



A multibrand company

**Newlat Food S.p.A.**

(incorporated in the Republic of Italy as a public joint stock company)

**Up to €200,000,000**

## **Senior Unsecured Fixed Rate Notes due February 2027**

Subject to the Minimum Offer Condition (as defined herein), Newlat Food S.p.A. (the "**Issuer**", "**Newlat**" or the "**Company**") is expected to issue on or about 19 February 2021 (the "**Issue Date**") between €150,000,000 (the "**Minimum Offer Amount**") and €200,000,000 (the "**Maximum Offer Amount**") fixed rate senior unsecured notes due February 2027 with a denomination of €1,000 (the "**Notes**") (the "**Offering**"). The Maximum Offer Amount may be reduced by the Issuer prior to the Launch Date (as defined herein). The Notes will be issued at a price of 100.00 per cent. of their principal amount (the "**Issue Price**"). The Notes will bear interest from and including the Issue Date to, but excluding, 19 February 2027, at a minimum rate of 2.50 per cent. per annum (the "**Minimum Interest Rate**") payable annually in arrear on 19 February each year, commencing on 19 February 2022. Payments on the Notes will be made in Euro without deduction for or on account of taxes imposed or levied by the Republic of Italy or the Republic of Ireland to the extent described under "**Terms and Conditions of the Notes – Taxation**".

Unless previously redeemed, or purchased and cancelled, the Notes will be redeemed at their principal amount on 19 February 2027. The Notes are subject to redemption, in whole but not in part, at their principal amount, plus interest, if any, to the date fixed for redemption at the option of the Issuer and at any time in the event of certain changes affecting taxation in the Republic of Italy. In addition, at any time on or after 19 February 2024, the Issuer may redeem the Notes in whole or in part from time to time at the redemption prices specified in the Interest Rate, Yield and Redemption Prices Notice. Furthermore, Noteholders may exercise a put option in the event of a Change of Control (as defined below). See "**Terms and Conditions of the Notes – Redemption and Purchase**".

The Notes constitute direct, unconditional and unsecured obligations of the Issuer which will at all times rank *pari passu* among themselves and *pari passu* with all other present and future unsubordinated and unsecured obligations of the Issuer, save for certain mandatory exceptions of applicable law. The Notes constitute *obbligazioni* pursuant to Articles 2410 *et seq.* of the Italian Civil Code.

This prospectus (the "**Prospectus**") constitutes a prospectus for the purposes of Article 6.3 of Regulation (EU) 2017/1129 (the "**Prospectus Regulation**"). This Prospectus will be published in electronic form together with all documents incorporated by reference herein on the website of Issuer ([www.newlat.it](http://www.newlat.it)) (the "**Issuer's Website**") and the website of the Euronext Dublin (as defined below) ([www.ise.ie](http://www.ise.ie)) (the "**Euronext Dublin Website**") and will be available free of charge at the registered office of the Issuer.

This Prospectus has been approved by the Central Bank of Ireland (the "**CBI**"), as competent authority under the Prospectus Regulation. The CBI only approves this Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Such approval should not be considered as an endorsement of the Issuer or the quality of the Notes that are subject of this Prospectus. Investors should make their own assessment as to the suitability of investing in the Notes. Moreover, such approval relates only to the Notes which are to be admitted to trading on the regulated market of Euronext Dublin (as defined below) or other regulated markets for the purposes of Directive 2014/65/EU on markets in financial instruments (as amended, "**MiFID II**") or which are to be offered to the public in any member state of the European Economic Area. The Issuer has requested the CBI to provide the competent authority in Italy, *Commissione Nazionale per le Società e la Borsa* ("**CONSOB**") with a certificate of approval pursuant to Article 25 of the Prospectus Regulation attesting that this Prospectus has been drawn up in accordance with the Prospectus Regulation (the "**Notification**").

Application has been made to the Irish Stock Exchange plc trading as Euronext Dublin ("**Euronext Dublin**") for the Notes to be admitted to the official list (the "**Official List**") and trading on its regulated market (the "**Regulated Market**") and to Borsa Italiana S.p.A. ("**Borsa Italiana**") for the Notes to be admitted to listing and trading on the Borsa Italiana's regulated market, *Mercato Telematico delle Obbligazioni* (the "**MOT**"). The Regulated Market and the MOT are regulated markets for the purposes of MiFID II. References in this Prospectus to the Notes being listed (and all related references) shall mean that the Notes have been admitted to trading on the Regulated Market and the MOT. Borsa Italiana has admitted the Notes to listing on the MOT with order n. LOL-004375 dated 1 February 2021. The start date of official trading of the Notes on the MOT (the "**MOT Trading Start Date**") will be set by Borsa Italiana in accordance with Rule 2.4.3 of the Borsa Italiana rules and published on the Issuer's Website and the Euronext Dublin Website and released through the SDIR-NIS system of Borsa Italiana. The MOT Trading Start Date shall correspond to the Issue Date. The interest rate of the Notes (which shall not be less than the Minimum Interest Rate), the yield and the redemption prices will be set out in a notice, which will be filed with the CBI and published on the Issuer's Website, the Euronext Dublin Website and released through the SDIR-NIS system of Borsa Italiana no later than the second business day after the end of the Offering Period (as defined in "**Subscription and Sale – Offering Period, Early Closure, Extension and Withdrawal**") (the "**Interest Rate, Yield and Redemption Prices Notice**"). The aggregate principal amount of the Notes, the number of Notes sold and the proceeds of the Offering will be set out in a notice, which will be filed with the CBI and published on the Issuer's Website, the Euronext Dublin Website and released through the SDIR-NIS system of Borsa Italiana no later than the second business day after the end of the Offering Period (as defined in "**Subscription and Sale – Offering Period, Early Closure, Extension and Withdrawal**") (the "**Offering Results Notice**").

The Notes will be in bearer form in the denomination of €1,000 each and will initially be in the form of a temporary global note (the "**Temporary Global Note**"), without interest coupons, which will be deposited on or around the Issue Date with a common safekeeper for Euroclear Bank SA/NV ("**Euroclear**") and Clearstream Banking, S.A. ("**Clearstream, Luxembourg**"). The Temporary Global Note will be exchangeable, in whole or in part, for interests in a permanent global note (the "**Permanent Global Note**"), and together with the Temporary Global Note, each a "**Global Note**", without interest coupons, not earlier than 40 days after the Issue Date upon certification as to non-U.S. beneficial ownership. Interest payments in respect of the Notes cannot be collected without such certification of non-U.S. beneficial ownership. The Permanent Global Note will be exchangeable in certain limited circumstances in whole, but not in part, for Notes in definitive form in principal amounts equal to €1,000 with interest coupons attached. No Notes in definitive form will be issued with a denomination above €1,000. See "**Summary of Provisions Relating to the Notes in Global Form**".

**This Prospectus is valid until 2 February 2022. The obligation to supplement this Prospectus in the event of significant new factors, material mistakes or material inaccuracies does not apply when this Prospectus is no longer valid or, if earlier, once the Notes are admitted to the Official List and trading on the Regulated Market and the MOT.**

The Notes have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the "**Securities Act**") and are subject to United States tax law requirements. The Notes are being offered outside the United States by the Placement Agent (as defined in "**Subscription and Sale**" below) in accordance with Regulation S under the Securities Act ("**Regulation S**"). Subject to certain exceptions, the Notes may not be offered, sold or delivered within the United States or for the account or benefit of, U.S. persons as defined in Regulation S or United States persons as defined in the US Internal Revenue Code of 1986, as amended (the "**US Code**"), and U.S. Treasury regulations thereunder. For a description of certain restrictions on transfers of the Notes, see "**Subscription and Sale**" below.

Investing in the Notes involves risks. See "**Risk Factors**" beginning on page 8 of this Prospectus for a discussion of certain risks prospective investors should consider in connection with any investment in the Notes.

The Notes have been assigned the following securities codes: ISIN: XS2289795465; Common Code: 228979546.

**PLACEMENT AGENT  
EQUITA SIM**

**Prospectus dated 2 February 2021**

## RESPONSIBILITY STATEMENT

The Issuer accepts responsibility for the information contained in this Prospectus and declares that the information contained in this Prospectus, to the best of its knowledge, is in accordance with the facts and contains no omission likely to affect its import.

The Issuer has confirmed to Equita SIM S.p.A. (the "**Placement Agent**") that this Prospectus contains or incorporates all information regarding the Issuer and the Group as of the date of this Prospectus (where "**Group**" means the Issuer and its consolidated subsidiaries) and the Notes which are (in the context of the issue of the Notes) material; such information is true and accurate in all material respects and is not misleading in any material respect; any opinions, predictions or intentions expressed in this Prospectus on the part of the Issuer or the Group are honestly held or made and are not misleading in any material respect; this Prospectus does not omit to state any material fact necessary to make such information, opinions, predictions or intentions (in such context) not misleading in any material respect; and all proper enquiries have been made to ascertain and to verify the foregoing.

To the fullest extent permitted by law, none of the Placement Agent or The Bank of New York Mellon, London Branch as fiscal agent and principal paying agent (the "**Fiscal Agent**") accepts any responsibility for the contents of this Prospectus or for any other statements made or purported to be made by the Placement Agent or on its behalf or by the Fiscal Agent or on its behalf in connection with the Issuer or the issue and offering of the Notes. Each of the Placement Agent and the Fiscal Agent disclaims all and any liability whether arising in tort or contract or otherwise which it might otherwise have in respect of this Prospectus or any such statement.

## IMPORTANT INFORMATION

The offer, sale and delivery of the Notes and the distribution of this Prospectus in certain jurisdictions are restricted by law. Persons into whose possession this Prospectus comes are required by the Issuer and the Placement Agent to inform themselves about and to observe any such restrictions. None of the Issuer or the Placement Agent represents that this Prospectus may be lawfully distributed, or that any Notes may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Issuer or the Placement Agent which is intended to permit a public offering of any Notes or distribution of this Prospectus in any jurisdiction where action for that purpose is required. Accordingly, no Notes may be offered or sold, directly or indirectly, and neither this Prospectus nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations and the Placement Agent has represented that all offers and sales by them will be made on the same terms. In particular, the Notes have not been, and will not be, registered under the Securities Act and are subject to United States tax law requirements. Subject to certain exceptions, the Notes may not be offered, sold or delivered within the United States or to U.S. persons.

For a further description of certain restrictions on offerings and sales of the Notes and distribution of this Prospectus (or of any part thereof) see "*Subscription and Sale - Selling Restrictions*" below.

This Prospectus has been prepared on a basis that permits offers that are not made within an exemption from the requirement to publish a prospectus under Article 1(4) of the Prospectus Regulation ("**Non-exempt Offers**") in Italy and the Republic of Ireland (each a "**Non-exempt Offer Jurisdiction**" and together, the "**Non-exempt Offer Jurisdictions**"). Any person making or intending to make a Non-exempt Offer of Notes on the basis of this Prospectus must do so only with the Issuer's consent – see "Consent given in accordance with Article 5(1) of the Prospectus Regulation (Retail Cascade)" below.

This Prospectus is to be read in conjunction with all documents which are deemed to be incorporated herein by reference (see "*Documents Incorporated by Reference*") below. This Prospectus should be read and construed on the basis that such documents are incorporated in and form part of this Prospectus.

Investors should rely only on the information contained in this Prospectus. The Issuer has not authorised anyone to provide investors with different information. Neither the initial purchasers nor

the Issuer is making any offer of the Notes in any jurisdiction where the offer is not permitted. You should not assume that the information contained in this Prospectus is accurate as of any date other than the date on the cover of this Prospectus regardless of the time of delivery of this Prospectus or of any sale of the Notes.

The Issuer has not authorised the making or provision of any representation or information regarding the Issuer or the Notes other than as contained in this Prospectus or as approved for such purpose by the Issuer. Any such representation or information should not be relied upon as having been authorised by the Issuer or the Placement Agent.

Neither the delivery of this Prospectus nor the offering, sale or delivery of any Note shall in any circumstances create any implication that the information contained herein concerning the Issuer and/or its Group is correct at any time subsequent to the date hereof or that any other information supplied in connection with the offering of the Notes is correct as of any time subsequent to the date indicated in the document containing the same or that there has been no adverse change, or any event reasonably likely to involve any adverse change, in the condition (financial or otherwise) of the Issuer and/or the Group since the date of this Prospectus. The Placement Agent expressly does not undertake to review the financial condition or affairs of the Issuer during the life of the Notes or to advise any investor in the Notes of any information coming to their attention.

Neither this Prospectus nor any other information supplied in connection with the offering, sale or delivery of any Note (a) is intended to provide the basis of any credit or other evaluation or (b) should be considered as a recommendation by the Issuer or the Placement Agent that any recipient of this Prospectus or any other information supplied in connection thereto should purchase any Note. Each investor contemplating purchasing any Note should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer and the Group. Neither this Prospectus nor any other information supplied in connection with the issue of the Notes constitutes an offer or invitation by or on behalf of the Issuer or the Placement Agent to any Person to subscribe for or to purchase any Notes.

Each recipient of this Prospectus shall be taken to have made its own investigation and appraisal of the condition (financial or otherwise) of the Issuer and the Group and of the rights attaching to the Notes.

Each potential investor in the Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

- (a) have sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained or incorporated by reference in this Prospectus, the Interest Rate, Yield and Redemption Prices Notice, the Offering Results Notice or any applicable supplement;
- (b) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact the Notes will have on its overall investment portfolio;
- (c) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including where the currency for principal or interest payments is different from the potential investor's currency;
- (d) understand thoroughly the terms of the Notes and be familiar with the behavior of any relevant indices and financial markets; and
- (e) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

The investment activities of certain Investors are subject to investment laws and regulations, or review or regulation by certain authorities. Each potential Investor should consult its legal advisers prior to investing in the Notes to determine whether and to what extent (i) the Notes are permitted investments for it, (ii) where relevant, the Notes can be used as collateral for various types of borrowing, and (iii) other restrictions apply to its purchase or pledge of any Notes. Financial

institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of the Notes under any applicable risk-based capital or similar rules. Each Investor should also consider the tax consequences of investing in the Notes and consult its own tax advisers with respect to the acquisition, sale and redemption of the Notes in light of its personal situation.

The legally binding language of this Prospectus, according to Article 27 of the Prospectus Regulation, is English, however certain legislative references and technical terms have been cited in their original language in order that the correct technical meaning may be ascribed to them under applicable law.

In this Prospectus, unless otherwise specified, references to a "**Member State**" are references to a Member State of the European Economic Area and references to "€", "**EUR**" or "**Euro**" are to the currency introduced at the start of the third stage of European economic and monetary union, and as defined in Article 2 of Council Regulation (EC) No 974/98 of 3 May 1998 on the introduction of the euro, as amended.

Certain figures included in this Prospectus have been subject to rounding adjustments; accordingly, figures shown for the same category presented in different tables may vary slightly and figures shown as totals in certain tables may not be an arithmetic aggregation of the figures which precede them.

***This Prospectus may only be used for the purpose for which it has been published.***

***This Prospectus does not constitute, and may not be used for the purpose of an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such an offer or solicitation.***

***Any financial intermediary using this Prospectus has to state on its website that it uses this Prospectus in accordance with the consent and the conditions attached hereto.***

## **Forward-looking statements**

This Prospectus may contain forward-looking statements, including (without limitation) statements identified by the use of terminology such as "anticipates", "believes", "estimates", "expects", "intends", "may", "plans", "projects", "will", "would" or similar words. These statements are based on the Issuer's current expectations and projections about future events and involve substantial uncertainties. All statements, other than statements of historical facts, contained herein regarding the Issuer's strategy, goals, plans, future financial position, projected revenues and costs or prospects are forward-looking statements. Forward-looking statements are subject to inherent risks and uncertainties, some of which cannot be predicted or quantified. Future events or actual results could differ materially from those set forth in, contemplated by or underlying forward-looking statements. The Issuer does not undertake any obligation to publicly update or revise any forward-looking statements.

## **Market share information and statistics**

Information regarding markets, market size, market share, market position, growth rates and other industry data pertaining to the Issuer/Group's business contained in this Prospectus consists of estimates based on data reports compiled by professional organisations and analysts, on data from other external sources, and on the Issuer's knowledge of its reference markets. In many cases, there is no readily available external information (whether from trade associations, government bodies or other organisations) to validate market-related analyses and estimates, requiring the Issuer to rely on internally developed estimates. While the Issuer has compiled, extracted and accurately reproduced market or other industry data from external sources, including third parties or industry or general publications, neither the Issuer nor the Placement Agent have independently verified that data. As far as each of the Issuer is aware, no facts have been omitted which would render the reproduced information inaccurate or misleading. The Issuer cannot assure investors of the accuracy and completeness of, or take any responsibility for, such data other than the responsibility for the correct and accurate reproduction thereof.

## PRESENTATION OF FINANCIAL AND CERTAIN OTHER INFORMATION

The audited combined consolidated financial statements of the Issuer as of and for the years ended 31 December 2018 and 31 December 2019 incorporated by reference in this Prospectus have been prepared in accordance with International Financial Reporting Standards as endorsed by the European Union ("**IFRS**")<sup>1</sup>.

The interim unaudited consolidated financial statements of the Group as of and for the nine months ended 30 September 2020 incorporated by reference in this Prospectus have been prepared in accordance with IFRS applicable to interim financial reporting (IAS 34), endorsed by the European Union.

The unaudited pro forma consolidated statements of financial position as of 31 December 2019 and unaudited pro forma consolidated income statement for the year ended 31 December 2019 has been prepared to represent the main effect of the CLI Acquisition (as defined below) on the Group's combined statement of financial position as of 31 December 2019 and combined income statements for the year ended 31 December 2019<sup>2</sup>.

### Alternative Performance Measures

In order to better evaluate the Group's financial management performance, management has identified Alternative Performance Measures (each an "**APM**"). The Issuer believes that these APMs provide useful information for investors as regards its financial position, cash flows and financial performance, because they facilitate the identification of significant operating trends and financial parameters. The Combined Consolidated Financial Statements (as defined below) incorporated by reference in this Prospectus contain the following alternative performance measures as defined by the European Securities and Markets Authority's Guidelines on Alternative Performance Measures (ESMA/2015/1415), which are used by the management of the Issuer to monitor its financial and operating performance:

"**EBIT**", which means earnings before taxes and financial income and expenses, with no adjustments;

"**EBITDA**", which means the sum of operating profit/(loss) of the income statement, amortisation, depreciation and impairment of fixed and financial assets;

"**Net Financial Indebtedness**", means ESMA Net Financial Debt determined in accordance with the provisions of paragraph 127 of the recommendations contained in the ESMA document no. 319 of 2013, implementing Regulation (EC) 809/2004;

"**Net Financial Position**": means ESMA Net Financial Debt determined in accordance with the provisions of paragraph 127 of the recommendations contained in the ESMA document no. 319 of 2013, implementing Regulation (EC) 809/2004, deducted, where applicable, non-current receivables and financial assets and deducted, where applicable, the effects of IFRS 16 – Leases; and

"**Net Working Capital**", which means the difference between trade receivables, net inventories and trade payables in the balance sheet.

EBIT and EBITDA can also be adjusted in order to take into account any Exceptional Items (as defined in the Conditions).

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<sup>1</sup> As a result of the acquisition of Newlat Deutschland, which met the criteria of business combination under common control under IFRS, the Company is considered to have a "complex financial history" as defined by the provisions of Article 18 of the Commission Delegated Regulation 2019/980. Accordingly, the results, financial position and cash flows of the Newlat Group for the years ending as of 31 December 2019 and 31 December 2018 are presented based on combined financial information. The combined consolidated financial statements have been prepared for the purposes of their inclusion in the offering prospectus approved by CONSOB on 3 July 2020 (decision No. 0638132/20).

<sup>2</sup> The unaudited pro forma consolidated statements of financial position as of 31 December 2019 and unaudited pro forma consolidated income statement for the year ended 31 December 2019 have been prepared for the purposes of their inclusion in the offering prospectus approved by CONSOB on 3 July 2020 (decision No. 0638132/20).

These indicators are also the instruments which make it easier for the administrators themselves to identify operational trends and to take decisions regarding investments, allocation of resources and other operational decisions.

With reference to the interpretation of these APMs, the following factors are also to be taken into consideration:

- a) these indicators are constructed exclusively from the Group's historic data and are no indication of the future direction of the Group;
- b) APMs are not taken into consideration by IFRS and, despite being derived from the Issuer's consolidated accounts, are not subject to auditing;
- c) APMs should not be seen as substitutes for the indicators set out pursuant to IFRS;
- d) the definitions of the indicators used by the Group, in so far as they are not derived from IFRS, may not align with those adopted by other companies/groups and thus not comparable; and
- e) the APMs used by the Group are calculated with continuity and homogeneity of definition and representation for all the periods for which financial information is included in the present Prospectus.

### **Normalized financial information**

The Prospectus contains certain normalized measures (namely, the normalized EBIDTA and the normalized EBIDTA margin), which have been derived from the income statement of financial statements. Such measures have been normalized by the Issuer by removing certain non-recurring items, for the sole purpose of making them fully comparable in the financial years 2019 and 2018 and in the first nine months of 2020.

These normalized measures are unaudited and not indicative of the Group's historical operating results, nor are they meant to be predictive of future results and should be read in conjunction with, and are qualified in their entirety by, the Combined Consolidated Financial Statements (as defined below). Since all companies do not calculate these measures in an identical manner, the Issuer's presentation may not be consistent with similar measures used by other companies. Therefore, investors should not place undue reliance on these data.

### **IMPORTANT LEGAL INFORMATION**

This Prospectus has been prepared on a basis that permits offers of the Notes that are not made within an exemption from the requirement to publish a prospectus under Article 1(4) of the Prospectus Regulation (a "**Public Offer**" and together, "**Public Offers**") in the Republic of Italy (the "**Public Offer Jurisdiction**"). Any person making or intending to make a Public Offer of Notes on the basis of this Prospectus must do so only with the Issuer's consent – see "*Consent given in accordance with Article 5(1) of the Prospectus Regulation (Retail Cascades)*" below.

#### **CONSENT GIVEN IN ACCORDANCE WITH ARTICLE 5(1) OF THE PROSPECTUS REGULATION (RETAIL CASCADES)**

##### **Consent**

In the context of any Public Offer of Notes, the Issuer accepts responsibility, in each of the Public Offer Jurisdictions, for the content of this Prospectus in relation to any person (an "**Investor**") who purchases any Notes in a Public Offer made by the Placement Agent (as defined below) or an Authorised Offeror (as defined below), where that offer is made during the Offering Period (as defined in "*Subscription and Sale — Offering of the Notes — Offering Period, Early Closure, Extension and Withdrawal*" below).

Except in the circumstances described below, the Issuer has not authorised the making of any offer by any offeror and has not consented to the use of this Prospectus by any other person in connection with any offer of the Notes in any jurisdiction. Any offer made without the consent of the Issuer is unauthorised and neither the Issuer nor, for the avoidance of doubt, the Placement

Agent accepts any responsibility or liability in relation to such offer or for the actions of the persons making any such unauthorised offer.

If, in the context of a Non-exempt Offer, an Investor is offered Notes by a person which is not an Authorised Offeror, the Investor should check with such person whether anyone is responsible for this Prospectus for the purpose of the relevant Non-exempt Offer and, if so, who that person is. If an Investor is in any doubt about whether it can rely on this Prospectus and/or who is responsible for its contents, the Investor should take legal advice.

### Conditions to Consent

The Issuer consents to the use of this Prospectus in connection with any Non-exempt Offer of Notes in the Public Offer Jurisdictions during the Offering Period (as defined in "*Subscription and Sale*" below) by:

- a) the Placement Agent; and
- b) any other financial intermediary appointed after the date of this Prospectus and whose name is published on the Issuer's Website and identified as an Authorised Offeror in respect of the Non-exempt Offer (together with the financial intermediary specified in (i) above, the "**Authorised Offerors**").

Furthermore, the conditions to the Issuer's consent are that such consent:

- a) is only valid during the Offering Period (as defined in "*Subscription and Sale — Offering of the Notes — Offering Period, Early Closure, Extension and Withdrawal*"); and
- b) only extends to the use of this Prospectus to make Public Offers in the Republic of Italy.

### Arrangements between an Investor and the Authorised Offeror who will distribute the Notes

Neither the Issuer nor, for the avoidance of doubt, the Placement Agent has any responsibility for any of the actions of any Authorised Offeror, including compliance by an Authorised Offeror with applicable conduct of business rules or other local regulatory requirements or other securities law requirements in relation to such offer.

**An Investor intending to acquire or acquiring any Notes from an Authorised Offeror will do so, and offers and sales of the Notes to such Investor by an Authorised Offeror will be made, in accordance with any terms and other arrangements in place between that Authorised Offeror and such Investor including as to price, allocations and settlement arrangements (the "Terms and Conditions of the Non-exempt Offer"). The Issuer will not be a party to any such arrangements with such Investor and, accordingly, this Prospectus does not contain such information. The Terms and Conditions of the Non-exempt Offer shall be provided to such Investor by that Authorised Offeror at the time the offer is made. None of the Issuer or, for the avoidance of doubt, the Placement Agent or other Authorised Offerors has any responsibility or liability for such information.**

**MIFID II product governance / Retail investors target market, professional investors and ECPs target market** – Solely for the purposes of each manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties, professional clients and retail clients, each as defined in MiFID II; and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the manufacturer's target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer's target market assessment) and determining appropriate distribution channels.

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## SUMMARY

*This summary constitutes the general description of the offering programme for the purposes of Article 7 of Regulation (EU) 2017/1129 (the "**Prospectus Regulation**") and includes the key information that investors need in order to understand the nature and the risks of the Issuer and the Notes, and is to be read together with the other parts of the Prospectus to aid prospective investors when considering whether to invest in the Notes.*

### Section A – Introduction containing warnings

The Notes are debt securities issued by Newlat Food S.p.A. (the "**Issuer**" or "**Newlat**") on or about 19 February 2021 (the "**Issue Date**") of between €150,000,000 (the "**Minimum Offer Amount**") and €200,000,000 (the "**Maximum Offer Amount**") fixed rate senior unsecured notes due February 2027 with a denomination of €1,000 (the "**Notes**") (the "**Offering**"). The Issuer's legal entity identifier ("**LEI**") number is 815600511D7D0F6A5955. The International Securities Identification Number ("**ISIN**") for the Notes is XS2289795465 and the Common Code is 228979546. The prospectus (the "**Prospectus**") is dated 2 February 2021.

The Issuer is a public joint stock company duly organised and validly existing under the laws of the Republic of Italy ("**Italy**"), with its registered office at Via J.F. Kennedy, No. 16, Reggio Emilia (Italy) and registered with the Companies Register of Reggio Emilia (*Registro delle Imprese di Reggio Emilia*) under registration number and fiscal code 00183410563. The Issuer's telephone number is +39 0522 7901.

The Notes are being offered by the Issuer. For information regarding the Issuer please refer to information disclosed under "*Who is the issuer of the securities?*" below.

Application has been made to the Central Bank of Ireland of the Republic of Ireland (the "**CBI**") for the approval of the Prospectus for the purposes of the Prospectus Regulation. The Prospectus was approved by the CBI on 2 February 2021. The business address of the CBI is New Wapping Street, North Wall Quay, Dublin 1, D01 F7X3. CBI's contact details are: (i) telephone: +353 (0)1 224 6000, (ii) fax: +353 (0)1 224 5550, (iii) e-mail: [enquiries@centralbank.ie](mailto:enquiries@centralbank.ie). The Issuer has requested the CBI to provide the competent authority in the Republic of Italy, *Commissione Nazionale per le Società e la Borsa* ("**CONSOB**") with a certificate of approval pursuant to Article 25 of the Prospectus Regulation attesting that the Prospectus has been drawn up in accordance with the Prospectus Regulation.

This summary should be read as an introduction to the Prospectus. Any decision to invest in the Notes should be based on a consideration of the Prospectus as a whole by prospective investors. Investors could lose all or part of their invested capital. Where a claim relating to the information contained in the Prospectus is brought before a court, the plaintiff investor might, under national law, have to bear the costs of translating the Prospectus before the legal proceedings are initiated. Civil liability attaches only to those persons who have tabled the summary including any translation thereof, but only where the summary is misleading, inaccurate or inconsistent, when read together with the other parts of the Prospectus, or where it does not provide, when read together with the other parts of the Prospectus, key information in order to aid investors when considering whether to invest in the Notes. The Issuer has not prepared a key information document (within the meaning of Regulation (EU) No 1286/2014 (the "**PRIIPs Regulation**")).

### Section B – Key Information on the issuer

#### Who is the issuer of the securities?

The Issuer is a public joint stock company duly organised and validly existing under the laws of Italy, with its registered office at Via J.F. Kennedy, No. 16, Reggio Emilia (Italy) and registered with the Companies Register of Reggio Emilia (*Registro delle Imprese di Reggio Emilia*) under registration number and fiscal code 00183410563. The Issuer's legal entity identifier ("**LEI**") number is 815600511D7D0F6A5955.

The Issuer is a relevant player in the Italian and European agri-food sector. The Group's business units are as follows: (i) pasta; (ii) milk products; (iii) dairy products (including milk-based products); (iv) bakery products; (v) special products (gluten free products; low protein products; food designed to meet the special needs of infants and children up to three years old); e (vi) other products (sauces, ready-for-consumption products (instant cups), salads and sausages). The Group operates 15 plants (14 in Italy and 1 in Germany).

The Issuer Major Shareholder is Newlat Group S.A. – a company wholly owned by Mr. Angelo Mastrolia – which holds 61.65% of the Issuer's share capital and 75.46% of the Issuer's voting rights.

The Directors of the Issuer are Angelo Mastrolia, Giuseppe Mastrolia, Stefano Cometto, Benedetta Mastrolia, Maria Cristina Zoppo, Valentina Montanari and Eric Sandrin.

The current auditor of the Issuer is PricewaterhouseCoopers S.p.A.

### What is the key financial information regarding the issuer?

The following tables set out selected financial information relating to the Issuer. The information below has been extracted from the audited combined consolidated financial statements of the Issuer as of and for the years ended 31 December 2018 and 2019, as well as from the interim unaudited consolidated financial statements as of and for the period ended on 30 September 2020 incorporated by reference in the Prospectus. The pro forma financial information has been extracted from the unaudited pro forma consolidated statement of financial position as of 31 December 2019 and unaudited pro forma consolidated income statement for the year ended 31 December 2019.

#### CONSOLIDATED STATEMENT OF FINANCIAL POSITION

| (In € thousands)                    | 9-months ended<br>30 September | As of 31 December |                |                |
|-------------------------------------|--------------------------------|-------------------|----------------|----------------|
|                                     | 2020                           | 2019<br>Pro forma | 2019           | 2018           |
| <b>Non-current assets</b>           | 217,175                        | <b>229,410</b>    | <b>80,284</b>  | <b>80,693</b>  |
| <b>Current assets</b>               | 287,659                        | <b>230,475</b>    | <b>181,460</b> | <b>156,125</b> |
| <b>TOTAL ASSETS</b>                 | 504,834                        | <b>459,885</b>    | <b>261,744</b> | <b>236,818</b> |
| <b>Total equity</b>                 | 149,584                        | <b>136,007</b>    | <b>91,546</b>  | <b>63,540</b>  |
| <b>Non-current liabilities</b>      | 140,648                        | <b>112,096</b>    | <b>41,524</b>  | <b>34,905</b>  |
| <b>Current liabilities</b>          | 214,601                        | <b>211,782</b>    | <b>128,674</b> | <b>138,373</b> |
| <b>TOTAL EQUITY AND LIABILITIES</b> | 504,834                        | <b>459,885</b>    | <b>261,744</b> | <b>236,818</b> |

#### CONSOLIDATED INCOME STATEMENT

| (In € thousands)                                | 9-months<br>ended 30<br>September | As of 31 December |               |               |
|---|-----------------------------------|-------------------|---------------|---------------|
|   | 2020                              | 2019<br>Pro forma | 2019          | 2018          |
| Revenue from contracts with customers           | 325,686                           | 496,053           | 320,902       | 305,830       |
| Cost of sales of goods                          | (254,038)                         | (396,573)         | (262,212)     | (256,060)     |
| <b>Gross profit</b>                             | <b>71,647</b>                     | <b>99,480</b>     | <b>58,690</b> | <b>49,770</b> |
| Sales and distribution costs                    | (39,061)                          | (66,576)          | (31,717)      | (27,864)      |
| Administrative expenses                         | (16,319)                          | (24,924)          | (13,417)      | (12,663)      |
| Net impairment losses on financial assets       | (927)                             | (1,850)           | (674)         | (937)         |
| Other income                                    | 5,428                             | 8,577             | 5,141         | 4,577         |
| Non recurring income from business combinations | 20,296                            | -                 | -             | -             |
| Other costs                                     | (3,767)                           | (5,450)           | (3,464)       | (3,153)       |
| <b>Operating profit</b>                         | <b>37,298</b>                     | <b>9,257</b>      | <b>14,559</b> | <b>9,730</b>  |
| Finance income                                  | 447                               | 821               | 582           | 1,327         |
| Finance costs                                   | (2,411)                           | (3,779)           | (1,946)       | (2,077)       |
| Income (expenses) from investments              | -                                 | 117               | -             | -             |
| <b>Profit before income tax</b>                 | <b>35,334</b>                     | <b>6,416</b>      | <b>13,196</b> | <b>8,980</b>  |
| Income tax expense                              | (4,555)                           | (2,616)           | (2,844)       | (3,028)       |
| <b>Net profit</b>                               | <b>30,779</b>                     | <b>3,800</b>      | <b>10,311</b> | <b>5,952</b>  |

#### CONSOLIDATED STATEMENT OF CASH FLOWS

| (In € thousands)   | 9-months ended 30<br>September | For the year ended 31 December |                 |
|--|--------------------------------|--------------------------------|-----------------|
|  | 2020                           | 2019                           | 2018            |
| <b>Cash flow from operating activities before changes in net working capital</b> | <b>34,170</b>                  | <b>28,991</b>                  | <b>16,593</b>   |
| <b>Net cash flow provided by / (used in) operating activities</b>                | <b>41,687</b>                  | <b>33,732</b>                  | <b>23,293</b>   |
| <b>Net cash flow provided by / (used in) investing activities</b>                | <b>15,570</b>                  | <b>(68,599)</b>                | <b>(17,442)</b> |
| <b>Net cash flow provided by / (used in) financing activities</b>                | <b>5,384</b>                   | <b>73,965</b>                  | <b>(16,125)</b> |

|   |         |                |                 |
|---|---------|----------------|-----------------|
| <b>Total cash flow provided / (used) in the year</b>            | 62,642  | <b>39,098</b>  | <b>(10,274)</b> |
| <b>Cash and cash equivalents at the beginning of the period</b> | 100,884 | <b>61,786</b>  | <b>72,060</b>   |
| Total cash flow provided / (used) in the year                   | 62,642  | 39,098         | (10,274)        |
| <b>Cash and cash equivalents at the end of the period</b>       | 163,527 | <b>100,884</b> | <b>61,786</b>   |

**What are the key risks that are specific to the issuer?**

1. The Issuer holds a stake in Centrale del Latte d'Italia S.p.A. ("**CLI**") equal to 67.59% of the share capital and the voting rights. As of 31 December 2019, CLI registered a negative consolidated operating profit of approximately €5.3 million and a loss for the period, on a consolidated basis, of €6.5 million. In addition, in the period 2019-2018, CLI registered a decrease of 2.9% in revenues mainly as a result of a negative trend of the market of the milk. The margins of the Group are exposed to fluctuations mainly as a result of variations in the cost of raw materials. The events indicated above may have a material adverse effect on the business, the results of operations or financial condition of the Group.
2. As of 30 September 2020, the Group's consolidated net financial indebtedness amounted to €8,785 thousand and is higher compared to 31 December 2019. This is mainly due to the acquisition of CLI. Based on the unaudited pro forma financial information as at 31 December 2019, which takes into account the inclusion of the Centrale del Latte d'Italia in the perimeter of consolidation, the Group records a worsening of its net financial debt (determined in accordance with ESMA recommendation No.319 of 20 March 2013) which is negative for €28,672 thousand. Therefore, the Group is exposed to the risk that Centrale del Latte d'Italia will achieve cash flows and profit margins that are not congruous and temporally inconsistent with respect to cash outflows and costs related to debt and that the Group must therefore finance the necessary provisions to Centrale del Latte d'Italia, with consequent negative effects on the margins and on the economic, financial and equity situation of the Group. In addition, Newlat's ability to repay its financial indebtedness depends on its ability to generate cash flows and there can be no assurance that sufficient funds will be available to repay the Company's existing and future financial indebtedness.
3. COVID-19 pandemic has led to significant slowdowns in many business activities due to the significant adverse impact on global supply chains, tourism revenues, commodity prices, capital flows and demand, and financial markets and is causing significant uncertainty in both domestic and global financial markets. As of the date of the Prospectus it is not possible for the Group to reliably calculate the impact of COVID-19 on the Group's activities, financial performance and operations, which could, in turn, adversely affect the ability of the Issuer to fulfil its obligations under the Notes.
4. The Group carries significant intangible assets on its consolidated statement of financial position and, therefore, performs an impairment test on its intangible assets having an indefinite useful life at least annually. Should the Group's cash flows and economic results be worse than those set forth in the forecasts and estimates on which the impairment test was based, the Group may be required to impair goodwill and trademarks with indefinite life recorded on the statement of financial position, and record related expenses in the income statement, which, in turn, could have a material adverse effect on the Group's business, financial condition and results of operations and on the Issuer's ability to fulfil its obligations under the notes.
5. The Issuer produces and sells dry pasta, rusks and bread substitutes under the "Buitoni" brand, pursuant to a license agreement entered into with Société Des Produits Nestlé S.A.. Newlat intends not to renew the license agreement upon its expiration date (31 December 2020 for the non-EU countries, and 31 December 2021, for the EU countries) and intends to sell these products under its proprietary brands. Since the "Buitoni" brand is highly recognized by consumers, the Group is exposed to the risk that, if marketed under its proprietary brands, the products currently sold under the "Buitoni" brand may not achieve the same recent commercial success and the same level of revenues generated by the "Buitoni" branded products.
6. The Group has pursued and intends to pursue in the future a strategy to grow through acquisitions, by performing scouting activities to select investment opportunities. The Group is exposed to the risk that such acquisitions are completed on different terms and conditions than those originally planned or that its evaluations and assumptions underlying such investment decisions may prove incorrect. In addition, there can be no assurance that the Group will be able to identify suitable targets or to complete acquisitions within the envisaged time periods or by the planned means or that it will not incur unexpected costs and liabilities.
7. A substantial portion of the Group's revenue is generated from a limited number of clients. The loss of, or a significant reduction in purchases, by such key clients could adversely affect the Group's results. The duration of most of the Group's contracts with its top ten customers do not exceed one year, with no automatic renewal. If one or more of such key customers does not renew its contracts or reduces its orders, this would significantly reduce the volumes, sales and earnings of the Group and its business could be materially adversely affected. In addition, Newlat is part of a co-packaging agreement (the "**Heinz Co-Packaging Agreement**") with Heinz Italia S.p.A. ("**Heinz Italia**"). The revenues deriving from the

Heinz Co-Packaging Agreement are equal to 8.2%, 8.4% and 6.0% of the total consolidated revenues of the Group, respectively, as of 31 December 2019, 2018 and 30 September 2020. If Heinz Italia terminates the Heinz Co-Packaging Agreement or if volume of orders decrease under such contract, the Group may face difficulties in finding new customers who would be able to provide it a comparable amount of orders and revenue as Heinz Italia.

