

GREEN OLEO REPORTS DOUBLE-DIGIT GROWTH IN VOLUME AND REVENUE FOR 1H 2024, WITH SIGNIFICANTLY IMPROVED MARGINS

Generalized growth across all product categories

Total Volume: +35%; Revenue: €38.7 million, +16% (1H23: €33.4 million)
Esters: Volume +71%, Revenue +41%; Fatty Acids: Volume +35%, Revenue +12%

Significant margin improvement

EBITDA: €2.1 million (1H23: €1.0 million);
Adjusted EBITDA: €2.8 million
EBIT: €0.7 million (1H23: -€0.2 million) Net Profit: €0.1 million (1H23: €0.1 million)

Solid financial structure

Net Equity: €17.7 million (FY23: €16.8 million)
Net Financial Debt: €12.2 million (FY23: €14.3 million)

INVESTOR CONFERENCE CALL: October 2nd at 11:00 AM

September 27, 2024, Cremona

The Board of Directors of GREEN OLEO (GRN:IM), a company listed on Euronext Growth Milan and one of the leading European producers of fine oleochemicals from renewable and biodegradable sources, has approved the half-year financial report as of June 30, 2024, subject to limited accounting review.

Beatrice Buzzella, Chairman & CEO, and Francesco Buzzella, CEO:

"The results for the first half of 2024 are positive from all perspectives: the esters continue the trend of double-digit growth, registering excellent performance in both cosmetics and lubrication; once again, there is positive growth contribution from all product categories of fatty acids; regarding raw material costs, we see the effectiveness of the procurement process initiated in Q4 2023 based on quarterly forecasting activities; the financial structure remains solid and balanced, with growing Net Equity and decreasing Net Financial Debt due to the reduction of financial liabilities and cash generation from operations. The semester was also marked by the achievement of two important objectives that lay the foundation for solid future growth: the completion of the carbon footprint calculation process for all our products and the pilot production of cosmetic formulations based on ingredients derived from the olive supply chain. Feedback received at international fairs focused on cosmetics and lubrication is positive: major cosmetic companies have confirmed their interest in incorporating high biobased content emollients with low PCF; in the American market, interest in biobased lubrication is growing due to environmental concerns and the need for high-performance products that optimize energy consumption. We have also continued to invest in the construction of facilities to complement ester production, aiming to increase production efficiency and storage capacity, with the goal of seizing all opportunities in a sector critical for the ecological transition".

Main economic results as of June 30, 2024

Consistent with the announced strategy of maximizing production capacity to foster economies of scale, GREEN OLEO closed 1H 2024 with **volumes** up 35% compared to 1H 2023.

The different composition of the product mix in favor of esters, stemming from a strategy of downstream integration in the value chain (aimed at reducing exposure to base chemical cyclicity) and penetration into higher value-added application areas, has enabled significant **Revenue** growth, reaching €38.7 million, +16% compared to €33.4 million in 1H 2023.

To better appreciate the validity of the strategy pursued in recent years, **comparing 1H 2024 with 1H 2021 is useful, a period where, with equivalent tons sold, Revenues stood at €29.3 million** (note that comparison with 1H 2022 is not

as significant since the entire year was characterized by a progressive trend of increasing raw material prices and product sale prices generating Revenue growth despite a contraction in Volumes).

Double-digit growth in both Volumes and Revenues compared to 1H 2023 has affected all product categories:

- **Esters:** Volume +71%, Revenue +41%, thanks to excellent performances in both the cosmetics and lubrication businesses.
- **Fatty Acids:** Volume +35%, Revenue +12%, with a positive contribution from all major categories (oleic acids, stearic acids, distilled fatty acids, and polyunsaturated fatty acids).
- **Glycerines:** Volume -6%, Revenue -24%. This aligns with the strategic choice to optimize - primarily using glycerine generated internally during the production process - a low value-added and highly energy-intensive product, yielding benefits on production costs.

The **Value of Production** is €37.5 million, +9% compared to €34.6 million in 1H 2023. Other revenues and income (at €0.3 million versus €2.7 million in 1H 2023) relate to tax credits for R&D activities and revenues from energy efficiency certificates; in 1H 2023, the item included government contributions for gas-intensive and energy-intensive enterprises and a non-repayable grant for a Funded Project. The change in inventories, negative by €1.5 million (negative by €1.6 million in 1H 2023), is mainly due to the reduction in raw material prices.

EBITDA stands at €2.1 million, +104% compared to €1.0 million in 1H 2023. Regarding the improvement in the Gross Operating Margin, it is noteworthy that the impact of raw material costs decreased from 74.4% in 1H 2023 to 67.7% in 1H 2024, benefiting from the efficiency of the procurement process started in Q4 2023. In particular, as there are no suitable financial instruments to hedge fluctuations in the natural raw materials purchased, a quarterly sales forecasting activity has been introduced to allow for precise coverage of the raw materials needed for the entire quarter, minimizing risk; furthermore, the percentage of sales based on quarterly contracts has been increased, reducing spot sales to favor stability in margins and cash flow.

