determined the relevant control measures. These help support the Board of Directors in making informed decisions and effectively managing critical risks that could impact the achievement of strategic objectives.

As in this section, the definition of material impacts considered production activities carried out by the Fine Foods Group. For assumptions and estimates used in this Disclosure, see "Disclosures in relation to specific circumstances."

Disclosure requirements under the ESRS included in the Company's sustainability statement

Following the Double Materiality assessment, the table below outlines relevant disclosure requirements, along with the pages where they are addressed:

ESRS	Material topics	Page
E1 - Climate change	Energy and climate change	Page 87
E2 - Pollution	Substances of concern	Page 94
	Pollution of air, water and soil	Page 95
	Microplastics	Page 95
E3 - Water and marine resources	Water and marine resources	Page 96
E4 - Biodiversity and ecosystems	Biodiversity and ecosystems	Page 99
E5 - Resource use and the circular economy	Resource inflows, including resource use	Page 103
	Waste and resource outflows related to products and services	Page 105
S1 - Own workforce	Working conditions	Page 107
	Equal treatment and opportunities for all	Page 108
S2 - Workers in the value chain	Equal treatment and opportunities for all	Page 125
	Working conditions	Page 125
	Other work-related rights	Page 126
S4 - Consumers and End Users	Personal safety of consumers and/or end-users	Page 130
G1 - Business conduct	Corporate culture	Page 135

The table below presents the information included in this Disclosure that originates from other European Union legislation, in relation to Delegated Regulation 2023/5303 on European Sustainability Reporting Standards, along with the corresponding page references.

..Disclosure requirement and related datapoint	..SFDR reference ³	..Pillar 3 reference ⁴	Benchmark regulation reference ⁵	...EU climate law reference ⁶	Materiality	Page
..ESRS 2 GOV-1 Board's gender diversity paragraph 21, (d)	Annex I, Table 1, indicator 13		Commission Delegated Regulation (EU) 2020/1816, ⁷ Annex II		Material	Page 51
..ESRS 2 GOV-1 Percentage of board members who are independent paragraph 21 (e)			Commission Delegated Regulation (EU) 2020/1816 Annex II		Material	Page 51
ESRS 2 GOV-4 Statement on due diligence, paragraph 30	Annex I, Table 3, indicator 10				Non material	
...ESRS 2 SBM-1 Involvement in activities related to fossil fuel	...Annex I, Table 1, indicator 4	Article 449 bis of Regulation (EU) no.	Commission Delegated Regulation (EU)		Non material	

³ Regulation (EU) 2019/2088 of the European Parliament and Council of 27 November 2019 on sustainability-related disclosures in the financial services sector (SFDR) (OJ L 317, 9/12/2019, p. 1).

⁴ Regulation (EU) no. 575/2013 of the European Parliament and Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) no. 648/2012 (Capital Requirements Regulation) (OJ L 176, 27/6/2013, p.1).

⁵ Regulation (EU) 2016/1011 of the European Parliament and Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) no. 596/2014 (OJ L 171, 29/6/2016, p. 1).

⁶ Regulation (EU) 2021/1119 of the European Parliament and Council of 30 June 2021 establishing the framework for achieving climate neutrality and amending Regulation (EC) no. 401/2009 and Regulation (EU) 2018/1999 ('European Climate Law') (OJ L 243, 9/7/2021, p. 1).

⁷ Commission Delegated Regulation (EU) 2020/1816 of 17 July 2020 supplementing Regulation (EU) 2016/1011 of the European Parliament and Council as regards the explanation in the benchmark statement of how environmental, social and governance factors are reflected in each benchmark provided and published (OJ L 406, 3/12/2020, p. 1).

activities, paragraph 40, (d), i		575/2013; Commission Implementing Regulation (EU) 2022/2453 ⁸ Table 1 - Qualitative information on environmental risk and Table 2 - Qualitative information on social risk	2020/1816, Annex II			
ESRS 2 SBM-1 Involvement in activities related to chemical production, paragraph 40, (d), ii	Annex I, Table 2, indicator 9		Commission Delegated Regulation (EU) 2020/1816, Annex II	..	Non material	
ESRS 2 SBM-1 Involvement in activities related to controversial weapons, paragraph 40, (d), iii	Annex I, Table 1, indicator 14		Article 12, paragraph 1) of Delegated Regulation (EU) 2020/1818 and Annex II of Delegated Regulation (EU) 2020/1816	..	Non material	
ESRS 2 SBM-1 Involvement in activities related to cultivation and production of tobacco, paragraph 40, (d), iv			Article 12, paragraph 1) of Delegated Regulation (EU) 2020/1818 ⁹ and Annex II of Delegated Regulation (EU) 2020/1816	..	Non material	
ESRS E1-1 Transition plan to reach climate neutrality by 2050, paragraph 14				..Article 2, paragraph 1 of Regulation (EU) 2021/1119	Non material	
ESRS E1-1 Undertakings excluded from Paris-aligned benchmarks, paragraph 16, (g)		Article 449 bis of Regulation (EU) no. 575/2013; Commission Implementing Regulation (EU) 2022/2453, Template 1: Banking book - Indicators of potential climate change transition risk: Credit quality of	Article 12, paragraph 1), letters d) to (g) and paragraph 2) of Delegated Regulation (EU) 2020/1818		Non material	

⁸ Commission Delegated Regulation (EU) 2020/1818 of 17 July 2020 supplementing Regulation (EU) 2016/1011 of the European Parliament and Council as regards minimum standards for EU Climate Transition Benchmarks and Paris Agreement-aligned EU Benchmarks (OJ L 406, 03/12/2020, p. 17).

		exposures by sector, emissions and residual maturity				
ESRS E1-4 GHG emission reduction targets, paragraph 34	Annex I, Table 2, indicator 4	Article 449 bis of Regulation (EU) no. 575/2013; Commission Implementing Regulation (EU) 2022/2453, Template 3: Banking book - Indicators of potential climate change transition risk: Alignment metrics	Article 6 of Delegated Regulation (EU) 2020/1818		Material	Page 89-90
ESRS E1-5 Energy consumption from fossil sources disaggregated by sources (only high climate impact sectors), paragraph 38	Annex I, Table 1, indicator 5 and Annex I, Table 2, indicator 5				Material	Pages 90-91
ESRS E1-5 Energy consumption and mix paragraph 37	Annex I, Table 1, indicator 5				Material	Pages 90-91
ESRS E1-5 Energy intensity associated with activities in high climate impact sectors, paragraphs 40-43	Annex I, Table 1, indicator 6				Material	Pages 90-91
ESRS E1-6 Gross Scope 1, 2, 3 and Total GHG emissions, paragraph 44	Annex I, Table 1, indicators 1 and 2	Article 449 bis of Regulation (EU) no. 575/2013; Commission Implementing Regulation (EU) 2022/245 Template 1: Banking book - Indicators of potential climate change transition risk: Credit quality of exposures by sector, emissions and residual maturity	Articles 5, paragraph 1, article 6 and 8, paragraph 1 of Delegated Regulation (EU) 2020/1818		Material	Pages 92-93
ESRS E1-6 Gross GHG emissions intensity, paragraphs 53 to 55	Annex I, Table 1, indicator 3	Article 449 bis of Regulation (EU) no. 575/2013; Commission Implementing Regulation (EU) 2022/2453, Template 3: Banking book - Indicators of	Article 8, paragraph 1 of Delegated Regulation (EU) 2020/1818		Material	Pages 92-93

		potential climate change transition risk: Alignment metrics				
ESRS E1-7 GHG removals and carbon credits, paragraph 56	..	.		Article 2, paragraph 1 of Regulation (EU) 2021/1119	Non material	
ESRS E1-9 Exposure of the benchmark portfolio to climate-related physical risks, paragraph 66	..	.	Annex II to the Delegated Regulation (EU) 2020/1818 and Annex II to the Delegated Regulation (EU) 2020/1816		Non material	
ESRS E1-9 Disaggregation of monetary amounts by acute and chronic physical risk, paragraph 66, (a) ESRS E1-9 Location of significant assets at material physical risk, paragraph 66, (c)	..	Article 449 bis of Regulation (EU) no. 575/2013; paragraphs 46 and 47 of Commission Implementing Regulation (EU) 2022/2453, Template 5: Banking book - Indicators of potential climate change physical risk: Exposures subject to physical risk			Non material	
ESRS E1-9 Breakdown of the carrying value of its real estate assets by energy efficiency classes, paragraph 67, (c)	..	Article 449 bis of Regulation (EU) no. 575/2013; paragraph 34 of Commission Implementing Regulation (EU) 2022/2453; Template 2: Banking book - Indicators of potential climate change transition risk: Loans secured by immovable property - Energy efficiency of the collateral			Non material	
ESRS E1-9 Degree of exposure of the portfolio to climate-related opportunities, paragraph 69	..	.	Annex II to the Commission Delegated Regulation (EU) 2020/1818		Non material	
ESRS E2-4 Amount of each pollutant listed in	Annex I, Table 1, indicator 8;				Material	Page 95

Annex II of the E-PRTR (European Pollutant Release and Transfer Register) regulation emitted to air, water and soil, paragraph 28	Annex I, Table 2, indicator 2; Annex 1, Table 2, indicator 1; Annex I, Table 2, indicator 3					
ESRS E3-1 Water and marine resources, paragraph 9	Annex I, Table 2, indicator 7				Material	Page 97
ESRS E3-1 Dedicated policy, paragraph 13	Annex I, Table 2, indicator 8				Material	Page 97
ESRS E3-1 Sustainable oceans and seas, paragraph 14	Annex I, Table 2, indicator 12				Non material	Page 97
ESRS E3-4 Total water recycled and reused, paragraph 28, letter c)	Annex I, Table 2, indicator 6.2				Material	Page 98
ESRS E3-4 Total water consumption in m ³ per net revenue on own operations, paragraph 29	Annex I, Table 2, indicator 6.1				Material	Page 98
ESRS 2 IRO-1 – E4 paragraph 16, (a), i	Annex I, Table 1, indicator 7				Material	Page 98
ESRS 2 IRO-1 – E4 paragraph 16, (b)	Annex I, Table 2, indicator 10				Material	Page 98
ESRS 2 IRO-1 – E4 paragraph 16, (c)	Annex I, Table 2, indicator 14				Material	Page 98
ESRS E4-2 Sustainable land/agriculture practices or policies, paragraph 24, (b)	Annex I, Table 2, indicator 11				Non material	
ESRS E4-2 Sustainable oceans/seas practices or policies paragraph 24, (c)	Annex I, Table 2, indicator 12				Material	Page 99
ESRS E4-2 Policies to address deforestation, paragraph 24, (d)	Annex I, Table 2, indicator 15				Material	Page 99
ESRS E5-5 Non-recycled waste, paragraph 37, (d)	Annex I, Table 2, indicator 13				Material	Page 105
ESRS E5-5 Hazardous waste and radioactive waste, paragraph 39	Annex I, Table 1, indicator 9				Non material	Page 105
ESRS 2 – SBM3 – S1 Risk of incidents of forced labour, paragraph 14, (f)	Annex I, Table 3, indicator 13				Material	Pages 107-108
ESRS 2 – SBM3 – S1 Risk of incidents of child labour, paragraph 14, (g)	Annex I, Table 3, indicator 12				Material	Pages 107-108
ESRS S1-1 Human rights policy commitments, paragraph 20	Annex I, Table 3, indicator 9 and Annex I, Table 1, indicator 11				Material	Page 108

ESRS S1-1 Due diligence policies on issues addressed by the International Labour Organisation Conventions 1 to 8, paragraph 21			Commission Delegated Regulation (EU) 2020/1816 Annex II		Material	Page 108
ESRS S1-1 Processes and measures for preventing trafficking in human beings, paragraph 22	Annex I, Table 3, indicator 11				Material	Pages 108-111
ESRS S1-1 Workplace accident prevention policy or management system, paragraph 23	Annex I, Table 3, indicator 1				Material	Pages 108-111
ESRS S1-3 Grievance/complaints handling mechanisms, paragraph 32, (c)	Annex I, Table 3, indicator 5				Material	Page 111
ESRS S1-14 Number of fatalities and number and rate of work-related accidents, paragraph 88 (b) and (c)	Annex I, Table 3, indicator 2		Commission Delegated Regulation (EU) 2020/1816, Annex II		Non material	
ESRS S1-14 Number of days lost due to injuries, accidents, fatalities or illness, paragraph 88, (e)	Annex I, Table 3, indicator 3				Material	Page 124
ESRS S1-16 Unadjusted gender pay gap, paragraph 97, (a)	Annex I, Table 1, indicator 12		Commission Delegated Regulation (EU) 2020/1816, Annex II		Material	Page 123
ESRS S1-16 Excessive CEO pay ratio, paragraph 97, (b)	Annex I, Table 3, indicator 8				Material	Page 123
ESRS S1-17 Incidents of discrimination, paragraph 103, (a)	Annex I, Table 3, indicator 7				Material	Page 124
ESR S1-17 Non-compliance with the UN Guiding Principles on business and human rights and OECD, paragraph 104, letter a)	Annex I, Table 1, indicator 10 and Annex I, Table 3, indicator 14		Annex II to the Delegated Regulation (EU) 2020/1816 and Article 12, paragraph 1) of Delegated Regulation (EU) 2020/1818		Material	Page 124
ESRS 2 SBM-3 - S2 Significant risk of child labour or forced labour in the value chain, paragraph 11, (b)	Annex I, Table 3, indicators 12 and 13				Material	Pages 107-108
ESRS S2-1 Human rights policy commitments, paragraph 17	Annex I, Table 3, indicator 9 and Annex I,				Material	Pages 126-127

	Table 1, indicator 11					
ESRS S2-1 Policies related to value chain workers, paragraph 18	Annex I, Table 3, indicators 11 and 4				Material	Pages 126-127
ESRS S2-1 Nonrespect of UNGPs on Business and Human Rights principles and OECD guidelines, paragraph 19	Annex I, Table 1, indicator 10		Annex II to the Delegated Regulation (EU) 2020/1816 and Article 12, paragraph 1) of Delegated Regulation (EU) 2020/1818		Material	Pages 126-127
ESRS S2-1 Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8, paragraph 19			Commission Delegated Regulation (EU) 2020/1816, Annex II		Material	Pages 126-127
ESRS S2-4 Human rights issues and incidents connected to its upstream and downstream value chain, paragraph 36	Annex I, Table 3, indicator 14				Material	Page 128
ESRS S3-1 Human rights policy commitments, paragraph 16	Annex I, Table 3, indicator 9 and Annex I, Table 1, indicator 11				Non material	
ESRS S3-1 Nonrespect of UNGPs on Business and Human Rights, ILO principles or and OECD guidelines, paragraph 17	Annex I, Table 1, indicator 10		Annex II to the Delegated Regulation (EU) 2020/1816 and Article 12, paragraph 1) of Delegated Regulation (EU) 2020/1818		Non material	
ESRS S3-4 Human rights issues and incidents, paragraph 36	Annex I, Table 3, indicator 14				Non material	
ESRS S4-1 Policies related to consumers and end users, paragraph 16	Annex I, Table 3, indicator 9 and Annex I, Table 1, indicator 11				Material	Page 130
ESRS S4-1 Nonrespect of UNGPs on Business and Human Rights principles and OECD guidelines, paragraph 17	Annex I, Table 1, indicator 10		Annex II to the Delegated Regulation (EU) 2020/1816 and Article 12, paragraph 1) of Delegated Regulation (EU) 2020/1818		Material	Page 130
ESRS S4-4 Human rights issues and incidents, paragraph 35	Annex I, Table 3, indicator 14				Material	Page 130

ESRS G1-1 United Nations Convention against corruption, paragraph 10, (b)	Annex I, Table 3, indicator 15				Material	Pages 135-137
ESRS G1-1 Protection of whistle-blowers, paragraph 10, (d)	Annex I, Table 3, indicator 6				Material	Pages 135-137
ESRS G1-4 Fines for violations of anti-corruption and anti-bribery laws, paragraph 24, (a)	Annex I, Table 3, indicator 17		Annex II to the Delegated Regulation (EU) 2020/1816		Material	Pages 135-137
ESRS G1-4 Standards of anticorruption and anti-bribery, paragraph 24, (b)	Annex I, Table 3, indicator 16				Material	Pages 135-137

The Fine Foods Group has categorised its impacts, risks, and opportunities into three levels of materiality: *low*, *medium*, and *high*. The materiality (*medium* or *high*) of material impacts, risks, and opportunities is outlined in the previous paragraph, "*SBM-3 disclosure requirement: material impacts, risks, and opportunities and their interaction with strategy and business model*".

Environmental commitment

2. Disclosure under Article 8 of Regulation 2020/852

In 2025, the Group carried out an analysis of its activities under Article 8 of Regulation 2020/852 and subsequent Implementing Regulations (hereafter referred to as the "EU taxonomy" or "taxonomy").

For the 2025 reporting year, the Group reported on the EU taxonomy based on the disclosure simplification measures detailed in the annexes to Delegated Regulation (EU) 2026/73 of 4 July 2025. This regulation amends Delegated Regulation (EU) 2021/2178 to simplify the content and presentation of information about environmentally sustainable activities. Additionally, it amends Delegated Regulations (EU) 2021/2139 and (EU) 2023/2486 to simplify certain technical screening criteria for determining whether financial activities do not significantly harm environmental objectives.

The methodology for the 2025 reporting year, which is unchanged from 2024, is outlined below.

Eligibility analyses

The analyses conducted identified eligible economic activities directly undertaken by the Group and costs incurred during the year related to the purchase of products derived from activities eligible under the taxonomy. The eligible activities identified are as follows:

- Manufacture of medicines (1.2 PCC): Includes revenues and costs related to pharmaceutical manufacturing.
- Transportation by motorcycles, cars, and commercial vehicles (6.5 CCM): refers to capitalised costs incurred in operating the Group's vehicle fleet.
- Renovation of existing buildings (7.2 CCM/3.2 CE): covers capitalised costs related to renovations at the Brembate site, (for the portion not associated with the core business 1.2 PCC)
- Purchase and ownership of buildings (7.7 CCM): relates to the acquisition of land and buildings not connected to the core business (1.2 PCC).
- Manufacture of electrical and electronic equipment (1.2 CE): covers capitalised costs for acquiring electronic equipment (not classified under the core business 1.2 PCC).

Alignment analysis

The regulation establishes different substantial contribution criteria for eligible activities, as outlined below:

Assets	Substantial contribution criterion	Group assessment
1.2 PCC	The manufacturing process must meet specific criteria for the formulation of medicines.	As the Group does not engage in medicine formulation, compliance with these criteria could not be assessed for the 2025 reporting year.
6.5 CCM	Vehicles must have specific CO ₂ emissions below 50 gCO ₂ /km.	Only hybrid vehicles in the fleet meet these parameters.
7.2 CCM	The building renovation must comply with applicable energy performance requirements for major renovations.	Compliance with all parameters at ongoing construction sites could not be verified.
3.2 CE	Several conditions must be met concerning how renovation and construction activities are carried out.	
7.7 CCM	The reference building must have at least a class A energy performance certificate	The assets included in the eligible activity do not meet this requirement.
1.2 CE	Investments must comply with a complex set of regulatory criteria defining parameters for product	Given the complexity of verification, which requires access to documentation from various suppliers, the

	durability, design, safety, consumer communication, and producer responsibility.	Group adopted a precautionary approach and considers this criterion unmet for purchases linked to this activity.
--	--	--

The Regulation establishes different DNSH criteria for eligible activities, as outlined below:

Assets	DNSH criterion	Group assessment
1.2 PPC	CCM: a series of thresholds for greenhouse gas emissions related to production phases were set	CCM: It was impossible to assess compliance with the criterion for this reporting year.
	CCA: Physical climate risks weighing on the activity were identified by conducting a robust climate risk and vulnerability assessment.	CCA: A climate risk and vulnerability assessment was not carried out.
	WTR: Environmental degradation risks related to the preservation of water quality and the prevention of water stress were identified and addressed to achieve good water status and ecological potential.	WTR: Environmental degradation risks related to water quality conservation were not mapped.
	CE: The availability of techniques that support the re-use and use of secondary raw materials, waste management that favours recycling over disposal in the manufacturing process and information on product ingredients along the supply chain was assessed.	CE: The required criteria were met by the Group's products.
	BIO: An environmental impact assessment or review was carried out under Directive 2011/92/EU.	BIO: No environmental impact assessment as required by the Regulation was carried out.
6.5 CCM	CCA: Physical climate risks weighing on the activity were identified by conducting a robust climate risk and vulnerability assessment.	CCA: A climate risk and vulnerability assessment was not carried out.
	WTR: N/A	WTR: N/A
	CE: Vehicles are: reusable or recyclable by at least 85% of their weight; and re-usable or recoverable by at least 95% of their weight. Measures are in place for waste management in the use phase and at the end of the fleet life following the waste hierarchy.	CE: The Group does not have the necessary information to assess compliance with this criterion.
	PPC: Vehicles comply with the requirements of the latest Euro 6 type approval for light vehicle emissions. The vehicles comply with the emission thresholds for clean light vehicles. The tyres comply with the requirements for external rolling noise in the highest class and rolling resistance coefficient in the two highest classes.	PPC: The Group's newly registered vehicles comply with the assessed parameters and features.
	BIO: N/A	BIO: N/A
7.2 CCM / 3.2 CE	CCM: The building is not used for the extraction, storage, transport or production of fossil fuels	CCM: The criterion was met for the new Brembate plant.
	CCA: Physical climate risks weighing on the activity were identified by conducting a robust climate risk and vulnerability assessment.	CCA: A climate risk and vulnerability assessment was not carried out.
	WTR: The works comply with a set of parameters set by the Regulation for the water consumption of the installed plumbing fixtures.	WTR: The criterion is applicable to part of the works carried out but compliance could not be verified.

	CE: The works comply with a set of parameters defined in the Regulation for the treatment of waste produced during the works.	CE: It was impossible to verify compliance with the criterion within the works carried out during the year.
	PPC: The materials used in the works carried out comply with the substance criteria outlined in Annex C of the Regulation.	PPC: It was impossible to fully assess compliance with the requirements of Annex C of the Regulation for this reporting year.
	BIO: N/A	BIO: N/A
7.7 CCM	CCA: Physical climate risks weighing on the activity were identified by conducting a robust climate risk and vulnerability assessment.	CCA: A climate risk and vulnerability assessment was not carried out.
	WTR: N/A	WTR: N/A
	PPC: N/A	PPC: N/A
	CE: N/A	CE: N/A
	BIO: N/A	BIO: N/A
8.1 CCA	CCM: The relevant practices identified as "expected practices" in the latest version of the European Code of Conduct for Energy Efficiency in Data Centres were implemented.	CCM: It was impossible to fully assess compliance with regulatory requirements for IT investments for this reporting year.
	WTR: Environmental degradation risks related to the preservation of water quality and the prevention of water stress were identified and addressed to achieve good water status and ecological potential.	WTR: Environmental degradation risks related to water quality conservation were not mapped in relation to IT investments.
	PPC: N/A	PPC: N/A
	CE: The defined criteria for the equipment used were met.	CE: It was impossible to fully assess compliance with regulatory requirements for IT investments for this reporting year.
	BIO: N/A	BIO: N/A
1.2 CE	CCM: Where the manufactured product contains refrigerants, it complies with the global warming potential (GWP) performance laid down in the Regulation (EU) no. 517/2014. The activity does not manufacture products containing sulphur hexafluoride (SF6). Where applicable, the manufactured product does not score lower than the third significantly populated of energy efficiency.	CCM: It was impossible to assess compliance with the criterion for this reporting year.
	CCA: Physical climate risks weighing on the activity were identified by conducting a robust climate risk and vulnerability assessment.	CCA: A climate risk and vulnerability assessment was not carried out.
	WTR: Environmental degradation risks related to the preservation of water quality and the prevention of water stress were identified and addressed to achieve good water status and ecological potential.	WTR: Environmental degradation risks related to water quality conservation were not mapped.
	PPC: The activity does not involve the manufacture, marketing, or use of substances listed in Annex C of the Regulation.	PPC: It was impossible to fully assess compliance with the requirements of Annex C of the Regulation for this reporting year.
1.2 CE	CCM: Purchased products comply with defined refrigerant gas limits.	CCM: Refrigerant-free products were compliant.
	CCA: Physical climate risks weighing on the activity were identified by conducting a robust climate risk and vulnerability assessment.	CCA: A climate risk and vulnerability assessment was not carried out.
	WTR: Environmental degradation risks related to the preservation of water quality and the prevention of water stress were identified and addressed to achieve good water status and ecological potential.	WTR: Environmental degradation risks related to water quality conservation were not mapped.

	PPC: The activity does not involve the manufacture, marketing, or use of substances listed in Annex C of the Regulation.	PPC: It was impossible to fully assess compliance with the requirements of Annex C of the Regulation for this reporting year.
	BIO: An environmental impact assessment or review was carried out under Directive 2011/92/EU.	BIO: No environmental impact assessment was carried out.
	CCM: Where the manufactured product contains refrigerants, it complies with the global warming potential (GWP) performance laid down in the Regulation (EU) no. 517/2014. The activity does not manufacture products containing sulphur hexafluoride (SF6). Where applicable, the manufactured product does not score lower than the third significantly populated of energy efficiency.	CCM: It was impossible to assess the presence of refrigerants for this reporting year.

Minimum safeguards

The Group assessed its compliance with the principles outlined in Article 18 of the Regulation, considering the guidance provided by the Platform on Sustainable Finance.

Regarding Group internal safeguards, Fine Foods ensures that its employees, external and business partners operate in compliance with its Code of Ethics, which establishes the ethical and moral principles guiding the Group's internal and external stakeholders. For details on the safeguards and controls to meet the requirements of Article 18 of the Regulation, please refer to section G1, paragraph *"Corporate culture and business conduct policies"*.

Refer to section G1 paragraph *"The role of the administrative, management and control bodies"* for information on diversity within governance bodies. The Group provides equal pay to all employees to address the gender pay gap and has recently started seeking voluntary certification for equal opportunities.

The Group believes that the current supply chain practices are insufficient to consider the identified activities as fully aligned with the safeguard criteria, based on the investments analysis.

KPI Calculation Methodology – Accounting Policy

TURNOVER

The Group used the following approach for the Turnover portion calculation:

denominator: net turnover from service provision, excluding sales discounts and value-added taxes directly related to turnover. To prevent double counting, intercompany transactions have been eliminated from KPI calculations.

numerator: the portion of net turnover (as used in the denominator calculation) associated with eligible and aligned activities.

CAPEX

For calculating the CapEx KPI denominator, the Group considered additions incurred during the reporting period related to tangible assets (development and restructuring of corporate assets), intangible assets (patents, software, and capitalised R&D costs) and Right of Use (RoU). The extraction of these figures was based on a detailed analysis of management reports, outlining investments made throughout the financial year across companies in the consolidation scope.

Under the Disclosures Delegated Act (Delegated Regulation 2021/2178), the Group applied the following methodology for calculating the CapEx percentage:

- **denominator:** its calculation includes tangible assets recorded under IAS 16, intangible assets (excluding goodwill) under IAS 38, and leases accounted for under IFRS 16.
- **numerator:** consists of CapEx related to assets or processes associated with eligible and aligned activities, the purchase of products from taxonomy-eligible economic activities, and individual measures that reduce the emission profile of target activities.

OPEX

The Group used the following approach for the OpEx proportion calculation:

- **Denominator:** for denominator calculation the following were considered:
 - Non-capitalised R&D costs from internal and external projects, excluding expenses related to project management;

- Short-term leases, incorporating all lease-related accounts from the Income Statement, as these involve contracts under 12 months and are exempt from IFRS 16 accounting;
- Maintenance and repair costs. Employee costs for in-house maintenance and repair work and maintenance services outsourced to third-party companies. Maintenance and repair costs include renovation projects classified under the "building renovation measures" referenced in the "Disclosures Delegated Act".

These analyses resulted in €7.08 million to be considered non-material in relation to total operating expenditure, and therefore the KPI was not reported.

Model I. Percentage of turnover, capital expenditure (CapEx) and operating expenditure (OpEx) deriving from products or services associated with financial activities eligible for or aligned with the taxonomy – Disclosure for FY2025 (summary KPIs)

2025 financial year															
KPI (1)	Total (2)	Percent age of taxono my-eligible activitie s (3)	Taxono my-aligned activitie s (4)	Percent age of taxono my-aligned activitie s (5)	Environmental objective breakdown of taxonomy-aligned activities						Percent age of enablin g activitie s (12)	Percent age of transitio nal activitie s (13)	Non-material or unasses sed activitie s (14)	Taxono my-aligned activitie s in FY 2024 (15)	Percent age of taxono my-aligned activitie s in FY 2024 (16)
					Climat e change mitigat ion (6)	Climate change adaptat ion (7)	Wate r (8)	Circula r Econo my (9)	Polluti on (10)	Biodiver sity (11)					
Text	Currency	%	Currenc y	%	%	%	%	%	%	%	%	%	%	Currenc y	%
Turnover	€252.058.867,68	34%	- €	- %	- %	- %	- %	- %	- %	- %	- %	- %	- %	- €	- %
CapEx	€36.503.699,65	90%	- €	- %	- %	- %	- %	- %	- %	- %	- %	- %	- %	- €	- %
OpEx	€217.626.201,57	3%	- €	- %	- %	- %	- %	- %	- %	- %	- %	- %	100%	- €	- %

Table 5 – EU taxonomy summary table (summary KPIs)

Template 2. Percentage of turnover from products or services associated with financial activities eligible for or aligned with taxonomy – Disclosure for FY2025 (breakdown by activity)

Turnover													
2025													
Economic activities (1)	Code (2)	KPI eligible for taxonomy (percentage of CapEx eligible for taxonomy) (3)	KPI aligned with taxonomy (monetary value of CapEx) (4)	KPI aligned with taxonomy (percentage of turnover/CapEx/ OpEx aligned with taxonomy) (5)	Environmental objective breakdown of activities aligned with taxonomy						Enabling activity (12)	Transitional activity (13)	Percentage aligned with taxonomy out of the total eligible for taxonomy (14)
					Climate change mitigation (6)	Climate change adaptation (7)	Water (8)	Circular Economy (9)	Pollution (10)	Biodiversity (11)			
Text		%	Currency	%	%	%	%	%	%	%	(A where applicable)	(T where applicable)	%
Manufacture of medicines	PPC 1.2	34%	- €	- %	- %	- %	- %	- %	- %	- %	-	-	- %
Objective alignment sum					- %	- %	- %	- %	- %	- %			
Total KPI (Turnover, CapEx and OpEx)		34%	- €	0%	- %	- %	- %	- %	- %	- %	-	-	- %

Table 6 – Turnover table - EU taxonomy (KPI Turnover)

Template 2. Percentage of capital expenditure (CapEx) deriving from products or services associated with financial activities eligible for or aligned with taxonomy – Disclosure for FY2025 (summary KPIs)

CapEx													
2025													
Economic activities (1)	Code (2)	KPI eligible for taxonomy (percentage of CapEx eligible for taxonomy) (3)	KPI aligned with taxonomy (monetary value of CapEx) (4)	KPI aligned with taxonomy (percentage of turnover/CapEx/OpEx aligned with taxonomy) (5)	Environmental objective breakdown of activities aligned with taxonomy						Enabling activity (12)	Transitional activity (13)	Percentage aligned with taxonomy out of the total eligible for taxonomy (14)
					Climate change mitigation (6)	Climate change adaptation (7)	Water (8)	Circular Economy (9)	Pollution (10)	Biodiversity (11)			
Text		%	Currency	%	%	%	%	%	%	%	(A where applicable)	(T where applicable)	%
Data processing, hosting, and related activities	CCA 8.1	2%	- €	- %	- %	- %	- %	- %	- %	- %	-	-	- %
Purchase and ownership of buildings	CCM 7.7	0%	- €	- %	- %	- %	- %	- %	- %	- %	-	-	- %
Renovation of existing buildings	CCM 7.2 / CE 3.2	2%	- €	- %	- %	- %	- %	- %	- %	- %	-	-	- %
Manufacture of electrical and electronic equipment	CE 1.2	2%	- €	- %	- %	- %	- %	- %	- %	- %	-	-	- %
Transportation by motorcycles, cars, and commercial vehicles	CCM 6.5	1%	- €	- %	- %	- %	- %	- %	- %	- %	-	-	- %
Manufacture of medicines	PPC 1.2	82%	- €	- %	- %	- %	- %	- %	- %	- %	-	-	- %
Objective alignment sum					- %	- %	- %	- %	- %	- %			
Total KPI (Turnover, CapEx and OpEx)		90%	- €	0%	- %	- %	- %	- %	- %	- %	-	-	- %

Table 7 – CapEx table - EU taxonomy (CapEx KPI)

3. Climate change

ESRS E1

3.1 Governance

Integration of sustainability-related performance in incentive schemes

For details on incentive schemes for directors and management related to sustainability performance, refer to the "General disclosures - Integration of sustainability-related performance in incentive schemes" paragraph.

3.2 Strategy

Transition plan for climate change mitigation

Fine Foods does not have a climate change mitigation transition plan that guarantees business strategy and model are compatible with the limiting of global warming to 1.5°C in line with the Paris Agreement target. However, the Group intends to conduct a preliminary analysis to determine the best approach to addressing this issue as part of its 2026-2028 Strategic Plan.

For the Group's targets for GHG emissions reduction and decarbonisation, to mitigate climate change, refer to the "Actions and resources in relation to climate change policies" and "Targets related to climate change mitigation and adaptation" paragraphs.

Since the Group does not yet have a transition plan, no investments or financing were identified.

The Company has no locked-in GHG emissions from its key assets and products. As Fine Foods does not have a transition plan, it is impossible to provide insights on its inclusion and alignment with the Group's strategy. No climate change mitigation transition plan was approved by the Group's Governing and Control bodies, nor is one planned for the next financial year.

Material impacts, risks, and opportunities and their interaction with strategy and business model

The Group identified a physical climate change risk: potential operational and financial risks from physical damage to Group assets due to acute and chronic climate events; and a transition risk: increased operational costs related to energy procurement.

The Group did not conduct a resilience analysis of its business model or strategies across any timeframes. No climate scenarios or results are available for review.

3.3 Impact, risk and opportunity management

Description of the processes to identify and assess material climate-related impacts, risks and opportunities

For the methodology used to identify, assess and prioritise impacts, risks, and opportunities, refer to the Impact, risk and opportunity management section of this document.

The Group's Double Materiality assessment identified the following material climate change impacts:

- Contribution to climate change due to the generation of direct and indirect greenhouse gas (GHG) emissions;
- Contribution to climate change due to the generation of indirect greenhouse gas (GHG) emissions linked to suppliers' activities along the value chain.

The following material physical risk was identified:

- Operational and financial risk associated with physical damage to the Group's assets due to acute and chronic climate events.

As outlined in the methodology section of the Double Materiality exercise, risks were evaluated across short-, medium-, and long-term timeframes, considering direct operations and those along the value chain. This risk assessment was based on the high-emission climate scenario SSP5-8.5, as published by the International Panel on Climate Change (IPCC) in its Sixth Assessment Report (AR6). The increasing frequency of extreme weather events poses a potential risk for varying degrees of damage to the Group's assets, leading to higher operational costs related to repairs and preventive measures.

The following transition risks and opportunities were identified:

- Operational risk associated with rising energy procurement costs due to the gradual depletion of fossil fuels and the increasing demand for guarantees of origin;
- Financial and operational opportunities to access subsidised finance schemes through new investments in renewable energy plants.

The identified risks and opportunities were evaluated across short-, medium-, and long-term timeframes. For transitional climate risks and opportunities, the International Energy Agency's Net-zero Emissions (NZE) scenario was referenced, which outlines a pathway to achieving zero net emissions by 2050. The use of these scenarios helped identify and assess risks and opportunities across the designated time horizons, as they provided a foundation based on scientific data, including projected trends in energy consumption and global temperature increases.

The SSP5-8.5 scenario predicted a significant rise in global fossil fuel use and a dramatic increase in global temperatures this century, potentially leading to a 4.4°C rise in Earth's temperature. This would likely result in more extreme weather events, which could severely impact the Group's assets and operations. The Net-zero Emissions by 2050 (NZE) scenario presents a pathway for achieving zero net CO₂ emissions in the energy sector by 2050. To meet the Paris Agreement's goal of limiting global warming to 1.5°C above pre-industrial levels, a swift transformation in energy production and consumption is required, with a strong emphasis on increasing the use of renewable energy sources.

Within the European Taxonomy framework, no analysis was conducted on the compatibility of the Group's corporate assets or activities with the transition to a climate-neutral global economy.

Policies related to climate change mitigation and adaptation

By aligning with the Global Compact principles, Fine Foods commits to the Sustainable Development Goals (SDGs) of the United Nations 2030 Agenda, and particularly:

- goal 7: affordable and clean energy
- goal 12: responsible consumption and production
- goal 13: climate action

The ESG Committee approved the **Climate and Environmental Protection Policy** which, in continuity with the **HSE Policy** already defined within the ISO 14001 and ISO 45001 management systems, updates and implements the global strategy for a sustainable future.

This Policy includes three key principles:

- Principle 7: environmental protection, supporting a preventive approach to environmental challenges;
- Principle 8: climate protection, which encourages actions that enhance environmental responsibility;
- Principle 9: sustainable resource use and eco-design, supporting the advancement and sharing of environmentally friendly technologies.

Fine Foods is aware of the issue related to current goods and energy production models and their effect on climate, and it wants to be part of the solution. The energy transition is complex because energy production methods that have been established for decades must be quickly transformed into more sustainable models while continuing to provide all the energy the world needs and protecting employment levels. "Sustainable development" means that environmental, social and economic issues must be considered equal. For these reasons, traditional production models and systems cannot be eliminated overnight but must be included in the transition and transformation process. Reducing energy consumption and using green energy are among the implementable solutions, while involving supply chain players in the decarbonisation of these processes.

The implementation measures of this broader policy can be summarised as follows:

- setting up an organisational structure to implement the content of this Policy and provide the necessary human and instrumental resources;
- organising and promoting initiatives to train and inform workers on the environmental protection procedures and disseminating this Policy;
- developing people's awareness through campaigns and information on environmental and sustainability issues;
- actively participating in projects to reduce the waste of resources and energy;
- cooperating with public bodies, schools or other private companies in raising local people's awareness through initiatives on the conscious use of natural resources and energy and responsible consumption.

Actions and resources in relation to climate change policies

The above climate protection policy addresses the mitigation and adaptation to climate change, while enhancing energy efficiency and increasing the use of renewable energy sources.

The measures for implementing this policy provide solutions to reduce climate impact by decarbonising production processes where technically and financially sustainable.

The following actions have been prioritised:

- adopting procedures to monitor its energy consumption and systematically reduce waste;
- procuring electricity from renewable sources, with 100% green energy supply across all three plants;
- self-generation of electricity from renewable sources, such as photovoltaic panels;
- self-generation of electricity from a co-generator;
- investing in projects for the energy efficiency of machinery, plant and processes;
- involving suppliers by encouraging them to adopt initiatives to decarbonise their production processes.

In 2025, the Group carried out the following energy efficiency initiatives:

- a feasibility study examined linking the Fine Cosmetics plant to a nearby solar installation to expand its use of renewable electricity. The project should be operational by 2026;

- a project at the Fine Cosmetics plant was implemented to optimise energy consumption of industrial processes, particularly during compressor start-up with steam generators, focusing on reducing fuel consumption.

For the Group's targets in climate change mitigation and adaptation, refer to the targets listed in the Fine Foods for Future 2022-2025 Sustainability Plan, which was approved by the ESG Committee on 21 April 2022. The Group has set the objective of reducing its Scope 1 and 2 emissions year on year, comparing the GHG intensity of each reference year with the 2022 baseline.

As part of the 2026–2028 Sustainability Plan approved by the ESG Committee on 27 February 2026, the Group has established the following for the first time:

- a target for reducing total energy consumption compared to the 2024 baseline;
- a target for reducing Market-Based Scope 1 and 2 GHG emissions compared to the 2024 baseline;

Both KPIs are measured intensively per bulk volume produced by the Group's plants in the reference year. When establishing these targets, the Group didn't rely on specific climate risk scenarios or scientific benchmarks. It adopted targets that were intentionally more ambitious than those in the 2022–2025 Plan, aligning them with its organic growth aims and its upcoming three-year investment plan to expand production capacity. The 2024 baseline showed no unusual operational trends. Please refer to the "[2026–2028 Strategic Plan](#)" in section "[1.4 Strategy](#)" for further details on the calculation methodology, baseline and actions promoted for 2026.

There are no significant cost items, either OPEX or CAPEX, in the expenses already incurred or planned for the implementation of the measures outlined in the above policy. The Group has not made a specific CAPEX plan to align its initiatives with the provisions of EU Delegated Regulation 2021/2178.

3.4 Metrics and targets

Targets related to climate change mitigation and adaptation

For the Group's targets in climate change mitigation and adaptation, please refer to the targets listed under SBM-1_21 and outlined in the Fine Foods for Future 2022-2025 Sustainability Plan, which was approved by the ESG Committee on 21 April 2022. Specific targets and KPIs were defined and agreed with the managers of each area without involving supply chain workers. The Plan is monitored and updated annually by the ESG Committee to report on its progress, without involving supply chain workers.

Energy consumption and mix

The following table shows the Fine Foods Group's energy consumption data, disaggregated by origin from fossil, nuclear, and renewable sources.

As the Group operates in a high climate impact sector, information on energy consumption from fossil sources has been further disaggregated into five specific categories (1-5).

Energy consumption and mix	2024 (MWh)	2025 (MWh)
(1) Fuel consumption from coal and coal products	0	0
(2) Fuel consumption from crude oil and petroleum products	823.95	904.26
petrol	421.36	473.06
diesel	402.59	431.20
(3) Fuel consumption from natural gas	35,648.11	37,376.33
(4) Fuel consumption from other non-renewable sources	0	0
(5) Consumption of purchased or acquired electricity, heat, steam, and cooling from non-renewable sources	0	0
(6) Total energy consumption from fossil sources (calculated as the sum of lines 1 to 5)	36,472.06	38,280.59
Share of fossil sources in total energy consumption (%)	90.07%	85.60%
(7) Consumption from nuclear sources	0	0

Share of nuclear sources in total energy consumption (%)	0%	0%
(8) Fuel consumption for renewable sources, including biomass (bio-based industrial and municipal waste, biogas, renewable hydrogen, etc.)	0	0
(9) Consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources	3,285.78	5,684.45
(10) Consumption of self-generated non-fuel renewable energy	739.20	757.58
(11) Total renewable energy consumption calculated as the sum of lines 8 to 10)	4,024.98	6,442.02
Share of renewable sources in total energy consumption (%)	9.94%	14.40%
Total energy consumption (calculated as the sum of lines 6, 7 and 11)	40,497.05	44,722.62

Table 8 – Energy consumption in 2024-2025

In 2025, a total of 44,722.62 MWh of energy was consumed, with 85.60% derived from fossil sources and the remaining 14.40% from renewable sources. The following table shows energy consumption composition for 2025 versus 2024.

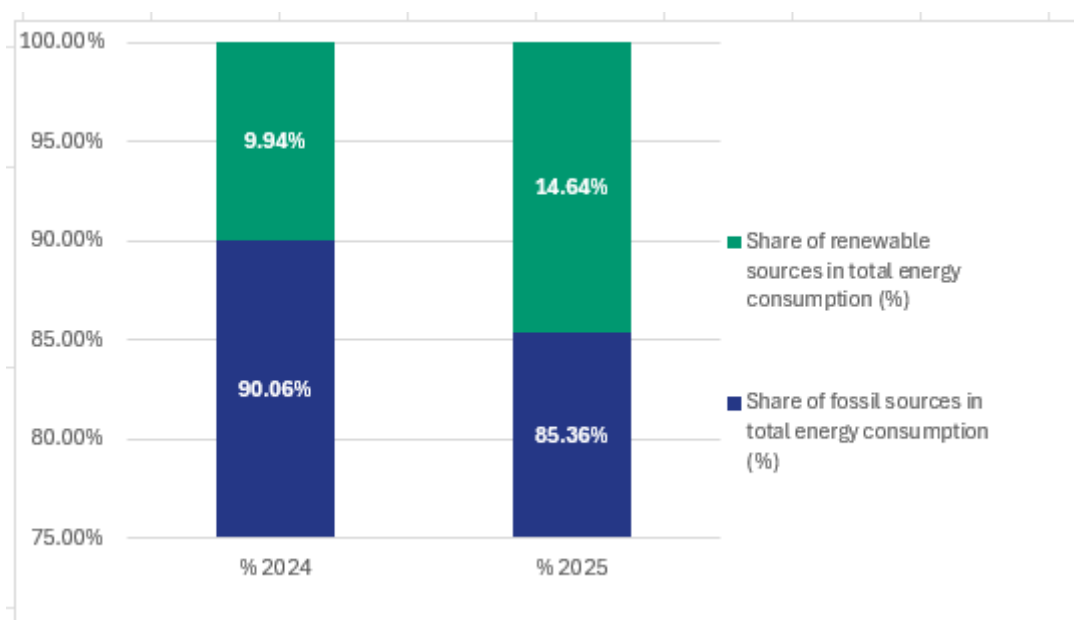


Figure 3 – A comparison of energy consumption from renewable versus non-renewable sources between 2024 and 2025

The rise in energy consumption for 2025 is attributable to the establishment of another plant at the Fine Foods site in Brembate, scheduled maintenance on certain cogenerators, and an overall increase in production compared to 2024.

The Group purchased electricity exclusively from renewable sources through 100% green supply contracts for the Fine Foods and Fine Cosmetics sites, backed by Guarantees of Origin (GO).

Data on electricity and gas consumption is taken from utility bills. Electricity production and feed-in data from photovoltaic systems were obtained from individual meter readings. Fuel consumption was recorded in litres and later converted into MWh.

As the Group operates in a high climate impact sector (classified under NACE code 10.8.6 - Manufacture of homogenised food preparations and dietetic food), the calculation of its energy intensity is provided below.

Energy intensity per net revenue	2024	2025
Energy consumption (MWh)	40,497.04	44,722.62
Net revenue (€ million)	243.75	252.10
Total energy consumption (MWh) per net revenue (MWh/M€)	166.14	177.40

Table 9 – Energy intensity per net revenue in 2024-2025

Energy intensity per bulk production (ton)	2024	2025
Energy consumption (MWh)	40,497.04	44,722.62
Bulk production (ton)	29,574.08	32,753.31
Total energy consumption (MWh) per bulk production (MWh/ton)	1.369	1.365

Table 10 – Energy intensity per bulk production (ton) in 2024-2025

While energy intensity per net revenue has risen by 5%, the energy intensity per tons of bulk produced has remained nearly unchanged, showing a marginal decrease of 0.29%. This shows that the Group managed the production increase by improving energy efficiency.

Gross Scopes 1, 2, 3 and Total GHG emissions

Fine Foods calculated its Carbon Footprint of Organisation (CFO), which quantifies the total greenhouse gas emissions resulting directly and indirectly from its 2025 activities.

The table below compares 2024 results for Fine Foods plants in Zingonia and Brembate, and the Fine Cosmetics plant in Trenzano.

	2024	2025
Scope 1 GHG emissions		
Gross Scope 1 GHG emissions (tCO ₂ eq).	8,103.83	8,107.08
Percentage of Scope 1 GHG emissions from regulated emissions trading schemes (%)	0	0
Scope 2 GHG emissions		
Gross location-based Scope 2 GHG emissions (tCO ₂ eq)	774.13	1,226.81
Gross market-based Scope 2 GHG emissions (tCO ₂ eq)	0	0
Percentage of Scope 2 GHG emissions from regulated emissions trading schemes (%)	0	0
Scope 3 GHG emissions		
Gross indirect Scope 3 GHG emissions (tCO ₂ eq)	64,017.13	74,865.23
1. Purchased goods and services	47,276.10	52,615.35
2. Capital goods	9,414.86	11,846.70
3. Fuel- and energy-related activities (not included in Scope 1 and 2)	2,803.05	2,737.71
4. Upstream transportation and distribution	2,436.37	2,682.08
5. Waste generated in operations	7.10	168.87
8. Upstream leased assets	0	0.11
9. Downstream transportation and distribution	2,079.65	4,814.41
Total GHG Emissions		
Total GHG emissions (location-based)	72,895.09	84,216.71
Total GHG emissions (market-based)	72,120.96	82,989.91

Table 11 – GHG emissions in 2024-2025

The 2025 study followed the GHG Protocol to meet ESRS standards, measuring emissions by dividing them into Scope 1, Scope 2 (location-based and market-based approaches), and Scope 3. The Company intends to perform this study and recalculate emissions annually.

Scope 3 greenhouse gas emission calculations have more inherent limitations than those for Scope 1 and 2. However, it's important to highlight that since the 2024¹⁰ calculation, the quantitative and qualitative data used for evaluating the value chain have become more accurate. Special focus was given to downstream transportation and distribution (Category 3.9).

For the accounting of greenhouse gas emissions, the unit of measurement used is tons of CO₂ equivalent (tCO₂eq), which standardises different greenhouse gas (CO₂, CH₄, N₂O, HFCs, PFCs, SF₆) emissions based on their different climate impact. The Global Warming Potential (GWP) factors applied in this study were updated by the IPCC in 2021, with calculations based on a 100-year time horizon.

Methodologies were selected to minimise uncertainty and ensure accurate, consistent, and reproducible results. These methodologies were based on calculations (multiplying GHG activity data by specific GHG emission factors), measurements, or a combination of both approaches.

Emission factors for this study were obtained from the DEFRA database, the ISPRA 2024 report, the AIB 2024 report, and the Ecoinvent v. 3.10 database. Calculations used the Global Warming Potential (100 years) as listed in the IPCC's Sixth Assessment Report (AR6). Cost data was assessed with the spend-based method, using DEFRA emission factors in kg CO₂eq per pound (£) from "UK full dataset 1990 to 2021 including conversion factors by SIC code". DEFRA 2025 emission factors were used for direct emissions from various fuels. Emission factors for diesel, petrol, and natural gas were sourced from DEFRA and listed as kgCO₂eq/l and kgCO₂eq/m³.

Any unit of measure conversions were carried out using the latest version of the National Standard Parameter Table, which is published annually by the Ministry of Environment and Energy Security and serves as the reference for calculating 2025 emissions.

For calculating Scope 2 emissions, as shown in the table above, location-based and market-based approaches were applied. Specifically, under the market-based approach, GHG emissions were zero, as electricity purchased by the Group is covered by Guarantees of Origin. Further details can be found in the "Energy consumption and mix" chapter.

For calculating Scope 3 emissions, under the GHG Protocol, the following six out of 15 categories were included:

- Category 3.1 – Purchased goods and services
- Category 3.2 – Capital goods
- Category 3.3 – Fuel and energy-related activities (not included in Scopes 1 and 2)
- Category 3.4 – Upstream transportation and distribution
- Category 3.5 – Waste generated during operations
- Category 3.8 – Upstream leased assets
- Category 3.9 – Downstream transportation and distribution

The biogenic carbon figure was derived using SimaPro software, which classifies CO₂ equivalent emissions into three distinct components—fossil, biogenic, and land use—which, when summed, constitute the total GHG emissions. Non-anthropogenic emissions were recorded as zero, whereas anthropogenic emissions resulted from the combustion of biomass within the energy mixes considered in the modelling of the sources included in the categories analysed.

The table below shows emission intensity in relation to net revenue, calculated as the ratio of total GHG emissions (location-based and market-based) to the Group's net revenue in € millions, as reported in the Financial Statements.