8. As of the date this Prospectus, Newlat Group S.A. exercises control over the Company pursuant to Article 93 of Legislative Decree 24 February 1998, no. 58 (as amended), as well as management and coordination powers over the Company pursuant to Articles 2497 *et seq.* of the Italian Civil Code. The Issuer is exposed to the risk that the process underlying the managing decisions that the Issuer takes/will take in its business will be influenced by acts of interference in the management carried out in the context of the management and coordination activities to which the Issuer is subject and this could have a material adverse effect on the Group's business, results of operations or financial condition.
9. The Group buys a large number of various raw materials and semi-finished products, including milk, durum wheat semolina, soft wheat flour, eggs and packaging materials. The Group does not use instruments to hedge against the risk of fluctuations in the price of milk, while it uses instruments to hedge against the risk of wheat price increases over a time frame between 12 and 18 months. Any price increase that cannot be completely passed through in the Group's prices or is not hedged could significantly reduce the Group's profitability and could have an adverse impact on its business, results of operations, financial conditions and prospects.

## Section C – Key Information on the securities

### What are the main features of the securities?

Subject to the condition that the Offering will be withdrawn if, at the expiration of the Offering Period, offers to purchase the Notes ("**Purchase Offers**") have not been placed sufficiently for the sale of at least €150,000,000 million aggregate principal amount of the Notes (the "**Minimum Offer Condition**"), the Issuer is expected to issue on or about 19 February 2021, between a minimum of €150,000,000 and a maximum of €200,000,000 (the "**Maximum Offer Amount**") fixed rate senior unsecured notes due February 2027 (the "**Notes**"). The Notes will bear interest at a minimum rate of 2.50 per cent. per annum (the "**Minimum Interest Rate**"). The Maximum Offer Amount may be reduced by the Issuer prior to 9 February 2021 at 09:00 (CET). The Notes will constitute direct, unconditional and unsecured obligations of the Issuer bearing fixed interest. The ISIN for the Notes is: XS2289795465; the Common Code for the Notes is: 228979546.

**Ranking** - Pursuant to the Terms and Conditions of the Notes (the "**Conditions**"), the Notes constitute direct, unconditional and (subject to negative pledge provisions set out below) unsecured obligations of the Issuer and shall at all times rank *pari passu* and without any preference among themselves.

**Transferability** - The Notes are freely transferable. However, the offer and the sale of the Notes and the distribution of the Prospectus is subject to specific restrictions that vary depending on the jurisdiction where the Notes are offered or sold or the Prospectus is distributed.

**Negative Pledge** - The Conditions contain a negative pledge pursuant to which neither the Issuer nor any of its Subsidiaries will create or have outstanding any mortgage, charge, lien, pledge or other security interest, upon, or with respect to, the whole or any part of its present or future business, undertaking, assets or revenues (including any uncalled capital) to secure any relevant indebtedness or to secure any guarantee or indemnity in respect of any relevant indebtedness, without first securing the Notes equally.

**Limitation on indebtedness** - The Conditions contain limitations on indebtedness.

**Taxation** - All payments in respect of the Notes by or on behalf of the Issuer shall be made without withholding or deduction for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature ("**Taxes**") imposed or levied by or on behalf of any of Ireland or Italy, unless the withholding or deduction of the Taxes (the "**Tax Deduction**") is required by law. In that event, the Issuer will pay such additional amounts as may be necessary in order that the net amounts received by the Noteholders and Couponholders after the withholding or deduction shall equal the respective amounts which would have been receivable in respect of the Notes or, as the case may be, Coupons in the absence of the withholding or deduction. All the above is nevertheless subject to customary market exceptions.

**Events of Default** - Upon the occurrence of an Event of Default, then any Note may, by written notice addressed by the holder thereof to the Issuer and delivered to the Issuer or to the specified office of the Fiscal Agent, be declared immediately due and payable at their principal amount together (if applicable) with accrued interest.

**Cross Default** - The Conditions contain a cross default provision.



**Interest** - Interest on the Notes will accrue at a fixed rate not less than the Minimum Interest Rate per annum starting from the Issue Date, payable annually in arrear on 19 February of each year commencing on 19 February 2022. The final interest rate will be set out in a notice, which will be filed with the CBI and published on [www.newlat.it](http://www.newlat.it), [www.ise.ie](http://www.ise.ie) and released through the SDIR-NIS system of Borsa Italiana no later than the second business day after the end of the Offering Period (as defined below).

**Issue Price** - The Notes will be issued at a price of 100.00 per cent. of their principal amount (the "**Issue Price**").

**Maturity Date** - Unless previously redeemed, or purchased and cancelled, the Notes will mature on 19 February 2027.

**Indication of yield** - The yield of the Notes will be a minimum of 2.50 per cent. per annum.

**Early Redemption at the Option of the Issuer** - At any time on or after 19 February 2024, the Issuer may redeem the Notes, in whole or in part, at the redemption prices which will be set out in the Interest Rate, Yield and Redemption Prices Notice (See "*Disclosure of the interest rate, yield, redemption prices and the results of the Offering*" under the sub-section "*Under which conditions and timetable can I invest in this security?*" below).

**Early Redemption for Taxation Reasons** - Early redemption of the Notes for reasons of taxation will be permitted, if as a result of any change in, or amendment to, the laws or regulations or any change in the application or interpretation of such laws or regulations of Italy or any political subdivision or taxing authority thereto or therein affecting taxation or the obligation to pay duties of any kind, the Issuer would be required to pay additional amounts on the Notes.

**Redemption at the option of the Noteholders upon the occurrence of a Change of Control** – Promptly and in any event within fifteen business days after the occurrence of a Change of Control, the Issuer will give written notice thereof to the holders of all outstanding Notes in accordance with the Conditions specifying the details for the exercise of such option.

#### **Where will the securities be traded?**

Application has been made to the Irish Stock Exchange plc trading as Euronext Dublin ("**Euronext Dublin**") for the Notes to be admitted to the official list (the "**Official List**") and trading on its regulated market (the "**Regulated Market**"). Application has also been made for the Notes to be admitted to trading on the regulated *Mercato Telematico delle Obbligazioni* market (the "**MOT**") of Borsa Italiana S.p.A. ("**Borsa Italiana**"). Borsa Italiana has admitted the Notes to listing on the MOT with order n. LOL-004375 dated 1 February 2021.

#### **What are the key risks that are specific to the securities?**

An investment in the Notes involves certain risks associated with the respective characteristics of the Notes which could lead to substantial losses that Noteholders would have to bear in the case of selling their Notes or with regard to receiving interest payments and repayment of principal. Those risks include that:

1. the Notes will be unsecured obligations of the Issuer and will rank equally with the Issuer's other unsecured senior indebtedness;
2. the Notes are not rated and credit ratings may not reflect all risks;
3. the Notes are subject to optional redemption;
4. investment in the Notes, which bear a fixed rate of interest, involves the risk that if market interest rates subsequently increase above the rate paid on the Notes, this will adversely affect the value of the Notes;
5. the Terms and Conditions of the Notes contain provisions which may permit their modification without the consent of all investors;
6. an active secondary market in respect of the Notes may never be established or may be illiquid and this would adversely affect the value at which an investor could sell his Notes.

If any of the risks described above were to materialize, this may affect the Issuer's ability to fulfil its payment obligations under the Notes and/or lead to a decline in the market price of the Notes.

### **Section D – Key Information on the offer of the securities to the public and/or admission to trading on a regulated market**

#### **Under which conditions and timetable can I invest in this security?**

##### *Offering of the Notes*

The Offering is addressed to the general public in Italy and to qualified investors (as defined in the Prospectus Regulation) in Ireland and Italy (the "**Investors**") following the approval of the Prospectus by the CBI, and the effectiveness of the notification of the Prospectus by the CBI to CONSOB according to Article 25 of the Prospectus Regulation.

### *Offering Period*

The Offering will open on 9 February 2021 at 09:00 (CET) and will expire on 15 February 2021 at 17:30 (CET), subject to amendment, extension or postponement by the Issuer and Equita S.I.M. S.p.A. (the "**Placement Agent**") (the "**Offering Period**"). Any such amendment, extension or postponement shall be carried out by way of the publication of a supplement to the Prospectus (a "**Supplement**"), to the extent such amendment, postponement or extension will be a significant new factor pursuant to Article 23 of the Prospectus Regulation.

The Issuer and the Placement Agent (i) have the right to withdraw the Offering prior to the Issue Date and (ii) shall withdraw the Offering if Purchase Offers are lower than the Minimum Offer Amount. Furthermore, the Placement Agent, in agreement with the Issuer, has the right to cancel the launch of the Offering before the Offering has taken place and upon the occurrence certain extraordinary events. If the launch of the Offering is cancelled or the Offering is withdrawn, the Offering itself and all submitted purchase offers will be deemed cancelled.

If, prior to the Issue Date, Borsa Italiana has failed to set the MOT Trading Start Date (as defined below), the Offering will be automatically withdrawn.

### *Pricing details*

The Notes will be issued at a price of 100.00 per cent. of their principal amount.

### *Disclosure of the interest rate, yield, redemption prices and the results of the Offering*

The interest rate (which shall not be less than the Minimum Interest Rate) will be determined on the basis of the tenor of the Notes, the yield and the demand by investors in the course of the determination of the conditions (the book-building procedure) prior to the start of the Offering Period. In the course of the book-building procedure, the Placement Agent will accept within a limited period of time indications of interest in subscribing for the Notes from investors, including credit spreads usually within a predetermined spread range. Subsequently, the Placement Agent will determine, in consultation with the Issuer, the interest rate (coupon), the final yield and the redemption prices (expressed as a percentage of the principal amount on the redemption date, plus accrued and unpaid interest and additional amounts, if any, to the relevant redemption date). The interest rate of the Notes (which shall not be less than the Minimum Interest Rate), the yield and the redemption prices will be set out in the Interest Rate, Yield and Redemption Prices Notice, which will be filed with the CBI and Euronext Dublin, and published on the Issuer's Website (<https://www.newlat.it>), the Euronext Dublin Website ([www.ise.ie](http://www.ise.ie)) and released through the SDIR-NIS system of Borsa Italiana no later than the second business day after the end of the Offering Period.

The aggregate principal amount of the Notes, the number of Notes sold and the proceeds of the Offering will be set out in the Offering Results Notice which will be filed with the CBI and Euronext Dublin, and published on the Issuer's Website (<https://www.newlat.it>), the Euronext Dublin Website ([www.ise.ie](http://www.ise.ie)) and released through the SDIR-NIS system of Borsa Italiana no later than the second business day after the end of the Offering Period.

### *Conditions of the Offering*

Except for the Minimum Offer Condition, the Offering is not subject to any conditions. Subscription rights for the Notes will not be issued. Therefore, there are no procedures in place for the exercise of any right of pre-emption, the negotiability of subscription rights and the treatment of subscription rights not exercised.

### *Technical details of the Offering*

The Offering will take place through Purchase Offers made by Investors on the MOT through Intermediaries (as defined below) and coordinated by the Placement Agent, who has been appointed by the Issuer to offer and display the Notes for sale on the MOT according to the trading rules of Borsa Italiana. Purchase Offers may only be made with the MOT through an investment company, bank, wealth management firm, registered financial intermediary, securities house and any other intermediary authorised to make Purchase Offers directly on the MOT or - if such institution is not qualified to perform transactions on the MOT - through an intermediary or agent authorised to do so (each an "**Intermediary**"). Purchase Offers must be made during the operating hours of the MOT for a minimum quantity of aggregate par value of €1,000 of the Notes, and may be made for any multiple thereof. During the Offering Period, Intermediaries may make irrevocable Purchase Offers directly or through any agent authorised to operate on the MOT, either on their own behalf or on behalf of third parties, in compliance with the operational rules of the MOT. The Notes shall be assigned, up to their maximum availability, based on the chronological order in which Purchase Offers are made on the MOT. The acceptance of a Purchase Offer on the MOT does not alone constitute the completion of a contract with respect to the Notes requested thereby. The perfection and effectiveness of contracts with respect to the Notes are subject to confirmation of the correct execution of the Purchase Offer and issuance of the Notes. Each Intermediary through whom a Purchase Offer is made will notify Investors of the number of Notes they have been assigned within the Issue Date. After the end of the Offering Period, Euronext Dublin, in conjunction

with the Issuer, shall set and give notice of the start date of official trading of the Notes on the regulated market of Euronext Dublin and Borsa Italiana shall set and give notice of the start date of official trading of the Notes on the MOT (the "**MOT Trading Start Date**"). The MOT Trading Start Date shall correspond to the Issue Date. Investors wishing to make Purchase Offers who do not have a relationship with any Intermediary may be requested to open an account or make a temporary deposit for an amount equivalent to that of the Purchase Offer. In case of partial sale of the Notes or a cancellation or withdrawal of the Offering, all amounts paid as temporary deposits, or any difference between the amount deposited with the Intermediary and the aggregate value of the Notes actually sold to the Investor, will be repaid to the Investor who initiated the Purchase Offer by the Issue Date. Any Purchase Offer received outside the Offering Period, or within the Offering Period but outside the operating hours of the MOT, will not be accepted. Investors may place multiple Purchase Offers. Purchase Offers placed by Italian Investors through telecommunication means are not subject to the withdrawal provisions applicable to distance marketing of consumer financial services, services in accordance with articles 67-bis and 67-duodecies of Legislative Decree no. 206 of 6 September 2005 as regards the public offer in Italy.

#### *Revocation of Purchase Offers*

If the Issuer publishes any Supplement, any Investor who has placed a Purchase Offer prior to the publication of the Supplement shall be entitled to revoke such Purchase Offer by delivering a written notice to the Intermediary through whom the Purchase Offer was made by no later than the second Business Day following the publication of the Supplement in accordance with Article 23(2) of the Prospectus Regulation. The Intermediary will in turn notify the Placement Agent of such revocation. Other than as described above, Purchase Offers, once placed, may not be revoked.

#### *Payment and delivery of the Notes*

Investors will pay the Issue Price on the Issue Date. A press release will be published to inform Investors and potential Investors of any early closure of the Offering or extension of the Offering Period. In case of an extension of the Offering Period the Issue Date will be postponed to the fifth Business Day following the closure of the Offering Period, as extended. In case of an early closure of the Offering Period, the Issue Date will remain unchanged and the Notes will be issued on 19 February 2021. Ownership of interests in Notes will be limited to persons that have accounts with Euroclear and/or Clearstream, Luxembourg or persons that hold interests in the Notes through participants in Euroclear and/or Clearstream, Luxembourg, including Monte Titoli. Euroclear and Clearstream, Luxembourg will hold interests in the Notes on behalf of their participants through customers' securities accounts in their respective names on the books of their respective depositories. Payments and transfer of the Notes will be settled through Euroclear and Clearstream, Luxembourg.

#### *Estimated expenses charged to the Investors by the Issuer*

The Issuer will not charge any costs, expenses or taxes directly to any Investor. Investors must, however, inform themselves about any costs, expenses or taxes in connection with the Notes which are generally applicable in their respective country of residence related to the opening of a bank account or a temporary deposit account with an Intermediary, if necessary, and/or any costs related to the execution, acceptance and transmission of Purchase Offers imposed by such Intermediaries.

#### **Why is this prospectus being produced?**

*Reasons for the offer and use of proceeds:* the Issuer intends to use the net proceeds from the Offering to support its external growth strategy. The quick implementation of the M&A activity should allow the Issuer to further increase the Group's geographical diversification, strengthening its product offering among the fastest growth categories in the food industry. The increase of the Group's size in terms of volume produced and sold, together with a better market share among the key products and the key European markets should also allow the Issuer to further improve its profitability and the cash flow generation, benefiting from additional economies of scale and a better product and geographic mix.

*Any interest that is material to the issue/offer including conflicting interests:* the Placement Agent and its affiliates have provided from time to time, and expect to provide in the future, investment services to the Issuer and its affiliates, for which the Placement Agent and its affiliates have received or will receive customary fees and commissions. There are no interests of natural and legal persons other than the Issuer and the Placement Agent involved in the issue, including conflicting ones that are material to the issue.

## RISK FACTORS

*Any investment in the Notes is subject to a number of risks. Prior to investing in the Notes, prospective investors should carefully consider risk factors associated with any investment in the Notes, the business of the Issuer and the industry in which the Issuer operates, together with all other information contained in this Prospectus, including, in particular, the risk factors described below.*

*We have described below those risks that we currently consider to be specific to the Issuer and the Notes and which are material for taking an informed investment decision in the Notes. We have assessed the materiality of the risk factors below based on the probability of their occurrence and the expected magnitude of their negative impact.*

*Each of the risks discussed below could have a material adverse effect on the Issuer's business, financial condition, results of operations or prospects which, in turn, could have a material adverse effect on the principal amount and interest which Investors will receive in respect of the Notes. In addition, each of the risks discussed below could adversely affect the trading or the trading price of the Notes or the rights of Investors under the Notes and, as a result, Investors could lose some or all of their investment. Words and expressions defined in the "Terms and Conditions of the Notes" below or elsewhere in this Prospectus have the same meanings in this section.*

*Prospective investors should read the entire Prospectus and reach their own views prior to making any investment decision.*

*The risks below have been classified into the following categories:*

- a. Risks relating to the Issuer's financial situation;*
- b. Risks relating to the Issuer's business activity and industry;*
- c. Internal control risks;*
- d. Risks relating to the nature and specific features of the Notes; and*
- e. Risks related to the offer to the public and/or admission of the securities to trading on a regulated market.*

### RISKS RELATING TO THE ISSUER

#### Risks relating to the Issuer's financial situation

##### Risks linked to the volatile margins experienced by the Group in recent years

On 1 April 2020, the Issuer purchased a stake representing approximately 47.57% of the issued share capital and voting rights (the "**CLI Acquisition**") of Centrale del Latte d'Italia ("**CLI**" or "**Centrale del Latte d'Italia**"). Following the launch by Newlat of a mandatory cash and exchange tender offer on all the ordinary shares of CLI not already owned by itself (the "**CLI Offer**"), on 31 July 2020 the Issuer acquired an additional 20.02% stake in CLI. As at the date of this Prospectus, Newlat owns an aggregate stake in CLI equal to 67.59% of the share capital and the voting rights.

As of 31 December 2019, CLI registered a negative consolidated operating profit of approximately €5.3 million and a loss for the period, on a consolidated basis, of €6.5 million. In addition, in the period 2019-2018, CLI registered a decrease of 2.9% in revenues mainly as a result of a negative trend of the market of the milk, the principal market where CLI operates (62.8% of the total revenues as of 31 December 2019).

In addition, in the context of the CLI Acquisition, Newlat has not performed a due diligence activity on CLI and its activities, is not currently performing any due diligence activity and did not request any fairness opinion for the purposes of supporting its evaluation of CLI. Therefore, Newlat might incur unexpected costs and liabilities, assume unforeseen liabilities and/or incur in exceptional goodwill amortization.



Finally, the margins of the Group are exposed to fluctuations mainly as a result of variations in the cost of raw materials (mainly milk), especially considering that the Group does not have a raw material hedging policy for milk.

The events indicated above may have a material adverse effect on the business, the results of operations or financial condition of the Group.

#### Risks related to the Group's net financial indebtedness

As of 30 September 2020, the Group's consolidated net financial indebtedness amounted to €8,785 thousand. The increase of €57,409 thousand in net financial indebtedness as of 30 September 2020, compared to 31 December 2019, was mainly due to the CLI Acquisition, which was completed on 1 April 2020. Therefore, on 1 April 2020 CLI entered in the perimeter of consolidation of the Group.

In particular, for the financial years ended 31 December 2018 and 31 December 2019 and in the nine months ended 30 September 2020 (i) the Newlat Group recorded a positive consolidated net financial position equal to, respectively, €13,652 thousand, €48,624 thousand and a consolidated net financial debt equal to €8,785 thousand; and (ii) Centrale del Latte d'Italia recorded a negative consolidated net financial position and, therefore, a consolidated net financial debt equal to, respectively, € 73,798 thousand, €77,297 thousand and € 64,859 thousand.

Based on the Pro-Forma Consolidated Financial Information (as defined below) as at 31 December 2019, which takes into account the inclusion of the Centrale del Latte d'Italia in the perimeter of consolidation of the Group, the Group recorded a worsening of its net financial debt (determined in accordance with ESMA recommendation No. 319 of 20 March 2013), which is negative for €28,672 thousand.

Therefore, the Group is exposed to the risk that Centrale del Latte d'Italia will achieve cash flows and profit margins that are not congruous and temporally inconsistent with respect to cash outflows and costs related to debt and that the Group must therefore finance the necessary provisions to Centrale del Latte d'Italia, with consequent negative effects on the margins and on the economic, financial and equity situation of the Group.

The net financial position of the Group improved from €28,672 thousand as of 31 December 2019 (based on the Pro-Forma Consolidated Financial Information (as defined below)) to €8,785 thousand as of 30 September 2020.

Newlat is part of certain financial agreements that do not provide for any covenants, cross-default clauses or cross-acceleration clauses. In addition, on 7 July 2020 Newlat granted MPS Capital Services Banca per le Imprese S.p.A. and Deutsche Bank S.p.A. with a first demand guarantee in the interest of Centrale del Latte d'Italia in order to secure the full performance by the latter of its obligations under the financing agreement entered into on the same date, for a maximum amount equal to €31,500,000.00, plus interests, charges and other ancillary expenses. According to the financing agreement, Centrale del Latte d'Italia shall reimburse the capital amount by 30 June 2026.

Newlat's ability to repay its financial indebtedness depends on its ability to generate cash flows. There can be no assurance that sufficient funds will be available to repay the Company's existing and future financial indebtedness. Lenders may require full and immediate repayment of the Company's financings. Should any of the above risks materialize, it could have a material adverse effect on the Group's business, results of operations or financial condition and, thus, affecting the ability of the Issuer to fulfill its obligations under the Notes.

#### Risks associated with the COVID-19 pandemic

The recent outbreak of a new coronavirus (named COVID-19 ("COVID-19")) that was first detected in China in December 2019, was declared a pandemic by the World Health Organization (WHO) on 11 March 2020. This pandemic is now having, and may have for an unforeseeable period of time, significant health, social and economic consequences worldwide.

In addition to the worsening of the global macroeconomic scenario and the risk of deterioration of the credit profile of a considerable number of countries (including Italy), the above-mentioned pandemic has already led to significant slowdowns in many business activities due to the significant adverse impact on global supply chains, tourism revenues, commodity prices, capital flows and demand, and financial markets.

The ultimate severity and related consequences of COVID-19 is causing significant uncertainty in both domestic and global financial markets and could have an impact on the business environment as well as on the legal, tax and regulatory framework (particularly further to certain legislative measures adopted by national governments).

While the Group is continuing to monitor and assess the evolution of the pandemic and its macroeconomic effects, as of the date of the Prospectus it is not possible for the Group to reliably calculate the impact of COVID-19 on the Group's activities, financial performance and operations, which could, in turn, adversely affect the ability of the Issuer to fulfil its obligations under the Notes.

#### *Risks associated with the impairment of the Group's intangible assets*

The Group carries significant intangible assets on its consolidated statement of financial position. The carrying amount of intangible assets on its consolidated statement of financial position, as of 30 September 2020 and 31 December 2019, was equal to, respectively, €44.5 million and €25.2 million (the latter not including CLI, which was not part of the perimeter of consolidation), representing 8.8% and 9.6% of the Group's total assets.

The Group performs an impairment test on its intangible assets having an indefinite useful life at least annually in accordance with IAS 36. In respect of the trademarks with indefinite useful life, "Drei Glocken" and "Birkel", in accordance with the impairment test carried out for the year ended 31 December 2019, the recoverable amount, amounting to €22.2 million, exceeded the carrying amount, amounting to €18.8 million, by €3.4 million.

The Group also considered a TAB value (Tax Amortization Benefit) of €1.9 million to determine the recoverable value of the Issuer's trademarks.

Should the Group's cash flows and economic results be worse than those set forth in the forecasts and estimates on which the impairment test was based, the Group may be required to impair goodwill and trademarks with indefinite life recorded on the statement of financial position, and record related expenses in the income statement, which, in turn could have a material adverse effect on the Group's business, financial condition and results of operations and on the Issuer's ability to fulfill its obligations under the Notes.

#### **Risks related to the Issuer's business activity and industry**

##### *Risks related to the implementation of the Group's strategy for repositioning the products currently sold under the "Buitoni" brand with products sold under the Group's proprietary brands.*

The Issuer produces and sells dry pasta, rusks and bread substitutes under the "Buitoni" brand, pursuant to a license agreement entered into with Société Des Produits Nestlé S.A. ("Nestlé"). In the years ended 31 December 2019, 2018 and in the nine months ended 30 September 2020, the Group's revenues from the sale of the "Buitoni" branded products reached, respectively, €48,400,628, €47,948,193 and €44,084,529, accounting for 15.08%, 15.68% and 13.5%, respectively, of our total revenues.

As agreed with Nestlé, Newlat will not renew the license agreement upon its expiration date, which is expected to occur on (i) 31 December 2020, for the non-EU countries, and (ii) 31 December 2021, for the EU countries. The Group intends to sell these products under its proprietary brands and invest the significant royalties currently paid to Nestlé under the license agreement in marketing activities to complement and promote such brands. In this regard, Newlat agreed with Nestlé on a transition plan aimed at rebranding the products currently marketed under the "Buitoni" brand with its proprietary brands already on the market.

Since the "Buitoni" brand is highly recognized by consumers in the markets where the Group sells under this brand - primarily in Italy, Germany and the Netherlands - the Group is exposed to the risk that, if marketed under its proprietary brands, the products it currently sells under the "Buitoni" brand may not achieve the same recent commercial success and the same level of revenues generated by the "Buitoni" branded products, or that, at the end of the transition period, its products may not be as appealing to customers as those currently marketed under the "Buitoni" brand.

Since Nestlé may also license the "Buitoni" brand to third parties for the same products (mainly pasta) the Group will sell under its proprietary brands at the end of the transition period, the Group may face unexpected difficulties or delays in implementing its "Buitoni" brand transition strategy or increased competition.

In addition, Nestlé may terminate the Buitoni license agreement under certain circumstances (including in case of a change of control of the Company). If the agreement were so terminated, the Group is exposed to the risk of substantial losses and could need to accelerate the transition and face additional obstacles or delays.

Should any of the above risks materialize, it could have a material adverse effect on the Group's business, results of operations or financial condition.

#### *Risks related to the Group's future acquisitions and its strategy for growth through acquisitions*

Considering the traditionally limited organic growth rate of food & beverage companies, the Group has consistently pursued and intends to pursue in the future a strategy to grow through acquisitions. As part of its future growth strategy, the Group intends to perform suitable scouting activities to select investment opportunities, as well as market practice legal, financial, tax and operational due diligence reviews before completing any acquisition. As of the date of this Prospectus, however, the Group is not part of any binding offers with regard to potential acquisitions.

The Group is exposed to the risk that such acquisitions are completed on different terms and conditions than those originally planned or that its evaluations and assumptions underlying such investment decisions may prove incorrect. In addition, the Group is also exposed to the risk that the economic and financial results of the acquired businesses negatively differ from those expected or from those of its preceding acquisitions.

In addition, there can be no assurance that in the future the Group will be able to identify suitable targets or to complete acquisitions within the envisaged time periods or by the planned means or that it will not incur unexpected costs and liabilities, contingent liabilities, additional interests or exceptional goodwill amortization.

These circumstances could have a material adverse effect on the Group's business, results of operations or financial condition.

#### *Risks related to the concentration of the Group's revenue on a limited number of key customers*

A substantial portion of the Group's revenue is generated from a limited number of clients. The loss of, or a significant reduction in purchases, by such key clients could adversely affect the Group's results.

The following table shows the percentage of the Group's consolidated revenues that the Group's top first, five and ten customers accounted for in the first nine months of 2020 and in the years ended 31 December 2019 and 2018 (which did not include CLI that was not yet part of the consolidation perimeter of the Group).

|                         | <b>30.9.2020</b> | <b>31.12.2019</b> | <b>31.12.2018</b> |
|-------------------------|------------------|-------------------|-------------------|
| <b>Top customer</b>     | 8.5%             | 8.6%              | 10.1%             |
| <b>Top 5 customers</b>  | 30.0%            | 30.4%             | 40.0%             |
| <b>Top 10 customers</b> | 37.8%            | 38.4%             | 53.0%             |

The duration of most of the Group's contracts with its top ten customers do not exceed one year, with no automatic renewal. The contracts with the customers do not typically provide for minimum order requirements. With specific reference to the Group, the German market accounted for around 29.1% of the revenues in the financial year ended on 31 December 2019 on an aggregate basis, 29.4% of the revenues in the financial year ended on 31 December 2018 and 23.2% of the revenues in the first nine months of 2020, and is characterized by a limited number of players in the great organized distribution sector ("**GDO**") (mainly, Edeka, Kaufland, Lidl and Rewe). If one or more of such key customers does not renew its contracts or reduces its orders, this would significantly reduce the volumes, sales and earnings of the Group and its business could be materially adversely affected.

In addition, Newlat is part of an agreement (the "**Heinz Co-Packaging Agreement**") with Heinz Italia S.p.A. ("**Heinz Italia**") under which Newlat has undertaken to produce and package Special Products (as defined below) and Heinz Italia has undertaken to commercialize such products under its brands. The revenues deriving from the Heinz Co-Packaging Agreement are equal to 8.2%, 8.4% and 6.0% of the total consolidated revenues of the Group, respectively, as of 31 December 2019, 2018 and 30 September 2020.

If Heinz Italia terminates the Heinz Co-Packaging Agreement or if volume of orders decrease under such contract, the Group may face difficulties in finding new customers who would be able to provide it a comparable amount of orders and revenue as Heinz Italia.

The realization of any of these risks could have a material adverse effect on the Group's business and financial conditions and results of operations.

#### *Risks related to the fluctuations in the cost of raw materials and semi-finished goods*

The Group buys a large number of various raw materials and semi-finished products, including milk, durum wheat semolina, soft wheat flour, eggs and packaging materials. With reference to the main raw materials used by the Group (milk and wheat), the volatility of the relative prices depends on the period of the year, as well as extraordinary natural events (such as, for example, prolonged droughts).

In order to limit the negative effect of these changes in costs, the Group generally seeks to pass cost increases through in its sales prices; nevertheless, the Group may not be able to do this successfully or in a timely manner, especially in relation to its distribution customers. In addition, the Group does not use instruments to hedge against the risk of fluctuations in the price of milk, while it uses instruments to hedge against the risk of wheat price increases over a time frame between 12 and 18 months.

Any price increase that cannot be completely passed through in the Group's sale prices or is not hedged could significantly reduce the Group's profitability and could have an adverse impact on its business, results of operations, financial conditions and prospects and on the ability of the Issuer to fulfill the financial obligations undertaken in relation to the issuance of the Notes.

#### *Risks related to the strong competition and the ability of the Group to maintain or expand its current market position*

The Group operates in the highly competitive and concentrated food & beverage market. In this market: (i) the increasing competitive pressure from private label products, (ii) the persistent surge of on-line sales (a sector where the Group does not significantly operate), (iii) the continuous promotional and discount campaigns and (iv) the ongoing concentration trend in the GDO sector, may result in strong pricing pressures.

The Group's sales volume, in particular to GDO customers, and its margins may be significantly affected by these market trends, which may have a material adverse effect on its business, results of operations or financial condition which could, in turn, adversely affect the ability of the Issuer to fulfill its obligations under the Notes.

#### *Risks related to the pending litigations*

As of the date of the Prospectus, the Group is a part to various legal proceedings connected with the ordinary course of its business. For more information about the pending litigations, please refer to the "*Description of the Issuer – Legal Proceedings*" below.

In addition, the Group is a party of litigations in relation to which it deems there is a remote chance that it may be the losing party, on the basis of the assessment made by the Group, and, therefore, it has not established any reserve fund to cover the potential costs arising therefrom, pursuant to the applicable accounting standards.

Should the Group be the losing party in such judicial proceedings, it is exposed to the risk that the litigation reserve fund may be insufficient, or the Group may incur reputational damage. Should any of such events occur, it may have negative effects on the Group's economic and financial position, as well as its ability to fulfil its obligations pursuant to the Notes.

*Risks related to the ability of the Group to retain and attract key personnel*

The success of the Group depends to a significant extent on the contribution of certain individuals who hold key roles in its organization and who have significant professional experience in the industry where the Group operates, including, in particular, Newlat's Chairman of the board of directors and CEO Mr. Angelo Mastrolia, Newlat's directors Mr. Giuseppe Mastrolia, Mr. Stefano Cometto, Newlat's key manager Mr. Rocco Sergi, CLI's CEO Mr. Edoardo Pozzoli and CLI's key manager Giuseppe Bodrero. The Group also depends on its ability to attract and retain highly trained personnel. There can be no guarantee that in the future the Group will be able to retain its management team or its current personnel.

Loss of one or more of these managers (in particular, of Mr. Angelo Mastrolia) or of a significant number of highly trained personnel could make the Group less competitive and delay or prevent its growth and, in turn, materially adversely affect its business, financial condition and results of operations and its ability to fulfill its obligations under the Notes.

*Risks related to product and potential reputational harm*

The Group is exposed to the risk that any of its products is found to be defective, which may result in an harm to the Group's reputation and significant loss of clients and revenues.

There can be no assurance that the consumption of the Group's food products will not harm the end customer and, while the Group is currently not involved in any material legal proceedings, product liability claims may be asserted against the Group in the future by its customers and end consumers, causing the Group to pay damages that may not be adequately covered by its insurance policies. Should any defects appear in the Group's products or any product liability claim be brought against it, the business, results of operations, financial condition and future prospects of the Group could be adversely affected.

*Risks related to the Group's production plants*

The Group currently has fifteen production facilities, fourteen of which are located in Italy and one in Germany. Eight production facilities are leased to Newlat by New Property S.p.A. ("**New Property**"), a real estate company wholly-owned by Newlat Group S.A., a company controlling Newlat that is wholly owned by Mr. Angelo Mastrolia.

The termination of, or the failure to, renew such lease agreements could have a material adverse effect on the business, results of operations or financial condition of the Group and on the ability of the Issuer to fulfill its obligations under the Notes.