It should be noted that, as a precaution, at the end of 2022, GREEN OLEO arranged coverage for methane gas both through agreements with the supplier and a derivative: **the higher costs from this operation impact €0.7 million, gross of which the adjusted EBITDA stands at €2.8 million.**

EBIT is €0.7 million, significantly improved from -€0.2 million in 1H 2023, after depreciation and amortization of €1.4 million, up compared to €1.2 million in 1H 2023 due to the commissioning of major investments made during 2022-2023, mainly related to the new semi-automatic warehouse.

The Pre-tax Profit is €0.4 million, strongly improved from -€0.5 million in 1H 2023, after financial charges of €0.3 million, consistent with €0.3 million in 1H 2023.

The Net Result is €0.1 million, unchanged from €0.1 million in 1H 2023, after taxes of €0.3 million (€0.6 million of deferred taxes in 1H 2023).

Main financial highlights as of June 30, 2024

During the semester, the Company made **investments in tangible fixed assets** of €0.7 million related to facilities to complement the production of esters aimed at increasing production efficiency and storage capacity. It also invested in **intangible fixed assets** for €0.1 million for the completion of the CRM Sales Force.

The **Trade Working Capital** stands at €6.5 million, compared to €6.1 million as of December 31, 2023; the change is contained despite the significant increase in business volume.

Net Equity is €17.7 million, up from €16.8 million as of December 31, 2023, mainly due to the reduction of the reserve for hedging future cash flow operations related to the commodity methane gas.

Net Financial Debt is €12.2 million; the improvement from €14.3 million as of December 31, 2023, is attributable to both a reduction in financial liabilities and cash generation from core operations, resulting in a decrease in Net Working Capital from €10.3 million in 1H 2023 to €8.8 million in 1H 2024.

Outlook for the management

In the first half of 2024, EU27 industrial production showed a trending decline (-3.5% year-on-year), while the EU27 chemical sector saw a slight recovery, registering +3.5% compared to the first half of 2023 (Source: Eurostat and Cefic Analysis). Despite positive signals, chemistry remains far from pre-covid production levels.

Moreover, the chemical industry, known for being energy and gas-intensive, is significantly affected by energy commodity prices; it suffices to say that the price of gas in Europe from January to July 2024 was 70% higher than the 2014-2019 five-year period, in addition to being 4.7 times higher than in the USA (Source: Cefic Analysis), causing a clear competitive disadvantage.

In this context, the European Oleochemical industry is benefiting from some specific macro-trends. Beyond the complex geopolitical situation that has caused a slowdown in supplies from Southeast Asia due to the insecurity of the Suez Canal, the regulatory context of the European Green Deal, with increasingly stringent rules, positions Bio Refineries like GREEN OLEO as central players in the ecological transition.

The positive results recorded in the first half and the trend characterizing the third quarter, where Volumes and Revenues growth continued, allow us to predict an increase in Volumes and Revenues for the current year compared to 2023. It also confirms the prediction of improved margins, thanks to the positive effect of multiple factors: economies of scale generated by increased tons sold; further shifting Revenues towards Esters that generate higher added value and margins, for which double-digit Volume growth is expected; the development of Esters in higher value-added application areas: beyond Cosmetics and Lubrication, an interesting development perspective for bio-based and low-toxicity profile solvents is noted.

Finally, the European oleochemical industry will be impacted in 2025 by the implementation of the EUDR (European Deforestation-free products Regulation), a regulation requiring mapping of the palm oil supply chain and other high-risk deforestation products. Its implementation has led to a significant increase in costs for Asian producers who have seen a considerable reduction in available cultivated areas and have had to invest in a separate supply chain. Users of oleochemical products in Europe are constantly seeking products derived from alternatives to palm oil: in this context, GREEN OLEO is surely advantaged thanks to its use of short supply chain feedstocks, primarily olive, of which it is one of the main users.

Other resolutions of the Board of Directors

The Board of Directors, adhering to the amendments made by notice no. 43747 published by Borsa Italiana S.p.A. in art. 6-bis of the Euronext Growth Milan Issuers Regulation, has defined the quantitative and qualitative criteria to evaluate, including economic significance, relationships potentially relevant for the annual assessment of the independence requirements of candidates for the role of independent director ("Independents Policy"). Also today, the Board of Directors positively assessed the independence of Mr. Angelo Facchinetti, the current independent director. The Independents Policy will be made available on the website www.greenoleo.com, in the Corporate Governance / Corporate Documents and Procedures section.