Emission intensity per net revenue	2024	2025
Total GHG emissions (location-based)	72,895.09	84,216.71
Total GHG emissions (market-based)	72,120.96	82,989.91
Net revenue (€ million)	243.75	252.1
Total GHG emissions (location-based) per net revenue (tCO₂eq/M€)	299.06	334.06
Total GHG emissions (market-based) per net revenue (tCO₂eq/M€)	295.88	329.19

¹⁰ ESRS 1-7.1 did not allow adjustments to the 2024 information.

Table 12 – Emission intensity per net revenue in 2024-2025

The table below compares emission intensity to bulk production by showing the ratio of total greenhouse gas (GHG) emissions, including location-based and market-based measurements, to bulk production in tons.

Emission intensity per bulk production (ton)	2024	2025
Total GHG emissions (location-based)	72,895.09	84,216.71
Total GHG emissions (market-based)	72,120.96	82,989.91
Bulk production (ton)	29,574.08	32,753.31
Total GHG emissions per ton of bulk production (location-based, tCO₂eq/ton)	2.46	2.57
Total GHG emissions per ton of bulk production (market-based, tCO₂eq/ton)	2.43	2.53

Table13 – Emission intensity compared to bulk production in 2024-2025

Compared with 2024, emission intensity in 2025 increased per net revenue (measured in millions of euros) and tons of bulk production. GHG emissions rose by about 15%,¹¹ with emission intensity increasing by roughly 11% and 4%, respectively.¹² The rise in turnover and production was less than proportional compared to the increase in GHG emissions, indicating the Group's strong energy efficiency during organic growth.

4. Pollution

ESRS E2

4.1 Impact, risk and opportunity management

Description of the processes to identify and assess material pollution-related impacts, risks and opportunities

An analysis of the activities carried out across the Group's sites showed that the most significant industrial processes for air pollutant emissions are material, while emissions affecting soil and water were minimal. If such emissions occur, the Group implements the controls necessary to monitor their impact and ensure compliance with local regulations. It is important to acknowledge that some suppliers within the Group's value chain may have a greater environmental impact. Appropriate assessments are being developed to report relevant IROs for these suppliers, under phase-in provisions.

The methodology for identifying impacts, risks, and opportunities considered the aspects in the "Description of the processes to identify and assess material impacts, risks and opportunities" paragraph included in the General disclosures chapter (ESRS 2). This methodology was applied to pollution-related assessments and analysed the operating environment, identifying impacts, risks, and opportunities, and evaluating and prioritising them accordingly.

As specified in the "Material impacts, risks, and opportunities and their interaction with strategy and business model" paragraph included in the General disclosures chapter (ESRS 2), the Double Materiality assessment conducted by the Fine Foods Group identified only one material sustainability impact related to pollution – "air pollution" sub-topic. This impact was associated with the Group's direct operations.

As for the identification of risks and opportunities, the following risk related to the "Substances of Concern" sub-topic was identified and arises from regulatory dependencies and the (albeit limited) environmental impact of the Group.

- Legal and reputational risk related to the mismanagement of Substances of Concern.

¹¹ 2024-2025 change in total GHG emissions: location-based: +15.5%; market-based: +15.07%

¹² 2024-2025 change in emission intensity per net revenue: location-based: +10.48%; market-based: +10.12%;

2024-2025 change in emission intensity per bulk production: location-based: +4.14%; market-based: +3.75%

The Group has not yet undertaken specific consultations with stakeholder groups for pollution-related matters. The Group focused its efforts on areas deemed most relevant based on the scale and extent of the impacts generated.

Policies related to pollution

As specified in the previous paragraph, the ESG Committee has approved a Climate and Environmental Protection Policy, through which Fine Foods prioritises the environment and well-being of local communities. The Company implements processes for reducing its impacts. It adopts the best available practices to guarantee the protection of environmental matrices - air, water and soil - and avoid accidental or voluntary pollution.

The policy aims to minimise negative environmental impacts, particularly those related to air, water, and soil pollution. The implementing measures include:

- ensuring the protection of the environment and health of people, preventing any voluntary or accidental pollution by choosing the best technologies available;
- providing transparency to stakeholders on the organisation's environmental data;
- adopting an ISO 14001 environmental management system and obtaining certification.

Actions and resources related to pollution

The policy's objective is to promote environmentally responsible management across the supply chain. To support this goal, the Group is committed to assessing the environmental impact of value chain stakeholders, engaging them in improvement initiatives, and working with their suppliers to develop more sustainable solutions.

Where applicable and financially sustainable, the Group opts for products or services that guarantee the best environmental performance and the same functionality by adopting the following criteria:

- avoiding the use of substances classified as hazardous;
- choosing products derived from renewable raw materials (e.g., of vegetable origin) and, whenever possible, with certified sustainable origin (e.g. FSC paper, organic farming, etc.);
- prioritising products designed under "green chemistry" criteria (e.g. chemicals which do not remain in the ecosystem, plant-based ingredients, etc.);

When it comes to managing hazardous substances, the Group operates within its scope for third parties, meaning it follows its customers' product formulation choices. In line with its Management System, the Group checks that materials purchased meet regulations related to product safety and environmental impact, such as EC Regulation 1907/2006 (REACH) and EC Regulation No. 1272/2008 (CLP). The goal is to reduce operational staff's exposure to these hazardous substances to a minimum. Product safety data sheets are reviewed and suppliers are contacted when action is needed.

4.2 Metrics and targets

Targets related to pollution

As part of the Fine Foods for Future 2022-2025 Sustainability Plan, approved by the ESG Committee on 21 April 2022, the Group had set pollution-related targets. These were achieved in financial years prior to the current reporting period.

After completing the 2022-2025 Plan, the Group updated its sustainability strategy for the next three years, aligning with most recent top standards and following Common Benefit Objectives as a Benefit Corporation. The 2026–2028 Plan was formally approved by the Fine Foods Group's ESG Committee on 27 February 2026. The Group has set qualitative goals related to pollution as part of this Plan. Please refer to the "[2026–2028 Strategic Plan](#)" in section "1.4 Strategy" for details on the 2028 objectives and planned actions for 2026.

Pollution of air, water and soil

The table below shows the quantities (in tons) of pollutants emitted during 2024 and 2025 across the Group's operations, focusing on airborne pollutants: Ammonia emissions originate exclusively from the Trezzano plant. Nox emissions (as NO₂) are generated by the

Zingonia and Brembate plants. VOC/TOC and particulate matter are emitted from all Group plants¹³. No significant emissions of microplastics were recorded.

	2024 Quantity (ton)	2025 Quantity (ton)
Ammonia	0.0001	0.0001
Nox – NO2	22.18	24.27
VOC/TOC	15.42	13.63
Particulate matter	1.92	0.73
Microplastics (generated or used)	0	0

Table 14 – Air pollution emissions in 2024-2025

The data was obtained from sampling conducted at the following intervals:

- Fine Foods (Zingonia): April 2025.
- Fine Foods (Brembate): April 2025.
- Fine Cosmetics (Trenzano): May 2025.

A full assessment of atmospheric emissions for 2024-2025 is detailed in specific test reports prepared by independent specialised accredited laboratories under UNI CEI EN ISO/IEC 17025:2018. When assessing the compliance of results against limit values, the criteria defined in the Unichim Handbook 158:1988 (section on "Criteria for the evaluation of results") were applied, taking into account the mean values derived from N measurements taken while the plant was operational, and the corresponding standard deviation.

Substances of concern and very high concern

During 2024-2025, the Group did not use any substances classified as "Substances of concern" or "Substances of very high concern."

5. Water and marine resources

ESRS E3

5.1 Impact, risk and opportunity management

Description of the processes to identify and assess material water and marine resources-related impacts, risks and opportunities

The methodology for identifying impacts, risks, and opportunities considered the aspects in the "Description of the processes to identify and assess material impacts, risks and opportunities" paragraph included in the General disclosures chapter (ESRS 2). This methodology was applied to water-related assessments and analysed the operating environment, identifying impacts, risks, and opportunities, and prioritising them accordingly.

As specified in the "Material impacts, risks, and opportunities and their interaction with strategy and business model" paragraph, after the Double Materiality assessment conducted by the Fine Foods Group a material sustainability impact related to the water sub-topic was identified. This impact relates to water consumption and occurs during direct operations, associated with the Group's production activities, and upstream in the value chain.

No material risks or opportunities related to water were identified, either in terms of dependencies or the measures outlined in the ESG 2022-2025 plan. The Group assessed this issue using *Aqueduct*, a tool from the World Resources Institute (WRI) for mapping and managing water risks.

¹³The estimated operating hours of the Group's plants were determined by considering the number of hours the plants operated daily and total operating days throughout the year. It was assumed that the plants functioned continuously during working hours and on scheduled operating days. Emission calculations for all sites were based on an estimated operating time of eight hours per day for 220 days per year, equivalent to a total of 1,760 hours of emissions annually.

The Group has not yet undertaken specific consultations with stakeholder groups regarding water use. The Group focused its efforts on areas deemed most relevant based on the scale and extent of the impacts generated.

Policies related to water and marine resources

As specified in the "Policies related to climate change mitigation and adaptation" paragraph, the ESG Committee approved a climate and environmental protection policy. The policy is designed to safeguard the environment in the regions where the Group operates, including Trezzano, an area with high water stress. The Group implements processes to systematically reduce its environmental impact and adopts the best available practices to protect environmental matrices—air, water, and soil.

For issues related to environmental pollution, including water pollution, please refer to the paragraph on ESRS E2.

The Group integrates environmental impact considerations from the initial stages of product design to minimise the use of non-renewable raw materials upstream. Moreover, Fine Foods assesses process designs to reduce water consumption, by working with supply chain stakeholders.

It is important to design processes that reduce water consumption in partnership with other players in the supply chain.

The Group has not adopted, at present, policies addressing the sustainability of seas and oceans.

Actions and resources related to water and marine resources

As a precautionary measure, the Fine Foods Group considers that it has not undertaken actions of impact, risk and opportunity management regarding water and marine resources that meet ESRS requirements. Several actions were outlined in the ESG 2022–2025 plan; however, their lack of defined quantitative targets and timeframes means they are not fully compliant with the Standard. The Group will consider defining or updating future actions to ensure they meet these requirements.

Given the importance of this issue, the Group has taken steps to improve water resource usage, including:

- implementing a Group-wide water consumption monitoring network;
- designing production processes to minimise and efficiently reduce the water used for production;

5.2 Metrics and targets

Targets related to water and marine resources

As a precautionary measure, the Fine Foods Group considers that it has not undertaken a policy to manage impacts, risks, and opportunities related to water and marine resources that fully meet the ESRS Standard. The Group will consider defining or updating future policies to ensure they meet these requirements.

To prevent, reduce, and mitigate the potential environmental impact of its operations, the Group has set internal targets—outlined in the Fine Foods for Future 2022-2025 Sustainability Plan, approved by the ESG Committee on 21 April 2022—on water resource management. For further details, refer to the "Corporate strategy, business model, and value chain" paragraph. Specific targets and KPIs were defined and agreed with the managers of each area. The Plan is monitored and updated annually by the ESG Committee to report on progress.

After completing the 2022-2025 Plan, the Group updated its sustainability strategy for the next three years, aligning with most recent top standards and following Common Benefit Objectives as a Benefit Corporation. The 2026–2028 Plan was formally approved by the Fine Foods Group's ESG Committee on 27 February 2026. The Group has established a quantitative target to cut water use under this Plan. Please refer to the "[2026–2028 Strategic Plan](#)" in section "1.4 Strategy" for details on the 2028 objectives and planned actions for 2026.

The Group's targets are voluntary and not legally binding.

The Group has not assessed IROs related to marine resources or set targets in this area.

Water consumption

In 2025, Fine Foods Group's total water consumption was 59,678.92 m³, of which 17,517 m³ occurred in water-risk areas, representing around 29% of total consumption, as shown in the table below. No water was recycled, reused, or stored. All water is taken from the public supply. The water discharges mentioned originate from a sewer outlet at the Fine Cosmetics Trezzano production facility.

Process water used for industrial purposes, such as washing line equipment, is stored in tanks, delivered to an authorised waste management operator and disposed of as special wastewater.

Water consumption	2024 Volume (m³)	2025 Volume (m³)
Total water consumption ¹⁴	50,499.00	59,678.92
in areas at water risk, including areas of high-water stress	13,102.00	17,517.00
Total volume of water recycled and reused	0	0
Total volume of water stored	0	0
relative changes	0	0
Total water withdrawals	56,121.00	67,079.92
Total water discharges	5,622.00	7,401.00

Table 15 – Water consumption in 2024-2025

The table below outlines the Group's water intensity for 2025, which was 236.73, derived from the ratio of total water consumption (in m³) to the Group's net revenue (in € millions, as per Financial Statements).

Water intensity per net revenue	2024 Value	2025 Value
Total water consumption (m³)	50,499.00	59,678.92
Net revenue on own operations (€ million)	243.75	252.10
Water intensity (millions of € per m³)	207.17	236.73

Table 16 – Water intensity compared to net revenue in 2024-2025

Water intensity per bulk production (ton)	2024 Value	2025 Value
Total water consumption (m³)	50,499.00	59,678.92
Bulk production (ton)	29,574.08	32,753.31
Total water consumption (m³) per bulk production (m³/ton)	1.71	1.82

Table 17 – Water intensity compared to bulk production in 2024-2025

Comparing 2024 with 2025, water intensity increased per net revenue (in millions of euros) and tons of bulk production. The Group's water consumption rose by 18%, with water intensity up 14% per revenue unit and 7% per ton of bulk production. The rise in turnover and production was less than proportional compared to the water consumption, indicating the Group's strong water efficiency within its processes during organic growth.

The water risk analysis showed only the area where Fine Cosmetics operates as classified as at risk, whereas the Fine Foods sites in Zingonia and Brembate were identified as low-risk areas. The analysis used WRI's Aqueduct 4.0 platform, taking into account physical water risk parameters (quantitative and qualitative) and the overall average Regulatory and Reputational Risk. The RepRisk Country ESG Risk Index was not included in the analysis, as an overall assessment of ESG risks was carried out through the double materiality approach. This decision was made because the Regulatory and Reputational Risk was classified as Low and did not significantly influence the final Overall Water Risk calculation.

¹⁴ Water consumption data for 2024 has been revised due to a new calculation method and the installation of meters at the Fine Cosmetics site.

The data reported is mainly sourced from utility bills. For unavailable November and December data, self-readings were used.

6. Biodiversity and ecosystems

ESRS E4

6.1 Strategy

Transition plan and focus on biodiversity and ecosystems in the strategy and business model

For physical, transitional, and systemic risks related to biodiversity and ecosystems, the Fine Foods Group has not conducted a resilience assessment of its strategy and business model. As a result, no transition plan on this subject was defined for the reporting period.

Material impacts, risks, and opportunities and their interaction with strategy and business model

As specified in the "Material impacts, risks, and opportunities and their interaction with strategy and business model" paragraph included in the General disclosures chapter (ESRS 2), the material impact related to biodiversity (potential biodiversity loss and ecosystem damage resulting from raw material processing) is linked to the activities of the Group's suppliers responsible for procuring raw and packaging materials. The requirements of the "Material impacts, risks, and opportunities and their interaction with strategy and business model" paragraph do not apply.

6.2 Impact, risk and opportunity management

Description of processes to identify and assess material biodiversity and ecosystem-related impacts, risks and opportunities

The Double Materiality analysis conducted by the Fine Foods Group identified a significant negative impact on biodiversity and ecosystems, linked to the sub-topic "impacts on the extent and condition of ecosystems" within the value chain, which consists of:

- Potential biodiversity loss and ecosystem damage resulting from raw material processing.

As for risks and opportunities, the following transition risk was identified as material:

- Risk of supply chain disruptions and increased production costs due to raw material processing and production impacting local biodiversity.

Conducting consultations with local communities, experts and environmental organisations will be an opportunity to engage in constructive dialogue and obtain important information on environmental dynamics.

The Fine Foods Group does not have any sites located near sensitive biodiversity areas. There was no need to implement mitigation measures such as those in Directive 2009/147/EC on the conservation of wild birds, Directive 92/43/EEC on the conservation of natural habitats and wild fauna and flora, or an Environmental Impact Assessment (EIA) under Directive 2011/92/EU. For activities undertaken in third countries, measures aligned with equivalent national provisions or international standards, such as the International Finance Corporation (IFC) Performance Standard 6 on Biodiversity Conservation and Sustainable Management of Living Natural Resources, do not apply.

Policies related to biodiversity and ecosystems

As a precautionary measure, the Fine Foods Group considers that it has not undertaken a policy to manage impacts, risks, and opportunities related to biodiversity and ecosystems that fully meets the ESRS Standard. The Group will consider defining or updating future policies to ensure they meet these requirements.

However, in line with its commitment to preventing, reducing, and mitigating environmental impacts, the Fine Foods Group has defined an environmental and climate protection policy, as stated in the "Policies related to climate change mitigation and adaptation" which was approved by the ESG Committee and overseen by the Managing Director. This underscores the importance of addressing global ecosystem damage through sustainable resource use and adopting eco-design principles.

The policy defines several implementing measures to manage environmental impacts and monitoring dependencies across the value chain, focusing on the supply chain.

The Company's objective is to steer the supply chain towards optimal and sustainable management of human rights and environmental impact. Where feasible, applicable, and financially sustainable, the Company is committed to prioritising the procurement of products or services that guarantee the best environmental performance and the same functionality by adopting following criteria:

- choosing products derived from renewable raw materials (e.g., of vegetable origin) and, whenever possible, with certified sustainable origin (e.g. FSC paper, organic farming, etc.);
- prioritising products designed under "green chemistry" criteria (e.g. chemicals which do not remain in the ecosystem, plant-based ingredients, etc.).

The proper supply chain management is a key aspect of this policy, aligning with the findings of the double materiality assessment. The sourcing of materials was recognised as a potential driver of biodiversity loss, as it increases to ecosystem degradation resulting from raw material extraction and production. The policy emphasises the importance of fostering corporate awareness on these issues. This is achieved by providing information and training to workers, and cooperating with public bodies, educational institutions, and private companies.

Actions and resources related to biodiversity and ecosystems

As a precautionary measure, the Fine Foods Group considers that it has not yet undertaken actions to manage the impacts, risks, and opportunities related to biodiversity and ecosystems that fully meet the ESRS Standard. The Group will consider defining or updating future actions to ensure they meet these requirements.

In 2024-2025, Fine Foods committed to deepening its understanding of deforestation related to the legality and sustainability requirements set out by the European Deforestation-Free Products Regulation (EUDR), which came into force on 29 June 2023 and will be applicable from 30 December 2026.

To ensure compliance with these requirements, a due diligence process was undertaken based on the following steps:

- Mapping the supply chain;
- Identifying suppliers of raw and packaging materials for nutraceutical and pharmaceutical production;
- Association of customs codes with sensitive raw materials and their derivatives imported into the EU, which are considered major contributors to deforestation and degradation;
- Engaging with suppliers and requesting documentation to certify that products originate from land that has not been subject to deforestation or degradation since 31 December 2020;
- Setting up internal systems to track supplier data for due diligence under the Regulation, also using an external platform to verify the traceability of incoming raw materials.

The Group ensured full regulatory compliance, with implementation starting 30 December 2025. With the Regulation further postponed, internal tracking systems will be updated accordingly as the Regulation's implementation changes.

The strategic raw materials required for Fine Foods Group production, as identified by the above Regulation, include cocoa, coffee, soya, palm oil, and wood.

Palm oil is a vegetable substance that, in its raw state or as a derivative obtained by reaction or extraction of specific components, is used in the cosmetics industry to produce foaming surfactants. Over the past 30 years, palm cultivation has developed mainly in South-East Asia, and is considered the main cause of intense deforestation, together with the timber industry. Fine Foods participates in the Roundtable on Sustainable Palm Oil (RSPO), a non-profit organisation that sets environmental and social standards for sustainable palm oil. By being an RSPO member, Fine Foods aims to reduce land and forest exploitation and minimise the risk of indirect involvement in deforestation. Member companies must comply with this standard to produce and market certified sustainable palm oil.

When selecting packaging for its products, the Group prioritises the purchase of boxes made from FSC-certified paper, ensuring that the material originates from responsibly managed forests under sustainability and traceability principles.

In 2024-2025, the Urban Planting project, started in 2023, and developed in partnership with the Municipality of Verdellino, was maintained to offset the purchase of land in Zingonia (Verdellino), which will be used for the expansion of production facilities as part of upcoming construction projects. The agreement provides for compensating the reduced soil permeability of the newly acquired land through the planting of trees across three municipal plots, at the Company's expense. The goal for 2026 is to monitor and care for these green areas in partnership with the Verdellino Municipal Administration.



Figure 4 – identified for planting between Via Tiepolo and Via Marne (Brembate)

An additional planting project will be carried out in Brembate, on the land dedicated to the Apicoltura Urbana project, developed in partnership with the Municipality of Brembate to improve the landscape around the newly constructed pharmaceutical facility. This same area will host the biodiversity enhancement initiative with Apicoltura Urbana, which includes the installation and full management of an apiary comprising eight hives, along with regular maintenance and periodic honey extraction. The strategic location near the Brembo River and the diverse nectar sources create a valuable biodiversity corridor for the area.

7. Resource use and the circular economy

ESRS E5

7.1 Impact, risk and opportunity management

Description of the processes to identify and assess material resource use and circular economy-related impacts, risks and opportunities

The methodology for identifying impacts, risks, and opportunities considered the aspects in the "Description of the processes to identify and assess material impacts, risks and opportunities" paragraph included in the General disclosures chapter (ESRS 2). This methodology was applied to resource inflows and outflows, and waste management assessments and analysed the operating environment, identifying impacts, risks, and opportunities, and prioritising them accordingly.

Following the Double Materiality assessment conducted by the Group, a highly significant sustainability impact was identified for resource use and the circular economy. This impact pertains to the Group's direct operations and concerns the "resource inflows" sub-topic:

- Potential land occupation and soil pollution due to improper management of process waste.

Two other material impacts were identified within production activities and along the value chain, linked to the "resource inflows" and "waste" sub-topic:

- Contribution to raw materials depletion and unsustainable use of auxiliary materials;
- Potential land occupation and soil pollution due to improper management of process waste.

The following material risk has been identified:

- Operational risk from a shortage of virgin raw materials.

No specific consultations concerning resource use and the circular economy within the Group's operations have been conducted with stakeholder groups. The Group focused its efforts on areas deemed most relevant based on the scale and extent of the impacts generated.

Policies related to resource use and circular economy

As a precautionary measure, the Fine Foods Group considers that it has not undertaken a policy to manage impacts, risks, and opportunities related to resource use and the circular economy that fully meets the ESRS Standard. The Group will consider defining or updating future policies to ensure they meet these requirements.

As specified in the "Policies related to climate change mitigation and adaptation" paragraph, the ESG Committee approved a climate and environmental protection policy. In this document, the Group addresses circular economy principles and outlines the following commitments:

- minimising waste arising during the production cycle by focusing on decreasing the percentage of waste sent for disposal which is no longer recyclable/reusable;
- minimising raw materials and products employed in production processes (e.g., reusing materials internally, adopting anti-waste procedures, etc.).

Actions and resources related to resource use and the circular economy

As a precautionary measure, the Fine Foods Group considers that it has not yet undertaken actions to manage the impacts, risks, and opportunities related to resource use and the circular economy that fully meet the ESRS Standard. Several actions were outlined in the ESG 2022–2025 plan; however, their lack of defined quantitative targets and timeframes means they are not fully compliant with the Standard's requirements. The Group will consider defining or updating future actions to ensure they meet these requirements.

The Group adopts circular economy and eco-design concepts from product design (including its packaging) to favour solutions that make resources recyclable and reduce the environmental impact, applying the following general strategies:

- analysing the environmental impact of products throughout their life cycle and working with customers in developing environmentally-friendly solutions;
- prioritising low-impact materials;
- reducing the quantity (weight and volume) of materials used;
- reducing the consumption of materials required in the production process;
- optimising and reducing the logistics impact;
- reducing the environmental impact in the use phase;
- increasing the product shelf-life;
- optimising and decreasing the product's end-of-life impact.

The Group engages its supply chain in a management approach that emphasises circular economy principles. Where feasible, applicable, and financially sustainable, the Group opts for products or services that provide the best environmental performance for the same functionality by applying the following criteria:

- choosing products or raw materials from recycled sources, where possible;
- considering "sharing" or "second-hand" solutions as an alternative to purchasing;
- avoiding purchasing disposable products;
- purchasing products designed to be repaired, reused, refurbished or recycled;
- choosing products with a longer shelf life;
- selecting products that guarantee a service which extends the product's useful life;
- choosing products that are eco-efficient throughout their life cycle by comparing the environmental declarations of several equivalent products (e.g. product carbon footprint, EPD - Environment Product Declaration) or through certifications (e.g. Ecolabel, Blue Angel, Nordic Swan, etc.);
- zero waste and buying what is necessary.

The Group partners with authorised waste disposal operators to ensure responsible waste management under applicable regulations, with special care for hazardous waste.

In 2025, Fine Foods installed printers with an Eco Declaration issued by ECMA, to verify the features and environmental impact of purchased products under applicable regulations, standards, guidelines and practices.

7.2 Metrics and targets

Resource use and circular economy targets

Fine Foods Group has not yet identified targets to manage the impacts, risks, and opportunities related to resource use and the circular economy that fully meet the ESRS Standard. Please refer to the next three years for an evaluation of actions that may include the identification of targets meeting the Standard's requirements.

However, the Group has set internal circular economy targets. For details, refer to the targets outlined in the Fine Foods for Future 2022-2025 Sustainability Plan, approved by the ESG Committee on 21 April 2022. Specific targets and KPIs were defined and agreed with the managers of each area. The Plan is monitored and updated annually by the ESG Committee to report on progress.

To enhance the identified strategy, the **Eco-Design Project** was developed for the second consecutive year in 2024 by working with Mapping LCA. The project uses a Life Cycle Assessment (LCA) platform to compare the environmental footprint of four types of rigid and flexible packaging used by the Company. The initiative was not reintroduced in 2025. In 2026, as part of updating the 2026-2028 Strategic Plan, the Group will evaluate further integration of LCA assessments into sustainable product packaging, considering customer needs and regulatory changes, such as: EU Regulation 2025/40 (PPWR) on packaging and packaging waste.

Fine Foods is committed to increasing the Waste-to-Recovery Rate, calculated annually as the percentage of waste sent for recovery compared to total waste produced, using 2022 as the baseline.

After completing the 2022-2025 Plan, the Group updated its sustainability strategy for the next three years, aligning with most recent top standards and following Common Benefit Objectives as a Benefit Corporation. The 2026–2028 Plan was formally approved by the Fine Foods Group's ESG Committee on 27 February 2026. The Group has set qualitative and quantitative goals related to resource use and the circular economy. Please refer to the "[2026–2028 Strategic Plan](#)" in section "[1.4 Strategy](#)" for details on the 2028 objectives and planned actions for 2026.

The Group's targets are voluntary and not legally binding.

Resource inflows

The total weight in tons of resource inflows during 2024-2025, comprising raw materials and packaging purchased, is detailed below.

	2024		2025	
	Quantity (ton)	%	Quantity (ton)	%
Total weight of resource inflows	23,943.49	100%	27,273.50	100%
Organic	-	-	8,288.62	30.39%
Reused or recycled secondary components, products, and secondary materials used for products and services (including packaging) ¹⁵	-	-	3,029.78	11.01%

Table 18 – Incoming resources in 2024-2025

Due to Fine Foods' thorough tracking of purchased packaging materials, specific amounts of recycled or FSC-certified paper and wood-based materials were identified for 2025. The analysis provided more technical details about packaging materials purchased by Fine Foods. The results of the 2025 analysis are shown in the following table¹⁶:

¹⁵ The figure includes technical and biological materials.

¹⁶ The total of resource inflows is derived from an accurate extraction of data from the management system used by the Group's purchasing department. The term "organic" covers materials derived from organic sources, such as plant-based packaging, natural extracts, and plant fibres. "Technical" describes purchased materials of non-organic origin, such as mineral-based materials, plastic polymers from oil and gas, and synthetic or chemical raw materials. The "Plant and animal proteins" and "Sugars" categories include materials from organic and technical sources, so are classified as "technical" as a precaution.

RESOURCE INFLOWS	2024	2025				
	Total	Total	reused or recycled secondary components		"sustainable" certified (FSC)	
	ton	ton	kg	% of Total	kg	% of Total
TOTAL WEIGHT OF RESOURCE INFLOWS	23,943.49	27,273.50	3,029.78	11.11%	403.50	1.48%
TECHNICAL	-	18,984.89	26.20	0.10%	-	-
ORGANIC	-	8,288.62	3,003.58	11.01%	403.50	1.48%
PACKAGING MATERIALS	7,283.72	8,807.70	3,029.78	34.40%	403.50	4.58%
TECHNICAL:	-	3,845.02	26.20	0.30%	-	-
Aluminium	-	207.49	-	0.00%	-	-
Plastic	-	2,401.45	20.01	0.23%	-	-
Glass	-	40.33	6.19	0.07%	-	-
Multi-layer composite materials: paper/aluminium/plastic	-	885.91	-	0.00%	-	-
Other	-	309.84	-	-	-	-
ORGANIC:	-	4,962.68	3,003.58	34.10%	403.50	4.58%
Paper	-	2,376.83	1,417.02	16.09%	357.51	4.06%
Cardboard	-	1,020.82	694.63	7.89%	45.99	0.52%
Wood	-	1,565.03	891.93	10.13%	-	-
RAW MATERIALS	16,659.77	18,465.81	-	-	-	-
TECHNICAL:	-	15,139.87	-	-	-	-
Plant and animal proteins	-	4,089.41	-	-	-	-
Sugars	-	3,250.02	-	-	-	-
Additives and chemicals	-	3,489.03	-	-	-	-
Salts	-	1,271.89	-	-	-	-
Other	-	3,039.53	-	-	-	-
ORGANIC:	-	3,325.93	-	-	-	-
Plant substances and botanical preparations	-	1,638.46	-	-	-	-
Fibres	-	1,687.48	-	-	-	-

Table 19 – Breakdown of materials comprising resource inflows in 2024–2025

In 2025, the Group bought about 14% more materials, reflecting the natural expansion of plant production.

The analysis reveals that recycled wood, paper, and cardboard made up about 34.4% of annual packaging purchases, whilst FSC-certified materials comprised nearly 5%. Paper and cardboard are used for secondary packaging (sleeves) and tertiary packaging (boxes), while wood serves for pallets.

In 2026, the Group will further refine data to enhance public disclosure.

Resource outflows

The quantities of waste (in kg) produced by Fine Foods Group, divided into hazardous and non-hazardous waste, is detailed below, specifying which waste was destined for disposal and which was allocated for recovery. No radioactive waste has been recorded.

Most waste consists of process water mainly from cleaning production line equipment, which is stored in tanks and sent to an authorised waste operator for disposal as special waste. A procedure outlines the steps to follow for hazardous substance spills that may contaminate discharged water during environmental emergencies.

WASTE (ton)	2024						2025					
	Hazardous		Non-hazardous		Total		Hazardous		Non-hazardous		Total	
	Weight	%	Weight	%	Weight	%	Weight	%	Weight	%	Weight	%
Total waste generated	8,603.9	100%	9,069.9	100%	17,673.9	100%	10,889.0	100%	8,871.6	100%	19,670.6	100%
Not destined for disposal (recovery)	385.2	4%	2,424.3	27%	2,809.5	16%	601.6	6%	2,400.3	27%	3,002.0	15%
Destined for disposal	8,218.7	96%	6,645.6	73%	14,864.4	84%	10,287.4	94%	6,381.3	73%	16,668.7	85%

Table 20 – Quantity of waste produced in 2024-2025

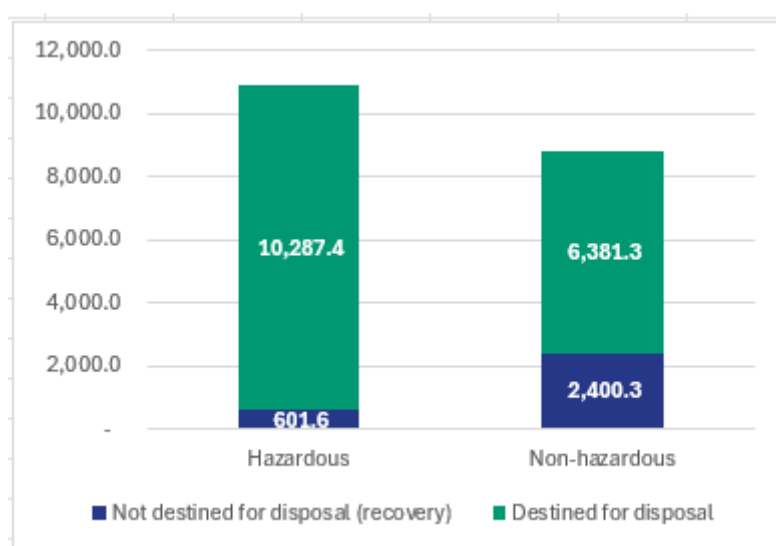


Figure 5 – Breakdown of waste (ton) by type in 2025

During 2024-2025, the Group generated the following hazardous special waste types:

- Ink waste containing hazardous substances (EWC 030312 and 080312)
- Aqueous washing solutions and mother liquors (EWC 070501, 070601, 120301, 110111)
- Organic halogenated solvents, washing liquids, and mother liquors (EWC 070503)
- Solid waste containing hazardous substances (EWC 070513)
- Halogenated filter cakes and spent absorbents (EWC 070709)
- Mineral-based non-chlorinated engine, gear, and lubricating oils (EWC 130205, 130206 and 130208)
- Packaging containing residues of or contaminated by hazardous substances (EWC 150110 and 150111)
- Absorbents, filter materials (including oil filters not otherwise specified), wiping cloths, and protective clothing (EWC 150202)
- Organic/inorganic waste containing hazardous substances (EWC 160305 and 160303)
- Laboratory chemicals consisting of or containing hazardous substances, including chemical mixtures (EWC 160506)
- Lead and nickel-cadmium batteries (EWC 160601 and 160602)
- Wastes whose collection and disposal is subject to special requirements in order to prevent infection (EWC 180103)

- Fluorescent tubes and other mercury-containing waste (EWC 200121)
- Hazardous components removed from discarded equipment (EWC 160215)

The Group generates the following types of special non-hazardous waste:

- Waste printing toner other than those mentioned in EWC 080317 (EWC 080318)
- Paper and cardboard packaging (EWC 150101), plastic packaging (EWC 150102), wooden packaging (EWC 150103), mixed packaging (EWC 150106), glass packaging (EWC 150107)
- Absorbents, filter materials, wiping cloths and protective clothing (EWC 150203)
- Organic wastes other than those mentioned in EWC 160305 (EWC 160306)
- Iron and steel (EWC 170405)
- Wastes from washing, cleaning and mechanical reduction of raw materials (EWC 020701)
- Materials unsuitable for consumption or processing (EWC 020304)
- Discarded equipment and components removed from discarded equipment (EWC 160214 and 160216)
- Alkaline batteries except 160603 (EWC 160604)
- Cables other than those mentioned in item 170410 (EWC 170411)
- Bulky waste (EWC 200307)
- Municipal wastes not otherwise specified (EWC 200399)

For calculating the quantities above, data accurately extracted from a specific platform was processed for each individual waste movement carried out during 2024-2025.

Social commitment

8. Own workforce

ESRS S1

8.1 Strategy

Material impacts, risks, and opportunities and their interaction with strategy and business model

As previously highlighted in the paragraph "SBM-3 disclosure requirement: material impacts, risks, and opportunities and their interaction with strategy and business model" included in the General disclosures (ESRS 2) chapter, the Group workforce, including employees and temporary staff, is potentially exposed to the impacts and risks described in this section.

Below are the negative impacts on the workforce that have been classified as material and identified in the Group's operations:

Topic	Sub-topic/Sub-sub-topic	Impact
S1 – Own workforce	Working conditions – Health and safety	Occupational injuries and illnesses among workers due to inadequate working conditions and exposure to hazardous chemicals
	Equal treatment and opportunities for all – Training and skill development	Adverse impact on workers' professional and educational growth due to insufficient training and skills development opportunities
	Equal treatment and opportunities for all – Gender equality and equal pay for work of equal value; anti-violence and harassment measures; diversity	Worker damage due to a lack of inclusion and diversity policies, discrimination, harassment, or violence
	Working conditions – Working hours; Work-life balance	Potential adverse impact on employees' well-being due to poor work-life balance, inadequate wages, and inefficient organisation of working hours

Fine Foods reported a substantial positive effect from the generation of new employment opportunities within the local communities surrounding its production sites. This impact generates opportunities for the Company, in recruiting talent and key figures for business continuity, as new staff enable increased production capacity, expansion of production lines, reduced delivery times and the ability to meet growing demand.

The Group enhances local employer branding and reputation by supporting educational, sporting, and cultural projects in neighbouring municipalities. For more information, please refer to the "Benefit Identity" paragraph.

The material workforce risks were as follows:

RISK/OPPORTUNITY	TYPE	SOURCE	MATERIALITY	TOPIC	SUB-TOPIC / SUB-SUB-TOPIC
Economic and reputational risks due to accidents and injuries	Risk	Impact: Occupational injuries and illnesses among workers due to inadequate working conditions and exposure to hazardous chemicals	Material	S1 – Own workforce	Working conditions – Health and safety
Risks related to human capital management	Risk	Dependency: qualified personnel	Material	S1 – Own workforce	Equal treatment and

					opportunities for all
Risks related to salary adjustments claims	Risk	Impact: Potential adverse impact on employees' well-being due to poor work-life balance, inadequate wages, and inefficient organisation of working hours	Material	S1 – Own workforce	Working conditions – Equal pay

Fine Foods lacks a transition plan to mitigate climate change (see the "Transition plan for climate change mitigation" paragraph). As a result, there are no potential workforce impacts arising from the implementation of such a plan.

No risks related to forced or child labour were identified for the Group's operations and geographical areas in which it operates.

The Fine Foods Group has not identified yet any risks or opportunities that affect specific groups, such as age groups or workers in specific plants or countries included in the material risks and opportunities arising from impacts and dependencies on its workforce.

8.2 Impact, risk and opportunity management

Policies related to own workforce

The Fine Foods Group adopted the following policies addressing its workforce protection:

- Health, safety, well-being, and inclusion policy;
- Environmental and safety policy;
- Code of Ethics

To implement the Fine Foods Code of Ethics and under the United Nations Universal Declaration of Human Rights, the core conventions of the International Labour Organisation (ILO), the United Nations 2030 Agenda and the Global Compact Principles, Fine Foods guarantees equal dignity and opportunities to people regardless of their country of origin, religion, culture, gender, age, sexual orientation and any other personal feature and style. The Group condemns any form of human trafficking, forced and child labour, even though no policy has been formally adopted on this matter, except for the provisions contained in the Code of Conduct signed by suppliers.

Specifically, by embracing the Global Compact principles, and through the above policies, Fine Foods commits to the Sustainable Development Goals (SDGs) of the United Nations 2030 Agenda, particularly the following goals:

- goal 3: good health and wellbeing
- goal 4: quality education
- goal 5: gender equality

These policies are inspired by the ISO 45001 standard "Occupational health and safety management systems - Requirements with guidance for use", the "Workplace Health Promotion - Lombardy WHP Network" programme, and UNI/PdR 125:2022 Reference Standard Procedure "Gender Equality Management System Guidelines, which requires the adoption of KPIs (Key Performance Indicator) relating to gender equality policies in organisations".

Fine Foods implements the following fundamental principles through the above policies:

1. ensuring safety at work;
2. ensuring equal opportunities;
3. promoting personal health and wellbeing;
4. providing opportunities for professional growth;
5. creating a peaceful and inclusive work environment.

The Fine Foods Group recognises that the **safety** of its people must come first. For this reason, the Company is committed to programmes to improve protection and prevention standards continually. As mentioned in its Code of Ethics, the Company works to avoid any behaviour contrary to applicable regulations that could expose employees, partners and third parties to personal injury.

The Parent Company adopts an ISO 45001-certified occupational safety and health (OSH) management system. The traceability of OSH activities is guaranteed by its records system (accidents, near misses, maintenance, training, etc.). The process is divided into

delegations, responsibilities and operational tasks. Worker Safety Representatives (WSR) are consulted regularly, and periodic on-site inspections check the working environment's health and safety.

Legislative Decree 81/2008 defines a proper risk assessment method (DVR) and related responsibilities. As part of the internal management system, the Parent Company's HSE department has prepared a particular procedure that establishes the general principles for identifying hazards, assessing risks and defining control actions, roles and responsibilities.

The owner of each group company works with the relevant Prevention and Protection Service and is responsible for establishing the resources needed for routine and extraordinary risk assessment activities. The methodology adopted for identifying hazards and assessing risks has been shared with Worker Safety Representatives (WSR) and is schematically divided into the following phases:

- Identification of processes, activities, plants and equipment
- Analysis of operational and time practices
- Identification of dangers attributable to the organisation
- Identification of exposed workers
- Definition of risk assessment criteria
- Risk assessment, including defining prevention and protection measures
- Data monitoring or quantitative risk assessment
- Defining the programme of measures to improve health and safety levels over time.

The risk assessment process considers ordinary and extraordinary operations, organisational and management changes, workplace and facility organisational and layout changes. An internal process is in place to identify workplace risks and emergencies.

The plant employers use the risk assessment results to check whether the hazard control measures are adequate or need improvement and whether further measures are required to organise, implement, and maintain the safety management system and define improvement policies and targets. During the periodic meeting, an improvement plan is defined if improvements or new control measures are required. This contains measures based on the hierarchy principle of Article 15 of Legislative Decree 81/08, i.e., prioritising eliminating hazards and, if this is impossible, reducing the risk first through technical and collective preventive measures, leaving the use of personal protective equipment as the last option.

An internal system identifies and analyses accident, incident, and near miss causes to enable quick corrective action. The Group supplies Personal Protective Equipment (PPE), organises health monitoring as per internal HSE procedures, and enacts measures against noise and chemical exposure to monitor workplace health and safety.

In terms of **gender equality**, and drawing inspiration from the UNI/PdR 125:2022 standard, Fine Foods is committed to applying equality principles at every stage of an employee's career, from recruitment to retirement. The goal is to guarantee a balanced presence of men and women in the workplace and ensure equal career opportunities, up to the most important top positions, equal financial conditions, work-life balance conditions appropriate to the different life stages and proactive in rebalancing family loads between men and women. The goal is also to guarantee a work environment that rejects stereotypes, discrimination, and physical, verbal and digital abuse and promotes a culture of diversity and inclusion.

The Steering Committee was formed in 2025 to oversee the adoption of the Gender Equality Management System. The Steering Committee's roles are described in the *Sustainability Governance* section.

The target for 2026 is to establish specific policies and procedures for implementing the Gender Equality Management System, under UNI/PdR 125:2022 "Gender Equality Management System Guidelines", which includes the adoption of indicators for assessing gender equality policies within organisations.

Diversity, Equity and Inclusion (**DE&I**) matters are addressed through the Code of Ethics and the Health, Safety, Well-being and Inclusion Policy. Relations between people who work or interact with Fine Foods are marked by honesty, fairness, cooperation, loyalty and mutual respect. Fine Foods rejects discrimination, including that based on race, gender or religion, and promotes respect for the physical and cultural integrity of individuals, fostering gender equality and mutual respect in relationships.

When managing hierarchical relationships, authority is exercised with fairness and correctness, avoiding all forms of abuse and prevarication. The Company promotes an inclusive, collaborative and supportive work environment based on a culture of respect, non-discrimination and enhancement of diversity. Fine Foods adopts measures to ensure greater participation of women in the labour market and reduce the gender gap using a system that improves working conditions of women in terms of quality, remuneration and role, and promotes transparency in working processes. The Group encourages organisational methods that favour equal opportunities throughout a worker's career path, starting from the selection process and continuing with onboarding, training and growth within the Company.

Fine Foods Group companies:

- disseminate a culture of inclusion and enhancement of diversity, and develop awareness among employees and associates, always ensuring dignity, respect and fairness;
- apply policies and metrics to ensure fairness at all stages of the employment relationship;
- ensure internal career development opportunities based on merit, without discrimination;
- recognise the value of work-life balance by developing ad-hoc programmes and initiatives;
- cooperate with public bodies, schools or other private companies in raising local people's awareness of diversity and inclusion issues.

The Group supports inclusion and equal opportunities by joining **Valore D**, Italy's first network of companies dedicated to fostering an inclusive culture and valuing diversity. Joining Valore D accelerates internal analysis, training and consultancy in the field of inclusion and women's empowerment.

The Fine Foods Group supports **work-life balance** by following national collective labour agreements. They encourage employees to take family-related leave and apply these policies fairly to ensure gender equality. Company employees are entitled to take leave for:

- mandatory maternity/paternity leave
- optional parental leave
- caregiving leave

The table below presents the percentage of employees in service as of 31 December 2025, who took leave¹⁷.

Gender	%
Women	32.51
Men	14.73
Total	22.82

Table 21 – Percentage of employees who took leave in 2025 broken down by gender

Below are some of the measures adopted by Fine Foods to promote work-life balance from a family and care perspective:

- Psychological support for new mothers returning to work;
- Flexible working hours, with a focus on those with children under the age of three;
- Additional leave for childcare needs;
- Part-time opportunities to promote a more balanced management of family responsibilities;
- Smart working agreements, when compatible with business needs;
- Family services accessible through the Company welfare platform, with a customised choice of benefits.

In terms of **ethical business conduct**, Fine Foods is part of the UN Global Compact and is committed to the ten universal principles on human rights, labour standards, environmental protection and the fight against corruption. Fine Foods intends to safeguard the physical, cultural and moral integrity of its personnel by providing a healthy and safe working environment that is peaceful and motivating.

Implementing the Fine Foods Code of Ethics, under its 231 System and the United Nations Universal Declaration of Human Rights, fundamental conventions of the International Labour Organisation (ILO), United Nations 2030 Agenda and Global Compact Principles, the Group condemns human trafficking practices, forced or child labour, although it has not adopted a specific policy, except for the principles in the code of conduct signed by suppliers.

Processes for engaging with workers and workers' representatives about impacts

For Fine Foods, maintaining open and clear communication with employees has consistently been a hallmark of company relationship management. The Group maintains and promotes open social dialogue across its plants, recognising it as a key aspect of the working environment and a tool for fostering integration and cooperation between the various institutional levels of work. This approach supports the development of employment and production sectors, and improves their overall quality.

Management communication and sharing of objectives achieved and not achieved and challenges at all organisational levels is crucial to maintain high staff motivation and engagement as it positively influences the perception of the importance of everyone's work in achieving business success.

¹⁷ Calculated as follows:

- for women, as the ratio of women who took leave against the total number of female employees;
- for men, as the ratio of men who took leave against the total number of male employees;
- for the total number of employees, as the ratio of the sum of men and women who took leave against the total number of Group employees;

As part of managing workers' safety, there are structured periodic updates between the company HSE manager with the appointed Employers for each plant and the six Workers' Safety Representatives present at each plant.

Another example of this approach is the organisation of a permanent weekly "Human Resources Desk" at the different plants. In June 2024, a Desk was activated at the Trezzano site. Employees can meet with human resources four times a week in Brembate and Zingonia and once a week in Trezzano, to apply for open positions, request information, bring their work problems, etc.

In 2025, the Company management had 27 opportunities for discussions (18 at Fine Foods and nine at Fine Cosmetics) with trade union representatives on various topics, including work organisation and definition of Company agreements. Trade union representatives met with workers 14 times during this period (11 meetings at Fine Foods and three at Fine Cosmetics).

Processes to remediate negative impacts and channels for own workers to raise concerns

To support its ethics and compliance programme, and in consultation with trade union representatives, Fine Foods adopted an internal communication channel to make reports of actual or suspected violations without fear of retaliation and under the safeguards provided to the whistleblower. The Regulation on reporting and whistleblower protection defines the operating methods adopted by the Group to:

- Promote a corporate culture based on transparency, accountability and integrity;
- Establish and publicise the internal whistleblowing channel;
- Define the responsibilities for the whistleblowing management process and Internal Whistleblowing Committee (CIW) functions;
- Explain the whistleblower safeguards and the protection system under the law;
- Explain the sanctions system under applicable legislation against the Company and whistleblower.

Under Legislative Decree no. 24/2023, the following provisions governing the reporting of unlawful conduct (Whistleblowing) remained in effect:

- Expanding the range of individuals eligible to submit reports to include employees and self-employed workers, contractors, freelancers, consultants, suppliers, trainees, volunteers, shareholders (individuals), and members of supervisory and control bodies;
- Expanding the scope of reportable offences to encompass criminal and civil violations as outlined in Legislative Decree no. 231/2001, and breaches of EU law that impact its financial interests, including infringements of EU competition regulations, state aid provisions, and corporate tax laws;
- Reinforcing the system of safeguards. In addition to the prohibition of retaliatory acts—such as punitive measures or discrimination against the whistleblower due to their report—and the guarantee of confidentiality for whistleblowers, these protections have been extended to facilitators (those connected to the whistleblower within the work environment). This is alongside the disciplinary system established in the Organisation, Management and Control System, and specific administrative financial penalties that may be imposed by ANAC (National Anti-Corruption Authority) on entities failing to comply with the Decree.

Fine Foods has implemented a dedicated system for managing whistleblowing reports by adopting an application infrastructure which ensures reports are handled confidentially, with access restricted to authorised personnel only. To prevent potential breaches of confidentiality, advanced security measures, such as data encryption and access controls, have been implemented. This ensures that whistleblowers and parties involved in investigations can operate within a secure and trustworthy environment throughout the process. This system is operated through the TESEO ERM platform. Reports will be sent to the HR Director and Chairman of the Supervisory Body, who jointly form the Whistleblowing Committee responsible for handling reports. Anonymous reports will be considered if they are well-substantiated and contain sufficient supporting evidence to assess their credibility.

Further details can be found in the following paragraphs on "Corporate culture and business conduct policies".

The structure of the whistleblowing mechanism described above is formally established within the Anti-Corruption Policy, which is published on the Company website and is accessible to employees. This policy includes measures designed to prevent any risk of retaliation against whistleblowers. Fine Foods considers the psychological and physical well-being of its employees and partners to be of utmost importance and is committed to protecting anyone who submits a report in good faith.

Taking action on material impacts on own workforce, and approaches to mitigating material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions

Fine Foods Group companies are committed to acting transparently and ensuring compliance with applicable regulations on working conditions, equal opportunities, health and safety at work by adopting the following organisational measures:

- setting up an organisational structure to implement the content of the specific policies and provide the necessary human and instrumental resources;

- organising and promoting mandatory and voluntary training initiatives, informing workers on the environmental protection procedures and disseminating this Policy;
- developing people's awareness through campaigns and information on environmental and sustainability issues;
- actively participating in projects to reduce the waste of resources and energy;
- cooperating with public bodies, schools or other private companies in raising local people's awareness through initiatives on the conscious use of natural resources and energy and responsible consumption;
- providing transparency to stakeholders on remuneration and equal opportunity data;
- adopting an ISO 45001 Health and Safety Management System and obtaining certification.

Fine Foods places great importance on protecting **human rights and working conditions**, with a focus on preventing child labour by verifying candidates' ages, and addressing issues related to forced labour and human trafficking. Actions in these areas are monitored by verifying any whistleblowing reports received and are included in the Supervisory Body's biannual report required under the 231 System. In addition, an annual SMETA audit is organised through Sedex to provide evidence of the actions taken in these areas and define a related improvement plan. Sedex Advance is a data exchange platform that helps companies identify, manage and mitigate ethical risks in their supply chain. Fine Foods updates its ESG performance in the database and receives regular third-party audits based on the Sedex Members Ethical Trade Audit (SMETA) methodology.

