

Mewlat FOOD SpA

A multibrand company



**INTERIM REPORT
AT 31 MARCH 2024**



DIRECTORS' REPORT ON OPERATIONS AT 31 MARCH 2024

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This report is available online at: <https://corporate.newlat.it/relazione-con-gli-investitori/bilanci-e-relazioni/>

Newlat Food S.p.A.

Registered Office in Reggio Emilia, Via J.F. Kennedy, 16,

Paid-in share capital: Euro 43,935,050.00

Tax and VAT ID 00183410653 / no. 277595 on the Economic and Administrative Index (REA) of Reggio Emilia

Company subject to management and coordination by Newlat Group S.A. pursuant to Articles 2497 et seq. of the Italian Civil Code.

Performance as at 31 March 2024

In a market that remains highly volatile and characterised by a strong decrease in inflation, the Group closed the first quarter of 2024 with an increase in its margins (+2.5% compared to the same period of the previous year) to Euro 17.2 million with an EBITDA margin of 8.6% (8.1% as at 31 March 2023).

During Q1 2024 investments continued in the new oven line and new packaging machines for baby products, initiatives that will not only greatly strengthen the offer of both speciality and traditional products, expanding the range significantly will also enable our industrial structure to take on new business development challenges with even greater efficiency.

The investment policy also impacted the trend in turnover in the first quarter, which fell slightly compared to the same period last year (-3.7%), driven mainly by the special products segment, where the most important and significant investments were concentrated.

The figures for the Group's business lines were up compared to 31 March 2023 despite a sharp reduction in average sales prices due to falling inflation.

In terms of margins, as already mentioned the Group recorded a 2.5% increase in EBITDA, going from Euro 16.8 million as at 31 March 2023 to Euro 17.2 million as at 31 March 2024. The margin ratio also increased significantly from 8.1% at 31 March 2023 to 8.6% at 31 March 2024.

These figures augur well for the end of the financial year and provide a solid basis for development and to embark on external growth.

Lastly, financial data once again point to a business that is able to constantly generate cash, with the net financial position improving by Euro 8.4 million and a cash conversion rate of 85%.

BOARDS AND OFFICERS

Board of Directors

Name and surname	Position
Angelo Mastrolia	Executive Chairman of the Board of Directors and Director (**)
Giuseppe Mastrolia	Chief Executive Officer and Director (**)
Stefano Cometto	Chief Executive Officer and Director (**)
Benedetta Mastrolia	Director (***)
Maria Cristina Zoppo	Director (*)
Valentina Montanari	Director (*)
Eric Sandrin	Director (*) <i>Lead Independent Director</i>

(*) Independent director, pursuant to article 148 of the Consolidated Law on Finance (TUF) and article 3 of the Corporate Governance Code, who took office on the trading start date. Member of the *Control and Risks Committee*, member of the *Remuneration and Appointments Committee*, member of the *Related Party Transactions Committee*,

(**) Executive director.

(***) Non-executive director.

Board of Statutory Auditors

Name and surname	Position
Massimo Carlomagno	Chair
Ester Sammartino	Standing Auditor
Antonio Mucci	Standing Auditor
Cinzia Voltolina	Alternate Auditor
Giovanni Rayneri	Alternate Auditor

Remuneration and Appointments Committee

Name and surname	Position
Eric Sandrin	Chair
Maria Cristina Zoppo	Member
Valentina Montanari	Member

Control and Risks Committee

Name and surname	Position
Valentina Montanari	Chair
Maria Cristina Zoppo	Member
Eric Sandrin	Member

Related Party Transactions Committee

Name and surname	Position
Maria Cristina Zoppo	Chair
Valentina Montanari	Member
Eric Sandrin	Member

Financial Reporting Officer

Rocco Sergi

Independent Auditing Firm

PricewaterhouseCoopers S.p.A.

General information

Newlat Food S.p.A. (hereinafter also “Newlat” or the “Company” and, together with its subsidiaries, the “Newlat Group” or the “Group”) is incorporated in Italy in the form of a public limited company and operates under Italian law. The Company has its registered office at 16, Via J. F. Kennedy, Reggio Emilia.

The Newlat Group is a group operating in the food sector with a large and structured product portfolio organised into the following business units: Pasta, Milk Products, Bakery Products, Dairy Products, Special Products, Instant Noodles & Bakery Mixes and Other Products.

The Company is subject to management and coordination by the parent Newlat Group S.A. (hereinafter “Newlat Group”), a company that as at 31 March 2024 directly owns 61.64% of the share capital, while the remaining part (35.94%) is held primarily by institutional investors and Newlat Food SpA (2.42%) following a stock buyback.

This management report shows the financial information of the Group at 31 March 2024 compared to the financial statements at 31 March 2023 and the statement of financial position at 31 December 2023.

Alternative performance indicators

The following financial report presents and comments on some financial indicators and reclassified statements (relating to the statement of financial position and the statement of cash flows) not defined by IFRSs.

These amounts, defined below, are used to comment on the Group's business performance in compliance with the provisions of the Consob Communication of 28 July 2006 (DEM 6064293), as subsequently amended and supplemented (Consob Communication no. 0092543 of 3 December 2015 implementing the ESMA/2015/1415 guidelines).

The alternative performance indicators listed below constitute additional information beyond IFRS requirements to help users of the financial report to better understand the Group's results, assets and liabilities and cash flows. Note that Newlat Food's method of calculating these indicators, which is consistent from one year to the next, may differ from the methods used by other companies.

Financial indicators used to measure the economic performance of the Group:

- EBITDA: the operating income (OI) before depreciation, amortisation and write-downs, as well as income from business combinations.
- Gross Income (GI) / Profit (Loss) before taxes: operating income less financial expense.
- Net profit (NP): gross profit less taxes.
- Cash conversion: the ratio of EBITDA to the difference between EBITDA and total investments.

Net financial position is given by the algebraic sum of:

- Cash and cash equivalents

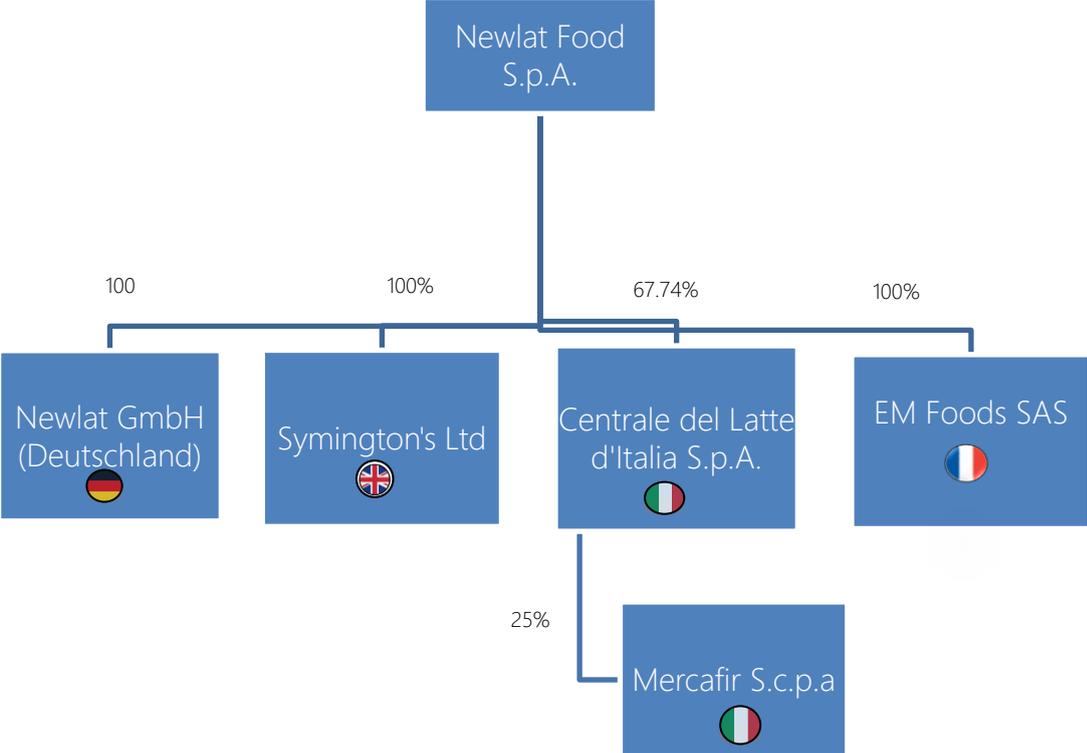
- Non-current financial assets, recorded under 'other non-current assets'
- Current financial assets, recorded under 'other receivables'
- Payables to banks
- Non-current financial liabilities, recorded under 'other non-current liabilities'.