Investor Conference Call

The Management will comment on the results as of June 30, 2024, during a conference call reserved for Investors to be held on October 2 at 11:00 AM. Registration is mandatory at: m.pireddu@irtop.com. The institutional presentation will be made available on the event day on the website www.greenoleo.com, in the "Investor Relations / Presentations" section.

Documentation Filing

The documentation related to the half-year financial report as of June 30, 2024, required by current regulations, will be made available to the public at the registered office and through publication on the website www.greenoleo.com, in the "Investor Relations / Financial Statements and Reports" section in accordance with legal terms, as well as on the website www.borsaitaliana.it, in the Shares / Documents section.

GREEN OLEO (GRN:IM – ISIN IT0005549768) is a leading European producer of fine oleochemicals from renewable and biodegradable sources, based in Cremona, established in 2012 within the context of the acquisition by the Buzzella Family of the entire company capital through the contribution of a business branch, historically active since 1923 in oleochemical production and previously owned by Croda Cremona S.r.l. The

Company uses local raw materials, such as by-products from food industry processing (primarily olive and animal fat acids), which undergo internal chemical processes including cleavage, distillation, separation, fractionation, and hydrogenation, to obtain multiple oleochemical products such as distilled fatty acids of different matrices depending on the starting fat, stearic acids (stearines), oleic acid, glycerines, fatty acid derivatives (soaps), esters. The Company operates in the Cremona Plant, on a 64,000 sqm surface (about 20,000 sqm covered) where 75 resources are employed, with an annual production capacity of 65,000 tons of which 50,000 of fatty acids and glycerines and 15,000 of esters. The Company's customers are industrial entities operating in multiple sectors such as detergents, elastomers, candles, varnishes, rubber and tires, personal care and cosmetics, which, through additional specific processes for the destination sector, produce the final products intended for consumers.

Press release available on www.1info.it and www.greenoleo.com

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INCOME STATEMENT

(Values in Euro)	30/06/2024	% (*)	30/06/2023	% (*)	Var %
Net sales revenue	38.725.201	103,2%	33.400.686	96,6%	15,9%
Changes in inventory of finished goods and work-in-process	(1.542.919)	-4,1%	(1.584.866)	-4,6%	-2,6%
Other income and revenues	329.232	0,9%	2.747.790	7,9%	-88,0%
Production Value	37.511.514	100,0%	34.563.610	100,0%	8,5%
Costs of raw materials, consumables and goods, adjusted for the change in inventory	(25.185.270)	-67,1%	(23.664.789)	-68,5%	6,4%
Service Costs	(7.014.231)	-18,7%	(7.203.093)	-20,8%	-2,6%
Costs for the use of third-party assets	(90.184)	-0,2%	(78.519)	-0,2%	14,9%
Personnel costs	(2.910.223)	-7,8%	(2.434.283)	-7,0%	19,6%
Other operating expenses	(171.325)	-0,5%	(134.585)	-0,4%	27,3%
EBITDA	2.140.282	5,7%	1.048.341	3,0%	104,2%
Depreciation/amortization and write-downs	(1.407.949)	-3,8%	(1.210.908)	-3,5%	16,3%
Provisions	-	0,0%	-	0,0%	-
EBIT	732.333	2,0%	(162.568)	-0,5%	-550,5%
Financial income and expenses	(310.555)	-0,8%	(323.327)	-0,9%	-4,0%
EBT	421.779	1,1%	(485.895)	-1,4%	-186,8%
Taxes	(344.341)	-0,9%	601.658	1,7%	-157,2%
Net result	77.437	0,2%	115.763	0,3%	-33,1%

FINANCIAL STATEMENT

(Values in Euro)	30/06/2024	31/12/2023
Intangible fixed assets	1.214.195	1.293.753
Tangible fixed assets	23.047.653	23.610.949
Financial fixed assets	75.617	105.392
Operating fixed assets	24.337.465	25.010.095
Stocks	6.298.788	7.163.129
Trade receivables	13.124.003	8.173.109
Trade payables	(12.947.337)	(9.199.883)
Operating working capital	6.475.454	6.136.355
Other receivables	883.091	1.831.187
Other payables	(947.088)	(634.268)
Tax payables	3.142.673	3.826.953
Accruals and deferrals	(770.228)	(824.390)
Net operating working capital	8.783.901	10.335.836
Provisions for risks and charges	(2.960.462)	(4.047.667)
Severance pay	(189.279)	(192.090)
TOTAL NET INVESTED CAPITAL	29.971.625	31.106.174
Current financial debt	2.100.575	2.338.092
Current portion of non-current debt	5.339.529	5.942.439
Non-current financial debt	7.976.719	8.076.843
Total bank and financial debt	15.416.822	16.357.374
Other current financial assets	(117.175)	(76.724)