The SMETA audit is designed to help protect workers from unsafe conditions, excessive working hours, discrimination, low pay and forced labour. SMETA guidelines use the Ethical Trading Initiative (ETI) International Code of Conduct and local laws to evaluate compliance in four areas: health and safety, and labour standards (both mandatory – 2-pillar), environment and business ethics (both optional – 4-pillar).

The following working hours arrangements are guaranteed:

- flexible start and finish times within a one-hour window;
- greater flexibility in start and finish times for new parents;
- a one-hour reduction in working hours every Friday;
- the possibility of working remotely up to two days per week.

These safeguards are ensured by relevant national collective labour agreements, including the National Collective Labour Agreement for the Food Industry (CCNL Industria Alimentare) for Fine Foods, and the National Collective Labour Agreement for the Chemical Industry (CCNL Confapi Chimico) for Fine Cosmetics, under national laws, which provide employees with guarantees regarding:

- health and safety;
- working hours, overtime, leave and time off;
- remuneration;
- career management and training;
- discrimination and harassment.

Remuneration policies require that employees receive a salary equal to or higher than the minimum value established by the relevant national collective labour agreements. To better understand how employees' pay compares to the market and define any corrective actions, a Living Wage Benchmark analysis was conducted to identify which job categories are below, in line with, or above market levels.

The Fine Foods Group recognises that the **health and safety of its people** must come first. For this reason, the organisation implements programmes to improve protection and prevention standards continually and reduce the frequency and severity of accidents to zero. In addition to implementing what is already required by safety regulations (e.g., prevention and protection service, risk assessment, risk management, prevention measures, training, etc.), Group companies take steps to:

- apply the best available practices to ensure safety within the Company;
- define legal and other safety requirements and implement appropriate internal controls or procedures to ensure compliance with these requirements;
- plan and implement periodic operational checks to verify the correct functioning and effectiveness of the protective and preventive measures (e.g., checks of structures and machinery, inspections of work environments, checking the proper execution of work procedures to prevent hazards, and the correct use of PPE, etc.);
- adopt an internal system for the systematic detection and analysis of the causes of injuries, accidents and near misses to implement corrective actions to prevent the circumstances that led to the event;
- adopt an internal system to allow employees to report potentially hazardous situations;
- ensure training courses, even if these are not legally required. Workers exposed to the same risks are trained to share the circumstances that caused accidents;

- set goals to improve the injury rate, plan actions to achieve these goals, identify those in charge, define the timeframe for their implementation, monitor their execution, and measure improvements over time.

The health risk assessment includes analyses of continuous work and risks associated with repetitive movements of the upper limbs.

Fine Foods is aware of its role in implementing measures that ensure health and safety at work for employees and maximise positive contributions to their **well-being and work-life balance** and improving **working conditions**. Under the United Nations SDG 3 (good health and wellbeing), Group companies:

- suggest and promote activities, services, and training initiatives to facilitate employees' adoption of healthy lifestyles to reduce chronic diseases. Initiatives in partnership with the *Workplace Health Promotion (WHP) Programme* may cover the following areas: healthy eating, physical activity, fight against tobacco smoking, alcohol and addictions, road safety, psycho-physical well-being;
- define these activities, services and initiatives in agreement with workers or their representatives and the occupational physician;
- ensure the allocation of an annual budget for the above health-promoting initiatives;
- provide a yearly employee satisfaction questionnaire which can detect the degree of satisfaction and well-being of people and the Company climate regarding health and safety issues.

The "**Workplace Health Promotion - Lombardy WHP Network**" programme is based on the model promoted by the World Health Organisation (WHO) and fosters organisational changes in the workplace, making them environments that encourage the conscious adoption and spread of healthy lifestyles, contributing to the prevention of chronic diseases.

The Fine Foods Group adheres to the WHP programme and creates a working environment that promotes behaviours and choices that have a positive impact on health through a participatory process and in the spirit of social responsibility. The programme involves planning good practices at the beginning of the year and subsequent reporting at the end of the period, selecting from those proposed by the Lombardy Region in the areas of Nutrition, Physical activity, Fight against tobacco smoking, Addiction prevention, Cross-cutting practices and other related initiatives.

In 2025, the Zingonia business unit obtained the WHP Certificate of Recognition for the fourth consecutive year, extending the Good Practices implemented to the Brembate and Trezzano sites, which received their certificates in their first year of participation. The improvement process involved approximately 420 employees in Zingonia, 370 in Brembate and 170 in Trezzano.

Fine Foods demonstrated its commitment in the following areas:

Food

- **Vending machines** which provide healthy options, ensuring at least 30% of the products available are healthy foods. In partnership with the Company's vending machine suppliers, a dedicated "green drawer" has been installed in all break area vending machines, offering a range of low-calorie food options.
- **Canteen areas** are equipped with free water dispensers, microwaves, refrigerators, sinks and facilities for waste sorting which are available to employees.
- **Information and communication activities are carried out to promote initiatives related to nutrition**, including posters displaying guidance on maintaining a healthy diet and the food pyramid for creating balanced meals.
- A **nutritionist desk** is made available to employees during working hours, managed in partnership with an external professional who, in 2025, supported 92 employees through customised nutritional wellness programmes, providing 401 hours of service.



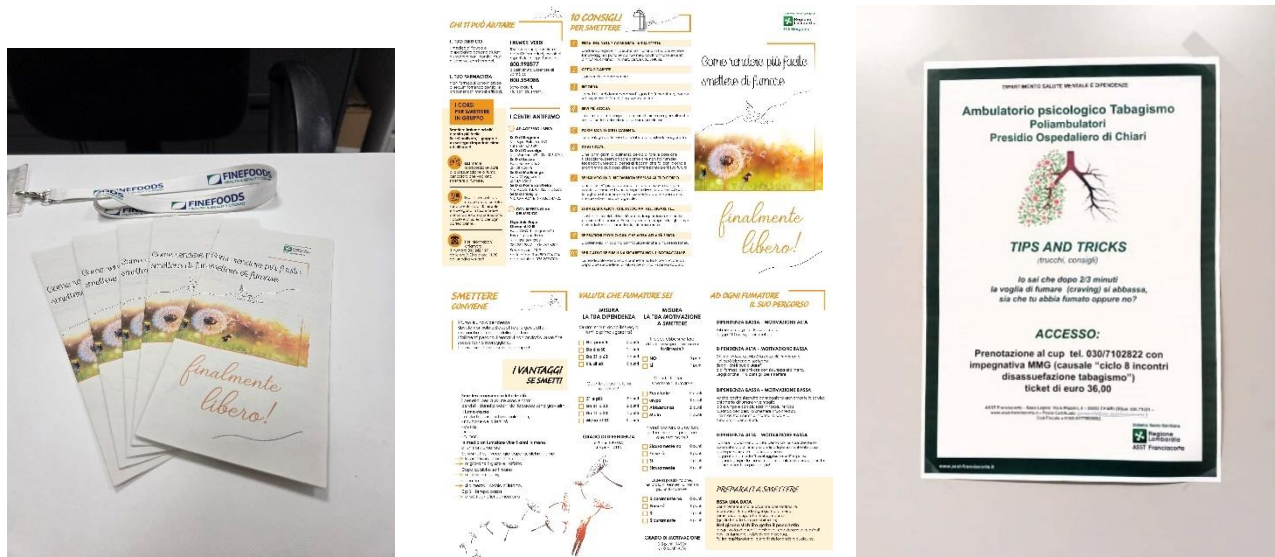
Physical activity

- Promoting the use of **stairs** instead of lifts using awareness messages placed near the lifts on each floor of company buildings.
- Maintaining the **physical environment** where the stairs are located, ensuring cleanliness, lighting and accessibility to encourage their use over the lift.
- Organising company sports activities or participation in external events, achieved through the involvement of 153 employees in the non-competitive **StraBergamo** race for the second consecutive year, winning third place as the largest company group.
- Activating **agreements for gym memberships** and vouchers for the purchase of sportswear and equipment through the Company's welfare platform.
- Information and communication initiatives supporting **physical activity**, including the provision of a sports notice board at the entrances, regularly updated with information about events and activities organised locally.



Fight against tobacco smoking

- During medical check-ups, the occupational physician provides smokers with information **leaflets on tobacco addiction**. This is to raise awareness of free, evidence-based methods that can help smokers recognise the harm caused by smoking and encourage them to improve their health and that of those around them.
- **Information and communication initiatives are carried out to support the fight against tobacco addiction**, including the display of posters in company infirmaries to promote awareness and encourage interested employees to contact the anti-smoking centres in the provinces of Bergamo and Brescia.



Combating alcohol, drug and gambling addiction

- Training sessions for managers and other key figures were organised in 2023, valid for three years, focusing on **Combating addiction** in and outside the workplace.



Cross-cutting practices

- **Training of occupational physicians** across the three business units on brief advice and/or motivational counselling techniques, accredited by ECM or validated by the local health authority.
- **Brief advice** provided by occupational physicians during medical examinations and/or assessments of workers identified with risk factors for non-communicable chronic diseases (such as sedentary lifestyle, overweight or obesity, and smoking).

Other practices

- Work-life balance initiatives, offering employees the opportunity to **reorganise their working hours** as previously outlined;
- An **employee reception desk** is available twice a week at each location with HR department staff, allowing employees to seek clarification on the **remuneration process** and understand the structure of their payslip, including details of basic salary, bonuses, benefits and salary increases.
- A **psychological support** service is available to employees during working hours, managed in partnership with an external professional who, in 2025, supported 142 people on issues of psychological well-being, work-related stress and organisational welfare, totalling 465 working hours.
- Promoting local **vaccination campaigns** organised by the Lombardy Region.
- Managing the internal **literary competition** for the third consecutive year, which involved 74 employees who read one or both of the two winning books from the Italy Post competition and wrote a review of their chosen title(s). The authors of the books selected the top three reviews for each title, which were awarded cash prizes at the company ceremony in Zingonia;
- Promotion of a culture of reading by providing free **book exchange points** for employees, located near entrances and break areas.
- The **"Dove lo butto (Where do I throw it?)"** project promotes correct waste sorting and disposal within company premises through posters in communal areas.

DOVE LO BUTTO?				
RESIDUO SECCO	VETRO E LATTA	PLASTICA	ORGANICO	CARTA
COSA METTERE				
- Carte spazzate - Carte - Piume - Piccoli pezzi di ceramica - Carte chimiche o autorigeneranti - Scorie fiscali - Specchi - Ondine - Rifiuti vivi e gatti	- Bottiglie, bicchieri, barattoli, candelieri - Vaschette per la conservazione di cibi - Scatole, tubi per alimenti - Lattine - Fogli di alluminio - Tappeti in metallo - Barattoli spray non etichettati con simboli di pericolo	- Bottiglie di acqua, latte o bibite - Fascioni o dispenser per detersivi, saponi e cosmetici - Contenitori per saponi, creme e yogurt - Vaschette per alimenti (PET, Polidistricolo, PP) - Borse o involucri separati - Bucche di patate o carciofi (anche argentati) - Piatti e bicchieri monouso - Bicchieri caffè	- Scarti e avanzi di cucine (carne, pesce, verdure di frutta, ecc.) - Bucce e scarti di verdura o frutta - Fili di e canestrelli - Tovaglioli e fazzoletti sprecati - Palette caffè compostabili	- Quaderni e riviste (senza parti adesive, metallo, plastica) - Contenitori in Tetra Pack - Bicchieri di carta - Carte e cartoline senza residui di cibo - Carte pulite bagnate da sola acqua
COSA NON METTERE				
- Più - Olio - Materiali pericolosi (acido, solventi, infiammabili) - Medicinali	- Piatti e bicchieri in ceramica - Bambini spray etichettati con simboli di pericolo - Specchi	- Piume - Ondine - Rifiuti vivi e gatti	- Carte per condimenti alimentari, oleate, plastificate - Prodotti chimici - Olio	- Carte sporcate di alimenti - Carte chimiche o autorigeneranti - Carte da forno - Scorie fiscali - Rifiuti plastificati



Fine Foods believes that people are the key to business success and that **diversity and plurality** of viewpoints foster innovation and competitiveness. Building a peaceful and inclusive environment is paramount to the Group which is committed to:

- disseminating a culture of inclusion and enhancement of diversity, and developing awareness among employees and associates, always ensuring dignity, respect and fairness;
- applying policies and metrics to ensure fairness at all stages of the employment relationship;
- recognising the value of work-life balance by developing ad-hoc programmes and initiatives;
- cooperating with public bodies, schools or other private companies in raising local people's awareness of diversity and inclusion issues.

In 2025, multiple training sessions were held as part of the Valore D programme on gender equality, diversity, and inclusion in the workplace, focusing on:

- unconscious bias;
- workplace harassment;
- communication, organisation, and monitoring of inclusion within the Company;
- support for individuals with disabilities;
- POWER – mentoring programme for middle managers responsible for managing team hierarchies, complex projects or budget responsibilities;
- STEM - aimed at reducing the gender gap in the fields of science and technology.

Fine Foods provides **training** plans to update and/or improve people's skills and promotes professional development to:

- support the professional development and growth of resources, inspiring employees to reach their full potential;
- ensure the allocation of an annual budget for employee courses, which can be added to the legally required training, practices and procedures of the management systems implemented to increase transversal skills and promote professional development;
- provide formal initial training for new employees;
- provide management with skills related to managing relationships with their team and colleagues (e.g., how to provide feedback, conflict management, delegation, and change management)
- encourage internal promotion and selection for career advancement;
- adopt a feedback process for employees that includes performance appraisal based on the job description (e.g., achievable, clear and quantifiable objectives), and, if possible and relevant, environmental and social aspects.

As previously mentioned, the cross-company **Mentorship** project with Valore D continued in 2025. It was adopted to enable inclusion and support people's growth through one-to-one meetings between an experienced (senior, mentor) and a less experienced employee (junior, mentee) to help the latter develop personal, professional and social skills through intergenerational growth.

8.3 Metrics and targets

Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

For the Group's Personnel targets, please refer to the targets listed in the "Corporate strategy, business model, and value chain" paragraph outlined in the Fine Foods for Future 2022-2025 Sustainability Plan, which was approved by the ESG Committee on 21 April 2022.

After completing the 2022-2025 Plan, the Group updated its sustainability strategy for the next three years, aligning with most recent top standards and following Common Benefit Objectives as a Benefit Corporation. The 2026–2028 Plan was formally approved by the Fine Foods Group's ESG Committee on 27 February 2026. The Group has set qualitative and quantitative goals related to human resource management. Please refer to the "2026–2028 Strategic Plan" in section "1.4 Strategy" for details on the 2028 objectives and planned actions for 2026.

Specific targets and KPIs were defined and agreed with the managers of each area. The Plan is monitored and updated annually by the ESG Committee to report on progress.

Employee features

Fine Foods employs 839 people, about 8% more than last year. The workforce is evenly split, with women making up 49% and men accounting for 51%, as detailed in the table and figure below.

Gender	2024	2025
--------	------	------

	Number of employees (headcount)	Number of employees (headcount)
Men	408	429
Women	371	410
Other	0	0
Not disclosed	0	0
Total employees	779	839

Table 22 – Number of employees by gender in 2024-2025

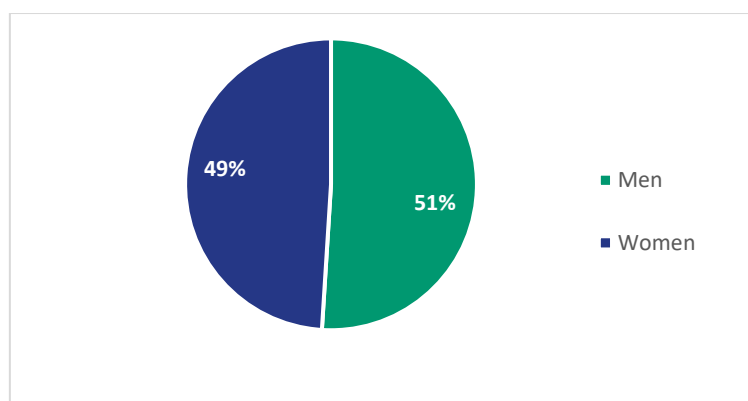


Figure 6 – Percentage breakdown of employees by type in 2025

The breakdown of employees by gender in each of the Group's Business Units is detailed below.

Number of employees by Business Unit			
Gender	Zingonia plant	Brembate	Trenzano
Men	223	164	42
Women	162	161	87
Other	0	0	0
Not disclosed	0	0	0
Total employees	385	325	129

Table 23 – Number of employees by gender in each Business Unit in 2025

At Group level, the number of foreign nationals is 44, which is 5% of the total workforce of 839 employees. The remaining 95% are Italian nationals.

Gender	Number of foreign employees
Men	18
Women	26
Other	0
Not disclosed	0
Total foreign employees	44

Table 24 – Number of foreign employees in 2025

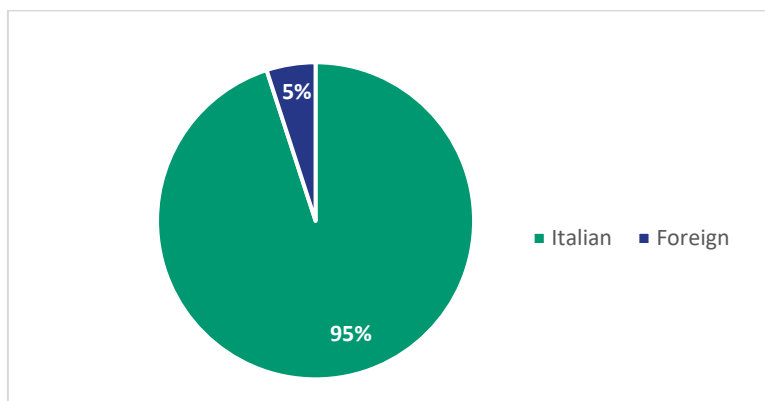


Figure 7 – Percentage breakdown of Group Italian and foreign employees in 2025

Almost 99% of the workforce is under open-ended contracts, while a small minority is employed under fixed-term contracts. There are no employees working variable hours, as shown in the table.

2024				2025			
Women	Men	Other/Not disclosed	Total	Women	Men	Other/Not disclosed	Total
Number of employees (headcount):							
371	408	0	779	410	429	0	839
Number of open-ended employees (headcount):							
366	401	0	767	406	428	0	834
Number of fixed-term employees (headcount):							
5	7	0	12	4	1	0	5
Number of employees on variable hours (headcount):							
0	0	0	0	0	0	0	0

Table 25 – Employees by type of contract in 2024-2025

During the period, 62 employees left the Group, resulting in an outgoing turnover rate of 7.39% and a *retention* rate above 90%, an improvement from last year. There were 116 new hires this year, raising the new hire rate to 13.83%¹⁸, a slight increase from 2024.

¹⁸The figures relating to employees were reported based on the actual number of individuals as of 31 December of the reference period, excluding temporary workers, as they were deemed non-material following the double materiality assessment. The data was sourced from reports provided by the employment consultancy firm and extracted from the internal Qlik management system.

- The outgoing turnover rate was calculated as follows: (outgoing in year N) / (total employees N) x 100.
The outgoing turnover rate methodology changed from 2024.
- The new hire rate was calculated as follows: (new hires in year N) / (total employees N) x 100.

Turnover and new hire rates	2024	2025
Total employees as of 31/12	753	779
New hires in the year	104	116
Outgoing in the year (including voluntary resignations, dismissals, retirements, or deaths in service)	69	62
Total employees as of 31/12	779	839
Outgoing turnover rate	8.86%	7.39%
New hire rate	13.35%	13.83%

Table 26 – Employee turnover and new hire rate in 2024-2025

Diversity metrics

The Group's senior first and second level management below the Board of Directors, consists of 22 members, of whom 68% are men and 32% are women.

	2024		2025	
Senior management by gender	Number (first and second level below the Board of Directors)	Percentage	Number (first and second level below the Board of Directors)	Percentage
Men	14	70%	15	68%
Women	6	30%	7	32%
Other	0	0%	0	0%
Not disclosed	0	0%	0	0%
Total senior management	20	100%	22	100%

Table 27 – Group senior management positions broken down by gender in 2024-2025

Regarding employee diversity, 58% of employees are aged between 30 and 50, 25% are over 50, and 18% are under 30. As a result, the workforce includes more employees younger than 30 than it did in 2024, and the average age is approximately 40.

	2024		2025	
Employees by age group	Number (headcount)	Percentage	Number (headcount)	Percentage
< 30 years	114	15%	147	18%
30-50 years	458	59%	484	58%
> 50 years	207	27%	208	25%
Total employees	779	100%	839	100%

Table 28 – Employees by age group in 2024-2025

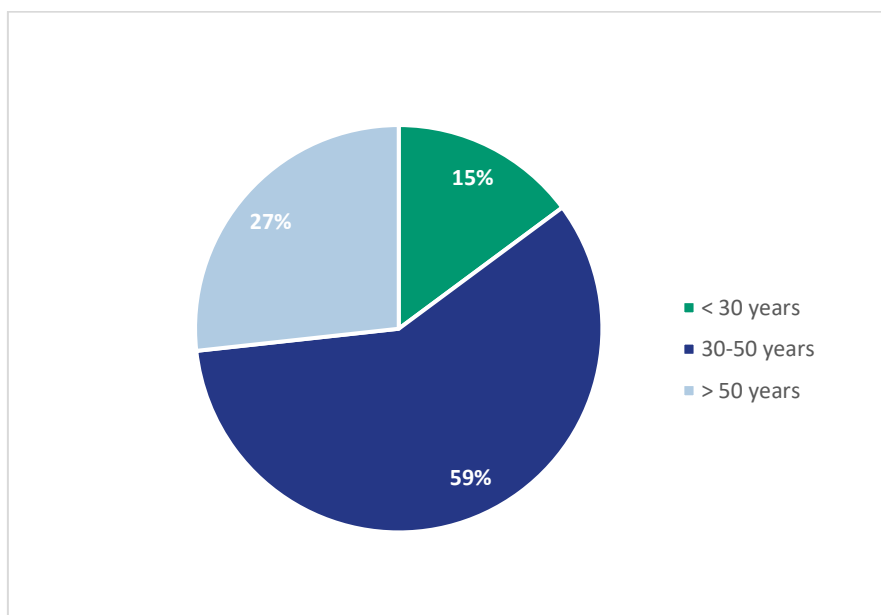


Figure 8 – Percentage breakdown of Group employees by age group in 2025

Position and gender		Headcount as of 31/12/2025	
		Number	% of total
Executives	Women	7	0.8%
	Men	15	1.8%
Total executives		22	2.6%
Middle managers	Women	13	1.5%
	Men	10	1.2%
Total middle managers		23	2.7%
White-collar employees	Women	181	21.6%
	Men	112	13.3%
Total white-collar workers		293	34.9%
Blue-collar employees	Women	209	24.9%
	Men	292	34.8%
Total blue-collar workers		501	59.7%
Total	Women	410	48.9%
	Men	429	51.1%
Total		839	100.0%

Table 29 – Employees by position and gender, number and % of total, in 2025

All employees receive fair remuneration: salaries within the Group align with the National Collective Labour Agreements applicable to each company—namely, the Food National Collective Labour Agreement for Fine Foods and the Chemical National Collective Labour Agreement for Fine Cosmetics. In 2025, the Group compared its remuneration to the average minimum living wage index for Lombardy, as provided by the independent international organisation *Wage Indicator*. As of 31 December 2025, all employees received a basic

salary exceeding the benchmark, with the average gross annual salary about 2.15 times higher than the benchmark. This demonstrates Fine Foods' dedication to providing decent working conditions and promoting employee wellbeing.

Remuneration metrics

To calculate the gender pay gap, an analysis was conducted based on contractual classifications or levels, distinguishing between executives, middle managers, white-collar, and blue-collar workers for Fine Foods and Fine Cosmetics. The aggregate results show average gross hourly wages for Group employees, calculated by dividing total gross annual salaries by contractual hours worked and adjusting them for employee headcount at each level.

Fine Foods and Fine Cosmetics follow different national collective labour agreements (NCLA), so employee classifications by levels may vary significantly based on trade union negotiations within each NCLA.

In 2025, Fine Foods' average gender pay gap was 9%, ranging from 12% at the executive level to 6% for blue-collar roles. The gap for middle managers and white-collar workers was 7%.

In 2025, Fine Cosmetics made significant efforts to narrow the pay gap, which averaged 25% in 2024. Salary adjustments lowered the overall average to 8% in 2025. A 13% gap persists for blue-collar roles because some technical roles, mainly held by men and hard to fill, widen this disparity. Clerical staff have a wage gap of 2%, whereas managers have a gap of -2%, meaning women in managerial roles earn, on average, more per hour than their male counterparts. The executive level shows a 13% gap, in line with Fine Foods.

Upon reviewing the aggregate data, it is evident that the significant measures implemented have effectively decreased the gender pay gap to 8% in 2025, representing a marked improvement from the 2024 average of 13%. The data shows the Group's clear commitment to achieving Gender Equality certification by 2026.

FINE FOODS Gender pay gap	Executives	Middle managers	White-collar employees	Blue-collar employees	Total Average
Men's average gross hourly remuneration	51.86	29.33	16.24	12.59	27.51
Women's average gross hourly remuneration	45.78	27.31	15.17	11.83	25.02
Gender pay gap	12%	7%	7%	6%	9%

Table 30 – Fine Foods's gender pay gap in 2025

FINE COSMETICS Gender pay gap	Executives	Middle managers	White-collar employees	Blue-collar employees	Total Average
Men's average gross hourly remuneration	57.14	27.71	15.52	13.23	28.40
Women's average gross hourly remuneration	49.45	28.25	15.24	11.49	26.11
Gender pay gap	13%	-2%	2%	13%	8%

Table 31 – Fine Cosmetics's gender pay gap in 2025

GROUP Gender pay gap	Executives	Middle managers	White-collar employees	Blue-collar employees	Total Average
Men's average gross hourly remuneration	52.21	29.15	16.16	12.65	27.54
Women's average gross hourly remuneration	46.83	27.54	15.18	11.74	25.32
Gender pay gap	10%	6%	6%	7%	8%

Table 32 – Group's gender pay gap in 2025

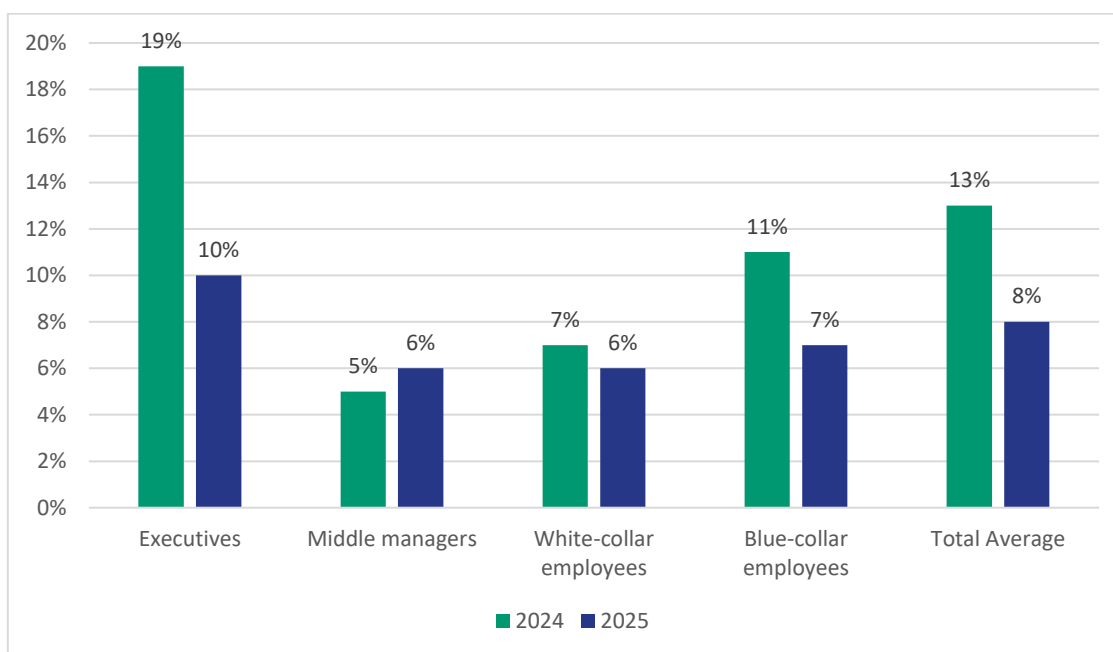


Figure 9 – Hourly pay gap % between men and women within the Group, by level, in 2024-2025

The annual total remuneration rate was calculated by comparing the total yearly remuneration of the highest-paid individual with the median annual total remuneration of all other employees (excluding the person with the highest salary). This calculation was conducted separately for Fine Foods and Fine Cosmetics, and the consolidated Group. The Group's annual total remuneration rate for 2025 was **14.04**. The Group's median gross annual salary is about €31,000.

Incidents, complaints and severe human rights impacts

In 2025, no work-related incidents, discrimination, or human rights complaints were reported, including child and forced labour. None of the Group companies received any fines or penalties during the reporting period.

Health and safety

Throughout 2024-2025, neither Fine Foods nor Fine Cosmetics experienced any major accidents that caused absences lasting longer than 90 days.

In 2025, three occupational disease claims were filed (by staff who had left the Company more than two years ago). INAIL did not recognise one of these cases, and evaluations for the other two are still pending.

During 2025, there were no serious accidents at work that resulted in serious injuries to Fine Cosmetics' personnel enrolled in the employee register for which company liability was established. No occupational disease claims were filed.

During 2025, Fine Foods's Supervisory Body did not find any anomalies concerning implementing the current Organisation, Management and Control System under Legislative Decree no.231/2001. They based their findings on the evidence of the assigned activities performance and deemed the control system correct and generally supplemented by a constant procedure updating process. This applied even during the Covid emergency.

During the year there were no serious accidents at work that resulted in serious injuries to personnel enrolled in the employee register for which corporate responsibility was ascertained or charges relating to occupational illnesses on employees or former employees.

The table below shows the number of recordable accidents and hours worked across the two business units, 7 and a total of 129 days lost.

YEAR	Fine Foods		Fine Cosmetics		Group		
	Recordable accidents	Hours worked	Recordable accidents	Hours worked	Total accidents	Total hours	Recordable workplace accident rate
2024	15	995,147	2	181,932	17	1,177,079	14 ¹⁹
2025	8	1,086,367	1	286,168	9	1,372,535	7

Table 33 – Calculation of the workplace recordable accident rate in 2024-2025

For temporary staff, Fine Foods had three recordable accidents during 191,602 hours worked, while Fine Cosmetics reported two recordable accidents over 73,916 hours worked. With five recordable accidents over 265,518 hours worked in total, the temporary staff accident rate is 19.

Training activities

Continuing the trend from previous years, significant focus was placed on staff professional development. In 2025, employees received a total of 43,881.5 hours of training to improve technical expertise and ensure current knowledge in quality, safety, hygiene, environmental practices, diversity, and business ethics. There was an increase of approximately 18.5% in the number of hours delivered (in 2024, the total number of training hours was 29,434). In 2025, the average training hours per capita reached approximately 41.6, representing a 7.7% increase over the previous year. In comparison, the average training hours per capita for 2024 were approximately 38. The increase in recorded hours is due to improvements in data collection.

Course types, training hours by position and gender		IT, GDPR, Cybersecurity	231 System, Code of Ethics, Anti-corruption, Whistleblowing	Quality	Health, safety and the environment	Technical skills	Soft skills, DE&I	Total training hours
Executives	Women	3.0	2.0	31.0	4.5	48.0	5.2	93.7
	Men	1.5	2.0	36.0	30.5	73.5	2.0	145.54
Total executives		4.5	4.0	67.0	35.0	121.5	7.3	239.3
Middle managers	Women	3.0	3.5	36.5	25.0	211.3	67.8	347.0
	Men	1.5	2.0	92.5	97.5	124	62.6	380.1
Total middle managers		4.5	5.5	129.0	122.5	335.3	130.4	727.1
White-collar employees	Women	67.5	103.5	2,287.5	513.5	1,585.8	10.3	4,568.0
	Men	14.5	52.0	1,755.0	768.0	913.0	13.4	3,515.9
Total white-collar workers		82.0	155.5	4,042.5	1,281.5	2,498.8	23.6	8,083.9
Blue-collar employees	Women	1.5	99.0	2,459.0	1,099.0	4,811.0	7.2	8,476.7
	Men	3.0	192.0	4,269.0	3,351.6	9,507.0	14.5	17,337.1
Total blue-collar workers		4.5	291.0	6,728.0	4,450.6	14,318.0	21.8	25,813.9
Total	Women	75.0	208.0	4,814.0	1,642.0	6,656.0	90.5	13,485.5
	Men	20.5	248.0	6,152.5	4,247.6	10,617.5	92.6	21,378.7
Total		95.5	456.0	10,966.5	5,889.6	17,273.5	183.1	34,864.2

Table 34 - Types of courses and training hours delivered, by position and gender in 2025

¹⁹ The 2024 figure was updated due to a new data collection method for the indicator.

Position and gender		Average training hours per capita
Executives	Women	13.4
	Men	9.7
Total executives		10.9
Middle managers	Women	26.7
	Men	38.0
Total middle managers		31.6
White-collar employees	Women	25.2
	Men	31.4
Total white-collar workers		27.6
Blue-collar employees	Women	40.6
	Men	59.4
Total blue-collar workers		51.5
Total	Women	32.9
	Men	49.8
Total		41.6

Table 35 – Average training hours per capita, by position and gender in 2025

The main topics by type of course delivered are detailed below:

- *Information Technology, GDPR, and Cybersecurity*: covers general IT training, including mandatory cybersecurity courses.
- *231 System, Code of Ethics, Anti-corruption, Whistleblowing*: covers mandatory training under Legislative Decree 231/2001 for all employees (including new hires). Additional courses on "business ethics" and anti-corruption are offered; see ESRS G1 for topic-specific hours.
- *Quality*: covers courses conducted under the current Management System, including training and procedure refresher sessions.
- *Health, safety, and environment*: covers mandatory and optional training programmes within the HSE sector.
- *Technical training*: covers specialised instruction designed for professional development, tailored to job responsibilities and departmental needs. This includes targeted courses addressing ESG topics, such as supplier qualification through the Ecovadis platform and social and ethical responsibility under the UN Global Compact.
- *Soft skills and DE&I training*: covers a range of topics, including gender-based harassment in the workplace and unconscious bias, through the Valore D platform.

9. Workers in the value chain

ESRS S2

9.1 Strategy

Interests and views of stakeholders

The Fine Foods Group is committed to maintaining dialogue with stakeholders to ensure their needs and suggestions for improvement are carefully considered.

However, its stakeholder categories do not include workers in the value chain.

Material impacts, risks, and opportunities and their interaction with strategy and business model

As specified in the "Material impacts, risks, and opportunities and their interaction with strategy and business model" paragraph included in the General disclosures chapter (ESRS 2), the Fine Foods Group identified the following impacts associated with workers in the value chain:

Topic	Sub-topic/Sub-sub-topic	Impact
S2 – Workers in the value chain	Equal treatment and opportunities for all – Gender equality and equal pay for work of equal value; Prevention of workplace violence and harassment	Employee damage within the value chain due to a lack of inclusion and diversity policies, discrimination, harassment, or violence
	Working conditions – Working hours; Work-life balance	Potential adverse impact on workers' well-being along the value chain due to poor work-life balance, inadequate wages, and inefficient organisation of working hours
	Other labour-related rights – Child and forced labour	Employee damage within the value chain due to the absence of, or failure to enforce, policies against child and forced labour.
	Working conditions – Health and safety	Occupational injuries and illnesses among workers in the value chain due to inadequate working conditions and exposure to hazardous chemicals.

Following the Double Materiality assessment, these material risks related to workers in the Group's value chain were identified:

RISK/OPPORTUNITY	TYPE	SOURCE	MATERIALITY	TOPIC	SUB-TOPIC / SUB-SUB-TOPIC
Reputational risk due to suppliers' non-compliance with equal opportunity and diversity laws	Risk	Impact: Employee damage within the value chain due to a lack of inclusion and diversity policies, discrimination, harassment, or violence	Material	S2 – Workers in the value chain	Gender equality and equal pay for work of equal value
Reputational and legal risk for violating workers' human rights along the value chain	Risk	Impact: Employee damage within the value chain due to the absence of, or failure to enforce, policies against child and forced labour.	Material	S2 – Workers in the value chain	Other labour-related rights – Child and forced labour
Financial and reputational risk for violating employee safety conditions along the value chain	Risk	Impact: Occupational injuries and illnesses among workers in the value chain due to inadequate working conditions and exposure to hazardous chemicals:	Material	S2 – Workers in the value chain	Working conditions – Health and safety

To mitigate any risks associated with workers in the value chain—particularly those concerning supplier dependency—the Group has conducted supplier assessments based on Environmental, Social, and Governance (ESG) criteria.

85% of Fine Foods' raw and packaging materials value ordered come from suppliers rated above 40/100 under EcoVadis ESG criteria, while **95%** are positively evaluated by EcoVadis or through an ESG questionnaire.

The principles outlined in the General disclosures paragraph (ESRS 2) apply uniformly to all employees within Fine Foods Group's value chain, regardless of their categories. This includes:

- on-site workers who operate within the Group's business locations but are not directly employed, such as maintenance personnel;
- workers upstream and downstream in the value chain, particularly those engaged in early stages of the Group's production processes.

Impacts on workers identified in the value chain were considered negative. Among these, impacts related to the lack of inclusion and diversity policies, incidents of discrimination, harassment, and violence, and inadequate working conditions leading to occupational injuries and illnesses, were classified as systemic impacts. These arise from specific Company policies and have far-reaching, long-term consequences.

Conversely, impacts related to work-life balance, inadequate wages, child and forced labour were classified as generalised impacts, as they were prevalent across the value chain rather than being directly linked to specific Group policies. Potential negative impacts on consumer health due to product design and manufacturing defects were considered systemic impacts for the Group, underlining the importance of effective Company policies in mitigating such risks.

All relevant sustainability risks and opportunities identified by the Fine Foods Group apply across the entire workforce in the value chain included in the analysis, regardless of their geographical location or tasks. No activities or geographical areas were identified as being more exposed to sustainability risks than others.

9.2 Impact, risk and opportunity management

Policies related to value chain workers

As a precautionary measure, the Fine Foods Group considers that it has not undertaken a policy to manage impacts, risks, and opportunities related to workers in the value chain that fully meet the ESRS Standard.

Given the strategic importance of value chain stakeholders, the Group promotes and shares its values throughout the supply chain and works towards a qualified supply chain in business ethics, focusing on respect for human rights. Fine Foods is focused on becoming a strategic partner for its customers, capable of managing the entire value chain, including trend scouting, supplier research and selection, product manufacturing and marketing.

Fine Foods integrates its Code of Conduct into newly signed contracts and references it when issuing supplier orders. As of 31 December 2025, almost all suppliers of raw and packaging materials, and more than 70% of service and asset suppliers, have signed the Fine Foods Group Code of Conduct.

The Code of Conduct is consistent with Fine Foods Group Code of Ethics' values. It refers to the primary internationally recognised standards such as the United Nations (UN) Universal Declaration of Human Rights, International Labour Organisation (ILO) Declaration on Fundamental Principles and Rights at Work, UN Global Compact, Pharmaceutical Supply Chain Initiative (PSCI), Sustainable Development Goals of the UN 2030 Agenda (SDGs), Paris Agreement of the COP21 (Conference of the Parties) and European Green Deal.

This document outlines:

1. Basic requirements include: Regulatory compliance and Product safety and conformity
2. Ethics commitments include: Fighting corruption and bribery, Conflict of interest and Fair Competition.
3. Human rights and labour commitments includes: Prevention of forced labour, Child labour and young workers, Non-discriminatory treatment, Fair treatment, Wages, benefits, and working hours, Freedom of association, Privacy, Health and safety.
4. Environmental commitments include: Environmental Impact, Environmental authorisations and reporting, Environmental protection and Pollution prevention, Resources and eco-friendly innovation, Biodiversity, Sustainable supplying and traceability.
5. Operational and organisational requirements: Management systems, organisation models and Monitoring.

Under the commitments outlined in point 3, suppliers must treat workers with dignity and respect and defend their human and labour rights. Labour aspects include:

Prevention of forced labour

Suppliers shall not use forced, bonded, coerced or prison labour which is not voluntary. No worker shall be required to pay for work, nor shall they be denied freedom of movement.

Child labour and young workers

Child labour is any activity that harms a child's growth, impairs their health or prevents them from attending compulsory schooling (ILO). Suppliers may not hire workers below the minimum age for employment as stipulated in the Core Conventions of the International Labour Organisation's Declaration and under the local, social and legal labour framework when it prescribes a higher minimum age. If local laws allow the employment of young workers, suppliers shall protect young people with the minimum age for employment, up to 18 years, by ensuring that they are protected by law. This includes measures to avoid dangerous situations and night work that could compromise their health, safety or moral integrity. Employment of those under the age of 18 should only be for non-hazardous work and if that is above the legal age for the country and the age set for completing compulsory education.

Non-discriminatory treatment

Suppliers shall ensure a working environment free from discrimination. There shall be no discrimination based on race, colour, age, pregnancy status, gender identity, sexual orientation, ethnicity, disability, religion, political affiliation, union membership or marital status.

Fair treatment

Suppliers shall treat their employees and workers fairly, respectfully, and with dignity, ensuring equal opportunities. Suppliers shall ensure that the working environment is free of harassment, cruel and inhuman treatment (this includes sexual harassment and abuse, corporal punishment, mental or physical coercion, verbal assault of workers) and threats of such treatment.

Wages, benefits and working hours

Suppliers shall pay workers under applicable wage laws, including those concerning minimum wages, overtime and mandatory benefits. They must inform the worker about their wage principles, any need to work overtime, and the related remuneration. Overtime work must comply with applicable national and international standards.

Freedom of association

Under local laws, suppliers shall respect the rights to associate freely, join trade unions, be represented and join committees. Workers must communicate openly with management to report working conditions without fear of retaliation, intimidation or harassment. Open communication and direct employee engagement to resolve workplace and pay issues is encouraged.

Privacy

Suppliers shall act under applicable privacy and data protection laws to protect the confidentiality of their workers and their data rights.

Health and safety

Suppliers shall guarantee a safe and healthy working environment, including any company-provided accommodation, and ensure that health and safety measures extend to contractors and subcontractors. Suppliers shall adopt procedures to identify and assess work-related risks, protect workers from exposure to all risks also by providing personal protective equipment free of charge, safe and compliant equipment, facilities and workplaces, scheduling checks, and establishing safe working procedures. Suppliers shall provide workers with adequate safety training and information to protect them from risks. Construction and maintenance of work facilities shall be carried out under applicable standards, regulations and laws. Suppliers shall ensure that their premises are clean and have access to drinking water, suitable lighting, and adequate temperature conditions. They shall identify and assess the workplace and company-provided accommodation emergencies and minimise their impact by implementing emergency plans and response procedures. Suppliers shall pay regular social security contributions for each worker; if there is no public social security system for workers, Suppliers are required to provide health services or remuneration during occupational injury or illness.

The Group follows its Code of Ethics by applying objective, merit-based criteria when choosing suppliers and does not discriminate in the selection process.

Processes for engaging with value chain workers about impacts

The Group has not yet initiated a process to engage workers in its value chain.

Processes to remediate negative impacts and channels for value chain workers to raise concerns

Fine Foods has not yet established a dedicated channel for workers in its value chain to report any concerns directly to the Group. However, workers in the value chain can use the public whistleblowing channel to report any issues. Actions and objectives

Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those actions

The Group is committed to shifting its value chain towards management that respects human rights. It adopts tools to assess the environmental and social impact of stakeholders along the value chain and engage them in an improvement process. For further details, refer to the "Management of relationships with suppliers" paragraph. For entities belonging to the EcoVadis platform network, EcoVadis recommends improvement actions based on identified gaps and these can be supplemented or tailored by the Group.

The corrective action plans are summarised within the platform, which suppliers can access to provide feedback on the progress of their assigned corrective measures. Fine Foods actively monitors if improvement actions are in progress, have been completed, or archived in real time.

No specific initiatives have yet been undertaken for primarily generating positive impacts on workers in the supply chain.

There are no identified risks related to dependency within the Group's workers in the value chain.

The Group is not aware of any serious incidents or human rights violations within its value chain, whether upstream or downstream.

Part of the internal Procurement and ESG departments' time is dedicated to reviewing the results of supplier conduct assessments (via platform analyses or questionnaires). The Group cooperates with EcoVadis, a leading organisation in supply chain rating, to support its supplier assessments.

In 2025, **85%** of Fine Foods' raw materials and packaging materials value ordered came from suppliers rated above 40/100 under EcoVadis ESG criteria, while **95%** were positively evaluated by EcoVadis or through an ESG questionnaire.

9.3 Metrics and targets

Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

For Fine Foods' supply chain targets, refer to the 2026-2028 Sustainability Plan. Specific targets and KPIs were defined and agreed with the managers of each area without involving supply chain workers. The Plan is monitored and updated annually by the ESG Committee to report on its progress, without involving supply chain workers.

10. Consumers and end users

ESRS S4

10.1 Strategy

Interests and views of stakeholders

Due to the nature of the Group's business model, there is no direct interaction with consumers or end users. The Group regularly interacts with its customers through targeted customer voice initiatives, prospect activities, and satisfaction surveys.

Material impacts, risks, and opportunities and their interaction with strategy and business model

Fine Foods operates as a contract manufacturer of food supplements, pharmaceuticals, medical devices, and cosmetics, with a focus on ensuring user safety.

The Group faces significant risks related to user health 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.

As specified in the "Material impacts, risks, and opportunities and their interaction with strategy and business model" paragraph included the General disclosures chapter (ESRS 2), the Fine Foods Group identified the following impacts associated with end consumers:

Topic	Sub-topic/Sub-sub-topic	Impact
S4 – Consumers and End Users	Personal safety of consumers and end users – Health and safety	Potential adverse impacts on consumer health caused by ineffective communication, poor product design, and manufacturing defects.

Following the Double Materiality assessment, these material risks related to workers in the Group's value chain were identified:

RISK/OPPORTUNITY	TYPE	SOURCE	MATERIALITY	TOPIC	SUB-TOPIC / SUB-SUB-TOPIC
Legal and reputational risks related to damage to user health and safety due to unsafe products	Risk	Impact: Potential adverse impacts on consumer health caused by ineffective communication, and manufacturing defects.	Material	S4 – Consumers and End Users	Personal safety of consumers and end users – Health and safety

The analysis of Impacts, Risks, and Opportunities concerning end users was not conducted separately for specific user groups, as the Group considers the highest health and safety risks to apply broadly to all individuals. There are no identified risks or opportunities arising from dependency on consumers or end users.

10.2 Impact, risk and opportunity management

Policies related to consumers and end-users

By adopting an ISO 9001-compliant Quality Management System, implemented at the Fine Foods and Fine Cosmetics facilities, the Group has formalised a **Quality Policy** reaffirming its commitment to product safety, which indirectly safeguards the end consumer. Fine Foods invests in advanced material identification and traceability technologies and applies strict control procedures to ensure compliance with regulatory requirements concerning components, labelling and environmental hygiene. Quality processes are integrated throughout the production cycle. The Managing Director approved this policy, with the most recent update made in November 2024.

The Group operates as a subcontractor under a business-to-business (B2B) model and does not engage directly with end consumers. They interact with the Group's customers, who place the final products on the market. Fine Foods has no end-user human rights policy since there is no direct relationship. For the same reason, the Group has not undertaken any dedicated consumer engagement initiatives.

With regard to privacy protection, two specific policies have been drawn up to protect Fine Foods customer data:

- **Privacy Policy – Pharmacovigilance**, to ensure the proper handling of data relating to adverse events reported by patients and guarantee communication with the MA Controllers;
- **Privacy Policy – Customers and Suppliers**, to govern the processing of personal data belonging to customers and suppliers under accounting, tax and contractual obligations.

Processes for engaging with consumers and end-users about impacts

Fine Foods does not maintain direct relationships with end consumers of its products, and engages instead with its customers.

Customer engagement is achieved through dedicated voice-of-the-customer programmes, which include surveys, the distribution of end-of-year evaluation questionnaires, and regular quarterly or half-yearly business review meetings. As a result, the Group has not established yet a structured process for engaging end users.

Processes to remediate negative impacts and channels for consumers and end-users to raise concerns

Given that the Group does not directly engage with consumers, it has not developed specific communication channels. Consumers and end users, however, may use the public whistleblowing channel to report any issues.

Taking action on material impacts on consumers and end-users, and approaches to mitigating material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of those actions

Certifications

Fine Foods production is managed under dedicated operating procedures and industry regulations. The Fine Foods Group's factories have the following certifications based on the product sector:

ISO 9001

By adopting a quality management system certified under the ISO 9001 standard for Fine Foods and Fine Cosmetics plants, the Group guarantees a solid organisation, assessed by an accredited body, to keep every aspect of its operations under control and ensure performance reproducibility, while maintaining and continuously improving manufacturing processes.

ISO 13485

Implementing this standard provides compliance with the Medical Devices Directive and quality requirements.

GMP COMPLIANCE CERTIFICATION FOR FOOD SUPPLEMENTS (CFR 21 - PART 111)

Compliance with Good Manufacturing Practice (GMP) requirements in the manufacture of food supplements involves compliance with health and processing requirements essential to the quality and safety of the finished products placed on the market.

FSSC 22000

To be certified under the Food Safety System Certification Scheme 22000 (FSSC 22000) means to have the requirements for a food safety management system that demonstrates the ability to control chemical, physical and biological hygiene hazards to ensure that food is safe for human consumption. FSSC 22000 incorporates ISO 22000, technical specification BSI-PAS 220 and ISO/TS 22004, i.e. the guideline for the correct application of ISO 22000.

GLUTEN AND ALLERGEN-FREE

Given the ever-increasing demand for gluten-free products, Fine Foods adapted its self-control plan by developing processing protocols to guarantee the absence of gluten traces in products for coeliacs that surpasses legal requirements. Different protocols are applied for the manufacture of products free of other allergens.

COSMETICS GMP CERTIFICATION - UNI EN ISO 22716

The harmonised standard that describes the cosmetics sector's GMP requirements is UNI EN ISO 22716. The certification based on this standard demonstrates the Company's commitment to the safety and quality of this type of products.

IFS-HPC CERTIFICATION – HOUSEHOLD AND PERSONAL CARE PRODUCTS

The IFS HPC certification guarantees the quality and reliability of household and personal care products on the international market. With this certification, Fine Foods ensures that its products are not dangerous for consumer health, complying with national and international applicable regulations.

MINISTERIAL AND LOCAL HEALTH AUTHORITY AUTHORISATIONS

Depending on the product sector, the plants have specific authorisations for the production and packaging of medicines, medical devices, food products and the use of narcotics.

Below are the certifications' details, divided by plant:

Zingonia plant (Fine Foods & Pharmaceuticals):

- ISO 9001
- ISO 13485
- FSSC 22000
- Food Supplements GMP Certificate of Conformity
- Ministerial authorisation for food supplements production and packaging
- ATS authorisation for the Food plant

Brembate plant (Fine Foods & Pharmaceuticals):

- ISO 9001
- Ministerial authorisation for the use of narcotics
- GMP Certificate and Resolution issued by AIFA for the production of solid oral medicines for human use
- Authorisation to produce medicines for clinical trials

Trenzano plant (Fine Cosmetics):

- ISO 9001
- ISO 22716
- Ministerial authorisation to produce medical and surgical aids
- IFS-HPC - Household and personal care products

Pharmaceutical and product safety

A pharmaceutical plant must have a manufacturing authorisation (MIA) issued by the relevant authority (AIFA = Agenzia Italiana del Farmaco (Italian Medicines Agency)). The authorisation is issued after an inspection to certify that the Company complies with the European Union's "current Good Manufacturing Practices" (EU cGMPs).