Reclassified statement of cash flows

A cash flow that represents a measure of the Group's self-financing and is calculated from the cash flow generated by operating activities, adjusted for net interest paid and cash flow absorbed by investments, less income from the realisation of fixed assets. The statement of cash flows is presented using the indirect method.

The Group presents the income statement by destination (otherwise known as "at cost of sales"), which is considered more representative than the so-called presentation by nature of expenditure, which is also reported in the notes to the Annual Financial Report. The form chosen is, in fact, compliant with the internal reporting and business management methods.

Group Structure



The table below shows the main information regarding the Newlat Group companies:

Name	Registered Office	Currency	Share capital as at 31 March 2024	Control percentage	
				At 31 March 2024	At 31 December 2023
Newlat Food S.p.A.	Italy - Via J.F. Kennedy 16, Reggio Emilia	EUR	43,935,050	Parent company	Parent company
Newlat GmbH	Germany - Franzosenstraße 9, Mannheim (Germany)	EUR	1,025,000	100%	100%
Centrale del Latte d'Italia S.p.A.	Turin Via Filadelfia 220, 10137	EUR	28,840,041	67.74%	67.74%
Symington's Ltd	Thornes Farm Business Park, Pontefract Ln, Leeds LS9	GBP	100,000	100%	100%
EM Foods Sas	951 Rue Denis Papin, 54710 Ludres, France	EUR	4,164,917	100%	100%

A table summarising the carrying amount of each subsidiary recorded in the Company's separate financial statements at 31 March 2024 and the equity and profit/loss data for the period for each subsidiary is provided below:

Name	Shareholding carrying value (In thousands of euros)	Shareholders' equity (In thousands of euros)	Profit/loss for the period (In thousands of euros)
	31/03/2024	31/03/2024	31/03/2024
Newlat GmbH (Deutschland)	68,525	40,769	503
Centrale del Latte d'Italia S.p.A.	25,409	68,502	1,869
Symington's Ltd	63,914	28,929	992
EM Foods Sas	4,165	2,660	(215)

A brief description of the subsidiaries' activities is provided below:

- Newlat GmbH (Deutschland) is active in the production and sale in Germany of traditional forms of German pasta (*spätzle* and flavoured pasta), instant cups and sauces, as well as the marketing of pasta produced by Newlat Food.
- Centrale del Latte d'Italia S.p.A. is a company active in the production and marketing of about 120 products ranging from milk and its derivatives to yoghurt and plant-based beverages that are distributed under the trademarks TappoRosso, Mukki, Tigullio and Vicenza in the reference territories at over 16,000 points of sale, both mass-market retailers and traditional traders.
- Symington's Ltd is active in the production and sale of a wide range of products, including:
 - Instant noodles, where it is the leader in the authentic and Asian inspiration segment

- Soups and various ready meals, rice and couscous ready meals
- Baked goods including toasted breads for desserts and cakes

The company has three production plants and a logistics distribution centre, and its markets are United Kingdom, United States and Australia.

- EM Foods Sas, a leading manufacturer of baking and dessert mixes.

INTERIM MANAGEMENT REPORT

**DIRECTORS' OBSERVATIONS ON PERFORMANCE
AT 31 MARCH 2024**

Significant events in the period and outlook

Considering the short period of time historically covered by the Group's order book and the difficulties and uncertainties of the current global economic situation, it is not easy to develop forecasts for the current year, which in any case seems to be very positive. The Group will continue to pay particular attention to cost controls and financial management in order to maximise the generation of free cash flow, to be allocated both to organic growth externally and to the remuneration of Shareholders. At the date of approval of this interim report, conflicts in Europe involving Russia and Ukraine and in the Middle East between Israel and Palestine are still ongoing. The ongoing conflicts and tensions in the Suez Canal cause a lot of uncertainty about the development of the world economy.

These events have conditioned and continue to condition the Group's commercial choices and policies, which is faced with a highly dynamic context in which it is difficult to predict the extent to which these events might affect the outlook for 2024, but, based on the results achieved in the first quarter and the available information, the Directors believe they can reasonably exclude the possibility of significant negative impacts.

Going concern

With reference to the content of the previous paragraph, even taking into account the complexity of a rapidly evolving market, the Group feels it is fair and reasonable to assume its status as a going concern in view of its ability to generate cash flows from operating activities and fulfil its obligations in the foreseeable future, particularly in the next 12 months, based on the Group's solid financial structure as described below:

- The considerable level of cash reserves available at 31 March 2024.
- The Group's constant ability to generate cash from operations.
- The presence of authorised and unused credit lines.
- The presence of the Newlat Group as the majority shareholder and the continual support provided by major banks, partly because of its status as a market leader.

The Group's economic and financial performance recorded as at 31 March 2024 was in line with budget forecasts. It should also be noted that the cash and cash equivalents at 31 March 2024, amounting to Euro 367 million, the credit lines currently available and the cash flows that will be generated by operational management are considered more than sufficient to fulfil obligations and finance the Group's operations.

EVENTS AFTER 31 MARCH 2024

There were no atypical or unusual transactions, nor transactions requiring changes to the interim report on operations at 31 March 2024.

MANAGEMENT REPORT

The Newlat Group is an important player in the Italian and European agri-food sector. In particular, as at 31 March 2024 the Group has a strong position in its domestic market and a significant presence in the German market.