*Risks related to the inability of the Group to launch new products meeting the evolving demands of its customers and consumers*

The growth strategy of the Group is based, among the others, on the launch of new products on the market, which require significant investments. However, the Group may not be able to promptly introduce new products (mainly, Special Products (as defined below)) that can accommodate, anticipate or satisfy the needs of the its customers (including GDOs) and the ultimate consumers.

The Group is also exposed to the risk that, if its new products do not meet its customers and end consumers' demands, it may not recover its significant investments in developing such new products.

The Group may also be unable to promptly shift its product matrix to adapt it to the changing demand of the GDO trade and it is exposed to the risk that these customers may lower the demand for its high margin products (such as mascarpone) in favor of products with lower margins (such as for example, private label pasta).

These circumstances, even if the Group's revenues remain unvaried, could have a material adverse effect on its business, results of operations or financial condition.

#### *Risks related to the exposure to claims for injuries in the workplaces*

The Group is exposed to the risk of claims by employees injured at its workplaces in various jurisdictions and to the risk of negative publicity and reputational harm deriving from such accidents. In the 2018, 2019 years and in the nine months ended 30 September 2020, 27 accidents occurred in the Group's workplaces with 40 days or more prognosis. In the same period, there were 70 accidents with a less than 40 days prognosis. In the same period and as of the date of this Prospectus, there were no fatal accidents or accidents resulting in permanent injury to the Group's workers. In addition, the Group is not aware of any breach of the occupational health and safety legislation applicable to its workplaces or of any administrative or criminal sanction imposed on it for any such violation in the 2018 and 2019 years and in the nine months ended 30 September 2020 and as of the date of this Prospectus. In the same period, there were no workplace accidents directly giving rise to insurance claims.

However, there can be no assurance that in the future the employees of the Group will not be injured at the Group's workplaces or that the Group and its management will not be sanctioned for violations of the occupational health and safety legislation. Any such event, in case the Group's insurance policies are insufficient to cover the damages, could have a material adverse effect on the Group's business, results of operations or financial condition and on the Issuer's ability to fulfill its obligations under the Notes.

#### *Risks related to changes in laws and regulations, including with respect to the composition, labelling and safety of foods*

The Group operates in different jurisdictions and is therefore subject to several national and EU laws and regulations relating to the composition, labeling and safety of the food products it manufactures and sells.

The Group is exposed to changes in these laws and regulations and therefore may not always be in compliance with such laws and regulations. Variations or changes in the regulatory framework applicable to the composition, labeling or safety of food products which require significant structural adjustments to the Group's plants or operating and logistics units, or changes to the production or marketing processes, such as more stringent requirements to obtain or maintain certifications and authorizations necessary for conducting the Group's activities, could require the Group to make investments and/or incur unforeseen costs or cause potentially negative repercussions on its activities and operating results, financial position and cash flows.

### **Internal control risks**

#### *Risks linked to the members of the Board of Directors' conflicts*

As of the date of this Prospectus, Mr. Angelo Mastrolia (i) owns the entire share capital of Newlat Group S.A., the Company's controlling shareholder, (ii) is the Chairman of the Board of Directors and CEO of the Issuer and Centrale del Latte d'Italia, and (iii) owns New Property, a real estate company which owns eight out of the Group's fifteen production plants, which are leased to Newlat. Mr. Angelo Mastrolia is also the father of the CEO, Mr. Giuseppe Mastrolia, and of the Director Ms. Benedetta Mastrolia.

In addition, (i) Mr. Giuseppe Mastrolia is CEO of Newlat and Vice-President of Centrale del Latte d'Italia, and (ii) Mr. Stefano Cometto and Ms. Benedetta Mastrolia are directors of Newlat and also of Centrale del Latte d'Italia.

Such relationships could present conflicts of interest in the future.

*Risks related to the management and coordination powers exercised by Newlat Group S.A.*

As of the date of this Prospectus, Newlat Group S.A. exercises control over the Company pursuant to Article 93 of Legislative Decree 24 February 1998, no. 58 (as amended, the "**Consolidated Financial Act**"), as well as management and coordination powers over the Company pursuant to Articles 2497 *et seq.* of the Italian Civil Code. In accordance with the requirements of Article 16 of the CONSOB Regulation No. 20249 of 28 December 2017 for the listing of equity securities, at its meeting on 22 July 2019, the Company's Board of Directors resolved that by the Listing Date (as defined below) all those requirements have been met.

Notwithstanding the provisions of Articles 2497 *et seq.* of the Italian Civil Code and Newlat Group S.A.'s statutory rights as a controlling shareholder, in accordance with applicable law and regulations, the management of the Company believes that Newlat is able and will be able to operate its business exercising a degree of management autonomy that is appropriate for a listed company in accordance with best practices followed by publicly traded companies and public market expectations.

The Issuer is therefore exposed to the risk that the process underlying the managing decisions that the Issuer takes/will take in its business will be influenced by acts of interference in the management carried out in the context of the management and coordination activities to which the Issuer is subject and this could have a material adverse effect on the Group's business, results of operations or financial condition.

*Risks related to the related parties transactions*

Newlat has entered into, and continue to enter into, transactions with related parties within the meaning of international accounting standard IAS 24. These transactions consist primarily of commercial and financing transactions in the ordinary course of business and are concluded on arm's-length terms. Newlat has commercial and financial relationships with related parties and in particular with New Property, a real estate company under common control of its ultimate shareholder, from which the Company leases eight of the Group's production facilities.

There can be no assurances that, had these transactions been concluded between, or with, unrelated third parties, they would have been negotiated in the same manner, or contained the same terms. Consequently, there is a risk that, despite the Group's internal corporate procedures, transactions with related parties could result in inefficiencies in the resource allocation process, expose the Group to risks that are not adequately measured or monitored and result in losses for the Group and its stakeholders.

*Risks related to the organizational, management and control model of Newlat Deutschland*

As of the date of the Prospectus, Newlat Deutschland GmbH ("**Newlat Deutschland**"), whose share capital is entirely held by Newlat, is not required to adopt under German law, and has not adopted, organizational, management and control models comparable to those adopted by Newlat and Centrale del Latte d'Italia pursuant to Legislative Decree No. 231 of 8 June 2001 (the "**Legislative Decree 231/2001**"). Accordingly, Newlat Deutschland would not be afforded a defense from administrative liability similar to that provided to Newlat and Centrale del Latte d'Italia pursuant under Legislative Decree 231/2001.

## **RISKS RELATING TO THE NOTES**

### **Risks relating to the nature and specific features of the Notes**

*The Notes are unsecured*

The Notes will be (subject to "*Terms and Conditions of the Notes – Negative Pledge*") unsecured obligations of the Issuer. In the event of any insolvency or winding-up of the Issuer, the Notes will rank equally with the Issuer's other unsecured senior indebtedness. The Notes are unsecured and, although they restrict the giving of security by the Issuer and its Subsidiaries over Relevant Indebtedness and guarantees in respect of such Relevant Indebtedness, a number of exceptions apply, as more fully described in "*Terms and Conditions of the Notes – Negative Pledge*". Where security has been granted over assets of the Issuer to secure indebtedness, in the event of any insolvency or winding-up of the Issuer, such secured indebtedness will rank in priority over the Notes and other unsecured indebtedness of the Issuer in respect of such assets.

*Legal investment considerations may restrict certain investments*

The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (i) Notes are legal investments for it, (ii) Notes can be used as collateral for various types of borrowing and (iii) other restrictions apply to the purchase or pledge of any Notes. Financial institutions should consult their legal advisors or the appropriate regulators to determine the appropriate treatment of Notes under any applicable risk-based capital or similar rules.

*The Notes are not rated and credit ratings may not reflect all risks*

As at the date of this Prospectus, the Notes and the long term debt of the Issuer are not rated. One or more credit rating agencies may assign credit ratings to the Notes and/or the Issuer or any other senior unsecured indebtedness of the Issuer at any future date. Potential Investors should consider that a credit rating (or the absence thereof) (i) may not reflect the potential impact of all risks related to structure, market, additional factors discussed above, and other factors that may affect the value of the Notes and (ii) is not a recommendation to buy, sell or hold the Notes and, if assigned, it may be revised or withdrawn by the relevant rating agency at any time.

*The Notes are subject to optional redemption*

The Notes contain an optional redemption feature, as set out in Conditions 7(b) (*Redemption for taxation reasons*) and 7(c) (*Redemption at the option of the Issuer*) which is likely to limit the market value of Notes. During any period when the Issuer may elect to redeem Notes, the market value of those Notes generally will not rise substantially above the price at which they can be redeemed. This may also be true prior to any redemption period.

The Issuer may be expected to redeem Notes when its cost of borrowing is lower than the interest rate on the Notes. At those times, an investor generally would not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Notes being redeemed and may only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time.

*Interest rate risks*

Investment in the Notes, which bear a fixed rate of interest, involves the risk that if market interest rates subsequently increase above the rate paid on the Notes, this will adversely affect the value of the Notes. While the nominal interest rate of the Notes is fixed during their life, market interest rates typically change on a daily basis. As market interest rates change, the price of the Notes will change in the opposite direction. If market interest rates increase, the price of the Notes will typically fall, until the yield of such security will be approximately equal to the prevailing market interest rate. Conversely, if market interest rates fall, the price of the Notes will typically increase, until the yield of the Notes will be approximately equal to the prevailing market interest rate. Therefore, investors should be aware that the market price of the Notes may fall as a result of movements in market interest rates.

*If an investor holds Notes which are not denominated in the investor's home currency, he will be exposed to movements in exchange rates adversely affecting the value of his holding. In addition, the imposition of exchange controls in relation to any Notes could result in an investor not receiving payments on those Notes*



The Issuer will pay principal and interest on the Notes in Euro. This entails certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit other than Euro (the "**Investor's Currency**"). These include the risk that exchange rates may change significantly (including changes due to devaluation of the Euro or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the Euro would decrease (i) the Investor's Currency-equivalent yield on the Notes, (ii) the Investor's Currency-equivalent value of the principal payable on the Notes and (iii) the Investor's Currency-equivalent market value of the Notes.

In addition, government and monetary authorities may impose, as some have done in the past, exchange controls that could adversely affect an applicable exchange rate. As a result, investors may receive less interest or principal than expected, or no interest or principal.

*The Notes are subject to inflation risks*

The inflation risk is the risk of future money depreciation. The real yield from an investment is reduced by inflation. The higher the rate of inflation, the lower the real yield of a Note. If the inflation rate is equal to or higher than the nominal yield, the real yield is zero or even negative. Currently, worldwide interest rates are low. Any increases in such interest rates would reduce the real amount of a Noteholder's return on an investment in the Notes.

*The Terms and Conditions of the Notes contain provisions which may permit their modification without the consent of all investors*

The Terms and Conditions of the Notes contain provisions for calling meetings of Noteholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Noteholders including Noteholders who did not attend and vote at the relevant meeting and Noteholders who voted in a manner contrary to the majority.

As a result, a Noteholder is subject to the risk of being outvoted and losing rights against the Issuer under the Notes, as the case may be, against its will in the event that Noteholders holding a sufficient aggregate principal amount of the Notes participate in the vote and agree to amend the Terms and Conditions in accordance with such provisions.

*The value of the Notes could be adversely affected by a change in English or Italian law or administrative practice*

The Terms and Conditions of the Notes are based on English law in effect as at the date of this Prospectus. In addition, Condition 13 (*Meetings of Noteholders, modification, waiver and substitution*) which sets forth the provisions concerning the meetings of Noteholders and the appointment of a Noteholders' Representative in respect of the Notes are subject to compliance with Italian law. No assurance can be given as to the impact of any possible judicial decision or change to English or Italian law or administrative practice after the date of this Prospectus and any such change could materially adversely impact the value of any Notes affected by it. See also "*Noteholders' meeting provisions may change by operation of law or because of changes in the Issuer's circumstances*" below.

*Decisions at Noteholders' meetings bind all Noteholders*

The Terms and Conditions of the Notes (at Condition 13 (*Meetings of Noteholders, modification, waiver and substitution*)) contain provisions for calling meetings of Noteholders to consider matters affecting their interests generally, including modifications to the terms and conditions relating to the Notes and the waiver of rights that might otherwise be exercisable against the Issuer. These provisions permit defined majorities to bind all Noteholders including Noteholders who did not attend or were not represented at the relevant meeting and Noteholders who voted in a manner contrary to the majority. Any such modifications to the Notes may have an adverse impact on Noteholders' rights and on the market value of the Notes. See also "*Noteholders' meeting provisions may change by operation of law or because of changes in the Issuer's circumstances*" below.

*Noteholders' meeting provisions may change by operation of law or because of changes in the Issuer's circumstances*

As mentioned in "The value of the Notes could be adversely affected by a change in English or Italian law or administrative practice" above, the provisions relating to Noteholders' meetings (including quorums and voting majorities) are subject to compliance with certain mandatory provisions of Italian law, which may change during the life of the Notes. In addition, as currently drafted, the rules concerning Noteholders' meetings are intended to follow mandatory provisions of Italian law that apply to Noteholders' meetings where the issuer is an Italian listed company. As at the date of this Prospectus, the Issuer's ordinary shares are admitted to trading on the *Mercato Telematico Azionario* of Borsa Italiana S.p.A. but, if its shares are delisted while the Notes are still outstanding, then the mandatory provisions of Italian law that apply to Noteholders' meetings will be different (particularly in relation to the rules relating to the calling of meetings, participation by Noteholders at meetings, quorums and voting majorities). In addition, certain Noteholders' meeting provisions could change as a result of amendments to the Articles of Association (as defined below). Accordingly, Noteholders should not assume that the provisions relating to Noteholders' meetings - set out in the Agency Agreement and summarised in the Conditions - will correctly reflect mandatory provisions of Italian law applicable to Noteholders' meetings at any future date during the life of the Notes.

*The Noteholder generally will not be entitled to a gross-up for any Italian withholding taxes or for any withholding or deduction for FATCA, unless the Italian withholding tax is caused by a failure of the Issuer to comply with certain procedures*

The Issuer is organized under the laws of Italy and is Italian resident for tax purposes and therefore payments of principal and interest on the Notes and, in certain circumstances, any gain on the Notes, will be subject to Italian tax laws and regulations. All payments in respect of Notes will be made free and clear of withholding or deduction of Italian taxation, unless the withholding or deduction is required by law. In that event, subject to a number of exceptions, the Issuer will pay such additional amounts as will result in the holders of the Notes receiving such amounts as they would have received in respect of such Notes had no such withholding or deduction been required. The Issuer is not liable to pay any additional amounts to holders of Notes under certain circumstances set out under Condition 9 (*Taxation*), including if any withholding or deduction is required pursuant to Decree 239 (as defined in the section "*Taxation*"), except, where the procedures required under Decree 239 in order to benefit from an exemption have not been complied with due to the actions or omissions of the Issuer or its agents. In such circumstances where no additional amounts are due by the Issuer, investors subject to Italian withholding or deduction required under Decree 239 will only receive the net proceeds of their investment in the Notes.

Holders of Notes will bear the risk of any change in Decree 239 after the date hereof, including any change in the White List (as defined in the section "*Taxation*"). The regime provided by Decree 239 and in particular the exemption from *imposta sostitutiva*, which is in principle granted to holders of the Notes resident in White List countries, is also subject to certain procedural requirements being met. Should the procedural requirements not be met, Italian *imposta sostitutiva* may apply on the payments made on the Notes to foreign investors resident in White List countries.

Furthermore, any amounts to be paid on the Notes by or on behalf of the Issuer will be paid net of any deduction or withholding imposed or required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986, as amended, or otherwise imposed pursuant to Sections 1471 to 1474 of the Code (or any regulations thereunder or official interpretations thereof) or an intergovernmental agreement between the United States and another jurisdiction facilitating the implementation thereof (or any fiscal or regulatory legislation, rules or practices implementing such an intergovernmental agreement) (any such withholding or deduction, a "**FATCA Withholding**"). Neither the Issuer nor any other Person will be required to pay any additional amounts in respect of FATCA Withholding.

*Because the Global Notes are held by or on behalf of Euroclear and Clearstream, Luxembourg, investors will have to rely on their procedures for transfer, payment and communication with the Issuer*

The Notes will be represented by the Global Notes, except in certain limited circumstances described in the Permanent Global Note, which will be deposited with a common safekeeper for

Euroclear and Clearstream, Luxembourg. While the Notes are represented by the Global Notes (i) investors will be able to trade their beneficial interests only through Euroclear and Clearstream, Luxembourg; and (ii) the Issuer will discharge its payment obligations under the Notes by making payments to or to the order of the common safekeeper for Euroclear and Clearstream, Luxembourg for distribution to their account holders.

A holder of a beneficial interest in a Global Note must rely on the procedures of Euroclear and Clearstream, Luxembourg to receive payments under the Notes.

Holders of beneficial interests in the Global Notes will not have a direct right to vote in respect of the Notes. Instead, such holders will be permitted to act only to the extent that they are enabled by Euroclear and Clearstream, Luxembourg to appoint appropriate proxies. Investors who hold less than the minimum specified denomination may be unable to sell their Notes and may be adversely affected if definitive Notes are subsequently required to be issued

The Notes have denominations consisting of a minimum specified denomination plus one or more higher integral multiples of another smaller amount and as such it is possible that such Notes may be traded in amounts in excess of the minimum specified denomination that are not integral multiples of such minimum specified denomination. In such a case, a Noteholder who, as a result of trading such amounts, holds Notes in an amount which is less than the minimum specified denomination in his account with the relevant clearing system would not be able to sell the remainder of such holding without first purchasing a principal amount of Notes at or in excess of the minimum specified denomination such that its holding amounts to a specified denomination. Further, a Noteholder who, as a result of trading such amounts, holds Notes in an amount which is less than the minimum specified denomination in his account with the relevant clearing system at the relevant time may not receive a definitive Note in respect of such holding (should definitive Notes be printed) and would need to purchase a principal amount of Notes at or in excess of the minimum specified denomination such that its holding amounts to the minimum specified denomination.

#### **Risks related to the offer to the public and/or admission of the securities to trading on a regulated market**

The market value of the Notes could decrease if the creditworthiness of the Issuer worsens or is perceived to worsen

If any of the risks regarding the Issuer described under "Risk Factors – Risks relating to the Issuer" above materialises, then the Issuer is less likely to be in a position to fully perform all obligations under the Notes when they fall due, and the market value of the Notes will suffer. In addition, even if the Issuer is not actually less likely to be in a position to fully perform all obligations under the Notes when they fall due, market participants could nevertheless have a different perception. In addition, the market participants' estimation of the creditworthiness of corporate debtors in general or debtors operating in the same business areas as the Issuer could adversely change and have resulting effects on the perceptions of the Issuer's creditworthiness, whether warranted or otherwise.

Furthermore, changes in accounting standards may lead to adjustments in the relevant accounting positions of the Issuer or the Group which could have an adverse effect on the Issuer's or the Group's financial condition, which could in turn affect the market value of the Notes.

An active secondary market in respect of the Notes may never be established or may be illiquid and this would adversely affect the value at which an investor could sell his Notes

The Notes are new securities which may not be widely distributed and for which there is currently no active trading market. If the Notes are traded after their initial issuance, they may trade at a discount to their initial offering price, depending upon prevailing interest rates, the market for similar securities, general economic conditions and the financial condition of the Issuer. Although application has been made to Euronext Dublin for the Notes to be admitted to the official list and trading on the Regulated Market and to Borsa Italiana for the Notes to be admitted to the official list and trading on the MOT, there is no assurance that an active trading market will develop, and if a market does develop, it may not be very liquid. Therefore, investors may not be able to sell

their Notes easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. In addition, liquidity may be limited if the Issuer makes large allocations to a limited number of investors.

The development or continued liquidity of any secondary market for the Notes will be affected by a number of factors including prevailing interest rates, the market for similar securities, general economic conditions and the creditworthiness of the Issuer as well as other factors such as the time remaining to maturity of the Notes, the outstanding amount of the Notes and the redemption features of the Notes. Such factors will also affect the market value of the Notes.

*The trading market for debt securities may be volatile and may be adversely affected by many events*

The market for debt securities issued by the Issuer is influenced by a number of interrelated factors, including economic, financial and political conditions and events in Italy, as well as economic conditions and, to varying degrees, market conditions, interest rates, currency exchange rates and inflation rates in other European and other industrialised countries. There can be no assurance that events in Europe or elsewhere will not cause market volatility or that such volatility will not adversely affect the market price of the Notes or that economic and market conditions will not have any other adverse effects. Accordingly, the price at which an Investor will be able to sell the Notes prior to maturity may be discounted, even substantially, from the Issue Price or the purchase price paid by such Investor.

*The Offering Period may be extended or amended, and the Offering may be terminated or withdrawn*

The Issuer together with the Placement Agent has the right to extend or amend the Offering Period and to terminate, postpone or withdraw the Offering for a number of reasons, including a failure to satisfy the Minimum Offer Condition or any extraordinary change in the political, financial, economic, regulatory or currency situation of the markets in which the Group operates that could have a materially adverse effect on the conditions of the Group and their business activities. See "Subscription and Sale — Offering of the Notes — Offering Period, Early Closure, Extension and Withdrawal" below.

*Transfers of the Notes may be restricted, which may adversely affect the secondary market liquidity and/or trading prices of the Notes*

The ability to transfer the Notes may also be restricted by securities laws or regulations of certain jurisdictions or regulatory bodies. See "Subscription and Sale" below. The Notes have not been, and will not be, registered under the Securities Act or any state securities laws or the securities laws of any other jurisdiction. Noteholders may not offer the Notes in the United States or for the account or benefit of a U.S. person, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws. In addition, transfers to certain persons in certain other jurisdictions may be limited by law, or may result in the imposition of penalties or liability. For a description of restrictions which may be applicable to transfers of the Notes, see "Subscription and Sale" below.

*The Notes are subject to transaction costs and charges*

When Notes are purchased or sold, several types of incidental costs (including transaction fees and commissions) are incurred in addition to the purchase or sale price of the Notes. These incidental costs may significantly reduce or eliminate any profit from holding the Notes. Credit institutions as a rule charge commissions which are either fixed minimum commissions or pro-rata commissions, depending on the order value. To the extent that additional – domestic or foreign – parties are involved in the execution of an order, including, but not limited to, domestic dealers or brokers in foreign markets, Noteholders may also be charged for the brokerage fees, commissions and other fees and expenses of such parties (third party costs).

## DOCUMENTS INCORPORATED BY REFERENCE

The following documents are published simultaneously with this Prospectus and have been filed with the Central Bank of Ireland and shall be incorporated in, and form part of, this Prospectus:

1. the audited combined consolidated financial statements of the Issuer as of and for the years ended 31 December 2019 (the "**2019 Combined Consolidated Financial Statements**") and 31 December 2018 (the "**2018 Combined Consolidated Financial Statements**" and, together with the 2019 Combined Consolidated Financial Statements, the "**Combined Consolidated Financial Statements**") and containing the relevant auditors' report therein<sup>3</sup>;

<https://corporate.newlat.it/en/download/2019-combined-consolidated-financial-statements/>

<https://corporate.newlat.it/wp-content/uploads/2021/01/Combined-Consolidated-Financial-Statements-2018.pdf>

2. pages 16-28 ("*Report on operations*") of the audited consolidated financial statements of the Issuer as of and for the years ended 31 December 2019 (the "**Report on Operations**");

<https://corporate.newlat.it/wp-content/uploads/2020/05/ENG-financial-report-newlat-2019.pdf>

3. the unaudited pro forma consolidated statements of financial position as of 31 December 2019 and unaudited pro forma consolidated income statement for the year ended 31 December 2019 (the "**Pro-Forma Consolidated Financial Information**") and the relevant auditors' report on the examination. The Pro-Forma Consolidated Financial Information has been prepared to represent the main effect of the CLI Acquisition on the Group's combined statement of financial position as of 31 December 2019 and combined income statements for the year ended 31 December 2019;

<https://corporate.newlat.it/en/download/2019-proforma-consolidated-financial-information/>

4. the report on the interim consolidated financial statements of the Issuer for the nine months period ended as of 30 September 2020, subject to limited review by the auditors and containing the relevant auditors' report therein (the "**2020 Newlat Interim Report**");

<https://corporate.newlat.it/en/investor-relations/financial-reports>

5. the audited consolidated financial statements of CLI as of and for the years ended 31 December 2019 and 31 December 2018 and containing the relevant auditors' report therein (the "**CLI Financial Statements**");

<https://centralelatteitalia.com/wp-content/uploads/2021/01/2019-CLI-Financial-Statements.pdf>

<https://centralelatteitalia.com/wp-content/uploads/2021/01/2018-CLI-Financial-Statements.pdf>

6. the unaudited report on the interim consolidated financial statements of CLI for the nine months period ended as of 30 September 2020 (the "**2020 CLI Interim Report**");

<https://centralelatteitalia.com/wp-content/uploads/2021/01/2020-CLI-Interim-Report.pdf>

**provided, however, that** any statement contained in this Prospectus or in any information or in any of the documents incorporated by reference in, and forming part of, this Prospectus shall be modified or superseded for the purpose of this Prospectus to the extent that a statement contained in any document subsequently incorporated by reference modifies or supersedes such statement,

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<sup>3</sup> As a result of the acquisition of Newlat Deutschland, which met the criteria of business combination under common control under IFRS, the Company is considered to have a "complex financial history" as defined by the provisions of Article 18 of the Commission Delegated Regulation 2019/980. Accordingly, the results, financial position and cash flows of the Newlat Group for the years ending as of 31 December 2019 and 31 December 2018 are presented based on combined financial information.

**provided that** such modifying or superseding statement is made by way of a supplement to this Prospectus pursuant to Article 23 of the Prospectus Regulation.

The tables below set out the relevant page references for the Combined Consolidated Financial Statements and the 2020 Newlat Interim Report:

| <b>2019 and 2018 Combined Consolidated Financial Statements</b> | <b>2019</b> | <b>2018</b> |
|---|-------------|-------------|
| Consolidated statement of financial position                    | Page 1      | Page 1      |
| Consolidated Income Statement                                   | Page 2      | Page 2      |
| Consolidated Statement of Comprehensive Income                  | Page 2      | Page 2      |
| Consolidated statement of changes in equity                     | Page 3      | Page 3      |
| Consolidated cash flow statement                                | Page 4      | Page 4      |
| Explanatory notes to the consolidated financial statements      | Page 5      | Page 5      |
| Independent auditing firm's report                              | Page 94     | Page 94     |
| <b>2020 Newlat Interim Report</b>                               | <b>2020</b> |             |
| Consolidated statement of financial position                    | Page 53     |             |
| Consolidated Income Statement                                   | Page 54     |             |
| Consolidated Statement of Comprehensive Income                  | Page 55     |             |
| Consolidated statement of changes in equity                     | Page 56     |             |
| Consolidated cash flow statement                                | Page 57     |             |
| Explanatory notes to the consolidated financial statements      | Page 58     |             |
| Independent auditing firm's report                              | Page 89     |             |

The information incorporated by reference that is not included in the cross reference lists above is considered additional information and is not required by the relevant schedules of Commission Regulation (EU) No. 2019/980 (as amended).

Copies of the documents specified above as containing information incorporated by reference in this Prospectus may be inspected, free of charge, at the registered office of the Issuer. Any information contained in any of the documents specified above which is not incorporated by reference in this Prospectus is either not relevant to investors or is covered elsewhere in this Prospectus.

The Issuer confirms that the results and other figures contained in the Pro-Forma Consolidated Financial Information have been prepared on the basis of the same accounting principles and standards utilised for the preparation of the 2019 Combined Consolidated Financial Statements in all material respects.

## TERMS AND CONDITIONS OF THE NOTES

*The following is the text of the terms and conditions of the Notes which (subject to modification and inclusion of the Rate of Interest and final amount of the Notes) will be endorsed on each Note in definitive form:*

The up to €200,000,000 Senior Unsecured Notes due February 2027 (the "**Notes**", which expression shall in these Conditions, unless the context otherwise requires, includes any further notes issued pursuant to Condition 14 (*Further issues*) and forming a single series therewith) of Newlat Food S.p.A. (the "**Issuer**" or "**Newlat**") are issued on 19 February 2021 (the "**Issue Date**") and are subject to, and have the benefit of, an agency agreement dated on or about the Issue Date (as amended and/or supplemented and/or restated from time to time, the "**Agency Agreement**") between the Issuer and The Bank of New York Mellon, London Branch as fiscal agent and principal paying agent (the "**Fiscal Agent**") and the other initial paying agents named in the Agency Agreement (together with the Fiscal Agent, the "**Paying Agents**"). The holders of the Notes (the "**Noteholders**") and the holders of the interest coupons appertaining to the Notes (the "**Couponholders**" and the "**Coupons**", respectively) are entitled to the benefit of a deed of covenant (the "**Deed of Covenant**") dated on or about the Issue Date and made by the Issuer. The issue of the Notes was authorised by a resolution of the board of directors' meeting of the Issuer passed on 1 February 2021. These terms and conditions (the "**Conditions**") include summaries of, and are subject to, the detailed provisions of and definitions in the Agency Agreement, which includes the form of the Notes and the Coupons. Copies of Agency Agreement and the Deed of Covenant are available for inspection during normal business hours by the Noteholders and the Couponholders at the specified office of each of the Paying Agents and, on the website of the Issuer (the "**Issuer's Website**"). The Noteholders and the Couponholders are entitled to the benefit of, are bound by, and are deemed to have notice of, all the provisions of the Agency Agreement and the Deed of Covenant applicable to them. References in these Conditions to the Fiscal Agent and the Paying Agents shall include any successor appointed under the Agency Agreement.

### 1 Definitions and interpretation

(a) **Definitions:** In these Conditions:

**"Acceptable Bank"** means:

- (a) a bank or financial institution which has a rating for its long term unsecured and non-credit enhanced debt obligations of at least BBB- by Standard & Poor's Rating Services or Fitch Ratings Ltd or at least Baa3 by Moody's Investor Services Limited or a comparable rating from an internationally recognised credit rating agency; or
- (b) any bank or financial institution at which the Issuer holds a bank account as at the Issue Date; or
- (c) any other bank or financial institution approved by the Noteholders (or, if appointed, the Noteholders' Representative);

**"Accounting Principles"** means IFRS or generally accepted accounting principles in Italy;

**"Acquired Indebtedness"** means Indebtedness of a Person or any of its Subsidiaries existing at the time such Person becomes a Subsidiary of the Issuer or at the time it merges or consolidates with or into the Issuer or any of its Subsidiaries or assumed in connection with the acquisition of assets from such Person and in each case not incurred by such Person in connection with, or in anticipation or contemplation of, such Person becoming a Subsidiary of the Issuer or such acquisition, merger or consolidation;

**"Business Day"** means, a day on which commercial banks and foreign exchange markets in London and Milan are open and which is a TARGET Settlement Day;

**"Capital Stock"** means:

- (i) with respect to any Person that is a corporation, any and all shares, interests, participations or other equivalents (however designated and whether or not voting)

of corporate stock, including each class of Common Stock and Preferred Stock of such Person, and all options, warrants or other rights to purchase or acquire any of the foregoing; and

- (ii) with respect to any Person that is not a corporation, any and all partnership, membership or other equity interests of such Person, and all options, warrants or other rights to purchase or acquire any of the foregoing;

**"Certified Date"** means 31 December with respect to the Reporting Date and 30 June with respect to the Interim Reporting Date in each year, starting on 30 June 2021;

**"Common Stock"** of any Person means any and all shares, interests or other participations in, and other equivalents (however designated and whether voting or non-voting) of such Person's common stock, whether outstanding on the Issue Date or issued after the Issue Date, and includes, without limitation, all series and classes of such common stock;

**"Compliance Certificate"** means the compliance certificate to be delivered on each Reporting Date and signed by a duly authorised signatory of the Issuer certifying the matters set out in Condition 4(b) (*Compliance Certificate*);

**"Consolidated Adjusted EBITDA"** means, in respect of any Relevant Period, the consolidated operating profit of the Group before taxation:

- (a) before deducting any interest, commission, fees, discounts, prepayment fees, premiums or charges and other finance payments whether paid, payable or capitalised by any member of the Group (calculated on a consolidated basis) in respect of that Relevant Period;
- (b) not including any accrued interest owing to any member of the Group;
- (c) after adding back any amount attributable to provisions and the amortisation, depreciation or impairment of assets;
- (d) before taking into account any Exceptional Items;
- (e) before taking into account any unrealised gains or losses on any derivative instrument; and
- (f) before taking into account any gain or loss arising from an upward or downward revaluation of any other asset;

**"Consolidated Cash"** means, in respect of any Relevant Period, cash in hand or at bank and (in the latter case) credited to an account in the name of a member of the Group with a bank and to which a member of the Group is alone (or together with other members of the Group) beneficially entitled and for so long as:

- (a) that cash is repayable within 5 Business Days after the relevant date of calculation;
- (b) repayment of that cash is not contingent on the prior discharge of any other indebtedness (other than that included in the Consolidation Indebtedness of Operations) of any member of the Group or of any other person whatsoever or on the satisfaction of any other condition;
- (c) there is no Security Interest over that cash except for any Permitted Security Interest constituted by a netting or set-off arrangement entered into by members of the Group in the ordinary course of their banking arrangements; and
- (d) the cash is freely and immediately available to be applied in repayment or prepayment of the Notes or any indebtedness included in the Consolidated Indebtedness of Operations without double counting;

**"Consolidated Cash Equivalent Investments"** means, in respect of any Relevant Period:

- (a) certificates of deposit maturing within one year after the relevant date of calculation and issued by an Acceptable Bank;



- (b) any investment in marketable debt obligations issued or guaranteed by the government of the United States of America, the United Kingdom, any member state of the European Economic Area or by an instrumentality or agency of any of them having an equivalent credit rating, maturing within one year after the relevant date of calculation and not convertible or exchangeable into any other security;
- (c) commercial paper not convertible or exchangeable into any other security:
  - (i) for which a recognised trading market exists;
  - (ii) issued by an issuer incorporated in the United States of America, the United Kingdom, any member state of the European Economic Area;
  - (iii) which matures within one year after the relevant date of calculation; and
  - (iv) which has a credit rating of either "A-1" or higher by Standard & Poor's Rating Services or "F1" or higher by Fitch Ratings Ltd or "P-1" or higher by Moody's Investors Service Limited, or, if no rating is available in respect of the commercial paper, the issuer of which has, in respect of its long-term unsecured and non-credit enhanced debt obligations, an equivalent rating;
- (d) any investment in money market funds which (i) have a credit rating of either "A-1" or higher by Standard & Poor's Rating Services or "F1" or higher by Fitch Ratings Ltd or "P-1" or higher by Moody's Investors Service Limited, (ii) which invest substantially all their assets in securities of the types described in paragraphs (a) to (d) above and (iii) can be turned into cash on not more than 30 days' notice; or
- (e) any other debt security approved in advance by an Extraordinary Resolution, in each case, to which any member of the Group is alone (or together with other members of the Group) beneficially entitled at that time and which is not issued or guaranteed by any member of the Group or subject to any Security Interest;

**"Consolidated Indebtedness of Operations"** means, in respect of any Relevant Period:

- (a) moneys borrowed and debit balances at banks or other financial institutions (including any overdraft);
- (b) any acceptance under any acceptance credit or bill discounting facility (or dematerialised equivalent);
- (c) any indebtedness which is in the form of, or represented or evidenced by, bonds, convertible bonds, notes, debentures, loan stock or other securities which for the time being are, or are intended to be or capable of being, quoted, listed or dealt in or traded on any stock exchange or over-the-counter or other securities market;
- (d) receivables sold or discounted (only on a recourse basis);
- (e) any amount raised under any other transaction (including any forward sale or purchase, sale and sale back or sale and leaseback agreement) having the commercial effect of a borrowing or otherwise classified as borrowings under the Accounting Principles;

For the avoidance of doubt, the calculation excludes the effect of IFRS 16 Leases;

**"Consolidated Net Leverage Ratio"** means, for any Relevant Period, the ratio of the Net Consolidated Financial Position of Operations of the Group for such period to the Consolidated Adjusted EBITDA of the Group for such period;

**"Determination Date"** means 31 December in each year;

**"Disqualified Stock"** means, with respect to any Person, any Capital Stock of such Person which, by its terms (or by the terms of any security into which it is convertible or for which it is redeemable or exchangeable), or upon the happening of any event: (1) matures or is mandatorily redeemable, pursuant to a sinking fund obligation or otherwise, (2) is convertible or exchangeable for Indebtedness or Disqualified Stock of such Person or (3) is redeemable at the option of the holder thereof, in whole or in part (other than

solely as a result of a change of control), in each case prior to 91 days after the earlier of the maturity date of the Notes or the date the Notes are no longer outstanding; provided, however, that only the portion of Capital Stock which so matures or is mandatorily redeemable, is so convertible or exchangeable or is so redeemable at the option of the holder thereof prior to such date shall be deemed to be Disqualified Stock;

**"Equity Interests"** means Capital Stock and all warrants, options or other rights to acquire Capital Stock (but excluding any debt security that is convertible into, or exchangeable for, Capital Stock);

**"Enterprise Value"** means an amount determined as follows:

- (a) the purchase price to be paid by the Issuer or any of its Subsidiaries in relation to the acquisition of a company or a business unit, not including the net financial position of such company or business unit; plus
- (b) the financial indebtedness, conditional payments, deferred payments of such company or business unit; plus
- (c) securities (if any) granted by such company or business unit to the Issuer and/or any of its Subsidiaries; less
- (d) net cash and cash equivalents of such company or business unit;

**"Event of Default"** has the meaning given to it in Condition 10 (*Events of Default*);

**"Exceptional Items"** means, in respect of any Relevant Period, any exceptional, one off, non-recurring or extraordinary items arising for example on:

- (a) the restructuring of the activities of an entity (including the refocusing or restructuring of the Group's product portfolio) and reversals of any provisions for the cost of restructuring; and
- (b) disposals, revaluations, write downs or impairment of non-current assets or any reversal of any write down or impairment;

**"Extraordinary Resolution"** has the meaning ascribed to it in the Agency Agreement;

**"Group"** means the Issuer and its Subsidiaries from time to time;

**"Hedging Obligations"** means, with respect to any Person, the obligations of such Person under currency exchange or interest rate swap, cap and collar agreements, and other similar or like agreements or arrangements;

**"Indebtedness"** means with respect to any Person, without duplication,

- (i) the principal of indebtedness of such Person for borrowed money;
- (ii) the principal of indebtedness of such Person evidenced by bonds, debentures, notes or other similar instruments;
- (iii) the principal component of obligations representing the deferred purchase price of property or services due more than one year after such property is acquired or, if later, delivered or such services are completed (but excluding trade accounts payable and other accrued liabilities arising in the ordinary course of business that are not overdue by 180 days or more after delivery of the relevant goods or completion of the relevant services or are being contested in good faith by appropriate proceedings promptly instituted and diligently conducted);
- (iv) obligations representing reimbursement obligations in respect of any letter of credit, banker's acceptance or similar credit transaction (except to the extent such reimbursement obligations relate to trade payables and such obligations are satisfied within 90 days of incurrence);
- (v) all Receivables Financing;
- (vi) the mark-to-market value of any Hedging Obligations of such Person;

- (vii) guarantees of the principal component of Indebtedness referred to in paragraphs (i) through (vi) above;
- (viii) the principal component of indebtedness of the type referred to in paragraphs (i) through (vii) which are secured by any lien on any property or asset of such Person, the amount of such obligation being deemed to be the lesser of the fair market value (as determined in good faith by the Board of Directors of the Issuer) of such property or asset or the amount of the obligation so secured; and
- (ix) the principal component of obligations or liquidation preference with respect to all Preferred Stock or Disqualified Stock issued by any Subsidiary of the Issuer (but excluding in each case any accrued dividends) to, and held by, third parties which are not members of the Group;

**"Interest Period"** means the period beginning on and including the Issue Date and ending on but excluding the first Interest Payment Date and each successive period beginning on and including an Interest Payment Date and ending on but excluding the next succeeding Interest Payment Date;

**"Interest Rate, Yield and Redemption Prices Notice"** means the notice setting out the Rate of Interest, the yield and the redemption prices to be published by the Issuer no later than the second Business Day after the end of the offering period of the Notes and prior to the Issue Date.