The GMP goal is to ensure that the patient takes a quality medicine that is safe and effective.

The Company set up a robust quality assurance system that applies GMP standards, from the early stages of drug development to the final product. The supply chain's quality is managed and monitored, starting with suppliers, who are subject to periodic audits. This monitoring focuses on:

- Active Pharmaceutical Ingredients (APIs) manufacturers;
- Excipients suppliers;
- Packaging materials suppliers;
- Service providers.

Fine Foods complies with the anti-counterfeiting European Directive 2011/62/EU (Falsified Medicines Directive - FMD), which requires serialisation of the packs and anti-tampering devices (ATD) on the packs (for Europe, except Italy where traceability is guaranteed by the application of a sticker (bollino)). The requirement is also applied to other non-EU markets, such as Russia, where the product is serialised and undergoes an aggregation process.

The effectiveness of the Group's product safety measures is confirmed by periodically renewing the certifications listed above. There are no initiatives or actions to provide end consumers with benefits beyond the functional purpose of the products manufactured by the Group.

The process for determining necessary actions to uphold a strong Quality Management System—ensuring the safety of produced goods—is mainly based on internal audits and audits conducted by certifying bodies and customers. Findings from audits—including observations, recommendations, areas for improvement, and critical issues—are promptly reviewed by the relevant departments. They are assessed annually during the Management Review, which leads to the formulation of an action plan. Other factors considered when determining corrective actions include process anomalies, such as non-conformities, deviations, product disposals, or reprocessing incidents.

No consumer-related risks were identified as arising from dependencies.

In 2024, a pharmaceutical product was recalled following a routine audit conducted by Spanish authorities. The inspection, carried out on a random basis, identified an out-of-specification dissolution issue. Internal investigations confirmed that the issue was not widespread across all production batches but was limited to a few batches distributed in Italy and Spain that had same features. As a result of these findings, the following improvements were proposed to the customer:

- optimising the formula (customer-owned);
- optimising process parameters;
- optimising tablet hardness control range;
- optimising tablet thickness.

The customer accepted these recommendations and is working with Fine Foods to update the regulatory documentation and proceed with test trials.

No human rights concerns were reported in 2024.

The Group continues to invest in Quality Assurance and Quality Control to adopt cutting-edge technologies and train its staff. As of 31 December 2024, approximately 110 employees (out of 780) were dedicated to Quality Assurance, Quality Control, Pharmaceutical Activities, and Regulatory Compliance.

Customer loyalty

The following data illustrates the customer retention rate ²⁰for 2025, broken down by business unit. Particularly:

- Nutraceuticals: 99%
- Pharmaceuticals: 92%
- Cosmetics: 81%

These figures demonstrate the Group's high level of customer loyalty, reflecting the enduring partnerships that it built over the years.

As part of the Group's strategic framework, the Management Review defines annual KPIs and quality goals to be monitored and achieved, with a focus on customer. This review is attended by the Chairman of the Board of Directors, Managing Director, and Quality Unit Manager. During this review, the Group assesses whether the targets set for the previous year have been achieved and establishes targets and actions for the following year.

The targets for product safety and customer loyalty are defined quantitatively and linked to KPIs that vary by Business Unit, reflecting their distinct business models.

Pharmaceuticals BU KPIs	2025 RESULTS	2026 OBJECTIVES
DPMU (Defects per Million Units)	-20%	10% reduction
CPMU (Complaints per Million Units)	-70%	10% reduction
Audits	95%	>=95%
QC – Analytical Lead Time	93%	>=95%
QC – Analytical Lead Time – TOP four Customers	97%	>=98%

Table 36 – Customer satisfaction KPI, Pharmaceuticals BU

Nutraceuticals BU KPIs	2025 RESULTS	2026 OBJECTIVES
DPMU (Defects per Million Units)	-44%	10% reduction
CPMU (Complaints per Million Units)	-18%	10% reduction
Audits	99%	>=99%
QC – Analytical Lead Time	97%	>=95%

Table 37 – Customer satisfaction KPIs, Nutraceuticals BU

Cosmetics BU KPIs	2025 RESULTS	2026 OBJECTIVES
Percentage of NC on manufactured batches	0.85%	< 0.84%
NC on total supplies	0.36%	< 0.35%
Incidence of external complaints on total NC	33%	< 30%

Table 38 – Customer satisfaction KPI, Cosmetics BU

10.3 Metrics and targets

Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

The Quality Targets are set annually during the Management Review mentioned above. This review is attended by the Chairman of the Board of Directors, Managing Director, and Quality Unit Manager. During this review, the Group assesses whether the targets set for the previous year have been achieved and establishes targets for the following year. Quantitative targets:

- External complaints must remain below a predefined threshold of total non-conformities.
- Percentage of non-conformities in manufactured batches.
- Non-conformities in total supplies
- Impact of reprocessing/destruction costs on EBITDA

End users are not involved in setting or reviewing these targets, or identifying areas for improvement when targets are not met.

²⁰ The rate was calculated using the following formula: (customers at the end of 2025 – new customers in 2025) / customers at the end of 2024.

After completing the 2022-2025 Plan, the Group updated its sustainability strategy for the next three years, aligning with most recent top standards and following Common Benefit Objectives as a Benefit Corporation. The 2026–2028 Plan was formally approved by the Fine Foods Group's ESG Committee on 27 February 2026. The Group has set a measurable quality target as part of this Plan, in line with the Quality strategy outlined here. Please refer to the "2026–2028 Strategic Plan" in section "1.4 Strategy" for details on the 2028 objectives and planned actions for 2026.

Governance and business conduct

ESRS G1

11. Business conduct

11.1 Governance

The role of the administrative, management and control bodies

For details on the roles, background, and expertise of the Group's Governing and Control Bodies, including their conduct in business operations, please refer to the information provided in "The role of the administrative, management and control bodies" paragraph.

11.2 Impact, risk and opportunity management

Description of the processes to identify and assess material impacts, risks and opportunities

The methodology for identifying impacts, risks, and opportunities considered the aspects in the "Description of the processes to identify and assess material impacts, risks and opportunities" paragraph included in the General disclosures chapter (ESRS 2). This methodology was applied to governance assessments and analysed the operating environment, identifying impacts, risks, and opportunities, and prioritising them accordingly. Three material medium-term impacts were identified:

- Potential adverse impact to individuals due to the absence of adequate reporting mechanisms to ensure the effective operation of whistleblowing procedures
- Adverse impact on suppliers' businesses resulting from unfair payment practices;
- Potential adverse impact on the industry and economy due to corrupt practices

Corporate culture and business conduct policies

The Group adopted the following policies and documents for governance and business conduct:

- Since 2019, the Code of Ethics is approved and regularly updated by the Board of Directors;
- Anti-Corruption Policy, implemented in 2022, approved and periodically updated by the Board of Directors;
- Anti-retaliation policy for whistleblowing procedure
- The procedure for handling donations, gifts, and sponsorships to organisations has been effective since 2022, and is approved and regularly updated by the Board of Directors.

The following policies have been introduced to safeguard the privacy of users and stakeholders:

- Privacy Policy – Fine Foods, covering the processing of personal data of users visiting the Company's website;
- Privacy Policy – Whistleblowing, ensuring the protection of data during the receipt and management of reports;
- Privacy Policy – Investor Communications, concerning the processing of personal data for distributing communications to the Company's investors;
- Privacy Policy – Customers and Suppliers, to govern the processing of personal data belonging to customers and suppliers in fulfilling accounting, tax and contractual obligations, as outlined in the "Consumers and End Users" chapter;
- Privacy Policy – Pharmacovigilance, covering the processing of data relating to adverse events reported by patients, as described in the "Consumers and End Users" chapter.

As part of its Management System under Legislative Decree 231/2001, the Group regularly updates risk assessments on key areas such as corruption, conflicts of interest, fraud, money laundering, and information security.

Following the establishment of the ESG Committee in 2022, a dedicated information campaign was launched to promote the values outlined in the **Code of Ethics**, which underlines the following:

- Promoting transparency in relationships, demanding professional ethics, the moral integrity of individuals, respect for the law.

- Opposing all discrimination against people based on gender, race, language, personal and social conditions, religious and political beliefs.
- Rejecting any intimidation, threat, verbal or physical behaviour or offence, and request for personal favours that hinder work's peaceful and standard performance.
- Believing in the commitment of each person to grow and improve.
- Encouraging teamwork and employee continuous training.
- Dedicating our skills and expertise to our customers to grow together.
- Focusing on customer service and satisfaction.
- Recognising the importance of building a lasting partnership with our suppliers.
- Believing in the importance of working guided by a sound quality management system, protecting people's health and the environment.
- Being convinced that sharing the organisation's principles and values provides the Company with a key competitive advantage.

The rules of conduct concern the following areas of corporate action: responsibility of recipients, relations with human resources, conflict of interest, product quality, use of proprietary assets, data and information confidentiality, relations with suppliers, relations with institutions and public officials, management of gifts, management of communications, third party recipients.

Based on the **Anti-Corruption Policy**, Fine Foods and its subsidiaries are committed to conducting business under the regulations and using the most stringent ethical principles. They require the same commitment from employees and those acting on the Group's behalf, particularly in roles that may present a higher risk of exposure to corruption such as those responsible for interacting with external entities or third parties. The Group does not tolerate any act of corruption or undue payments, whether committed directly or through third parties, in Italy or abroad.

Under Legislative Decree no. 24/2023, which implements EU Directive 1937/2019, Fine Foods established communication channels through which interested parties can address their reports regarding the Code of Ethics or its possible violations directly to the **Whistleblowing Committee**, which includes the Chairman of the Supervisory Body, which will analyse the report and, if necessary, interview the whistleblower and the person responsible for the alleged infringement. They ensure the protection of whistleblowers from any retaliation and guarantee the identity confidentiality as set out in the **Privacy Policy – Whistleblowing**.

Under the Anti-Corruption Policy, if any recipient (including directors, employees, agents, external and internal co-workers, distributors, business partners, or any individual acting on behalf of the Group) is aware of or suspects an improper payment or illicit benefit being offered, they must report the issue to their manager or notify the corporate body in charge of the compliance, e.g. Supervisory Body (under Legislative Decree no. 231/01) or the Whistleblowing Committee which includes the Chairman of the Supervisory Body, as set out in the "Regulation on reporting and **whistleblower** protection."

Under the Regulation on reporting and whistleblower protection, multiple channels are available:

- *Internal channel*: in consultation with trade union representatives, the Company implemented a privileged internal reporting system via the Teseo Whistleblowing ERM Platform, under Legislative Decree no. 24/2023, which is freely accessible via the Company's website.
- *ANAC external channel*: whistleblowers may submit a report to A.N.A.C. (National Anti-Corruption Authority) using the external reporting channel under Article 7 of Legislative Decree no. 24/2023 and the A.N.A.C. Guidelines (2023). This option applies if any of the conditions outlined in Article 6 of the Legislative Decree 24/2023 are met at the time of submission.
- *Public disclosure*: a whistleblower may opt for public disclosure via press, media, or social media under the following circumstances:
 - they have reported internally or to A.N.A.C. but received no response;
 - they fear filing a report may expose them to retaliation;
 - they believe the misconduct poses an imminent or obvious danger to public interest.
- *Direct report to National Authorities*: under the Decree, the whistleblower can also report unlawful conduct constituting a criminal offence directly to National Authorities.

The regulation includes confidentiality safeguards to protect the identities of the whistleblower, accused party, and other involved parties (e.g., facilitators). These protections apply at all stages following report submission. During disciplinary proceedings, the whistleblower's identity cannot be disclosed if the allegations are supported by additional independent investigations, even if they originated from the report. If a disciplinary charge is based partly or entirely on the whistleblower's report, and the whistleblower's identity is necessary for the reported party's defence, the report may only be used for the disciplinary proceedings if the whistleblower explicitly consents to disclosure. Any confidentiality breach results in disciplinary liability, without prejudice to other legal consequences. In disciplinary proceedings against the alleged perpetrator, the whistleblower's identity may only be revealed to the reported party for defending themselves if the whistleblower has given their consent. The Company ensures protection of the identity of those involved

until the conclusion of proceedings arising from the report under the same whistleblower safeguards. Regardless of the reporting channel, the concerned party may request a formal process, allowing them to be heard and to submit written statements and supporting documents. A breach of whistleblower confidentiality obligations constitutes a violation of official duties, resulting in disciplinary consequences. Under legal obligations, Fine Foods adopted a strict **Anti-retaliation policy**.

Reporting covers traditional business conduct concerns outlined in the 231 System, such as corruption, conflicts of interest, fraud, environmental law violations, and workplace health and safety. It includes issues related to gender discrimination and harassment under the UNI/PdR 125:2022 standard on gender equality.

Fine Foods has established an Internal Whistleblowing Committee, tasked with receiving and managing reports. The Committee is composed of the HR Director (Coordinator) and the Chairman of the Supervisory Body.

Formally constituted by the Managing Director, the Committee is entrusted with reviewing and investigating reports. The Committee conducts a preliminary assessment to determine whether the report meets the essential requirements for admissibility. If deemed admissible, the Committee proceeds with an investigation, which may include interviews, document acquisition conducted impartially and in strict confidence.

If the reported issue involves breaches of the Code of Ethics or the Organisation, Management, and Control System, the Supervisory Body is involved. The Committee provides feedback to the whistleblower within three months of acknowledging receipt, unless an extension to six months is justified, and will issue any disciplinary sanctions as needed.

Fine Foods is committed to sharing the procedure's details online and on its internal portal, ensuring that internal and external stakeholders are informed through targeted and periodic training programmes. The whistleblowing procedure guidelines are publicly available on the Fine Foods website and internal portal. Within its remit, the HR Department ensures that employees are informed of these policies through dedicated training and E-learning platforms (Fine Foods Academy).

Code of Ethics and Anti-Corruption Policy recipients are directors, employees, agents, external and internal co-workers, regardless of the relationship, distributors, business partners and any other acting on behalf of the Group. However, specific company departments—especially those engaging with external and third parties—are considered to have a higher risk of corruption exposure.

Management of relationships with suppliers

The Group does not have a specific policy to prevent late supplier payments and does not classify its suppliers based on their size. Such a policy is unnecessary since Fine Foods consistently meets the agreed payment terms with its suppliers.

The required information is detailed in the "Policies related to value chain workers" paragraph.

Fine Foods integrates ESG criteria into the **assessment of its suppliers**, monitoring their performance scores on the EcoVadis platform. For ESG purposes, only suppliers achieving a score of 40/100 or higher are deemed satisfactory. If a supplier's EcoVadis score falls below this threshold, Fine Foods and EcoVadis suggest improvement plans and monitor their implementation. If the supplier is unable to make technically feasible improvements, the Company might consider working with another organisation that aligns more closely with the necessary ESG standards.

Suppliers not registered on EcoVadis must complete a Fine Foods internally developed questionnaire, which assesses social and environmental factors and assigns a low, medium, or high-risk rating. The Group prioritises relationships with suppliers that uphold high ESG standards, gradually reducing engagements with non-compliant suppliers.

The Supplier Code of Conduct must be signed as a condition for establishing any new contractual relationship with suppliers.

During 2024-2025, almost all suppliers were positively assessed.

To address corruption and bribery risks, the Group undertakes annual preventive actions, including:

- Periodic training programmes;
- Entrusting appointed bodies with the following tasks:
 - Supervisory Body:
 - Monitoring the adequacy, updates, and effectiveness of the 231/2001 System;
 - Monitoring the application of the Code of Ethics by the parties concerned by applying internal audit plans;
 - Reporting any significant violations of the Code of Ethics;
 - Suggesting periodic reviews of the Code of Ethics.
 - Ensuring compliance with the Anti-Corruption Policy;
 - Internal Audit:
 - Verifying compliance with the Code of Ethics;

- Organising internal audits at selected critical suppliers, focusing on monitoring quality, food safety and ESG-related aspects.

11.3 Metrics and targets

Confirmed incidents of corruption or bribery

There have been no reported violations of anti-corruption and bribery laws. Consequently, there are no convictions or fines to disclose. No breaches of internal anti-corruption and bribery procedures have been identified, and no corrective actions were required.

Below is an overview of training hours completed in 2025 on the Code of Ethics, Anti-Money Laundering Policies, Whistleblowing, and related compliance topics:

Course topic Type: 231 System, Code of Ethics, Anti-corruption, Whistleblowing	Number of hours per qualification				Total hours per course
	Executive	Middle manager	White-collar employee	Blue-collar employee	
Legislative Decree 231/01	1.5	3.0	57.5	112.5	174.5
Anti-Corruption Policy	1.0	0.0	26.0	0.0	27.0
Whistleblowing	1.5	2.5	72.0	178.5	254.5
Total hours per position	4.0	5.5	155.5	291.0	456.0
Average hours per capita per position	5.5	4.2	1.9	1.7	1.8

Table 39 - Corporate ethics training hours by position, total and per capita, in 2025

Total hours delivered for this subject dropped by about 42% compared to 2024 (783 hours per course in 2024), largely because training hours for Whistleblowing decreased after an exceptional increase last year driven by a major policy update.

Payment practices

The Parent Company pays its suppliers, on average, 2.0 days after the invoice due date. A precise calculation for the subsidiary Fine Cosmetics was not possible, but given the Group's uniform policies and guidelines, it is estimated that Fine Cosmetics has a similar delay interval to the Parent Company.

This was calculated by extracting the Parent Company's supplier invoices recorded in 2025 and comparing their due dates with the payment dates (as of 20 January 2026, if any). 76% of payments complied with the agreed terms. This calculation considered a tolerable delay of up to two days when invoice due dates coincided with non-working days, and instances of early payments.

The Group applies the following payment terms with its raw and packaging materials suppliers: 60 days end of month, 30 days from invoice date, and 90 days end of month. For service and asset suppliers, the terms are: 60 days end of month.

There are no ongoing disputes regarding late or non-payments to the Group's suppliers.

Verdellino, 12 March 2026

for the Board of Directors
Chairman

Marco Francesco Eigenmann

Certification of sustainability reporting under Article 81-ter, paragraph 1 of Consob Regulation no. 11971 of 14 May 1999 and subsequent amendments and additions

The undersigned, Pietro Oriani, as Managing Director, and Pietro Bassani, as Manager responsible for preparing the Company accounts of Fine Foods & Pharmaceuticals N.T.M. S.p.A. certify that the sustainability reporting included in the Report On Operations has been prepared under Article 154-bis, paragraph 5-ter, of Legislative Decree No. 58 of 24 February 1998,

1. and the reporting standards were applied following Directive 2013/34/EU of the European Parliament and Council of 26 June 2013 and Legislative Decree No. 125 of 6 September 2024;
2. with the specifications adopted under Article 8, paragraph 4 of Regulation (EU) 2020/852 of the European Parliament and Council of 18 June 2020.

Verdellino – Zingonia, 12 March 2026

Managing Director
Pietro Oriani

**The Manager in charge of preparing the Company's
Financial Reports**
Pietro Bassani

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

*Registered office: Via Berlino 39 – VERDELLINO (BG), Italy
Registered in the BERGAMO Companies Register
Tax Code and Registration no. 09320600969
Registered in the Bergamo REA no. 454184
Subscribed share capital €22,590,304 fully paid-up
VAT no. 09320600969*



**CONSOLIDATED FINANCIAL STATEMENTS
AS OF 31 December 2025**

Prepared under the International Accounting Standards issued by the IASB, and the SIC and IFRIC interpretations issued by the International Financial Reporting Interpretations Committee, which have been endorsed under the procedure set out in Article 6 of (EC) Regulation no. 1606 of 19 July 2002

Unless otherwise specified, amounts shown in the tables and explanatory notes are stated in Euro and rounded to the nearest Euro.

Table of contents

Consolidated Income Statement	137
Comprehensive Consolidated Income Statement	137
Consolidated Statement of Financial Position	138
Consolidated Cash Flow Statement	139
Consolidated Shareholders' Equity Changes Statement	140
CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2025	141
1. Corporate information 141	
1.1 Significant events for the period	141
1.2 Going concern	141
1.3 Form and content of the 31 December 2025 consolidated Financial Statements	141
1.4 Summary of significant accounting policies	143
1.5 Operating sectors: disclosure	154
1.6 Capital management	157
1.7 Financial risk management	157
1.8 Discretionary evaluations and significant accounting estimates	165
INCOME STATEMENT	167
2.1 Revenue from contracts with customers	167
2.2 Other revenue and income	167
2.3 Costs for raw materials, change in inventories of finished goods and work in progress	168
2.4 Personnel costs	168
2.5 Costs for services	169
2.6 Other operating costs	169
2.7 Amortisation, depreciation, and impairment losses	170
2.8 Changes in Fair Value on financial assets and liabilities	170
2.9 Financial income	170
2.10 Financial charges	171
2.11 Income taxes	171
2.12 Earnings/(loss) per share	172
BALANCE SHEET	173
ASSETS	173
3.1 Property, plant and machinery	173
3.2 Goodwill	173
3.3 Other intangible fixed assets	174
3.4 Leases	175
3.5 Other non-current assets	175
3.6 Deferred tax assets	176
3.7 Provision for deferred taxes	176

3.8	Inventories	176
3.9	Trade receivables	177
3.10	Tax receivables	178
3.11	Other current assets	178
3.12	Cash and other liquid assets	179
SHAREHOLDERS' EQUITY		180
4.1	Shareholders' equity	180
LIABILITIES		181
4.2	Non-current bank borrowings	181
4.3	Current bank borrowings	182
4.4	Employee benefits	182
4.5	Provisions for risks and charges.....	183
4.6	Trade payables.....	184
4.7	Taxes payable	184
4.8	Other current liabilities	184
5.	Other information 185	
5.1	Commitments and guarantees	185
5.2	Contingent liabilities.....	185
5.3	Grants, contributions and similar	185
5.4	Related party transaction information.....	185
5.5	Events after the Financial Statements date.....	186
5.6	Business outlook	186
Certification of the 31 December 2025 Consolidated Financial Statements under Article 81-ter of Consob Regulation no. 11971 of 14 May 1999 and subsequent amendments and additions		188

Consolidated Income Statement

Year ended 31 December			
	Notes	2025	2024
Revenue and income			
Revenue from contracts with customers	2.1	252,058,868	243,752,830
Other revenue and income	2.2	1,404,036	1,317,440
Total revenue		253,462,904	245,070,270
Operating costs			
Costs for consumption of raw materials, change in inventories of finished goods and work in progress.	2.3	139,240,012	141,306,663
Personnel costs	2.4	52,468,547	47,623,798
Costs for services	2.5	25,807,034	23,601,211
Other operating costs	2.6	1,514,645	2,118,224
Amortisation, depreciation, and impairment losses	2.7	18,016,341	15,776,371
Total operating costs		237,046,579	230,426,267
Operating result		16,416,325	14,644,003
Changes in fair value of financial assets and liabilities	2.8	-	(12,881)
Financial income	2.9	200,769	699,711
Financial charges	2.10	(3,046,807)	(3,498,895)
Income before taxes		13,570,287	11,831,939
Income taxes	2.11	3,473,001	3,676,060
Profit/(loss) for the financial year		10,097,286	8,155,879
Earnings/(loss) per share			
▶ Basic – profit for the year attributable to the Company shareholders	2.12	0.41	0.33
▶ Diluted – profit for the year attributable to the Company shareholders	2.12	0.41	0.33

Comprehensive Consolidated Income Statement

	Notes	2025	2024
Profit/(loss) for the financial year (A)		10,097,286	8,155,879
Components that will not be subsequently reclassified to profit/(loss) for the financial year			
Revaluation of net employee benefit liabilities/assets	4.4	77,730	14,282
Tax effect		(18,655)	(3,428)
Other comprehensive income (B) components		59,075	10,854
Comprehensive profit/(loss) (A+B)		10,156,360	8,166,733

Consolidated Statement of Financial Position

		As of 31 December	As of 31 December
(amounts in € units)	Notes	2025	2024
Assets			
Non-current assets			
Property, plant and machinery	3.1	144,157,789	126,139,938
Goodwill	3.2	11,507,954	11,507,954
Other intangible fixed assets	3.3	1,924,298	1,556,083
Rights of use	3.4	2,894,651	2,906,361
Other non-current assets	3.5	324,052	597,853
Deferred tax assets	3.6	1,864,403	3,451,347
Total non-current assets		162,673,147	146,159,536
Current assets			
Inventories	3.8	34,954,626	31,908,612
Trade receivables	3.9	36,606,666	37,536,476
Tax receivables	3.10	47,368	17,998
Other current assets	3.11	6,859,387	7,758,304
Cash and other liquid assets	3.12	38,882,901	19,210,213
Total current assets		117,350,948	96,431,604
Total assets		280,024,095	242,591,140
Shareholders' equity			
Share Capital	4.1	22,770,445	22,770,445
Other reserves	4.1	106,946,489	102,919,409
Employee benefit reserve	4.1	251,002	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	10,097,286	8,155,879
Total Shareholders' Equity		134,205,722	132,059,779
Non-current liabilities			
Non-current bank borrowings	4.2	72,736,116	34,987,777
Employee benefits	4.4	1,922,357	2,143,626
Provision for risks and charges	4.5	2,710,805	1,600,000
Provision for deferred taxes	3.7	303,792	284,042
Non-current lease payables	3.4	899,666	847,512
Total non-current liabilities		78,572,737	39,862,958
Current liabilities			
Current bank borrowings	4.3	12,752,615	18,367,370
Trade payables	4.6	36,351,971	36,555,144
Taxes payable	4.7	995,522	219,112
Current lease payables	3.4	390,589	325,230
Other current liabilities	4.8	16,754,939	15,201,547
Total current liabilities		67,245,636	70,668,403
Total Shareholders' equity and Liabilities		280,024,095	242,591,140

Consolidated Cash Flow Statement

		Year ended 31 December	
(amounts in € units)	Notes	2025	2024
PROFIT/(LOSS) FOR THE FINANCIAL YEAR		10,097,286	8,155,879
Adjustments to reconcile profit after tax with net cash flows:			
Depreciation and impairment of property, plant and machinery	2.7	16,521,102	14,394,213
Amortisation and impairment of intangible fixed assets	2.7	1,002,468	917,131
Amortisation of rights of use	2.7	492,772	462,004
Other write-downs of fixed assets	2.7	-	3,023
Financial income	2.9	(1,010,886)	(699,711)
Financial charges	2.10	3,814,621	3,439,943
Changes in fair value of financial assets and liabilities	2.8	-	12,881
Financial charges on financial liabilities for leases	2.10,3.4	42,303	58,951
Income taxes	2.11	1,901,006	952,274
Gains on the disposal of property, plant and machinery	2.2	(61,857)	(118,199)
Current assets write-downs	3.8,3.9	1,832,367	455,149
Net change in severance indemnity and pension funds	4.4	(208,414)	(106,848)
Net change in provisions for risks and charges	4.5	1,110,805	1,597,895
Net change in deferred tax assets and liabilities	3.6,3.7	1,694,124	2,800,118
Interest paid	2.10	(2,781,163)	(2,736,085)
Income taxes paid	2.11	(1,139,299)	(1,259,340)
Changes in working capital:			
(Increase)/decrease in inventories	3.8	(4,690,062)	10,325,127
(Increase)/decrease in trade receivables	3.9	741,491	292,083
(Increase)/decrease in other non-financial assets and liabilities	3.5,3.10,3.11,4.7,4.8	2,605,359	2,718,725
Increase/(decrease) in trade payables	4.6	(203,173)	4,185,682
NET CASH FLOWS FROM OPERATING ACTIVITIES		31,760,850	45,850,897
Investments:			
Investments in tangible fixed assets	3.1	(34,626,915)	(33,889,860)
Disposal of tangible fixed assets	3.1	149,821	390,009
Investments in intangible fixed assets	3.3	(1,370,685)	(838,323)
Net (investments)/disposals in financial assets	2.8, 2.9	-	2,780,735
NET CASH FLOWS FROM INVESTMENTS		(35,847,779)	(31,557,438)
Financing:			
New financing	4.2,4.3	71,606,480	1,511,921
Funding repayment and bonds	4.2,4.3	(39,472,896)	(12,121,995)
Principal payments - lease liabilities	3.4	(363,548)	(416,997)
Dividends paid to the Parent Company's shareholders	4.1	(3,427,544)	(2,937,895)
Sale/(purchase) of treasury shares	4.1	(4,582,874)	(118,327)
CASH FLOWS FROM FINANCING		23,759,618	(14,083,292)
NET CHANGE IN CASH AND CASH EQUIVALENTS		19,672,688	210,167
Cash and short-term deposits as of 1 January		19,210,213	19,000,047
Cash and short-term deposits as of 31 December		38,882,901	19,210,213

Consolidated Shareholders' Equity Changes Statement

	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 31 December 2023	4.1	22,770,445	5,000,000	(14,021,029)	29,741,389	86,743,750	2,286,638	4,416,281	(6,669,789)	181,073	22,610	(3,522,098)	126,949,268
Profit/(loss) for the financial year												8,155,879	8,155,879
Other income statement components										10,854			10,854
Comprehensive profit/(loss)	-	-	-	-	-	-	-	-	-	10,854	-	8,155,879	8,166,733
Dividends					(2,937,895)								(2,937,895)
Equity reclassification							(754,088)				754,088		-
Purchase of treasury shares				(118,327)									(118,327)
2023 profit allocation					(7,437,309)						3,915,211	3,522,098	-
Balance as of 31 December 2024	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	132,059,779
Profit/(loss) for the financial year												10,097,286	10,097,286
Other income statement components										59,075			59,075
Comprehensive profit/(loss)	-	-	-	-	-	-	-	-	-	59,075	-	10,097,286	10,156,360
Dividends					(3,427,544)								(3,427,544)
Purchase of treasury shares				(4,582,874)									(4,582,874)
2024 profit allocation							12,037,498				(3,881,619)	(8,155,879)	-
Balance as of 31 December 2025	4.1	22,770,445	5,000,000	(18,722,230)	15,938,641	86,743,750	13,570,047	4,416,281	(6,669,789)	251,002	810,290	10,097,286	134,205,722

CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2025

1. Corporate information

Fine Foods & Pharmaceuticals N.T.M. S.p.A. 31 December 2025 Consolidated Financial Statements were approved by the Board of Directors on 12 March 2026.

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

The Parent Company Fine Foods & Pharmaceutical N.T.M. S.p.A. (hereafter referred to as "Fine Foods" and/or the "Company"), registered and domiciled in Bergamo, is a joint-stock company, with its registered office in Via Berlino 39, Verdellino - Zingonia (BG) in Italy. Fine Foods, listed on the STAR segment of the MTA of Borsa Italiana, is an Italian independent Contract Development & Manufacturing Organisation (CDMO).

These Financial Statements have been drawn up in Euro.

The accompanying financial statements of Foods & Pharmaceuticals N.T.M. S.p.A. constitute a non-official version which is not compliant with the provisions of the Commission Delegated Regulation (EU) 2019/815.

1.1 Significant events for 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.

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.

On 24 October 2025, the Italian Medicines Agency (AIFA) renewed the Parent Company Fine Foods' manufacturing authorisation for medicinal products under Good Manufacturing Practice (GMP), extending its scope to include the new expansion of the Brembate pharmaceutical facility.

On 30 October 2025, the Parent Company Fine Foods signed a new medium-to-long-term loan agreement with Intesa Sanpaolo S.p.A. for €30 million, with due date in 2029, to support the Group's three-year investment plan.

On 25 February 2022, Intesa Sanpaolo and the Parent Company Fine Foods signed a seven-year €70 million financing transaction. The Company made an early €20 million loan repayment in 2023. The Parent Company fully repaid its debt early in December 2025.

1.2 Going concern

These Financial Statements have been prepared on a going concern basis.

1.3 Form and content of the 31 December 2025 consolidated Financial Statements

1.3.1 Principles followed when preparing the Financial Statements

The 31 December 2025 Consolidated 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 effective at the end of the financial year. All of the above standards and interpretations are hereafter referred to as "IAS/IFRS".

1.3.2 Financial Statements content and format

The formats adopted by the Company and under IAS 1 are as follows:

- **Consolidated Statement of Financial Position:** through the separate presentation of current/non-current assets and liabilities, as specified in paragraph 1.3.5 below. "Current/non-current classification"
- **Consolidated income statement:** shows the items by nature and provides the most explanatory information.
- **Comprehensive Consolidated Income Statement:** includes other income and charge items allowed to be booked in equity under IAS/IFRS.
- **Consolidated Cash Flow Statement:** shows the cash flows of operating, investing and financing activities as required by IAS 7.
- **Consolidated Shareholders' Equity Changes Statement:** shows the overall result for the year and further movements in the Company's risk capital.

1.3.3 Consolidation standards

The Consolidated Financial Statements include Fine Foods N.T.M. S.p.A. and its subsidiary Fine Cosmetics S.p.A. Financial Statements as of 31 December 2025. During 2023, the merger by incorporation of Pharmatek PMC into Fine Cosmetics became effective.

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 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.

1.3.4 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. 31 December 2025 are provided below.

Parent Company:

Company name	Registered office	Currency	Share Capital
Fine Foods & Pharmaceuticals N.T.M. S.p.A.	Verdellino (BG)	EUR	22,770,445.02

Consolidated subsidiaries:

Company name	Ownership percentage	Registered office	Currency	Share Capital
Fine Cosmetics S.p.A.	100.0%	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.

1.3.5 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:

- it 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 tax assets and liabilities are classified as non-current assets and liabilities.

1.4 Summary of significant accounting policies

1.4.1 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 substantial 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.

1.4.2 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.

For assets and liabilities recorded in the Financial Statements at fair value on a recurring basis, the Group defines whether transfers have occurred between the hierarchy levels by reviewing the categorisation (based on the lowest level input, which is significant for the fair value measurement) at each reporting date.

The Group Finance Department determines the criteria and procedures for recurring fair value measurements, such as property investments and equity instruments in unlisted companies, and non-recurring measurements, such as discontinued assets held for sale.

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

The Group's Financial Management compares 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 31 December 2025 and 31 December 2024.

31 December 2025	Total	Book value	Fair value Level 1	Fair value Level 2	Fair value level 3
Financial assets					
Current financial assets	-	-	-	-	-
Cash and other liquid assets	38,882,901	38,882,901	38,882,901		
Total financial assets	38,882,901	38,882,901	38,882,901	-	-
Financial liabilities					
Non-current bank borrowings	72,736,116	72,736,116		72,736,116	
Current bank borrowings	12,752,615	12,752,615		12,752,615	
Non-current lease payables	899,666	899,666		899,666	
Current lease payables	390,589	390,589		390,589	
Total financial liabilities	86,778,987	86,778,987	-	86,778,987	-

31 December 2024	Total	Book value	Fair value Level 1	Fair value Level 2	Fair value level 3
Financial assets					
Current 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 Company's management has verified that the fair value of financial assets and liabilities approximates the book value.

1.4.3 Revenue from contracts with customers

The Group deals with the contract development and manufacturing (contract development and manufacturing organization - CDMO) of oral solid forms for the pharmaceutical, nutraceutical and cosmetics industries.

Revenue from contracts with customers is recorded when control of the goods is transferred to the customer, generally upon delivery, for an amount corresponding to the Company's expected consideration in exchange for such assets.

The Company considers whether other promises in the contract represent contractual obligations on which a portion of the transaction consideration is to be allocated. In defining the product sale transaction price, the Company considers any effect of variable consideration and significant financial components.

If the consideration promised in the contract includes a variable amount, the Company estimates the variable consideration when the contract is signed. This amount is not recorded until it is highly probable that it will be paid considering what has been agreed.

1.4.4 Income taxes

Current taxes

Current tax assets and liabilities for the year are measured at the amount expected to be recovered or paid to the tax authorities. The tax rates and regulations used to calculate the amount are enacted or substantively enacted at the Financial Statements date in the countries where the Group operates and generates its taxable income.

Current taxes related to items booked directly in equity are recorded in equity and not in profit/(loss) for the year. Management periodically assesses the tax return position in cases where tax rules are subject to interpretation and, where appropriate, makes provisions.

Deferred taxes

Deferred taxes are calculated by applying the liability method to temporary differences at the Financial Statements date between the assets and liabilities tax values and their corresponding book values.

Deferred tax liabilities are recorded for all temporary taxable differences, with the following exceptions:

- deferred tax liabilities arising from the initial recording of goodwill or an asset or liability in a transaction that is not a business combination and, at the transaction time, affects neither The Financial Statements result nor the tax result;
- the reversal of temporary taxable differences associated with investments in subsidiaries, associates and joint ventures can be controlled, and it will probably not occur in the foreseeable future.

Deferred tax assets are recorded for temporary deductible differences and unused tax receivables and losses carried forward to the extent that it is probable sufficient future taxable income will be available against which the temporary deductible differences and tax receivables and losses carried forward can be used. Unless:

- the deferred tax asset associated with deductible temporary differences arises from the initial recording of an asset or liability in a transaction that is not a business combination and, at the transaction time, affects neither the Financial Statements result nor the tax result;
- for deductible temporary differences associated with investments in subsidiaries, associates and joint ventures, deferred tax assets are recorded to the extent that it is probable that they will reverse in the foreseeable future and there will be sufficient taxable income to allow for temporary differences to be recovered.

The book value of deferred tax assets is reviewed at each Financial Statements date and reduced to the extent that it is no longer probable that sufficient taxable income will be available in the future to allow that credit's use. Unrecorded deferred tax assets are reviewed at each Financial Statements date and recorded to the extent that it is probable sufficient taxable income will be available to allow the recovery of those deferred tax assets.

Deferred tax assets and liabilities are measured at the tax rates that are expected to be applied when the assets are realised or liabilities settled, considering the rates that have been enacted or substantively enacted at the Financial Statements date.

Deferred taxes for items recorded outside the income statement are recorded outside the income statement, in the equity or the comprehensive income statement, alongside the item they relate.

Tax benefits acquired due to a business combination but which do not meet the criteria for separate recording at the acquisition date are recorded when new information about changes in facts and circumstances is obtained. If recorded during the valuation period, the adjustment is booked as a reduction in goodwill (up to the goodwill amount). If recorded later it is booked in the income statement.

The Group offsets deferred tax assets and liabilities only if there is a legal right to offset them and they relate to income taxes owed to the same taxation authority by the same or different taxpayers who intend to settle current tax assets and liabilities on a net basis or realise the asset and settle the liability concurrently, taking into account each future period in which the deferred tax assets and liabilities are anticipated to be settled or recovered.

Indirect taxes

Costs, revenue, assets and liabilities shall be recorded net of indirect taxes, such as value-added tax, with the following exceptions:

- the tax applied to goods or services purchase is non-deductible; in this case, it is recorded as part of the asset purchase cost or part of the cost booked in the income statement;
- trade receivables and payables include the applicable indirect tax.

The net amount of indirect taxes to be recovered or paid to the tax authorities was included in the Financial Statements under receivables or payables.

1.4.5 Foreign currency transactions and balances

Any foreign currency transactions are initially recorded in the functional currency by applying the spot exchange rate at the transaction's date.

Monetary foreign currency assets and liabilities are translated into the functional currency at the exchange rate at the Financial Statements date.

Exchange differences or those arising from the translation of monetary items are recorded in the income statement. Taxes attributable to exchange differences on monetary items are recorded in the comprehensive income statement. Non-monetary items valued using foreign currency historical costs are translated at the exchange rates at the transaction's initial recording date. Non-monetary items valued using foreign currency fair value are translated at the exchange rates at the date this value was determined. A gain or loss that arises from the translation of non-monetary items is treated consistently with the recording of gains and losses based on the fair value

change of those items (i.e. translation differences on items whose fair value change is recorded in the comprehensive income statement or income statement are respectively booked in the comprehensive income statement or income statement).

1.4.6 Dividends

The Parent Company books a liability for a dividend payment when the distribution is authorised and is not at the Company's discretion. Under European corporate law, distribution is authorised when shareholders approve it. Recording under liabilities is offset by a reduction in shareholders' equity to the reserve indicated in the shareholders' meeting minutes.

1.4.7 Property, plant and machinery

Property under construction is recorded at historical cost net of any accumulated impairment losses. Property, plant and machinery are recorded at historical cost net of accumulated depreciation and accumulated impairment losses. This cost includes expenses for replacing part of the plant and machinery when they are incurred if they meet the booking criteria. When it is necessary to replace plant and machinery significant parts regularly, the Group depreciates them separately over their useful life. Similarly, during major overhauls, the cost is included in the plant or machinery book value as in replacements, if booking criteria are met. All other repair and maintenance costs are recorded in the income statement when incurred. The costs for dismantling and removing an asset at the end of its useful life were included in the asset cost, if the criteria for recognising a provision were met.

Depreciation is calculated on a straight-line basis over the asset's estimated useful life as follows:

Table of depreciation rates			
	Nutra	Pharma	Cosmetics
Industrial buildings based on their type	3%	5.50%	5.5%
Light construction	10%	10%	
Generic plant, based on their type	7.50%	10%	10%
Specific plant and machinery, based on their type	14%	12%	12.5%
Industrial and commercial equipment, based on their type	20%	40%	35%
Other assets: Furniture and furnishings	12%	-	12%
Other assets: Electronic office machines	20%	-	20%
Other assets: Transport vehicles	20%	-	20%
Other assets: Cars	25%	-	25%

The book value of a property, plant and machinery item and any significant component initially recorded is cancelled at the time of its disposal or when no future financial benefit is expected from its use or disposal. The gain or loss arising on the asset cancellation (calculated as the difference between the asset's net book value and the consideration received) is recorded in the income statement when the item is cancelled.

The property, plant and machinery residual values, useful lives and depreciation methods are reviewed at the end of each reporting period and, where appropriate, prospectively adjusted.

1.4.8 Leases

At each contract stipulation, the Group assesses whether the contract meets a lease's definition under the standard. The definition of a contractual agreement as a lease (or containing a lease transaction) is based on the substance of the agreement and requires an assessment of whether the agreement performance depends on the use of one or more specific assets, or transfers financial benefits arising from the asset's use to another party.

The Group as lessee

For each contract that meets the lease definition or contains a lease, the Group accounts for a Right of Use and a Financial Liability, equal to the current value of the future lease payments plus the initial direct costs, obligations to return the asset to its original condition less any incentive paid to the supplier.

Financial charges are allocated to the income statement.

Leased assets are depreciated over the lease duration.

The Group records the following in its Financial Statements:

- a financial liability, equal to the current value of residual future payments at the transition date, which are discounted using the incremental borrowing rate applicable at the transition date for each contract;
- a right of use equal to the financial liability value net of any accruals and deferrals referring to the lease and recorded in the balance sheet at the date of these Financial Statements.

Although their value is negligible, the Group has recorded the expenses for improvement works carried out on leased properties, when they meet the requirements to be capitalised, within the right of use, depreciating them based on the residual useful life of each contract.

In adopting IFRS 16, the Group used the exemption granted by the standard for short-term leases (contracts lasting less than a year) for all classes of assets and low-value assets, i.e. lease contracts for which the unit value of the underlying assets does not exceed €5,000 when new.

The contracts for which the exemption has been applied fall mainly within the forklift category, as they were purchased during 2019 and are considered to be short-term contracts.

For these contracts, adopting IFRS 16 will not result in booking the lease financial liability and related right of use. Instead lease payments will be recorded in the income statement on a straight-line basis over the relevant contract duration.

The Group as lessor

Lease agreements that substantially leave the Company with all the asset ownership risks and benefits are classified as operating leases. Lease income from operating leases is recorded on a straight-line basis over the lease duration and is included in other income in the Income Statement due to its operating nature. Initial trading costs are added to the leased asset's book value and recorded over the lease duration on the same basis as rental income.

1.4.9 Financial charges

Financial charges directly attributable to the acquisition, construction or production of an asset that requires a substantial period before it is available for use are capitalised on the asset cost. All other financial charges are recorded as an expense in the period in which they are incurred. Financial charges consist of interest and other costs that an entity incurs to obtain financing.

1.4.10 Intangible assets

Intangible assets are initially recorded at cost. After the initial recording, intangible assets are recorded at cost net of accumulated amortisation and any accumulated impairment losses. Internally generated intangible assets, other than development costs that meet specific requirements as defined by IAS 38, are not capitalised and are booked in the income statement for the period in which they are incurred.

The useful life of intangible assets is assessed as finite or indefinite.

Intangible assets with finite useful lives are amortised over their useful lives and tested for impairment whenever there are indications of possible impairment. A finite useful life intangible asset amortisation period and method are reviewed at least at each financial year-end. Changes in the expected useful life or how future financial benefits associated with the asset will be realised are recorded through changes in the amortisation period or method, as appropriate, and are considered changes in accounting estimates. Amortisation of intangible assets with finite useful lives is recorded in profit/(loss) for the year in the cost category consistent with the intangible asset function.

Intangible assets with indefinite useful lives are not amortised but are tested annually for impairment, either at the individual or cash-flow generating unit level (IAS 36). The indefinite useful life assessment is reviewed annually to determine whether this attribution continues to be sustainable; otherwise, the change from "indefinite useful life" to "finite useful life" is prospectively applied.

An intangible asset is cancelled at the time of its disposal (i.e. on the date when the acquirer obtains control of it) or when no future financial benefits are expected from its use or disposal.

Any gain or loss arising from the asset cancellation (calculated as the difference between the net disposal proceeds and the asset book value) is included in the income statement.

Industrial patent and intellectual property rights are amortised at an annual rate of 20 per cent.

1.4.11 Financial Instruments - Recording and valuation

A financial instrument is a contract that gives rise to a financial asset for one entity and a financial liability or equity instrument for another.

i) Financial assets Initial recording and valuation

Upon initial recording, financial assets are classified using the following measurement methods, i.e. amortised cost, fair value through other comprehensive income (hereafter OCI) and fair value in the income statement, as appropriate.

When initially recorded, the classification of financial assets, in addition to the instrument nature, depends on the financial assets' contractual cash flow features and the business model that the Group uses to manage them. Except for trade receivables, the Group initially measures a financial asset at its fair value plus any transaction costs. Trade receivables are measured at the transaction price defined under IFRS 15.

For a financial asset to be classified and valued at amortised cost or fair value through the OCI, it must generate cash flows that depend solely on principal and interest on the principal amount to be repaid (the "solely payments of principal and interest – SPPI"). This assessment is referred to as the SPPI test and is performed at the instrument level.

Financial assets with cash flows that do not meet the above requirements (e.g. SPPI) are classified and measured at fair value in the income statement.

The Group's business model for managing financial assets refers to how it manages its financial assets to generate cash flows. The business model defines whether cash flows will arise from the collection of contractual cash flows, the sale of financial assets or both.

Subsequent valuation

For subsequent valuation, financial assets are classified into four categories:

- Financial assets at amortised cost (debt instruments);
- Financial assets at fair value in the other comprehensive income with the reclassification of accumulated profits and losses (debt instruments);
- Financial assets at fair value in the other comprehensive income without reclassification of cancelled accumulated profits and losses (equity instruments);
- Financial assets at fair value in the income statement.

Financial assets at amortised cost (debt instruments)

The Group measures financial assets at amortised cost if both of the following requirements are met:

- the financial asset is held as part of a business model whose objective is to hold financial assets to collect contractual cash flows

and

- the financial asset contractual terms provide for cash flows at specified dates that consist solely of principal and interest payments on the principal amount to be repaid, better known as the SPPI (solely payments of principal and interest) test.

Financial assets at amortised cost are subsequently valued using the effective interest method and are subject to impairment. Profits and losses are recorded in the income statement when the asset is cancelled, modified or revalued.

Financial assets at fair value through OCI (debt instruments)

The Group values assets from debt instruments at fair value through other comprehensive income if both of the following conditions are met:

- the financial asset is held as part of a business model whose objective is achieved by collecting the contractual cash flows and selling the financial assets

and

- the financial asset contractual terms provide for cash flows at specified dates that consist solely of principal payments and interest defined on the amount of principal to be repaid.

For assets from debt instruments measured at fair value through OCI, interest income, changes in foreign exchange rates and impairment losses, together with recoveries, are recorded in the income statement and are calculated in the same way as for financial assets measured at amortised cost. The remaining changes in fair value are recorded in OCI. Upon cancellation, the cumulative change in fair value recorded in OCI is reclassified in the income statement.

The Company's debt instrument assets measured at fair value through OCI include investments in listed debt instruments included in other non-current financial assets.

Investments in equity instruments

Upon initial recording, the Group may irrevocably elect to classify its equity investments as equity instruments recorded at fair value in OCI when they meet the definition of equity instruments under IAS 32 "Financial Instruments: Presentation" and are not held for trading. The classification is defined for each individual instrument.

Profits and losses incurred on such financial assets are never re-entered in the income statement. Dividends are recorded as other income in the income statement when the right to payment has been established. Equity instruments booked at fair value in OCI are not subject to impairment testing.

Cancellation

A financial asset (or, where applicable, part of a financial asset or part of a group of similar financial assets) is cancelled in the first instance (i.e. removed from the Group's statement of financial position) when:

- the rights to receive cash flows from the asset are expired, or
- the Group transfers the right to receive cash flows from the asset to a third party or assumes a contractual obligation to pay them in full and without delay and (a) transfers the risks and benefits of financial asset's ownership substantially, or (b) neither transfers nor retains the asset's risks and benefits substantially but transfers control of it.

If the Group transfers the rights to receive cash flows from an asset or enters into an agreement under which it retains the contractual rights to receive the cash flows from the financial asset but assumes a contractual obligation to pay the cash flows to one or more recipients (pass-through), it assesses whether and to what extent it retains the ownership risks and benefits. If it neither transfers nor substantially retains the risks and benefits or does not lose control over it, the asset is booked in the Group's Financial Statements to the extent of its continuing involvement in the asset. In this case, the Group records an associated liability. The transferred asset and the associated liability are measured to reflect the rights and obligations that remain with the Group.

When the entity's continuing involvement guarantees the transferred asset, the involvement is measured at the lower of the asset amount and the received consideration maximum amount that the entity could be required to repay.

At the date of these Financial Statements, the Group holds an investment portfolio that includes financial and liquidity instruments, transferred and managed through a primary credit institution, measured at fair value in the income statement. For further details, please refer to paragraph 3.12 "Current financial assets."

ii) Financial liabilities

Recording and initial measurement

Financial liabilities are classified, upon initial recording, among financial liabilities at fair value in the Income Statement, among mortgages and loans, or derivatives designated as hedging instruments.

All financial liabilities are initially recorded at fair value plus directly attributable transaction costs in case of mortgages, loans and borrowings.

The Group's financial liabilities include mortgages and loans, and derivative financial instruments.

Subsequent valuation

The valuation of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value in the income statement

Financial liabilities at fair value with changes recorded in the income statement include liabilities held for trading and financial liabilities initially recorded at fair value with changes recorded in the income statement.

Held-for-trading liabilities are all those liabilities that are assumed with the intention to settle or transfer them in the short term. This category includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in a hedging relationship as defined by IFRS 9. Embedded derivatives, separated from the main contract, are classified as held-for-trading unless they are designated as effective hedging instruments.

Profits or losses on liabilities held for trading are recorded in Profit/(loss) for the financial year.

Financial liabilities are allocated at fair value with changes recorded in the income statement from the date of initial recording, only if the IFRS 9 criteria are met. Upon initial recording, the Group did not allocate financial liabilities at fair value with changes recorded in the income statement.

Loans and receivables

After the initial recording, loans are measured at amortised cost using the effective interest rate method. Profits and losses are recorded in the income statement when the liability is settled and through the amortisation process.