The Newlat Group is mainly active in the pasta, dairy and baked goods sectors, as well in special products such as health & wellness, gluten free and baby food, not to mention instant noodles & bakery mixes. The Newlat Group's product range is divided into the following business units:

- Pasta
- Milk Products
- Dairy Products
- Bakery Products
- Special Products
- Instant Noodles & Bakery Mixes
- Other Products

The following table contains the Group's consolidated income statement:

<i>(In thousands of euros and as a percentage of revenue from contracts with customers)</i>	First quarter as at 31 March					
	2024	%	2023	%	2024vs2023	%
Revenue from contracts with customers	199,572	100.0%	207,333	100.0%	(7,761)	(3.7%)
Cost of sales	(166,177)	(83.3%)	(173,704)	(83.8%)	7,527	(4.3%)
Gross operating profit/(loss)	33,395	16.7%	33,629	16.2%	(234)	(0.7%)
Sales and distribution costs	(20,181)	(10.1%)	(20,982)	(10.1%)	801	(3.8%)
Administrative costs	(5,075)	(2.5%)	(4,846)	(2.3%)	(229)	4.7%
Net write-downs of financial assets	(121)	(0.1%)	(350)	(0.2%)	229	(65.4%)
Other revenues and income	2,302	1.2%	2,652	1.3%	(349)	(13.2%)
Income from business combinations	-	-	2,236	1.1%	(2,236)	100.0%
Other operating costs	(1,826)	(0.9%)	(2,554)	(1.2%)	728	(28.5%)
Operating profit/(loss) (EBIT)	8,494	4.3%	9,784	4.7%	(1,290)	(13.2%)
Financial income	4,079	2.0%	1,586	0.8%	2,493	157.3%
Financial expenses	(5,403)	(2.7%)	(3,125)	(1.5%)	(2,278)	72.9%
Profit/(loss) before taxes	7,169	3.6%	8,244	4.0%	(1,075)	(13.0%)
Income taxes	(1,977)	(1.0%)	(1,866)	(0.9%)	(110)	5.9%
Net profit/(loss)	5,193	2.6%	6,378	3.1%	(1,185)	(18.6%)

The operating income amounted to Euro 8.5 million, a sharp increase compared to the same period of the previous year (+13%), excluding the effects of income from business combinations accounted as at 31 March 2023, as a result of an increase in sales volumes and an improvement in the purchasing conditions of the main components of the finished product.

In absolute terms, EBITDA increased by Euro 0.4 million (2,5%), while the EBITDA margin went from 8.1% to 8.6%.

The following is a brief commentary on the most significant changes to the main income statement items that occurred in the periods under review:

Revenue from contracts with customers

Revenue from contracts with customers contains the contractual fees to which the Group is entitled in exchange for the transfer of the promised goods or services to customers. The contractual fees may include fixed or variable amounts or both and are recognised net of rebates, discounts and promotions, such as contributions to the mass distribution channel. In particular, in the context of existing contractual relations with mass distribution operators, contributions are expected to be recognised as year-end bonuses linked to the achievement of certain turnover volumes or amounts related to the positioning of products.

SEGMENT REPORTING

The table below provides a breakdown of revenue from contracts with customers by business unit as monitored by management.

<i>(In thousands of euros and as a percentage)</i>	First quarter as at 31 March				Changes	
	2024	%	2023	%	2024vs2023	%
Pasta	55,504	27.8%	54,255	26.2%	1,249	2%
Milk Products	67,656	33.9%	67,473	32.5%	183	0%
Bakery Products	12,235	6.1%	12,091	5.8%	144	1%
Dairy Products	11,449	5.7%	11,169	5.4%	280	3%
Special Products	3,722	1.9%	11,780	5.7%	(8,058)	(68%)
Instant noodles & bakery mixes	46,164	23.1%	47,389	22.9%	(1,225)	(3%)
Other products	2,842	1.4%	3,176	1.5%	(334)	(11%)
Revenue from contracts with customers	199,572	100.0%	207,333	100.0%	(7,760)	(3.7%)

Revenues from the **Pasta** segment grew compared with the same period of the previous year due to an increase in sales volumes despite a reduction in average sales prices.

Revenues in the **Milk Products** segment were in line with the same period of the previous year due to an increase in sales volumes and a decrease in the average price.

Revenues from the **Bakery Products** segment were slightly up because of higher sales volumes.

Revenues from the **Dairy Products** segment were up slightly because of higher sales volumes.

Revenues from the **Special Products** segment decreased as a result of a drop in sales volumes linked to investments made at the Ozzano Taro plant.

Revenues from the **Instant noodles & bakery mixes** segment were down because of lower average sales prices.

Revenues from the **Other Products** segment were down because of lower average sales prices.

The following table provides a breakdown of revenue from contracts with customers by distribution channels, as monitored by management:

<i>(In thousands of euros and as a percentage)</i>	First quarter as at 31 March				Changes	
	2024	%	2023	%	2024vs2023	%
Mass Distribution	126,087	63.2%	126,291	60.9%	(204)	(0%)
B2B partners	20,894	10.5%	27,763	13.4%	(6,869)	(25%)
Normal trade	18,995	9.5%	18,746	9.0%	249	1%
Private labels	30,740	15.4%	31,573	15.2%	(833)	(3%)
Food services	2,856	1.4%	2,960	1.3%	(104)	(4%)
Total revenue from contracts with customers	199,572	100.0%	207,333	100.0%	(7,761)	(3.7%)

Revenues from the **Mass Distribution** channel show remained stable due to an increase in volumes in the pasta and bakery segments offset by a decrease in the average sales price.

Revenues related to the **B2B partners** channel decreased due to a drop in sales volumes in the special products segment.

Revenues from the **Normal trade** channel increased due to higher sales volumes offset by a decrease in the average sales price in the milk segment.

Revenues from the **Private label** channel decreased as a result of lower average sales prices in the Pasta and Special Products segment.

Revenues from the **Food services** channel decreased due to a drop in the average sales price in the Other Products segment, offset by an increase in volumes in the Milk segment.

The following table provides a breakdown of revenue from contracts with customers by geographical area as monitored by management:

<i>(In thousands of euros and as a percentage)</i>	First quarter as at 31 March				Changes	
	2024	%	2023	%	2024vs2023	%
Italy	97,772	49.0%	104,285	50.3%	(6,513)	(6%)
Germany	34,344	17.2%	33,928	16.4%	416	1%
United Kingdom	36,868	18.5%	37,871	18.3%	(1,003)	(3%)
Other countries	30,589	15.3%	31,249	15.1%	(660)	(2%)
Total revenue from contracts with customers	199,572	100.0%	207,333	100.0%	(7,760)	(3.7%)

Revenues in **Italy** were down, mainly due to lower sales volumes in the special products segment.

Revenues from **Germany** increased as a result of higher volumes of sales in the Pasta sector, partially offset by a decrease in the average sales price.

Revenues in the **United Kingdom** decreased as a result of average sales prices that were lower than in the same period last year.

Revenues from **Other Countries** decreased due mainly to the effect of the average sales price.

Operating costs

The following table lists the operating costs as shown in the income statement by destination:

<i>(In thousands of euros and as a percentage of revenue from contracts with customers)</i>	First quarter as at 31 March				Changes	
	2024	%	2023	%	2024vs2023	%
Cost of sales	166,177	83.3%	173,704	83.8%	(7,527)	-4.3%
Sales and distribution costs	20,181	10.1%	20,982	10.1%	(801)	-3.8%
Administrative costs	5,075	2.5%	4,846	2.3%	229	4.7%
Total operating costs	191,434	95.9%	199,532	96.2%	(8,099)	-4.1%

Cost of sales accounted for 83.3% of sales revenue (83.8% as at 31 March 2023) as the main consequence of an decrease in the average purchase cost of raw materials and packaging materials. Commercial sales and distribution expenses were essentially flat in Q1 2024. Administrative expenses increased slightly in 2024 due to an increase in units. EBITDA was Euro 17.2 million (or 8.6% of sales revenue), up from Euro 16.8 million (or 8.1% of sales revenue). The following table shows EBITDA by activity segment:

<i>(In thousands of euros)</i>	At 31 March 2024							Consolidated Financial Statements total
	Pasta	Milk products	Bakery Products	Dairy products	Special Products	Instant Noodles & Bakery Mixes	Other products	
Revenue from contracts with customers (third parties)	55,504	67,656	12,235	11,449	3,722	46,164	2,842	199,572
EBITDA (*)	4,175	5,446	1,564	1,721	545	3,613	156	17,219
EBITDA margin	7.52%	8.05%	12.78%	15.03%	14.64%	7.83%	5.49%	8.63%
Amortisation, depreciation and write-downs	890	3,407	466	115	610	3,068	49	8,605
Net write-downs of financial assets							121	121
Operating profit/(loss)	3,285	2,039	1,098	1,606	(65)	545	(14)	8,494
Financial income	-	-	-	-	-	-	4,079	4,079
Financial expenses	-	-	-	-	-	-	(5,403)	(5,403)
Profit/(loss) before taxes	3,285	2,039	1,098	1,606	(65)	545	(1,338)	7,170
Income taxes	-	-	-	-	-	-	(1,977)	(1,977)
Net profit/(loss)	3,285	2,039	1,098	1,606	(65)	545	(3,315)	5,193
Total assets	133,442	188,365	24,123	8,876	28,473	63,779	415,599	862,657
Total liabilities	65,278	75,723	14,713	12,715	14,554	61,159	440,183	684,324
Investments	299	265	350		626	1,026	-	2,566
Employees (number)	600	537	188	68	139	717	66	2,315

(*) EBITDA is calculated as the absolute sum of the operating result, net write-downs of financial assets and depreciation/amortisation and write-downs.