**"Interim Compliance Certificate"** means the compliance certificate that may be delivered by the Issuer on each Interim Reporting Date and signed by a duly authorised signatory of the Issuer certifying the matters set out in Condition 4(b) (*Compliance Certificate*);

**"Minimum Interest Rate"** means 2.50 per cent.

**"Net Consolidated Financial Position of Operations"** means, in respect of any Relevant Period, Consolidated Indebtedness of Operations, less Consolidated Cash, less Consolidated Cash Equivalent Investments, less current and non-current financial assets. For the avoidance of doubt the calculation excludes the effects of any outstanding derivatives contracts;

**"Permitted Indebtedness"** means:

- (i) Indebtedness under the Notes, *provided that* this shall not include any Notes issued after the Issue Date pursuant to Condition 14 (*Further Issues*);
- (ii) Indebtedness of the Issuer or any Subsidiaries outstanding on the Issue Date after giving effect to the use of proceeds of the Notes;
- (iii) Hedging Obligations of the Issuer or any of its Subsidiaries entered into for non-speculative purposes;
- (iv) Indebtedness of the Issuer to a Subsidiary of the Issuer or Indebtedness of a Subsidiary of the Issuer to the Issuer or another Subsidiary of the Issuer for so long as such Indebtedness is held by a Subsidiary of the Issuer or the Issuer; *provided that* any Indebtedness of the Issuer to any Subsidiary of the Issuer is unsecured and subordinated, pursuant to a written agreement, to the Issuer's obligations under the Notes;
- (v) Indebtedness of the Issuer or any of its Subsidiaries in respect of performance bonds, performance and completion guarantees, bankers' acceptances, workers' compensation claims, surety or appeal bonds, payment obligations in connection with self-insurance or similar obligations, accrued and unpaid tax liabilities and bank overdrafts (and letters of credit in respect thereof to the extent undrawn, or if and to the extent drawn, is honoured in accordance with its terms and, if to be reimbursed, is reimbursed no later than the 30th Business Day following receipt of a demand for reimbursement) in the ordinary course of business;
- (vi) Refinancing Indebtedness;

- (vii) Indebtedness of the Issuer and its Subsidiaries in respect of any customary cash management, cash pooling or netting or setting off arrangements;
- (viii) Acquired Indebtedness of any Person outstanding on the date on which such Person becomes a Subsidiary of the Issuer or is merged, consolidated, amalgamated or otherwise combined with (including pursuant to any acquisition of assets and assumption of related liabilities) the Issuer or any of its Subsidiaries provided, however, that at the time of the acquisition or other transaction pursuant to which such Indebtedness was deemed to be incurred, the Issuer would have been able to incur €1.00 of additional Indebtedness pursuant to Condition 4(a) (*Covenants – Limitation on Indebtedness*) after giving effect to the incurrence of such Indebtedness pursuant to this paragraph; and
- (ix) Subordinated Indebtedness;

**"Permitted Reorganisation"** means any solvent amalgamation, merger, demerger or reconstruction involving the Issuer or any Subsidiary under which the assets and liabilities of the Issuer or the relevant Subsidiary are assumed by the entity resulting from such amalgamation, merger, demerger or reconstruction, and, where the same involves the Issuer, such entity assumes all the obligations of the Issuer in respect of the Notes and an opinion of an independent legal adviser of internationally recognised standing in the Republic of Italy has been delivered to the Noteholders, confirming the same prior to the effective date of such amalgamation, merger or reconstruction;

**"Permitted Security Interest"** means any Security Interest:

- (a) arising by operation of law;
- (b) existing on the Issue Date;
- (c) to secure Indebtedness over or with respect to any present or future assets, receivables, remittances or payment rights of the Issuer or any of its Subsidiaries (the **"Charged Assets"**) which is created pursuant to any leasing, factoring, securitisation or like arrangements whereby all or substantially all the payment obligations in respect of such Indebtedness are to be discharged solely from the Charged Assets, where such Indebtedness does not exceed an aggregate amount of 5 per cent. of consolidated assets;

**"Person"** means any individual, company, corporation, firm, partnership, joint venture, association, organisation, state or agency of a state or other entity, whether or not having separate legal personality;

**"Preferred Stock"** of any Person means any Capital Stock of such Person that has preferential rights to any other Capital Stock of such Person with respect to dividends or redemptions or upon liquidation;

**"Receivables Financings"** means factoring, securitisations of receivables or any other receivables financing (including, without limitation, through the sale of receivables in a factoring arrangement or through the sale of receivables to lenders or to special purpose entities formed to borrow from such lenders against such receivables), whether or not with recourse to the Issuer or any of its Subsidiaries, but in each case only to the extent that such factoring, securitisation or financing would either be treated as financial payables under Accounting Principles or as indebtedness under IFRS as of the Issue Date;

**"Refinance"** means, in respect of any security or Indebtedness, to refinance, extend, renew, refund, repay, prepay, redeem, defease or retire, or to issue a security or Indebtedness in exchange or replacement for, such security or Indebtedness in whole or in part. **"Refinanced"** and **"Refinancing"** shall have correlative meanings;

**"Refinancing Indebtedness"** means any Refinancing by the Issuer or any Subsidiary of the Issuer of Indebtedness incurred in accordance with Condition 4(a) (*Covenants – Limitation on Indebtedness*) and paragraphs (i), (ii), (vi) and (viii) of the definition of **"Permitted Indebtedness"**, in each case that does not:

- (i) result in an increase in the aggregate principal amount of Indebtedness of such Person as of the date of such proposed Refinancing (plus the amount of any premium or accrued interest required to be paid under the terms of the instrument governing such Indebtedness and plus the amount of reasonable fees and expenses incurred by the Issuer in connection with such Refinancing); or
- (ii) create Indebtedness with: (a) a Weighted Average Life to Maturity that is less than the Weighted Average Life to Maturity of the Indebtedness being Refinanced; or (b) a final maturity earlier than the final maturity of the Indebtedness being Refinanced; provided that if such Indebtedness being Refinanced is subordinate or junior to the Notes, then such Refinancing Indebtedness shall be subordinate to the Notes, as the case may be, at least to the same extent and in the same manner as the Indebtedness being Refinanced;

**"Relevant Date"** means whichever is the later of (A) the date on which such payment first becomes due and (B) if the full amount payable has not been received by the Paying Agents on or prior to such due date, the date on which, the full amount having been so received, notice to that effect shall have been given to the Noteholders;

**"Relevant Indebtedness"**: means (i) any present or future indebtedness (whether being principal, premium, interest or other amounts) for or in respect of any notes, bonds, debentures, debenture stock, loan stock or other securities which are for the time being or are or are intended by the issuer thereof to be quoted, listed or ordinarily dealt in on any stock exchange, over-the-counter or other securities market and (ii) any guarantee or indemnity in respect of any such indebtedness;

**"Relevant Jurisdiction"** means the Republic of Italy or any political subdivision or any authority thereof or therein having power to tax, or any other jurisdiction or any political subdivision or any authority thereof or therein having power to tax to which the Issuer becomes subject in respect of payments made by it of principal and interest on the Notes and Coupons;

**"Relevant Period"** means a 12-month period ending on (and including) a Determination Date or with respect to any Interim Compliance Certificate ending on the last day of the quarterly period for which consolidated financial statements of the Issuer are prepared immediately prior to the Interim Reporting Date for that Interim Compliance Certificate;

**"Reporting Date"** means a date falling no later than sixty days after the approval by the Issuer's Board of Directors of its consolidated financial statements relating to a Relevant Period ending on 31 December, and, in any event, falling no later than 30 June of the calendar year immediately following the end of such Relevant Period, *provided that* the first Reporting Date shall be the date falling no later than 60 days after the approval by the Issuer's Board of Directors of its audited annual consolidated financial statements as of and for the year ended 31 December 2020 and, in any event, falling no later than 30 June 2021;

**"Security Interest"** means, without duplication, a mortgage, charge, pledge, lien or other security interest or other preferential interest or arrangement having a similar economic effect, excluding any right of set-off, but including any conditional sale or other title retention arrangement or any finance leases;

**"Subordinated Indebtedness"** means Indebtedness of the Issuer or any of its Subsidiaries that is subordinated or junior in right of payment to the Notes *provided that* such Subordinated Indebtedness:

- (i) does not mature or require any amortisation or other payment of principal prior to the first anniversary of the maturity of the Notes (other than through conversion or exchange of any such security or instrument for Equity Interests of the Issuer or such Subsidiary or for any other security or instrument meeting the requirements of the definition);
- (ii) does not require the payment of cash interest prior to the first anniversary of the maturity of the Notes;

- (iii) is subordinated in right of payment to the prior payment in full in cash of the Notes in the event of any default, bankruptcy, reorganisation, liquidation, winding up or other disposition of assets of the Issuer; and
- (iv) does not restrict the payment of amounts due in respect of the Notes or compliance by the Issuer with its obligations under the Notes and the Agency Agreement;

"**Subsidiary**" means in relation to any person (the "**first person**") at any particular time, any other person (the "**second person**"):

- (x) whose affairs and policies the first person controls or has power to control, whether by ownership or share capital, contract, the power to appoint or remove members of the governing body of the second person or otherwise; or
- (y) whose financial statements are, in accordance with applicable law and the Accounting Principles, consolidated with those of the first person;

"**TARGET Settlement Day**" means any day on which the TARGET System is open;

"**TARGET System**" means the Trans-European Automated Real-Time Gross Settlement Express Transfer (known as TARGET2) System or any successor thereto;

"**Weighted Average Life to Maturity**" means, when applied to any Indebtedness at any date, the number of years obtained by dividing (a) the then outstanding aggregate principal amount of such Indebtedness into (b) the sum of the total of the products obtained by multiplying (i) the amount of each then remaining instalment, sinking fund, serial maturity or other required payment of principal, including payment at final maturity, in respect thereof, by (ii) the number of years (calculated to the nearest one-twelfth) which will elapse between such date and the making of such payment.

(b) **Interpretation:** In these Conditions:

- (i) any reference in these Conditions to principal and/or interest shall be deemed to include any additional amounts which may be payable under this Condition or any undertaking given in addition to or substitution for it under the Agency Agreement; and
- (ii) any reference in these Conditions to the Notes include (unless the context requires otherwise) any other securities issued pursuant to Condition 14 (*Further issues*) and forming a single series with the Notes.

## 2 Form, Denomination and Title

- (a) **Form and denomination:** The Notes are in bearer form, serially numbered, in the denomination of €1,000 each with Coupons attached on issue. No Notes in definitive form will be issued with a denomination above €1,000.
- (b) **Title:** Title to the Notes and Coupons passes by delivery.
- (c) **Holder Absolute Owner:** The Issuer and any Paying Agent will (except as otherwise required by law) deem and treat the bearer of any Note or Coupon as the absolute owner for all purposes (whether or not the Note or Coupon shall be overdue and notwithstanding any notice of ownership or writing on the Note or Coupon or any notice of previous loss or theft of the Note or Coupon) and shall not be required to obtain any proof thereof or as to the identity of such bearer.

## 3 Status of the Notes

The Notes and Coupons constitute direct, unconditional and (subject to Condition 5 (*Negative pledge*)) unsecured obligations of the Issuer and (subject as provided above) shall at all times rank *pari passu* and without any preference among themselves, with all other outstanding unsecured and unsubordinated obligations of the Issuer, present and future, but, in the event of insolvency, only to the extent permitted by applicable laws relating to creditors' rights.

#### 4 Covenants

- (a) **Limitation on Indebtedness:** So long as any of the Notes or Coupons remain outstanding, the Issuer shall not, and the Issuer shall procure that none of its Subsidiaries will, incur any additional Indebtedness (other than Permitted Indebtedness) *provided however* that, starting from the Relevant Period ending on 30 June 2021, each of the Issuer and any of its Subsidiaries may incur additional Indebtedness if, as at the date of such incurrence, the following requirements are met (each an “**Indebtedness Requirement**”):
- (i) (1) the Consolidated Net Leverage Ratio is equal to or lower than 3:1, and (2) the Net Equity Ratio is equal to or lower than 1.5:1, in each case as referred to in the Compliance Certificate relating to the immediately preceding Relevant Period; or
  - (ii) to the extent that the Issuer or one of its Subsidiaries has completed in a Relevant Period the acquisition of a company or a business unit having an Enterprise Value of at least €100,000,000 (the “**Relevant Acquisition**”), (1) the Consolidated Net Leverage Ratio is equal to or lower than 4:1 and (2) the Net Equity Ratio is equal to or lower than 2:1, in each case as referred to in the Compliance Certificate relating to the immediately preceding Relevant Period, such ratio to apply until the end of the second Relevant Period following the Relevant Acquisition,

Notwithstanding the above, after an Indebtedness Trigger has occurred, as resulting from the Compliance Certificate delivered on a Reporting Date, the Issuer may give notice that such Indebtedness Trigger is cured by delivering on an Interim Reporting Date an Interim Compliance Certificate pursuant to Condition 4(b) (*Compliance Certificate*) below. Upon delivery of such Interim Compliance Certificate the Indebtedness Requirement shall be deemed met for the purpose of this Condition 4(a).

For the purpose of this Condition 4(a):

- (i) the Consolidated Net Leverage Ratio for the applicable Relevant Period shall be determined giving a *pro forma* effect to the incurrence of such additional Indebtedness (together with any other additional Indebtedness already incurred since the end of such Relevant Period) as if the same had been incurred, and the net proceeds thereof applied, on the first day of such Relevant Period;
- (ii) “**Indebtedness Trigger**” means that the Indebtedness Requirement under Condition 4(a)(i)(1) or (2) or Condition 4(a)(ii)(1) or (2), as applicable, is not met for a Relevant Period;
- (iii) “**Interim Reporting Date**” means, within a Relevant Period, a date falling no later than 30 days following the end of the quarterly period for which consolidated financial statements of the Issuer are prepared;
- (iv) “**Net Equity Ratio**” means, for any Relevant Period, the ratio of the Net Consolidated Financial Position of Operations of the Group for such period to the Total Net Consolidated Equity for such period; and
- (v) “**Total Net Consolidated Equity**” means, for any Relevant Period, the aggregate of share capital, reserves, minority interests and net profit/loss.

For the avoidance of doubt, the non compliance by either the Issuer or any of its Subsidiaries of the Indebtedness Requirements under this Condition 4(a) shall not constitute an Event of Default pursuant to Condition 10(b) (*Breach of other obligations*) below *provided that* a breach of the Issuer of any of its other obligations under this Condition 4(a) shall constitute an Event of Default pursuant to Condition 10(b) (*Breach of other obligations*) below.

- (b) **Compliance Certificate:** For so long as any Notes or Coupons remain outstanding, the Issuer will on the first Interim Reporting Date and on each Reporting Date thereafter, and may on any following Interim Reporting Date, provide the Noteholders, in accordance

with Condition 15 (*Notices*), with a Compliance Certificate (or Interim Compliance Certificate) confirming:

- (i) among other things, the Issuer's compliance with Condition 4(a) (*Covenants – Limitation on Indebtedness*) since the previous Reporting Date, or in the case of the first Reporting Date, since the Issue Date;
- (ii) that as at the Certified Date the Issuer has complied with its obligations under the Agency Agreement and that as at such date there did not exist, nor had there existed since the Certified Date of the last Compliance Certificate, or in the case of the first Compliance Certificate since the Issue Date, any Event of Default or potential Event of Default, or if such an event has occurred or if the Issuer is not in compliance, specifying such event or the nature of such non-compliance; and
- (iii) the Consolidated Net Leverage Ratio and the Net Equity Ratio for the Relevant Period (stating also the Net Consolidated Financial Position of Operations of the Group, the Consolidated Adjusted EBITDA of the Group and the Total Net Consolidated Equity, in each case for such period).

For the avoidance of doubt, any certification by the Issuer given in the Compliance Certificate with respect to the compliance by the Issuer with its obligations under the Conditions (including, but not limited to, the covenants in Condition 4(a) (*Covenants – Limitation on Indebtedness*)) shall include a statement that the Issuer, as the case may be, has complied with its obligation to procure that its respective Subsidiaries comply with the relevant covenant, requirement or obligation as to which the relevant certification is given.

- (c) The Noteholders shall have no duty to monitor compliance by the Issuer or any of its Subsidiaries with the covenants set out in Condition 4(a) (*Covenants – Limitation on Indebtedness*) and shall rely without liability to any Person and without further enquiry on the Compliance Certificates as to the compliance by the Issuer and/or its respective Subsidiaries or non-compliance as aforementioned.

## 5 Negative pledge

So long as any Note or Coupon remains outstanding, neither the Issuer nor any of its Subsidiaries will create or have outstanding any mortgage, charge, lien, pledge or other security interest (each a "**Security Interest**"), upon, or with respect to, the whole or any part of its present or future business, undertaking, assets or revenues (including any uncalled capital) to secure any Relevant Indebtedness or to secure any guarantee or indemnity in respect of any Relevant Indebtedness (other than Refinancing Indebtedness), unless the Issuer, in the case of the creation of a Security Interest, before or at the same time and, in any other case, promptly, takes any and all action necessary to ensure that (a) all amounts payable by it under the Notes and the Coupons are secured by the Security Interest equally and rateably with the Relevant Indebtedness; or (b) such other Security Interest or other arrangement (whether or not it includes the giving of a Security Interest) shall be provided as is approved by an Extraordinary Resolution of the Noteholders; provided that, the foregoing provisions shall not apply to any Security Interest (i) arising by operation of law or (ii) created by an entity which becomes a Subsidiary after the date of creation of such Security Interest where the Security Interest was not created in connection with or in contemplation of such entity becoming a Subsidiary and does not extend to or cover any undertaking, assets or revenues (including any uncalled capital) of the Issuer or any of its other Subsidiaries.

## 6 Interest

- (a) **Interest Rate and Interest Payment Dates:** The Notes bear interest on their principal amount outstanding from and including the Issue Date to, but excluding, 19 February 2027, at a rate of interest per annum (the "**Rate of Interest**") which is a minimum rate of 2.50 per cent. per annum (the "**Minimum Interest Rate**"). The Rate of Interest is payable in equal instalments annually in arrears on 19 February in each year, commencing on 19 February 2022 (each an "**Interest Payment Date**"). *The Rate of Interest will be determined prior to the Issue Date and will be set out in the Interest Rate, Yield and Redemption Prices Notice and will be included in the final form of the Conditions.*



- (b) **Interest Accrual:** Each Note will cease to bear interest from and including its due date for redemption unless, upon due presentation, payment of principal in respect of the Notes is improperly withheld or refused or unless default is otherwise made in respect of payment. In such event, interest shall continue to accrue until whichever is the earlier of (a) the day on which all amounts due in respect of such Note up to that day are received by or on behalf of the relevant holder, and (b) five days after the date on which the full amount of the moneys payable in respect of such Notes has been received by the Fiscal Agent and notice to that effect has been given to the Noteholders in accordance with Condition 15 (*Notices*).
- (c) **Method of calculation:** Save as provided above in relation to equal instalments, the day-count fraction will be calculated on an "Actual/Actual (ICMA)" basis as follows:
- 1) if the Accrual Period is equal to or shorter than the Determination Period during which it falls, the day-count fraction will be the number of days in the Accrual Period divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Periods normally ending in any year; and
  - 2) if the Accrual Period is longer than one Determination Period, the day-count fraction will be the sum of:
    - (i) the number of days in such Accrual Period falling in the Determination Period in which it begins divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Periods normally ending in any year; and
    - (ii) the number of days in such Accrual Period falling in the next Determination Period divided by the product of (a) the number of days in such Determination Period and (2) the number of Determination Periods normally ending in any year.

where:

**"Accrual Period"** means the relevant period for which interest is to be calculated (from and including the first such day to but excluding the last); and

**"Determination Period"** means the period from and including 19 February in each year to but excluding the immediately following 19 February in each year.

Interest in respect of any Note shall be calculated per €1,000 in principal amount of the Notes (the **"Calculation Amount"**). The amount of interest payable per Calculation Amount for any period shall be equal to the product of the Rate of Interest, the Calculation Amount and the day-count fraction (calculated on an "Actual/Actual (ICMA)" basis, as set out above) for the relevant period, rounding the resulting figure to the nearest cent (half a cent being rounded upwards).

## 7 Redemption and Purchase

- (a) **Final redemption:** Unless previously redeemed, or purchased and cancelled, the Notes will be redeemed at their principal amount on 19 February 2027 (the **"Maturity Date"**). The Notes may not be redeemed at the option of the Issuer other than in accordance with this Condition 7.
- (b) **Redemption for taxation reasons:** The Notes may be redeemed at the option of the Issuer in whole, but not in part, at any time, on giving not less than 30 nor more than 60 days' notice to the Noteholders (which notice shall be irrevocable), at their principal amount, together with interest accrued to the date fixed for redemption, if
- (i) the Issuer would be required to pay additional amounts as provided or referred to in Condition 9 (*Taxation*) as a result of any change in, or amendment to, the laws or regulations of the Relevant Jurisdiction, or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the Issue Date, and

- (ii) such obligation cannot be avoided by the Issuer taking reasonable measures available to it,

*provided that* no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts were a payment in respect of the Notes then due. Prior to the publication of any notice of redemption pursuant to this Condition 7(b), the Issuer shall (A) deliver to the Fiscal Agent a certificate signed by a duly authorised signatory of the Issuer stating that the obligation referred to in (i) above cannot be avoided by the Issuer taking reasonable measures available to it, and (B) obtain an opinion, addressed to the Issuer, of independent legal advisers of recognised international standing to the effect that the Issuer has or will be obliged to pay such additional amounts as a result of such change or amendment. Further to the publication of any such notice of redemption pursuant to this Condition 7(b) the certificate referred to in (A) above will be made available to the Noteholders upon request.

- (c) **Redemption at the option of the Issuer:** The Issuer may, at any time on or after 19 February 2024, on giving:

- (i) not more than 60 nor less than 30 days' irrevocable notice to the Noteholders in accordance with Condition 15 (*Notices*); and
- (ii) notice to the Fiscal Agent not less than 15 days before giving the notice referred in (i) above,

redeem the Notes in whole or in part at the following redemption prices (expressed as a percentage of the principal amount of the Notes outstanding as at the date fixed for redemption) plus any accrued and unpaid interest as at the relevant date for redemption specified in the above notices:

| <b>Redemption Period</b>                                     | <b>Redemption prices</b>  |
|--|---|
| 19 February 2024 (included) -<br>18 February 2025 (included) | principal amount of the Notes outstanding on the date fixed for redemption plus 50% of the Rate of Interest   |
| 19 February 2025 (included) -<br>18 February 2026 (included) | principal amount of the Notes outstanding on the date fixed for redemption plus 25% of the Rate of Interest   |
| 19 February 2026 (included) –<br>18 February 2027 (included) | principal amount of the Notes outstanding on the date fixed for redemption plus 12.5% of the Rate of Interest |

- (d) **Redemption at the option of the Noteholders upon a Change of Control:** Promptly and in any event within fifteen Business Days after the occurrence of a Change of Control (as defined below), the Issuer will give written notice thereof (a "**Change of Control Notice**") to the holders of all outstanding Notes in accordance with Condition 15 (*Notices*), which Change of Control Notice shall:

- (i) refer specifically to this Condition 7(d),
- (ii) describe in reasonable detail the event or circumstances resulting in the Change of Control,
- (iii) specify the date for redemption of the Notes, which shall be a Business Day not less than 30 days and not more than 90 days after the date of such Change of Control Notice ("**Change of Control Redemption Date**"),

- (iv) offer to redeem, on the Change of Control Redemption Date, all Notes at 101 per cent. of their principal amount (the "**Change of Control Redemption Amount**") together with interest accrued thereon to the Change of Control Redemption Date, and
- (v) specify the date by which holders must provide written notice to the Issuer of such holder's redemption, which shall be not less than fifteen days prior to the Change of Control Redemption Date (the "**Change of Control Response Date**").

For so long as the Notes are listed on the regulated market (the "**Regulated Market**") of the Irish Stock Exchange plc trading as Euronext Dublin ("**Euronext Dublin**") and/or the *Mercato Telematico delle Obbligazioni* (the "**MOT**") of Borsa Italiana S.p.A. ("**Borsa Italiana**") and/or any other stock exchange and the rules of such exchange so require, the Issuer shall also notify promptly Euronext Dublin and/or Borsa Italiana and/or any other stock exchange of any Change of Control. The Issuer shall redeem on the Change of Control Redemption Date, if so requested by the holders of at least 20% in principal amount of the Notes outstanding on the Change of Control Response Date, all of the Notes held by Noteholders that require redemption at the Change of Control Redemption Amount. If any holder does not require early redemption on or before the Change of Control Response Date, such holder shall be deemed to have waived its rights under this Condition 7(d) to require early redemption of all Notes held by such holder in respect of such Change of Control but not in respect of any subsequent Change of Control.

To exercise the right to require early redemption of any Notes, the holder of the Notes must deliver at the specified office of any Paying Agent, on any Business Day before the Change of Control Response Date, a duly signed and completed notice of exercise in the form (for the time being current and which may, if such Notes are held in a clearing system, be in any form acceptable to such clearing system and may be delivered in any manner acceptable to such clearing system) obtainable from the specified office of any Paying Agent (a "**Put Notice**") and in which the holder must specify a bank account to which payment is to be made under this Condition 7(d) (accompanied by such Notes or evidence satisfactory to the Paying Agent concerned that such Notes will, following the delivery of the Put Notice, be held to its order or under its control. A Put Notice given by a holder of any Notes shall be irrevocable except where, prior to the Change of Control Redemption Date, an Event of Default has occurred and is continuing in which event such holder, at its option, may elect by notice to the Issuer to withdraw the Put Notice.

For the purposes of this Condition 7(d):

a "**Change of Control**" shall be deemed to have occurred if a Person or Persons acting together, other than a holding company whose shareholders are or are to be substantially similar to the pre-existing shareholders of the Issuer or any holding company of the Issuer acquire beneficially (directly or indirectly) Control of the Issuer; and

"**Control**" means the power to (i) appoint or remove a majority of the directors of the Issuer or (ii) exercise more than 50 per cent. of the voting rights normally exercisable at the Issuer's ordinary and extraordinary shareholders' meetings.

- (e) **No other redemption:** The Issuer shall not be entitled to redeem the Notes otherwise than as provided in Condition 7(b) (*Redemption for taxation reasons*), Condition 7(c) (*Redemption at the option of the Issuer*) and Condition 7(d) (*Redemption at the option of the Noteholders upon a Change of Control*).
- (f) **Notice of redemption:** All Notes in respect of which any notice of redemption is given under this Condition shall be redeemed on the date specified in such notice in accordance with this Condition 7.
- (g) **Purchases:** The Issuer and each of its Subsidiaries may at any time purchase Notes in the open market or otherwise at any price (provided that, if they should be cancelled under Condition 7(h) (*Cancellation*) below, they are purchased together with all unmatured Coupons relating to them). The Notes so purchased, while held by or on behalf of the Issuer or any such Subsidiary, shall not entitle the holder to vote at any meetings of the

Noteholders and shall not be deemed to be outstanding for the purposes of these Conditions. Such Notes may be held, reissued, resold or, at the option of the Issuer, surrendered to the Fiscal Agent for cancellation.

- (h) **Cancellation:** All Notes which are (i) purchased pursuant to Condition 7(d) (*Redemption at the option of the Noteholders upon a Change of Control*) or (ii) purchased by or on behalf of the Issuer or any its Subsidiaries and, at the option of the Issuer, surrendered for cancellation pursuant to Condition 7(g) (*Purchases*) or (iii) to be redeemed, together with any unmatured Coupons attached to or surrendered with them, will be cancelled and may not be re-issued or resold.

## 8 Payments

- (a) **Method of payment:** Payments of principal and interest will be made against presentation and surrender (or, in the case of a partial payment, endorsement) of Notes or the appropriate Coupons (as the case may be) at the specified office of any Paying Agent by transfer to a Euro account specified by the payee with a bank in a city in which banks have access to the TARGET System. Payments of interest due in respect of any Note other than on presentation and surrender of matured Coupons shall be made only against presentation and either surrender or endorsement (as appropriate) of the relevant Note.
- (b) **Payments subject to fiscal laws:** All payments are subject in all cases to any applicable fiscal or other laws and regulations in the place of payment, but without prejudice to the provisions of Condition 9 (*Taxation*). No commissions or expenses shall be charged to the Noteholders or Couponholders in respect of such payments.
- (c) **Surrender of unmatured Coupons:** Each Note should be presented for redemption together with all unmatured Coupons relating to it, failing which, the full amount of any relative missing unmatured Coupon (or, in the case of payment not being made in full, that proportion of the full amount of such missing unmatured Coupon which the amount so paid bears to the total amount due) will be deducted from the amount due for payment. Each amount so deducted will be paid in the manner mentioned above against presentation and surrender (or, in the case of part payment only, endorsement) of the relative missing Coupon at any time before the expiry of 10 years after the Relevant Date in respect of the relevant Note (whether or not the Coupon would otherwise have become void pursuant to Condition 11 (*Prescription*)) or, if later, 5 years after the date on which the Coupon would have become due, but not thereafter.
- (d) **Payments on Business Days:** A Note or Coupon may only be presented for payment on a day which is a Business Day in the place of presentation and, in the case of payment by credit or transfer to a Euro account as described above, is a TARGET Settlement Day. No further interest or other payment will be made as a consequence of the day on which the relevant Note or Coupon may be presented for payment under this Condition 8 falling after the due date.
- (e) **Paying Agents:** The names of the initial Paying Agents and their initial specified offices are set out in the Agency Agreement. The Issuer reserves the right at any time to vary or terminate the appointment of any Paying Agent and appoint additional or other Paying Agents, provided that:
  - (a) there will at all times be a Fiscal Agent;
  - (b) so long as the Notes are listed on any stock exchange or admitted to listing by any other relevant authority, there will at all times be at least one Paying Agent (which may be the Fiscal Agent) having a specified office in the place (if any) to the extent required by the rules and regulations of the relevant stock exchange or any other relevant authority; and
  - (c) there will at all times be a Paying Agent (which may be the Fiscal Agent) authorised to carry out its services within the European Union.

Notice of any variation, termination, appointment and/or of any changes in specified offices will be given to the Noteholders promptly by the Issuer in accordance with Condition 15 (Notices).

## 9 Taxation

All payments of principal and interest in respect of the Notes and the Coupons by or on behalf of Newlat (acting as the Issuer) shall be made without withholding or deduction for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature ("**Taxes**") imposed or levied by or on behalf of the Relevant Jurisdiction, unless the withholding or deduction of the Taxes is required by law. In that event, the Issuer will pay such additional amounts as may be necessary in order that the net amounts received by the Noteholders and Couponholders after the withholding or deduction, shall equal the respective amounts which would have been receivable in respect of the Notes or, as the case may be, Coupons in the absence of the withholding or deduction; except that no additional amounts shall be payable in relation to any payment in respect of any Note or Coupon:

- (a) the holder of which is liable for Taxes in respect of such Note or Coupon by reason of having some connection with the Relevant Jurisdiction other than a mere holding of the Notes; or
- (b) presented for payment in the Republic of Italy or in any Relevant Jurisdiction; or
- (c) presented for payment by or on behalf of a holder who would have been able to avoid such withholding or deduction by making a declaration or any other statement including, but not limited to, a declaration of residence or non-residence, but fails to do so upon presenting the relevant Note or Coupon to another Paying Agent in a Member State of the European Union; or
- (d) presented for payment more than 30 days after the Relevant Date except to the extent that a holder would have been entitled to additional amounts on presenting the same for payment on the last day of the period of 30 days assuming that day to have been a Business Day for payment as provided in Condition 8(d) (*Payments on Business Days*); or
- (e) for or on account of "*imposta sostitutiva*" pursuant to Decree No. 239, as amended and/or supplemented or, for the avoidance of doubt, Italian Legislative Decree 21 November 1997, No. 461 as amended and supplemented and in all circumstances in which the procedures set forth in Decree 239, in order to benefit from an exemption from "*imposta sostitutiva*" have not been met or complied with; or
- (f) where such withholding or deduction is required to be made pursuant to Italian Law Decree 30 September 1983, No. 512 converted into law with amendments by Law 25 November 1983, No. 649; or
- (g) in the event of payment by Newlat to a non-Italian resident Noteholder or Couponholder, to the extent that the Noteholder or Couponholder is not resident in a Country that allows a satisfactory exchange of information with Italian tax authorities enumerated in Decree 4 September 1996 as amended and supplemented from time to time; or
- (h) for any Taxes that are imposed or withheld pursuant to Sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986, as of the Relevant Date (or any amended or successor version of such sections that is substantively comparable and not materially more onerous to comply with), any regulations promulgated thereunder, any official interpretations thereof, any similar law or regulation adopted pursuant to an intergovernmental agreement between a non-U.S. jurisdiction and the United States with respect to the foregoing or any agreements entered into pursuant to Section 1471(b)(1) of the Code.