Amortised cost is calculated by recording the discount or premium on the acquisition and the fees or costs that form part of the effective interest rate. Amortisation at the effective interest rate is included in financial charges in the profit/(loss) for the year.

Cancellation

A financial liability is cancelled when the obligation underlying the liability is extinguished, cancelled or settled. When an existing financial liability is replaced by another financial liability of the same lender on substantially different terms, or the terms of a current liability are substantially modified, such exchange or modification is treated as cancelling the original liability. A new liability is booked, with any difference between the book values recorded in the profit/(loss) for the year.

1.4.12 Inventories

Inventories are valued at the lower between the cost and estimated net realisable value. The valuation criteria adopted is the weighted average cost method.

The costs incurred to bring each asset to its present location and condition are recorded as follows:

- Raw materials: purchase cost calculated using the weighted average cost method, adjusted if necessary if the last purchase price is lower than the raw material market value.
- Finished and semi-finished goods: direct cost of materials and labour plus a share of production overheads, defined based on expected production capacity, excluding financial expenses, through a bill of materials;

The estimated net realisable value is the estimated normal selling price during the business performance, less estimated completion costs and estimated costs to make the sale.

1.4.13 Impairment of non-financial assets

At each Financial Statements date, the Group assesses whether there are any asset impairment indicators. In this case, or when an annual impairment test is required, the Group estimates the recoverable amount. Recoverable amount is the higher of the asset or cash-generating unit's fair value, less sales costs, and its use-value. The recoverable amount is defined for each individual asset, except when that asset generates cash flows that are not largely independent of those generated by other assets or groups of assets. If an asset's book value is greater than its recoverable amount, that asset is impaired and is written down to its recoverable amount accordingly.

When defining use-value, the Group discounts estimated future cash flows at present value using a pre-tax discount rate that reflects market assessments of the present money value and the asset's risks. Recent market transactions are considered when defining the fair value net of sales costs. The Group bases its impairment test on detailed budgets and forecast calculations prepared separately for the Group's cash-generating unit to which individual assets are allocated. These budgets and forecast calculations generally cover four years. A long-term growth rate (terminal value) is calculated to project future cash flows beyond the fifth year.

Impairment losses of operating assets are recorded in profit/(loss) for the financial year in the cost categories consistent with the intended use of the asset that resulted in the impairment loss. An exception is made for revalued fixed assets, where the revaluation has been recorded in other comprehensive income. In such cases, the impairment loss is recorded in other comprehensive income up to the amount of the previous revaluation.

For assets other than goodwill, at each reporting date, the Group assesses whether any indicators of ceased (or decreased) recorded impairment losses exist and, if such indicators exist, estimates the recoverable amount of the asset or cash-generating unit (CGU). An already impaired asset's value may be revalued only if there have been changes in the assumptions underlying the recoverable amount calculation after the recording of the last impairment loss. The revaluation may not exceed the defined book value, net of amortisation, assuming that no impairment loss was recorded in past financial years. Such revaluation is recorded in profit/(loss) for the year unless the fixed asset is accounted for at a revalued amount. In this case the revaluation is treated as a revaluation increase.

1.4.14 Cash and short-term deposits

Cash and short-term deposits comprise cash on hand, in domestic and foreign currencies, stamps, and cash holdings resulting from the Group's accounts with credit institutions. They are all expressed at their nominal value.

For cash flow statement presentation purposes, liquid assets and equivalents are represented by liquid assets as defined above.

1.4.15 Treasury shares

Repurchased treasury shares are recognised at cost and deducted from equity. The buyback, sale or cancellation of treasury shares do not give rise to any gain or loss in the Income Statement. If there is a reissue, the difference between the buyback price and consideration is recognised in the share premium reserve.

1.4.16 Provisions for risks

Provisions for risks and charges are made when the Group has a current obligation (legal or implied) because of a past event, an outflow of resources will probably be required to settle the obligation, and a reliable amount estimate can be made. When the Group considers that a provision for risks and charges will be partly or fully reimbursed, for example for risks covered by insurance policies, the indemnity is recorded separately as an asset only if it is certain. If so, the provision cost is booked in profit/(loss) for the financial year net of the amount recorded for the indemnity.

If the effect of money value over time is significant, provisions are discounted using a pre-tax discount rate that reflects, where appropriate, the risks specific to the liability. When the liability is discounted, the provision's increase over time is recorded as a financial charge.

1.4.17 Employee benefit liabilities

The cost of expected benefits under the defined benefit plan is defined using the actuarial projected unit credit method.

Revaluations, which include actuarial profits and losses, changes in the effect of the asset limit, excluding amounts included in net interest on the net defined benefit liability, and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability) are recorded immediately in the statement of financial position by debiting or crediting profits carried forward through other comprehensive income components in the financial year when they arise.

Revaluations are not reclassified to the income statement in subsequent financial years.

Past service cost is recorded in the income statement at the earliest of the following dates:

- the date on which a plan amendment or reduction occurs, and
- the date on which the Company records the related restructuring costs or employee termination benefits.

Net interest on the net defined benefit liability/asset is defined by multiplying the net liability/asset by the discount rate. The Group records the following changes in the net defined benefit obligation in sales cost, administrative expenses and sales and distribution costs in the income statement (by nature):

- Service costs, including current and past service costs, profits and losses on non-routine reductions and settlements;
- Net interest income or expense.

New accounting standards, interpretations and amendments adopted by the Company

For the first time, the Group has applied certain standards or amendments that are effective from 1 January 2025. The Group has not adopted any new standards, interpretations or amendments early, which have been issued but are not effective.

Lack of exchangeability – Amendments to IAS 21

Amendments to IAS 21 *Impact of changes in foreign exchange rates* clarify how to assess currency exchangeability and determine the spot exchange rate when exchangeability is lacking. The amendments mandate disclosure of information that enables financial statement users to comprehend the impact, or anticipated impact, of the non-exchangeable currency on the entity's capital and financial position, and cash flows.

These amendments had no impact on the Group's Financial Statements.

Standards issued but not yet effective

Other approved or unapproved standards, interpretations or amendments which were not effective at the date of preparation of these Financial Statements are listed below.

IFRS 18 - Presentation and Disclosure in Financial Statements

In April 2024, the IASB issued IFRS 18, which supersedes IAS 1 Presentation of Financial Statements. IFRS 18 introduces new requirements for the presentation of the Income Statement, including specific totals and subtotals. Entities are required to classify expenses and revenue within the Income Statement into four categories: operating, investing, financing, income taxes, and discontinued operations. The first three categories are new.

The standard mandates disclosures based on the new definition of management-defined performance measures (MPMs), along with subtotals for expenses and revenue. It includes new provisions for the aggregation and disaggregation of financial information, based on the identified roles of the Primary Financial Statements (PFS) and accompanying notes.

Additionally, IAS 7 - Cash Flows Statement amendments modify the starting point for determining cash flows from operations using the indirect method. The new starting point will be operating profit or loss, rather than profit or loss, and the option to classify cash flows from dividends and interest has been removed. Further consequential changes have been made to several other accounting standards.

IFRS 18 and amendments to other principles will apply for annual periods starting on or after 1 January 2027, although early adoption is permitted with appropriate disclosure. IFRS 18 will be applied retrospectively. The Group is evaluating the impact these amendments will have on its Financial Statements and notes.

IFRS 19 - Subsidiaries without Public Accountability: Disclosures

In May 2024, the IASB issued IFRS 19, which allows eligible entities to reduce their disclosure obligations while adhering to the recognition, measurement, and presentation requirements of other IFRS standards. To qualify, an entity must be a subsidiary (as defined in IFRS 19) at the end of the financial year, must not have "public accountability," and must have a parent (either ultimate or intermediate) that prepares consolidated Financial Statements, publicly available, under IFRS standards.

IFRS 19 will be effective for financial years commencing on or after 1 January 2027, with early adoption permitted.

Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7

In May 2024, the IASB issued amendments to IFRS 9 and IFRS 7, entitled Amendments to the Classification and Measurement of Financial Instruments ("Amendments"). Amendments:

- clarify that a financial liability is removed from the books on the "settlement date". They also introduce an accounting option, under certain conditions, to derecognise financial liabilities paid through electronic systems before the settlement date;
- provide additional guidance for measuring contractual cash flows of financial assets with ESG or similar attributes;
- define non-recourse features and contractually linked instruments;
- provide disclosure requirements for financial instruments with contingent features, and extra disclosures for equity instruments classified at fair value through other comprehensive income (OCI).

The Amendments apply for annual periods starting 1 January 2026, with early adoption allowed only for financial asset classification and related disclosures.

The Group does not expect these amendments to have a significant impact on its Consolidated Financial Statements.

Annual Improvements to IFRS Accounting Standards - Volume 11

In July 2024, the IASB made nine limited amendments to IFRS as part of ongoing maintenance. The amendments include clarifications, simplifications, corrections or changes to improve consistency in the following standards: IFRS 1 First-time Adoption of International Financial Reporting Standards, IFRS 7 Financial Instruments: Disclosures and the related Guidance on implementing IFRS 7, IFRS 9 Financial Instruments, IFRS 10 Consolidated Financial Statements and IAS 7 Statement of Cash Flows.

The amendments take effect for administrative periods starting 1 January 2026. Early adoption is permitted, subject to adequate disclosure.

These amendments are not expected to have a significant impact on the Group's Consolidated Financial Statements.

Contracts Referencing Nature-dependent Electricity – Amendments to IFRS 9 and IFRS 7

In December 2024, the IASB issued amendments to IFRS 9 and IFRS 7, Contracts Referencing Nature-dependent Electricity. The amendments apply only to contracts that refer to this type of electricity and:

- clarify the application of own-use requirements for contracts within the scope of application;
- change the requirements for designating a hedged item in cash flow hedge contracts;
- introduce new disclosure requirements to enable investors to understand the effects of such contracts on a company's financial performance and cash flows.

The amendments take effect for financial years starting 1 January 2026. Early adoption is permitted, subject to adequate disclosure.

The amendments concerning the own-use exception must be applied retrospectively. Amendments pertaining to hedge accounting should be implemented prospectively for new hedging relationships designated from the initial date of application. The changes to IFRS 7 disclosures should be implemented concurrently with the modifications to IFRS 9. If an entity does not restate comparative information, it cannot present comparative disclosures.

The Group does not expect these amendments to have a significant impact on its Consolidated Financial Statements. .

1.5 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:

- 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.
- 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.
- Cosmetics sector: the subsidiary Fine Cosmetics is active in the contract manufacturing and trading of cosmetic products (hair, skin, and oral care) at its Trezzano 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 are managed at the Company level and are not allocated to the operating sectors.

31 December 2025	Nutra	Pharma	Cosmetics	Total sectors
Revenue and income				
Revenue from contracts with customers	136,106,591	85,166,931	30,785,345	252,058,868
Other revenue and income	655,751	440,882	307,402	1,404,036
Total revenue	136,762,343	85,607,814	31,092,747	253,462,904
Operating costs				
Costs for consumption of raw materials, change in inventories of finished goods and work in progress	81,945,250	39,480,605	17,814,156	139,240,012
Personnel costs	21,613,176	23,753,144	7,102,227	52,468,547
Costs for services	10,287,790	10,899,206	4,620,038	25,807,034
Other operating costs	484,265	712,215	318,165	1,514,645
Amortisation, depreciation, and impairment losses	7,003,309	8,403,801	2,609,231	18,016,341
Total operating costs	121,333,790	83,248,972	32,463,817	237,046,579
OPERATING RESULT	15,428,553	2,358,842	(1,371,070)	16,416,325

31 December 2024	Nutra	Pharma	Cosmetics	Total sectors
Revenue and income				
Revenue from contracts with customers	142,206,355	75,765,229	25,781,247	243,752,830
Other revenue and income	641,100	422,587	253,754	1,317,440
Total revenue	142,847,455	76,187,815	26,035,000	245,070,270
Operating costs				
Costs for consumption of raw materials, change in inventories of finished goods and work in progress	87,839,874	37,130,624	16,336,165	141,306,663
Personnel costs	20,874,588	20,587,059	6,162,151	47,623,798
Costs for services	11,070,916	8,845,063	3,685,231	23,601,211
Other operating costs	779,708	1,030,647	307,869	2,118,224
Amortisation, depreciation, and impairment losses	7,011,143	6,301,074	2,464,154	15,776,371
Total operating costs	127,576,230	73,894,468	28,955,570	230,426,267
OPERATING RESULT	15,271,225	2,293,348	(2,920,570)	14,644,003

31 December 2025	Nutra	Pharma	Cosmetics	Non-sector	Total
Assets					
Non-current assets					
Property, plant and machinery	45,080,528	83,040,515	15,142,387	894,359	144,157,789
Goodwill	-	-	11,507,954	-	11,507,954
Other intangible fixed assets	1,034,271	724,993	165,035	-	1,924,298
Rights of use	334,036	140,424	2,420,190	-	2,894,651
Other non-current assets	-	-	-	324,052	324,052
Deferred tax assets	-	-	-	1,864,403	1,864,403
Total non-current assets	46,448,835	83,905,932	29,235,566	3,082,814	162,673,147
Current assets					
Inventories	15,092,563	14,951,187	4,910,876	-	34,954,626
Trade receivables	16,339,517	14,416,075	5,851,075	-	36,606,666
Tax receivables	-	-	-	47,368	47,368
Other current assets	470,418	354,157	187,284	5,847,528	6,859,387
Cash and other liquid assets	-	-	-	38,882,901	38,882,901
Total current assets	31,902,498	29,721,419	10,949,234	44,777,797	117,350,948
Total assets	78,351,333	113,627,351	40,184,800	47,860,611	280,024,095
Shareholders' equity					
Share Capital				22,770,445	22,770,445
Other reserves				106,946,489	106,946,489
Employee benefit reserve				251,002	251,002
FTA reserve				(6,669,789)	(6,669,789)
Profits carried forward				810,290	810,290
Profit/(loss) for the financial year				10,097,286	10,097,286
Total Shareholders' Equity	-	-	-	134,205,722	134,205,722
Non-current liabilities					
Non-current bank borrowings	-	-	-	72,736,116	72,736,116

Employee benefits	352,809	314,698	1,254,850	-	1,922,357
Provisions for risks and charges	1,433,075	1,277,730	-	-	2,710,805
Provision for deferred taxes	-	-	-	303,792	303,792
Non-current lease payables	248,941	104,434	546,291	-	899,666
Total non-current liabilities	2,034,825	1,696,862	1,801,141	73,039,908	78,572,737

Current liabilities					
Current bank borrowings	-	-	-	12,752,615	12,752,615
Trade payables	15,778,052	15,150,774	5,423,144	-	36,351,971
Taxes payable	-	-	-	995,522	995,522
Current lease payables	88,183	37,655	264,751	-	390,589
Other current liabilities	6,743,626	8,583,548	1,427,765	-	16,754,939
Total current liabilities	22,609,861	23,771,978	7,115,661	13,748,137	67,245,636

Total Shareholders' equity and Liabilities	24,644,686	25,468,840	8,916,802	220,993,768	280,024,095
---	-------------------	-------------------	------------------	--------------------	--------------------

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					
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 revenue, the Group generates a significant part of its turnover from a limited number of customers, the first five customers, in the year ended 31 December 2025, cumulatively accounting for approximately 60.8% of the turnover.

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

1.6 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 Company manages the capital structure and makes adjustments based on economic conditions and financial covenant requirements. To maintain or adjust the capital structure, the Parent Company may intervene on dividends paid to shareholders, repay the capital to shareholders or issue new shares. The Parent Company 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%. In 2025, this ratio was around 26% (21% as of 31 December 2024).

	2025	2024
Interest-bearing loans and borrowings other than convertible preferred shares	85,370,340	53,355,147
Lease payables	1,290,256	1,172,743
Minus: liquid assets and short-term deposits	(38,882,901)	(19,210,213)
Minus: current financial assets	-	-
Net debt	47,896,086	35,317,677
Shareholders' equity	134,205,722	132,059,779
Equity and net debt	182,101,808	167,377,456
Gearing ratio	26%	21%

1.7 Financial risk management

1.7.1 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 bank loans, mortgages and bonds. The

Group's policy is to keep loan numbers due in the next 12 months around 60%. As of 31 December 2025, 15.1% of the Group's financial 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 table below summarises the Group's due date profile of financial liabilities based on undiscounted contractually agreed payments.

31 December 2025	Total	1 to 12 months	1 to 5 years	> 5 years
Financial liabilities				
Non-current bank borrowings	72,736,116	-	71,416,146	1,319,970
Current bank borrowings	12,752,615	12,752,615	-	-
Non-current lease payables	899,666	-	858,556	41,110
Current lease payables	390,589	390,589	-	-
Total financial liabilities	86,778,987	13,143,204	72,274,702	1,361,081

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

To support the significant ongoing investments, which were primarily covered by the cash generated from business operations in 2024, the Parent Company is considering securing a new bank loan to finance the remaining investments.

1.7.2 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 borrowing costs 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.

1.7.3 Credit risk

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

1.7.4 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.

1.7.5 Risk of changes in cash flows

The risk of changes in cash flows is not considered significant in view of the Company'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.

1.7.6 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 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 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 and financial situation.

1.7.7 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.

1.7.8 Risks related to ongoing geopolitical conflicts

The Group faces the risk of cancelling or suspending orders for products exported to countries at war (e.g.: Russia, Ukraine and neighbouring areas), affecting the Nutra BU. The Group is monitoring this risk through continuous contact with customers who export to areas affected by the conflict to manage any critical issues promptly.

Ongoing Middle East conflicts and tensions may increase instability and complicate geopolitics. Fine Foods and its key customers have minimal presence in conflict-affected regions and the Group regularly assesses any impact on operations.

1.7.9 Risks related to the concentration of Group revenue on major customers

The Group has historically had a significant concentration of revenue among its main customers. 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 always 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 business and 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. As Nutra and Pharma customer bases expand, coupled with the acquisition of the Cosmetics Business Unit, revenue concentration, while still evident, has become more dispersed and is gradually declining.

1.7.10 Manufacturer's liability risks

The Group faces risks related to products manufactured with a quality that does not comply with the customer's specifications and risks related to future due diligence obligations along the supply chain. This could expose the Group to possible liability action or claims for compensation, with potentially adverse effects on the Group's economic, capital and financial position. Suppliers of raw materials and packaging undergo a qualification process and monitoring of ESG requirements. This procedure will cover service providers in 2026.

The Company has an international food alert and fraud monitoring system.

The Group stipulated a policy with a leading insurance company with a limit of €20 million per event, per year.

A further risk mitigating action is included in the Business Continuity Plan and concerns the continuous training of personnel involved in the product procurement, testing and manufacturing processes.

1.7.11 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 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 internal audits.

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

1.7.12 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. The Group has a robust system for managing worker health and safety standards and environmental protection of the areas where the Group operates. The Group holds certifications including ISO45001:2018 (OH&S) and ISO14001:2015 (environment), attesting to the proper establishment and implementation of its management system.

The Group undergoes annual certified and internal audits.

1.7.13 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 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 Farindustria, to align its energy efficiency with the best international standards.

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

To address the effects of climate change on water resources, ongoing efforts aim to reduce water consumption. An internal task force regularly monitors progress and evaluates the effectiveness of the measures implemented.

1.7.14 Climate change risks: transition risks

These risks refer to the financial loss resulting from the challenges and costs associated with moving to a more sustainable and less carbon-dependent economic model. This situation is driven 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 Farindustria, to align its energy efficiency with the best international standards.

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

To address the effects of climate change on water resources, ongoing efforts aim to reduce water consumption. An internal task force regularly monitors progress and evaluates the effectiveness of the measures implemented.

1.7.15 Energy cost risk

Energy costs remained high compared to historical cost, with high price 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. As of this document's date, the business impact of recent events in the Middle East (late February to March 2026) could not be determined.

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. Additionally, three facilities are equipped with photovoltaic systems that together provide 850 kW of capacity. These systems cover part of the Group's energy need through energy from renewable resources, meeting about 11.8% of the Group's energy consumption in 2025.

The Group reduces short-term risk by using fixed-price contracts to hedge against changes in the natural gas market's variable costs.

1.7.16 Legal and reputational risks related to the mismanagement of Substances of Concern

Exceeding pollution limits or mishandling hazardous 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 Group 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. The Group aims to ensure that all its plants receive the ISO certifications above. Currently, the Trezzano site is uncertified, even though it uses environmental and health and safety management systems that follow ISO standards. The Group reduces short-term risk by using fixed-price contracts to hedge against changes in the natural gas market's variable costs.

1.7.17 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. To address potential medium- to long-term sustainability risks, the Group will review analysis applications in 2026 to identify at-risk raw materials and consider additional mitigation measures if needed.

1.7.18 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 Group 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. The Group aims to ensure that all its plants receive the ISO certifications above. Currently, the Trenzano site is uncertified, even though it uses environmental and health and safety management systems that follow ISO standards.

1.7.19 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 losing 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.

1.7.20 Risks related to salary adjustments claims

Fine Foods develops and manufactures contract products including food supplements, nutraceuticals, and pharmaceuticals, employing more than 700 staff under the National Collective Labour Agreement for the Food Industry. Workers in the production departments are required to clock in at external 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 late 2024, the Company has received several reimbursement requests mainly from former employees for wage differences related to time spent changing clothes and travelling between external turnstiles and changing rooms. The Company has resolved previously initiated disputes and is considering negotiations with trade unions to establish mutually agreed regulations regarding employee clothing. This process aims to facilitate the resolution of any future claims related to past matters. To comply with the EU pay transparency directive which will be implemented in Italy in June 2026, the Company has started internal changes and is pursuing gender equality certification (UNI PdR 125).

1.7.21 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. To address potential medium- to long-term sustainability risks, the Group will review analysis applications in 2026 to identify at-risk raw and packaging materials. The goal is to identify vulnerable suppliers, and consider additional mitigation measures if needed.

1.7.22 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.

To mitigate this, the Group implemented procedures for supplier selection and assessment 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 and adopted procedure.

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 implementing monitoring audits, where necessary;
- 3) Sending questionnaire to update requirements and data, monitoring of ESG requirements (based on the supplier's inherent ESG risk)
- 4) performance assessment

Due to recent regulatory changes and the Group's medium-term sustainability strategy, ESG requirements will be updated in 2026 to ensure ongoing oversight and due diligence under applicable standards and value chain best practices.

1.7.23 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 Group to terminate relationships with non-compliant suppliers, with consequent operations slowdowns.

To mitigate this, the Group implemented procedures for supplier selection and assessment 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 and adopted procedure.

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 implementing monitoring audits, where necessary;
- 3) Sending questionnaire to update requirements and data, monitoring of ESG requirements (based on the supplier's inherent ESG risk)
- 4) performance assessment

Due to recent regulatory changes and the Group's medium-term sustainability strategy, ESG requirements will be updated in 2026 to ensure ongoing oversight and due diligence under applicable standards and value chain best practices.

1.7.24 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.

To mitigate this, the Group implemented procedures for supplier selection and assessment 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 and adopted procedure.

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 implementing monitoring audits, where necessary;
- 3) Sending questionnaire to update requirements and data, monitoring of ESG requirements (based on the supplier's inherent ESG risk)
- 4) performance assessment

Due to recent regulatory changes and the Group's medium-term sustainability strategy, ESG requirements will be updated in 2026 to ensure ongoing oversight and due diligence under applicable standards and value chain best practices.

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

1.7.26 Risk that staff may misuse company data, either improperly, without authorisation, or due to lack of competence, when working with generative Artificial Intelligence (AI) tools.

Unmonitored increasing use of generative AI tools may risk confidential data loss and cause financial or reputational damage to the Group. These circumstances occur because of a lack of oversight and/or clear internal policies regarding AI, and insufficient employee awareness of the limitations of these systems, which may lead to improper use.

Regulation (EU) 2024/1689, known as the AI Act, sets out new rules from the European Commission for generative AI platforms to address key issues. This includes:

- adding data without authorisation, processing information incorrectly or ineffectively, and disclosing sensitive or private data;
- fraudulent use of company resources, manipulation of databases, copyright infringement, creation of new harmful businesses.

This legislation forms a key element of Europe's wider plan, highlighting how crucial this matter is and underlining the necessity of supervision to safeguard citizens' privacy and the expertise of European businesses.

To comply with the EU AI Regulation 2024/1689 and reduce risks from generative AI, the Company is exploring risk mitigation measures, including:

- implementing technological Proof-of-Concept (POC), starting with enterprise solutions for corporate accounts;
- implementing an internal AI policy detailing procedures for consultation, authorisation, and restrictions regarding the potential use of AI applications;

- regular training for authorised staff to highlight AI misuse risks.

1.8 Discretionary evaluations and significant accounting estimates

The Group's Financial Statements' preparation requires the directors to make discretionary evaluations, estimates, and assumptions that affect the amounts of revenue, costs, assets and liabilities, their information and disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could lead to outcomes that require a significant adjustment to the book value of these assets or liabilities in the future.

1.8.1 Discretionary evaluations

In applying the Group's accounting policies, the directors have made decisions based on the following discretionary evaluations (excluding those involving estimates).

Significant assessment in defining the lease term of contracts that contain an option to extend - The Group Companies as lessees

The Group defines the lease term as the lease non-cancellable period plus the periods covered by the option to extend the lease, if there is reasonable certainty of exercising that option, and the periods covered by the opportunity to terminate the lease when there is reasonable certainty of not exercising that option.

The Group has the option to extend the lease or terminate it early for some of its leases. The Group assesses whether there is reasonable certainty of exercising the renewal options. The Group considers all factors noted that may result in an economic incentive to exercise renewal options or terminate the lease. After the effective date, the Group revises its estimates of the lease term if a significant event or change occurs in the circumstances within the Company's control that may affect the ability to exercise (or not exercise) the renewal or early termination option (e.g. investment in leasehold improvements or significant specific changes to the leased asset) (see paragraph 3.4 "Leases").

1.8.2 Estimates and assumptions

The main assumptions concerning the future and other significant sources of estimation uncertainty that, at Financial Statements date, have a substantial risk of causing a material adjustment to the book values of assets and liabilities within the next financial year are shown below. The Group has based its estimates and assumptions on available parameters when the Financial Statements were prepared. However, circumstances and assumptions about future events may change due to changes in the market or events beyond the Group's control. Such changes are reflected in the assumptions when they occur.

Provision for expected losses on trade receivables and provision for inventory write-downs

The Group uses a matrix to calculate expected credit losses (ECLs) for trade receivables. The provision rates are defined primarily based on the probability of default in the relevant sector and the Group companies' historical default rate.

The historical default rates are updated at each reporting date, and changes in estimates are analysed on a forward-looking basis.

The assessment of the correlation between historical default rates, projected economic conditions, and ECLs is a meaningful estimate. The Expected Credit Loss (ECL) is sensitive to changes in circumstances and forecasted economic conditions. The Group companies' historical credit loss experience and projected future economic conditions may not represent actual customer future insolvency.

At each reporting date, the Group reviews inventories for impairment. This activity is carried out at the production batch level and refers to the material expiry date and any product non-conformity.

Defined benefit plans (pension funds)

The cost of defined benefit pension plans and other post-employment benefits and the current value of the defined benefit obligation are defined using actuarial valuations. Actuarial valuations require the use of various assumptions that may differ from actual future developments. These assumptions define the discount rate, future salary increases, mortality rates and future pension increases. Due to the complexity of the valuation and its long-term nature, these estimates are susceptible to assumption changes. All assumptions are reviewed annually.

Taxes

The Group companies are subject to the Italian tax and fiscal regime. The directors interpret these regulations when defining taxable income and quantifying the taxes to be paid. Deferred tax assets are recorded for unused tax losses to the extent that it is probable that taxable income will be available in the future to allow losses use. Significant estimation by management is required to determine the tax assets that can be booked based on the level of future taxable profits, the timing of their occurrence and the appropriate tax planning strategies.

Impairment of non-financial assets

Impairment occurs when the book value of an asset or cash-generating unit exceeds its recoverable amount, which is the higher of its fair value less the sales costs and its use-value. The use-value calculation is based on a discounted cash flow model. The recoverable amount depends significantly on the discounted cash flow model's discount rate, the expected future cash flows, and the growth rate used for the extrapolation. The key assumptions used to define the recoverable amount for the various cash-generating units, including a sensitivity analysis, are described in detail in Note 3.1, "*Property, plant and machinery*" and note 3.2 "*Goodwill*" of these notes.

Business combinations and goodwill

As explained in paragraph 1.4.1 on business combinations and goodwill accounting, when i) allocating the net assets acquired to the relevant cash-generating units (CGUs), ii) preparing multi-year plans, iii) performing impairment tests, the directors make 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;
- defining long-term growth rates and discount rates applied to future cash flow forecasts.

INCOME STATEMENT

2.1 Revenue from contracts with customers

Revenue as of 31 December 2025 were €252,058,868, compared to €243,752,830 in the previous year, with an increase of 3.4%. A breakdown by business unit and geographical area is provided below:

<i>(Amounts in Euro units)</i>	31 December 2025	31 December 2024
Business Unit – Nutra	136,106,591	142,206,355
Business Unit - Pharma	85,166,931	75,765,229
Business Unit – Cosmetics	30,785,345	25,781,247
Total Revenue from contracts with customers	252,058,868	243,752,830

During 2025, the Group's Nutra sector turnover decreased from €142,206,355 as of 31 December 2024 to €136,106,591 as of 31 December 2025 (a decrease of 4.3%). The Nutra Business Unit turnover was 54% (58.3% in 2024) of the Group's total turnover.

The Pharma Business sector, which accounts for 33.8% (31.1% in 2024) of the total turnover, showed an expanding trend with a growth of 12.4%, from €75,765,229 at the end of the previous year to €85,166,931 as of 31 December 2025.

The Cosmetics Business Unit's revenue went from €25,781,247 as of 31 December 2024 to €30,785,345 as of the end of the financial year, with an increase of 19.4%.

<i>(Amounts in Euro units)</i>	31 December 2025	31 December 2024
Italian Revenue	146,407,631	132,654,789
Foreign Revenue	105,651,237	111,098,041
Total Revenue from contracts with customers	252,058,868	243,752,830

As of 31 December 2025, turnover was mainly driven by sales to Italian VAT-registered customers, accounting for 58.1% of sales.

2.2 Other revenue and income

As of 31 December 2025, the Group's other revenue and income was €1,404,036 compared to €1,317,440 in the previous year. This is detailed below:

<i>(Amounts in Euro units)</i>	31 December 2025	31 December 2024
White Certificates	385,605	375,056
Other revenue and income	533,745	604,146
Write-down adjustments to receivables and liquid assets	67,152	25,673
Capital gains	91,088	189,265
Damage compensation	12,494	44,131
Contingent assets and allowances	313,952	79,169
Total other revenue and income	1,404,036	1,317,440

Revenues from white certificates mainly derive from the recognition in current assets of energy efficiency certificates accrued by the Company in 2025 following the installation of co-generators at the Verdellino and Brembate plants. The number of Energy Efficiency Certificates (TEE) in 2025 was estimated by the Company, with the assistance of expert consultants. The value attributed to the certificates corresponds to the guaranteed minimum withdrawal amount, as stipulated in the agreement between Fine Foods and the General Energy Manager (GSE).

Other revenue and income mainly included the portion of grants received as tax credits for the year.

The "Contingent assets and allowances" item primarily relates to the subsidiary Fine Cosmetics and reflects the complete reversal of the "Provision for directors' end-of-mandate indemnities." In 2025, the "Provision for directors' end-of-mandate indemnities" was removed after the former director, who stayed until the Parent Company Fine Foods acquired the Company, officially waived his right to end-of-mandate indemnity.

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

As of 31 December 2025, the cost of raw materials and consumables, net of change in inventories, was €139,240,012 compared to €141,306,663 in the previous year, with a decrease of 1.5%. The impact of costs of purchasing materials on revenue from customer contracts (55.2%) was down from the value recorded in 2024 (58.0%).

A breakdown is provided below:

<i>(Amounts in Euro units)</i>	31 December 2025	31 December 2024
Goods purchased	138,403,444	127,345,186
Ancillary materials and consumables	3,882,581	3,419,377
Inventory changes	(2,882,635)	10,606,966
Obsolescence	(163,379)	(64,865)
Total costs for consumption of raw materials, change in inventories of finished goods and work in progress	139,240,012	141,306,663

The "Change in inventories of raw materials, ancillary materials, consumables and goods" item includes the effects on the income statement of changes in the inventory write-down provision. Please refer to note "3.8 Inventories".

2.4 Personnel costs

As of 31 December 2025, the Group's personnel costs were €52,468,547 compared to €47,623,798 in the previous year, with an increase of 10.2%. This is detailed below:

<i>(Amounts in Euro units)</i>	31 December 2025	31 December 2024
Wages and salaries	31,793,625	28,901,526
Social security contributions	10,343,429	9,037,225
Severance indemnity	2,040,461	1,815,396
External personnel	7,097,227	6,369,651
Provision for salary adjustments	1,193,805	1,500,000
Total personnel costs	52,468,547	47,623,798

Personnel expenses have risen because new employees were hired and temporary staff were used more frequently.

2.4.1 Employment data

The following table shows the number of Group employees, broken down by category:

<i>Employment data (expressed in units)</i>	31 December 2025	31 December 2024
Executives	22	20
White-collar employees	316	284
Blue-collar employees	501	475
Total employees	839	779

The average number of employees in the Group during 2025 was 809.

2.5 Costs for services

As of 31 December 2025, the Group's service costs were €25,807,034 compared to €23,601,211 in the previous year, with an increase of 9.3%. A breakdown is provided below:

(Amounts in Euro units)	31 December 2025	31 December 2024
Other costs	774,075	704,534
External and ecological analyses	801,285	882,271
Insurance companies	705,964	650,908
Electronic Data Processing (EDP) fees and maintenance	1,054,673	835,956
Bank fees	124,612	92,034
Statutory auditors and directors remuneration	1,176,558	1,567,847
Rental, lease and miscellaneous costs	964,236	826,175
Trade fair and advertising costs	783,067	580,558
Costs for processing goods on behalf of third parties	356,816	785,289
Ordinary maintenance costs	4,971,478	3,798,672
Cleaning, pest control and surveillance costs	2,088,487	1,999,040
Transport, fuel and tolls costs	714,361	746,517
Temporary employment	866,754	1,085,037
Sales commissions	272,664	291,413
Qualifications and Calibration	598,885	213,866
Effluent and solid waste disposal	1,684,539	1,432,955
Non-competition agreement:	-	700,000
One-off legal expenses	-	100,000
Consultancy costs	2,716,062	2,345,344
Ticket	1,039,144	850,206
Various utilities	4,113,374	3,112,588
Total service costs	25,807,034	23,601,211

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."

The main increases were due to higher ordinary maintenance costs (up by €1.2 million from last year) and increased utility expenses (up by €1 million).

Additionally, some one-off expenses were incurred in 2024, including costs associated with the non-competition agreement signed with the former CEO, Ferraris.

2.6 Other operating costs

Other operating costs as of 31 December 2025 were €1,514,645 compared to €2,118,224 in the previous financial year.

(Amounts in Euro units)	31 December 2025	31 December 2024
Other operating costs	193,678	105,365
Donations	48,673	35,680
Capital losses from dismissal of assets	29,231	71,066
Penalties and indemnities	291,776	762,754
Membership Fees	221,683	203,972
Bad debt provision	244,153	274,978
IMU and TARI	447,229	390,772
Corporate, entertainment costs and gifts	96,397	117,363
Duties, taxes, and stamp charges	434,743	145,649
Conai, Co.Re.Pla adjustment	(501,038)	-
Contingent liabilities and allowances payable	8,121	10,625
Total other operating costs	1,514,645	2,118,224

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 31 December 2025, the Company's amortisation, depreciation and impairment losses were €18,016,341 compared to €15,776,371 in the previous financial year. This is detailed below:

<i>(Amounts in Euro units)</i>	31 December 2025	31 December 2024
Depreciation of tangible assets	16,521,102	14,394,213
Amortisation of intangible assets	1,002,468	978,400
Amortisation of rights of use	492,772	400,735
Tangible fixed assets write-downs	-	3,023
Total amortisation, depreciation, and impairment losses	18,016,341	15,776,371

In 2025, the Italian Medicines Agency (AIFA) granted the Parent Company Fine Foods authorisation to manufacture pharmaceuticals at the newly expanded Brembate facility, in compliance with good manufacturing practices. After this, the new property, plant, and machinery became operational, and their depreciation and amortisation were recorded in the income statement.

2.8 Changes in Fair Value on financial assets and liabilities

As of 31 December 2025, changes in the fair value of financial assets and liabilities were 0, compared to a negative balance of €12,881 in the previous year. This is detailed below:

<i>(Amounts in Euro units)</i>	31 December 2025	31 December 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 H1 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 31 December 2025, the Company's financial income was €200,769 compared to €699,711 in the previous year. This is detailed below:

<i>(Amounts in Euro units)</i>	31 December 2025	31 December 2024
Foreign exchange gains	174,225	34,352
Bank interest income	26,544	5,473
Leakage receivable interest	-	659,886
Total financial income	200,769	699,711

During the second half of 2024, the Parent Company received payment for a financial receivable previously recorded under current assets as a Leakage Receivable. Only upon collection was the accrued interest—from the receivable's due date—recognised in the Income Statement.

2.10 Financial charges

As of 31 December 2025, the Company's financial charges were €3,046,807 compared to €3,498,895 in the previous year. This is detailed below:

(Amounts in Euro units)	31 December 2025	31 December 2024
Interest expenses on financing and bank loans	2,601,049	2,935,613
Interest expenses on bank accounts	105,789	149,178
Foreign exchange losses	96,164	139,068
Financial charges on severance indemnity discounting	64,874	63,098
Interest expenses (Factoring)	82,478	99,881
Interest expenses on invoice advances	54,149	53,105
Interest on financial liabilities for lease	42,303	58,951
Total financial charges	3,046,807	3,498,895

Interest expenses on financing and bank loans included residual amounts from applying amortised cost to loans repaid early in the period.

Financial expenses decreased due to reduced interest rates.

2.11 Income taxes

Total income taxes for 2025 were €3,473,001 compared to €3,676,060 in the previous year.

(Amounts in Euro units)	31 December 2025	31 December 2024
Current taxes	1,901,006	952,274
Deferred tax assets and liabilities	1,694,155	2,793,517
Taxes from previous years	(122,160)	(69,732)
Total income tax	3,473,001	3,676,060

Taxes from previous years referred to the adjustments in IRAP and IRES estimates, made for the Financial Statements when preparing tax returns.

As of 31 December 2025, the subsidiary Fine Cosmetics did not recognise current IRES or IRAP taxes and prudentially did not allocate deferred tax assets on the negative IRES tax base. As of 31 December 2025, the Parent Company Fine Foods accrued a current tax liability for IRAP purposes and fully used its deferred tax assets allocated on past tax losses and on the ACE tax benefit against a positive IRES tax base. The Parent Company Fine Foods allocated IRES taxes at a 20% bonus rate (instead of 24%) after confirming eligibility requirements were met.

The reconciliation between the income taxes recorded and the theoretical taxes resulting from the application of the rate in force in Italy to the pre-tax profit for the years ended 31 December 2025 and 2024 was as follows:

(Amounts in Euro units)	31 December 2025	31 December 2024
Pre-tax profit/(loss) from operations on a going concern basis	13,570,287	11,831,939
Pre-tax profit/(loss) from discontinued operations	-	-
Accounting profit/(loss) before tax	13,570,287	11,831,939
Theoretical income tax	3,161,233	3,301,111
Tax effect on permanent differences	176,494	141,233
Tax effect on temporary differences	(9,580)	(160,165)
Effect on tax benefits	(638,004)	(672,379)
Effect of negative IRAP tax base + non-allocation of advance payments on negative IRES tax base	642,821	1,103,903
Income taxes	3,332,965	3,713,703
Effective income tax rate:	25%	31%

For details on deferred taxes, see 3.6 Deferred tax assets and note 3.7 Deferred tax provision.

2.12 Earnings/(loss) per share

Basic earnings/(loss) per share are calculated by dividing the profit for the year attributable to the Company's ordinary shareholders by the weighted average number of outstanding ordinary shares during the year.

Diluted earnings/(loss) per share are calculated by dividing the profit attributable to the Company's ordinary shareholders by the weighted average number of outstanding ordinary shares during the year and those potentially arising from converting all convertible equity instruments.

The result and share information used in calculating basic and diluted earnings per share are shown below.

	2025	2024
Profit attributable to the Company's shareholders for basic earnings	10,097,286	8,155,879
Weighted average number of shares (excluding treasury shares) for basic earnings per share purposes*	24,342,345	24,482,770
Ordinary Shares	20,842,345	20,982,770
Multiple-voting Shares	3,500,000	3,500,000
Weighted average number of shares adjusted for dilution effect*	24,342,345	25,560,125
Ordinary Shares	20,842,345	22,060,125
Redeemable Shares	-	-
Multiple-voting Shares	3,500,000	3,500,000
Special Shares	-	-
Convertible warrants	-	-
Basic ESP	0.41	0.33
Diluted EPS	0.41	0.33

BALANCE SHEET

ASSETS

3.1 Property, plant and machinery

The net book value of tangible fixed assets as of 31 December 2025 was €144,157,789 compared to €126,139,936 as of 31 December 2024. Changes in tangible fixed assets and their respective provisions for depreciation are shown below.

<i>(Amounts in Euro units)</i>	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 - 31 December 2024	76,711,025	133,059,122	14,681,549	11,272,537	30,679,148	266,403,381
Increases	3,315,816	3,856,366	2,152,923	2,256,606	23,070,243	34,651,954
Decreases	(13,450)	(864,820)	(159,393)	(505,787)	-	(1,543,450)
Reclassifications	16,936,649	15,833,581	546,709	1,036,960	(34,353,899)	-
Write-down	-	-	-	-	-	-
Other changes	-	-	-	-	(25,034)	(25,034)
Historical cost - 31 December 2025	96,950,040	151,884,248	17,221,788	14,060,316	19,370,458	299,486,850
Amortisation provision - 31 December 2024	29,228,741	90,070,010	12,546,845	8,417,849	-	140,263,444
Increases	3,293,838	10,370,449	1,612,771	1,244,044	-	16,521,102
Decreases	(5,548)	(855,247)	(159,148)	(435,542)	-	(1,455,486)
Reclassifications	-	-	-	-	-	-
Write-down	-	-	-	-	-	-
Other changes	-	-	-	-	-	-
Amortisation provision - 31 December 2025	32,517,031	99,585,212	14,000,467	9,226,351	-	155,329,061
Net book value - 31 December 2024	47,482,285	42,989,112	2,134,704	2,854,687	30,679,148	126,139,936
Net book value - 31 December 2025	64,433,009	52,299,037	3,221,321	4,833,965	19,370,458	144,157,789

The highlight of the year was finishing the expansion of the pharmaceutical production facility in Brembate and officially reclassifying it from a fixed asset under construction. As of 31 December 2025, a large part of fixed assets under construction consisted of advance payments for production lines and machinery, which will mostly be installed at the Pharma site.

3.2 Goodwill

The net book value of goodwill as of 31 December 2025 was €11,507,954.

<i>(Amounts in Euro units)</i>	31 December 2025	31 December 2024
Segment reporting: Cosmetics		
Fine Cosmetics Goodwill	11,507,954	11,507,954
Total Goodwill	11,507,954	11,507,954

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. Among the various impairment indicators, the Group considered

elements such as i) the relationship between its market capitalisation and shareholders' equity (which, as of 31 December 2025, did not show any impairment indicators), ii) the results achieved during the financial year, iii) other factors such as strategic business decisions or iv) sudden changes in the competitive environment or main economic variables.

The Cosmetics CGU, which is now Fine Cosmetics, showed negative financial indicators (EBIT) as of 31 December 2025. Based on the above, the directors have subjected the Cosmetics CGU to an impairment test.

The directors determined the recoverable amount of the Cosmetics Cash Generating Unit by discounting its expected cash flows and comparing its result with the related Net Invested Capital.

According to the reference accounting principles, the estimate of the use-value is made by discounting the operating cash flows, i.e. the flows available before the repayment of the financial debts and the shareholders' remuneration at a rate equal to the weighted average of the debt cost and the shareholders' equity (WACC).

The main assumptions used to determine the value-in-use of the CGU referred to the cash flows deriving from the business plan, the discount rate and long-term growth rate.

The directors estimated the value-in-use of the Cosmetics CGU using the unlevered discounted cash flow method based on the following:

- For cautious valuation, the projections in the business plan were adjusted by reducing the detailed forecast period to three years, up to 2028, and by considering the Group's usual practice of using a five-year timeframe (up to 2030) for its financial planning;
- A weighted average cost of capital (WACC) of 9.35% (9.65% as of 31 December 2024);
- A long-term growth rate (g) for determining the terminal value of 2%.

The impairment tests and their underlying business plans were approved by the Board of Directors at its 09 March 2026 meeting.

Tests do not indicate any impairment of the capital invested in the Cosmetics CGU.

A sensitivity analysis was carried out, concerning:

- 1% WACC increase/decrease
- 0.5% growth rate increase/decrease

As a result of this assessment, the impairment test using a three-year explicit cash flow projection showed a difference between the Recoverable Amount and the Carrying Amount ranging from +€9,757,000 to -€4,538,000 approximately. In contrast, the impairment test using a five-year explicit cash flow projection showed a difference between the Recoverable Amount and the Carrying Amount ranging from +€23,596,000 to +€4,211,000 approximately, depending on changes in the underlying variables.

3.3 Other intangible fixed assets

The net book value of intangible assets as of 31 December 2025 was €1,924,298 compared to €1,556,083 as of 31 December 2024. Changes in intangible fixed assets and their respective amortisation provisions are shown below.

<i>(Amounts in Euro units)</i>	Industrial patents and intellectual property rights	Total intangible fixed assets
Historical cost - 31 December 2024	7,354,817	7,354,817
Increases	1,370,685	1,370,685
Historical cost - 31 December 2025	8,725,502	8,725,502
Amortisation provision - 31 December 2024	5,798,737	5,798,737
Increases	1,002,468	1,002,468
Amortisation provision - 31 December 2025	6,801,204	6,801,204
Net book value - 31 December 2024	1,556,083	1,556,083
Net book value - 31 December 2025	1,924,298	1,924,298

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 31 December 2024	8,003,638	2,049,465	154,939	124,552	10,332,595
Increase	99,978	-	176,379	204,704	481,061
Decreases	(562,785)	-	(136,898)	-	(699,683)
Other changes	-	-	-	-	-
Right of use as of 31 December 2025	7,540,832	2,049,465	194,420	329,256	10,113,973
Amortisation provision as of 31 December 2024	5,497,866	1,649,128	154,939	124,300	7,426,234
Increase	344,968	120,419	16,605	10,781	492,772
Decreases	(562,785)	-	(136,898)	-	(699,683)
Other changes	-	-	-	-	-
Amortisation provision as of 31 December 2025	5,280,049	1,769,547	34,646	135,081	7,219,322
Net book value as of 31 December 2024	2,505,772	400,337	-	252	2,906,361
Net book value as of 31 December 2025	2,260,783	279,918	159,774	194,175	2,894,651

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

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 2025.

Financial liability	
Financial liability as of 1 January 2025	1,172,742
Increases	481,061
Interest	23,699
Fees	(387,247)
Other changes	-
Financial liability as of 31 December 2025	1,290,256
Short-term financial liability	390,589
Long-term financial liability	899,666

Under the IFRS 16 international accounting standard - "Leases" - an incremental borrowing rate (IBR) was considered as the sum of the risk-free rate (Swap Standard rate vs six-month Euribor for each due date), recorded at the transition date to the international accounting standards and a pure risk *component* corresponding to the "credit risk" attributable to the Company (1%).

The Company 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 Company's operational needs. Management exercises significant professional assessment to define which extension or early termination options will be exercised with reasonable certainty. Renewal for contracts that did not provide for it or for contracts already being considered for early termination was not considered.

3.5 Other non-current assets

The value of other non-current assets as of 31 December 2025 was €324,052 compared to €597,853 in the previous year.

(Amounts in Euro units)	31 December 2025	31 December 2024
Tax credit for subsidised assets – amount after 12 months	324,052	597,853
Total other non-current assets	324,052	597,853

This related to the portion after 12 months of the tax credit for capital goods 4.0.

3.6 Deferred tax assets

Deferred tax assets as of 31 December 2025 were €1,864,403 compared to €3,541,347 as of 31 December 2024, and are calculated on the portions of costs subject to deferred taxation under applicable rates at the reporting date (IRES 20% and IRAP 3.9%).

Below is a breakdown.

<i>(Amounts in Euro units)</i>	31 December 2024	2025 EC taxes	31 December 2025
Deferred tax assets for inventory write-down	362,932	(45,583)	317,349
Deferred tax assets on IRES tax loss	2,526,486	(1,824,753)	701,732
Deferred tax assets on salary adjustments	446,400	309,915	756,315
Deferred tax assets for other items	115,500	(19,915)	88,416
Total deferred tax assets	3,451,347	(1,586,945)	1,864,403

The change in deferred tax assets for tax losses recorded in 2025 derived from their use due to the Parent Company Fine Foods attaining a positive taxable income (IRES) in the tax estimation as of 31/12/25.

The subsidiary Fine Cosmetics has prudentially not recognised deferred tax assets on tax losses accrued in 2025.

As of 31 December 2025, the directors believe that it is reasonable to fully recover deferred tax assets recognised in tax losses generated by the Group during previous years from the taxable profits that the Group Companies will earn in the future, as provided for in the multi-year plan (2026-2030) approved by the Board of Directors on 09 March 2026.

Deferred tax assets on salary adjustments refer to the provision for risks recorded as of 31 December 2025.

3.7 Provision for deferred taxes

As of 31 December 2025, the deferred tax provision was €303,792 compared to €284,042 as of 31 December 2024, and was calculated under applicable rates at the reporting date (IRES 20% and IRAP 3.9%).

Below is a detail of the transactions that generated deferred taxes and their impact on the Income Statement and Shareholders' Equity as of 31 December 2025.

<i>(Amounts in Euro units)</i>	31 December 2024	2025 financial year	OCI	31 December 2025
Deferred taxes lease IFRS 16	265,552	4,510		270,062
Deferred taxes IAS 19	18,491	(3,415)	18,655	33,730
Total deferred taxes	284,042	1,095	18,655	303,792

3.8 Inventories

Inventories net of the related write-down provision for finished products and goods as of 31 December 2025 were €34,954,626 compared to €31,908,612 as of 31 December 2024.

<i>(Amounts in Euro units)</i>	31 December 2025	31 December 2024
Raw materials, ancillary materials, and consumables	25,220,133	24,135,322
Inventory write-down provision	(1,137,451)	(1,300,830)
Work in progress and semi-finished products	4,051,213	4,014,787
Finished products and goods	6,820,731	5,059,332
Total inventories	34,954,626	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	1,644,048
Provision Use	(1,807,427)
Balance as of 31 December 2025	1,137,451

The inventory obsolescence provision set aside as of 31 December 2025 was €1,137,451 and was mainly intended to cover write-downs made due to goods expiring or non-compliant. Uses for the year are those disposals made in 2025 concerning expired or non-conforming batches set aside as of 31 December 2024.

3.9 Trade receivables

As of 31 December 2025, trade receivables were €36,606,666 (€37,536,476 as of 31 December 2024), net of the related bad debt provision of €1,057,089 (€990,188 as of 31 December 2024). On a like-for-like basis, trade receivables, gross of the provision for bad debts, showed a decrease of €930,000. As of 31 December 2025 (and 31 December 2024), the Parent Company had put in place a non-recourse credit assignment transaction (factoring) for €4.4 million (€4.9 million as of 31 December 2024). Under IFRS 9, the assignment was deemed conclusive due to the significant transfer of all risks and benefits to the factoring company, resulting in the formal derecognition of the receivable.