At 31 March 2023								
(In thousands of euros)	Pasta	Milk products	Bakery Products	Dairy products	Special Products	Instant Noodles & Bakery Mixes	Other Products	Consolidated Financial Statements total
Revenue from contracts with customers (third parties)	54,255	67,473	12,091	11,169	11,780	47,389	3,176	207,333
EBITDA (*)	4,025	5,247	1,638	1,696	1,366	2,647	185	16,803
EBITDA margin	7.42%	7.78%	13.55%	15.18%	11.60%	5.59%	5.82%	8.10%
Amortisation, depreciation and write-downs	1,124	3,969	412	92	478	2,780	49	8,906
Net write-downs of financial assets							350	350
Income from business combinations							2,236	2,236
Operating profit/(loss)	2,901	1,278	1,226	1,604	888	(133)	2,022	9,784
Financial income	-	-	-	-	-	-	1,586	1,586
Financial expenses	-	-	-	-	-	-	(3,125)	(3,125)
Profit/(loss) before taxes	2,901	1,278	1,226	1,604	888	(133)	482	8,245
Income taxes	-	-	-	-	-	-	(1,866)	(1,866)
Net profit/(loss)	2,901	1,278	1,226	1,604	888	(133)	(1,384)	6,378
Total fixed assets as at 31 December 2023	125,278	145,706	22,487	8,073	30,767	67,212	418,081	817,604
Total liabilities as at 31 December 2023	76,025	90,842	17,721	14,374	16,818	69,308	357,858	642,946
Investments as at 31 March 2023	808	655	102	592	79	1,344	23	3,603
Employees (number) as at 31.12.2023	596	532	188	66	143	717	61	2,303

(*) EBITDA is calculated as the absolute sum of the operating result, net write-downs of financial assets and depreciation/amortisation and write-downs.

EBIT amounted to Euro 8.5 million (4.3% of sales) compared with Euro 7.5 million at 31 March 2023 (3.6% of sales and net of income from business combinations), up by 12.5%.

Net profit as at 31 March 2024 was Euro 5.2 million, up compared to the Euro 4.1 million recorded as at 31 March 2023 without considering income from business combinations.

EBITDA

The table below provides a reconciliation of proforma EBITDA, the EBITDA margin and cash conversion at 31 March 2024 and 2023. EBITDA as at 31 March 2023 was determined without taking into account the business combination income recognised as a result of the acquisition of EM Foods Sas.

<i>(In thousands of euros and as a percentage)</i>	First quarter as at 31 March	
	2024	2023
Normalised operating profit/loss (EBIT)	8,494	7,548
Amortisation, depreciation and write-downs	8,605	8,906
Net write-downs of financial assets	121	350
EBITDA (*) (A)	17,219	16,803
Revenue from contracts with customers	199,572	207,333
EBITDA margin (*)	8.6%	8.1%
investments (B)	2,565	3,580
Cash conversion [(A) - (B)]/(A)	85.1%	78.7%

(*) Operating profit/(loss) (EBIT), EBITDA, the EBITDA margin and the cash conversion are alternative performance indicators not identified as an accounting measure under IFRS and, therefore, should not be considered alternative measures to those provided by the Group's financial statements when assessing the Group's results. The normalised EBIT as at 31 March 2023 is adjusted for income from business combinations.

To assess performance, management monitors, among other things, EBITDA by business unit as shown in the table below.

<i>(In thousands of euros and as a percentage of revenue from contracts with customers)</i>	First quarter as at 31 March				Changes	
	2024	%	2023	%	2024 v 2023	%
Pasta	4,175	7.5%	4,025	7.4%	150	3.7%
Milk Products	5,446	8.0%	5,247	7.8%	199	3.8%
Bakery Products	1,564	12.8%	1,638	13.5%	(74)	(4.5%)
Dairy Products	1,721	15.0%	1,696	15.2%	25	1.5%
Special Products	545	14.6%	1,366	11.6%	(821)	(60.1%)
Instant Noodles & Bakery Mixes	3,613	7.8%	2,647	5.6%	966	36.5%
Other products	156	0.1%	185	5.8%	(29)	(15.7%)
EBITDA	17,219	8.6%	16,803	8.1%	416	2.5%

EBITDA for the **Pasta** segment increased due to both an increase in sales volumes partially offset by a reduction in the average sales price and an improvement in the purchasing conditions of the main components of the finished product.

EBITDA from the **Milk Products** segment was in line with the same period of the previous year. The impact was in line with the same period of the previous year.

EBITDA from the **Bakery Products** segment was in line with the same period of the previous year.

The EBITDA of the **Dairy Products** segment was slightly higher because of higher turnover. The impact was in line with the same period of the previous year.

The EBITDA of the **Special Products** segment was lower because of decreased sales volumes. The EBITDA margin improved significantly due to better purchasing conditions and a more profitable customer base.

EBITDA related to the **Instant Noodles & Bakery Mixes** segment improved markedly due to an improvement in the management of the supply chain.

EBITDA from the **Other products** segment was broadly in line with the same period of the previous year.

Net financial debt

The following table provides details of the composition of the Group's net financial debt as at 31 March 2024 and 31 December 2023, determined in accordance with the provisions of Consob Communication DEM/6064293 of 28 July 2006 and in accordance with paragraph 175 et seq. of the recommendations contained in the document prepared by ESMA, no. 32-382-1138 of 4 March 2021 (guidelines on disclosure requirements under Regulation EU 2017/1129, so-called "Prospectus Regulation"):

<i>(In thousands of euros)</i>	At 31 March	At 31 December
	2024	2023
Net financial debt		
A. Cash and cash equivalents	115,853	103,873
B. Cash equivalents	251,013	208,586
C. Other current financial assets	13,176	13,167
D Cash and cash equivalents (A)+(B)+(C)	380,043	325,626
E. Current financial liabilities	(13,745)	(29,727)
F. Current portion of non-current financial debt	(44,117)	(41,115)
G. Current financial indebtedness (E)+(F)	(57,862)	(70,842)
H. Net current financial indebtedness (G)+(D)	322,181	254,784
I. Non-current financial debts	(188,481)	(130,120)
J. Debt instruments	(199,673)	(199,013)
K. Trade and other non-current liabilities	-	-
L. Non-current financial indebtedness (I)+(J)+(K)	(388,154)	(329,133)
M. Net financial indebtedness (H)+(L)	(65,973)	(74,348)

Comparing the net financial position at 31 March 2024 with the corresponding data at 31 December 2023 demonstrates a significant improvement of Euro 8.4 million thanks to the Newlat Group's ability to generate cash flows from operations.