## 10 Events of Default

If any of the following events occurs and is continuing (each an "**Event of Default**"), then, in the case of Event of Default 10(f) (*Insolvency*) the Notes shall automatically become immediately due and payable and, in the case of each of the other Events of Default, any Noteholder may, by written notice addressed to the Issuer and delivered to the Issuer or to the specified office of the Fiscal Agent and specifying one or more of the Events of Default to which such notice relates, request that all (but not some only) of the Notes then outstanding become due and payable at their principal amount together (if applicable) with accrued interest (each such notice being a separate "**Acceleration Request**" in respect of each Event of Default

specified therein (even if contained in a single document)) and all of the Notes then outstanding shall become due and payable at their principal amount together (if applicable) with accrued interest upon the earlier to occur of:

- (i) Acceleration Requests being received by the Issuer from Noteholders representing not less than 20% in principal amount of the Notes then outstanding specifying the same Event of Default;
- (ii) the Issuer or, where appointed, the Noteholders' Representative delivering to the specified office of the Fiscal Agent notice that it accepts any Acceleration Request (or more than one);
- (iii) if neither of events (i) nor (ii) above has occurred in respect of any Acceleration Request, the Issuer having not, within fifteen days from the receipt of the first Acceleration Request specifying the relevant Event of Default, notified the Noteholders of the receipt of an Acceleration Request in accordance with Condition 15 (*Notices*) ("**Potential Acceleration Notice**", which notice may specify more than one Acceleration Request and shall specify the relevant Event of Default for each Acceleration Notice); and
- (iv) if a Potential Acceleration Notice has been delivered to the Noteholders in accordance with this Condition 10, the relevant Acceleration Request being ratified by Noteholders representing at least 20% in principal amount of the Notes then outstanding by delivery of a written notice to the Issuer or the specified office of the Fiscal Agent, such notice to be delivered by no later than fifteen days following the date of the Potential Acceleration Notice,

and the Issuer shall immediately upon the occurrence the earlier of (i) to (iv) to occur, send a notice to the Noteholders of the same in accordance with Condition 15 (*Notices*) (an "**Acceleration Notice**"):

- (a) **Non-payment:** any default is made in the payment of any principal and such default continues for a period of five Business Days or interest due in respect of the Notes, and such default continues for a period of ten Business Days; or
- (b) **Breach of other obligations:** except as otherwise specified in these Conditions, the Issuer does not perform or comply with any one or more of its other obligations relating to the Notes, which default is incapable of remedy or, if capable of remedy, is not remedied within 30 days after notice of such default shall have been given to the Issuer by any Noteholder; or
- (c) **Cross-default of the Issuer or a Subsidiary:**
  - (i) any other present or future indebtedness of the Issuer or any of its Subsidiaries for or in respect of moneys borrowed or raised becomes (or becomes capable of being declared) due and payable prior to its stated maturity by reason of any actual or potential default or event of default (howsoever described); or
  - (ii) any such indebtedness is not paid when due or, as the case may be, within any applicable grace period; or
  - (iii) the Issuer or any of their respective Subsidiaries fails to pay when due any amount payable by it under any present or future guarantee for, or indemnity in respect of, any moneys borrowed or raised,

provided that the aggregate amount of the relevant indebtedness, guarantees and indemnities in respect of which one or more of the events mentioned above in this Condition 10(c) have occurred equals or exceeds €10,000,000 or its equivalent; or

- (d) **Enforcement proceedings:** a distress, attachment, execution or other legal process is levied, enforced or sued out on or against any part of the property, assets or revenues of the Issuer having an aggregate value of at least €5,000,000 or its equivalent other than any distress, attachment, execution or other legal process under or in connection with (i) a Permitted Reorganisation or (ii) any matter described in Condition 10(e) (*Security Enforced*) below) and in any such case unless such distress, attachment, execution or other legal process (i) is being disputed in good faith with a reasonable prospect of

success as confirmed by an opinion of independent legal advisers of recognised standing or (ii) is discharged or stayed within 30 days after the date on which the Issuer is notified thereof or, if later, the date specified therein for payment; or

- (e) **Security enforced:** any mortgage, charge, pledge, lien or other encumbrance, present or future, created or assumed by the Issuer having an aggregate value of at least €100,000 becomes enforceable and any step is taken to enforce it (including the taking of possession or the appointment of a receiver, manager or other similar Person) unless discharged or stayed within 90 days after the date on which the Issuer is notified thereof; or
- (f) **Insolvency:** other than for the purposes of, or pursuant to, a Permitted Reorganisation, the Issuer is insolvent or bankrupt or unable to pay its debts, stops or suspends payment of all or a material part of (or of a particular type of) its debts, proposes or makes any agreement for the deferral, rescheduling or other readjustment of all of (or all of a particular type of) its debts (or of any part which it will or might otherwise be unable to pay when due), proposes or makes a general assignment or an arrangement or composition with or for the benefit of the relevant creditors in respect of any of such debts or a moratorium is agreed or declared in respect of or affecting all or any part of (or of a particular type of) the debts of the Issuer; or
- (g) **Cessation of business:** the Issuer ceases to carry on all or a substantial part of its business (other than for the purposes of, or pursuant to, a Permitted Reorganisation); or
- (h) **Analogous event:** any event occurs which, under any applicable laws has an analogous effect to any of the events referred to in Conditions 10(d) (*Enforcement proceedings*) to 10(g) (*Cessation of business*) (both inclusive); or
- (i) **Unlawfulness:** it is or will become unlawful for the Issuer to perform or comply with any one or more of its obligations under any of the Notes; or
- (j) **Delisting:** the Notes cease to be listed on one of either (i) the official list of Euronext Dublin (and admitted to trading on the Regulated Market) or (ii) the official list of Borsa Italiana (and admitted to trading on the MOT), unless the Issuer, within 30 days after notice of any such de-listing have been given to the Issuer by Euronext Dublin and/or Borsa Italiana, causes the Notes to be listed and admitted to trading on any other regulated market for the purposes of Directive 2014/65/EU (as amended or supplemented from time to time).

## 11 Prescription

Claims in respect of principal and interest will become void unless presentation for payment is made as required by Condition 8 (*Payments*) within a period of 10 years in the case of principal and five years in the case of interest from the appropriate Relevant Date.

## 12 Replacement of Notes and Coupons

If any Note or Coupon is lost, stolen, mutilated, defaced or destroyed, it may be replaced at the specified office of the Fiscal Agent, subject to all applicable laws and stock exchange or other relevant authority requirements, upon payment by the claimant of the expenses incurred in connection with such replacement and on such terms as to evidence, security, indemnity and otherwise as the Issuer may require (provided that the requirement is reasonable in the light of prevailing market practice). Mutilated or defaced Notes or Coupons must be surrendered before replacements will be issued.

## 13 Meetings of Noteholders, modification, waiver and substitution

- (a) **Meetings of Noteholders:** In accordance with the rules of the Italian civil code, the Agency Agreement contains provisions for convening meetings of the Noteholders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of the Notes or Coupons or any of the provisions of the Agency Agreement.

All meetings of the Noteholders will be held in accordance with applicable provisions of Italian law in force at the time and, where applicable Italian law so requires, the Issuer's by-laws in force from time to time and, as long as the Issuer has shares listed on a regulated market of the Republic of Italy or any other EU member country regulated markets, by Legislative Decree No. 58 of 24 February 1998, as amended and implemented. In accordance with Article 2415 of the Italian civil code, the meeting of Noteholders is empowered to resolve upon the following matters: (i) the appointment and revocation of the appointment of the Noteholders' Representative (as defined below), (ii) any amendment to these Conditions, (iii) motions for the composition with creditors (*concordato*) of the Issuer; (iv) establishment of a fund for the expenses necessary for the protection of the common interests of the Noteholders and the related statements of account; and (v) any other matter of common interest to the Noteholders.

Such a meeting may be convened by the Board of Directors of the Issuer or the Noteholders' Representative (as defined below) at their discretion and, in any event, upon the request of any Noteholder(s) holding not less than 5% in nominal amount of the Notes for the time being remaining outstanding. If the meeting has not been convened following such request of the Noteholders, the same may be convened by the board of the statutory auditors (or other analogous body or supervisory body) of the Issuer or, if they so default, by a decision of the competent court in accordance with the provisions of Article 2367 of the Italian civil code. Every such meeting shall be held at a place as provided pursuant to Article 2363 of the Italian civil code.

As long as the Issuer has shares listed on a regulated market located in a EU member state or held by a significant number of investors (*diffuse tra il pubblico in misura rilevante*) as per Article 2325-*bis* of the Italian civil code, such a meeting will be validly held if (subject to mandatory laws, legislation, rules and regulations of Italian law in force from time to time and, where applicable Italian law so requires, the Issuer's by-laws in force from time to time) there are one or more persons present being or representing Noteholders holding at least one fifth of the aggregate nominal amount of the Notes for the time being outstanding. The majority required to pass a resolution at any meeting convened to vote on any resolution will be one or more persons holding or representing at least two thirds of the aggregate nominal amount of the Notes for the time being outstanding represented at the meeting; provided, however, that certain proposals (including modifying the date of maturity of the Notes or any date for payment of interest thereon, reducing or cancelling the amount of principal or the rate of interest payable in respect of the Notes or altering the currency of payment of the Notes or the Coupons) may only be sanctioned by a resolution passed at a meeting (as provided under Article 2415 of the Italian Civil Code) of Noteholders by one or more persons holding or representing not less than one half of the aggregate nominal amount of the Notes for the time being outstanding.

Officers and statutory auditors of the Issuer shall be entitled to attend the Noteholders' meetings but not participate or vote with reference to the Notes held by the Issuer.

To the extent permitted under applicable laws, the Issuer's by-laws may in each case provide for higher majorities and such higher majorities shall prevail.

Any resolution duly passed at any such meeting shall be binding on all the Noteholders, whether or not they are present at the meeting, and on all Couponholders.

A representative of the Noteholders (*rappresentante comune*) (the "**Noteholders' Representative**"), subject to applicable provisions of Italian law, may be appointed pursuant to Articles 2415 and 2417 of the Italian civil code in order to represent the Noteholders' interests under these Conditions and to give effect to resolutions passed at a meeting of the Noteholders.

The Noteholders' Representative may be a person who is not a Noteholder and may be (i) a company duly authorised to carry on investment services (*servizi di investimento*) or (ii) a trust company (*società fiduciaria*). The Noteholders' Representative is appointed by a resolution passed at a Noteholders' meeting. If a Noteholders' meeting fails to appoint the Noteholders' Representative, the appointment is made by a competent court upon



the request of one or more Noteholders or the directors of the Issuer. The Noteholders' Representative shall remain in office for a period not exceeding three financial years from appointment and may be reappointed; remuneration shall be determined by a meeting of Noteholders.

(b) **Modification and waiver:** The Issuer may agree, without the consent of the Noteholders or Couponholders, to:

- (a) any modification (except such modifications in respect of which an increased quorum is required as mentioned above) of the Notes, the Coupons, the Deed of Covenant or the Agency Agreement which, in the sole opinion of the Issuer, is not materially prejudicial to the interests of the Noteholders; or
- (b) any modification of the Notes, the Coupons, the Deed of Covenant or the Agency Agreement which, in the sole opinion of the Issuer, is of a formal, minor or technical nature or is made to correct a manifest or proven error or to comply with mandatory provisions of the law.

Any such modification shall be binding on the Noteholders and the Couponholders and any such modification shall be notified to the Noteholders in accordance with Condition 15 (*Notices*) as soon as practicable thereafter.

#### **14 Further issues**

The Issuer may, from time to time, without the consent of the Noteholders or Couponholders, create and issue further securities, either having the same terms and conditions as the Notes in all respects (or in all respects except for the first payment of interest on them), and so that such further issue shall be consolidated and form a single series with the outstanding securities of any series (including the Notes), or upon such terms as the Issuer may determine at the time of their issue. References in these Conditions to the Notes include (unless the context requires otherwise) any other securities issued pursuant to this Condition 14 and forming a single series with the Notes.

#### **15 Notices**

Except as otherwise provided in the Conditions or the Prospectus, all notices to the Noteholders will be valid if duly published on the Issuer's Website and in a manner which complies with the rules and regulations of any stock exchange on which the Notes are, for the time being, listed. The Issuer shall also ensure that notices are duly given or published in a manner which complies with the rules and regulations of any stock exchange or other relevant authority on which the Notes are, for the time being, listed. Any such notice shall be deemed to have been given on the date of first publication (or if published more than once or on different dates, on the first date on which publication shall have been made). Couponholders will be deemed for all purposes to have notice of the contents of any notice given to Noteholders in accordance with this Condition

Notices to be given by any Noteholder shall be in writing and given by lodging the same, together with the relative Note or Notes, with the Fiscal Agent or, if the Notes are held in a clearing system, may be given through the clearing system in accordance with its standard rules and procedures.

#### **16 Contracts (Rights of Third Parties) Act 1999**

No Person shall have any right to enforce any term or condition of the Notes under the Contracts (Rights of Third Parties) Act 1999, but this does not affect any right or remedy of any Person which exists or is available apart from that Act.

#### **17 Governing law and submission to jurisdiction**

- (a) **Governing law:** The Agency Agreement, the Deed of Covenant, the Notes and the Coupons, and any non-contractual obligations arising out of or in connection with them

are governed by, and shall be construed in accordance with the law of England and Wales.

Condition 13(a) (*Meetings of Noteholders*) and the provisions of clause 21 (*Meetings of Noteholders*) of the Agency Agreement which relate to the convening of meetings of Noteholders and the appointment of a Noteholders' representative are subject to compliance with Italian law.

(b) **Jurisdiction:**

- (i) Subject to Condition 17(b)(ii) below, the English courts have exclusive jurisdiction to settle any dispute arising out of or in connection with the Notes or the Coupons, including any dispute as to their existence, validity, interpretation, performance, breach or termination or the consequences of their nullity and any dispute relating to any non-contractual obligations arising out of or in connection with the Notes and/or the Coupons (a "**Dispute**") and the Issuer and any Noteholders and Couponholders in relation to any Dispute submits to the exclusive jurisdiction of the English courts.
- (ii) For the purposes of this Condition, the Issuer waives any objection to the English courts on the grounds that they are an inconvenient or inappropriate forum to settle any Dispute.
- (iii) To the extent allowed by law, the Noteholders and the Couponholders may, in respect of any Dispute or Disputes, take (i) proceedings in any other court with jurisdiction; and (ii) concurrent proceedings in any number of jurisdictions.

- (c) **Appointment of process agent:** The Issuer irrevocably appoints TMF Global Services (UK) Limited, 8th Floor, 20 Farringdon Street, London, EC4A 4AB as its agent for service of process in any proceedings before the English courts in relation to any Dispute and agrees that, in the event of TMF Global Services (UK) Limited being unable or unwilling for any reason so to act, it will promptly appoint another person as its agent for service of process in England in respect of any Dispute. The Issuer agrees that failure by a process agent to notify it of any process will not invalidate service. Nothing in this Condition shall affect the right to serve process in any other manner permitted by law.

- (d) **Other documents:** The Issuer has in the Agency Agreement and the Deed of Covenant submitted to the jurisdiction of the English courts and appointed an agent in England for service of process, in terms substantially similar to those set out above.

## SUMMARY OF PROVISIONS RELATING TO THE NOTES IN GLOBAL FORM

The Notes will initially be in the form of a Temporary Global Note which will be deposited on or around the Issue Date with a common safekeeper for Euroclear and Clearstream, Luxembourg.

The Notes will be issued in new global note ("**NGN**") form. On 13 June 2006, the European Central Bank (the "**ECB**") announced that Notes in NGN form are in compliance with the "Standards for the use of EU securities settlement systems in ECB credit operations" of the central banking system for the Euro (the "**Eurosystem**"), provided that certain other criteria are fulfilled. At the same time the ECB also announced that arrangements for Notes in NGN form will be offered by Euroclear and Clearstream, Luxembourg as of 30 June 2006 and that debt securities in global bearer form issued through Euroclear and Clearstream, Luxembourg after 31 December 2006 will only be eligible as collateral for Eurosystem operations if the NGN form is used.

The Notes are intended to be held in a manner which would allow Eurosystem eligibility – that is, in a manner which would allow the Notes to be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon satisfaction of the Eurosystem eligibility criteria.

The Notes will be represented by the Global Notes except in certain limited circumstances described in the Permanent Global Note. The Global Notes will be deposited with a common depositary for Euroclear and Clearstream, Luxembourg. Except in certain limited circumstances described in the Permanent Global Note, investors will not be entitled to receive definitive Notes. Euroclear and Clearstream, Luxembourg will maintain records of the beneficial interests in the Global Notes. While the Notes are represented by the Global Notes, investors will be able to trade their beneficial interests only through Euroclear and Clearstream, Luxembourg.

The Issuer will discharge its payment obligations under the Notes by making payments to or to the order of the common depositary for Euroclear and Clearstream, Luxembourg for distribution to their account holders. A holder of a beneficial interest in a Global Note must rely on the procedures of Euroclear and Clearstream, Luxembourg to receive payments under the Notes. The Issuer has no responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in the Global Notes.

Holders of beneficial interests in the Global Notes will not have a direct right to vote in respect of the Notes. Instead, such holders will be permitted to act only to the extent that they are enabled by Euroclear and Clearstream, Luxembourg to appoint appropriate proxies.

The Temporary Global Note will be exchangeable in whole or in part for interests in the Permanent Global Note not earlier than 40 days after the Issue Date upon certification as to non-U.S. beneficial ownership in compliance with the U.S. Internal Revenue Code of 1986, as amended ("**TEFRA D**"). No payments will be made under the Temporary Global Note unless exchange for interests in the Permanent Global Note is improperly withheld or refused. In addition, interest payments in respect of the Notes cannot be collected without such certification of non-U.S. beneficial ownership.

The Permanent Global Note will become exchangeable in whole, but not in part, for Notes in definitive form ("**Definitive Notes**") in the denomination of €1,000 each, at the request of the bearer of the Permanent Global Note against presentation and surrender of the Permanent Global Note to the Fiscal Agent if Euroclear or Clearstream, Luxembourg or any alternative clearing system through which the Notes are held is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention permanently to cease business.

So long as the Notes are represented by a Global Note and the relevant clearing system(s) so permit, the Notes will be tradeable only in the minimum authorised denomination of €1,000.

Whenever the Permanent Global Note is to be exchanged for Definitive Notes, the Issuer shall procure the prompt delivery (free of charge to the bearer) of such Definitive Notes, duly authenticated and with Coupons attached, in an aggregate principal amount equal to the principal amount of the Permanent Global Note to the bearer of the Permanent Global Note against the

surrender of the Permanent Global Note to or to the order of the Fiscal Agent within 30 days of the occurrence of the relevant Exchange Event.

In addition, the Temporary Global Note and the Permanent Global Note will contain provisions which modify the Terms and Conditions of the Notes as they apply to the Temporary Global Note and the Permanent Global Note. The following is a summary of certain of those provisions:

*Payments:* All payments in respect of the Temporary Global Note and the Permanent Global Note will be made against presentation and (in the case of payment of principal in full with all interest accrued thereon) surrender of the Temporary Global Note or (as the case may be) the Permanent Global Note to or to the order of any Paying Agent and will be effective to satisfy and discharge the corresponding liabilities of the Issuer in respect of the Notes. On each occasion on which a payment of principal or interest is made in respect of the Temporary Global Note or (as the case may be) the Permanent Global Note, the Issuer shall procure that the payment is entered *pro rata* in the records of Euroclear and Clearstream, Luxembourg.

*Payments on Business Days:* In the case of all payments made in respect of the Temporary Global Note and the Permanent Global Note Condition 8(d)) (*Payments on Business Days*) shall not apply, and all such payments shall be made on a day on which the TARGET System is open.

*Redemption of the option of the Issuer:* In order to exercise the option contained in Condition 7(b) (*Redemption for taxation reasons*) and 7(c) (*Redemption at the option of the Issuer*) the Issuer shall give notice to the Noteholders, the relevant clearing system and the Fiscal Agent (or procure that such notice is given on its behalf) within the time limits set out in and containing the information required by that condition and Condition 7(f) (*Notice of redemption*). In the case of Condition 7(c) (*Redemption at the option of the Issuer*) and a partial exercise of an option, the rights of accountholders with the relevant clearing system in respect of the Notes will be governed by the standard procedures of the relevant clearing system and shall be reflected in the records of the relevant clearing system as either a pool factor or a reduction in nominal amount, at their discretion. Following the exercise of any option, the Issuer shall procure that the nominal amount of the Notes recorded in the records of the relevant clearing system and represented by the Global Note shall be reduced accordingly.

*Redemption at the option of the Noteholders:* The option of the Noteholders in Condition 7(d) (*Redemption at the option of the Noteholders*) may be exercised by the holder of the Permanent Global Note giving notice to the Agent of the principal amount of Notes in respect of which the option is exercised within the time limits specified in Condition 7(d) (*Redemption at the option of the Noteholders*).

*Notices:* Notwithstanding Condition 15 (*Notices*), while all the Notes are represented by the Permanent Global Note (or, as the case may be, by the Permanent Global Note and/or the Temporary Global Note) and the Permanent Global Note is (or, as the case may be, the Permanent Global Note and/or the Temporary Global Note are) held on behalf of Euroclear or Clearstream, Luxembourg or an alternative clearing system, notices to Noteholders may be given by delivery of the relevant notice to Euroclear and Clearstream, Luxembourg or such alternative and, in any case, such notices shall be deemed to have been given to the Noteholders in accordance with Condition 15 (*Notices*) on the day after the day of delivery to Euroclear and Clearstream, Luxembourg except that, for so long as such Notes are listed on any stock exchange or admitted to listing or trading by any other relevant authority and such stock exchange or relevant authority so requires, any such notices shall be duly published in a manner which complies with the rules and regulations of any such stock exchange or other relevant authority.

## **USE OF PROCEEDS**

The Issuer expects the gross proceeds of the Offering to be between €150,000,000 and €200,000,000 (net proceeds being between €148,000,000 and €198,000,000). The estimated total expenses of the Offering will be between €1,500,000 and €2,000,000 (depending on the final size of the Offering), including the Placement Agent's commission and estimated expenses in respect of the Offering.

The Issuer intends to use the net proceeds from the Offering to support its external growth strategy. The quick implementation of the M&A activity should allow the Issuer to further increase the Group's geographical diversification, strengthening its product offering among the fastest growth categories in the food industry. The increase of the Group's size in terms of volume produced and sold, together with a better market share among the key products and the key European markets should also allow the Issuer to further improve its profitability and the cash flow generation, benefiting from additional economies of scale and a better product and geographic mix.

## DESCRIPTION OF THE ISSUER

Newlat Food S.p.A. is a joint stock company ("*società per azioni*") incorporated and established in Italy and operating under Italian law. Newlat has its registered office at Via J.F. Kennedy No. 16, Reggio Emilia, is registered with the Reggio Emilia Companies Register under no. 00183410653 (telephone number +39 0522 7901) and its ordinary shares are listed on the "STAR Segment" of the *Mercato Telematico Azionario* ("**MTA**") managed and organized by Borsa Italiana S.p.A. since 29 October 2019 (the "**Listing Date**"). The Issuer's subscribed and paid-up share capital is equal to Euro 43,935,050.00 divided into 43,935,050 shares without nominal value. The Issuer's legal entity identifier (LEI) is 815600511D7D0F6A5955.

In accordance with Article 4 of the Issuer's articles of association as of the date of this Prospectus (the "**Articles of Association**"), the Issuer's term is until 31 December 2100. Such term can be extended or terminated in advance by a resolution passed at a shareholders' meeting.

In accordance with Article 26 of the Articles of Association, the Issuer's financial year ends on 31 December of each year.

### History

#### *The Mastrolia family*

Newlat was established on 26 May 1940 in Salerno (Italy).

The Mastrolia family has been active in the agri-food sector since 1929. They started buying milk from local producers in Salerno and selling it at the Salerno milk plants. From the early 1960s, in addition to collection, activities expanded to the hygienic and thermal treatment of milk, which included subjecting the milk to cleaning and refrigeration. Over time, the business grew as new customers demanded their milk and related derivative products.

Under the management of Mr. Angelo Mastrolia, the Chairman of Newlat's Board of Directors, the Company further expanded incorporating Piana del Sele Latteria Sociale SpA. In 2004, Mr. Angelo Mastrolia decided to broaden the scope of the family business, diversifying and expanding into other sectors.

#### *The initial acquisitions*

In January 2004, the Group acquired Industrie Alimentari Molisane S.r.l., the main pasta producer of Molise, and subsequently, Industrie Alimentari Riunite S.p.A., the owner of the historic "Guacci" brand, through TMT Finance S.A. (currently, Newlat Group S.A., the controlling company of the Issuer). In February 2005, through TMT Finance S.A. (currently, Newlat Group S.A.), the Group acquired the "Pezzullo" business from Nestlé and, in 2006, the Group completed the acquisition of the "Corticella" business from Euricom S.p.A., further broadening the Group's portfolio of products and strengthening its position in the pasta sector.

In 2008, the Group acquired Newlat S.p.A. from Parmalat S.p.A., renaming it to "Newlat Group S.A.". The Italian antitrust authority had ordered the divestment of Newlat S.p.A., including its Reggio Emilia plant and the "Lily", "Polenghi" (milk), "Optimus", "Torre in Pietra", "Matese" and other brands. In July 2008, the Group completed the acquisition of the Sansepolcro factory from Nestlé through "Industrie Alimentari Riunite S.p.A." (subsequently merged into the Company) and entered into a licensing agreement for the use of the "Buitoni" brand.

In 2009, the Company acquired the Lodi business division from Parmalat S.p.A., which included the "Optimus", "Polenghi" (Dairy Products) and "Ala" (Dairy Products) brands, in addition to its production plant specialized in mascarpone, ricotta and mozzarella.

#### *Expansion into Germany and subsequent acquisitions*

In 2013, through Newlat Deutschland, the Group completed the acquisition of the "Birkel" and "Drei Glocken", leading brands in the German pasta sector, formerly owned by the Spanish company Ebro Foods S.A.. In Germany, the Group concentrates its production activities at its plant located in Mannheim.

In 2014, the Group expanded its products further into sector of the production and marketing of milk and milk-based products (the "**Milk Products**") and into the sector of the production and marketing of dairy products (including milk-based products such as butter, mascarpone, cheeses such as ricotta, mozzarella, scamorza and provola, and yoghurt) (the "**Dairy Products**"), with the acquisition of Centrale del Latte di Salerno S.p.A. ("**Centrale del Latte di Salerno**") from the Municipality of Salerno, pursuant to a public tender called for by the Municipality of Salerno, thus adding "Centrale del Latte di Salerno" to the Group's brand portfolio. In 2015, the Group purchased the "Plasmon" plant in Ozzano Taro from Kraft-Heinz Company ("**Kraft-Heinz**") for €2,184,379 and entered into the Heinz co-packing Agreement regarding the production and sale to Heinz Italia of gluten free products, low protein products and food specifically designed to meet the special needs of infants and children up to three years old (the "**Special Products**") manufactured at such plant.

#### *Corporate reorganization*

On 7 March 2017, the extraordinary Shareholders' Meeting of Newlat approved a demerger plan assigning part of Newlat's assets to New Property, a newly established company wholly owned by Newlat Group S.A., including the San Sepolcro, Ozzano Taro, Reggio Emilia, Lodi, Lecce and Eboli facilities. The deed of demerger was executed on 23 May 2017, with effect as from 1 June 2017. The purpose of the demerger transaction was to lower costs and establish a more flexible and efficient corporate structure.

#### *The acquisition of Delverde*

On 9 April 2019, Newlat acquired from Molinos del Plata S.L.U. and Molinos Rio de La Plata S.A. shares representing 100% of the share capital of Delverde Industrie Alimentari S.p.A. ("**Delverde**"), a long-standing premium pasta business.

#### *The Newlat Deutschland transaction*

On 4 October 2019, the Company and Newlat Group S.A. entered into an agreement for the strategic acquisition by the Company of Newlat Deutschland, to reinforce the Group's position in Germany, from where it derives significant revenues and where it owns market-leading brands and reputation. The acquisition of Newlat Deutschland was completed on 29 October 2019.

#### *The merger among the Company, Delverde and Centrale del Latte di Salerno*

On 31 December 2019, the merger by incorporation of Delverde and Centrale del Latte di Salerno into the Company became effective, thus rationalizing the cost structure of the Group and making the structure of the Group more flexible, also in view of further acquisitions.

#### *The acquisition of Centrale del Latte d'Italia and the CLI Offer*

On 1 April 2020, the Issuer purchased a stake representing approximately 47.57% of the issued share capital and voting rights of Centrale del Latte d'Italia, for a total consideration of €3 and 1 Newlat's ordinary share for every 3 ordinary shares of CLI.

As a consequence of the acquisition of a relevant stake in CLI, Newlat launched the CLI Offer on all the ordinary shares of CLI not already owned by itself, *i.e.* on 52.43% of the share capital and voting rights.

The CLI Offer ended on 24 July 2020 and, based on the final results of the CLI Offer, Newlat acquired an additional 20.02% stake. As of the date of this Prospectus, Newlat owns a 67.59% stake in CLI.

CLI is a company listed on the "STAR Segment" of the MTA, dealing in the production and sale of fresh milk, milk products and ultra-fresh products. Centrale del Latte d'Italia is the result of a growth strategy aimed at creating an inter-regional hub specialized in the production and sale of milk and dairy products. The distribution network of Centrale del Latte di Italia is mainly concentrated in Piemonte, Liguria, Tuscany and Veneto, where its production plants are located.

For a list of the persons who held shareholdings in the Issuer higher than 5% of the Issuer's corporate capital as of the date of this Prospectus, please see section "*Description of the Issuer - Major Shareholders*".

## Business Description

### Overview

The Group is a relevant player in the Italian and European agri-food sector. The Group has an established position in the Italian market and a significant presence in the German market. The Group is mainly active in the pasta, milk, dairy, bakery and special products sectors (particularly, in health & wellness, Gluten Free (as defined below) and Baby Food (as defined below)). The products of the Group are marketed under several proprietary brands, many of which have national and international recognition.

The Group seeks consumer well-being by selling healthy, high-quality products at affordable prices, while promoting the best Italian traditions through its established international platform and sales network. The Group strives to consolidate as a global leading provider of "Made in Italy" healthy food products. The Group has grown significantly over the last ten years mainly as a result of acquisitions of established Italian and international agri-food companies and have a significant track record in acquiring companies and business divisions that operate in the food & beverage sector.

The Group operates fifteen production plants, fourteen of which are located in Italy and one in Germany. The Group's production facilities and installed capacity comprise: (i) five plants dedicated to the production of Pasta (as defined below) and Bakery Products (as defined below), with a total capacity of 306,000 tonnes/year and 20,000 tonnes/year, respectively; (ii) seven milk processing plants, with a total capacity of 431,000 tonnes/year (iii) a plant dedicated to Gluten Free, Low Protein (as defined below) and Baby Food products, with a total capacity of 43,000 tonnes/year and (iv) two mills, with a total grain processing capacity of 220,000 tonnes/year.

The Group's business units comprise the following: (i) Pasta; (ii) Milk Products; (iii) Dairy Products; (iv) Bakery Products; (v) Special Products and (vi) Other Products (as defined below).

On 18 December 2020, Newlat and CLI entered into an agreement whereby Newlat agreed to lease to CLI its business units related to the Milk Products and the Dairy Products starting from 1 January 2021. The lease agreement has a duration of two years and will be automatically renewed for an additional year unless terminated by either party subject to a 6-months prior notice. According to the lease agreement, CLI agreed to pay Newlat an annual fee determined as follows: (i) a fixed component equal to €2,000,000.00, plus statutory VAT; and (ii) a variable component which – starting from 1st January 2021 – will be determined on a quarterly basis and will be equal to 1.5% of the turnover of the reference quarter of the business units, plus VAT as required by law. The transaction will allow the integration of the industrial plants of Newlat and CLI and the generation of cost and procurement synergies, as well as the exchange of industrial know-how between the two companies.

The following table shows the evolution of the Group's revenues per business unit for the years up until 31 December 2019 and 31 December 2018 and the 9 months ended on 30 September 2020.

### Revenues by business unit

|                            | 9-months ended 30<br>September | Financial<br>year<br>ended 31<br>December | Financial<br>year<br>ended 31<br>December | CAGR<br>2018- |
|----------------------------|--------------------------------|---|---|---------------|
| (In thousands of €)        | 2020                           | 2019                                      | 2018                                      |               |
| Pasta .....                | 104,706                        | 133,268                                   | 122,689                                   | 8.6%          |
| Milk Products .....        | 136,885                        | 70,216                                    | 71,050                                    | (1.2%)        |
| Bakery Products .....      | 29,229                         | 35,670                                    | 35,352                                    | 0.9%          |
| Dairy Products .....       | 20,334                         | 33,271                                    | 30,190                                    | 10.2%         |
| Special Products .....     | 23,850                         | 30,547                                    | 28,448                                    | 7.4%          |
| Other Products .....       | 10,682                         | 17,931                                    | 18,101                                    | (0.9%)        |
| <b>Total revenue .....</b> | <b>325,686</b>                 | <b>320,902</b>                            | <b>305,830</b>                            | <b>4.9%</b>   |

### The Group's Principal Geographic Markets



As of 30 September 2020, the Group sold products in more than 60 countries, to around 16,000 customers including the main players in the GDO channel and the general food industry. In addition to products sold under the Group's proprietary brands, the Group produces for third parties and for the private label market.

The following tables show the evolution of the Group's revenues in the main geographic markets for the years up until 31 December 2019 and 31 December 2018 and the 9 months ended on 30 September 2020.

#### Revenues by main geographic market

|                            | 9-months ended<br>30 September | Financial year ended 31 December | CAGR<br>2018-2019 |             |
|----------------------------|--------------------------------|----------------------------------|-------------------|-------------|
|                            | 2020                           | 2019                             | 2018              |             |
| <i>(In thousands of €)</i> |                                |                                  |                   |             |
| Italy .....                | 204,403                        | 173,643                          | 163,581           | 6.2%        |
| Germany .....              | 75,660                         | 93,294                           | 89,865            | 3.8%        |
| Other Countries .....      | 45,623                         | 53,966                           | 52,384            | 3.0%        |
| <b>Total revenue .....</b> | <b>325,686</b>                 | <b>320,902</b>                   | <b>305,830</b>    | <b>4.9%</b> |

Other than Italy and Germany, as of the date of this Prospectus, the Group's geographic markets ranked by revenue, are as follows: (i) United Kingdom; (ii) France; (iii) Russia; (iv) United States of America and (v) Spain.

#### Italy

Italy is the Group's most important geographic market. In Italy, the Group offers a varied portfolio of products, forms, brands and solutions to satisfy the demand of Italian consumers. Specifically, the Group manufactures and markets the following products in Italy:

- a) Pasta (as defined below), including (i) various packaging solutions (without limitation, pillow bag, cardboard tray, bag in a box), from recyclable materials, and (ii) various recipes of dried pasta (without limitation, durum wheat semolina pasta, long and short, whole wheat pasta, egg pasta, organic pasta, pasta with vegetables and legume pasta);
- b) Bakery Products (as defined below), including rusks and bread substitutes under the "Granfetta" and "Crostino Dorato" brands, respectively. Rusks are produced with a distinctive round shape and using a wide range of recipes (without limitation, whole wheat flour, multi-cereal, organic, with the addition of milk and honey, or vitamins). The Group's crostini differ from similar products marketed by its competitors in their taste, shape and texture, as well as in their manufacturing process. To a lesser extent, the Group sells melba toasts and round toasts. In addition, in Italy the Group manufactures "Grattugiato", a breadcrumbs product deriving from Bakery Products production scraps from the Sansepolcro factory;
- c) Milk Products and Dairy Products, including UHT milk, fresh milk, highly pasteurized milk, butter, yoghurt, UHT bechamel and melted cheese;
- d) Special Products, including Gluten Free (as defined below) products such as pasta, biscuits, crackers and breadcrumbs;
- e) Other Products (as defined below), including, among others, salads, eggs, cold cuts, cheese and plant-based drinks, mainly distributed from the Group's warehouses through its network of agents.

In Italy, the Group sells these products through the following sales channels: (i) GDO; (ii) private label; (iii) sales channel that includes industrial operators that purchase products from third parties to resell them under their own brands in the various sales channels ("**B2B partners**"); (iv)

Foodservice (as defined below) and (v) sales channel that includes small points of sale with fixed locations, served directly or through dealers ("**Normal Trade**"), including more specifically:

- a) Pasta, through the GDO and foodservice channels (*i.e.* sales channel that includes operators who buy and sell food and beverages intended for consumption outside the household and in offices (the "**Foodservice**")). The Group is also active in Pasta processing, both through supplying the facilities related to the Foodservice sales channel, as well as through the sale to wholesalers and end processors.
- b) Milk Products, particularly pasteurized products: (i) under nation-wide or local contracts through the GDO and Foodservice channels, and to wholesalers, with deliveries to their distribution centers, or (ii) through the Group's distribution network, involving commercial agents and brokers who deliver at the point of sale. UHT products are usually sold directly to distribution centers through the key account manager (*i.e.* the manager tasked with managing the relationship between the Company and its main costumers) network as well as to wholesalers and through its network of agents.