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

<i>(Amounts in Euro units)</i>	31 December 2025	31 December 2024
ITALY trade receivables	26,235,545	21,773,899
EEC trade receivables	10,551,952	15,295,328
NON-EEC trade receivables	876,258	1,457,437
Total trade receivables	37,663,756	38,526,664

The first five customers represent 48.8% of the trade receivables (gross of the bad debt provision) reported in the Financial Statements for approximately €19.5 million.

Changes in the bad debt provision are summarised below:

Balance as of 31 December 2024	990,188
Provision allocation	188,319
Provision Use	(121,417)
Balance as of 31 December 2025	1,057,089

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

<i>(Amounts in Euro units)</i>	31 December 2025	31 December 2024
ITALY trade receivables	25,418,341	21,459,866
EEC trade receivables	10,399,595	14,863,898
NON-EEC trade receivables	788,730	1,212,712
Total trade receivables	36,606,666	37,536,476

Customer credit quality is assessed based on a generic sector assessment. Individual credit limits are established for all customers based on this assessment. 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)

31 December 2025	Total receivables	Not due	Overdue 0-30	Overdue 30-60	Overdue 60-90	Overdue 90-180	Overdue +180
Italy	26,235,545	19,302,709	5,650,018	724,042	38,820	162,775	357,181
EEC	10,551,952	7,121,470	3,117,698	249,468	3,600	22,708	37,008
Non-EEC	876,258	484,810	258,237	71,039	1,550	57,757	2,866
Gross trade receivables	37,663,756	26,908,989	9,025,952	1,044,550	43,970	243,239	397,055
% write-down of receivables	2.8%	0%	0%	35.7%	100.0%	100.0%	100.0%
Bad debt provision	1,057,089	-	-	372,825	43,970	243,239	397,055
Net trade receivables	36,606,666	26,908,989	9,025,952	671,725	-	-	-

3.10 Tax receivables

As of 31 December 2025, tax receivables were €47,368 compared to €17,998 in the previous year. This is detailed below:

(Amounts in Euro units)	31 December 2025	31 December 2024
IRES receivables	16,622	17,998
IRAP receivables	30,746	-
Total tax receivables	47,368	17,998

By 31 December 2025, the Parent Company had made advance IRAP payments that surpassed the amount it owed for the year. Fine Cosmetics hasn't made any advance tax payments for 2024 and has an outstanding IRES credit from previous years, for which a refund is pending.

3.11 Other current assets

Total other current assets as of 31 December 2025 were €6,859,387 compared to €7,758,304 as of 31 December 2024. The table below provides a breakdown.

(Amounts in Euro units)	31 December 2025	31 December 2024
White Certificates	359,618	333,630
Tax receivables for tax benefits	739,106	1,312,245
Other receivables	369,926	281,517
Substitute Tax Credit on Trademark Revaluation	58,015	58,015
VAT receivables	3,565,959	4,233,479
Receivables from social security institutions	12,043	35,625
Receivables for energy account withholdings	4,060	4,836
Receivables for withholding tax on collected coupons, dividends and realised capital gains	1,178,786	1,178,069
Accrued income and prepaid expenses	571,875	320,887
Total other current assets	6,859,387	7,758,304

The VAT receivable mainly linked to the Parent Company Fine Foods, will be offset in 2026 following the submission of the VAT Form. The "Receivables for withholding tax on collected coupons, dividends and capital gains" item mainly referred to the amounts withheld from the Fine Foods asset management, which will be recovered by submitting specific reimbursement requests to the relevant tax authorities or by offsetting the IRES payable.

The "Other receivables" balance is composed of advances to suppliers for goods and services.

3.12 Cash and other liquid assets

As of 31 December 2025, the Group's cash and other liquid assets were €38,882,901 compared to €19,210,213 as of 31 December 2024. This is detailed below:

<i>(Amounts in Euro units)</i>	31 December 2025	31 December 2024
Bank and postal deposits	38,877,873	19,204,756
Cash and cash equivalents on hand	5,028	5,457
Total cash and other liquid assets	38,882,901	19,210,213

SHAREHOLDERS' EQUITY

4.1 Shareholders' equity

For the share capital please refer to the following paragraph "Categories of shares issued by the Parent Company."

All subscribed shares have been fully paid up.

Other reserves are detailed below:

<i>(Amounts in Euro units)</i>	31 December 2025	31 December 2024
Legal reserve	5,000,000	5,000,000
Negative reserve for treasury shares in the portfolio	(18,722,230)	(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 1 st 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	106,946,489	102,919,409

Categories of shares issued by the Parent Company

The following table shows the number and nominal value of 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 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 objective of the buy-back plan is to prepare for upcoming acquisitions and synergies, to enhance the planned expansion phase.

LIABILITIES

4.2 Non-current bank borrowings

As of 31 December 2025, non-current bank borrowings were €72,736,116 compared to €34,987,777 as of 31 December 2024. This is detailed below:

(Amounts in Euro units)	31 December 2025	31 December 2024
MedioCredito mortgage loan	-	2,489,863
Intesa loan 10 million	8,995,323	-
BNL loan 20 million	20,245,485	-
Intesa loan 20 million	18,010,513	-
Intesa loan 30 million	22,574,431	-
Intesa loan 70 million	-	28,309,906
Loans to subsidiaries	2,910,364	4,188,008
Total non-current bank borrowings	72,736,116	34,987,777

MedioCredito mortgage loan

The debt for the mortgage loan taken out in 2016 by Fine Foods, contractually due on 30 June 2027, with payment of interest and related costs, was valued at amortised cost using the effective interest rate method, under the provisions of international accounting standard IFRS 9 "Financial Instruments."

The loan was repaid early in November 2025.

Intesa loan of €70 million

On 25 February 2022, Intesa Sanpaolo and Fine Foods signed a €70 million financing transaction. In 2023, Fine Foods made an early repayment of €20 million in capital, coinciding with the closure of its securities portfolio. The Parent Company fully repaid its debt early in December 2025.

Intesa loan of €10 million

A new loan agreement with Intesa Sanpaolo was signed on 12 June 2025. The main features are summarised below:

- Total amount €10,000,000;
- Rate: Six-month Euribor + 0.75% spread.
- Expiry date: 12 June 2031
- Repayment frequency: 12 half-yearly instalments starting on 12 December 2025.

The loan requires compliance with a financial covenant, measured using the Group's Consolidated Financial Statements. The covenant under consideration, which must be checked every six months, refers to the ratio of Net Financial Position (NFP) to EBITDA. As of 31 December 2025, the covenant complies, meeting the required threshold of 3.

BNL loan €20 million

A new loan agreement with Banca Nazionale del Lavoro was signed on 2 July 2025. The main features are summarised below:

- Total amount €20,000,000;
- Rate: Six-month Euribor + 0.65% spread.
- Expiry date: 02 July 2030;
- Repayment frequency: 12 half-yearly instalments starting on 2 January 2027.

The loan requires compliance with a financial covenant, measured using the Group's Consolidated Financial Statements. The covenant under consideration, which must be checked every six months, refers to the ratio of Net Financial Position (NFP) to EBITDA. As of 31 December 2025, the covenant complies, meeting the required threshold of 3.5.

Intesa loan of €20 million

A new loan agreement with Intesa Sanpaolo was signed on 29 May 2025. The main features are summarised below:

- Total amount €20,000,000;
- Rate: Six-month Euribor + 0.75% spread.
- Expiry date: 29 May 2031;
- Repayment frequency: 12 half-yearly instalments starting on 29 November 2025.

The loan requires compliance with a financial covenant, measured using the Group's Consolidated Financial Statements. The covenant under consideration, which must be checked every six months, refers to the ratio of Net Financial Position (NFP) to EBITDA.

As of 31 December 2025, the covenant complies, meeting the required threshold of 3.

Intesa loan of €30 million

A new loan agreement with Intesa Sanpaolo was signed on 30 October 2025. The main features are summarised below:

- Total amount €30,000,000;
- Rate: Six-month Euribor + 0.65% spread.
- Expiry date: 30 October 2029;
- Repayment frequency: 12 half-yearly instalments starting on 30 April 2026.

The loan requires compliance with a financial covenant, measured using the Group's Consolidated Financial Statements. The covenant under consideration, which must be checked every six months, refers to the ratio of Net Financial Position (NFP) to EBITDA.

As of 31 December 2025, the covenant complies, meeting the required threshold of 3.

4.3 Current bank borrowings

As of 31 December 2025, current bank borrowings were €12,752,615 compared to €18,367,370 as of 31 December 2024, broken down as follows:

<i>(Amounts in Euro units)</i>	31 December 2025	31 December 2024
Invoice advances	-	6,900,000
Current accounts with negative balance	999,224	-
Factor	-	424,887
Loans - Portion due within the financial year	11,750,966	11,033,001
Accrued interest expenses	2,425	9,482
Total current bank borrowings	12,752,615	18,367,370

For the change in the portion of loans and mortgages within the financial year, please refer to the previous paragraph.

4.4 Employee benefits

As of 31 December 2025, the "Employee benefits" item was €1,922,357 compared to €2,143,626 as of 31 December 2024. This item refers to provisions set aside for severance and end-of-office indemnities.

Balance as of 31 December 2024	2,143,626
Provision Use	(205,660)
Discounting interest current year	64,874
Service cost	210,225
Payment of past severance indemnities to funds	(1,713)
Actuarial profits and losses current year	(77,730)
Recognition in the income statement	(211,265)
Balance as of 31 December 2025	1,922,357

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:

	31 December 2025	31 December 2024
Annual discount rate	3.37%	3.18%
Annual inflation rate	2.00%	2.00%
Severance indemnity increase annual rate	3.00%	3.00%

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 31 December 2025	DBO as of 31 December 2024
Turnover rate +1%	1,932,770	1,938,222
Turnover rate -1%	1,910,706	1,925,834
Inflation rate +0.25%	1,947,401	1,957,221
Inflation rate -0.25%	1,897,859	1,908,042
Discount rate +0.25%	1,889,188	1,898,958
Discount rate -0.25%	1,956,645	1,966,904

Service cost and duration	2025	2024
Fine Foods profuturo annual service cost	-	-
Fine Foods plan duration	7.8	7.7
Fine Cosmetics profuturo annual service cost	240,973	216,508
Fine Cosmetics plan duration	11.5	11.7

Estimated future disbursements – Years	2025	2024
1	294,891	312,924
2	190,905	219,081
3	199,751	175,703
4	207,589	181,997
5	254,606	187,655

4.5 Provisions for risks and charges

Provisions for risks and charges as of 31 December 2025 were €2,710,805 compared to €1,600,000 at the end of the previous year.

(Amounts in Euro units)	31 December 2025	31 December 2024
Risk provision for salary adjustments	2,710,805	1,600,000
Total Provisions for risks and charges	2,710,805	1,600,000

As of 31 December 2025, Fine Foods raised its risk provision by an additional €1.3 million due to ongoing possible negotiations with trade unions regarding employee dressing time claims. This increase follows the use of part of the previously allocated funds to resolve disputes settled earlier in the year. The provision's total value is calculated by determining the 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 2025 were estimated similarly.

The following shows the movements for 2025:

Balance as of 1 January 2025	1,600,000
Provision allocation	1,269,438
Provision Use	(158,633)
Balance as of 31 December 2025	2,710,805

4.6 Trade payables

Trade payables as of 31 December 2025 were €36,351,971, compared to €36,555,143 as of 31 December 2024, broken down geographically as follows:

<i>(Amounts in Euro units)</i>	31 December 2025	31 December 2024
Trade payables in ITALY	31,657,568	31,303,986
EEC trade payables	3,348,853	4,103,040
NON-EEC trade payables	1,345,550	1,148,117
Total trade payables	36,351,971	36,555,143

4.7 Taxes payable

Total tax payables as of 31 December 2025 were €995,522, compare to €219,112 as of 31 December 2024, and are broken down as follows:

<i>(Amounts in Euro units)</i>	31 December 2025	31 December 2024
Payables for IRES	995,522	16,044
Payables for IRAP	-	203,068
Total taxes payable	995,522	219,112

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

Following the depletion of its deferred tax assets on tax losses, Fine Foods has resumed recognising an IRES liability as of 31 December 2025.

4.8 Other current liabilities

Total other current liabilities as of 31 December 2025 were €16,754,939, compared to €15,201,547 as of 31 December 2024, and are broken down as follows:

<i>(Amounts in Euro units)</i>	31 December 2025	31 December 2024
Other payables	1,175,143	1,506,996
Advances from customers	58,550	301,223
Payables for withholding taxes on self-employment	11,788	47,850
Payables for withholding taxes on employees	1,129,729	1,019,689

Payables to employees for salaries, production bonuses and accrued thirteenth month's pay, fourteen month's pay holidays	5,611,455	5,150,974
Payables due to pension and social security institutions	3,617,155	3,282,460
Substitute tax on severance indemnity	150	612
Accrued expenses and deferred income	5,150,969	3,891,744
Total other current liabilities and payables	16,754,939	15,201,547

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

The accrued expenses and deferred income item included deferred income related to tax credits for investments in capital goods to align them over the useful life of the related fixed assets. They included deferred income from revenues that have already been invoiced but belong to future financial years.

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

No commitments and guarantees were reported for Fine Cosmetics.

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

The Group has nothing to report on its 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.

5.4 Related party transaction information

Other than the remuneration of directors and specific employee categories, during 2024, the Company did not enter into any transactions with related parties that were under unusual market conditions.

(Amounts in Euro units)	31 December 2025
Directors' remuneration	993,717
Board of Statutory Auditors	108,854

The statutory auditors' remuneration is shown below:

(Amounts in Euro units)	31 December 2025
Auditing Company remuneration for audit services	118,130
to the Parent Company	89,400
to subsidiaries	28,730
Auditing Company remuneration for audit services for certification purposes	73,000
to the Parent Company	67,000
to subsidiaries	6,000
Auditing Company remuneration for other services	-
to the Parent Company	-
to subsidiaries	-

5.5 Events after the Financial Statements date

No significant events occurred after the end of the financial year.

5.6 Business outlook

In 2025, global macroeconomic scenario was complicated: though the easing inflation, there were tight financial conditions, and ongoing geopolitical tensions which intensified recently because of events between late February and early March 2026.

Major central banks are gradually normalising monetary policy, while remaining cautious to support disinflation.

The International Monetary Fund's recent considerations reported that global economic growth was approximately 3% in 2025, reflecting a moderate expansion rate that fell short of the pre-pandemic historical average.

In developed economies, the United States maintained robust economic growth, driven by household consumption and investment in technology. In contrast, growth in the euro area remained moderate, constrained by industrial sector challenges and a deceleration in international trade. However, higher purchasing power and lower inflation lead to a gradual recovery in domestic demand in the year's second half.

Italy's economic activity grew modestly, matching the Eurozone average, due to weak manufacturing and external demand. Services and tourism boosted growth, and falling inflation helped revive household spending.

China's moderate growth among emerging economies was aided by economic policy support and rising domestic consumption, despite ongoing issues in real estate and concerns about high debt. India continues to drive global growth due to robust domestic demand, infrastructure investment, and the rapid digitalisation of its economy.

The global economy is expected to remain largely steady in 2026. Inflation should keep falling slowly, while financial conditions are anticipated to improve at a modest pace. However, increased geopolitical tensions, greater fragmentation of global trade, and the expansion of restrictive trade and tariff policies among major economies pose risks. These factors may influence the stability of supply chains and international trade dynamics.

As highlighted in 2025, the market segments in which the Group operates are expected to grow in Europe and globally in the coming years. The nutraceutical segment focused on weight-control products is undergoing a transformation, driven by emerging trends in the customisation of food supplements to meet individual needs. This shift is redefining the sector, with its full effects being evaluated.

Meanwhile, the main players in the Health & Beauty sector are increasingly outsourcing, opting for integrated partners to develop and manufacture nutraceutical, pharmaceutical, and cosmetics solutions. This shift supports asset-light business models that emphasise advanced research and brand management.

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, serving as an Invisible Expert, with an evolved and integrated service model over shelf visibility that provides long-term strategic support, formulation innovation and distinctive expertise along the value chain in the Health & Beauty sectors. This approach turns complex issues into practical solutions, predicts trends, and creates unique, safe, high-performing products.

The Group keeps monitoring opportunities for external growth to enhance diversification in pharmaceutical forms and packing solutions.

The Nutra BU will keep focusing on quality, innovation and development of high value-added services to support customers. Following the contraction observed in 2025, modest growth is anticipated for the 2026 financial year. The first quarter is projected to experience a continued decline, with a gradual recovery expected over the rest of the year, consistent with the market dynamics. The expansion plan remains on track. It will increase production capacity and develop new forms and technologies to enhance the product range and sustain medium- to long- term growth.

The fast-growing Pharma Business Unit will remain focused on managing the significant increase in volumes, supported by multi-year agreements with major international customers and improvements to production processes at its facilities. Brembate's expanded plant has begun production after securing approval, with initial revenue expected in 2026.

Following a phase of integration, reorganisation, and optimisation, supported by targeted investments, a new cosmetics development laboratory and strengthened management, the Cosmetics BU continues to deliver positive results. Fine Cosmetics is projected towards a future of innovation and strategic partnerships in the international Beauty and Personal Care industry. Its contribution to the Group's development and growth is expected to strengthen in 2026.

Due to the nature of the business, Fine Foods Group's revenue may fluctuate each quarter and may not be comparable year-over-year. However, the order book, established multi-year contracts, and development pipeline indicate stable profit historical growth trends, supported by a strong and reliable organisation.

The Group, which obtained its EcoVadis Platinum rating for the third consecutive year in 2024, remains committed to sustainability, supported by enhancements to its organisational structure, strengthening its role as a reference partner for its customers, and providing solutions that are increasingly aligned with the growing ESG market expectations.

Verdellino, 12 March 2026

for the Board of Directors
Chairman

Marco Francesco Eigenmann

Certification of the 31 December 2025 Consolidated Financial Statements under Article 81-ter of Consob Regulation no. 11971 of 14 May 1999 and subsequent amendments and additions

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 practical application of the administrative and accounting procedures to prepare the Consolidated Financial Statements from 1 January to 31 December 2025.

The undersigned declare that:

- the Consolidated Financial Statements:
 - a) have been prepared under applicable International Accounting Standards, as adopted by the European Union through the (EC) Regulation no. 1606/2002 of the European Parliament and Council of 19 July 2002, the measures issued to implement Article 9 of Legislative Decree no. 38/2005, and the (EU) Commission Delegated Regulation no. 2019/815 of 17 December 2018 ("ESEF Regulation");
 - 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.
- The Report on Operations includes a reliable analysis of the progress and results of operations, the situation of the issuer and the companies included in the consolidation area, and a description of the principal risks and uncertainties to which it is exposed.

Verdellino-Zingonia, 12 March 2026

Managing Director
Pietro Oriani

The Manager
preparing the corporate
accounts
Pietro Bassani

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

Consolidated financial statements as at 31 December 2025

Independent auditor's report pursuant to article 14 of
Legislative Decree n. 39, dated 27 January 2010, and article
10 of EU Regulation n. 537/2014



Shape the future
with confidence

EY S.p.A.
Viale Papa Giovanni XXIII, 48
24121 Bergamo

Tel: +39 035 3592111
ey.com

Independent auditor's report pursuant to article 14 of Legislative Decree n. 39, dated 27 January 2010 and article 10 of EU Regulation n. 537/2014

(Translation from the original Italian text)

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

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Fine Foods Group (the Group), which comprise the consolidated statement of financial position as at 31 December 2025, and the consolidated statement of income, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the consolidated financial statements give a true and fair view of the financial position of the Group as at 31 December 2025, and of its financial performance and its cash flows for the year then ended in accordance with IFRS accounting standards issued by International Accounting Standards Board as adopted by the European Union and with the regulations issued for implementing art. 9 of Legislative Decree n. 38/2005.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISA Italia). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of Fine Foods & Pharmaceuticals N.T.M. S.p.A. in accordance with the regulations and standards on ethics and independence applicable to audits of financial statements under Italian Laws. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We identified the following key audit matters:

Key Audit Matter	Audit Response
Valuation of Goodwill	
The goodwill recognized as of 31 December 2025, and included within intangible assets,	Our audit procedures in response to this key audit matter included, among others:

EY S.p.A.
Sede Legale: Via Meravigli, 12 – 20123 Milano
Sede Secondaria: Via Lombardia, 31 – 00187 Roma
Capitale Sociale Euro 3.000.000 i.v.
Iscritta alla S.O. del Registro delle Imprese presso la CCIAA di Milano Monza Brianza Lodi
Codice fiscale e numero di iscrizione 00434000584 - numero R.E.A. di Milano 606158 - P.IVA 00891231003
Iscritta al Registro Revisori Legali al n. 70945 Pubblicato sulla G.U. Suppl. 13 - IV Serie Speciale del 17/2/1998

amounted to Euro 11,5 million and it was allocated to Cosmetic Cash Generating Unit (CGU).

The processes and methodologies used to determine the recoverable amount of each CGU, in terms of value in use, are based on complex assumptions that, due to their nature, imply the use of judgement by the Directors, in particular with reference to the allocation of the carrying value of assets and liabilities to each CGUs, the future cash flow forecasts during the period of the Group business plan, the determination of the normalized cash flows used to estimate terminal value and the long term growth and discount rates applied to the future cash flow forecasts.

Considering the level of judgement and complexity of the assumptions applied in estimating the recoverable amount of goodwill, we considered that this area represents a key audit matter.

The disclosures related to the valuation of goodwill is given in note “3.2 Goodwill” in the sections “1.4.1 Business combinations and goodwill” and lastly in paragraph “1.8.2 Estimates and assumptions”.

- understanding of the processes adopted by the Group in relation to the valuation of goodwill;
- validation of the CGUs perimeter and the allocation of the carrying value of assets and liabilities to each CGUs;
- assessment of future cash flows for the explicit period of Group business plan and the assumption used for the identification of normalized cash flows, including the consistency of the future cash flows forecasts of each CGU with the Group business plan;
- assessing discount and long-term growth rates.

In performing our analysis, we involved our experts in valuation techniques, who have independently performed their own calculation and sensitivity analyses of key assumptions in order to determine which changes in assumptions could materially impact the valuation of recoverable amount.

Lastly, we reviewed the adequacy of the disclosures made in the explanatory notes and related to these matters.

Responsibilities of Directors and Those Charged with Governance for the Consolidated Financial Statements

The Directors are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with IFRS accounting standards issued by International Accounting Standards Board as adopted by the European Union and with the regulations issued for implementing art. 9 of Legislative Decree n. 38/2005, and, within the terms provided by the law, for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The Directors are responsible for assessing the Group's ability to continue as a going concern and, when preparing the consolidated financial statements, for the appropriateness of the going concern assumption, and for appropriate disclosure thereof. The Directors prepare the consolidated financial statements on a going concern basis unless they either intend to liquidate the Parent Company Fine Foods & Pharmaceuticals N.T.M. S.p.A. or to cease operations, or have no realistic alternative but to do so.

The statutory audit committee (“Collegio Sindacale”) is responsible, within the terms provided by the law, for overseeing the Group’s financial reporting process.

Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing (ISA Italia) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with International Standards on Auditing (ISA Italia), we have exercised professional judgment and maintained professional skepticism throughout the audit. In addition:

- we have identified and assessed the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, designed and performed audit procedures responsive to those risks, and obtained audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- we have obtained an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group’s internal control;
- we have evaluated the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors;
- we have concluded on the appropriateness of Directors’ use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the financial statements or, if such disclosures are inadequate, to consider this matter in forming our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Group to cease to continue as a going concern;
- we have evaluated the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation;
- we have obtained sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We have communicated with those charged with governance, identified at an appropriate level as required by ISA Italia, regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We have provided those charged with governance with a statement that we have complied with the ethical and independence requirements applicable in Italy, and we have communicated them all matters that may reasonably be thought to bear on our independence, and where applicable, the actions taken to eliminate relevant risks or the safeguard measures applied.

From the matters communicated with those charged with governance, we have determined those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We have described these matters in our auditor's report.

Additional information pursuant to article 10 of EU Regulation n. 537/14

The shareholders of Fine Foods & Pharmaceuticals N.T.M. S.p.A., in the general meeting held on 30 April 2020, engaged us to perform the audits of the consolidated financial statements for each of the years ending 31 December 2020 to 31 December 2028.

We declare that we have not provided prohibited non-audit services, referred to article 5, par. 1, of EU Regulation n. 537/2014, and that we have remained independent of the Group in conducting the audit.

We confirm that the opinion on the consolidated financial statements included in this report is consistent with the content of the additional report to the audit committee (Collegio Sindacale) in their capacity as audit committee, prepared pursuant to article 11 of the EU Regulation n. 537/2014.

Report on compliance with other legal and regulatory requirements

Opinion on the compliance with Delegated Regulation (EU) 2019/815

The Directors of Fine Foods & Pharmaceuticals N.T.M. S.p.A. are responsible for applying the provisions of the European Commission Delegated Regulations (EU) 2019/815 for the regulatory technical standards on the specification of a single electronic reporting format (ESEF – European Single Electronic Format) (the “Delegated Regulation”) to the consolidated financial statements as of 31 December 2025, to be included in the annual financial report.

We have performed the procedures under the auditing standard SA Italia n. 700B, in order to express an opinion on the compliance of the consolidated financial statements as at 31 December 2025 with the provisions of the Delegated Regulation.

In our opinion, the consolidated financial statements as at 31 December 2025 have been prepared in the XHTML format in compliance with the provisions of the Delegated Regulation.

to certain technical limitations, some information included in the notes to the consolidated financial statements when extracted from the XHTML format to an XBRL instance may not be reproduced in an identical manner with respect to the corresponding information presented in the consolidated financial statements in XHTML.

Opinion and statement pursuant to article 14, paragraph 2, subparagraph e), e-bis) and e-ter) of Legislative Decree n. 39 dated 27 January 2010 and pursuant to article 123-bis, paragraph 4, of Legislative Decree n. 58, dated 24 February 1998

The Directors of Fine Foods & Pharmaceuticals N.T.M. S.p.A. are responsible for the preparation of the Report on Operations and of the Report on Corporate Governance and Ownership Structure of Fine

Foods Group as at 31 December 2025, including their consistency with the related consolidated financial statements and their compliance with the applicable laws and regulations.

We have performed the procedures required under audit standard SA Italia n. 720B, in order to:

- express an opinion on the consistency of the Report on Operations and of specific information included in the Report on Corporate Governance and Ownership Structure as provided for by article 123-bis, paragraph 4, of Legislative Decree n. 58, dated 24 February 1998, with the consolidated financial statements;
- express an opinion of the compliance with the laws and regulations of the Report on Operations, excluding the section related to the consolidated sustainability information, and the above mentioned specific information included in the Report on Corporate Governance and Ownership Structure pursuant article n. 123-bis, paragraph 4, of Legislative Decree n. 58, dated 24 February 1998;
- issue a statement on any material misstatement in the Report on Operations and in certain specific information contained in the Report on Corporate Governance and Ownership Structure pursuant article n. 123-bis, paragraph 4, of Legislative Decree n. 58, dated 24 February 1998.

In our opinion, the Report on Operations and the specific information contained in the Report on Corporate Governance and Ownership Structure pursuant article n. 123-bis, paragraph 4, of Legislative Decree n. 58, dated 24 February 1998, are consistent with the consolidated financial statements of Fine Foods Group as at 31 December 2025.

Furthermore, in our opinion, the Report on Operations, excluding the section related to the consolidated sustainability information, and the specific information contained in the Report on Corporate Governance and Ownership Structure pursuant article n. 123-bis, paragraph 4, of Legislative Decree n. 58, dated 24 February 1998, comply with the applicable laws and regulations.

With reference to the statement required by art. 14, paragraph 2, subparagraph e-ter), of Legislative Decree n. 39, dated 27 January 2010, based on our knowledge and understanding of the entity and its environment obtained through our audit, we have no matters to report.

Our opinion on compliance with applicable laws and regulations does not extend to the section of the Report on Operations related to consolidated sustainability information. The conclusion on the compliance of this section with the applicable standards governing its preparation criteria and the compliance with the disclosure requirements pursuant to article 8 of (EU) Regulation 2020/852 are formulated by us in the attestation report pursuant to article 14-bis of Legislative Decree No. 39 dated 27 January 2010.

Bergamo, 24 March 2026

EY S.p.A.

Signed by: Marco Malaguti, Auditor

As disclosed by the Directors on page 141, the accompanying consolidated financial statements of Fine Foods & Pharmaceuticals N.T.M. S.p.A. constitute a non-official version which is not compliant with the provisions of the Commission Delegated Regulation (EU) 2019/815. This independent auditor's 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.



EY S.p.A.
Via Rodolfo Vantini, 28
25126 Brescia

Tel: +39 030 2896111
Fax: +39 030 226326
ey.com

**Shape the future
with confidence**

Independent auditor's report on the limited assurance of the Consolidated Sustainability Statement in accordance with Article 14- bis of Legislative Decree n. 39, dated 27 January 2010 (Translation from the original Italian text)

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

Conclusions

We have been appointed to perform a limited assurance engagement pursuant to Articles 8 and 18, paragraph 1, of Legislative Decree n. 125 dated 6th September 2024 (hereinafter "Decree") on the Consolidated Sustainability Statement of Fine Foods & Pharmaceuticals N.T.M. S.p.A. and its subsidiaries (hereinafter "Group" or "Fine Foods Group") for the year ended on 31st December 2025, prepared in accordance with Article 4 of the Decree, included in the specific section of the consolidated management report.

Based on the procedures performed, nothing has come to our attention that causes us to believe that:

- the Fine Foods Group Consolidated Sustainability Statement for the year ended on 31st December 2025, has not been prepared, in all material respects, in accordance with the reporting principles adopted by the European Commission pursuant to European Directive 2013/34/EU (*European Sustainability Reporting Standards*, hereinafter also referred to as "ESRS");
- the information included in the paragraph "*Disclosure pursuant to Article 8 of Regulation (EU) 2020/852 (Taxonomy Regulation)*" of the Consolidated Sustainability Statement has not been prepared, in all material respects, in accordance with Article 8 of European Regulation n. 852 dated 18 June 2020 (hereinafter "Taxonomy Regulation").

Elements underlying the conclusions

We have performed a limited assurance engagement in accordance with the Sustainability Reporting Assurance Standard ("*Principio di Attestazione della Rendicontazione di sostenibilità*") – SSAE (Italy). The procedures performed in this type of engagement vary in nature and timing compared to those necessary for conducting an engagement aimed at obtaining a reasonable level of assurance and are also less extensive. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the level of assurance that would have been obtained if the engagement aimed to acquire a reasonable level of assurance. Our responsibilities under this Standard are further described in the section "*Auditor's responsibility for the Assurance on the Consolidated Sustainability Statement*" of this report.

We are independent in accordance with the standards and principles regarding ethics and independence applicable to the assurance engagement of the Consolidated Sustainability Statement according to Italian law.

Our audit firm applies the International Standard on Quality Control (ISQM Italy) 1, under which it is required to establish, implement, and operate a quality management system that includes instructions and procedures on compliance with ethical principles, professional principles, and applicable legal and regulatory provisions.

We believe we have obtained sufficient and appropriate evidence on which to base our conclusions.

Responsibility of Fine Foods & Pharmaceuticals N.T.M. S.p.A. Directors and Board of Statutory Auditors for the Consolidated Sustainability Statement

The Directors are responsible for the development and implementation of procedures used to identify the information included in the Consolidated Sustainability Statement in accordance with the requirements of the ESRS (hereinafter the "Materiality assessment process") and for the description of such procedures in the paragraph "Impact, risk and opportunity management" of the Consolidated Sustainability Statement.

The Directors are also responsible for the preparation of the Consolidated Sustainability Statement, which contains the information identified through the Materiality assessment process, in accordance with the requirements of Article 4 of the Decree, including:

- compliance with *ESRS*;
- compliance with Article 8 of the EU Taxonomy Regulation regarding the information contained in the paragraph "Disclosure under Article 8 of Regulation 2020/852".

This responsibility entails the establishment, implementation, and maintenance, as required by law, for that part of internal control that they consider necessary in order to allow the preparation of the Consolidated Sustainability Statement in accordance with the requirements of Article 4 of the Decree, free from material misstatements caused by fraud or not intentional behaviors or events. This responsibility also includes the selection and application of appropriate methods for processing the information as well as the development of assumptions and estimates regarding specific sustainability information that are reasonable under the circumstances.

The Board of Statutory Auditors is responsible, within the terms provided by the law, for overseeing the compliance with the requirements of the Decree.

Inherent limitations in the preparation of the Consolidated Sustainability Statement

As indicated in chapter "ESRS 2 General disclosures", paragraph "ESRS 2 – Drafting criteria", for the purpose of reporting prospective information in accordance with the ESRS, the Directors are required to prepare such information based on assumptions, described in the Consolidated Sustainability Statement, regarding events that may occur in the future and possible future actions by the Group. Due to the uncertainty associated with the realization of any future events, both concerning the occurrence itself and regarding the extent and timing of its occurrence, the variations between actual values and prospective information could be significant.

As indicated in the chapter "ESRS E1 Climate change", paragraph "Metrics and Targets" and chapter "ESRS 2 General disclosures" paragraph "ESRS 2 – Drafting criteria", the information related to Scope 3 greenhouse gas emissions is subject to greater inherent limitations compared to Scope 1 and 2, due to the limited availability and accuracy of the information used to define such information, both quantitative and qualitative, as well as due to reliance on data, information, and evidence provided by third parties.

Auditor's responsibility for the Assurance of the Consolidated Sustainability Statement

Our objectives are to plan and perform procedures to obtain a limited level of assurance that the Consolidated Sustainability Statement is free from material misstatements, due to fraud or not intentional behaviors or events, and to issue a report containing our conclusions. Errors may arise from fraud or not intentional behaviors or events and are considered significant if it can be reasonably expected that they, individually or in the aggregate, could influence the decisions made by users based on the Consolidated Sustainability Statement.

In the context of the engagement aimed at obtaining a limited level of assurance in accordance with the Sustainability Reporting Assurance Standard (*"Principio di Attestazione della Rendicontazione di Sostenibilità"*) – SSAE (Italy), we exercised professional judgment and maintained professional skepticism throughout the duration of the engagement.

Our responsibilities include:

- considering the risks to identify the information in which a significant error is likely to occur, whether due to fraud or not intentional behaviors or events;
- defining and performing procedures to verify the information in which a significant error is likely to occur. The risk of not detecting a significant error due to fraud is higher than the risk of not detecting a significant error arising from not intentional behaviors or events, as fraud may involve collusion, forgery, intentional omissions, misleading representations, or manipulation of internal controls;
- directing, supervising, and conducting the limited assurance of the Consolidated Sustainability Statement and assuming full responsibility for the conclusions regarding the Consolidated Sustainability Statement.

Summary of the work performed

An engagement aimed at obtaining a limited level of assurance involves performing procedures to obtain evidence as a basis for formulating our conclusions.

The procedures performed on the Consolidated Sustainability Statement were based on our professional judgment and included interviews, primarily with the company personnel responsible for preparing the information included in the Consolidated Sustainability Statement, as well as documents analysis, recalculations and other procedures aimed to obtain evidence considered appropriate.

In particular, we performed the following procedures, partly in a preliminary phase before the end of the year and subsequently in a final phase up to the date of issuance of this report:

- understanding the business model, the Group's strategies, and the context in which it operates concerning sustainability issues;
- understanding the processes underlying the generation, detection, and management of the qualitative and quantitative information included in the Consolidated Sustainability Statement, including the analysis of the reporting perimeter;
- understanding the process implemented by the Group for identifying and assessing relevant impacts, risks, and opportunities based on the principle of Double Materiality concerning sustainability issues and verifying the related information included in the Consolidated Sustainability Statement;
- identifying the information for which there is a likelihood of a significant error risk;

- defining and performing analytical and substantive procedures, based on our professional judgment, to address the identified significant error risks, including:
 - for the information collected at the Group level:
 - carrying out inquiries and document analysis regarding qualitative information, particularly policies, actions, and targets on sustainability issues, to verify consistency with the evidence collected;
 - performing analytical procedures and limited assurance procedures on a sample basis regarding quantitative information;
 - For the information collected at site level, site visit was held for Fine Foods & Pharmaceuticals N.T.M. S.p.A. (Zingonia/Verdellino plant) and Fine Cosmetics S.p.A. (Trenzano plant). These sites were selected based on their activities and their contribution to the Consolidated Sustainability Statement metrics. During these activities, we conducted interviews with Group personnel and obtained documentary evidence regarding the determination of the metrics.
- regarding the requirements of Article 8 of the EU Taxonomy Regulation, understanding the process implemented by the Group to identify eligible economic activities and determine their aligned nature based on the provisions of the EU Taxonomy Regulation, and verifying the related information included in the Consolidated Sustainability Statement;
- cross-checking the information reported in the Consolidated Sustainability Statement with the information contained in the consolidated financial statements in accordance with the applicable financial reporting framework or with the accounting data used for the preparation of the consolidated financial statements or with the management data of an accounting nature;
- verifying the structure and presentation of the information included in the Consolidated Sustainability Statement in accordance with the ESRS;
- obtaining the representation letter.

Bergamo, 24th March 2026

EY S.p.A.

Signed by: Marco Malaguti (Auditor)

This report has been translated into the English language solely for the convenience of international readers.

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

Registered office in Verdellino (BG) Via Berlino 39

Share capital € 22,770,445.02 fully paid-up

Bergamo Companies Register no. 09320600969

**Board of Statutory Auditors Report under Art. 2429 of the Italian Civil Code and
Art. 153 of Legislative Decree no. 58/1998
to the Shareholders' Meeting of Fine Foods & Pharmaceuticals N.T.M. S.p.A.**

* * * *

Dear Shareholders,

With this Report, drawn up under Art. 153 of Legislative Decree no. 58/98 and Art. 2429 of the Italian Civil Code, the Fine Foods & Pharmaceuticals N.T.M. S.p.A. Board of Statutory Auditors reported on its activities during the financial year ended 31 December 2025.

The Board of Statutory Auditors was appointed by the Shareholders' Meeting of Fine Foods & Pharmaceuticals N.T.M. S.p.A. held on 29 May 2024 for a three-year term and comprises the following Statutory Auditors: Guido Croci (Chairman), Ottavia Alfano and Massimo Pretelli.

The Board of Statutory Auditors serves as the Internal Control and Audit Committee, under Art. 19 of Legislative Decree no. 39/2010. In this capacity, it is entrusted with supervisory and monitoring tasks concerning financial reporting and auditing matters, given that the Company has adopted a traditional governance model.

Under Art. 144-*quinduesdecies* of the Issuers' Regulations, the list of offices held by members of the Board of Statutory Auditors at the companies referred to in Book V, Title V, Chapters V, VI and VII of the Italian Civil Code, is published by CONSOB on its website, provided that disclosure obligations apply (Article 144-*quaterdecies*, final paragraph).

The Board of Statutory Auditors composition complies with the requirements for gender and generational diversity laid down in Art. 148 of Legislative Decree no. 58/98.

The Board has assessed its compliance with the criteria of independence, professionalism, and integrity applicable to its members, under Art. 148 of Legislative Decree no. 58/1998. This was carried out through a self-assessment process, to evaluate the soundness and effectiveness of its operations. The outcome of this assessment was submitted to the Board of Directors.

1. Regulatory and ethical framework

During the financial year ended 31 December 2025, the Board of Statutory Auditors performed its supervisory duties under Art. 149 of Legislative Decree no. 58/1998, following the Rules of Conduct of the Board of Statutory Auditors of Listed Companies issued by the National Council of Chartered Accountants and Accounting Professionals, and CONSOB recommendations regarding corporate control systems and the role of the Board of Statutory Auditors, as Fine Foods & Pharmaceuticals N.T.M. S.p.A. is an issuing company listed on the Euronext Milan STAR segment of Borsa Italiana.

2. Monitoring compliance with legal requirements, the Articles of Association, and adherence to sound management principles

During the financial year ended 31 December 2025, the Board of Statutory Auditors has fulfilled its legal and regulatory duties, monitoring compliance with the law, Company's articles of association, and sound management principles.

The Board attended the Shareholders' Meetings held on 28 February 2025 and 17 April 2025, the nine meetings of the Board of Directors held in 2025, and the three Board meetings held so far in 2026. It acquired information on the general management and outlook of the business, and the most significant economic, financial, and capital transactions carried out by the Company and its subsidiary.

The Board participated in the meetings of the Control, Risk and Related Party Transactions Committee, Remuneration Committee, and Environmental, Social and Governance (ESG) Committee.

The Board of Statutory Auditors held 11 meetings in 2025 and four meetings in 2026 to date.

Based on the information obtained during our supervision, we acknowledge that the actions of the Board of Directors appeared to be guided by informed judgement. The transactions resolved were not manifestly imprudent, risky, or inconsistent with the resolutions of the Shareholders' Meeting, and did not jeopardise the integrity of corporate assets. The most significant transactions undertaken during the period are appropriately detailed, including the methods and rationale, in the Report on Operations, to which we refer.

We monitored the application of the criteria and procedures adopted by the Board of Directors in assessing the independence of directors, implementation of gender diversity requirements, under the Corporate Governance Code promoted by Borsa Italiana S.p.A..

The Company adopted a Procedure for Related Party Transactions, which includes establishing a Control, Risk and Related Party Transactions Committee, under regulatory requirements. No transactions were identified with third parties, Group companies or related parties that, by their nature or size, could be

considered atypical or non-recurring. For ordinary intra-group and related party transactions, we verified the existence of, and compliance with, appropriate procedures to ensure they were carried out under normal market conditions and in the Company's best interests.

During its supervisory activities, the Board of Statutory Auditors did not encounter any omissions, objectionable facts, irregularities or significant issues that would warrant reporting in this document.

The Board of Statutory Auditors did not receive any complaints under Art. 2408 of the Italian Civil Code, or reports.

Following the entry into force of Legislative Decree no. 125/2024, which implements EU Directive 2022/2464, the Sustainability Report was included in a dedicated section of the Report on Operations. This requires certification of compliance with reporting standards by an appointed Sustainability Auditor. The Shareholders' Meeting appointed EY S.p.A. as auditor until the financial statements as of 31 December 2026 are approved.

3. Adequacy of the organisational structure, administrative, accounting and internal control systems

Within the limits of our responsibilities, we monitored the adequacy of the Company's organisational structure, corporate risk assessment system, and compliance with the principles of sound management. This was carried out through direct observation, the acquisition of information from department heads, and meetings with the Auditing Company to enable an exchange of relevant data and insights.

We evaluated the effectiveness of the internal control system and administrative-accounting framework, and its reliability in accurately representing management events. This was based on direct observation, interviews with relevant personnel, including the Head of Internal Control, and meetings with the Auditing Company to enable an exchange of relevant data and insights. We reviewed the reports issued by the Supervisory Body and the activities conducted to verify compliance with the "Organisation, Management and Control System" requirements and operation under Legislative Decree no. 231/2001. No critical issues requiring disclosure have emerged.

We monitored the Company's application of the corporate governance rules outlined in its Corporate Governance Code.

No significant events emerged during the supervisory activity that would require reporting.

We did not submit any reports to the governing body under Art. 15 of Decree Law no. 118/2021, or Art. 25-octies of Legislative Decree no. 14 of 12 January 2019. We did not receive any reports from public creditors under Art. 25-novies of Legislative Decree no. 14 of 12 January 2019 or Art. 30-sexies of Decree Law no. 152

of 6 November 2021, converted into Law no. 233 of 29 December 2021, as amended.

4. Observations on the Financial Statements and Consolidated Financial Statements

The Board of Statutory Auditors examined the draft separate and consolidated Financial Statements for the financial year ending 31 December 2025, which were made available within the legal deadlines. We report as follows:

- since we are not responsible for a detailed review of the content of the draft separate and consolidated Financial Statements, we have monitored compliance with procedural requirements relating to their preparation, and the general approach adopted, within the limits of our responsibilities under Art. 149 of Legislative Decree no. 58/98. We verified compliance of the separate Financial Statements with the legal provisions governing their preparation and presentation. The Board of Statutory Auditors checked that they matched the facts and information of which it became aware due to the performance of its duties. We have no remarks to report;
- we acknowledged what stated by the Managing Director and Manager responsible for preparing the Company's accounting and corporate documents on the adequacy of the administrative and accounting procedures for the preparation of the separate and consolidated Financial Statements;
- during our meetings with the independent auditors, we were not informed of any facts that could be considered objectionable in relation to the statutory audit of the separate and consolidated Financial Statements;
- under Art. 6, paragraph 2, letter a) of Regulation (EU) no. 537/2014, we received the annual independence letter from EY S.p.A.;
- we verified compliance with the statutory requirements concerning the preparation of the Report on Operations. We note that, under Legislative Decree No. 125 of 6 September 2024, the Sustainability Report was included in a dedicated section of the Report on Operations. The Board of Statutory Auditors monitored the organisational process for its preparation through discussions with the relevant internal department, Environment, Social and Governance (ESG) Committee, and Auditing Company, overseeing compliance with the above decree.

The appointed Auditing Company, EY S.p.A. has today issued its audit report on the separate and consolidated Financial Statements for the year ended 31 December 2025 and the related Report on Operations. This confirms that the 31 December 2025 Financial Statements comply with International Financial Reporting Standards (IFRS) without requests of information and provide a true and fair view of the Company's capital

and financial position, performance, and cash flows. The report identified the Key Audit Matters.

In its additional role as sustainability auditor, EY S.p.A. has today issued its report on the consolidated sustainability report for the financial year ended 31 December 2025. This confirms that the document is compliant with the sustainability reporting standards adopted by the European Commission under Directive 2013/34/EU. It attests to the conformity of the information disclosed under the "Disclosure under Art. 8 of Regulation (EU) 2020/852" paragraph within the consolidated sustainability report, and Art. 8 of EU Taxonomy Regulation of 18 June 2020.

5. Conclusions

Considering the conclusions drawn by the Auditing Company in its report on the separate and consolidated Financial Statements, and the summary of the supervisory activities carried out during the 2025 financial year, the Board of Statutory Auditors did not identify any concerns, omissions, objectionable facts, or irregularities. Within the limits of its responsibilities, the Board has no comments or suggestions to make under Art. 153 of Legislative Decree no. 58/98 regarding the separate and consolidated Financial Statements for the year ending 31 December 2025. It expresses a positive opinion regarding the Report on Operations consistency with the separate Financial Statements for the same period, and certain details found in the Report on Corporate Governance and Ownership Structure mentioned in Article 123-bis Legislative Decree No. 58 of 24 February 1998, confirming the documents comply with legal requirements.

The Board of Statutory Auditors finds no reason to oppose approval of the Financial Statements for the year ended 31 December 2026 or the profit allocation proposed by the Board of Directors.

Milan, 24 March 2026.

The Board of Statutory Auditors

Guido Croci

Ottavia Alfano

Massimo Pretelli

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 Registration no. 09320600969
Registered in the Bergamo REA no. 454184
Subscribed share capital €22,770,445.02 fully paid-up
VAT no. 09320600969*



**FINANCIAL STATEMENTS
AS OF 31 December 2025**

Prepared under the International Accounting Standards issued by the IASB, and the SIC and IFRIC interpretations issued by the International Financial Reporting Interpretations Committee, which have been endorsed under the procedure set out in Article 6 of (EC) Regulation no. 1606 of 19 July 2002

Unless otherwise specified, amounts shown in the tables and explanatory notes are stated in Euro and rounded to the nearest Euro.