Without considering lease liabilities, the positive net financial position was as follows:

<i>(In thousands of euros)</i>	At 31 March	At 31 December
	2024	2023
Net financial debt	(65,973)	(74,348)
Current lease liabilities	8,022	7,694
Non-current lease liabilities	35,641	37,160
Net Financial Position	(22,310)	(29,494)

Changes in net financial position as of 31 March 2024 are shown below, in summary:

Net Financial Position at 31 December 2023 (million euros)	(74)
EBITDA	17.22
Purchase of treasury shares	(2.40)
Net working capital	(0.59)
Interest and taxes	0.66
Investments	(4.90)
Other minor operating costs	(1.61)
Net Financial Position at 31 March 2024 (million euros)	(66)

INVESTMENTS

The following table provides a breakdown of the Group's investments in property, plant and equipment and intangible assets at 31 March 2024:

<i>(In thousands of euros and as a percentage)</i>	At 31 March			
	2024	%	2023	%
Land and buildings	-	0.0%	5	0.1%
Plant and machinery	2,434	94.9%	3,196	89.3%
Industrial and commercial equipment	-	0.0%	164	4.6%
Assets under construction and payments on account	-	0.0%	13	0.4%
Investments in property, plant and equipment	2,434	94.9%	3,378	94.4%
Industrial patent rights and rights for the use of intellectual works		0.0%	4	0.2%
Other assets	133	5.1%		0.0%
Investments in intangible assets	133	5.1%	4	0.2%
Total investments	2,566	100.0%	2,269	100.0%

During the reporting period, the Group made investments totalling Euro 2,566 thousand. The Group's investment policy is aimed at innovation and diversification in terms of product supply. In particular, the Group attaches importance to the development of new products, with the aim of continuously improving customer satisfaction.

Investments in tangible fixed assets mainly relate to purchases of plants and machinery, mainly attributable to the new biscuit production line in Ozzano's plant and to the new packaging lines in the pasta and bakery sector at the Sansepolcro plant.

The following table provides a breakdown by business unit of the Group's investments as at 31 March 2024:

<i>(In thousands of euros and as a percentage)</i>	At 31 March			
	2024	%	2023	%
Special Products	626	24.4%	79	2.2%
Pasta	299	11.7%	808	22.6%
Bakery Products	350	13.6%	102	2.8%
Milk Products	265	10.3%	655	18.3%
Dairy Products		0.0%	592	16.5%
Instant Noodles & Bakery Mixes	1,026	40.0%	1,344	37.5%
Other products		0.0%		0.0%
Total investments	2,566	100.0%	3,580	100.0%

Investments in the Milk Products business unit relate to efficiency improvements of the production facilities at the plants used by the Centrale del Latte d'Italia.

Investments in the Special Products business unit mainly refer to the improvement of plants and the investment of the new biscuit line at the Ozzano Taro site.

Investments in the Pasta business unit mainly refer to new packaging plants at the Sansepolcro and Cremona sites in Italy and the new warehouse at the factory in Mannheim, Germany.

Investments in the Bakery Products business unit mainly relate to the new packaging facility for baked products at the Sansepolcro (AR) plant.

Investments in the Instant Noodles & Bakery Mixes business unit relate to new packaging systems.

Positions or transactions deriving from atypical and/or unusual transactions

Pursuant to Consob Communication no. 6064293 of 28 July 2006, it is hereby disclosed that, at 31 March 2024, no atypical and/or unusual transactions occurred outside the Company's normal business that could give rise to doubts regarding the accuracy and completeness of the information in the financial statements, conflicts of interest, protection of assets and the safeguarding of minority shareholders.

Treasury shares and shares of parent companies

In compliance with the provisions of article 2428 of the Italian Civil Code, note that at 31 March 2024 in all the Parent company holds 1,664,873 treasury shares equal to 2.42% of the share capital, for a total purchase cost of approximately Euro 11.9 million, which decreased consolidated shareholders' equity.

Transactions with related parties

The Group's transactions with related parties (hereinafter, "**Related Party Transactions**"), identified based on criteria defined by IAS 24 – Related Party Disclosures, are mainly of a commercial or financial nature and are carried out under normal market conditions. The Group did not carry out Related Party Transactions that were unusual in terms of characteristics, or significant in terms of amount, other than those of an ongoing nature. For information on the remuneration of members of corporate bodies and senior managers, see the explanatory notes to the consolidated financial statements.

The Group deals with the following related parties:

- parent company ("**Parent Company**");
- companies controlled by the parent company other than its own subsidiaries ("**Companies controlled by the parent company**").

Reggio Emilia, 13 May 2024

For the Board of Directors
Angelo Mastrolia
Chairman of the Board of Directors

Pursuant to paragraph 2, article 154-*bis* of the Consolidated Law on Finance, the Financial Reporting Officer Rocco Sergi declares that the accounting information contained in this document corresponds to the contents of accounting documents, books and records.

Reggio Emilia, 13 May 2024

Rocco Sergi
Officer in charge of preparing the
company's financial reports

Financial statements and explanatory notes

Consolidated statement of financial position

<i>(In thousands of euros)</i>	At 31 March 2024	At 31 December 2023
Non-current assets		
Property, plant and equipment	162,664	164,732
Right-of-use assets	42,675	43,773
<i>of which from related parties</i>	<i>13,451</i>	<i>14,105</i>
Intangible assets	90,594	91,548
Equity investments in associates	1,401	1,401
Non-current financial assets measured at fair value through profit or loss	777	777
Financial assets measured at amortised cost	799	800
<i>of which from related parties</i>	<i>735</i>	<i>735</i>
Deferred tax assets	6,522	6,362
Total non-current assets	305,432	309,392
Current assets		
Inventories	77,915	74,099
Trade receivables	74,974	84,634
<i>of which from related parties</i>	<i>3,921</i>	<i>2,493</i>
Current tax assets	1,512	1,323
Other receivables and current assets	22,780	22,529
Current financial assets measured at fair value through profit or loss	77	69
Financial assets measured at amortised cost	13,099	13,099
<i>of which from related parties</i>	<i>13,099</i>	<i>13,099</i>
Cash and cash equivalents	366,866	312,459
<i>of which from related parties</i>	<i>88,783</i>	<i>93,586</i>
Total current assets	557,225	508,212
TOTAL ASSETS	862,657	817,604
Shareholders' equity		
Share capital	43,938	43,935
Reserves	114,176	102,079
Translation reserve	(997)	(1,703)
Net profit/(loss)	4,550	14,325
Total shareholders' equity attributable to the Group	161,668	158,636
Shareholders' equity attributable to minority interests	16,664	16,022
Total consolidated equity	178,332	174,658
Non-current liabilities		
Provisions for employee benefits	10,554	10,951
Provisions for risks and charges	2,475	2,337
Deferred tax liabilities	22,682	22,868
Non-current financial liabilities	352,513	290,466
Non-current lease liabilities	35,641	37,160
<i>of which from related parties</i>	<i>13,417</i>	<i>14,092</i>
Total non-current liabilities	423,865	363,783
Current liabilities		
Trade payables	166,198	172,198
<i>of which from related parties</i>	<i>2,858</i>	<i>823</i>
Current financial liabilities	49,840	64,653
<i>of which from related parties</i>	<i>4,006</i>	<i>3,916</i>
Current lease liabilities	8,022	7,694
<i>of which from related parties</i>	<i>2,481</i>	<i>2,457</i>
Current tax liabilities	4,835	2,988
Other current liabilities	31,564	31,630
Total current liabilities	260,459	279,163
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	862,657	817,604