The Group's active brands in Italy include: (i) Pasta and Bakery Products: "Buitoni", "Corticella", "Crostino Dorato", "Delverde", "Granfetta", "Guacci" and "Pezzullo"; (ii) Gluten Free products: "Güdo"; (iii) Milk Products and Dairy Products: "Ala", "Centrale Del Latte di Salerno", "Fior Di Salento", "Giglio", "Optimus", "Polenghi", "Torre in Pietra", "Tapporosso", "Piemonte", "Mukki" and "Centrale del Latte di Vicenza".

### *Germany*

Germany is the Group's second most important geographic market and the second largest pasta market in Europe by volume after Italy. The German pasta market is concentrated in a few GDO players, who are present throughout the country, and share homogenous business policies resulting in more attractive opportunities.

In Germany, the Group offers a wide range of products, forms, brands and solutions that meet the needs of German consumers. Specifically, these include:

- a) Pasta: dry pasta, under the "Birkel", "Drei Glocken" and "Buitoni" brands;
- b) Other Products: (i) ready-to-use sauces, under the "Birkel Nudel Up" brand and (ii) instant cups, under the "Birkel Minuto" brand; and
- c) Various other products including mascarpone (Dairy Products), through the private label and B2B partners channels.

The Group's exclusive sales channel in Germany is the GDO, represented by the five main German players: Aldi, Edeka, Lidl, Kaufland and Rewe.

In terms of logistics, the Group uses an external warehouse located in Mannheim with a capacity of approximately 19,500 pallets, from which deliveries are managed for all customers and for all types of products. Products are usually delivered directly to central or peripheral distribution centers. Products can be delivered in loads including by mixing various products (for example, "Birkel" and "Buitoni" branded products), or using a "full-truck" load modality. Secondary transport is operated by several logistics operators, mainly including Dachser Group SE & Co. KG and Yusen Logistic Co., LTD..

The Group's active brands in Germany include "Birkel", "Drei Glocken" and "Buitoni" for dry pasta, "Birkel Minuto" for instant cups and "Birkel Nudel Up" for ready-to-use sauces.

## **The Group's Products**

### *Pasta*

The Group is one of the main Italian producers of dry pasta<sup>4</sup> ("**Pasta**"). While the Group's production capacity and technologies are subject to continuous innovation, it maintains a stable

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<sup>4</sup> Source: IRI 2019.

commitment to its traditions. The Group's pasta production is characterized by the selection of quality raw materials (and its monitoring thereof).

Dried pasta is produced at the Group's Sansepolcro, Cremona, Eboli, and Fara San Martino plants in Italy, and at its Mannheim plant in Germany. The Group also owns two mills in Italy, in Bologna and Eboli.

Pasta products vary in type, recipes and forms, including: (i) long pasta, (ii) short pasta, (iii) pasta extruded through bronze, (iv) lasagne, (v) nests, (vi) pastina (also for children) and (vii) mini.

The variety of Pasta recipes includes: (i) durum wheat semolina pasta; (ii) whole wheat pasta; (iii) egg pasta; (iv) bio pasta; (v) pasta with vegetables; (vi) legume pasta (including chickpeas, peas, lentils, etc.); (vii) quick cooking pasta and (viii) flavored pasta (with added spices such as chili pepper or pepper).

Pasta is also available in a variety of packaging and sizes to satisfy differing customers' needs and preferences, as well as to preserve the integrity of the product and increase its value: (i) Square bottom packaging with label, which allows product exhibition; (ii) pillow pack, typically used, in large sizes for the GDO and Foodservice channels; (iii) flow pack and cardboard tray, which allows egg pasta to be transported without breakage; (iv) case with flow pack, which allows lasagne to avoid direct contact with the cardboard (ensuring its hygiene and integrity); (v) resealable plastic bag; (vi) case with a transparent window which permits a direct view of the product and (vii) bag in case and flow pack inserted in a case, which provide improved product preservation, as well as better graphic rendering.

The Group markets pasta under the following brands: "Corticella", "Delverde", "Guacci", "Pezzullo", "Sansepolcro factory", "Drei Glocken", "Drei Glocken Genuss Pur", "7 Hühnchen", "Birkel", "Birkel Minuto", "Birkel Nudel Up". In addition, Pasta is marketed under the "Buitoni" brand licence, also made and sold through the private label channel.

The Group's main Pasta clients are major Italian and international retail chains such as Bennet, Conad, Coop, Edeka, Esselunga, IN'S Mercato, Kaufland, Lidl, Panzani and Rewe, and B2B Partners such as Molisana and Rummo.

As of the date of this Prospectus, Pasta contributed 40.1%, 41.5% and 32.1% to the Group's consolidated revenues for the years ended 31 December 2018 and 2019 and for the nine months ended 30 September 2020, respectively. Pasta contributed 7.0%, 6.8% and 7.7% of the Group's margins for the years ended 31 December 2018 and 2019 and for the nine months ended 30 September 2020, respectively. In 2019, Pasta generated €133.3 million in revenues, with a consolidated EBITDA of €9.0 million.

### *Milk Products*

The Group is among the primary Italian producers of milk products. Spreading the Italian dairy culture to the world is one of the Group's main objectives. Over the years, the Group has consistently invested in modern technologies to continue guaranteeing the high quality of its Milk Products.

The Milk Products are manufactured at the Reggio Emilia and Salerno plants, in Italy, and – starting from the acquisition of Centrale del Latte d'Italia (completed in June 2020) – also at Turin, Florence, Vicenza and Rapallo plants, which are strategically located to allow for the collection of milk and the distribution of the associated products throughout Italy. The Group's Milk Products are sold under its "Centrale del Latte of Salerno", "Giglio", "Matese", "Optimus", "Polenghi", "Torre in Pietra", "Tapporosso", "Piemonte", "Mukki" and "Centrale del Latte di Vicenza" brands.

The Milk Products include:

- a) *UHT milk*, which is subjected to UHT (consisting of treating the substance at a minimum of 135 °C using super-heated water vapor for not less than one second). UHT milk is made according to the following recipes: (i) whole with 3.5% fat; (ii) low fat with 1.5% fat; (iii) skim with 0.1% fat; (iv) lactose free or lactose below 0.1% and (v) with the addition of cocoa. UHT milk is available in various packaging solutions: (i) Brik, the most commonly used container, ideal for satisfying logistical requirements and also useful for promotional purposes; (ii)

Tetraedge, a convenient and innovative container and (iii) Cases with 4 or 6 packs, mainly used for carrying out promotional activities.

- b) *Fresh milk*, which derives from selected certified Italian farms located adjacent to the Group's production facilities. The Group's high-quality fresh milk is produced from raw milk supplied from certified barns within 24 hours of milking, which is immediately pasteurized and packaged to keep all its organoleptic and nutritional characteristics intact. Low fat and *skim* milk are obtained from the Group's high-quality milk. Fresh milk is made according to the following recipes: (i) high-quality fresh milk, (ii) whole milk and (iii) low fat milk. Fresh milk is offered in different packaging solutions according to the target customer (such as rex with cap, PET bottle and stainless-steel tank).
- c) *Highly pasteurized milk*, which derives from raw milk pasteurized at a high temperature to allow greater Shelf life. Highly pasteurized milk is prepared according to the following recipes: (i) whole, (ii) low fat and (iii) lactose-free. Lactose-free milk is a type of milk obtained by adding the lactase enzyme to the milk before pasteurization. Lactose is then transformed into simple sugars, such as glucose and galactose, which are more digestible than Lactose. Highly pasteurized milk is available in tetraedge packaging.
- d) *Butter*, which is produced at the Group's Reggio Emilia plant and prepared with selected fresh Italian cream that is delivered to the plant daily. The Group's high-quality butter derives from special processing and a careful choice of enzymes. The Group's strict chemical, microbiological and quality controls also guarantee safety. Butter is available in different packaging solutions and sizes: (i) 125g in a polythene or aluminium paper packaging; (ii) 250g roll, in a polythene or aluminium paper packaging; (iii) 125g (12 portions), 250g (24 portions) and 1500g portions for hotels, in a polythene or aluminium paper packaging and (iv) 1000g, 10 kg and 25 kg blocks, for pastry shops and industry. The Group's butter is marketed under the brands "Ala", "Centrale del Latte of Salerno", "Giglio", "Fior di Salento", "Matese", "Optimus" and "Polenghi", and through the private label channel.
- e) *Cream and UHT Cream*. Pasteurized cream is sourced from selected certified Italian farms, located adjacent to the Group's production plant. The Group's cream's characteristic features are its white colour and its suitability for whipping. Fresh cream is supplied to pastry shops and ice cream parlours, and is available in different packaging solutions (rex and stainless-steel tank). UHT cream is obtained from processing the Group's fresh milk and subjecting it to UHT to maintain its organoleptic and nutritional characteristics until expiration. UHT cream is available in brik packaging.
- f) *Yoghurt*, which is produced in the Group's Reggio Emilia plant from its High-quality fresh milk, is made in different flavors, both white or fruity, whole (derived from whole milk) or light (derived from skimmed milk). The Group uses *Lactobacillus bulgaricus* and *Streptococcus thermophilus* bacteria, as well as *Lactobacillus casei*. Yoghurt is packaged in: (i) plastic cups assembled into clusters of two cups, for the end consumer and in (ii) Stainless-steel tanks, for the industry. Yoghurt is marketed through the "Giglio", "Polenghi", "Centrale del Latte of Salerno" and "Matese" brands, and through the private label channel.
- g) *UHT Bechamel*, which is produced using a traditional recipe (flour, milk and corn starch) and then subjected to UHT to preserve its organoleptic characteristics for a longer time. UHT bechamel is available in brik packaging.
- h) *Melted cheese*, which is produced at the Group's Reggio Emilia plant using a high-quality cheese selection, without polyphosphates or preservatives, and distinguished by its softness and creaminess. The Group's melted cheese is available in 8-wedge packaging and marketed under the "Giglio", "Polenghi", "Centrale del Latte di Salerno" and "Matese" brands, and through the private label channel.

The Group's Milk Products' main customers are principally Italian, including Conad, Esselunga, ESD Group, Selex Group, Latte Maremma, Pac 2000A and Parmalat. Milk products mainly consist of fresh or UHT milk intended for the domestic market, given the products' logistics constraints and the high availability of similar products in the international markets. In Italy, the UHT market is highly competitive and includes multiple operators, whereas the fresh milk market benefits from higher end-consumer loyalty, resulting in more stable demand and volume levels.

As of the date of this Prospectus, Milk Products contributed 23.2%, 21.9% and 42.0% to the Group's consolidated revenues (excluding, for the financial years ended as of 31 December 2019 and 2018, Centrale del Latte d'Italia, which was not part of Newlat's consolidation perimeter) for the years ended 31 December 2018 and 2019, and the nine months ended 30 September 2020 respectively.

Milk Products contributed 5.8%, 7.8% and 9.6% of the Group's margins for the years ended 31 December 2018 and 2019 and for the nine months ended 30 September 2020, respectively. In 2019, Milk Products generated €70.2 million in revenues, with a consolidated EBITDA of €5.5 million.

As a percentage of total revenues in the same period, sales channels represented: (i) the GDO, 58%; (ii) Normal Trade, 30% and (iii) Foodservice, 8%.

### *Dairy Products*

Dairy Products are produced at the Reggio Emilia and Lodi factories, in Italy. The Group's main customers in Dairy Products are Italian or international, including Colruyt, Conad, Edeka, Esselunga, ESD Group, Selex Group, Latte Maremma, Pac 2000A, Parmalat and World Best Cheese.

In the Dairy Products business, the Group strategically focuses on mascarpone, ricotta and mozzarella products, given their stable demand and strong growth prospects of mascarpone and ricotta, in Italy and abroad. The Group is also present in the trendy "light" product segment (which includes products such as mascarpone and BIO, vegetarian and light ricotta, and mozzarella burrata).

The Dairy Products include:

- a) *Mascarpone*, produced at the Group's Lodi plant with selected Italian and foreign creams based on market or customer preferences and is prepared with simple ingredients (fresh cream and citric acid) and without adding preservatives, using the following recipes: (i) 35-38% fat; (ii) 40-42% fat; (iii) light; (iv) lactose free and (v) BIO. These recipes differ from each other in their fat percentage, the source of raw materials or the addition of the lactase enzyme, necessary to transform the lactose from complex sugar to simple sugars (glucose and galactose). Mascarpone is offered in different packaging solutions: (i) 250g and 500g bowl with lid for household consumption; (ii) 2,000g tray for pastry shops and processors; (iii) 10kg bag for the industry and (iv) 10kg and 20kg bucket for the industry. Mascarpone is marketed under the "Giglio", "Matese", "Optimus" and "Polenghi" brands, and through the private label channel.
- b) *Ricotta*, which is produced with cow whey at the Group's Lodi plant, is offered in various types and in different sizes, both for daily consumption or for industrial production. Ricotta is made according to the following recipes: (i) with added cream; (ii) whole, the classic recipe obtained using whole whey only; (iii) light, obtained by skimming the whey; (iv) with salt; (v) vegetarian, obtained using only vegetable rennet and (vi) BIO. Ricotta is available in different packaging and sizes: (i) 250g and 1500g bowl; (ii) 10kg bag and (iii) 10kg and 20kg bucket, for the industry. Ricotta is sold under the brands "Giglio", "Matese", "Optimus" and "Polenghi", and through the private label channel.
- c) *Mozzarella*, which is produced at the Lodi factory with Italian cow milk, is offered in two types: with live milk enzymes or with citric acid, without preservatives. The Group's mozzarella is made according to the following recipes: (i) classic balls of 125g and 100g; (ii) for pizza in packets of 400g and 1,000g; (iii) made from BIO-certified milk; (iv) burrata and (v) frozen, for export and available in all product sizes. Mozzarella is offered in different packaging: (i) bag of 125g and 100g balls, for the end consumer and (ii) Thermoformed bags for pizza. Mozzarella is sold under the "Ala", "Giglio", "Fior di Salento", "Matese", "Optimus" and "Polenghi" brands, and through the private label channel.
- d) *Scamorza and provolone*, which are produced from cow milk using the traditional Campania method at the Group's Lodi plant, are supplied in two styles, white and smoked (with beechwood shavings to make the aroma characteristic and fragrant, without adding preservatives or aromas). Cow milk scamorza and provolone are offered in 175g and 300g

sizes in Thermoformed bags. Scamorza is sold under the "Ala", "Giglio", "Fior di Salento", "Matese", "Optimus" and "Polenghi" brands, and through the private label channel.

The sales channels for these products are the traditional GDO, Normal Trade and B2B partners, as these products become important ingredients of final products in various fields (such as desserts, stuffed pasta and pizza).

As of the date of this Prospectus, Dairy Products contributed 9.9%, 10.4% and 6.2% to the Group's consolidated revenues for the years ended 31 December 2018 and 2019 and for the nine months ended 30 September 2020, respectively. Dairy Products contributed 10.9%, 12.1% and 14.7% of the Group's margins for the years ended 31 December 2018 and 2019 and for the nine months ended September 2020, respectively. In 2019, Dairy Products generated €33.2 million in revenues, with a consolidated EBITDA of €4.0 million.

### *Bakery Products*

The Group's bakery products ("**Bakery Products**") stand out for their peculiar shape and organoleptic features and are marketed throughout the world. Their key elements are authenticity, tradition and creativity. The Group has maintained the Italian tradition in making Bakery Products, while also renewing it constantly to adapt to modern consumer trends and changing preferences. The Bakery Products are made at the Group's historic Sansepolcro factory, in Italy, which commenced rusks production in the 1940s, subsequently extending it to other types of Bakery Products.

The Bakery Products are marketed under the "Buitoni", "Crostino Dorato", "Crostino del Benessere", "Crostino del Borgo", "Granfetta" and "Granfetta del Benessere" brands. Bakery Products are also made and sold through the private label channel.

The Bakery Products include:

- a) *Rusks*, which are well-known for their quality, characteristic round shape, fragrance and taste. Their round shape is in fact unique in the Italian market<sup>5</sup> compared to the more widespread square-shaped rusks, which makes the Group's rusks more resistant to breakage and easier for spreading. Rusks are prepared with various recipes, including: (i) classic "Granfetta" and "Granfetta" with whole wheat flour, and BIO "Granfetta" with organic extra virgin olive oil. These recipes are supplemented by special recipes that are part of the Group's "Granfetta del Benessere" line, including: (i) multigrain; (ii) "vitality", with added vitamins and mineral salts; (iii) "sweet awakening", made from whole wheat flour; and (iv) "milk and honey". All these recipes are made without using palm oil. Rusks are available in packaging of different sizes and weights: (i) 40 slices with a total weight of 300g; (ii) 60 slices with a total weight of 450g and (iii) 80 slices with a total weight of 600g, used mainly for promotional initiatives. Rusks are also produced in packs of two slices for the Foodservice channel.
- b) *Crostini*, which are thin, golden, crispy and semi-elliptical slices of bread. These have been prepared at the Group's Sansepolcro factory for over fifty years. The main ingredients utilized are wheat flour, water and malt extract. The Group's crostini are differentiated in the market from similar products and bread substitutes by their thinness and manufacturing process. Crostini are prepared based on a variety of recipes, including: (i) "Crostino Dorato", the classic type; (ii) "Crostino Dorato" with whole wheat flour; (iii) multigrain "Crostino del Benessere"; and (iv) "Crostino del Borgo" with chickpea flour and rosemary. All these recipes are made with sunflower oil or extra virgin olive oil and without using palm oil. Crostini are available in packaging of different sizes and weights (from 275g, 300g and 350g).
- c) *Melba toasts*, which are thin slices of toasted bread with a rectangular or round shape, consumed as snacks, canapés or as a substitute for traditional bread. Melba toasts are prepared using a variety of recipes, including: (i) classic, (ii) wholegrain, (iii) with sesame, (iv) with rosemary and (v) BIO. Rectangular melba toasts come in three flow packs with 10 slices each so that they can be consumed as snacks outside the household while round melba toasts are packaged in a 100g bag in a pure cellulose case that protects them from breakage.

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<sup>5</sup> Source: Company data.

- d) *Breadcrumbs*, which is a product used for coating made from production scrap at the Sansepolcro plant. Breadcrumbs are offered in an aluminium tin with a resealable cap for better preservation.

The Group's main customers in Bakery Products are Italian or international customers operating in the GDO sales channel, including Albert Heijn, Auchan, Bennet, Bimbo SA, Conad, Coop, Esselunga, ESD Group, Selex Group, Lidl and Pac 2000A. The Group's Bakery Products hold significant market shares in part due to (i) the logistics efficiencies derived from having an Italy-wide distribution network and (ii) the attractiveness of its product portfolio. In fact, the Group is the only producer of round rusks in Italy.

In the international markets, the Group exports the Bakery Products to more than 30 countries. In particular, the Group has significant exports of melba toasts to the Spanish market. The Group's market position in Bakery Products varies according to the habits and preferences of consumers within the destination markets, in particular, with respect to breakfast, snacking and the use of bread substitutes.

As of the date of this Prospectus, Bakery Products contributed 11.6%, 11.1% and 9% to the Group's consolidated revenues for the years ended 31 December 2018 and 2019 and the nine months ended September 2020, respectively. Bakery Products contributed 13.8%, 16.3% and 15.1% of the Group's margins for the years ended 31 December 2018 and 2019 and for the nine months ended September 2020, respectively. In 2019, Bakery Products generated €35.7 million in revenues, with a consolidated EBITDA of €5.8 million.

The Bakery Products revenues generated in the Italian market in the same period amounted to 65%, while those derived from the German market represented 24%, in each case, of total revenues. The balance (11%) were generated in the markets of other countries.

The Group expects to launch the "Mono Roll" rusks (which will be sold in packaging containing a single roll of slices) in the future, which will increase its penetration of the Foodservice channel and provide the Group with greater presence in international markets.

#### *Special Products*

The Group's Special Products business, and particularly, its gluten free products, represent significant potential for international growth. Approximately 1% of the global population is affected by food intolerance and Coeliac disease.<sup>6</sup> The Group currently sells these products mainly to third parties who deliver the products through the pharmaceutical, para-pharmaceutical and GDO channels. The Group distributes these products under the "Birkel", "Drei Glocken" and "Delverde" brands.

The Group's Ozzano Taro plant specializes in the production of Special Products, which include: (i) Gluten Free products; (ii) Low Protein products and (iii) Baby Food products. Gluten Free products are marketed under the "Güdo" and "Buitoni" brands, and through the private label channel.

The Group's main Gluten Free customers are Italian or international customers, including Kraft-Heinz, Melissa, Nove Alpi, Pirkka and Romero.

The Special Products include:

- a) *Gluten Free*, which are specifically formulated for gluten intolerant consumers ("**Gluten Free**"). The Ozzano Taro plant has specific Gluten Free production technology and uses procedures that limit the risk of allergen (such as gluten) contamination. Gluten Free products are marketed under the "Güdo" and "Buitoni" brands, and through the private label channel.

The Gluten Free products include the following:

- (i) *Gluten Free pasta*, which is obtained by mixing naturally Gluten Free foods, such as corn, rice and other cereals, with water and adding fatty acids, which allow the various ingredients to emulsify. The absence of gluten creates a different structure

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<sup>6</sup> Source IRI 2019.

for pasta since gluten is responsible for pasta tenacity and cooking resistance. However, the Group has been able to produce Gluten Free pasta with Organoleptic characteristics very similar to semolina-based pasta. Gluten Free pasta is included in the Italian Ministry of Health's official list of foods for special medical purposes. As a result, certified consumers may benefit from purchase subsidies. Gluten Free pasta is produced in various forms, including: (i) long pasta, (ii) short pasta, (iii) pasta extruded through bronze, (iv) pastinas and (v) mini.

Gluten Free pasta is produced using the following ingredients: (i) corn and rice; (ii) corn, potato starch and lupin flour; (iii) corn, tapioca starch and eggs; (iv) corn, rice and eggs; (v) corn, rice and potato starch; (vi) corn, rice and quinoa (South American seed); (vii) corn, brown rice and teff (Gluten Free cereal originating in Ethiopia and Eritrea); (viii) brown rice; (ix) red lentils and (x) green peas. Gluten Free pasta is available in several different forms of packaging typically used for pasta (*i.e.* plastic film with a square bottom, pillow bag or case).

- (ii) *Biscuits and crackers*, which are produced with naturally Gluten Free ingredients (such as Gluten Free cereal starches and cereal flours). Recipes involve mixing ingredients to produce a taste, consistency and flavour that is close to the classic crackers, including: (i) without milk and eggs for consumers with diseases or diets that require such food removal; (ii) with buckwheat (herbaceous plant, also known as "black wheat"); (iii) with cocoa and (iv) with chocolate or pieces of chocolate chips. The goal of producing a variety of recipes is to provide biscuits with the taste and texture of classic biscuits, but in a Gluten Free version. Gluten Free biscuits are produced whole or granulated.

Gluten Free crackers are produced in a classic version or with the addition of chia seeds. Gluten Free cookies and crackers are produced without using palm oil. Gluten Free whole biscuits and crackers are available in bag packaging and Gluten Free granulated biscuits are available in aluminium tin with a resealable cap.

- (iii) *Gluten Free flours for Gluten Free bakery products and flours for pastry products*, which are ideal for home-baking or industrial processing. These flours are naturally Gluten Free with cereal starch bases. Flours are available in different packaging: (i) laminated aluminium wrap; (ii) pillow bag shape for home use or processing and (iii) polyethylene bag for the Foodservice.
- (iv) *Gluten Free Breadcrumbs*, which is a baking product that serves as a base for home cooking preparations or for processing, such as for coating or fillings. It is made of Gluten Free ingredients and does not contain palm oil. These can be produced in a plain version or with added chia seeds. Gluten Free breadcrumbs are packaged in an aluminium tin with a resealable cap for better preservation.

- b) *Low Protein products*, which have special medical purposes, are specifically formulated for consumers who need a hypo-protein diet ("**Low Protein**"). The Group's Low Protein products are made with ingredients that have a protein content of less than 1%, *i.e.* starches and blended fibers. The Group's Low Protein products are sold through the private label channel.

The Low Protein products include the following:

- (i) *Low Protein pasta*, which is obtained by mixing ingredients with a protein content of less than 1%, including corn starches, rice starches, fibers, intended for consumers who suffer nephropathy, which affects the kidney. Low Protein pasta is included in the categories of foods for special medical purposes and, therefore, is included in the Italian Ministry of Health's official list and certified consumers can benefit from purchase subsidies. Low Protein pasta is made in short, long or mini sizes, with the following ingredients: (i) corn, potato starch and inulin and (ii) corn, potato starch and rice starch; and is supplied in different packaging (case and flow pack).
- (ii) *Low Protein biscuits*, which are produced with starch and fiber-based ingredients that have a low protein content and are packaged in a bag.



- (iii) *Low Protein flour*, which is a starch and fiber-based ingredient for household use and for processing. Low Protein flour is available in several different forms of packaging (laminated aluminium wrap, pillow bag shape and polyethylene bag for the Foodservice channel)
- (iv) *Low Protein drink*, which is a drink intended for people suffering from kidney disease and is used as a substitute for beverages such as milk or other daily consumed beverages. The Group's Low Protein drink is marketed in brick packaging.

The Group's main customers for Low Protein products are Italian or international customers, including Dr Schär, Kraft-Heinz, Meta-x and Nove Alpi. The Low Protein products, including the innovative Low Protein beverages, are produced for third parties and exclusively sold in pharmacies.

- c) *Baby Food*, which is specifically designed and developed for infants and children up to 3 years old, to satisfy their specific dietary needs ("**Baby Food**"). The production of Baby Food products is highly regulated, both at European and national levels, including with respect to product quality, composition and safety requirements. The Group's Baby Food products are developed and produced in the Ozzano Taro plant, which has been operating in the Baby Food industry for over 50 years, supplying the brand leaders in this sector. Such production is subject to rigorous controls to ensure compliance with high quality and safety standards. The Group's Baby Food products are marketed under the "Polenghi" and "Plasmon" brands, and through the private label channel.

The Baby Food products include the following:

- (i) *Formulas for infants (from 0 to 6 months), follow-up formulas (from 6 to 12 months) and growth milk (from 12 months)*, which have cow milk and growth milk as a base and are intended for children with normal healthy conditions, to provide them with the age-appropriate nutrients. These formulas are subject to continuous updates of the ingredients and quantities used in accordance with regulatory developments.
- (ii) *Special infant and follow-up formulas, for special medical purposes*, which are intended to help mothers with child-specific problems, including: (i) formulas for low birth weight; (ii) formulas based on hydrolyzed rice proteins (Lactose free); (iii) anti-regurgitation formulas; (iv) formulas with acidified milk and (v) formulas for treating dysentery. Liquid formulas are available in tetrapak packaging and powdered formulas are available in pressed cardboard tins.
- (iii) *Pasta for children*, which is subject to special regulations that determine the nutritional intake suitable for children according to their age. In addition, pasta for children must be produced in plants that are certified for production. Pasta for children is made from soft wheat flour or durum wheat semolina or a mixture of both, to obtain a consistency suitable for the various age groups. Pasta for children plain or with added vitamins and mineral salts. Pasta for children is available in several packaging solutions (bag in cardboard box and flow packs).
- (iv) *Freeze-dried products*, which are meat-based and used for weaning babies. A specialized team monitors the materials used, certified for infant use, from breeding to final processing. The product obtained can be certified as originating from "organic farming". The freeze-dried products are prepared without adding milk and are classified as Gluten Free products. The Group's freeze-dried products include homogenized cream of meat, meat broth and baby foods for weaning, and are bottled in glass.
- (v) *Biscuits, granulated biscuits and cereals*, which are foods specifically formulated to meet age-specific requirements, from weaning to 3 years old. The biscuits are available in printed and neutral bags, the granulated biscuits are available in aluminium tins, and the cereals are available in pillow bags.
- (vi) *Vitaminized oil*, which is obtained from Italian high-quality extra virgin olive oil, enriched with vitamins E, A and D, without colorants or preservatives. Vitaminized oil is available in a glass bottle.

The Group's main customers in Baby Food are Italian or international, including certain B2B Players in the GDO, including Esselunga, Kraft-Heinz, Sterilfarma and Steve Jones. Increasingly, international markets (including China) demand Baby Food products that are made in Italy.

As of the date of this Prospectus, Special Products contributed 9.3%, 9.5% and 7.3% to the Group's consolidated revenues for the years ended 31 December 2018 and 2019 and the nine months ended September 2020, respectively. Special Products contributed 9.2%, 11.2% and 11% of the Group's margins for the years ended 31 December 2018 and 2019 and for the nine months ended September 2020, respectively. In 2019, Special Products generated €30.5 million in revenue, with a consolidated EBITDA of €3.4 million.

#### *Other Products*

The Group's other products includes various products that are not manufactured at its facilities, which supplement its portfolio (*i.e.* "service products", secondary products that are sold alongside its primary products) ("**Other Products**").

The Other Products business includes:

- a) *Salads*, which are ready-to-eat products, selected by the Group based on its experience and ability to rely on the best high-quality suppliers. The Group's fresh salad portfolio includes many types of salads, packed in convenient plastic containers and Flow packs. Salads are marketed under the "Giglio", "Matese" and "Polenghi" brands.
- b) *Cured meats*, which supplement the Group's offering in small dairies, bars and traditional shops. Cured meats are packaged in protection trays. Cured meats are marketed under the "Matese" brand.
- c) *Fresh semolina pasta*, which is mainly a supplement for the Group's Foodservice sales channel. Fresh semolina pasta is made in traditional regional recipes and sizes, including, for example, trofie, cavatelli and paccheri. Fresh pasta is packaged in a Foodservice pillow bag packaging that provides protection to extend the product's expiration. Fresh semolina pasta is marketed under the "Pezzullo" brand.
- d) *Cheese*, which is produced by third parties including, for example, stracchino, spreadable cheeses and grana. Cheese is marketed under the "Polenghi", "Giglio", "Ala", "Fior di Salento", "Matese" and "Centrale di Salerno" brands.
- e) *Juices*, simple and natural fruit-based products that supplement the Group's infant snacks offering. They are packaged in 200ml Briks and have an attached straw. Juices are marketed under the "Giglio" and "Matese" brands.
- f) *Plant-based drinks*, which complement the Group's fresh milk and UHT milk products. These comprise soy, oat, rice or almond-based drinks and are consumed by consumers who have allergies or intolerance to animal milk components. Plant-based drinks are packaged in Tetraedge and marketed under the "Centrale del Latte di Salerno" and "Polenghi" brands.
- g) *Eggs*, which are selected by the Group to guarantee the best quality are intended for the Normal Trade sales channel. Eggs are marketed under the "Centrale del Latte di Salerno", "Matese" and "Polenghi" brands.
- h) *Ready-to-use sauces*, which belong to the "room temperature" category and do not require refrigeration for storage and transport. The Group's sauces are produced by third parties and marketed in Germany under the "Birkel Nudel up" brand.
- i) *Instant cups*, which are instant meals, typically bought in central and northern Europe for consumption outside the household. The Group's instant cups are produced by third parties and marketed mainly in Germany under the "Birkel Minuto" brand in different varieties and in sizes.

The Other Products business in Italy consists mainly of products that are not manufactured at the Group's production facilities but included in its portfolio to complement the products offered to its main Normal Trade customers (*i.e.* "service products"). A larger more complete portfolio of products promotes the sale of the Group's main products and broadens the options available to

end customers. The Other Products business in Germany sells ready-to-use sauces that do not need refrigeration, under the "Birkel Nudel Up" brand and instant cups under the "Birkel Minuto" brand. These products are distributed to the same GDO customers who purchase "Birkel" and "Drei Glocken" branded pastas.

As of the date of this Prospectus, Other Products contributed 5.9%, 5.6% and 3.3% to the Group's consolidated revenues for the years ended 31 December 2018 and 2019 (excluding, for the financial years ended as of 31 December 2019 and 2018, Centrale del Latte d'Italia, which was not part of Newlat's consolidation perimeter) and for the nine months ended 30 September 2020, respectively.

## **Research and Development**

The Group is particularly involved in research and development ("**R&D**") at its Ozzano Taro plant. Ozzano Taro has a research and quality control center and personnel with specific skills and specialized knowledge in food safety and risk management. This is the Group's headquarters for R&D activities as its Baby Food and Special Food expert team and technologies are based there. The higher quality and nutritional standards that the Group has developed has allowed it to develop synergies across its businesses.

The R&D activities focus on product quality, which includes food safety for infants and children. Food safety regulations require appropriately addressing the threats of contaminants.

The R&D activities focus in particular on: (i) quality assessment of raw materials and suppliers; (ii) risk assessment and analysis of the regulatory framework, (iii) development of recipes, production process, shelf-life protocols, (iv) off-line preliminary tests, (v) testing of production facilities; (vi) analyses on product samples to verify organoleptic, nutritional, microbiological and chemical characteristics; (vii) analyses and assessment of product shelf life, (ix) product validation, (x) labelling, (xi) product graphics, (xii) large-scale industrial experimentation and (xiii) final quality control of packaging materials.

## **Competitive Strengths**

The management believes that the Group's competitive strengths are focused on the following points:

- a) Consolidated position in the European food & beverage sector with potential in the fast-growing health & wellness segment.
- b) Pan-European brand portfolio leveraging the Group's strong Italian heritage with a distinctive position in the Italian and German markets.
- c) Efficient operating model with significant potential to benefit from economies of scale while leveraging the Group's strong industrial know-how (unique in the Italian Baby Food sector) and highly specialized R&D platform.
- d) Efficient operating model with significant potential to benefit from economies of scale while leveraging the Group's strong industrial know-how (unique in the Italian Baby Food sector) and highly specialized R&D platform.
- e) History of steady growth and cash generation.
- f) Long-term shareholder and experienced management team with international exposure.

### ***Consolidated position in the European food & beverage sector with potential in the fast-growing health & wellness segment.***

Italy's food & beverage market is globally recognized for its high-quality products. The Group has an established position in the main segments that characterize the Italian and European food & beverage market, including certain key Mediterranean diet foods such as pasta, milk and its derivatives, cheese and bakery products. The Group anticipated the internationalization of this market, becoming the primary German pasta manufacturer, with leading brands in Germany

("Birkel" and "Drei Glocken"<sup>7</sup>), and have further consolidated the Group's strong international profile in the premium pasta segment by recently acquiring "Delverde".

In addition, the Group's shares in niche Italian segments have increased over time. The Group is the second largest player in the mascarpone segment (with a market share of 7.7%<sup>8</sup>), rusks (with a market share of 6.1%<sup>9</sup>) and bread substitutes (with a market share of 8.3%<sup>10</sup>).

The Group is one of the leading European producers of Baby Food, where it owns unique industrial know-how, and have potential to grow in the fast-growing health & wellness segment.

Centrale del Latte d'Italia has an established position in the main segments that characterize the milk & dairy market, producing some key products of the Mediterranean diet, such as milk and its derivatives. In addition, Centrale del Latte d'Italia registered a progressive increase of its shares of the market in Italy, becoming the third national player in the fresh milk segment with a 6.7%<sup>11</sup> share of the market and the third national player in the UTH segment with a 3.2%<sup>12</sup> share of the market.

***Pan-European brand portfolio leveraging the Group's strong Italian heritage with a distinctive position in the Italian and German markets.***

The Group has a large portfolio of over 29 brands with strong Italian heritage. The Group's portfolio includes (i) historical brands such as "Polenghi" and "Guacci" (established in 1870), "Birkel" (established in 1874) and "Drei Glocken" (established in 1884), and (ii) more recent traditional brands such as "Centrale del Latte di Salerno" (established in 1929), "Centrale del Latte di Vicenza" (established in 1929), "Giglio" (established in 1934), "Pezzullo" (established in 1940), "Tapporosso – Centrale del Latte di Torino" (established in 1950) and "Mukki" (established in 1966).

The Group believes that the combination of its complementary and distinctive brands with its broad product portfolio allows it to stand out in the market, with brands that benefit from a strong local reputation (such as "Giglio", "Polenghi", "Matese", "Centrale del Latte di Salerno", "Mukki", "Tapporosso" and "Corticella" in Italy, "Birkel" and "Drei Glocken" in Germany) and others with significant international exposure which are associated with Italian traditions throughout the world (such as "Delverde" and "Optimus"). In Germany, the Group's distinctive portfolio of products and market-leading "Birkel" and "Drei Glocken" brands have considerably contributed to the Group's consolidation in Europe.

***Efficient operating model with significant potential to benefit from economies of scale while leveraging the Group's strong industrial know-how (unique in the Italian Baby Food sector) and highly specialized R&D platform.***

The Group's operations run on state-of-the-art innovative production systems with fourteen production plants in Italy and one in Germany. The management believes that the Group's efficient management model adds value by aiming at complying at all times with rigorous quality, reliability and safety standards.