Table of contents	
Income Statement	4
Comprehensive income statement	4
Statement of financial position	5
Cash Flow Statement	6
Shareholders' Equity Changes Statement	7
FINANCIAL STATEMENTS AS OF 31 DECEMBER 2025	8
1. Corporate information 8	
1.1 Significant events for the period	8
1.2 Going concern	8
1.3 Accounting principles	8
1.4 Classification criteria	9
1.5 Summary of significant accounting policies	9
1.6 Capital management	20
1.7 Financial risk management	20
1.8 Discretionary evaluations and significant accounting estimates	27
INCOME STATEMENT	29
2.1 Revenue from contracts with customers	29
2.2 Other revenue and income	29
2.3 Costs for raw materials, change in inventories of finished goods and work in progress.	30
2.4 Personnel costs	30
2.5 Costs for services	30
2.6 Other operating costs	31
2.7 Amortisation, depreciation, and impairment losses	31
2.8 Changes in Fair Value on financial assets and liabilities	32
2.9 Equity investment income and charges	32
2.10 Financial income	32
2.11 Financial charges	33
2.12 Income tax	33
BALANCE SHEET	33
ASSETS	33
3.1 Property, plant and machinery	34
3.2 Other intangible fixed assets	34
3.3 Leases	35
3.4 Investments	35
3.5 Non-current financial assets	36
3.6 Other non-current assets	37
3.7 Deferred tax assets	37

3.8	Provision for deferred taxes	37
3.9	Inventories	37
3.10	Trade receivables	38
3.11	Tax receivables	39
3.12	Other current assets	39
3.13	Current financial assets	40
3.14	Cash and other liquid assets	40
SHAREHOLDERS' EQUITY		40
4.1	Shareholders' equity	40
LIABILITIES		41
4.2	Non-current bank borrowings	41
4.3	Current bank borrowings	42
4.4	Employee benefits	43
4.5	Provision for risks and charges	44
4.6	Trade payables	44
4.7	Taxes payable	45
4.8	Other current liabilities	45
5.	Other information	45
5.1	Commitments and guarantees	45
5.2	Contingent liabilities	46
5.3	Grants, contributions and similar	46
5.4	Related party transaction information	46
5.5	Events after the Financial Statements date	46
5.6	Business outlook	46
5.7	Proposed allocation of the operating result	47
Certification of the 31 December 2025 Financial Statements under Article 81-ter of Consob Regulation no. 11971 of 14 May 1999 and subsequent amendments and additions		48

Income Statement

		Year ended 31 December	Year ended 31 December
	Notes	2025	2024
Revenue and income			
Revenue from contracts with customers	2.1	221,273,523	217,971,583
Other revenue and income	2.2	1,096,633	1,063,687
Total revenue		222,370,156	219,035,270
Operating costs			
Costs for consumption of raw materials, change in inventories of finished goods and work in progress.	2.3	121,425,855	124,970,498
Personnel costs	2.4	45,366,320	41,461,647
Costs for services	2.5	21,186,996	19,915,980
Other operating costs	2.6	1,196,480	1,810,355
Amortisation, depreciation, and impairment losses	2.7	15,407,111	13,312,217
Total operating costs		204,582,762	201,470,697
Operating result		17,787,395	17,564,573
Changes in fair value of financial assets and liabilities	2.8	-	(12,881)
Equity investment income and charges	2.9	(6,829,643)	-
Financial income	2.10	602,369	1,261,200
Financial charges	2.11	(2,767,848)	(3,128,364)
Income before taxes		8,792,272	15,684,527
Income taxes	2.12	3,402,584	3,647,029
Profit/(loss) for the financial year		5,389,688	12,037,498

Comprehensive income statement

		Year ended 31 December	Year ended 31 December
	Notes	2025	2024
Profit/(loss) for the financial year (A)		5,389,688	12,037,498
Components that will not be subsequently reclassified to profit/(loss) for the financial year			
Revaluation of net employee benefit liabilities/assets	4.4	7,349	9,319
Tax effect		(1,764)	(2,237)
Other comprehensive income (B) components		5,585	7,082
Comprehensive profit/(loss) (A+B)		5,395,273	12,044,580

Statement of financial position

		As of 31 December	As of 31 December
(amounts in € units)	Notes	2025	2024
Assets			
Non-current assets			
Property, plant and machinery	3.1	129,015,403	110,796,803
Other intangible fixed assets	3.2	1,759,264	1,306,429
Rights of use	3.3	474,460	143,733
Investments	3.4	18,122,351	24,951,994
Non-current financial assets	3.5	11,000,000	11,000,000
Other non-current assets	3.6	313,939	583,749
Deferred tax assets	3.7	1,032,979	2,551,438
Total non-current assets		161,718,396	151,334,146
Current assets			
Inventories	3.9	30,043,750	27,697,069
Trade receivables	3.10	30,755,592	32,644,644
Tax receivables	3.11	30,746	-
Other current assets	3.12	6,539,066	7,243,968
Current financial assets	3.13	405,059	786,107
Cash and other liquid assets	3.14	37,294,094	15,506,069
Total current assets		105,068,306	83,877,856
Total assets		266,786,702	235,212,002
Shareholders' equity			
Share Capital	4.1	22,770,445	22,770,445
Other reserves	4.1	113,841,997	109,814,917
Employee benefit reserve	4.1	29,575	23,990
FTA reserve	4.1	(6,669,789)	(6,669,789)
Profits carried forward	4.1	-	-
Profit/(loss) for the financial year	4.1	5,389,688	12,037,498
Total Shareholders' Equity		135,361,916	137,977,061
Non-current liabilities			
Non-current bank borrowings	4.2	69,825,752	30,799,769
Employee benefits	4.4	667,507	788,435
Provision for risks and charges	4.5	2,710,805	1,600,000
Provision for deferred taxes	3.8	10,140	9,213
Non-current lease payables	3.3	353,375	97,263
Total non-current liabilities		73,567,579	33,294,680
Current liabilities			
Current bank borrowings	4.3	10,479,846	17,028,200
Trade payables	4.6	30,928,827	33,064,252
Taxes payable	4.7	995,522	219,112
Current lease payables	3.3	125,838	49,090
Other current liabilities	4.8	15,327,174	13,579,607
Total current liabilities		57,857,207	63,940,261
Total Shareholders' equity and Liabilities		266,786,702	235,212,002

Cash Flow Statement

Year ended 31 December			
(amounts in € units)	Notes	2025	2024
PROFIT/(LOSS) FOR THE FINANCIAL YEAR		5,389,688	12,037,498
Adjustments to reconcile profit after tax with net cash flows:			
Depreciation and impairment of property, plant and machinery	2.7	14,565,312	12,561,544
Amortisation and impairment of intangible fixed assets	2.7	754,597	701,440
Amortisation of rights of use	2.7	87,202	49,233
Investment write-down	2.9	6,829,643	-
Financial income	2.10	(602,369)	(1,261,200)
Financial charges	2.11	2,760,588	3,122,932
Changes in fair value of financial assets and liabilities	2.8	-	12,881
Financial charges on financial liabilities for leases	2.11,3.3	7,260	5,433
Income taxes	2.12	1,901,006	952,274
Gains on the disposal of property, plant and machinery	2.2	(82,505)	8,820
Current assets write-downs	3.9,3.10	1,205,780	374,268
Net change in severance indemnity and pension funds	4.4	(137,627)	(82,526)
Net change in provisions for risks and charges	4.5	1,110,805	1,600,000
Net change in deferred tax assets and liabilities	3.7,3.8	1,623,707	2,771,088
Interest paid	2.11	(2,141,432)	(1,840,619)
Income taxes paid	2.12	(1,139,299)	(1,259,340)
Changes in working capital:			
(Increase)/decrease in inventories	3.9	(3,393,544)	6,182,437
(Increase)/decrease in trade receivables	3.10	1,730,136	(2,794,833)
(Increase)/decrease in other non-financial assets and liabilities	3.6,3.11,3.12,4.7,4.8	2,600,151	1,324,048
Increase/(decrease) in trade payables	4.6	(2,135,425)	6,557,436
NET CASH FLOWS FROM OPERATING ACTIVITIES		30,933,673	41,022,813
Investments:			
Investments in tangible fixed assets	3.1	(32,831,817)	(32,344,993)
Disposal of tangible fixed assets	3.1	130,412	145,880
Investments in intangible fixed assets	3.2	(1,207,434)	(700,856)
Net (investments)/disposals in financial assets	3.13,2.8,2.10	381,048	3,089,095
NET CASH FLOWS FROM INVESTMENTS		(33,527,791)	(29,810,874)
Financing:			
New financing	4.2,4.3	70,607,256	424,887
Funding repayment and bonds	4.2,4.3	(38,129,627)	(10,074,306)
Principal payments - lease liabilities	3.3	(85,069)	(47,807)
Dividends paid to the Parent Company's shareholders	4.1	(3,427,544)	(2,937,895)
Sale/(purchase) of treasury shares	4.1	(4,582,874)	(118,327)
CASH FLOWS FROM FINANCING		24,382,143	(12,753,449)
NET CHANGE IN CASH AND CASH EQUIVALENTS		21,788,025	(1,541,510)
Cash and short-term deposits as of 1 January		15,506,069	17,047,578
Cash and short-term deposits as of 31 December		37,294,094	15,506,069

Shareholders' Equity Changes Statement

	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 31 December 2023	4.1	22,770,445	5,000,000	(14,021,029)	29,741,389	86,743,750	1,532,549	11,311,789	(6,669,789)	16,908	-	(7,437,309)	128,988,702
Profit/(loss) for the financial year												12,037,498	12,037,498
Other income statement components										7,082			7,082
Comprehensive profit/(loss)		-	-	-	-	-	-	-	-	7,082	-	12,037,498	12,044,580
Dividends					(2,937,895)								(2,937,895)
Purchase of treasury shares				(118,327)									(118,327)
Allocation of the 2023 financial year result					(7,437,309)							7,437,309	-
Balance as of 31 December 2024	4.1	22,770,445	5,000,000	(14,139,356)	19,366,185	86,743,750	1,532,549	11,311,789	(6,669,789)	23,990	-	12,037,498	137,977,061
Profit/(loss) for the financial year												5,389,688	5,389,688
Other income statement components										5,585			5,585
Comprehensive profit/(loss)		-	-	-	-	-	-	-	-	7,082	-	5,389,688	5,395,273
Dividends					(3,427,544)								(3,427,544)
Purchase of treasury shares				(4,582,874)									(4,582,874)
Allocation of the 2024 financial year result							12,037,498					(12,037,498)	-
Balance as of 31 December 2025	4.1	22,770,445	5,000,000	(18,722,230)	15,938,641	86,743,750	13,570,047	11,311,789	(6,669,789)	29,575	-	5,389,688	135,361,916

FINANCIAL STATEMENTS AS OF 31 DECEMBER 2025

1. Corporate information

Fine Foods & Pharmaceuticals N.T.M. S.p.A. 31 December 2025 Financial Statements were approved by the Board of Directors on 12 March 2026.

Fine Foods & Pharmaceuticals N.T.M. S.p.A. (hereafter referred to as "Fine Foods" and/or the "Company"), registered and domiciled in Bergamo, is a joint-stock company, with its registered office in Via Berlino 39, Verdellino - Zingonia (BG) in Italy. Fine Foods, listed on the STAR segment of the MTA of Borsa Italiana, is an Italian independent Contract Development & Manufacturing Organisation (CDMO).

These Financial Statements have been drawn up in Euro.

The accompanying financial statements of Foods & Pharmaceuticals N.T.M. S.p.A. constitute a non-official version which is not compliant with the provisions of the Commission Delegated Regulation (EU) 2019/815.

1.1 Significant events for 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.

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 24 October 2025, the Italian Medicines Agency (AIFA) renewed the Parent Company Fine Foods' manufacturing authorisation for medicinal products under Good Manufacturing Practice (GMP), extending its scope to include the new expansion of the Brembate pharmaceutical facility.

On 30 October 2025, the Parent Company Fine Foods signed a new medium-to-long-term loan agreement with Intesa Sanpaolo S.p.A. for €30 million, with due date in 2029, to support the Group's three-year investment plan.

On 25 February 2022, Intesa Sanpaolo and the Parent Company Fine Foods signed a seven-year €70 million financing transaction. The Company made an early €20 million loan repayment in 2023. The Parent Company fully repaid its debt early in December 2025.

1.2 Going concern

These Financial Statements have been prepared on a going concern basis.

1.3 Accounting principles

1.3.1 Principles followed when preparing the Financial Statements

The Financial Statements for the year ended 31 December 2025 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 effective at the end of the financial year. All of the above standards and interpretations are hereafter referred to as "IAS/IFRS".

1.3.2 Financial Statements content and format

The formats adopted by the Company and under IAS 1 are as follows:

- **Statement of financial position:** through the separate presentation of current/non-current assets and liabilities, as specified in paragraph 1.7 below. "Classification criteria"
- **Income statement:** shows the items by nature and provides the most explanatory information.
- **Comprehensive Income Statement:** includes other income and charge items allowed to be booked in equity under IAS/IFRS.
- **Cash Flow Statement:** shows the cash flows of operating, investing and financing activities as required by IAS 7.
- **Shareholders' Equity Changes Statement:** shows the overall result for the year and further movements in the Company's risk capital.

1.4 Classification criteria

1.4.1 Current/non-current classification

Assets and liabilities in the Company'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:

- it 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 Company classifies other liabilities as non-current.

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

The income statement is classified by nature, as it is considered that this representation is the one that best provides a fair view of the Company's operations.

The Company has decided to present two separate statements, an income statement and other comprehensive income statement (OCI), rather than a single statement combining the two.

The statement of cash flows is presented using the indirect method.

1.5 Summary of significant accounting policies

1.5.1 Fair value measurement

The Company measures financial instruments such as derivatives 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 Company.

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 Company 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 balance sheet date, the Company'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.

With external experts' support, Management compares 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 Company 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 31 December 2025 and 31 December 2024.

31 December 2025	Total	Book value	Fair value level 1	Fair value level 2	Fair value level 3
Financial assets					
Non-current financial assets	11,000,000	11,000,000	11,000,000		
Current financial assets	405,059	405,059	405,059		
Cash and other liquid assets	37,294,094	37,294,094	37,294,094		
Total financial assets	48,699,152	48,699,152	48,699,152	-	-
Financial liabilities					
Non-current bank borrowings	69,825,752	69,825,752		69,825,752	
Current bank borrowings	10,479,846	10,479,846		10,479,846	
Non-current lease payables	353,375	353,375		353,375	
Current lease payables	125,838	125,838		125,838	
Total financial liabilities	80,784,812	80,784,812	-	80,784,812	-

31 December 2024	Total	Book value	Fair value level 1	Fair value level 2	Fair value level 3
Financial assets					
Non-current financial assets	11,000,000	11,000,000	11,000,000		
Current financial assets	786,107	786,107	786,107		
Cash and other liquid assets	15,506,069	15,506,069	15,506,069		
Total financial assets	27,292,175	27,292,175	27,292,175	-	-
Financial liabilities					
Non-current bank borrowings	30,799,769	30,799,769		30,799,769	
Current bank borrowings	17,028,200	17,028,200		17,028,200	
Non-current lease payables	97,263	97,263		97,263	
Current lease payables	49,090	49,090		49,090	
Total financial liabilities	47,974,322	47,974,322	-	47,974,322	-

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

1.5.2 Revenue from contracts with customers

Fine Foods & Pharmaceuticals N.T.M. S.p.A., deals with the contract development and manufacturing (contract development and manufacturing organization - CDMO) of oral solid forms for the pharmaceutical and nutraceutical industries.

Revenue from contracts with customers is recorded when control of the goods is transferred to the customer, generally upon delivery, for an amount corresponding to the Company's expected consideration in exchange for such assets.

The Company considers whether other promises in the contract represent contractual obligations on which a portion of the transaction consideration is to be allocated. In defining the product sale transaction price, the Company considers any effect of variable consideration and significant financial components.

If the consideration promised in the contract includes a variable amount, the Company estimates the variable consideration when the contract is signed. This amount is not recorded until it is highly probable that it will be paid considering what has been agreed.

1.5.3 Income taxes

Current taxes

Current tax assets and liabilities for the year are measured at the amount expected to be recovered or paid to the tax authorities. The tax rates and regulations used to calculate the amount are enacted or substantively enacted at the Financial Statements date in the country where the Company operates and generates its taxable income.

Current taxes related to items booked directly in equity are recorded in equity and not in profit/(loss) for the year. Management periodically assesses the tax return position in cases where tax rules are subject to interpretation and, where appropriate, makes provisions.

Deferred taxes

Deferred taxes are calculated by applying the liability method to temporary differences at the Financial Statements date between the assets and liabilities tax values and their corresponding book values.

Deferred tax liabilities are recorded for all temporary taxable differences, with the following exceptions:

- deferred tax liabilities arising from the initial recording of goodwill or an asset or liability in a transaction that is not a business combination and, at the transaction time, affects neither The Financial Statements result nor the tax result;
- the reversal of temporary taxable differences associated with investments in subsidiaries, associates and joint ventures can be controlled, and it will probably not occur in the foreseeable future.

Deferred tax assets are recorded for temporary deductible differences and unused tax receivables and losses carried forward to the extent that it is probable sufficient future taxable income will be available against which the temporary deductible differences and tax receivables and losses carried forward can be used. Unless:

- the deferred tax asset associated with deductible temporary differences arises from the initial recording of an asset or liability in a transaction that is not a business combination and, at the transaction time, affects neither the Financial Statements result nor the tax result;
- for deductible temporary differences associated with investments in subsidiaries, associates and joint ventures, deferred tax assets are recorded to the extent that it is probable that they will reverse in the foreseeable future and there will be sufficient taxable income to allow for temporary differences to be recovered.

The book value of deferred tax assets is reviewed at each Financial Statements date and reduced to the extent that it is no longer probable that sufficient taxable income will be available in the future to allow that credit's use. Unrecorded deferred tax assets are reviewed at each Financial Statements date and recorded to the extent that it is probable sufficient taxable income will be available to allow the recovery of those deferred tax assets.

Deferred tax assets and liabilities are measured at the tax rates that are expected to be applied when the assets are realised or liabilities settled, considering the rates that have been enacted or substantively enacted at the Financial Statements date.

Deferred taxes for items recorded outside the income statement are recorded outside the income statement, in the equity or the comprehensive income statement, alongside the item they relate.

Tax benefits acquired due to a business combination but which do not meet the criteria for separate recording at the acquisition date are recorded when new information about changes in facts and circumstances is obtained. If recorded during the valuation period, the adjustment is booked as a reduction in goodwill (up to the goodwill amount). If recorded later it is booked in the income statement.

The Company offsets deferred tax assets and liabilities only if there is a legal right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to income taxes owed to the same taxation authority by the same taxpayer or different taxpayers who intend to settle current tax assets and liabilities on a net basis.

Indirect taxes

Costs, revenue, assets and liabilities shall be recorded net of indirect taxes, such as value-added tax, with the following exceptions:

- the tax applied to goods or services purchase is non-deductible; in this case, it is recorded as part of the asset purchase cost or part of the cost booked in the income statement;
- trade receivables and payables include the applicable indirect tax.
- The net amount of indirect taxes to be recovered or paid to the tax authorities was included in the Financial Statements under receivables or payables.

1.5.4 Foreign currency transactions and balances

Any foreign currency transactions are initially recorded in the functional currency by applying the spot exchange rate at the transaction's date.

Monetary foreign currency assets and liabilities are translated into the functional currency at the exchange rate at the Financial Statements date.

Exchange differences or those arising from the translation of monetary items are recorded in the income statement. Taxes attributable to exchange differences on monetary items are recorded in the comprehensive income statement. Non-monetary items valued using foreign currency historical costs are translated at the exchange rates at the transaction's initial recording date. Non-monetary items valued using foreign currency fair value are translated at the exchange rates at the date this value was determined. A gain or loss that arises from the translation of non-monetary items is treated consistently with the recording of gains and losses based on the fair value change of those items (i.e. translation differences on items whose fair value change is recorded in the comprehensive income statement or income statement are respectively booked in the comprehensive income statement or income statement).

1.5.5 Dividends

The Company books a liability for a dividend payment when the distribution is authorised and is not at the Company's discretion. Under European corporate law, distribution is authorised when shareholders approve it. Recording under liabilities is offset by a reduction in shareholders' equity to the reserve indicated in the shareholders' meeting minutes.

1.5.6 Property, plant and machinery

Property under construction is recorded at historical cost net of any accumulated impairment losses. Property, plant and machinery are recorded at historical cost net of accumulated depreciation and accumulated impairment losses. This cost includes expenses for replacing part of the plant and machinery when they are incurred if they meet the booking criteria. When it is necessary to replace plant and machinery significant parts regularly, the Company depreciates them separately over their useful life. Similarly, during major overhauls, the cost is included in the plant or machinery book value as in replacements, if booking criteria are met. All other repair and maintenance costs are recorded in the income statement when incurred. The costs for dismantling and removing an asset at the end of its useful life were included in the asset cost, if the criteria for recognising a provision were met.

Depreciation is calculated on a straight-line basis over the asset's estimated useful life as follows:

Table of depreciation rates		
	Nutra	Pharma
Industrial buildings based on their type	3%	5.50%
Light construction	10%	10%
Generic plant, based on their type	7.50%	10%
Specific plant and machinery, based on their type	14%	12%
Industrial and commercial equipment, based on their type	20%	40%
Other assets: Furniture and furnishings	12%	12%
Other assets: Electronic office machines	20%	20%
Other assets: Transport vehicles	20%	20%

Other assets: Cars	25%	25%
--------------------	-----	-----

The book value of a property, plant and machinery item and any significant component initially recorded is cancelled at the time of its disposal or when no future financial benefit is expected from its use or disposal. The gain or loss arising on the asset cancellation (calculated as the difference between the asset's net book value and the consideration received) is recorded in the income statement when the item is cancelled.

The property, plant and machinery residual values, useful lives and depreciation methods are reviewed at the end of each reporting period and, where appropriate, prospectively adjusted.

1.5.7 Leases

At each contract stipulation, the Company assesses whether the contract meets a lease's definition under the standard. The definition of a contractual agreement as a lease (or containing a lease transaction) is based on the substance of the agreement and requires an assessment of whether the agreement performance depends on the use of one or more specific assets, or transfers financial benefits arising from the asset's use to another party.

The Company as lessee

For each contract that meets the lease definition or contains a lease, the Company accounts for a Right of Use and a Financial Liability, equal to the current value of the future lease payments plus the initial direct costs, obligations to return the asset to its original condition less any incentive paid to the supplier.

Financial charges are allocated to the income statement.

Leased assets are depreciated over the lease duration.

The entity records the following in its Financial Statements:

- a financial liability, equal to the current value of residual future payments at the transition date, which are discounted using the incremental borrowing rate applicable at the transition date for each contract;
- a right of use equal to the financial liability value net of any accruals and deferrals referring to the lease and recorded in the balance sheet at the date of these Financial Statements.

Although their value is negligible, the Company has recorded the expenses for improvement works carried out on leased properties, when they meet the requirements to be capitalised, within the right of use, depreciating them based on the residual useful life of each contract.

In adopting IFRS 16, the Company used the exemption granted by the standard for short-term leases (contracts lasting less than a year) for all classes of assets and low-value assets, i.e. lease contracts for which the unit value of the underlying assets does not exceed €5,000 when new.

The contracts for which the exemption has been applied fall mainly within the forklift category, as they were purchased during 2019 and are considered to be short-term contracts.

For these contracts, adopting IFRS 16 will not result in booking the lease financial liability and related right of use. Instead lease payments will be recorded in the income statement on a straight-line basis over the relevant contract duration.

The Company as lessor

Lease agreements that substantially leave the Company with all the asset ownership risks and benefits are classified as operating leases. Lease income from operating leases is recorded on a straight-line basis over the lease duration and is included in other income in the Income Statement due to its operating nature. Initial trading costs are added to the leased asset's book value and recorded over the lease duration on the same basis as rental income.

1.5.8 Financial charges

Financial charges directly attributable to the acquisition, construction or production of an asset that requires a substantial period before it is available for use are capitalised on the asset cost. All other financial charges are recorded as an expense in the period in which they are incurred. Financial charges consist of interest and other costs that an entity incurs to obtain financing.

1.5.9 Intangible assets

Intangible assets are initially recorded at cost. After the initial recording, intangible assets are recorded at cost net of accumulated amortisation and any accumulated impairment losses. Internally generated intangible assets, other than development costs that meet specific requirements as defined by IAS 38, are not capitalised and are booked in the income statement for the period in which they are incurred.

The useful life of intangible assets is assessed as finite or indefinite.

Intangible assets with finite useful lives are amortised over their useful lives and tested for impairment whenever there are indications of possible impairment. A finite useful life intangible asset amortisation period and method are reviewed at least at each financial year-end. Changes in the expected useful life or how future financial benefits associated with the asset will be realised are recorded through changes in the amortisation period or method, as appropriate, and are considered changes in accounting estimates. Amortisation of intangible assets with finite useful lives is recorded in profit/(loss) for the year in the cost category consistent with the intangible asset function.

Intangible assets with indefinite useful lives are not amortised but are tested annually for impairment, either at the individual or cash-flow generating unit level (IAS 36). The indefinite useful life assessment is reviewed annually to determine whether this attribution continues to be sustainable; otherwise, the change from "indefinite useful life" to "finite useful life" is prospectively applied.

An intangible asset is cancelled at the time of its disposal (i.e. on the date when the acquirer obtains control of it) or when no future financial benefits are expected from its use or disposal.

Any gain or loss arising from the asset cancellation (calculated as the difference between the net disposal proceeds and the asset book value) is included in the income statement.

Industrial patent and intellectual property rights are amortised at an annual rate of 20 per cent.

1.5.10 Financial Instruments - Recording and valuation

A financial instrument is a contract that gives rise to a financial asset for one entity and a financial liability or equity instrument for another.

j) Financial assets Initial recording and valuation

Upon initial recording, financial assets are classified using the following measurement methods, i.e. amortised cost, fair value through other comprehensive income (hereafter OCI) and fair value in the income statement, as appropriate.

When initially recorded, the classification of financial assets, in addition to the instrument nature, depends on the financial assets' contractual cash flow features and the business model that the Company uses to manage them. Except for trade receivables, the Company initially measures a financial asset at its fair value plus any transaction costs. Trade receivables are measured at the transaction price defined under IFRS 15.

For a financial asset to be classified and valued at amortised cost or fair value through the OCI, it must generate cash flows that depend solely on principal and interest on the principal amount to be repaid (the "solely payments of principal and interest – SPPI"). This assessment is referred to as the SPPI test and is performed at the instrument level.

Financial assets with cash flows that do not meet the above requirements (e.g. SPPI) are classified and measured at fair value in the income statement.

The Company's business model for managing financial assets refers to how it manages its financial assets to generate cash flows. The business model defines whether cash flows will arise from the collection of contractual cash flows, the sale of financial assets or both.

Subsequent valuation

For subsequent valuation, financial assets are classified into four categories:

- Financial assets at amortised cost (debt instruments);
- Financial assets at fair value in the other comprehensive income with the reclassification of accumulated profits and losses (debt instruments);
- Financial assets at fair value in the other comprehensive income without reclassification of cancelled accumulated profits and losses (equity instruments);
- Financial assets at fair value in the income statement.

Financial assets at amortised cost (debt instruments)

The Company measures financial assets at amortised cost if both of the following requirements are met:

- the financial asset is held as part of a business model whose objective is to hold financial assets to collect contractual cash flows

and

- the financial asset contractual terms provide for cash flows at specified dates that consist solely of principal and interest payments on the principal amount to be repaid, better known as the SPPI (solely payments of principal and interest) test.

Financial assets at amortised cost are subsequently valued using the effective interest method and are subject to impairment. Profits and losses are recorded in the income statement when the asset is cancelled, modified or revalued.

Financial assets at fair value through OCI (debt instruments)

The Company values assets from debt instruments at fair value through other comprehensive income if both of the following conditions are met:

- the financial asset is held as part of a business model whose objective is achieved by collecting the contractual cash flows and selling the financial assets

and

- the financial asset contractual terms provide for cash flows at specified dates that consist solely of principal payments and interest defined on the amount of principal to be repaid.

For assets from debt instruments measured at fair value through OCI, interest income, changes in foreign exchange rates and impairment losses, together with recoveries, are recorded in the income statement and are calculated in the same way as for financial assets measured at amortised cost. The remaining changes in fair value are recorded in OCI. Upon cancellation, the cumulative change in fair value recorded in OCI is reclassified in the income statement.

The Company's debt instrument assets measured at fair value through OCI include investments in listed debt instruments included in other non-current financial assets.

Investments in equity instruments

Upon initial recording, the Company may irrevocably elect to classify its equity investments as equity instruments recorded at fair value in OCI when they meet the definition of equity instruments under IAS 32 "Financial Instruments: Presentation" and are not held for trading. The classification is defined for each individual instrument.

Profits and losses incurred on such financial assets are never re-entered in the income statement. Dividends are recorded as other income in the income statement when the right to payment has been established. Equity instruments booked at fair value in OCI are not subject to impairment testing.

Cancellation

A financial asset (or, where applicable, part of a financial asset or part of a group of similar financial assets) is cancelled in the first instance (i.e. removed from the Company's statement of financial position) when:

- the rights to receive cash flows from the asset are expired, or
- the Company transfers the right to receive cash flows from the asset to a third party or assumes a contractual obligation to pay them in full and without delay and (a) transfers the risks and benefits of financial asset's ownership substantially, or (b) neither transfers nor retains the asset's risks and benefits substantially but transfers control of it.

If the Company transfers the rights to receive cash flows from an asset or enters into an agreement under which it retains the contractual rights to receive the cash flows from the financial asset but assumes a contractual obligation to pay the cash flows to one or more recipients (pass-through), it assesses whether and to what extent it retains the ownership risks and benefits. If it neither transfers nor substantially retains the risks and benefits or does not lose control over it, the asset is booked in the Company's Financial Statements to the extent of its continuing involvement in the asset. In this case, the Company records an associated liability. The transferred asset and the associated liability are measured to reflect the rights and obligations that remain with the Company.

When the entity's continuing involvement guarantees the transferred asset, the involvement is measured at the lower of the asset amount and the received consideration maximum amount that the entity could be required to repay.

At the date of these Financial Statements, the Company holds an investment portfolio that includes financial and liquidity instruments, transferred and managed through a primary credit institution, measured at fair value in the income statement. For further details, please refer to paragraph 3.12 "Current financial assets."

ii) Financial liabilities

Recording and initial measurement

Financial liabilities are classified, upon initial recording, among financial liabilities at fair value in the Income Statement, among mortgages and loans, or derivatives designated as hedging instruments.

All financial liabilities are initially recorded at fair value plus directly attributable transaction costs in case of mortgages, loans and borrowings.

The Company's financial liabilities include mortgages and loans, and derivative financial instruments.

Subsequent valuation

The valuation of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value in the income statement

Financial liabilities at fair value with changes recorded in the income statement include liabilities held for trading and financial liabilities initially recorded at fair value with changes recorded in the income statement.

Held-for-trading liabilities are all those liabilities that are assumed with the intention to settle or transfer them in the short term. This category includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in a hedging relationship as defined by IFRS 9. Embedded derivatives, separated from the main contract, are classified as held-for-trading unless they are designated as effective hedging instruments.

Profits or losses on liabilities held for trading are recorded in Profit/(loss) for the financial year.

Financial liabilities are allocated at fair value with changes recorded in the income statement from the date of initial recording, only if the IFRS 9 criteria are met. Upon initial recording, the Company did not allocate financial liabilities at fair value with changes recorded in the income statement.

Loans and receivables

After the initial recording, loans are measured at amortised cost using the effective interest rate method. Profits and losses are recorded in the income statement when the liability is settled and through the amortisation process.

Amortised cost is calculated by recording the discount or premium on the acquisition and the fees or costs that form part of the effective interest rate. Amortisation at the effective interest rate is included in financial charges in the profit/(loss) for the year.

Cancellation

A financial liability is cancelled when the obligation underlying the liability is extinguished, cancelled or settled. When an existing financial liability is replaced by another financial liability of the same lender on substantially different terms, or the terms of a current liability are substantially modified, such exchange or modification is treated as cancelling the original liability. A new liability is booked, with any difference between the book values recorded in the profit/(loss) for the year.

1.5.11 Inventories

Inventories are valued at the lower between the cost and estimated net realisable value. The valuation criteria adopted is the weighted average cost method.

The costs incurred to bring each asset to its present location and condition are recorded as follows:

- Raw materials: purchase cost calculated using the weighted average cost method, adjusted if necessary if the last purchase price is lower than the raw material market value.
- Finished and semi-finished goods: direct cost of materials and labour plus a share of production overheads, defined based on expected production capacity, excluding financial expenses, through a bill of materials;

The estimated net realisable value is the estimated normal selling price during the business performance, less estimated completion costs and estimated costs to make the sale.

1.5.12 Impairment of non-financial assets

At each Financial Statements date, the Company assesses whether there are any asset impairment indicators. In this case, or when an annual impairment test is required, the Company estimates the recoverable amount. Recoverable amount is the higher of the asset

or cash-generating unit's fair value, less sales costs, and its use-value. The recoverable amount is defined for each individual asset, except when that asset generates cash flows that are not largely independent of those generated by other assets or groups of assets. If an asset's book value is greater than its recoverable amount, that asset is impaired and is written down to its recoverable amount accordingly.

When defining use-value, the Company discounts estimated future cash flows at present value using a pre-tax discount rate that reflects market assessments of the present money value and the asset's risks. Recent market transactions are considered when defining the fair value net of sales costs. The Company bases its impairment test on detailed budgets and forecast calculations prepared separately for the Company's cash-generating unit to which individual assets are allocated. These budgets and forecast calculations generally cover four years. A long-term growth rate (terminal value) is calculated to project future cash flows beyond the fifth year.

The Company bases its impairment test on the most recent budgets and forecast calculations, prepared separately for each cash-generating unit to which individual assets are allocated. These budgets and forecast calculations generally cover three years. A long-term growth rate is calculated to project future cash flows beyond the third year.

Impairment losses of operating assets are recorded in profit/(loss) for the financial year in the cost categories consistent with the intended use of the asset that resulted in the impairment loss. An exception is made for revalued fixed assets, where the revaluation has been recorded in other comprehensive income. In such cases, the impairment loss is recorded in other comprehensive income up to the amount of the previous revaluation.

For assets other than goodwill, at each reporting date, the Company assesses whether any indicators of ceased (or decreased) recorded impairment losses exist and, if such indicators exist, estimates the recoverable amount of the asset or cash-generating unit (CGU). An already impaired asset's value may be revalued only if there have been changes in the assumptions underlying the recoverable amount calculation after the recording of the last impairment loss. The revaluation may not exceed the defined book value, net of amortisation, assuming that no impairment loss was recorded in past financial years. Such revaluation is recorded in profit/(loss) for the financial year unless the fixed asset is accounted for at a revalued amount. In this case the revaluation is treated as a revaluation increase.

1.5.13 Cash and short-term deposits

Cash and short-term deposits comprise cash on hand, in domestic and foreign currencies, stamps, and cash holdings resulting from the Company's accounts with credit institutions. They are all expressed at their nominal value.

For cash flow statement presentation purposes, liquid assets and equivalents are represented by liquid assets as defined above.

1.5.14 Treasury shares

Repurchased treasury shares are recognised at cost and deducted from equity. The buyback, sale or cancellation of treasury shares do not give rise to any gain or loss in the Income Statement. If there is a reissue, the difference between the buyback price and consideration is recognised in the share premium reserve.

1.5.15 Provisions for risks

Provisions for risks and charges are made when the Company has a current obligation (legal or implied) because of a past event, an outflow of resources will probably be required to settle the obligation, and a reliable amount estimate can be made. When the Company considers that a provision for risks and charges will be partly or fully reimbursed, for example for risks covered by insurance policies, the indemnity is recorded separately as an asset only if it is certain. If so, the provision cost is booked in profit/(loss) for the financial year net of the amount recorded for the indemnity.

If the effect of money value over time is significant, provisions are discounted using a pre-tax discount rate that reflects, where appropriate, the risks specific to the liability. When the liability is discounted, the provision's increase over time is recorded as a financial charge.

1.5.16 Employee benefit liabilities

The cost of expected benefits under the defined benefit plan is defined using the actuarial projected unit credit method.

Revaluations, which include actuarial profits and losses, changes in the effect of the asset limit, excluding amounts included in net interest on the net defined benefit liability, and the return on plan assets (excluding amounts included in net interest on the net defined

benefit liability) are recorded immediately in the statement of financial position by debiting or crediting profits carried forward through other comprehensive income components in the financial year when they arise.

Revaluations are not reclassified to the income statement in subsequent financial years.

Past service cost is recorded in the income statement at the earliest of the following dates:

- the date on which a plan amendment or reduction occurs, and
- the date on which the Company records the related restructuring costs or employee termination benefits.

Net interest on the net defined benefit liability/asset is defined by multiplying the net liability/asset by the discount rate. The Company records the following changes in the net defined benefit obligation in sales cost, administrative expenses and sales and distribution costs in the income statement (by nature):

- Service costs, including current and past service costs, profits and losses on non-routine reductions and settlements;
- Net interest income or expense.

1.5.17 Investments

Investments are recorded at cost, adjusted for impairment losses and any variable amounts, such as earn-outs or leakage. The positive difference, arising at the time of purchase, between the acquisition cost and the Company's share of the investee's equity at current values is included in the investment book value. Investments are subject to an impairment test, where impairment indicators have been identified. If there is evidence that these investments have suffered an impairment loss, this is recognised in the Income Statement as a write-down. If the Company's share of the investee's losses exceeds the investment book value, and the Company has the obligation or intention to account for it, the investment value is written off and the share of further losses is recorded as a provision in liabilities. If the impairment loss ceases to exist or is reduced, a value reversal of the impairment loss is recorded in the Income Statement within the cost limits.

1.5.18 New accounting standards, interpretations and amendments adopted by the Company

For the first time, the Company has applied certain standards or amendments that are effective from 1 January 2025. The Group has not adopted any new standards, interpretations or amendments early, which have been issued but are not effective.

Lack of exchangeability – Amendments to IAS 21

Amendments to IAS 21 *Impact of changes in foreign exchange rates* clarify how to assess currency exchangeability and determine the spot exchange rate when exchangeability is lacking. The amendments mandate disclosure of information that enables financial statement users to comprehend the impact, or anticipated impact, of the non-exchangeable currency on the entity's capital and financial position, and cash flows.

These amendments had no impact on the Company's Financial Statements.

Standards issued but not yet effective

Other approved or unapproved standards, interpretations or amendments which were not effective at the date of preparation of these Financial Statements are listed below.

IFRS 18 - Presentation and Disclosure in Financial Statements

In April 2024, the IASB issued IFRS 18, which supersedes IAS 1 Presentation of Financial Statements. IFRS 18 introduces new requirements for the presentation of the Income Statement, including specific totals and subtotals. Entities are required to classify expenses and revenue within the Income Statement into four categories: operating, investing, financing, income taxes, and discontinued operations. The first three categories are new.

The standard mandates disclosures based on the new definition of management-defined performance measures (MPMs), along with subtotals for expenses and revenue. It includes new provisions for the aggregation and disaggregation of financial information, based on the identified roles of the Primary Financial Statements (PFS) and accompanying notes.

Additionally, IAS 7 - Cash Flows Statement amendments modify the starting point for determining cash flows from operations using the indirect method. The new starting point will be operating profit or loss, rather than profit or loss, and the option to classify cash flows from dividends and interest has been removed. Further consequential changes have been made to several other accounting standards.

IFRS 18 and amendments to other principles will apply for annual periods starting on or after 1 January 2027, although early adoption is permitted with appropriate disclosure. IFRS 18 will be applied retrospectively. The Company is evaluating the impact these amendments will have on its Financial Statements and Notes.

IFRS 19 - Subsidiaries without Public Accountability: Disclosures

In May 2024, the IASB issued IFRS 19, which allows eligible entities to reduce their disclosure obligations while adhering to the recognition, measurement, and presentation requirements of other IFRS standards. To qualify, an entity must be a subsidiary (as defined in IFRS 19) at the end of the financial year, must not have "public accountability," and must have a parent (either ultimate or intermediate) that prepares consolidated Financial Statements, publicly available, under IFRS standards.

IFRS 19 will be effective for financial years commencing on or after 1 January 2027, with early adoption permitted.

Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7

In May 2024, the IASB issued amendments to IFRS 9 and IFRS 7, entitled Amendments to the Classification and Measurement of Financial Instruments ("Amendments"). Amendments:

- clarify that a financial liability is removed from the books on the "settlement date". They also introduce an accounting option, under certain conditions, to derecognise financial liabilities paid through electronic systems before the settlement date;
- provide additional guidance for measuring contractual cash flows of financial assets with ESG or similar attributes;
- define non-recourse features and contractually linked instruments;
- provide disclosure requirements for financial instruments with contingent features, and extra disclosures for equity instruments classified at fair value through other comprehensive income (OCI).

The Amendments apply for annual periods starting 1 January 2026, with early adoption allowed only for financial asset classification and related disclosures.

The Company does not expect these amendments to have a significant impact on its Consolidated Financial Statements.

Annual Improvements to IFRS Accounting Standards - Volume 11

In July 2024, the IASB made nine limited amendments to IFRS as part of ongoing maintenance. The amendments include clarifications, simplifications, corrections or changes to improve consistency in the following standards: IFRS 1 First-time Adoption of International Financial Reporting Standards, IFRS 7 Financial Instruments: Disclosures and the related Guidance on implementing IFRS 7, IFRS 9 Financial Instruments, IFRS 10 Consolidated Financial Statements and IAS 7 Statement of Cash Flows.

The amendments take effect for administrative periods starting 1 January 2026. Early adoption is permitted, subject to adequate disclosure.

These amendments are not expected to have a significant impact on the Company's Financial Statements.

Contracts Referencing Nature-dependent Electricity – Amendments to IFRS 9 and IFRS 7

In December 2024, the IASB issued amendments to IFRS 9 and IFRS 7, Contracts Referencing Nature-dependent Electricity. The amendments apply only to contracts that refer to this type of electricity and:

- clarify the application of own-use requirements for contracts within the scope of application;
- change the requirements for designating a hedged item in cash flow hedge contracts;

- introduce new disclosure requirements to enable investors to understand the effects of such contracts on a company's financial performance and cash flows.

The amendments take effect for financial years starting 1 January 2026. Early adoption is permitted, subject to adequate disclosure.

The amendments concerning the own-use exception must be applied retrospectively. Amendments pertaining to hedge accounting should be implemented prospectively for new hedging relationships designated from the initial date of application. The changes to IFRS 7 disclosures should be implemented concurrently with the modifications to IFRS 9. If an entity does not restate comparative information, it cannot present comparative disclosures.

The Company does not expect these amendments to have a significant impact on its Financial Statements.

1.6 Capital management

For Company's capital managing purposes, capital is the issued share capital, convertible preferred shares, the share premium reserve and other capital reserves attributable to the Company's shareholders. The capital management primary objective is to maximise its value for shareholders. The Company manages the capital structure and makes adjustments based on economic conditions and financial covenant requirements. To maintain or adjust the capital structure, the Company may intervene on dividends paid to shareholders, repay the capital to shareholders or issue new shares. The Company controls capital using a gearing ratio, which is the ratio of net debt to total capital plus net debt. The Company's policy is to maintain this ratio below 40%. In 2019 and 2020, as the Company's net financial position is positive (net cash), this target is achieved by definition. In 2025, this ratio was around 24%

	2025	2024
Interest-bearing loans and borrowings other than convertible preferred shares	80,305,599	47,827,969
Bonds payable	-	-
Lease payables	479,213	146,353
Minus: liquid assets and short-term deposits	(37,294,094)	(15,506,069)
Minus: current financial assets	(405,059)	(786,107)
Net debt	43,085,660	31,682,147
Shareholders' equity	135,361,916	137,977,061
Equity and net debt	178,447,576	169,659,208
Gearing ratio	24%	19%

1.7 Financial risk management

1.7.1 Liquidity risk

The Company monitors the liquidity shortage risk using a liquidity planning tool. The Company's objective is to maintain a balance between continuity in the availability of funds and flexibility of use with tools such as credit lines, bank loans, and mortgages. The Company's policy is to keep loan numbers due in the next 12 months around 60%. As of 31 December 2025, 13.1% of the Company's financial debt is due in less than one year (2024: 35.6%), calculated based on the debts' book value on the Financial Statements.

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

31 December 2025	Total	1 to 12 months	1 to 5 years	> 5 years
Financial liabilities				
Non-current bank borrowings	69,825,752	-	69,825,752	-
Current bank borrowings	10,479,846	10,479,846	-	-
Non-current lease payables	353,375	-	320,011	33,364
Current lease payables	125,838	125,838	-	-
Total financial liabilities	80,784,812	10,605,684	70,145,763	33,364

31 December 2024	Total	1 to 12 months	1 to 5 years	> 5 years
Financial liabilities				
Non-current bank borrowings	30,799,769	-	30,799,769	-
Current bank borrowings	17,028,200	17,028,200	-	-
Non-current lease payables	97,263	-	97,263	-
Current lease payables	49,090	49,090	-	-
Total financial liabilities	47,974,322	17,077,290	30,897,032	-

To support the significant ongoing investments, which were primarily covered by the cash generated from business operations in 2024, the Company is considering securing a new bank loan to finance the remaining investments.

1.7.2 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 borrowing costs 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.

1.7.3 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 Company, 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 Company carefully evaluates its customers' credit standing, considering that, due to its business's nature, the relationships with its customers are long-term.

1.7.4 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.

1.7.5 Risk of changes in cash flows

The risk of changes in cash flows is not considered significant in view of the Company'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.

1.7.6 Tax risks

The Company is 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 Company's economic, capital and financial situation.

The Company 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 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 Company 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 Company 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 Company. This might result in negative consequences on its economic, capital and financial situation.

1.7.7 Risks related to the information system's reliability

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

The Company 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 Company has a disaster recovery plan to ensure the reliability of its IT systems. The Company'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.

1.7.8 Risks related to ongoing geopolitical conflicts

The Group faces the risk of cancelling or suspending orders for products exported to countries at war (e.g.: Russia, Ukraine and neighbouring areas), affecting the Nutra BU. The Group is monitoring this risk through continuous contact with customers who export to areas affected by the conflict to manage any critical issues promptly.

Ongoing Middle East conflicts and tensions may increase instability and complicate geopolitics. Fine Foods and its key customers have minimal presence in conflict-affected regions and the Group regularly assesses any impact on operations.

1.7.9 Risks related to the concentration of Company revenue on major customers

The Company historically had a significant concentration of revenue among its main customers. The loss of one or more of these relationships would have a significant impact on Company revenue. Contracts with the Company's main customers do not always have minimum guaranteed quantities. If these relationships continue, there is no certainty that the amount of revenue generated by the Company 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 Company's business and economic, capital and financial situation. The Company mitigates this risk by building stable and long-lasting relationships with its customers and customer loyalty, and through commercial activities for acquiring new customers. As Nutra and Pharma customer bases expand, the acquisition of the revenue concentration, while still evident, has become more dispersed and is gradually declining.

1.7.10 Manufacturer's liability risks

The Company faces risks related to products manufactured with a quality that does not comply with the customer's specifications and risks related to future due diligence obligations along the supply chain. This could expose the Company to possible liability action or claims for compensation, with potentially adverse effects on the Company's economic, capital and financial position. Suppliers of raw materials and packaging undergo a qualification process and monitoring of ESG requirements. This procedure will cover service providers in 2026.

The Company has an international food alert and fraud monitoring system.

The Company stipulated a policy with a leading insurance company with a limit of €20 million per event, per year.

A further risk mitigating action is included in the Business Continuity Plan and concerns the continuous training of personnel involved in the product procurement, testing and manufacturing processes.

1.7.11 Risks related to production authorisations

The Company 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, financial and capital position. During the many audits conducted by customers and authorities, the Company has never received any reports of critical non-compliance.

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

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

Risks relating to environmental, occupational health and safety regulations

The Company faces 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 Company'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 its economic, capital and financial position. The Company has a robust system for managing worker health and safety standards and environmental protection of the areas where it operates. The Company holds certifications including ISO45001:2018 (OH&S) and ISO14001:2015 (environment), attesting to the proper establishment and implementation of its management system.

The Company undergoes annual certified and internal audits.

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

The Company implemented a dedicated team coordinated by an energy manager which implements measures to increase facility energy efficiency.

To address the effects of climate change on water resources, ongoing efforts aim to reduce water consumption. An internal task force regularly monitors progress and evaluates the effectiveness of the measures implemented.

1.7.13 Climate change risks: transition risks

These risks refer to the financial loss resulting from the challenges and costs associated with moving to a more sustainable and less carbon-dependent economic model. This situation is driven 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 Company's income statement due to increases in operating costs and exposure to energy price fluctuations and possible regulatory measures. 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 Company is updating its risk assessment to account for potential climate change effects on infrastructure from extreme events and the possible rise in energy usage due to increasing temperatures. The Company has insurance coverage for "catastrophic risks". The Company is continually updating its expertise and capabilities in handling "transition risks" also through its association with Farmindustria, to align its energy efficiency with the best international standards.

The Company implemented a dedicated team coordinated by an energy manager which implements measures to increase facility energy efficiency.

To address the effects of climate change on water resources, ongoing efforts aim to reduce water consumption. An internal task force regularly monitors progress and evaluates the effectiveness of the measures implemented.

1.7.14 Energy cost risk

Energy costs remained high compared to historical cost, with high price volatility. The supply of energy available for the European market and domestic energy stocks are the reasons why the estimated negative impacts on the Company's economic, financial and

capital position, and the likelihood of their occurrence, may be gradually reduced. As of this document's date, the business impact of recent events in the Middle East (late February to March 2026) could not be determined.

The Company 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. The Company reduces short-term risk by using fixed-price contracts to hedge against changes in the natural gas market's variable costs.

1.7.15 Legal and reputational risks related to the mismanagement of Substances of Concern

Exceeding pollution limits or mishandling hazardous 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 Company has a robust system for managing worker health and safety standards and environmental protection of the areas where it 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.

1.7.16 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 Company maintains a stock-pile of continuously used raw materials which is sufficient to cover a sudden lack on the market. To address potential medium- to long-term sustainability risks, the Company will review analysis applications in 2026 to identify at-risk raw materials and consider additional mitigation measures if needed.

1.7.17 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 Company has a robust system for managing worker health and safety standards and environmental protection of the areas where the Company 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.

1.7.18 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 losing 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.

To comply with the EU pay transparency directive which will be implemented in Italy in June 2026, the Company has started internal changes and is pursuing gender equality certification (UNI PdR 125).

1.7.19 Risks related to salary adjustments claims

Fine Foods develops and manufactures contract products including food supplements, nutraceuticals, and pharmaceuticals, employing more than 700 staff under the National Collective Labour Agreement for the Food Industry. Workers in the production departments are required to clock in at external 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 late 2024, the Company has received several reimbursement requests mainly from former employees for wage differences related to time spent changing clothes and travelling between external turnstiles and changing rooms. The Company has resolved previously initiated disputes and is considering negotiations with trade unions to establish mutually agreed regulations regarding employee clothing. This process aims to facilitate the resolution of any future claims related to past matters.

1.7.20 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 Company 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 Company's business, economic, capital and financial position. The Company'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 Company 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. To address potential medium- to long-term sustainability risks, the Company will review analysis applications in 2026 to identify at-risk raw and packaging materials. The goal is to identify vulnerable suppliers and, consider additional mitigation measures if needed.

1.7.21 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 Company implemented procedures for supplier selection and assessment 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 and adopted procedure.

The Company 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 implementing monitoring audits, where necessary;
- 3) Sending questionnaire to update requirements and data, monitoring of ESG requirements (based on the supplier's inherent ESG risk)
- 4) performance assessment

Due to recent regulatory changes and the Company's medium-term sustainability strategy, ESG requirements will be updated in 2026 to ensure ongoing oversight and due diligence under applicable standards and value chain best practices.

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

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 Company implemented procedures for supplier selection and assessment 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 and adopted procedure.

The Company 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:

- 5) Annual risk assessment, by establishing three different risk matrices (chemical, packaging and service suppliers) to assign a criticality index to each supplier;
- 6) Planning and implementing monitoring audits, where necessary;
- 7) Sending questionnaire to update requirements and data, monitoring of ESG requirements (based on the supplier's inherent ESG risk)
- 8) performance assessment

Due to recent regulatory changes and the Company's medium-term sustainability strategy, ESG requirements will be updated in 2026 to ensure ongoing oversight and due diligence under applicable standards and value chain best practices.

1.7.23 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 Company. 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 Company. They may harm the Company's reputation and reduce stakeholder confidence, ultimately causing financial losses.

The Company implemented procedures for supplier selection and assessment 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 and adopted procedure.

The Company 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:

- 9) Annual risk assessment, by establishing three different risk matrices (chemical, packaging and service suppliers) to assign a criticality index to each supplier;
- 10) Planning and implementing monitoring audits, where necessary;
- 11) Sending questionnaire to update requirements and data, monitoring of ESG requirements (based on the supplier's inherent ESG risk)
- 12) performance assessment

Due to recent regulatory changes and the Company's medium-term sustainability strategy, ESG requirements will be updated in 2026 to ensure ongoing oversight and due diligence under applicable standards and value chain best practices.

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

The Company 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 Company 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 Company's revenue and market position.

The Company has a reliable quality system and several certifications which guarantee compliance with good manufacturing practices. All finished products and raw materials undergo thorough analysis to ensure they meet release specifications.

1.7.25 Risk that staff may misuse company data, either improperly, without authorisation, or due to lack of competence, when working with generative Artificial Intelligence (AI) tools.

Unmonitored use of generative AI tools may risk confidential data loss and cause financial or reputational damage to the Company. These circumstances occur because of a lack of oversight and/or clear internal policies regarding AI, and insufficient employee awareness of the limitations of these systems, which may lead to improper use.

Regulation (EU) 2024/1689, known as the AI Act, sets out new rules from the European Commission for generative AI platforms to address key issues. This includes:

- adding data without authorisation, processing information incorrectly or ineffectively, and disclosing sensitive or private data;
- fraudulent use of company resources, manipulation of databases, copyright infringement, creation of new harmful businesses.

This legislation forms a key element of Europe's wider plan, highlighting how crucial this matter is and underlining the necessity of supervision to safeguard citizens' privacy and the expertise of European businesses.

To comply with the EU AI Regulation 2024/1689 and reduce risks from generative AI, the Company is exploring risk mitigation measures, including:

- implementing technological Proof-of-Concept (POC), starting with enterprise solutions for corporate accounts;
- implementing an internal AI policy detailing procedures for consultation, authorisation, and restrictions regarding the potential use of AI applications;
- regular training for authorised staff to highlight AI misuse risks.

1.8 Discretionary evaluations and significant accounting estimates

The Company's Financial Statements' preparation requires the directors to make discretionary evaluations, estimates, and assumptions that affect the amounts of revenue, costs, assets and liabilities, their information and disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could lead to outcomes that require a significant adjustment to the book value of these assets or liabilities in the future.

1.8.1 Discretionary evaluations

In applying the Company's accounting policies, the directors have made decisions based on the following discretionary evaluations (excluding those involving estimates).

Significant assessment in defining the lease term of contracts that contain an option to extend - The Company as lessee

The Company defines the lease term as the lease non-cancellable period plus the periods covered by the option to extend the lease, if there is reasonable certainty of exercising that option, and the periods covered by the opportunity to terminate the lease when there is reasonable certainty of not exercising that option.