Consolidated income statement

<i>(In thousands of euros)</i>	First quarter as at 31 March	
	2024	2023
Revenue from contracts with customers	199,572	207,333
Cost of sales	(166,177)	(173,704)
<i>of which from related parties</i>	(698)	(654)
Gross operating profit/(loss)	33,395	33,629
Sales and distribution costs	(20,181)	(20,982)
Administrative costs	(5,075)	(4,846)
<i>of which from related parties</i>	(63)	(63)
Net write-downs of financial assets	(121)	(350)
Income from business combinations	0	2,236
Other revenues and income	2,302	2,652
Other operating costs	(1,826)	(2,554)
Operating profit/(loss)	8,494	9,785
Financial income	4,079	1,586
<i>of which from related parties</i>	1,420	984
Financial expenses	(5,403)	(3,125)
<i>of which from related parties</i>	(147)	(160)
Profit/(loss) before taxes	7,169	8,244
Income taxes	(1,977)	(1,866)
Net profit/(loss)	5,193	6,378
Profit/(loss) attributable to minority interests	642	554
Group net profit/(loss)	4,550	5,824
Basic net profit/(loss) per share	0.11	0.15
Diluted net profit/(loss) per share	0.11	0.15

Consolidated statement of other comprehensive income

<i>(In thousands of euros)</i>	First quarter as at 31 March	
	2024	2023
Net profit/(loss) (A)	5,193	6,378
b) Other components of comprehensive income that will not be subsequently reclassified to the income statement:		
Actuarial gains/(losses)	-	-
Total other components of comprehensive income that will not be subsequently reclassified to the income statement:	-	-
c) Components of comprehensive income that will not be subsequently reclassified to the income statement:		
Hedging instruments net of tax effects	-	-
Translation reserve	786	520
Total other components of comprehensive income that will not be subsequently reclassified to the income statement	786	520
D) Total other components of comprehensive income, net of tax effect (B+C)	786	520
Total comprehensive net profit/(loss) (A)+(D)	5,979	6,898
Profit/(loss) attributable to minority interests	642	554
Group net profit/(loss)	5,336	6,344

Consolidated statement of changes in equity

<i>(In thousands of euros)</i>	Share capital	Reserves	Net profit/(loss)	Total shareholders' equity attributable to the Group	Shareholders' equity attributable to minority interests	Total
At 31 December 2022	43,935	74,313	6,223	124,471	14,834	139,306
Allocation of net profit/(loss) for the previous year		6,223	(6,223)	-		-
Treasury shares		(908)		(908)		(908)
Total treasury shares		(908)		(908)		(908)
Net profit/(loss)			5,824	5,824	554	6,378
Translation reserve		520		520		520
Total comprehensive net profit/(loss) for the year		520	5,824	6,344	554	6,898
At 31 March 2023	43,935	80,148	5,824	129,907	15,388	145,296
Treasury shares		19,761		19,761		19,761
Total treasury shares		19,761		19,761		19,761
Net profit/(loss)			8,502	8,502	634	9,135
Hedging instruments		(251)		(251)		(251)
Translation reserve		795		795		795
Actuarial gains/(losses) net of the related tax effect		(78)		(78)		(78)
Total comprehensive net profit/(loss) for the year		467	8,502	8,968	634	9,602
At 31 December 2023	43,935	100,376	14,325	158,637	16,022	174,659
Allocation of net profit/(loss) for the previous year		14,325	(14,325)			
Treasury shares		(2,306)		(2,306)		(2,306)
Total treasury shares		(2,306)		(2,306)		(2,306)
Net profit/(loss)			4,550	4,550	642	5,193
Translation reserve		786		786		786
Total comprehensive net profit/(loss) for the year	-	786	4,550	5,336	642	5,979
At 31 March 2024	43,935	113,181	4,550	161,668	16,664	178,332

Consolidated cash flow statement

<i>(In thousands of euros)</i>	First quarter as at 31 March	
	2024	2023
Profit/(loss) before taxes	7,169	8,244
- <i>Adjustments for:</i>		
Amortisation, depreciation and write-downs	8,726	10,098
Financial expense/(income)	1,324	(1,540)
<i>of which from related parties</i>	1,273	824
Cash flow generated /(absorbed) by operating activities before changes in net working capital	17,219	16,803
Change in inventory	(3,817)	(14,546)
Change in trade receivables	9,539	20,346
Change in trade payables	(6,000)	(15,018)
Change in other assets and liabilities	(317)	8,709
Use of provisions for risks and charges and for employee benefits	(259)	(150)
Taxes paid	(665)	(2,143)
Net cash flow generated /(absorbed) by operating activities	15,700	14,001
Investments in property, plant and equipment	(2,433)	(3,343)
Investments in intangible assets	(133)	(236)
Investments in financial assets	(7)	(10,112)
Acquisition fee		(1,000)
Net cash flow generated /(absorbed) by investment activities	(2,572)	(14,692)
New long-term financial debt	70,000	20,000
Repayments of long-term financial debt	(22,766)	(26,707)
Repayments of lease liabilities	(2,324)	(3,426)
<i>of which from related parties</i>	(507)	(814)
Net interest expense	(1,324)	1,540
Treasury shares	(2,306)	(909)
Net cash flow generated/(absorbed) by financing activities	41,280	(9,502)
Total changes in cash and cash equivalents	54,407	(10,194)
Cash and cash equivalents at start of year	312,459	287,820
<i>of which from related parties</i>	93,586	97,909
Total changes in cash and cash equivalents	54,407	(10,194)
Cash and cash equivalents at end of year	366,866	277,627
<i>of which from related parties</i>	88,783	132,215

Explanatory notes

Basis of preparation

The Interim Management Report at 31 March 2024 was prepared in accordance with the international accounting principles (IAS/IFRS) adopted by the European Union for interim reporting (IAS 34). The financial statements were prepared in accordance with IAS 1, while the notes were prepared in condensed form applying the option provided for in IAS 34 and therefore do not include all the information required for an annual report prepared in accordance with IFRSs. The Interim Management Report at 31 March 2024 should therefore be read in conjunction with the consolidated annual financial statements for the year ended 31 December 2023.

The preparation of interim financial statements in accordance with IAS 34 Interim Financial Reporting requires judgements, estimates and assumptions that have an effect on the values of revenues, costs and assets and liabilities, and on the disclosures relating to contingent assets and liabilities at the reporting date. It should be noted that these estimates may differ from the actual results achieved in the future. The financial statement items that most require greater subjectivity on the part of the Directors when producing the estimates and for which a change in the conditions underlying the assumptions used could have a significant impact on the financial statements are: goodwill, depreciation and amortisation of non-current assets, deferred taxes, the provision for doubtful receivables, the provision for inventory write-downs, the provisions for risks, the defined benefit plans for employees, payables for the purchase of equity investments contained in the other liabilities and the determination of the fair value of the assets and liabilities acquired as part of the business combinations.

Measurement criteria

The measurement criteria used for the preparation of the consolidated financial statements as at 31 March 2024 are the same as those used for the consolidated financial statements at 31 December 2023, except for the new accounting standards, amendments and interpretations applicable from 1 January 2024, which are described below and which – it is noted – did not have a material impact on the equity and economic situation as at 31 March 2024.