Cash and bank deposits	(3.067.915)	(1.934.975)
Net financial debt	12.231.733	14.345.675
Share capital	808.713	808.713
Reserves	16.853.742	16.542.532
Result for the period	77.437	(590.746)
Net assets	17.739.892	16.760.499
FINANCING SOURCES OF NET INVESTED CAPITAL	29.971.625	31.106.174

NET FINANCIAL DEBT

(Dati in Euro)	30/06/2024	31/12/2023
A. Cash and bank deposits	3.067.915	1.934.975
B. Other cash on hand	-	-
C. Other current financial assets	117.175	76.724
D. Liquidity (A) + (B) + (C)	3.185.089	2.011.699
E. Current financial debt	2.100.575	2.338.092
F. Current portion of non-current debt	5.339.529	5.942.439
G. Current financial debt (E) + (F)	7.440.104	8.280.531
H. Net current financial debt (G) - (D)	4.255.014	6.268.832
I. Non-current financial debt	7.976.719	8.076.843
J. Issued bonds	-	-
K. Trade payables and other non-current debt	-	-
L. Non-current financial debt (I) + (J) + (K)	7.976.719	8.076.843
M. Net financial debt (H) + (L)	12.231.733	14.345.675

CASH FLOW

Euro	30/06/2024	30/06/2023
A) Cash flows from operating activities (indirect method)		
Net result	77.436	115.763
Taxes paid	344.341	-601.658
Interest expense (income)	309.832	299.752
(Dividends)	0	0
(Capital gains)/capital losses from asset transfers	0	0
1) Profit (loss) for the year before income tax, interest, dividends, and capital gains/losses on disposal	731.609	-186.143
Adjustments for non-monetary items that have not had a counterpart in net working capital		
Allocations to funds	0	0
Fixed asset depreciation/amortization	1.407.949	1.210.908
Impairment losses	0	0
Non-cash fair value adjustments on derivative financial instruments that do not affect net income	0	0
Other adjustments to increase/(decrease) for non-monetary items	58.723	206.794
Total adjustments for non-monetary items that have not impacted the changes in net working capital	1.466.672	1.417.702
2) Cash flow before changes to the Net Working Capital	2.198.281	1.231.559
Changes in net working capital		
Decrease/(increase) in stocks	864.342	1.888.460
Decrease/(increase) in trade receivables	-4.950.894	-1.722.389
Increase/(decrease) in trade payables	3.747.454	-544.833
Decrease/(increase) prepayments and accruals	5.935	9.727
Increase/(Decrease) in accrued and deferred income	-60.098	-52.045
Other decreases/(increases) in net current capital	1.902.542	-530.556
Flows derived from net changes in current capital	1.509.281	-951.636
3) Cash flow after changes in Net Working Capital	3.707.562	279.923
Other adjustments		
Interest received/paid	-309.832	-299.752
(Income tax payments)	0	
Dividends income	0	0
(General use of funds)	0	
Other receipts/(payments)	-126.073	-133.902
Total other adjustments	-435.905	-433.654
Cash flow from operations (A)	3.271.657	-153.731
B) Cash flows derived from investment activities		
Tangible fixed assets		
(Flows from investments)	-724.146	-816.776
Flows from disposals	0	0
Intangible fixed assets		
(Flows from investments)	-58.604	-281.037
Flows from disposals	0	0
Financial fixed assets		
(Flows from investments)	0	
Flows from disposals	0	0
Non-current financial fixed assets		
(Flows from investments)	0	
Flows from disposals	0	0
(Acquisition of subsidiaries or business branches)	0	0
Sales of subsidiaries or business branches	0	0
Cash flow from investing activities (B)	-782.750	-1.097.813
C) Cash flows from financing activities		
Leased equipment		
Increase/(Decrease) in short-term bank debt	-633.549	1.737.058
New loans	1.529.000	2.000.000
(Loan repayments)	(2.205.031)	-3.370.011
Own equipment		
Paid-in capital increase		
(Capital repayment)		0

Disposal / (Purchase) of own shares	-46.388	0
(Dividends and interim dividends paid)	0	
Cash flow from financing activities (C)	-1.355.968	367.047
Changes in liquid assets (A ± B ± C)	1.132.939	-884.497
Foreign exchange gains or losses on cash and bank deposits	0	0
Opening cash balance		
Bank balances	1.934.892	1.961.669
Checks	0	0
Cash in hand	84	108
Total cash and bank deposits at the beginning of the year	1.934.976	1.961.777
Of which non-liquid	0	0
Closing cash balance		
Bank balances	3.067.838	1.077.079
Checks	0	0
Cash in hand	77	201
Total cash and bank deposits at the end of the year	3.067.915	1.077.280
Of which non-liquid	0	0