The Company has the option to extend the lease or terminate it early for some of its leases. The Company assesses whether there is reasonable certainty of exercising the renewal options. The Company considers all factors noted that may result in an economic incentive to exercise renewal options or terminate the lease. After the effective date, the Company revises its estimates of the lease term if a significant event or change occurs in the circumstances within the Company's control that may affect the ability to exercise (or not exercise) the renewal or early termination option (e.g. investment in leasehold improvements or significant specific changes to the leased asset) (see paragraph 3.3 "Leases").

1.8.2 Estimates and assumptions

The main assumptions concerning the future and other significant sources of estimation uncertainty that, at Financial Statements date, have a substantial risk of causing a material adjustment to the book values of assets and liabilities within the next financial year are shown below. The Company has based its estimates and assumptions on available parameters when the Financial Statements were prepared. However, circumstances and assumptions about future events may change due to changes in the market or events beyond the Company's control. Such changes are reflected in the assumptions when they occur.

Provision for expected losses on trade receivables and provision for inventory write-downs

The Company uses a matrix to calculate expected credit losses (ECLs) for trade receivables. The provision rates are defined primarily based on the probability of default in the relevant sector and the Company's historical default rate.

The historical default rates are updated at each reporting date, and changes in estimates are analysed on a forward-looking basis.

The assessment of the correlation between historical default rates, projected economic conditions, and ECLs is a meaningful estimate. The Expected Credit Loss (ECL) is sensitive to changes in circumstances and forecasted economic conditions. The Company's historical credit loss experience and projected future economic conditions may not represent actual customer future insolvency.

At each reporting date, the Company reviews inventories for impairment. This activity is carried out at the production batch level and refers to the material expiry date and any product non-conformity.

Defined benefit plans (pension funds)

The cost of defined benefit pension plans and other post-employment benefits and the current value of the defined benefit obligation are defined using actuarial valuations. Actuarial valuations require the use of various assumptions that may differ from actual future developments. These assumptions define the discount rate, future salary increases, mortality rates and future pension increases. Due to the complexity of the valuation and its long-term nature, these estimates are susceptible to assumption changes. All assumptions are reviewed annually.

Taxes

The Company is subject to the Italian tax and fiscal regime. The directors interpret these regulations when defining taxable income and quantifying the taxes to be paid. Deferred tax assets are recorded for unused tax losses to the extent that it is probable that taxable income will be available in the future to allow losses use. Significant estimation by management is required to determine the tax assets that can be booked based on the level of future taxable profits, the timing of their occurrence and the appropriate tax planning strategies.

Impairment of non-financial assets

Impairment occurs when the book value of an asset or cash-generating unit exceeds its recoverable amount, which is the higher of its fair value less the sales costs and its use-value. The use-value calculation is based on a discounted cash flow model. The recoverable amount depends significantly on the discounted cash flow model's discount rate, the expected future cash flows, and the growth rate used for the extrapolation. Since the directors did not identify any impairment indicators for the Nutra and Pharma BUs as of 31 December 2024, no impairment test was conducted on the related invested capital.

Verification of the investments' book value

As detailed in the paragraph on accounting principles for equity investments, directors use complex assumptions and estimates when performing an impairment test which are subject to their judgement. The main assumptions underlying this concern:

- 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;
- defining long-term growth rates and discount rates applied to future cash flow forecasts.

INCOME STATEMENT

2.1 Revenue from contracts with customers

Revenue as of 31 December 2025 was €221,273,523, compared to €217,971,583 in the previous year, with an increase of 1.5%. A breakdown by business unit and geographical area is provided below:

<i>(Amounts in Euro units)</i>	31 December 2025	31 December 2024
Business Unit – Nutra	136,106,591	142,206,355
Business Unit – Pharma	85,166,931	75,765,229
Total Revenue from contracts with customers	221,273,523	217,971,583

The Nutra sector, which accounts for 61.5% of the Company's turnover, saw a decrease compared to the same period last year, dropping from €142.2 to €136.1 million, with a decrease of 4.3%. The Pharma sector grew in 2025, with an increase of 12.4% compared to 31 December 2024 (+ €9.4 million).

<i>(Amounts in Euro units)</i>	31 December 2025	31 December 2024
Italian Revenue	129,650,166	118,621,102
Foreign Revenue	91,623,357	99,350,481
Total Revenue from contracts with customers	221,273,523	217,971,583

As of 31 December 2025, turnover was mainly driven by sales to Italian VAT-registered customers, accounting for 58.6% of sales.

2.2 Other revenue and income

As of 31 December 2025, the Company's other revenue and income was €1,096,633 compared to €1,063,687 in the previous year. This is detailed below:

<i>(Amounts in Euro units)</i>	31 December 2025	31 December 2024
White Certificates	385,605	375,056
Other revenue and income	454,940	520,379
Write-down adjustments to receivables and liquid assets	67,152	25,673
Capital gains	90,439	57,612
Damage compensation	10,648	44,131
Contingent assets and allowances	87,849	40,835
Total other revenue and income	1,096,633	1,063,687

Revenues from white certificates mainly derive from the recognition in current assets of energy efficiency certificates accrued by the Company in 2025 following the installation of co-generators at the Verdellino and Brembate plants. The number of Energy Efficiency Certificates (TEE) in 2025 was estimated by the Company, with the assistance of expert consultants. The value attributed to the certificates corresponds to the guaranteed minimum withdrawal amount, as stipulated in the agreement between Fine Foods and the General Energy Manager (GSE).

Other revenue and income mainly included the portion of grants received as tax credits for the year. Revenue from claims mainly included reimbursements of claims from insurance companies.

The "Contingent assets" item mostly refers to amounts recovered from customers for items previously written off using the bad debts provision.

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

As of 31 December 2025, the cost of raw materials and consumables, net of change in inventories, was €121,425,855 compared to €124,970,498 in the previous year, with a decrease of 2.8%. The impact of costs of purchasing materials on revenue from customer contracts (54.9%) is down from the value recorded in 2024 (57.3%).

A breakdown is provided below:

<i>(Amounts in Euro units)</i>	31 December 2025	31 December 2024
Goods purchased	120,251,889	115,568,806
Ancillary materials and consumables	3,520,647	2,993,313
Inventory changes	(2,428,655)	6,418,251
Obsolescence	81,974	(9,872)
Total costs for consumption of raw materials, change in inventories of finished goods and work in progress	121,425,855	124,970,498

The "Change in inventories of raw materials, ancillary materials, consumables and goods" item includes the effects on the income statement of changes in the inventory write-down provision. Please refer to note "3.9 Inventories".

2.4 Personnel costs

As of 31 December 2025, the Company's personnel costs were €45,366,320 compared to €41,461,647 in the previous year, with an increase of 9.4%. This is detailed below:

<i>(Amounts in Euro units)</i>	31 December 2025	31 December 2024
Wages and salaries	27,634,812	25,238,419
Social security contributions	9,098,455	8,053,536
Severance indemnity	1,767,050	1,580,786
Temporary employment	5,672,199	5,088,907
Provision for salary adjustments	1,193,805	1,500,000
Total personnel costs	45,366,320	41,461,647

Personnel expenses have risen because new employees were hired and temporary staff were used more frequently.

2.4.1 Employment data

The following table shows the number of Company employees, broken down by category:

<i>Employment data (expressed in units)</i>	31 December 2025	31 December 2024
Executives	19	17
White-collar employees	272	245
Blue-collar employees	419	398
Total employees	710	660

2.5 Costs for services

As of 31 December 2025, the Company's service costs were €21,186,996 compared to €19,915,980 in the previous year, with an increase of 6.4%. A breakdown is provided below:

<i>(Amounts in Euro units)</i>	31 December 2025	31 December 2024
Other costs	683,694	581,845

External and ecological analyses	707,480	802,637
Insurance companies	596,276	546,232
Bank fees	115,489	74,508
Statutory auditors and directors remuneration	980,942	1,347,837
Rental, lease and miscellaneous costs	682,524	596,044
Trade fair and advertising costs	745,652	572,290
Costs for processing goods on behalf of third parties	195,024	570,916
Ordinary maintenance costs	4,060,041	3,298,574
Cleaning, pest control and surveillance costs	1,817,162	1,709,032
Transport, fuel and tolls costs	559,753	507,746
Temporary employment	611,690	819,367
Sales commissions	270,768	286,533
Qualifications and Calibration	570,405	213,866
Consultancy costs	2,462,641	2,205,732
Ticket	930,646	850,206
Various utilities	3,216,862	2,449,872
Effluent and solid waste disposal	1,043,194	953,719
Electronic Data Processing (EDP) fees and maintenance	936,754	729,025
One-off legal expenses	-	100,000
Non-competition agreement:	-	700,000
Total service costs	21,186,996	19,915,980

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

The main increases stemmed from utility costs (+€767,000 compared to the previous year), ordinary maintenance (+€761,000), and qualification/calibration expenses (+€356,000 compared to the previous year).

Additionally, some one-off expenses were incurred in 2024, including costs associated with the non-competition agreement signed with the former CEO, Ferraris.

2.6 Other operating costs

Other operating costs as of 31 December 2025 were €1,196,480 compared to €1,810,355 in the previous financial year.

<i>(Amounts in Euro units)</i>	31 December 2025	31 December 2024
Other operating costs	158,559	104,440
Donations	46,673	35,180
Capital losses from dismissal of assets	7,934	66,432
Penalties and indemnities	264,785	709,416
Membership Fees	201,893	184,229
Bad debt provision	158,916	168,051
IMU and TARI	365,216	299,520
Corporate, entertainment costs and gifts	84,163	92,957
Duties, taxes, and stamp charges	404,913	140,881
Conai, Co.Re.Pla adjustment	(501,038)	-
Contingent liabilities and allowances payable	4,466	9,247
Total other operating costs	1,196,480	1,810,355

The "Other operating costs" item includes various residual expenses, such as vehicle tax, courier and corporate social expenses.

2.7 Amortisation, depreciation, and impairment losses

As of 31 December 2025, the Company's amortisation, depreciation and impairment losses were €15,407,111 compared to €13,312,217 in the previous financial year. This is detailed below:

(Amounts in Euro units)	31 December 2025	31 December 2024
Depreciation of tangible assets	14,565,312	12,561,544
Amortisation of intangible assets	754,597	701,440
Amortisation of rights of use	87,202	49,233
Total amortisation, depreciation, and impairment losses	15,407,111	13,312,217

In 2025, the Italian Medicines Agency (AIFA) granted the Parent Company Fine Foods authorisation to manufacture pharmaceuticals at the newly expanded Brembate facility, in compliance with good manufacturing practices. After this, the new property, plant, and machinery became operational, and their depreciation and amortisation were recorded in the income statement.

2.8 Changes in Fair Value on financial assets and liabilities

As of 31 December 2025, changes in the fair value of financial assets and liabilities were €0 compared to a negative balance of €12,881 in the previous year. This is detailed below:

(Amounts in Euro units)	31 December 2025	31 December 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 mainly shows the change in fair value of securities held with a major credit institution, as mentioned in paragraph 3.12 "Current financial assets." The securities portfolio was completely and permanently disposed of in H1 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 Equity investment income and charges

(Amounts in Euro units)	31 December 2025	31 December 2024
Investment write-down	6,829,643	-
Total equity investment income and charges	6,829,643	-

In 2025, following an impairment test on the investment in Fine Cosmetics, an impairment loss of €6.8 million was recognised. After conducting the same impairment test in 2024, no additional impairment was recorded. For more details, refer to paragraph 3.4 "Investments."

2.10 Financial income

As of 31 December 2025, the Company's financial income was €602,369 compared to €1,261,200 in the previous year. This is detailed below:

(Amounts in Euro units)	31 December 2025	31 December 2024
Foreign exchange gains	171,244	34,352
Bank interest income	26,066	657
Intercompany financing interest	405,059	566,304
Leakage receivable interest	-	659,886
Total financial income	602,369	1,261,200

Interest income of €406,000 derived from the loan of €11 million that Fine Foods granted to the subsidiary Fine Cosmetics. During the second half of 2024, the Company received payment for a financial receivable previously recorded under current assets as a Leakage Receivable. Only upon collection was the accrued interest—from the receivable's due date—recognised in the Income Statement.

2.11 Financial charges

As of 31 December 2025, the Company's financial charges were €2,767,848 compared to €3,128,364 in the previous year. This is detailed below:

(Amounts in Euro units)	31 December 2025	31 December 2024
Interest expenses on financing and bank loans	2,500,063	2,764,381
Interest expenses on bank accounts	63,109	115,718
Foreign exchange losses	90,891	116,405
Financial charges on severance indemnity discounting	24,047	26,546
Interest expenses (Factoring)	82,478	99,881
Interest on financial liabilities for lease	7,260	5,433
Total financial charges	2,767,848	3,128,364

Interest expenses on financing and bank loans included residual amounts from applying amortised cost to loans repaid early in the period.

Financial expenses decreased due to reduced interest rates and debt restructuring.

2.12 Income tax

As of 31 December 2025, the income tax item showed a positive balance (cost) of €3,402,584 compared to the positive balance (cost) of €3,647,029 in the previous year.

(Amounts in Euro units)	31 December 2025	31 December 2024
Current taxes	1,901,006	952,274
Deferred tax assets and liabilities	1,623,738	2,764,487
Taxes from previous years	(122,160)	(69,732)
Total income tax	3,402,584	3,647,029

As of 31 December 2025, Fine Foods fully used its deferred tax assets allocated on previous tax losses and on ACE tax benefit against a positive IRES tax base. Taxes from previous financial years referred to adjustments of IRAP and IRES estimates made for the financial statements when preparing tax returns. The reconciliation between the income taxes recorded and the theoretical taxes resulting from the application of the rate in force in Italy to the pre-tax profit for the years ended 31 December 2025 and 2024 was as follows:

(Amounts in Euro units)	31 December 2025	31 December 2024
Pre-tax profit from operations on a going concern basis	8,792,272	15,684,527
Pre-tax profit/(loss) from discontinued operations	-	-
Accounting profit before tax	8,792,272	15,684,527
Theoretical income tax	2,101,353	4,375,983
Tax effect on permanent differences	1,808,778	141,233
Tax effect on temporary differences	(9,580)	(160,165)
Effect on tax benefits	(638,004)	(672,379)
Income taxes	3,262,548	3,684,672
Effective income tax rate:	37.1%	23.5%

For details on deferred taxes, see 3.7 Deferred tax assets and note 3.8 Deferred tax provision.

BALANCE SHEET

ASSETS

3.1 Property, plant and machinery

The net book value of tangible fixed assets as of 31 December 2025 was €129,015,403 compared to €110,796,800 as of 31 December 2024. Changes in tangible fixed assets and their respective provisions for depreciation are shown below.

<i>(Amounts in Euro units)</i>	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 - 31 December 2024	65,469,776	120,862,879	11,683,740	9,533,070	30,501,152	238,050,617
Increases	2,842,118	3,233,334	1,935,792	2,123,111	22,698,395	32,832,749
Decreases	-	(779,654)	(130,630)	(455,538)	-	(1,365,822)
Reclassifications	16,881,009	15,453,198	483,497	1,036,325	(33,854,029)	-
Write-downs	-	-	-	-	-	-
Other changes	-	-	-	-	(928)	(928)
Historical cost - 31 December 2025	85,192,903	138,769,756	13,972,399	12,236,968	19,344,590	269,516,616
Amortisation provision - 31 December 2024	27,503,845	82,511,642	9,876,968	7,361,363	-	127,253,817
Increases	2,760,086	9,370,986	1,382,536	1,051,703	-	14,565,312
Decreases	-	(776,958)	(130,385)	(410,572)	-	(1,317,915)
Reclassifications	-	-	-	-	-	-
Write-downs	-	-	-	-	-	-
Other changes	-	-	-	-	-	-
Amortisation provision - 31 December 2025	30,263,931	91,105,669	11,129,119	8,002,494	-	140,501,214
Net book value - 31 December 2024	37,965,932	38,351,237	1,806,772	2,171,708	30,501,152	110,796,800
Net book value - 31 December 2025	54,928,972	47,664,087	2,843,280	4,234,474	19,344,590	129,015,403

Energy costs remained high compared to historical cost, with high price 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. As of this document's date, the business impact of recent events in the Middle East (late February to March 2026) could not be determined.

3.2 Other intangible fixed assets

The net book value of intangible assets as of 31 December 2025 was €1,759,264 compared to €1,306,427 as of 31 December 2024. Changes in intangible fixed assets and their respective amortisation provisions are shown below.

<i>(Amounts in Euro units)</i>	Industrial patents and intellectual property rights	Total intangible fixed assets
Historical cost - 31 December 2024	6,240,219	6,240,219
Increases	1,207,434	1,207,434
Decreases	-	-
Historical cost - 31 December 2025	7,447,653	7,447,653
Amortisation provision - 31 December 2024	4,933,792	4,933,792
Increases	754,597	754,597
Decreases	-	-

Amortisation provision - 31 December 2025	5,688,389	5,688,389
Net book value - 31 December 2024	1,306,427	1,306,427
Net book value - 31 December 2025	1,759,264	1,759,264

Intangible fixed assets mainly refer to software licences.

3.3 Leases

The Company adopted IFRS 16 as of 1 January 2019.

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

<i>(Amounts in Euro units)</i>	Property	Equipment	Cars	Total
Right of use as of 31 December 2024	978,934	136,898	-	1,115,832
Increase	99,978	176,379	141,571	417,929
Decrease	(562,785)	(136,898)	-	(699,683)
Write-downs	-	-	-	-
Other changes	-	-	-	-
Right of use as of 31 December 2025	516,128	176,379	141,571	834,078
Amortisation provision as of 31 December 2024	835,201	136,898	-	972,099
Increase	62,603	16,605	7,994	87,202
Decrease	(562,785)	(136,898)	-	(699,683)
Write-downs	-	-	-	-
Other changes	-	-	-	-
Amortisation provision as of 31 December 2025	335,019	16,605	7,994	359,618
Net book value as of 31 December 2024	143,734	-	-	143,733
Net book value as of 31 December 2025	181,109	159,774	133,577	474,460

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 2025.

Financial liability	
Financial liability as of 1 January 2025	146,353
Increases	417,929
Interest	7,260
Fees	(92,328)
Other changes	-
Financial liability as of 31 December 2025	479,213
Short-term financial liability	125,838
Long-term financial liability	353,375

Under the IFRS 16 international accounting standard - "Leases" - an incremental borrowing rate (IBR) was considered as the sum of the risk-free rate (Swap standard rate vs six-month Euribor for each due date), recorded at the transition date to the international accounting standards and a pure risk component corresponding to the "credit risk" attributable to the Company (1%).

The Company 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 Company's operational needs. Management exercises significant professional assessment to define which extension or early termination options will be exercised with reasonable certainty. Renewal for contracts that did not provide for it or for contracts already being considered for early termination was not considered.

3.4 Investments

The net book value of investments as of 31 December 2025 was €18,122,351 compared to €24,951,994 as of 31 December 2024.

(Amounts in Euro units)	31 December 2025	31 December 2024
Fine Cosmetics investment	18,122,351	24,951,994
Total Investments	18,122,351	24,951,994

As required by the relevant accounting standards, the Company performs an impairment test when an impairment indicator becomes apparent. Among the various impairment indicators, the Company considered elements such as i) the relationship between the investment carrying value and the subsidiary's net assets, ii) the results achieved during the financial year by the subsidiary, iii) other factors such as strategic business decisions, iv) sudden changes in the competitive environment or main economic variables.

In view of the subsidiary's negative operating result, the Company decided to perform an impairment test.

During the impairment test, the net book value of the investment was compared with its recoverable value, i.e. the higher between the fair value and the use-value obtainable by discounting the expected cash flows.

The main assumptions used to define the investments equity value related to the discount and long-term growth rates and cash flows deriving from the Company's business plans.

According to the reference accounting principles, the estimate of the use-value is made by discounting the operating cash flows, i.e. the flows available before the repayment of the financial debts and the shareholders' remuneration at a rate equal to the weighted average of the debt cost and the shareholders' equity (WACC).

The main assumptions used to determine the value-in-use of the investment referred to the cash flows deriving from the business plan, the discount and long-term growth rates.

The directors estimated the equity value of the subsidiary Fine Cosmetics S.p.A. using the unlevered discounted cash flow method based on the following:

- For cautious valuation, the projections in the business plan were adjusted by reducing the detailed forecast period to three years, up to 2028, and by considering the Group's usual practice of using a five-year timeframe (up to 2030) for its financial planning;
- A weighted average cost of capital (WACC) of 9.35% (9.65% as of 31 December 2024);
- A long-term growth rate (g) for determining the terminal value of 2%.

The impairment tests and their underlying business plans were approved by the Board of Directors at its 09 March 2026 meeting.

The three-year tests showed that the investments should be written down by €6.8 million. The Directors have prudently posted this impairment.

A sensitivity analysis was carried out, concerning:

- 1% WACC increase/decrease
- 0.5% growth rate increase/decrease

As a result of this assessment, the impairment test using a three-year explicit cash flow projection showed a difference between the Recoverable Amount and the Carrying Amount (excluding the previously mentioned impairment) ranging from +€1,771,000 to -€12,524,000. In contrast, the impairment test using a five-year explicit cash flow projection showed a difference between the Recoverable Amount and the Carrying Amount ranging from +€15,610,000 to -€3,775,000, depending on changes in the above mentioned variables.

3.5 Non-current financial assets

As of 31 December 2025, non-current financial assets were €11 million, including a loan provided by Fine Foods to its subsidiary Fine Cosmetics.

(Amounts in Euro units)	31 December 2025	31 December 2024
Intercompany financing	11,000,000	11,000,000
Total non-current financial assets	11,000,000	11,000,000

3.6 Other non-current assets

The value of other non-current assets as of 31 December 2025 was €313,939 compared to €583,749 as of 31 December 2024.

<i>(Amounts in Euro units)</i>	31 December 2025	31 December 2024
Tax credit for subsidised assets – amount after 12 months	313,939	583,749
Total other non-current assets	313,939	583,749

This is the amount after 12 months of the tax credit for capital goods 4.0 and the tax credit for investments in tangible assets (formerly super depreciation).

3.7 Deferred tax assets

Deferred tax assets as of 31 December 2025 were €1,032,979 compared to €2,551,439 as of 31 December 2024, and are calculated on the portions of costs subject to deferred taxation under applicable rates at the reporting date (IRES 20% and IRAP 3.9%).

Below is a breakdown.

<i>(Amounts in Euro units)</i>	01 January 2025	2025 EC taxes	31 December 2025
Deferred tax assets for inventory write-down	164,786	22,871	187,657
Deferred tax assets on tax losses	1,824,753	(1,824,753)	-
Deferred tax assets on salary adjustments	446,400	309,915	756,315
Deferred tax assets for other items	115,530	(19,885)	88,446
Total deferred tax assets	2,551,439	(1,518,459)	1,032,979

The change in deferred tax assets for tax losses recorded in 2025 derived from their full use due to the Company attaining a positive taxable income (IRES) in the tax estimation as of 31 December 2025.

Deferred tax assets on salary adjustments refer to the provision for risks recorded as of 31 December 2025.

3.8 Provision for deferred taxes

As of 31 December 2025, the Company's provision for deferred taxes was €10,140 compared to €9,213 as of 31 December 2024 and was calculated under applicable rates at the reporting date.

Below is a detail of the transactions that generated deferred taxes and their impact on the Income Statement and Shareholders' Equity as of 31 December 2025.

<i>(Amounts in Euro units)</i>	31 December 2024	2025 financial year	OCI	31 December 2025
Deferred taxes Severance Pay IAS 19	9,213	(837)	1,764	10,140
Total deferred taxes	9,213	(837)	1,764	10,140

3.9 Inventories

Inventories net of the related write-down provision for finished products and goods as of 31 December 2025 were €30,043,750 compared to €27,697,069 as of 31 December 2024.

<i>(Amounts in Euro units)</i>	31 December 2025	31 December 2024
Raw materials, ancillary materials, and consumables	20,929,281	20,245,341
Raw, ancillary materials and consumables write-down provision	(672,606)	(590,632)
Work in progress and semi-finished products	3,914,273	3,656,358
Finished products and goods	5,872,801	4,386,001
Total inventories	30,043,750	27,697,069

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	590,632
Provision allocation	1,046,863
Provision Use	(964,889)
Balance as of 31 December 2025	672,606

The inventory obsolescence provision set aside as of 31 December 2025 was €672,606 and was intended to cover write-downs made due to goods expiring or non-compliant.

Uses for the year are those disposals made in 2025 concerning expired or non-conforming batches set aside as of 31 December 2024.

3.10 Trade receivables

As of 31 December 2025, trade receivables were €30,755,592 (€32,644,644 as of 31 December 2024), net of the related bad debt provision of €1,027,687 (€965,606 as of 31 December 2024).

As of 31 December 2025 (and 31 December 2024), the Company had put in place a non-recourse credit assignment transaction (factoring) for €4.4 million (€4.9 million as of 31 December 2024). Under IFRS 9, the assignment was deemed conclusive due to the significant transfer of all risks and benefits to the factoring company, resulting in the formal derecognition of the receivable.

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

<i>(Amounts in Euro units)</i>	31 December 2025	31 December 2024
ITALY trade receivables	21,908,646	18,582,154
EEC trade receivables	9,314,334	13,690,725
NON-EEC trade receivables	560,298	1,337,371
Total trade receivables	31,783,279	33,610,250

As of 31 December 2025, invoices to be issued of €697,013 and credit notes to be issued of €1,049,804 were allocated, mainly referring to price adjustments applied to one of the main customers.

The first five customers represent 56.9% of the trade receivables (gross of the bad debt provision) reported in the Financial Statements for approximately €18,081,541.

Changes in the bad debt provision are summarised below:

Balance as of 31 December 2024	965,606
Provision allocation	158,916
Provision Use	(96,835)
Balance as of 31 December 2025	1,027,687

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

<i>(Amounts in Euro units)</i>	31 December 2025	31 December 2024
ITALY trade receivables	21,072,047	18,413,345
EEC trade receivables	9,156,236	13,145,830
NON-EEC trade receivables	527,309	1,085,468
Total trade receivables	30,755,592	32,644,644

Customer credit quality is assessed based on a generic sector assessment. Individual credit limits are established for all customers based on this assessment. 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)

31 December 2025	Total receivables	Not due	Overdue 0-30	Overdue 30-60	Overdue 60-90	Overdue 90-180	Overdue +180
Italy	21,908,646	15,914,669	4,715,733	724,042	38,820	162,775	352,606
EEC	9,314,334	5,974,217	3,033,790	243,012	3,600	22,708	37,008
Non-EEC	560,298	279,566	204,999	70,075	1,550	1,592	2,516
Gross trade receivables	31,783,279	22,168,452	7,954,523	1,037,129	43,970	187,075	392,130
% write-down of receivables	3.2%	0%	0%	39.0%	100.0%	100.0%	100.0%
Bad debt provision	1,027,687	-	-	404,512	43,970	187,075	392,130
Net trade receivables	30,755,592	22,168,452	7,954,523	632,617	-	-	-

3.11 Tax receivables

As of 31 December 2025, tax receivables were €30,746. This is detailed below:

(Amounts in Euro units)	31 December 2025	31 December 2024
IRAP receivables	30,746	-
Total tax receivables	30,746	-

3.12 Other current assets

Total other current assets as of 31 December 2025 were €6,539,066 compared to €7,243,968 as of 31 December 2024. The table below provides a breakdown.

(Amounts in Euro units)	31 December 2025	31 December 2024
White Certificates	359,618	333,630
Other receivables	310,302	148,327
Receivables from social security institutions	16,089	35,625
Receivables for energy account withholdings	4,060	4,836
Receivables for withholding tax on collected coupons, dividends and realised capital gains	1,178,748	1,178,044
Accrued income and prepaid expenses	498,184	282,661
Tax receivables for tax benefits	721,360	1,279,054
VAT receivable	3,450,706	3,981,790
Total other current assets	6,539,066	7,243,968

The VAT receivable will be offset in 2026 following the submission of the VAT Form 2025.

The "Receivables for withholding tax on collected coupons, dividends and capital gains" item mainly referred to the amounts withheld from the Fine Foods asset management, which will be recovered by submitting specific reimbursement requests to the relevant tax authorities or by offsetting the IRES payable.

The "Other receivables" balance is composed of advances to suppliers for goods and services.

3.13 Current financial assets

As of 31 December 2025, current financial assets were €405,059 (€786,107 as of 31 December 2024). This is detailed below:

<i>(Amounts in Euro units)</i>	31 December 2025	31 December 2024
Accrued income - interest on intercompany financing	405,059	786,107
Total current financial assets	405,059	786,107

3.14 Cash and other liquid assets

As of 31 December 2025, the Company's cash and other liquid assets were €37,294,094 compared to €15,506,069 as of 31 December 2024. This is detailed below:

<i>(Amounts in Euro units)</i>	31 December 2025	31 December 2024
Bank and postal deposits	37,289,474	15,500,862
Cash and cash equivalents on hand	4,619	5,207
Total cash and other liquid assets	37,294,094	15,506,069

SHAREHOLDERS' EQUITY

4.1 Shareholders' equity

For the share capital please refer to the following paragraph "Categories of shares issued by the Company."

All subscribed shares have been fully paid up.

Other reserves are detailed below:

<i>(Amounts in Euro units)</i>	31 December 2025	31 December 2024
Legal reserve	5,000,000	5,000,000
Negative reserve for treasury shares in the portfolio	(18,722,230)	(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
Other reserves	11,311,789	11,311,789
Total reserves	113,841,997	109,814,917

Availability and use of Shareholders' equity

The following tables show the Shareholders' equity items analytically, their origin, use and distribution.

<i>(Amounts in Euro units)</i>	Amount	Origin/Nature	Use	Available amount
Share Capital	22,770,445	Capital	-	-
Legal reserve	5,000,000	Capital	B	5,000,000
Negative reserve for treasury shares in the portfolio	(18,722,230)	Capital	-	-

Merger surplus reserve	15,938,641	Capital	A,B,C	12,750,603
Share premium reserve	86,743,750	Capital	A,B,C	86,743,750
Extraordinary reserve	13,570,047	Profits	A,B,C	13,570,047
Warrant conversion reserve	11,311,789	Capital	A,B,C	11,311,789
FTA reserve	(6,669,789)	Capital	-	-
Employee benefit reserve	29,575	Capital	-	-
Operating result	5,389,688	Profits	-	-
Total Shareholders' equity	135,361,916			129,376,189
<i>Key: A: for capital increase; B: to cover losses; C: for distribution to shareholders; D: for other statutory constraints; E: other</i>				

Categories of shares issued by the Company

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

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

The Company is constantly engaged in buyback activities (repurchase of its shares on the market), which indicates that the 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 objective of the buy-back plan is to prepare for upcoming acquisitions and synergies, to enhance the planned expansion phase.

LIABILITIES

4.2 Non-current bank borrowings

As of 31 December 2025, non-current bank borrowings were €69,825,752 compared to €30,799,769 as of 31 December 2024. This is detailed below:

<i>(Amounts in Euro units)</i>	31 December 2025	31 December 2024
Unsecured Mediocredito loan €15 million	-	2,489,863
Intesa loan 70 million	-	28,309,906
Intesa loan 20 million	18,010,513	-
Intesa loan 10 million	8,995,323	-
BNL loan 20 million	20,245,485	-
Intesa loan 30 million	22,574,431	-
Total non-current bank borrowings	69,825,752	30,799,769

MedioCredito mortgage loan

The debt for the mortgage loan taken out in 2016 by Fine Foods, contractually due on 30 June 2027, with payment of interest and related costs, was valued at amortised cost using the effective interest rate method, under the provisions of international accounting standard IFRS 9 "Financial Instruments."

The loan was fully repaid in November 2025.

Intesa loan of €70 million

On 25 February 2022, Intesa Sanpaolo and Fine Foods signed a €70 million financing transaction. In 2023, Fine Foods made an early repayment of €20 million in capital, coinciding with the closure of its securities portfolio. The outstanding debt was fully repaid early in December 2025.

Intesa loan of €10 million

A new loan agreement with Intesa Sanpaolo was signed on 12 June 2025. The main features are summarised below:

- Total amount €10,000,000;
- Rate: Six-month Euribor + 0.75% spread.
- Expiry date: 12 June 2031
- Repayment frequency: 12 half-yearly instalments starting on 12 December 2025.

The loan requires compliance with a financial covenant, measured using the Group's Consolidated Financial Statements. The covenant under consideration, which must be checked every six months, refers to the ratio of Net Financial Position (NFP) to EBITDA. As of 31 December 2025, the covenant complies, meeting the required threshold of 3.

BNL loan €20 million

A new loan agreement with Banca Nazionale del Lavoro was signed on 2 July 2025. The main features are summarised below:

- Total amount €20,000,000;
- Rate: Six-month Euribor + 0.65% spread.
- Expiry date: 02 July 2030;
- Repayment frequency: 12 half-yearly instalments starting on 2 January 2027.

The loan requires compliance with a financial covenant, measured using the Group's Consolidated Financial Statements. The covenant under consideration, which must be checked every six months, refers to the ratio of Net Financial Position (NFP) to EBITDA. As of 31 December 2025, the covenant complies, meeting the required threshold of 3.5.

Intesa loan of €20 million

A new loan agreement with Intesa Sanpaolo was signed on 29 May 2025. The main features are summarised below:

- Total amount €20,000,000;
- Rate: Six-month Euribor + 0.75% spread.
- Expiry date: 29 May 2031;
- Repayment frequency: 12 half-yearly instalments starting on 29 November 2025.

The loan requires compliance with a financial covenant, measured using the Group's Consolidated Financial Statements. The covenant under consideration, which must be checked every six months, refers to the ratio of Net Financial Position (NFP) to EBITDA. As of 31 December 2025, the covenant complies, meeting the required threshold of 3.

Intesa loan of €30 million

A new loan agreement with Intesa Sanpaolo was signed on 30 October 2025. The main features are summarised below:

- Total amount €30,000,000;
- Rate: Six-month Euribor + 0.65% spread.
- Expiry date: 30 October 2029;
- Repayment frequency: 12 half-yearly instalments starting on 30 April 2026.

The loan requires compliance with a financial covenant, measured using the Group's Consolidated Financial Statements. The covenant under consideration, which must be checked every six months, refers to the ratio of Net Financial Position (NFP) to EBITDA. As of 31 December 2025, the covenant complies, meeting the required threshold of 3.

4.3 Current bank borrowings

As of 31 December 2025, current bank borrowings were €10,479,846, compared to €17,028,200 as of 31 December 2024, broken down as follows:

(Amounts in Euro units)	31 December 2025	31 December 2024
Invoice advances	-	6,900,000
Factor	-	424,887
Loans - Portion due within the financial year	10,479,846	9,698,342
Accrued interest expenses	-	4,971
Total current bank borrowings	10,479,846	17,028,200

For the change in the portion of loans and mortgages within the financial year, please refer to the previous paragraph.

As of 31 December 2024, the balance recorded under "Factor" reflected the outstanding debt Fine Foods owed to the bank serving as Factor for the collection of non-recourse factored receivables that remained unpaid at that date.

4.4 Employee benefits

As of 31 December 2025, the "Employee benefits" item was €667,507 compared to €788,435 as of 31 December 2024. This item refers exclusively to provisions set aside for severance indemnities.

(Amounts in Euro units)	
Balance as of 01 January 2025	788,435
Provision Use	(137,627)
Discounting interest current year	24,047
Actuarial profits and losses current year	(7,349)
Balance as of 31 December 2025	667,507

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:

	31 December 2025	31 December 2024
Annual discount rate	3.37%	3.18%
Annual inflation rate	2.00%	2.00%
Severance indemnity increase annual rate	3.00%	3.00%

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 31 December 2025	DBO as of 31 December 2024
Turnover rate +1%	670,055	790,779
Turnover rate -1%	664,728	785,888

Inflation rate +0.25%	674,919	797,153
Inflation rate -0.25%	660,209	779,849
Discount rate +0.25%	656,053	774,932
Discount rate -0.25%	679,306	802,343

<i>Service cost and duration</i>	2025	2024
Profuturo annual service cost	-	-
Plan duration	7.8	7.7

<i>Estimated future disbursements - Years</i>	2025	2024
1	79,018	84,711
2	36,168	88,197
3	38,002	38,431
4	40,777	40,066
5	84,443	42,557

4.5 Provision for risks and charges

Provisions for risks and charges as of 31 December 2025 were €2,710,805 compared to €1,600,000 at the end of the previous year.

<i>(Amounts in Euro units)</i>	31 December 2025	31 December 2024
Provision for risks related to salary adjustments	2,710,805	1,600,000
Total provision for risks and charges	2,710,805	1,600,000

As of 31 December 2025, Fine Foods raised its risk provision by an additional €1.3 million due to ongoing possible negotiations with trade unions regarding employee dressing time claims. This increase follows the use of part of the previously allocated funds to resolve disputes settled earlier in the year. The provision's total value is calculated by determining the 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 2025 were estimated similarly.

The following shows the movements for 2025:

Balance as of 1 January 2025	1,600,000
Provision allocation	1,269,438
Provision Use	(158,633)
Balance as of 31 December 2025	2,710,805

4.6 Trade payables

Trade payables as of 31 December 2025 were €30,928,827, compared to €33,064,251 as of 31 December 2024, broken down geographically as follows:

<i>(Amounts in Euro units)</i>	31 December 2025	31 December 2024
Trade payables in ITALY	27,520,514	28,515,733
EEC trade payables	2,073,294	3,459,832
NON-EEC trade payables	1,335,018	1,088,686
Total trade payables	30,928,827	33,064,251

4.7 Taxes payable

Tax payables as of 31 December 2025 were €995,522, compared to €219,112 at the end of the previous year, and are broken down as follows:

<i>(Amounts in Euro units)</i>	31 December 2025	31 December 2024
IRES payables	995,522	16,044
IRAP payables	-	203,068
Total taxes payable	995,522	219,112

Taxes payable reflect the allocation of current tax liabilities.

4.8 Other current liabilities

Total other current liabilities as of 31 December 2025 were €15,327,174, compared to €13,579,607 as of 31 December 2024, and are broken down as follows:

<i>(Amounts in Euro units)</i>	31 December 2025	31 December 2024
Other payables	1,163,078	1,460,742
Advances from customers	34,000	-
Payables for withholding taxes on self-employment	10,238	5,928
Payables for withholding taxes on employees	987,155	921,630
Payables to employees for salaries, production bonuses and accrued thirteenth month's pay, fourteen month's pay holidays	4,928,911	4,571,432
Payables due to pension and social security institutions	3,242,032	2,985,595
Substitute tax on severance indemnity	150	612
Accrued expenses and deferred income	4,961,610	3,633,669
Total other current liabilities	15,327,174	13,579,607

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

The accrued expenses and deferred income item included deferred income related to tax credits for investments in capital goods to align them over the useful life of the related fixed assets. They included deferred income from revenues that have already been invoiced but belong to future financial years.

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 and Sace)	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 Company certifies that no sum of money has been received.

5.4 Related party transaction information

Other than the remuneration of directors, during 2025, the Company did not enter into any transactions with related parties that were under unusual market conditions.

<i>(Amounts in Euro units)</i>	31 December 2025
Directors' remuneration	738,083
Board of Statutory Auditors	72,822

The statutory auditors' remuneration is shown below:

<i>(Amounts in Euro units)</i>	31 December 2025
Auditing Company remuneration for audit services	89,400
Auditing Company remuneration for audit services for certification purposes	67,000
Auditing Company remuneration for other services	-

5.5 Events after the Financial Statements date

No significant events occurred after the end of the financial year.

5.6 Business outlook

In 2025, global macroeconomic scenario was complicated: though the easing inflation, there were tight financial conditions, and ongoing geopolitical tensions which intensified recently because of events between late February and early March 2026. Major central banks are gradually normalising monetary policy, while remaining cautious to support disinflation.

The International Monetary Fund's recent considerations reported that global economic growth was approximately 3% in 2025, reflecting a moderate expansion rate that fell short of the pre-pandemic historical average.

In developed economies, the United States maintained robust economic growth, driven by household consumption and investment in technology. In contrast, growth in the euro area remained moderate, constrained by industrial sector challenges and a deceleration in international trade. However, higher purchasing power and lower inflation lead to a gradual recovery in domestic demand in the year's second half.

Italy's economic activity grew modestly, matching the Eurozone average, due to weak manufacturing and external demand. Services and tourism boosted growth, and falling inflation helped revive household spending.

China's moderate growth among emerging economies was aided by economic policy support and rising domestic consumption, despite ongoing issues in real estate and concerns about high debt. India continues to drive global growth due to robust domestic demand, infrastructure investment, and the rapid digitalisation of its economy.

The global economy is expected to remain largely steady in 2026. Inflation should keep falling slowly, while financial conditions are anticipated to improve at a modest pace. However, increased geopolitical tensions, greater fragmentation of global trade, and the expansion of restrictive trade and tariff policies among major economies pose risks. These factors may influence the stability of supply chains and international trade dynamics.

As highlighted in 2025, the market segments in which the Company operates are expected to grow in Europe and globally in the coming years. The nutraceutical segment focused on weight-control products is undergoing a transformation, driven by emerging trends in the customisation of food supplements to meet individual needs. This shift is redefining the sector, with its full effects being evaluated.

Fine Foods & Pharmaceuticals N.T.M. S.p.A. aims to strengthen its competitive position by expanding its market share across its two core business units—Nutra and Pharma—enhancing their synergies.

The Nutra BU will keep focusing on quality, innovation and development of high value-added services to support customers. Following the contraction observed in 2025, modest growth is anticipated for the 2026 financial year. The first quarter is projected to experience a continued decline, with a gradual recovery expected over the rest of the year, consistent with the market dynamics. The expansion plan remains on track. It will increase production capacity and develop new forms and technologies to enhance the product range and sustain medium- to long- term growth.

The fast-growing Pharma Business Unit will remain focused on managing the significant increase in volumes, supported by multi-year agreements with major international customers and improvements to production processes at its facilities. Brembate's expanded plant has begun production after securing approval, with initial revenue expected in 2026.

5.7 Proposed allocation of the operating result

Dear Shareholders, considering the above, the governing body proposes:

- to approve the Fine Foods & Pharmaceuticals N.T.M. S.p.A. 31 December 2025 Financial Statements, which showed a profit for the year of €5,389,688;
- to allocate the Profit for the period to the extraordinary reserve.
- to distribute a dividend of €0.16 for each eligible share, using part of the extraordinary reserve.

Verdellino, 12 March 2026

for the Board of Directors

Chairman

Marco Francesco Eigenmann

Certification of the 31 December 2025 Financial Statements under Article 81-ter of Consob Regulation no. 11971 of 14 May 1999 and subsequent amendments and additions

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 practical application of the administrative and accounting procedures to prepare the Financial Statements from 1 January to 31 December 2025.

The undersigned declare that:

- The Financial Statements:
 - a) have been prepared under applicable International Accounting Standards, as adopted by the European Union through the EC Regulation no. 1606/2002 of the European Parliament and Council of 19 July 2002 and the measures issued to implement Article 9 of Legislative Decree no. 38/2005;
 - b) reflect the accounting books and records;
 - c) provide an accurate and fair view of the issuer's assets, liabilities, profit or loss and financial position.
- The Report on Operations includes a reliable analysis of the progress and results of operations, the issuer's situation, and a description of the principal risks and uncertainties to which it is exposed.

Verdellino-Zingonia, 12 March 2026

Managing Director

Pietro Oriani

**The Manager
preparing the corporate
accounts**

Pietro Bassani

This Financial Report as of 31 December 2025 has been translated into English solely for the convenience of the international reader. In the event of conflict or inconsistency between the terms used in the Italian version of the report and the English version, the Italian version shall prevail, as the Italian version constitutes the sole official document.

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

Financial statements as at 31 December 2025

Independent auditor's report pursuant to article 14 of
Legislative Decree n. 39, dated 27 January 2010, and article
10 of EU Regulation n. 537/2014



Shape the future
with confidence

EY S.p.A.
Viale Papa Giovanni XXIII, 48
24121 Bergamo

Tel: +39 035 3592111
ey.com

Independent auditor's report pursuant to article 14 of Legislative Decree n. 39, dated 27 January 2010 and article 10 of EU Regulation n. 537/2014 (Translation from the original Italian text)

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

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Fine Foods & Pharmaceuticals N.T.M. S.p.A. (the Company), which comprise the statement of financial position as at 31 December 2025, and the statement of income, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the financial statements give a true and fair view of the financial position of the Company as at 31 December 2025, and of its financial performance and its cash flows for the year then ended in accordance with IFRS accounting standards issued by International Accounting Standards Board as adopted by the European Union and with the regulations issued for implementing art. 9 of Legislative Decree n. 38/2005.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISA Italia). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the regulations and standards on ethics and independence applicable to audits of financial statements under Italian Laws. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We identified the following key audit matters:



Shape the future
with confidence

Key Audit Matter	Audit Response
Valuation of Investment in Fine Cosmetics S.p.A. As of 31 December 2025, the investment in Euro Cosmetic S.p.A. amounts to Euro 18,1 million. The management at least annually evaluates any impairment indicators connected to the investment, and where impairment indicators have been identified, the investment is subjected to impairment test. The processes and methodologies used to evaluate and determine the recoverable amount of the investment, are based on complex assumptions that due to their nature, imply the use of judgement by the Directors, in particular with reference to the identification of impairment indicators, the future cash flow forecasts during the period of the Group business plan, the determination of the normalized cash flows used to estimate terminal value and the long term growth and discount rates applied to the future cash flow forecasts. Considering the level of judgement and complexity of the assumptions applied in estimating the recoverable amount of investment we considered that this area represents a key audit matter. The disclosures related to the valuation of investments is given in note “3.4 Investments”, and in the sections “1.5.17 Investments” and “1.8.2 Estimates and assumptions”.	Our audit procedures in response to this key audit matter included, among others: • assessment of investment's net book value; • understanding of the processes adopted by the entity in relation to the valuation of the investment; • assessment of future cash flow for the explicit period of Group business plan and the assumption used for the identification of normalized cash flows including the consistency of the future cash flow forecasts of each investment with the Group business plan; • assessing discount and long-term growth rates. In performing our analysis, we involved our experts in valuation techniques, who have independently performed their own calculation and sensitivity analyses of key assumptions in order to determine which changes in assumptions could materially impact the valuation of recoverable amount. Lastly, we reviewed the adequacy of the disclosures made in the explanatory notes and related to these matters.

Responsibilities of Directors and Those Charged with Governance for the Financial Statements

The Directors are responsible for the preparation of the financial statements that give a true and fair view in accordance with IFRS accounting standards issued by International Accounting Standards Board as adopted by the European Union and with the regulations issued for implementing art. 9 of Legislative Decree n. 38/2005, and, within the terms provided by the law, for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The Directors are responsible for assessing the Company's ability to continue as a going concern and, when preparing the financial statements, for the appropriateness of the going concern assumption, and for appropriate disclosure thereof. The Directors prepare the financial statements on a going concern basis unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

The statutory audit committee ("Collegio Sindacale") is responsible, within the terms provided by the law, for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing (ISA Italia) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with International Standards on Auditing (ISA Italia), we have exercised professional judgment and maintained professional skepticism throughout the audit. In addition:

- we have identified and assessed the risks of material misstatement of the financial statements, whether due to fraud or error, designed and performed audit procedures responsive to those risks, and obtained audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- we have obtained an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control;
- we have evaluated the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors;
- we have concluded on the appropriateness of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to consider this matter in forming our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern;
- we have evaluated the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We have communicated with those charged with governance, identified at an appropriate level as required by ISA Italia, regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify

during our audit.

We have provided those charged with governance with a statement that we have complied with the ethical and independence requirements applicable in Italy, and we have communicated them all matters that may reasonably be thought to bear on our independence, and where applicable, the actions taken to eliminate relevant risks or the safeguard measures applied.

From the matters communicated with those charged with governance, we have determined those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We have described these matters in our auditor's report.

Additional information pursuant to article 10 of EU Regulation n. 537/14

The shareholders of Fine Foods & Pharmaceuticals N.T.M. S.p.A., in the general meeting held on 30 April 2020, engaged us to perform the audits of the financial statements for each of the years ending 31 December 2020 to 31 December 2028.

We declare that we have not provided prohibited non-audit services, referred to article 5, par. 1, of EU Regulation n. 537/2014, and that we have remained independent of the Company in conducting the audit.

We confirm that the opinion on the financial statements included in this report is consistent with the content of the additional report to the audit committee (Collegio Sindacale) in their capacity as audit committee, prepared pursuant to article 11 of the EU Regulation n. 537/2014.

Report on compliance with other legal and regulatory requirements

Opinion on the compliance with Delegated Regulation (EU) 2019/815

The Directors of Fine Foods & Pharmaceuticals N.T.M. S.p.A. are responsible for applying the provisions of the European Commission Delegated Regulations (EU) 2019/815 for the regulatory technical standards on the specification of a single electronic reporting format (ESEF – European Single Electronic Format) (the “Delegated Regulation”) to the financial statements as of 31 December 2025, to be included in the annual financial report.

We have performed the procedures under the auditing standard SA Italia n. 700B, in order to express an opinion on the compliance of the financial statements as at 31 December 2025 with the provisions of the Delegated Regulation.

In our opinion, the financial statements as at 31 December 2025 have been prepared in the XHTML format in compliance with the provisions of the Delegated Regulation.

Opinion and statement pursuant to article 14, paragraph 2, subparagraph e), e-*bis*) and e-*ter*) of Legislative Decree n. 39 dated 27 January 2010 and pursuant to article 123-bis, paragraph 4, of Legislative Decree n. 58, dated 24 February 1998

The Directors of Fine Foods & Pharmaceuticals N.T.M. S.p.A. are responsible for the preparation of the Report on Operations and of the Report on Corporate Governance and Ownership Structure of Fine

Foods & Pharmaceuticals N.T.M. S.p.A. as at 31 December 2025, including their consistency with the related financial statements and their compliance with the applicable laws and regulations.

We have performed the procedures required under audit standard SA Italia n. 720B, in order to:

- express an opinion on the consistency of the Report on Operations and of specific information included in the Report on Corporate Governance and Ownership Structure as provided for by article 123-bis, paragraph 4, of Legislative Decree n. 58, dated 24 February 1998, with the financial statements;
- express an opinion of the compliance with the laws and regulations of the Report on Operations and the above mentioned specific information included in the Report on Corporate Governance and Ownership Structure pursuant article n. 123-bis, paragraph 4, of Legislative Decree n. 58, dated 24 February 1998;
- issue a statement on any material misstatement in the Report on Operations and in certain specific information contained in the Report on Corporate Governance and Ownership Structure pursuant article n. 123-bis, paragraph 4, of Legislative Decree n. 58, dated 24 February 1998.

In our opinion, the Report on Operations and the specific information contained in the Report on Corporate Governance and Ownership Structure pursuant article n. 123-bis, paragraph 4, of Legislative Decree n. 58, dated 24 February 1998, are consistent with the financial statements of Fine Foods & Pharmaceuticals N.T.M. S.p.A. as at 31 December 2025.

Furthermore, in our opinion, the Report on Operations and the specific information contained in the Report on Corporate Governance and Ownership Structure pursuant article n. 123-bis, paragraph 4, of Legislative Decree n. 58, dated 24 February 1998, comply with the applicable laws and regulations.

With reference to the statement required by art. 14, paragraph 2, subparagraph e-ter), of Legislative Decree n. 39, dated 27 January 2010, based on our knowledge and understanding of the entity and its environment obtained through our audit, we have no matters to report.

Bergamo, 24 March 2026

EY S.p.A.

Signed by: Marco Malaguti, Auditor

As disclosed by the Directors on page 8, the accompanying financial statements of Fine Foods & Pharmaceuticals N.T.M. S.p.A. constitute a non-official version which is not compliant with the provisions of the Commission Delegated Regulation (EU) 2019/815. This independent auditor's 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.