Accounting standards, amendments and interpretations effective from 1 January 2024 and adopted by the Company:

Effective date	New accounting standard/amendment	Date of EU approval (OJEU publication date)
1 January 2024	Amendments to IAS 1: - Classification of liabilities as current or non-current - Classification of liabilities as current non-current - Deferment of the date of entry into force - Non-current liabilities with covenants	20 Dec 2023 (EU) 2023/2822
1 January 2024	Lease liabilities in a sale and leaseback transaction (Amendments to IFRS 16)	21 Nov 2023 (EU) 2023/2579

Notes as at 31 March 2024

Scope of consolidation and goodwill

Name	Registered Office	Currency	Share capital at 31 March 2024	Control percentage	
				At 31 March 2024	At 31 December 2023
Newlat Food S.p.A.	Italy - Via J.F. Kennedy 16, Reggio Emilia	EUR	43,935,050	Parent company	Parent company
Newlat GmbH	Germany - Franzosenstraße 9, Mannheim (Germany)	EUR	1,025,000	100%	100%
Centrale del Latte d'Italia S.p.A.	Turin - Via Filadelfia 220, 10137	EUR	28,840,041	67.74%	67.74%
Symington's Ltd	Thornes Farm Business Park, Pontefract Ln, Leeds LS9	GBP	100,000	100%	100%
EM Foods Sas	951 Rue Denis Papin, 54710 Ludres, France	EUR	1,000,000	100%	100%

Consolidation criteria and methodology

The interim report illustrates the Group's equity, economic and financial situation in accordance with IFRS.

The subsidiaries were consolidated using the line-by-line method. With regard to the subsidiary Centrale del Latte d'Italia S.p.A. (held at 31 March 2024 at 67.74%), minority interests were recognised.

The associate company Mercafir, in which the subsidiary Centrale del Latte d'Italia S.p.A. has a 25% stake, was consolidated using the equity method.

Non-current assets

<i>(In thousands of euros)</i>	At 31 March 2024	At 31 December 2023
Non-current assets		
Property, plant and equipment	162,664	164,732
Right-of-use assets	42,675	43,773
Intangible assets	90,594	91,548
Equity investments in associates	1,401	1,401
Non-current financial assets measured at fair value through profit or loss	777	777
Financial assets measured at amortised cost	799	800
Deferred tax assets	6,522	6,362
Total non-current assets	305,432	309,392

The following is a description of the main items that make up intangible assets:

Fixed assets, plant and equipment

Tangible assets decreased compared to 31 December 2023 mainly due to depreciation for the period. Investments as at 31 March amounted to Euro 2,433 thousand.

Right-of-use assets

Real estate right-of-use assets relate mainly to the production plants in Sansepolcro (AR), Ozzano Taro (PR), Reggio Emilia, Lodi, Lecce and Eboli (SA), Bologna and Corte de' Frati (CR), leased to Newlat under the agreements entered into with the related party New Property S.p.A.

Machinery right-of-use assets refer mainly to the lease of capital goods used in the production process.

The discount rate was determined on the basis of the marginal borrowing rate of the Group, i.e. the rate that the Group would have to pay for a loan, with a similar maturity and collateral, needed to obtain an asset of similar value to the right-of-use asset in a similar economic climate. The Group has decided to apply a single discount rate to a lease portfolio with reasonably similar characteristics, such as leases with a similar residual maturity for a similar underlying asset class, in a similar economic climate.

Intangible assets

Goodwill

The goodwill of Euro 13,070 thousand refers to:

- Euro 3,863 thousand refers entirely to Newlat Food's acquisition of Centrale del Latte di Salerno S.p.A. in December 2015, which was subsequently merged by incorporation into Newlat in December 2019. As at 31 March 2024, the Group's management did not detect any negative effects relating to the activities of the

Salerno plant that would require another impairment test in addition to the one that returned positive results performed for the financial statements as at 31 December 2023.

- Euro 9,207 thousand for Newlat Food's acquisition of the Symington's Ltd Group in August 2021. As at 31 March 2024, the Group's management did not detect any negative effects relating to the activities of Symington's that would require another impairment test in addition to the one that returned positive results performed for the financial statements as at 31 December 2023.

Concessions, licences, trademarks and similar rights

Trademarks with an indefinite useful life

This item refers to the following trademarks:

- the Drei Glocken and Birkel brands registered by the subsidiary Newlat GmbH in 2014 following the acquisition of the relevant business unit from Ebro Foods, for a total of Euro 18,844 thousand;
- the Centrale del Latte Rapallo-Latte Tigullio, Mukki and Centrale del Latte di Vicenza brands recorded in the separate financial statements of the subsidiary Centrale del Latte d'Italia S.p.A. for a total of Euro 19,132 thousand, revalued during purchase price allocation as part of the acquisition by Newlat Food for a total of Euro 6,823 thousand.

At 31 March 2024 the Group's management did not observe any negative effects relating to the operations of the plants of Newlat GmbH and Centrale del Latte d'Italia S.p.A. which the aforementioned brands refer to that would entail another impairment test in addition to the one performed with positive results for the financial statements as at 31 December 2023.

Trademarks with a finite useful life

This item includes brands owned by Newlat Food S.p.A., amortised according to the residual useful life, estimated on the basis of the period of time over which it is considered that they are guaranteed to generate cash flows.

Symington's assets with a finite useful life

This item includes allocations to trademarks with a finite useful life, know-how and customer lists defined in the purchase price allocation following the acquisition of Symington's.

Other intangible assets

This item mainly includes the multi-year research and development on product innovation by the Symington's Ltd Group.

Equity investments in associates

Investments in associated companies amount to Euro 1.4 million and refer to the company Mercafir for an amount of Euro 1,397 thousand and Filat for an amount of Euro 4 thousand.

Non-current financial assets measured at fair value through profit or loss

The balance includes the interest in Futura S.r.l. for a total of approximately Euro 657 thousand (less than 5% stake).

Financial assets measured at amortised cost

At 31 March 2024, this item totalled Euro 799 thousand (Euro 800 thousand at 31 December 2023) and referred mainly to security deposits paid by the Parent Company under the production premises lease agreements.

Deferred tax assets

At 31 March 2024, this item totalled Euro 6,522 thousand (Euro 6,322 thousand in December 2023). Prepaid taxes refer to the appropriation of taxed provisions. Based on the multi-year business plans prepared, management believes that these receivables can be fully recovered through future taxable income.

Current assets

<i>(In thousands of euros)</i>	At 31 March 2024	At 31 December 2023
Current assets		
Inventories	77,915	74,099
Trade receivables	74,974	84,634
Current tax assets	1,512	1,323
Other receivables and current assets	22,780	22,529
Current financial assets measured at fair value through profit or loss	77	69
Financial assets measured at amortised cost	13,099	13,099
Cash and cash equivalents	366,866	312,459
Total current assets	557,225	508,212

Inventories

Closing inventories increased by Euro 3.9 million compared to 31 December 2023 due to an increase in stocks to meet an increase in demand expected in the coming months.

Trade receivables

There are no significant changes in the receipt conditions. Receivables are shown net of the provision for write-downs estimated prudentially on the basis of information held in order to adjust their value to the presumed realisable value.

At each reporting date, customer receivables are analysed to check for the existence of impairment indicators. To perform this analysis, the Group assesses whether there are expected losses from trade receivables over the entire duration of these receivables and takes into account the expertise it has accrued regarding losses on receivables, grouped into similar categories, based on specific factors pertaining to the Group's receivables as well as on the general economic environment. Customer receivables are written down when there is no reasonable expectation that they will be recovered and the write-down takes place in the income statement under "amortisation, depreciation and write-downs".

Current tax assets and liabilities

Current tax assets totalled Euro 1,512 thousand (Euro 1,323 thousand at 31 December 2023).