Each production facility is automated to allow for flexible management of each of the various current production lines to meet the requirements of new products or ranges and the Group's facilities have significant residual capacity available. Accordingly, the management believes there is significant potential to benefit from economies of scale using the Group's current production platform, by using the residual capacity to launch new products or to expand to new geographical markets, without significant capital expenditures.

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<sup>7</sup> Source: IRI 2019.

<sup>8</sup> Source: IRI 2019.

<sup>9</sup> Source: IRI 2019.

<sup>10</sup> Source: IRI 2019.

<sup>11</sup> Source: IRI 2019

<sup>12</sup> Source: IRI 2019

Furthermore, the Group's specialized R&D platform strives to accommodate the evolving product and packaging needs and preferences of its diverse customers and distribution channels, while also striving to maintain an environmentally sustainable approach.

### ***M&A track record with high potential for further consolidation in Europe.***

Throughout its history, the Group has developed a distinctive capacity to grow through acquisitions, having completed eight significant acquisitions since 2008, including the acquisition of Newlat Deutschland and Centrale del Latte d'Italia. See *"Description of the Issuer - History"*.

The Group has in the past successfully integrated acquired companies into its operating structure in a short timeframe. In addition, it has been able to efficiently reorganize the management of these companies and improve their operations through greater discipline on overhead costs, amongst other methods.

In this regard, the Group completed the successful turnaround of (i) the "Birkel" and "Drei Glocken" brands. These brands recorded an EBIT of approximately €0.4 million in the year ended 31 December 2014 (the first year of management by Newlat Deutschland), compared to €5.2 million in the year ended 31 December 2016<sup>13</sup>; and (ii) Delverde (subsequently merged by incorporation in Newlat effective as of 31 December 2019), which recorded a negative result of approximately €0.5 million as of 31 March 2019 that, after only one year, turned into a positive result of €0.5 million.

### ***History of steady growth and cash generation.***

The Group's business model is characterized by steady growth, low levels of capital absorption and a high capacity to convert operating margins into operating cash flows. In 2019, despite the investments to acquire Delverde and Newlat Deutschland, the Group recorded a positive net financial position of €48.6 million (including the impacts of the accounting of the IFRS 16) and of €66.4 million excluding the dilutive effect of the accounting principle. The positive result in 2019 includes also the €76.5 million of proceeds related to the initial public offering of the Company's shares on the MTA, STAR Segment ("IPO"), completed in October 2019.

The Group recorded 320.9 million in revenues in 2019 (with a compound annual growth rate ("CAGR") 2018-2019 of +4.9%) and its normalized EBITDA margin for 2019 was 8.9%. The Bakery, Dairy and Special Products businesses have contributed significantly to the Group's revenue growth in the 2018-2019 period (with CAGRs of 0,9%, 10,2% and 7,4% respectively). The Bakery Products, Dairy Products and Special Products business units recorded the Group's highest margins in 2019, with an EBITDA margin of 16.3%, 12.1% e 11.2%, respectively, as of 31 December 2019.

### ***Long-term shareholder and experienced management team with international exposure.***

The Mastrolia family has been active in the agri-food sector since 1929 and has exclusively owned Newlat since 2008 and until its IPO, completed in October 2019. Also after the IPO, the Mastrolia family still controls Newlat. Its expert management, headed by Mr. Angelo Mastrolia, Chairman and CEO of the Board of Directors of the Company and of Centrale del Latte d'Italia, is experienced in the food & beverage sector.

The Group has also been able to attract various professionals and other talent over the years with solid experience gained in major multinationals in the food & beverage sector (such as Nestlé, Kraft-Heinz, Ebro Foods SA and Mondelez) and leading consulting and auditing companies (such as E&Y, PwC and KPMG). The Group's management's expertise and international profile has been instrumental to its growth history and to it seizing significant opportunities and introducing exciting new products and innovative solutions.

## **Significant investments**

<sup>13</sup> Source: Financial statements as of 31 December 2016 of Newlat Deutschland, prepared according to German GAAP applicable at the time. Therefore, such financial statements are not completely comparable with the Group's aggregated historical financial data nor with the historical financial data of Ebro Foods S.A., which transferred the "Birkel" and "Drei Glocken" brands to Newlat Deutschland. The increase of €35,873 thousand in net financial indebtedness as of 30 June, 2019, compared to 31 December 2018 was mainly due to: (i) a reduction in the Group's liquidity for €29,885 thousand, mainly due to the payment to Newlat Group S.A. of €45,000 as part of the price for the acquisition of Newlat Deutschland, (ii) an increase in the Group's current borrowings from banks for €5,110 thousand, mainly due to the new credit line obtained for Newlat Deutschland, and (iii) a negative balance for €2,743 thousand deriving from the Acquisition of Delverde.

The following table provides a breakdown by business unit of the Group's investments in property, plant and equipment and intangible assets at 31 December 2019 and 2018:

| (In € thousand and percentage) | Year ended 31 December |               |              |               |
|--------------------------------|------------------------|---------------|--------------|---------------|
|                                | 2019                   | %             | 2018         | %             |
| <i>Special Products</i>        | 229                    | 4.9%          | 2,405        | 41.5%         |
| <i>Pasta</i>                   | 2,335                  | 50.1%         | 1,214        | 21.0%         |
| <i>Bakery Products</i>         | 1,042                  | 22.4%         | 1,079        | 18.6%         |
| <i>Milk Products</i>           | 644                    | 13.8%         | 646          | 11.2%         |
| <i>Dairy Products</i>          | 122                    | 2.6%          | 77           | 1.3%          |
| <i>Other assets</i>            | 287                    | 6.2%          | 372          | 6.4%          |
| <b>Total investments</b>       | <b>4,659</b>           | <b>100.0%</b> | <b>5,793</b> | <b>100.0%</b> |

Investments in the Milk Products business unit mainly relate to the efficiency of production facilities at the Reggio Emilia plant.

Investments in the Special Products business unit relate mainly to new software and packaging systems.

Investments in the Pasta business unit relate mainly to the new packaging facility for pasta products, located at the Sansepolcro (AR) plant.

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

### Issuer's purpose

Under Article 3 of the Articles of Association, the Issuer's purpose consists in

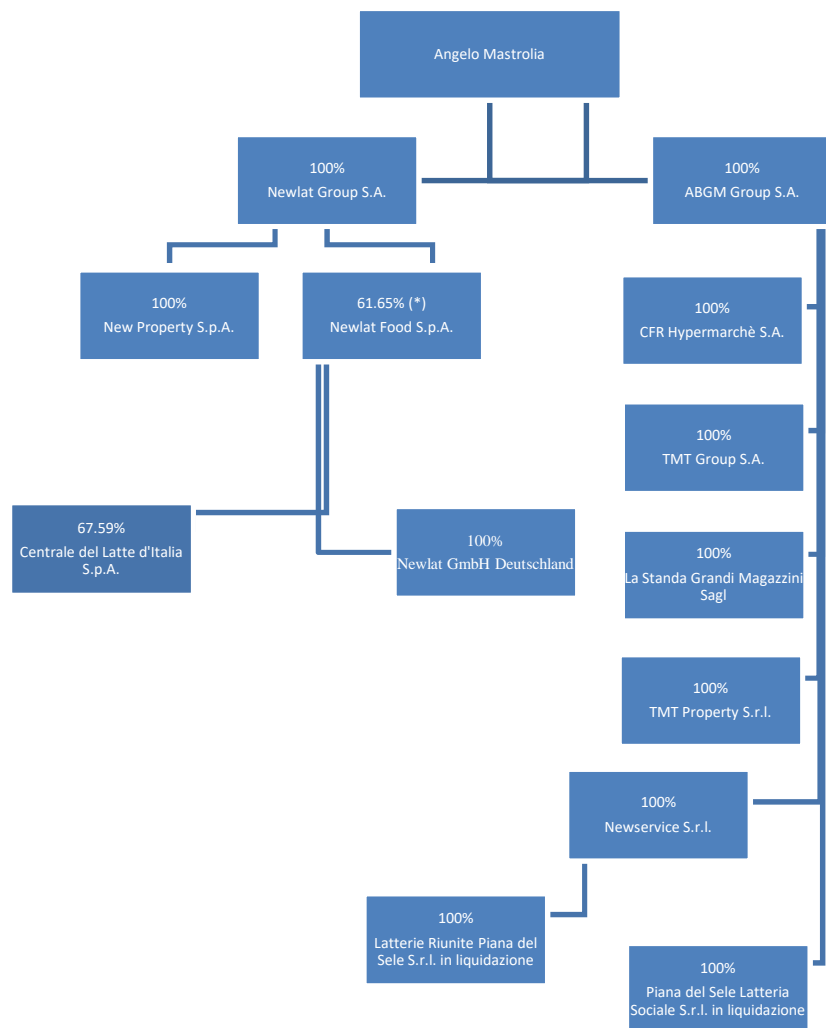
- a) the production and trade of food with particular regard to pasta, bakery and milling industry products, including the alcoholic and non-alcoholic beverages, grains, seeds, plant varieties, agricultural products and dietetic products;
- b) the production and trade of by-products of soft wheat processing;
- c) the production and trade of durum wheat flour, durum wheat mince, durum wheat middlings, durum wheat granite, durum wheat germ and diced;
- d) the farm of mixed crops of cereals and other arable crops;
- e) livestock breeding and farm management;
- f) the exercise of the industrial activity for the production, distribution and marketing of all dairy products;
- g) the purchase of milk and raw materials for the exercise of the abovementioned activity;
- h) the hygienic treatment and packaging of drinking milk, according to the best technical and hygienic standards;
- i) the promotion of initiatives for the spread of the consumption of milk, dairy products and food in general;
- j) the production, packaging, purchasing, importing, selling, export, storage and trade in general, both on its own account and on behalf of third parties, of food, beverages and dietary products, as well as anything else connected;
- k) the distribution and marketing of products deriving from the exercise of the industrial activity as well as third-party products;

- l) the exercise of all the industrial activities complementary and similar to those previously indicated, as well as those necessary to use, even if only in part, products, by-products and residues, related to the abovementioned activity;
- m) the participation to research activities aimed at the industrialization of products or to participate to any project, including institutional ones;
- n) the production and marketing of special products for the food industry (nutraceuticals) resulting from the industrialization of research projects;
- o) the management of analysis laboratories for the provision of technical-analytical services of the food sector with particular regard to food hygiene and safety aspects referred to in ATECO Code 71.20.10;
- p) the production and trade of baby food, dietary and pharmaceutical specialties: milk, cookies, freeze-dried, homogenized fruit and meat, fruit nectars, cereal creams and milk jelly, drinks (chamomile, caffeine-free tea, multierbe), homogenized pasta and dairy products; any other food product for children; as well as the trade, distribution and sale of the abovementioned goods, and the production and trade of containers, in general, for the storage and distribution of the abovementioned products;
- q) the distribution, storage, transport and delivery of food both on its own behalf and on behalf, in particular, of the Issuer's Group;
- r) the obtaining, purchase, assignment and use of patents and processes of manufacturing related to food products;
- s) the design, construction, installation, operation and ordinary and extraordinary maintenance of buildings, electrical, mechanical and technological installations in favor of the subsidiary companies, parent companies, or their respective subsidiaries pursuant to article 2359 of the Italian Civil Code.

### **Organisational structure**

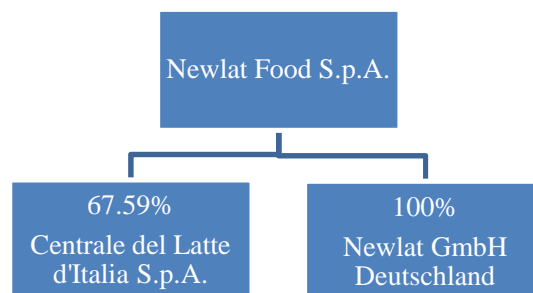
The Issuer is controlled, in accordance with Article 2359, para. 1 no. 1 of the Italian Civil Code and Article 93 of the Consolidated Financial Act, by Angelo Mastrolia. Angelo Mastrolia controls the Issuer through Newlat Group S.A. – a company wholly owned by Angelo Mastrolia – that, as of the date of this Prospectus, owns no. 27.084.374 ordinary shares of the Issuer, equal to 61.65% of the share capital and 75.46% of the voting capital.

The following diagram illustrates the companies directly and indirectly belonging to Angelo Mastrolia, including the companies that are part of the Group.



(\*) Equal to 75.46% of the voting capital.

The following diagram illustrates the Group's organisational structure, highlighting the companies that are a part thereof as of the date of this Prospectus.



#### Liability under Article 2497 *et seq.* of the Italian Civil Code

Newlat Group S.A. directs and coordinates the Issuer in accordance with Article 2497 *et seq.* of the Italian Civil Code.

Pursuant to Article 2497 the Italian Civil Code, Newlat Group S.A. can be held liable *vis à vis* the shareholders and creditors of the companies directed and coordinated by it, if its direction and



coordination activity is carried out in its or others' interest in violation of the principles of fair corporate and business management of the directed companies – and as a consequence either: (i) with regard to the shareholders of the directed companies, adversely affects the profitability and the value of the controlled company; or (ii) adversely affects, with regard to the directed company's creditors, the company's assets. This liability does not arise when: (i) no loss has been suffered in light of the overall result of the parent company's management and coordination of the subsidiary; or (ii) it has been fully remedied as a result of transactions conducted for such purpose.

Newlat Group S.A., which directs and coordinates the Issuer, has a subsidiary liability. It can, therefore, be sued only if the shareholder and the subsidiary's creditor have not been satisfied by the assets of the company directed and coordinated by the parent company. Anyone who has, in any event, taken part in the relevant event which has caused damage can be held jointly and severally liable, as can, within the limits of the advantage obtained, those who have knowingly benefited therefrom.

## **Legislative Framework**

### ***General***

#### ***Food manufacturing and marketing authorizations***

The authorizations for the manufacturing and marketing of food are essentially governed by the following regulations: EU Regulation No. 852/2004 of April 29, 2004 on Hygiene of Foodstuffs, and Legislative Decree No. 193 of November 6, 2007.

In accordance with Article 6 of EU Regulation No. 852/2004, each operator, before beginning the manufacturing and marketing of foodstuffs, must notify the prevention department of the responsible Local Health Authority (*Azienda Sanitaria Locale*, hereinafter "**ASL**") (also through the Municipality) regarding each enterprise under its control. Such notification is for the purpose of registering the enterprise and needs to be updated in the event of any subsequent changes in the performance of the activity. When making such notifications, the operator must represent its compliance with European standards on food hygiene and safety.

Food sector operators must also ensure that the ASL is always updated on information regarding establishments, including any significant changes in activity or any closure of existing establishments. According to Article 6 of Legislative Decree No. 193, of November 6, 2007, unless a crime, anyone active in any of the stages of manufacturing, processing and distribution of food, who is required to notify the competent authority pursuant to EU Regulation No. 852/2004 but does not so notify when the registration is suspended or withdrawn, shall be subject to an administrative fine from €1,500 to €9,000, or €500 to €3,000, if the establishment is registered but the competent authority has not been updated as required.

#### ***Food traceability***

"Traceability" is an important aspect of food safety, and is defined by EU Regulation No. 178/2002 of January 28, 2002, as "the ability to trace and follow a food, feed, food-producing animal or substance intended to be, or expected to be incorporated into a food or feed, through all stages of production, processing and distribution". Article 18 of EU Regulation No. 178/2002 provides that traceability needs to be possible for food, feed, food-producing animals and any other substance intended or likely to become part of a food or feed, at all stages of manufacturing, processing and distribution. The food and feed sector operators should therefore be able to identify who supplied them with a foodstuff, feed, food-producing animal or any substance intended or likely to become part of a foodstuff or feed. To that end, food sector operators (i) must have systems and procedures in place to make information available to the competent authorities on request; and (ii) they must have systems and procedures in place to identify the enterprises to which they have supplied their products. Foodstuffs or feed which are, or are likely to be, placed on the European Union market must also be adequately labelled or identified to facilitate traceability, by means of pertinent documentation or information in accordance with the relevant requirements of more specific provisions. Article 2 of Legislative Decree No. 190/2006 (violation of obligations under Article 18 of EU Regulation No. 178/2002 on traceability) provides that, unless a crime, food and feed sector operators who do not comply with the obligations set forth in Article

18 of EU Regulation No. 178/2002 are subject to the payment of an administrative financial fine from EUR 750 to EUR 4,500.

### ***Labelling of foodstuffs***

The principles, requirements and responsibilities governing the labelling of foodstuffs are defined in EU Regulation No. 1169/2011 of 25 October 2011 (on the provision of food information to consumers). The main rules are as follows:

- a) in order to improve the readability of the information provided in the labels, a minimum font size for mandatory indications is established at 1.2 mm (except packages < 80 cm, in which the minimum size is 0.9 mm);
- b) the nutritional label is mandatory from 13 December 2016 regarding the statement of the caloric content (energy), fats, saturates, carbohydrates with specific reference to sugars and salt expressed as amounts per 100g or per 100ml or per portion
- c) ingredients or adjuvants causing allergies should be included in the list of ingredients with a clear reference to the name of the substance defined as "allergen". Furthermore, the allergen should be highlighted by means of a font that is clearly distinguished from others, by size, style or background color; and
- d) the subject responsible for the presence and accuracy of food information is to be identified, *i.e.* the operator under whose name or business name the product is marketed, or, if that operator is not established in the European Union, the importer into the EU market.

### ***Obligations of food sector operators to consumers***

The main obligations of food sector operators towards consumers can be found in EU Regulation No. 178/2002 of 28 January 2002.

According to Article 20 of EU Regulation No. 178/2002, if a food sector operator determines or has reason to believe that a foodstuff which it has imported, produced, processed, manufactured or distributed is not in conformity with the food safety requirements, and the foodstuff is no longer under the immediate control of that initial food sector operator, it shall immediately initiate procedures to withdraw it and inform the competent authorities. If the product reaches the consumer, the operator will inform consumers effectively and accurately of the reason for withdrawal, and if necessary, recall the products already supplied to consumers, when other measures are insufficient to achieve a high level of health protection.

More specifically, food sector operators (i) must immediately inform the competent authorities when they consider or have reason to consider that a food product they have placed on the market may be harmful to human health. They will inform the competent authorities of the action taken to prevent risks to the final consumer and will not prevent or discourage the cooperation of anyone with the competent authorities, according to national legislation and legal practice, in the event where such cooperation may prevent, reduce or eliminate a risk arising from a food product; and (ii) they must further collaborate with the competent authorities on actions taken to avoid or reduce risks posed by a food product which they supply or have supplied.

Article 4 of Legislative Decree No. 190/2006 (violation of the obligations in respect of consumers and users referred to in Articles 19 and 20 of EU Regulation No. 178/2002) provides that, unless a crime, food and feed sector operators, which having imported, produced, processed or distributed a product that does not conform to safety requirements that has then reached the consumer or the user, do not inform the latter regarding the reasons for the activation of the procedure for the withdrawal from the market, are subject to the payment of an administrative financial fine from EUR 2,000 to EUR 12,000.

### ***HACCP***

The HACCP (*Hazard Analysis and Critical Control Points*) system is mainly governed by EU Regulation No. 853/2004 and — as regards the sanctioning aspects — by Legislative Decree No. 193/2007. According to Article 5 of EU Regulation No. 853/2004, food sector operators will

establish, implement and maintain one or more permanent procedures based on the principles of the HACCP system.

The HACCP principles are the following: (a) identify any hazards that must be prevented, eliminated or reduced to acceptable levels; (b) identify the critical control points at the step or steps at which control is essential to prevent or eliminate a hazard or to reduce it to acceptable levels; (c) determine, in the critical control points, critical limits which separate acceptability from unacceptability for the prevention, elimination or reduction of identified hazards; (d) establish and implement effective monitoring procedures at critical control points; (e) establish the corrective actions to be undertaken in the event monitoring indicates that a particular critical control point is not under control; (f) establish procedures, to be applied regularly, to verify the effective functioning of the measures referred to in points (a) to (e); and (g) provide documents and records commensurate to the nature and size of the food enterprise to demonstrate the effective application of the measures referred to in points (a) to (f). Where any change occurs in the product, process or at any other stage, food sector operators will review the procedure and make any necessary changes thereto.

Food sector operators must:

- a) demonstrate to the competent authority that they comply with the procedures based on the HACCP principles, in the manner required by the competent authority, taking into account the type and size of the food enterprise;
- b) ensure that all documents describing the procedures developed under this article are constantly updated; and
- c) maintain all other documents and records for an appropriate period.

According to Article 6 of Legislative Decree No. 193/2007, the food sector operator operating under EU Regulations No. 852/2004 and No. 853/2004, at a level other than that of primary manufacturing, which fails to establish self-control procedures based on the principles of the HACCP system is subject to an administrative financial fine from EUR 1,000 to EUR 6,000.

### ***Food hygiene***

EU Regulation No. 852/2004 (supplemented by EU Regulation No. 853/2004) also sets forth a number of provisions on food hygiene. In particular, to the fullest extent possible, food sector operators must ensure that primary products are protected from contamination.

To this end, essentially the following obligations are established:

- a) food sector operators must maintain and retain records relating to measures adopted to control hazards in an appropriate manner and for an appropriate period of time and commensurate to the nature and size of the food enterprise and must make available to the competent authorities and food sector operators receiving the products, the relevant information contained in such records, at their request;
- b) food facilities must be kept clean, maintained and kept in good condition;
- c) the compartments of conveyances and/or containers used for transporting foodstuffs must be kept clean and maintained in good repair in order to protect foodstuffs from contamination and are, where necessary, designed and constructed in such a way as to allow adequate cleaning and disinfection;
- d) food waste, inedible by-products and other waste must be removed from the premises where the food is located as soon as possible, in order to prevent its accumulation;
- e) a food enterprise must not accept raw materials or ingredients, other than live animals, or any other material used in processing products, if they are contaminated, or might reasonably be expected to be contaminated, with parasites, pathogenic or toxic micro-organisms, decomposed or foreign substances to such an extent that, even after the food enterprise has hygienically performed normal sorting and/or the preliminary procedure or treatment, the final product would be unfit for human consumption;

- f) raw materials and all ingredients stored at a food enterprise shall be stored appropriately in such a way as to avoid harmful deterioration and contamination.

In that regard, Article 6 of Legislative Decree No. 193/2007 provides for the following penalties:

- a) unless a crime, the food sector operator operating at the level of primary manufacturing and related operations which does not comply with the general hygiene requirements set out in Part A of Annex I to EU Regulation No. 852/2004 and the other specific requirements established in EU Regulation No. 853/2004 will be subject to an administrative financial fine from EUR 250 to EUR 1,500; and
- b) unless a crime, the food sector operator operating under EU Regulations No. 852/2004 and No. 853/2004, at a level other than that of primary manufacturing which does not comply with the general hygiene requirements set out in Annex II to EU Regulation No. 852/2004 and the other specific requirements established in EU Regulation No. 853/2004 will be subject to an administrative financial fine from EUR 500 to EUR 3,000.

### ***Biological production and labeling of biological products***

Regulation (EC) No. 834/2007 of 28 June 2007 - which repealed the previous Regulation (EEC) no. 2092/91 - governs biological production and labeling of biological products. In particular, this regulation provides the basis for the sustainable development of organic production and, at the same time, ensures the effective functioning of the internal market, guarantees fair competition, ensures consumer confidence and protects their interests.

### ***Zootechnical production and hygienic-sanitary requirements of raw milk***

Ministerial Decree of 9 May 1991, n. 185 contains regulations concerning the conditions of zootechnical production, the compositional and hygienic-sanitary requirements of raw milk intended for use for the production of "high quality pasteurized fresh milk".

### ***Golden Power***

Pursuant to Legislative Decree 15 March 2012, n. 21, passed into law, with amendments, with Law 11 May 2012, n. 56, the State may exercise specialized powers in determining asset and sector strategies (the so-called "**Golden Power**").

Pursuant to the combined provisions of Article 2 of the Law Decree No. 21/2012 and Article 4 bis of the Legislative Decree 21 September 2019, n. 105, the purchase for any reason by a party outside the European Union of controlling stakes in companies that hold assets or relationships in "*the safety of the supply of critical production factors, among which energy and raw materials as well as the food safety*" shall be notified by the buyer within 10 days to the Prime Minister's Office. Within the peremptory term of 45 days, the Presidency of the Council may exercise the power of veto over the transaction or condition its effectiveness on the undertaking of certain commitments by the buyer.

Until the notification and, subsequently, until the expiry of the term for the possible exercise of the power to oppose or impose commitments, the voting rights or in any case those having a content different from the those having an economic nature connected to the shares or quotas representing the significant holding are suspended. Once the aforementioned terms have elapsed, unless the Presidency of Council does not exercise its opposition, the transaction can be carried out. Any resolutions adopted with the decisive vote of such shares or quotas, or in any case the resolutions or acts adopted in violation or non-fulfillment of the conditions imposed, are null and void.

It should also be noted that Article 15 of the Law Decree No. 23/2020 establishes a temporary regulation, relating to the emergency from COVID-19, in force until 31 December 2020 extending the exercise of the Golden Power in the sector of "*the safety of the supply of critical production factors, among which energy and raw materials as well as the food safety*" also in the following cases: (i) purchase of controlling shareholdings by foreign parties, including those belonging to the European Union, as well as purchases of shareholdings by foreign parties not belonging to the European Union of the voting rights or share capital equal to certain thresholds; (ii) any resolution, deed or operation, adopted by a company holding assets or relationships in this sector, which has

the effects of change of ownership, control or availability of the assets or the change of their destination.

The violation of the notification obligation or of the prescriptions imposed with the exercise of special powers, unless the fact constitutes a crime, is subject to a pecuniary administrative sanction up to double the value of the transaction and in any case not less than one percent of the cumulative turnover achieved by the companies involved in the last financial year for which the financial statements were approved.

### ***Administrative, management and supervisory bodies***

#### ***Board of Directors***

In accordance with the Articles of Association, the Issuer is managed by a board of directors composed of three to seventeen board members, including non-shareholders, who hold office for the period established in the deed of appointment, but no more than three financial years (the "**Board of Directors**"). They resign and are re-elected or replaced according to the law and the Articles of Association and their office expires on the date of the meeting called to approve the financial statements for the last year of their office and can be re-elected.

In accordance with Article 16 of the Articles of Association, the Board of Directors is entitled to the widest powers for running the Issuer, with the sole exclusion of what the law expressly reserves to the shareholders' meeting.

The Board of Directors is also assigned, in compliance with the provisions of Article 2436 of the Italian Civil Code, the resolutions concerning: (i) any merger in the cases provided for under Article 2505 and 2505-bis also referred to, for the purpose of demerger, under Article 2506-ter of the Italian Civil Code; (ii) the establishment or closure of secondary offices; (iii) the indication of which the directors can represent the company; (iv) the reduction in the share capital in the event of withdrawal of a shareholder; (v) adjustments of the Articles of Association to regulatory provisions; and (v) the transfer of the registered office within Italy.

The shareholders' meeting held on 8 July 2019 appointed the Board of Directors of the Issuer. The Board of Directors of the Issuer as of the date of this Prospectus consists of 7 directors who will remain in office until the approval of the financial statements of the year ending on 31 December 2021.

Following the resignation of the board member Emanuela Paola Banfi on 14 September 2020, on 25 September 2020 the Board of Directors of the Issuer co-opted Maria Cristina Zoppo.

The following table sets forth the members of the Board of Directors as of the date of the Prospectus:

| <b>Name</b>          | <b>Position</b>  | <b>Place and date of birth</b>       |
|----------------------|------------------|--------------------------------------|
| Angelo Mastrolia     | Chairman and CEO | Campagna (SA), 5 December 1964       |
| Giuseppe Mastrolia   | CEO              | Battipaglia (SA), 11 February 1989   |
| Stefano Cometto      | CEO              | Monza, 25 September 1972             |
| Benedetta Mastrolia  | Director (*)     | Rome, 18 October 1995                |
| Maria Cristina Zoppo | Director (**)    | Turin, 14 November 1971              |
| Valentina Montanari  | Director (**)    | Milan, 20 March 1967                 |
| Eric Sandrin         | Director (**)    | Saint-Amand-Montrond, 13 August 1964 |

(\*) Non-executive Director pursuant to Article 2 of the Corporate Governance Code.

(\*\*) Independent Director pursuant to Article 147-ter, (A)4 of the Consolidated Financial Act and Article 3 of the Corporate Governance Code.

The business address of each member of the Board of Directors is the Company's registered office.

Set forth below are brief biographies of each member of the Board of Directors.

#### *Angelo Mastrolia*

Mr. Angelo Mastrolia obtained a surveyor's diploma and attended law school at the University of Salerno. He started his entrepreneurial activity in the 1980s in the dairy sector as a manager in the family business Piana del Sele Latteria S.p.A. After a number of experiences in the leasing, real estate and luxury yacht sectors, since 2004 Mr. Angelo Mastrolia has acquired several companies in the food & beverage sector through TMT Finance SA (currently Newlat Group S.A.), acquiring *inter alia* Industrie Alimentari Molisane S.r.l. (owner of the Guacci brand), Pezzullo, Corticella and, in 2008, Newlat S.p.A. from Parmalat S.p.A. Subsequently, Mr. Angelo Mastrolia directed the continuing expansion and consolidation of the Newlat Group S.A. in the food & beverage sector in Italy and abroad, also acquiring the "Birkel" and "Drei Glocken" brands in Germany, the production plant in Ozzano Taro (Parma), Delverde and, in 2020, Centrale del Latte d'Italia.

#### *Giuseppe Mastrolia*

Mr. Giuseppe Mastrolia obtained a degree in law from the University of Bologna in 2014. In 2008, he joined Newlat, becoming a member of the Board of Directors. He is currently the Chief Executive Officer in charge for Sales & Marketing as well as the Chief Commercial Officer of the Company.

#### *Stefano Cometto*

Mr. Cometto obtained a degree in law from the University of Bologna in 1998 and the Nebrija Universidad de Madrid in 2013. From 1998 to 1999 he was a lieutenant of the *Guardia di Finanza* (financial police). Mr. Cometto was an in-house lawyer from 1999 to 2000 in San Paolo IMI S.p.A. and from 2000 to 2001 in Unicredit S.p.A. (then, Rolo Banca 1473). From 2001 to 2007 he served as Official and Consultant for the legal and trade union area at Confindustria and, in 2008, he joined Newlat, where he currently is the Chief Executive Officer and Chief Operating Officer.

#### *Benedetta Mastrolia*

Ms. Mastrolia obtained a Bachelor Degree in Economics and Business from the University of London in 2017 and a Master in Corporate Finance at the Cass Business School, City University London, in 2018. In 2014, she joined the Board of Directors of Newlat.

#### *Maria Cristina Zoppo*

Ms. Zoppo obtained a degree in Economics from the University of Turin in 1995. She has been a qualified accountant and auditor since 1999. From 1996 to 2015, Ms. Zoppo served at Studio Pirola, Pennuto, Zei & Associati in Turin, as consultant and managing manager. Ms. Zoppo is currently Partner at BDO Tax & Law S.r.l. Società tra Professionisti, part of the international auditing and consulting network of BDO and Partner of BDI Italia S.p.A. Since 2016, she has held the position of Director and member of the Management Control Committee of Banca Intesa Sanpaolo S.p.A.

#### *Valentina Montanari*

Ms. Montanari obtained a degree in Economics from the University of Pavia in 1999. She has been a qualified accountant and auditor since 1995. Ms. Montanari obtained a Master in "Direzione e Politica Finanziaria" in 1999 and in 1997, a Master in Corporate Finance, both from SDA Bocconi. Ms. Montanari has been the chief financial officer or independent director in a number of Italian listed companies. From 2003 to 2013 she served at RCS MediaGroup S.p.A., as a Board member of a number of its subsidiaries, chief financial officer of the company e Group CFO. From 2012 to 2013 Ms. Montanari was the *Group* CFO of Gefran S.p.A. and between 2013 and 2016 she was

the Group CFO at Il Sole 24 Ore S.p.A. From 2017 to 2018 Ms. Montanari was the Group CFO of AC Milan e since April 2019 she is Group CFO and manager responsible for drafting the financial reports at FNM S.p.A.

*Eric Sandrin*

Mr. Sandrin obtained a degree in Political Science from the Institut d'Études Politiques de Paris in 1985. Mr. Sandrin also obtained a master (DEA) in civil law from the University of Paris XII (Paris-Est Créteil) in 1990 and a master in law from Cornell Law School in 1994. He joined Cleary Gottlieb as lawyer in New York in 1990, and from 2000 to 2008, Mr. Sandrin was the general counsel of General Electric. Later, from 2008 to 2011, he had the same role in Atos Origin. In 2011, Mr. Sandrin joined the SCOR group as general counsel through 2014 and since 2014 he has been the general counsel of the Kering group.

None of the members of the Board of Directors have a family relationship with other members of the Board of Directors within the meaning of applicable Italian law, except for Angelo Mastrolia, Giuseppe Mastrolia and Benedetta Mastrolia (who are father, son and daughter, respectively), or with the Board of Statutory Auditors or with Newlat's executive officers or other key employees.