Current tax liabilities totalled Euro 4,835 thousand (Euro 2,988 thousand at 31 December 2023). The change compared with 31 December 2023 was due mainly to taxes for the period.

Other receivables and current assets

"Other receivables and current assets" consist of tax receivables, advances to suppliers, prepaid expenses and other short-term receivables.

Financial receivables measured at amortised cost

Financial receivables measured at amortised cost amounting to Euro 13,099 thousand include financial receivables from the related party New Property S.p.A.

Cash and cash equivalents

"Cash and cash equivalents" mainly consist of sight current accounts with banks.

At 31 March 2024, cash and cash equivalents were not subject to restrictions or constraints.

See the statement of cash flows for changes in the "Cash and cash equivalents" item as at 31 March 2024.

Shareholders' equity

Share capital

As at 31 March 2024 the fully subscribed and paid-up share capital totalled Euro 43,935,050, divided into 43,935,050 ordinary shares.

As reported in the statement of changes in consolidated equity, the changes as at 31 March 2024 related to:

- Recognition of the total Group net profit for the period, in the amount of Euro 4,550 thousand.
- Purchase of treasury shares for Euro 2,306 thousand.

- Positive translation reserve of Euro 786 thousand.
- Recognition of minority interest in shareholders' equity amounting to Euro 16,664 thousand

Non-current liabilities

<i>(In thousands of euros)</i>	At 31 March 2024	At 31 December 2023
Non-current liabilities		
Provisions for employee benefits	10,554	10,951
Provisions for risks and charges	2,475	2,337
Deferred tax liabilities	22,682	22,868
Non-current financial liabilities	352,513	290,466
Non-current lease liabilities	35,641	37,160
Total non-current liabilities	423,865	364,783

Provisions for employee benefits

At 31 March 2024, this item totalled Euro 10,554 thousand, down Euro 397 thousand from 31 December 2023, mainly due to the departure of employees through retirement and resignation.

Provisions for risks and charges

The item is primarily composed of the provision for agents' indemnities, which represents a reasonable forecast of the charges that would be borne by the Group in the event of future interruption of agency relationships.

Deferred tax liabilities

The balance of Euro 22,682 thousand refers mainly to allocations to tangible and intangible assets as a result of acquisitions.

Non-current and current financial liabilities

The item mainly refers to short- and medium- to long-term financial payables. The verification of compliance with financial covenants is performed only on the annual data at 31 December. Based on the results obtained as of 31 March 2024 and on the year-end forecast the Group believes that these covenants will be respected at 31 December 2024.

Current and non-current lease liabilities

This item includes financial debt relating mainly to multi-year lease agreements for properties used by the Parent Company and by the subsidiaries and to the lease of industrial facilities and machinery.

Liabilities were recognised in compliance with the IFRS 16 accounting standard that came into effect on 1 January 2019 and determined as the present value of future lease payments discounted at a marginal rate of interest which, based on the length of each individual agreement, was identified in a range between 3% and 4%.

The change compared with 31 December 2023 was due mainly to the refund of lease fees.

Current liabilities

<i>(In thousands of euros)</i>	At 31 March 2024	At 31 December 2023
Current liabilities		
Trade payables	166,198	172,198
Current financial liabilities	49,840	64,653
Current lease liabilities	8,022	7,694
Current tax liabilities	4,835	2,988
Other current liabilities	31,564	31,630
Total current liabilities	260,459	2791,63

Trade payables

Trade payables refer to purchases of raw materials, services and assets.

There are no particular changes in supplier payment terms.

Current financial liabilities

Current financial liabilities refer to maturities within 12 months relating to medium-to-long-term loans and the use of credit lines for down payments.

Current lease liabilities

This item includes short-term financial debt relating mainly to multi-year lease agreements for properties and to the lease of industrial facilities and machinery.

Other current liabilities

This item consists mainly of tax payables and payables to employees and social security bodies.

Income statement

Please refer to the management report for an analysis of the income statement items as at 31 March 2024.

Earnings per share

Basic earnings per share are calculated on the basis of the consolidated profit for the period attributable to the shareholders of the Parent Company divided by the weighted average number of ordinary shares, calculated as follows:

	At 31 March	
	2024	2023
Profit for the year attributable to the Group in thousands of euros	4,550	5,824
Weighted average number of shares in circulation	42,270,177	39,146,158
Earnings per share (in Euro)	0.11	0.15

Related party transactions

The Group's transactions with related parties, identified based on criteria defined by IAS 24 – Related party disclosures, are mainly of a commercial or financial nature and are carried out under normal market conditions.

Despite this, there is no guarantee that, if these transactions had been conducted between or with third parties, said third parties would have negotiated and entered into the relevant contracts, or executed the transactions themselves, under the same conditions and in the same manner.

The Group deals with the following related parties:

- Newlat Group S.A., Swiss parent company; and
- companies controlled by the parent company other than its own subsidiaries and associates ("Companies controlled by the parent companies").

<i>(In thousands of euros)</i>	Parent company	Companies controlled by the parent companies		Total	Total statement of financial position items	% of statement of financial position item
	Newlat Group	New Property	Other companies controlled by the parent companies			
Right-of-use assets						
At 31 March 2024	-	13,451	-	13,451	42,675	31.5%
At 31 December 2023	-	14,875	-	14,105	43,773	32.4%
Non-current financial assets at amortised cost						
At 31 March 2024	-	735	-	735	799	92.0%
At 31 December 2023	-	735	-	735	800	91.9%
Trade receivables						
At 31 March 2024	3,921	-	-	3,921	74,974	5.2%
At 31 December 2023	2,493	-	-	2,493	84,634	2.9%
Financial receivables measured at amortised cost						
At 31 March 2024	-	13,099	-	13,099	13,099	100.0%
At 31 December 2023	-	13,099	-	13,099	13,099	100.0%
Cash and cash equivalents						
At 31 March 2024	88,783	-	-	88,783	366,866	24.2%
At 31 December 2023	93,586	-	-	93,586	312,459	30.0%
Non-current lease liabilities						
At 31 March 2024	-	13,417	-	13,417	35,641	37.6%
At 31 December 2023	-	14,092	-	14,092	37,160	37.9%
Trade payables						
At 31 March 2024	14	2,780	64	2,858	166,198	1.7%
At 31 December 2023	71	533	219	823	172,198	0.5%
Current financial liabilities						
At 31 March 2024	4,006	-	-	4,006	49,840	8.0%
At 31 December 2023	3,916	-	-	3,916	64,653	6.1%
Current lease liabilities						
At 31 March 2024	-	2,481	-	2,481	8,022	30.9%
At 31 December 2023	-	2,457	-	2,457	7,694	31.9%

<i>(In thousands of euros)</i>	Parent company	Companies controlled by the parent companies		Total	Total statement of financial position items	% of statement of financial position item
	Newlat Group	New Property	Other companies controlled by the parent companies			
Cost of sales						
At 31 March 2024	-	654	44	698	166,177	0.4%
At 31 March 2023	-	654	-	654	173,704	0.4%
Administrative costs						
At 31 March 2024	63	-	-	63	5,075	1.2%
At 31 March 2023	63	-	-	63	4,846	1.3%
Financial income						
At 31 March 2024	1,420	-	-	1,420	4,079	34.8%
At 31 March 2023	984	-	-	984	1,586	62.1%
Financial expenses						
At 31 March 2024	-	147	-	147	5,403	2.7%
At 31 March 2023	-	160	-	160	3,125	5.1%

Disputes and potential liabilities

As at 31 March 2024 there was no ongoing litigation that could change the Group's financial and economic situation.