The following table indicates the companies where the members of the Board of Directors currently serve or have served during the past 5 years as a member of an administrative, management or supervisory body.

| Name               | Company  | Office or equity stake held in the Company                    | Status of office |
|--------------------|--|---|------------------|
| Angelo Mastrolia   | TMT Property S.r.l.                                    | Chairman of the board of directors                            | Current          |
|                    | Newservice S.r.l.                                      | Chairman of the board of directors                            | Current          |
|                    | Corticella Molini e Pastifici S.p.A.                   | Chairman of the board of directors                            | Ceased           |
|                    | New Property S.p.A.                                    | Chairman of the board of directors                            | Current          |
|                    | Newlat Group S.A.                                      | Sole director   | Current          |
|                    | Piana del Sele Latteria Sociale S.r.l. in liquidazione | Chairman of the board of directors                            | Ceased           |
|                    |  | Liquidator  | Ceased           |
|                    | Piana del Sele Alta Qualità S.r.l. in liquidazione     | Liquidator  | Ceased           |
|                    | Latterie Riunite Piana del Sele S.r.l. in liquidazione | Liquidator  | Current          |
|                    | IAR S.p.A.   | Chairman of the board of directors                            | Ceased           |
|                    | Biochemia System S.r.l.                                | Sole director   | Current          |
|                    | ABGM Group S.A.  | Sole director   | Current          |
|                    | Newlat Group S.A.                                      | Sole director   | Current          |
|                    | CFR Hypermarché S.A.                                   | Sole director   | Current          |
|                    | La Standa—Grandi Magazzini Sgl                         | Manager ( <i>Gerente</i> )                                    | Current          |
|                    | TMT Group S.A.   | Sole director   | Current          |
|                    | TMT Italia S.r.l. in liquidazione                      | Liquidator  | Ceased           |
|                    | Newlat Group S.A.                                      | Shareholder   | Current          |
|                    | ABGM Group S.A.  | Shareholder   | Current          |
| Giuseppe Mastrolia | Centrale del Latte d'Italia S.p.A.                     | Chairman of the board of directors                            | Current          |
|                    | New Property S.p.A.                                    | Vice-Chairman of the board of directors                       | Current          |
|                    | TMT Property S.r.l.                                    | Director  | Current          |
|                    | Corticella Molini e Pastifici S.p.A.                   | Director  | Ceased           |
|                    | Piana del Sele Latteria Sociale S.r.l. in liquidazione | Director  | Ceased           |
|                    | IAR S.p.A.   | Managing director   | Ceased           |
| Stefano Cometto    | Centrale del Latte d'Italia S.p.A.                     | Vice-chairman of the board of directors                       | Current          |
|                    | Newservice S.r.l.                                      | Vice-chairman of the board of directors and managing director | Current          |



|                      |  |   |         |
|----------------------|--|---|---------|
|                      | RA Creations S.r.l.s. in liquidazione                                | Liquidator                                  | Current |
|                      | Corticella Molini e Pastifici S.p.A.                                 | Managing director                           | Ceased  |
|                      | Gopura Consulting S.r.l.s.   | Sole director                               | Current |
|                      | Centrale del Latte d'Italia S.p.A.                                   | Director                                    | Current |
| Benedetta Mastrolia  | New Property S.p.A.  | Director                                    | Current |
|                      | Corticella Molini e Pastifici S.p.A.                                 | Director                                    | Ceased  |
|                      | Centrale del Latte d'Italia S.p.A.                                   | Director                                    | Current |
| Maria Cristina Zoppo |  | Director                                    | Current |
|                      | Banca Intesa Sanpaolo S.p.A.   | Member of the management control committee  | Current |
|                      | Schoeller Allibert S.p.A.  | Chairman of the board of statutory auditors | Current |
|                      | Baomarc Automotive Solutions S.p.A.                                  | Alternate auditor                           | Current |
|                      | Imerys Talc Italy S.p.A.   | Alternate auditor                           | Current |
|                      | Houghton Italia S.p.A.   | Chairman of the board of statutory auditors | Current |
|                      | BDO Tax S.r.l. S.t.p.  | Procurator                                  | Current |
|                      | Cablauto S.r.l.  | Statutory auditor                           | Ceased  |
|                      | Msc Italia S.r.l.  | Alternate auditor                           | Ceased  |
|                      | Kappa Packaging S.p.A.   | Statutory auditor                           | Ceased  |
|                      | I.G.M. Servizi di Ristorazione S.r.l.                                | Alternate auditor                           | Ceased  |
|                      | Nexui S.p.A.   | Statutory auditor                           | Ceased  |
|                      | Italterra S.r.l.   | Statutory auditor                           | Ceased  |
|                      | CSA Italy Holding S.r.l.   | Statutory auditor                           | Ceased  |
|                      | Società Italiana Costruzioni Opere Specializzate – S.I.C.O.S. S.p.A. | Statutory auditor                           | Ceased  |
|                      | Varian S.p.A.  | Alternate auditor                           | Ceased  |
|                      | MGI Coutier Italia S.p.A.  | Alternate auditor                           | Ceased  |
|                      | Valeo Sicurezza Abitacolo S.p.A.                                     | Statutory auditor                           | Ceased  |
|                      | Sinol S.r.l.   | Chairman of the board of statutory auditors | Ceased  |

|                     |  |  |         |
|---------------------|--|--|---------|
|                     | Finairport Service S.r.l. in liquidazione  | Alternate auditor                                    | Ceased  |
|                     | Stabilus S.r.l. in liquidazione            | Alternate auditor                                    | Ceased  |
|                     | Cluster Reply S.r.l.                       | Statutory auditor                                    | Ceased  |
|                     | WGRM Holding 2 S.p.A.                      | Alternate auditor                                    | Ceased  |
|                     | WGRM Holding 1B S.p.A.                     | Alternate auditor                                    | Ceased  |
|                     | WGRM Holding 1A S.p.A.                     | Alternate auditor                                    | Ceased  |
|                     | WGRM Holding 1C S.p.A.                     | Alternate auditor                                    | Ceased  |
|                     | WGRM Holding 3 S.p.A.                      | Alternate auditor                                    | Ceased  |
|                     | WGRM Holding 8 S.p.A.                      | Alternate auditor                                    | Ceased  |
|                     | Valeo Commutazione S.r.l.                  | Alternate auditor                                    | Ceased  |
|                     |  | Director   | Current |
|                     | Cerved Group S.p.A.                        | Member of the remuneration and appointment committee | Current |
|                     | Mediolanum Gestione Fondi SGR S.p.A.       | Director   | Current |
|                     | DB Cargo Italia S.r.l.                     | Director   | Current |
|                     | Mostrami S.r.l.                            | Chairman of the board of directors                   | Ceased  |
|                     | Fabbrica24 S.r.l.                          | Director   | Ceased  |
|                     | Solution Bank S.p.A.                       | Alternate auditor                                    | Ceased  |
|                     | 24 Ore Cultura S.r.l.                      | Director   | Ceased  |
|                     | TSS S.p.A.                                 | Director   | Ceased  |
| Valentina Montanari | Newton S.p.A.                              | Chairman of the board of directors                   | Ceased  |
|                     | M-I Stadio S.r.l.                          | Director   | Ceased  |
|                     | Milano Ristorazione S.p.A.                 | Alternate auditor                                    | Ceased  |
|                     | Asansiro S.r.l.                            | Director   | Ceased  |
|                     | Ticket 24 Ore S.r.l.                       | Chairman of the board of directors                   | Ceased  |
|                     | AB Holding S.r.l.                          | Chairman of the board of directors                   | Ceased  |
|                     | Il Sole 24 Ore Trading Network S.p.A.      | Director   | Ceased  |
|                     | Milano Cultura S.C. a.r.l. in liquidazione | Director   | Ceased  |
|                     | Food 24 S.r.l.                             | Chairman of the board of directors                   | Ceased  |

|                 |  |                                    |         |
|-----------------|--|------------------------------------|---------|
| Eric<br>Sandrin | Next 24 S.r.l. in liquidazione               | Chairman of the board of directors | Ceased  |
|                 | Oxfam Italia Onlus                           | Director                           | Ceased  |
|                 | Kering Luxembourg S.A.                       | Director                           | Current |
|                 | Kering Studio                                | General manager                    | Current |
|                 | Boucheron UK Limited                         | Manager                            | Current |
|                 | Bottega Veneta International S.a.r.l.        | Director                           | Current |
|                 | Autumnpaper Limited                          | Manager                            | Current |
|                 | Birdswan Solutions Limited                   | Manager                            | Current |
|                 | Alexander McQueen Trading Limited            | Manager                            | Current |
|                 | Balenciaga UK LTD                            | Manager                            | Current |
|                 | Balenciaga Japan LTD                         | Manager                            | Current |
|                 | Boucheron Holding SAS                        | Member of the strategic committee  | Current |
|                 | Kering Eyewear Apac Limited                  | Manager                            | Current |
|                 | Stella McCartney Limited                     | Manager                            | Current |
|                 | Kering Holland NV                            | Manager                            | Current |
|                 | Luxury Fashion Luxembourg S.A.               | Manager                            | Ceased  |
|                 | Balenciaga S.A.                              | Director                           | Current |
|                 | GG France 14                                 | Chairman                           | Current |
|                 | Boucheron Joaillerie (Usa), INC              | Manager                            | Current |
|                 | Kering (China) Enterprise Management Limited | Manager                            | Current |
|                 | Lgi (Shanghai) Enterprise Management Limited | Supervisor                         | Current |
|                 | K Retail Roma S.r.l.                         | Chairman of the board of directors | Ceased  |
|                 | Sergio Rossi S.p.A.                          | Chairman of the board of directors | Ceased  |
|                 | Sergio Rossi Retail S.r.l.                   | Chairman of the board of directors | Ceased  |
|                 | Sergio Rossi Manufacturing S.r.l.            | Chairman of the board of directors | Ceased  |
|                 | Caravel Pelli Pregiate S.p.A.                | Director                           | Ceased  |
|                 | GG France 13                                 | Chairman of the board of directors | Current |

The regulation on gender balance provides that in the first renewal of the Board of Directors following listing on a regulated market, the portion to be reserved for the less represented gender be equal to at least two fifth of the elected directors. The current composition of the Board of Directors complies with the legislation on gender balance on a voluntary basis.

The Board of Directors has not constituted an executive committee.

### ***Powers of the Board of Directors***

In accordance with the Articles of Association, Newlat is managed exclusively by the Board of Directors, which is entrusted with the broadest possible powers permitted by law to manage the Company and to undertake all actions deemed to be necessary or advisable in pursuing the Company's objectives.

The Board of Directors is also responsible for passing resolutions on the following matters, without prejudice to the powers of the shareholders:

- a) mergers and demerges under Articles 2505, 2505-bis and 2506-ter of the Italian Civil Code;
- b) the establishment or closing of branches;
- c) appointment of directors granted with the powers to represent the Company;
- d) reductions of the share capital in the Company in the event of withdrawal by the shareholders;
- e) amendment of articles of association due to regulatory requirements;
- f) transfer of the registered office within Italy; and
- g) issuance of bonds and convertible bonds, to the extent permitted under the applicable laws and regulations.

The Board of Directors has the power to delegate its general authority to one or more directors within the limits prescribed by Article 2381 of the Italian Civil Code. In this regard, the Board of Directors on 8 July 2019 authorized the Chairman of the Board of Directors, Mr. Angelo Mastrolia (severally), to take action on behalf of the Company in respect of all matters related to the ordinary and extraordinary course of business of the Company, except for compliance with labor and occupational health and safety laws and regulations. Mr. Giuseppe Mastrolia, in his capacity as Chief Executive Officer, was also authorized by the Board of Directors, jointly with other members of the Board of Directors and severally up to €300,000.00, to take action on behalf of the Company in respect of all matters related to the ordinary and extraordinary course of business of the Company, except for compliance with labor and occupational health and safety laws and regulations. As resolved by the Board of Directors, Mr. Stefano Cometto, in his capacity as Chief Executive Officer, is responsible for compliance with labor and occupational health and safety laws and regulations and has delegated authority with respect to management of Newlat's manufacturing activities.

### ***Board Committees***

On August 9, 2019, in accordance with the recommendations contained in the Corporate Governance Code, the Board of Directors resolved to establish the following committees effective as of 29 October 2019 (first day of trading of the Issuer's shares on the MTA) for (i) the determination of the compensation of Directors and key executives and the review and nomination of Board of Directors members (the "**Compensation and Nominating Committee**"), (ii) the oversight of internal control and corporate risks (the "**Control and Risk Committee**"), and (iii) the transactions with related parties (the "**Related Party Transactions Committee**").

Below is a brief description of the powers conferred on each committee:

#### Compensation and Nominating Committee (*Comitato per la Remunerazione e le Nomine*)

The Compensation and Nominating Committee is an advisory body whose main task is to formulate proposals to the Board of Directors for the determination of Newlat's policy on the

compensation of Directors and key executives, and to advise the Board of Directors on the appointment process of directors.

The duties of the Compensation and Nominating Committee include:

- a) advising the Board of Directors regarding the policy for the compensation of Directors and key executives;
- b) periodically evaluating the adequacy, overall consistency and application of the Directors and key executives compensation policy, including on the basis of the information provided by the executive Directors in this regard;
- c) submitting proposals to the Board of Directors on the compensation of executive Directors, including Directors who hold particular offices, as well as on the performance targets related to the variable component of the compensation, if any;
- d) assisting the Board of Directors with respect to assessments and decisions relating to the size and composition of the Board of Directors; and
- e) identifying and assessing individuals qualified to become potential directors and recommending candidates as nominees for election or appointment as members of the Board of Directors.

The members of the Compensation and Nominating Committee possess the required knowledge and experience. Such knowledge was evaluated by the Board of Directors at the time of the appointment.

In performing their functions, the members of the Compensation and Nominating Committee are entitled to obtain access to all information and corporate functions necessary to perform their tasks and to avail themselves of support from consultants in order to gather information on market practice on compensation policies.

The Compensation and Nominating Committee is composed of Maria Cristina Zoppo, Valentina Montanari and Eric Sandrin.

#### Control and Risk Committee (*Comitato Controllo e Rischi*)

The Control and Risk Committee is an advisory body whose main task is to support, on the basis of an adequate control process, the evaluations and decisions to be made by the Board of Directors in relation to the internal control and risk management system, as well as the approval of the periodic financial reports.

The duties of the Control and Risk Committee include:

- a) evaluating, together with the manager responsible for preparing the Issuer's financial reports, after hearing the external auditors and the Board of Statutory Auditors, the correct application of the accounting principles, as well as their consistency for the purpose of the preparation of the financial statements, if any;
- b) advising on specific aspects relating to the main risks for us;
- c) reviewing the periodic reports of the internal audit department concerning the assessment of the Issuer's internal controls and risk management system, as well as the other reports of the internal audit function that are particularly significant;
- d) monitoring the independence, adequacy, efficiency and effectiveness of the Internal Audit Department;
- e) requesting the Internal Audit Department to carry out reviews of specific operational areas, simultaneously notifying the Board of Statutory Auditors;
- f) reporting to the Board of Directors, at least every six months, on the occasion of the approval of the annual and half-year financial reports, on the activity carried out, as well as on the adequacy of the internal controls and risk management system;
- g) supporting, with adequate review, the evaluations and decisions of the Board of Directors relating to the management of risks relating to adverse facts of which the Board of Directors is aware; and
- h) carrying out any further task assigned by the Board of Directors.

Moreover, the Control and Risk Committee also provides its opinion on the following matters:

- a) the guidelines on the internal controls and risk management system, aimed at identifying, measuring and monitoring the main risks that may affect us;
- b) the adequacy and effectiveness of the internal controls and risk management system;
- c) the work plan prepared by the manager in charge of the internal audit department;
- d) the description, of the main features of the internal controls and risk management system, and an assessment of its adequacy in the context of the corporate governance report required to be published by the Corporate Governance Code;
- e) the results of the activity of the independent auditor; and
- f) the proposal concerning the appointment, revocation and remuneration of the head of internal audit and the adequacy of resources assigned to the latter for the performance of their duties.

The members of the Control and Risk Committee possess the required knowledge and experience. This knowledge was evaluated by the Board of Directors at the time of the appointment.

In performing its function, the Control and Risk Committee is entitled to obtain access to all information and the corporate functions necessary to perform its tasks, and to avail itself of outside consultants.

The Control and Risk Committee is composed of Maria Cristina Zoppo, Valentina Montanari and Eric Sandrin.

#### *Related Party Transactions Committee (Comitato per le Operazioni con Parti Correlate)*

The Related Party Transactions Committee is responsible for ensuring the integrity of transactions with related parties by living an opinion on the Company's interest in completing a specific transaction, as well as on the suitability and fairness of the corresponding conditions.

The duties of the Related Party Transactions Committee include:

- a) providing prior advice on the procedures for identifying and managing related parties transactions carried out by the Issuer and/or the companies of the Group, as well as on the related amendments;
- b) giving prior and motivated opinions, in the cases expressly provided for, on the interest of the Issuer in carrying out the transaction with related parties; and
- c) in case of major related party transactions, the Related Party Transactions Committee shall be involved in the negotiation phase and in the preliminary phase by receiving a complete and timely information flow, with the right to request information and formulate observations to the persons responsible for the conduct of negotiations or the investigation.

The members of the Related Party Transactions Committee possess the required knowledge and experience. Such knowledge was evaluated by the Board of Directors at the time of the appointment.

In performing their functions, the members of the Related Party Transactions Committee are entitled to obtain access to all information and corporate functions necessary to perform their tasks and to avail themselves of support from consultants.

The Related Party Transactions Committee is composed of Maria Cristina Zoppo, Valentina Montanari and Eric Sandrin.

#### **Board of Statutory Auditors**

Under Article 21 of the Articles of Association, the board of statutory auditors consists of three standing auditors and two alternates, in possession of the qualifications required by the laws and regulations in force and appointed in compliance with the legislation in force for the time being concerning the balance between genders (the "**Board of Statutory Auditors**").

The members of the Board of Statutory Auditors, who remain in office for three financial years and who are re-elected, attend the shareholders' meetings and the meetings of the Board of Directors. The statutory auditors are appointed on the basis of lists submitted by the shareholders in order to ensure that the minorities appoint one standing auditor and one alternate auditor.

The Board of Statutory Auditors in office as of the date of this Prospectus was appointed during the general shareholders' meeting held on 8 July 2019 and will remain in office until approval of the financial statements ended on 31 December 2021. It should be noted that, at the time of appointment, the statutory auditors stated that they were in possession of the requirements of integrity, independence and professionalism.

The following table sets forth the members of the Board of Statutory Auditors as of the date of this Prospectus:

| <b>Name</b>           | <b>Position</b>   | <b>Place and date of birth</b> |
|-----------------------|-------------------|--------------------------------|
| Massimo Carlomagno    | Chairman          | Agnone (IS), 22 September 1965 |
| Ester Sammartino      | Statutory auditor | Agnone (IS), 23 May 1966       |
| Antonio Mucci         | Statutory auditor | Montelongo (CB), 24 March 1946 |
| Giovanni Carlozzi     | Alternate auditor | Matrice (CB), 23 May 1942      |
| Giorgio de Franciscis | Alternate auditor | Pesaro, 24 July 1941           |

Each member of the Board of Statutory Auditors is domiciled at the Company's registered office for the purpose of such office. All the members of the Board of Statutory Auditors satisfy the independence requirements set forth in Article 148 (3) of the Consolidated Financial Act, as verified by the Board of Statutory Auditors on July 8, 2019. None of the members of the Board of Statutory Auditors have had an investment or professional relationship, directly or indirectly through other companies or professional firms, with the Company, the Group, or companies that control or are under common control with the Group during the past three years.

In addition, all of the members of the Board of Statutory Auditors meet the professionalism and integrity requirements pursuant to Article 148 of the Consolidated Financial Act and the implementing regulation enacted by Ministry of Justice Decree No 162/2000.

The Corporate Governance Code provides that independent auditors should be selected based on the same criteria used for the selection of independent Directors, namely that the individual: (i) was not a significant representative of the company, significant subsidiary or a company under common control with the company, in the previous three years (meaning, a person who serves as a president, chairman, Director, executive Director or executive with strategic responsibility), or (ii) does not serve as Executive Director of another company in which an Executive Director also serves as a Director.

To the best of the Issuer's knowledge, none of the members of the Board of Statutory Auditors have, during the last five years, been convicted in connection with the offenses of fraud or fraudulent bankruptcy, nor in performing their respective positions and functions been involved in bankruptcy, receivership or involuntary liquidation proceedings. Further, no members of the Board of Statutory Auditors (during the last five years) has been subject to official charges and/or penalties by government or regulatory authorities (including designated professional associations) in the performance of their positions and functions, or been barred from administrative, management or audit and control positions with the Company or from management or operational positions with other companies, except as indicated below.

No member of the Board of Directors is a related party to any other member of the Board of Statutory Auditors, members of the Board of Directors, or the principal officers of the Company.

The regulation on gender balance provides that in the first renewal of the control body following listing on a regulated market that the portion to be reserved for the less represented gender be

equal to at least two fifth of the elected statutory auditors. The current composition of the Board of Statutory Auditors complies with the legislation on gender balance on a voluntary basis.

The biographies of each Statutory Auditor are set out below.

*Massimo Carlomagno*

Mr. Carlomagno obtained a degree in Economics from the University of Salerno in 1990 and he has been a qualified accountant since 1996. From 1999 to 2005 he was the Chairman of Finanziaria Regionale del Molise S.p.A. Mr. Carlomagno has been the Chairman of the Issuer's Board of Statutory Auditors since 2005.

*Ester Sammartino*

Ms. Sammartino obtained a degree in Economics from the University of Chieti in 1992 and she has been a qualified accountant since 2002. From 1990 to 2005 Ms. Sammartino was a director of Lamel Legno S.r.l. and she has been a member of the Issuer's Board of Statutory Auditors since 2005.

*Antonio Mucci*

Mr. Mucci obtained a degree in Economics from the University of Bari in 1972 and has been a qualified accountant and auditor since 1990. From 1991 to 2018 Mr. Mucci was an auditor in a number of local public authorities, such as the Province of Campobasso and the municipalities of Termoli, Larino, Trivento, Riccia, Santa Croce di Magliano, Rotello, Bonefro, Matrice, Montagano, Macchia Valfortore, Morrone del Sannio e Ururi. From 1996 to 2005, Mr. Mucci was the Chairman of the Board of Auditors of Consorzio di Bonifica di Larino. From 1996 to 1999 Mr. Mucci was the Chairman of the Board of Statutory Auditors of Società Cooperativa B&G. He was a member of the Board of Statutory Auditors of Piana del Sele S.r.l. from 2007 to 2013 and of Finmolise S.p.A. from 2011 to 2013, being appointed as Chairman of the Board of Statutory Auditors of this company from 2014 to 2016). He has been a member of the Issuer's Board of Statutory Auditors since 2014.

*Giovanni Carlozzi*

Mr. Carlozzi obtained a degree in Economics from the University of Naples in 1968 and he has been a qualified auditor since 1995. He has been the sole Statutory Auditor of Molise since 2000 Società Cooperativa r.l. since 199. He has been an alternate member of the Issuer's Board of Statutory Auditors since 2009.

*Giorgio de Franciscis*

Mr. De Franciscis obtained a degree in Maritime Economics from the Naval Institute of Naples in 1969 and he has been a qualified auditor since 1995. He has been a tax advisor and auditor since 1986 and from 1987 to 1993 Mr. De Franciscis was the Chairman of the Board of Auditors of Istituto Autonomo Case Popolari di Campobasso, as well as a director of the Bank of Italy in Campobasso from 1990 to 2001. He has been the Chairman of the Board of Statutory Auditors of Fondazione Neuromed since 2013. Mr. De Franciscis is also an auditor in a number of local public authorities and, in particular, he has been the Chairman of the Board of Auditors of the Molise Region since 2014 and of the Municipality of Isernia since 2016. He has been an alternate member of the Issuer's Board of Statutory Auditors since 2011.

The following table indicates the companies where the members of the Board of Statutory Auditors (i) currently serve or have previously served as a member of an administrative, management or supervisory body and/or (ii) are or have been holders of an equity stake at any time during the past five years, as well as the status of their position or equity stake as of the date of this Prospectus.

| Name               | Company             | Office held in the Company                  | Status of office |
|--------------------|---------------------|---|------------------|
| Massimo Carlomagno | New Property S.p.A. | Chairman of the board of statutory auditors | Current          |



|                  |   |   |         |
|------------------|---|---|---------|
|                  | Corticella Molini e Pastifici S.p.A.                    | Chairman of the board of statutory auditors | Ceased  |
|                  | Korg Italy S.p.A.                                       | Statutory auditor                           | Current |
|                  | Bakoo S.p.A.  | Statutory auditor                           | Current |
|                  | Avicola Marchigiana società cooperativa in liquidazione | Statutory auditor                           | Ceased  |
|                  | Industrie Alimentari Riunite S.p.A.                     | Chairman of the board of statutory auditors | Ceased  |
|                  | Piana del Sele Latteria Sociale S.r.l. in liquidazione  | Chairman of the board of statutory auditors | Ceased  |
|                  | Piana delle Sele S.p.A.                                 | Chairman of the board of statutory auditors | Ceased  |
|                  | TMT Italia S.p.A.                                       | Chairman of the board of statutory auditors | Ceased  |
|                  | Europea '92 Real Estate S.p.A.                          | Statutory auditor                           | Ceased  |
|                  | Eurofin S.p.A.  | Statutory auditor                           | Ceased  |
|                  | S.C.I. Società Costruttori Internazionali S.p.A.        | Statutory auditor                           | Ceased  |
|                  | Calcisernia S.p.A.                                      | Statutory auditor                           | Ceased  |
|                  | Siefic Calcestruzzi S.r.l.                              | Statutory auditor                           | Ceased  |
|                  | Finanziaria Regionale del Molise S.p.A.                 | Chairman of the board of directors          | Ceased  |
| Ester Sammartino | Lamel legno S.r.l.                                      | Director                                    | Ceased  |
|                  | New Property S.p.A.                                     | Statutory auditor                           | Current |
|                  | Corticella Molini e Pastifici S.p.A.                    | Statutory auditor                           | Ceased  |
|                  | CMV-Testoni S.r.l.                                      | Statutory auditor                           | Ceased  |
|                  | Terme di Sepino S.r.l.                                  | Statutory auditor                           | Ceased  |
|                  | Avicola Marchigiana società cooperativa in liquidazione | Alternate auditor                           | Ceased  |
|                  | IAR S.p.A.  | Alternate auditor                           | Ceased  |
|                  | Esattorie S.r.l. unipersonale in liquidazione           | Statutory auditor                           | Ceased  |
|                  | Siefic Calcestruzzi S.r.l.                              | Alternate auditor                           | Ceased  |
|                  | Piana del Sele Latteria Sociale S.r.l. in liquidazione  | Statutory auditor                           | Ceased  |

|                   |  |  |         |
|-------------------|--|--|---------|
|                   | Esaccone S.p.A.  | Statutory auditor                          | Ceased  |
|                   | New Property S.p.A.  | Statutory auditor                          | Current |
|                   | Finmolise S.p.A.   | Statutory auditor                          | Current |
|                   | IAR S.p.A.   | Alternate auditor                          | Ceased  |
| Antonio Mucci     | BIG Cornici S.r.l.   | Statutory auditor                          | Ceased  |
|                   | SEA S.p.A.   | Alternate auditor                          | Ceased  |
|                   | Piana del Sele Latteria Sociale S.r.l. in liquidazione     | Statutory auditor                          | Ceased  |
|                   | Corticella Molini e Pastifici S.p.A.                       | Alternate auditor                          | Ceased  |
|                   | Gestione Agroalimentare Molisana S.r.l.                    | Statutory auditor                          | Current |
|                   | Corticella Molini e Pastifici S.p.A.                       | Statutory auditor                          | Ceased  |
|                   | Molise verso il 2000 Società Cooperativa r.l.              | Statutory auditor                          | Current |
|                   | Agricola Marche S.r.l.                                     | Chairman of the board of statutory auditor | Current |
|                   | Cooperativa Molise S.c. a r.l.                             | Chairman of the board of statutory auditor | Current |
|                   | Cooperativa Edilizia Nuova Comunità a r.l. in liquidazione | Liquidator                                 | Current |
|                   | S.C.AUT a r.l.   | Liquidator                                 | Current |
| Giovanni Carlozzi | Gerione S.c. a r.l.  | Chairman of the board of statutory auditor | Current |
|                   | Solagrital S.c. in liquidazione                            | Statutory auditor                          | Current |
|                   | Fibre Tech Connessioni Ottiche Evolute s.r.l.              | Alternate auditor                          | Current |
|                   | Contado di Molise S.c. in liquidazione                     | External auditor                           | Current |
|                   | Fabbrica Italia Surgelati S.r.l. in liquidazione           | Statutory auditor                          | Current |
|                   | Grandi Orizzonti S.r.l. in liquidazione                    | Statutory auditor                          | Current |
|                   | Fresh Food Company S.p.A.                                  | Chairman of the board of statutory auditor | Current |
|                   | Salumificio Marsilli S.p.A. in liquidazione                | Chairman of the board of statutory auditor | Current |

|                       |  |   |         |
|-----------------------|--|---|---------|
| Giorgio de Franciscis | Avicola Marchigiana S.c. in liquidazione               | Chairman of the board of statutory auditor  | Ceased  |
|                       | Engineering Service S.r.l.                             | Alternate auditor                           | Ceased  |
|                       | H Study S.r.l. in liquidazione                         | Statutory auditor                           | Ceased  |
|                       | Marinella S.r.l.                                       | Sole auditor ( <i>Revisore Unico</i> )      | Ceased  |
|                       | Piana del Sele Latteria Sociale S.r.l. in liquidazione | Alternate auditor                           | Ceased  |
|                       | Colavita S.p.A.  | Alternate auditor                           | Ceased  |
|                       | Cedim S.r.l.   | Statutory auditor                           | Ceased  |
|                       | New Property S.p.A.                                    | Alternate auditor                           | Ceased  |
|                       | European Broadcasting Company S.r.l.                   | Statutory auditor                           | Current |
|                       | I.C.A.M. – Inerti Calcarei Matese S.p.A.               | Chairman of the board of statutory auditors | Current |
|                       | Radio Tele Molise S.r.l.                               | Alternate auditor                           | Ceased  |
|                       | Corticella Moline e Pastifici S.p.A.                   | Alternate auditor                           | Ceased  |
|                       | New Property S.p.A.                                    | Alternate auditor                           | Current |
|                       | CTM S.r.l.   | Statutory auditor                           | Current |
|                       | Fondazione Neuromed                                    | Chairman of the board of statutory auditors | Current |
|                       | Sportam S.r.l. in liquidazione                         | Statutory auditor                           | Ceased  |
| Giorgio de Franciscis | IAR S.p.A.   | Statutory auditor                           | Ceased  |
|                       | Galasso Costruzioni S.r.l.                             | Chairman of the board of statutory auditors | Ceased  |
|                       | Molise dati – società informatica molisana S.p.A.      | Statutory auditor                           | Ceased  |
|                       | INTUR S.r.l. in liquidazione                           | Chairman of the board of statutory auditors | Ceased  |
|                       | ECOMONT S.r.l.   | Statutory auditor                           | Ceased  |
|                       | Molise Sviluppo S.C. per azioni                        | Sole auditor ( <i>Revisore unico</i> )      | Ceased  |
| Giorgio de Franciscis | Piana del Sele Latteria Sociale S.r.l. in liquidazione | Alternate auditor                           | Ceased  |
|                       | Galasso Costruzioni S.p.A.                             | Chairman of the board of statutory auditors | Ceased  |

## ***Managers with strategic responsibilities***

Our managers with strategic responsibilities are Mr. Angelo Mastrolia (Chairman of the Board of Directors and CEO), Mr. Giuseppe Mastrolia (Chief Commercial Officer and CEO), Mr. Stefano Cometto (Chief Operating Officer and CEO) and Mr. Rocco Sergi (CFO).

| <b>Name</b>   | <b>Position</b>         | <b>Place and date of birth</b> |
|---------------|-------------------------|--------------------------------|
| Rocco Sergi   | Chief Financial Officer | Cinquefrondi (RC), 21 May 1981 |
| Stefano Ferro | Chief Audit Officer     | Erice, 25 February 1980        |

Any managers with strategic responsibilities is not a related party to any member of the Board of Directors or any members of the Board of Statutory Auditors, or to the other principal executive officers of the Company.

To the best of the Issuer's knowledge, any manager with strategic responsibilities has not (during the last five years) been sentenced in connection with the offenses of fraud or fraudulent bankruptcy, or been associated with bankruptcy, receivership or involuntary liquidation proceedings (while performing their respective positions and functions). Further, he has not (in the last five years) been subject to official charges and/or penalties by government or regulatory authorities (including designated professional associations) in the performance of positions and functions, or has been barred from administrative, management or audit and control positions with the Company or from management or operational positions with other companies.

Set forth below are brief biographies of Newlat's principal executive officers as of the date of this Prospectus.

### ***Rocco Sergi***

Mr. Sergi obtained a degree in Economics from the University of Parma in 2005 and a Masters in management from SDA Bocconi in 2006. He worked for Ernst & Young as *senior consulting* in 2006 and from 2006 to 2013, for PricewaterhouseCoopers S.p.A. as External Auditor. Mr. Sergi joined Newlat in 2013 and is currently the Chief Financial Officer of Newlat.

### ***Stefano Ferro***

Mr. Ferro obtained a degree in Economics from the University of Parma in 2003 and a degree of "Executive Master in Project Management" from STOGA in 2007. He worked for PricewaterhouseCoopers S.p.A. from 2005 to 2020. Mr. Ferro joined Newlat in 2020 as Chief Audit Officer.

## **Conflicts of interest of the members of the board of directors, the board of statutory auditors or the Managers with Strategic Responsibilities**

To the best of the Issuer's knowledge, no member of the Board of Directors or of the Board of Statutory Auditors in office as of the date of this Prospectus, nor any of the key executives, holds private interests in conflict with obligations arising from his or her position or status with the Company, with the exception of Mr. Angelo Mastrolia, who and the date of this Prospectus (i) is Newlat's ultimate controlling shareholder, (ii) is the Chairman of Newlat's Board of Directors and CEO. In addition, Mr Angelo Mastrolia owns New Property, a real estate company that owns come of the Group's production plants leased to the Group.

Mr. Angelo Mastrolia is also the father of the CEO, Mr. Giuseppe Mastrolia, and of the director Ms. Benedetta Mastrolia.

In addition, (i) Mr. Angelo Mastrolia is Chairman and CEO of Newlat and Centrale del Latte d'Italia, (ii) Mr. Giuseppe Mastrolia is CEO of Newlat and Vice-President of Centrale del Latte d'Italia, and (iii) Mr. Stefano Cometto and Ms. Benedetta Mastrolia are directors of Newlat and also of Centrale del Latte d'Italia.

## **Organisational Model and Supervisory Body**

As of the date of this Prospectus, the Company has a risk and control system in place, which includes a model adopted pursuant to and in compliance with Legislative Decree 231/2001 (the "**231 Model**"), as well as an ethics code. Under the 231 Model the Company have created a supervisory body (the "**Supervisory Body**").

The 231 Model consists of: (a) an introductory section, which includes, *inter alia*, the composition and the functioning of the Supervisory Body, together with a set of sanctions in case of violations of the 231 Model; and (b) the special sections containing the general conduct principles and the control procedures protocol for each of the possible alleged crimes considered to be relevant for the Company.

As of the date of this Prospectus, the Supervisory Body corresponds to the Board of Statutory Auditors, which was appointed as such by the Board of Directors on 3 July 2018, as allowed by the relevant Italian legislation. The Supervisory Body complies with the requirements of autonomy, independence, professionalism and continuity of action required by the applicable law.

### **Independent Auditors**

The independent auditor of the Issuer is PricewaterhouseCoopers S.p.A., whose registered office is at Piazza Tre Torri, 2, 20145, Milan, is authorised and regulated by the Italian Ministry of Economy and Finance ("**MEF**") and registered in the special register of auditing firms held by the MEF. PricewaterhouseCoopers S.p.A. is a member of ASSIREVI, the Italian association of auditing firms.

The Shareholders' Meeting of 8 July 2019 resolved to appoint PricewaterhouseCoopers S.p.A. for a nine-year period as independent auditors pursuant to Article 17 of the Legislative Decree 39/2010, making its effectiveness, with effect from the commencement of trading of the Company's shares on the MTA (*i.e.* 29 October 2019). This audit involves the statutory audit of the financial statements and the consolidated financial statements (including the verification of the regular keeping of accounts and the correct recording of management events in accounting records) for the nine-year period 2019-2027, as well as the limited revision of the half-yearly financial report of the Company for the semesters which will close on 30 June 2020-2027.

### **Major Shareholders**

As of the date of the Prospectus, the Issuer is a small medium enterprise ("**SME**") pursuant to Article 1, paragraph 1, letter *w-quater.1*) of the Consolidated Financial Act. As an SME, the minimum shareholding reporting threshold is 5% of the share capital (with voting rights).

The following table sets out the entities holding a significant shareholding in the Issuer as of the date of the Prospectus pursuant to such reporting threshold.

| <b>Shareholder</b> | <b>% share capital</b> | <b>% voting rights</b> |
|--------------------|------------------------|------------------------|
| Newlat Group S.A.  | 61.65                  | 75.46                  |
| Free float         | 38.35                  | 24.54                  |

As of the date of this Prospectus, Newlat is controlled by Mr. Angelo Mastrolia through Newlat Group S.A., which controls the Issuer pursuant to Article 2359 of the Italian Civil Code and Article 93 of the Consolidated Financial Act and exercises direction and coordination activities over Newlat in accordance with Article 2497 *et seq.* of the Italian Civil Code.

In view of Newlat Group S.A.'s right of direction and coordination pursuant to Article 2497 *et seq.* of the Italian Civil Code, Newlat, in accordance with the provisions of Article 16 of CONSOB regulations adopted with Resolution No. 20249 of 28 December 2017:

- a) has filed, as required by law, the communication provided for in Article 2497-*bis* of the Italian Civil Code with the Companies' Register of Reggio Emilia;
- b) is equipped with the independent power to negotiate with customers and suppliers;
- c) has with Newlat Group a cash pooling agreement which is consistent with the Company's corporate interest (as attested by the Company's board of directors and board of statutory auditors on 22 July 2019); and

- d) has established an internal control risk committee consisting entirely of independent directors under the Consolidated Financial Act and the Corporate Governance Code.

The Issuer believes to be able to operate under operating and negotiating autonomy in accordance with its status of listed company and following the best practices used by listed issuers, in accordance with the rules for the proper functioning of the market.

#### Loyalty shares

Loyalty shares are ordinary shares that, if certain conditions are met, enable the holders thereof to exercise two voting rights per each share held (the "**Enhanced Voting Rights**"). Pursuant to Article 127-*quinquies* of the Consolidated Financial Act, the Articles of Association of listed companies may provide that shareholders holding shares on an ongoing basis for a period of not less than 24 months are entitled to cast up to two votes for each voting share held. Loyalty shares do not represent a special class of shares under Italian law.

The increased voting rights will cease in case of transfer of the relevant loyalty shares, including if the transfer is not for a consideration, or if a controlling interest in a company or entity which holds, in turn, loyalty shares in excess of 2% is transferred, either directly or indirectly.

Article 6 of the Articles of Association provides for Enhanced Voting Rights. This provision remains in force so long as Newlat ordinary shares are listed.

Pursuant to the Articles of Association, in order for a shareholder to exercise Enhanced Voting Rights, the following conditions must be met:

- a) the holder has held the right to vote the shares by virtue of a certain triggering right (full ownership — *piena proprietà* — coupled with voting rights, bare ownership (*nuda proprietà*) coupled with voting rights, or usufruct coupled with voting rights) (the "**Triggering Right**") for a continuous period of at least 36 months following the Listing Date (such shares, the "**Loyalty Shares**"); and
- b) the ownership requirement under (i) is certified by registration on a register established by no later than the Listing Date and maintained by Newlat specifically for this purpose (the "**Loyalty Share Register**"), as well as by a notice by an intermediary certifying ownership, for a continuous period of 36 months.

For the purpose of "continuous period" provided for in (i) above, possession before the date of registration on the Loyalty Share Register. Therefore, the Triggering Right is also satisfied someone who is holding shares in the Company from a continuous period of at least 36 months and has applied to register for the Special List.

The Board of Directors verifies if such requirements are satisfied and confirms the accrual of the Enhanced Voting Rights. The Loyalty Share Register is updated by Newlat quarterly (31 March, 30 June, 30 September and 31 December of each year) or on the different dates set out by the applicable regulations, in any event on or prior the record date of the next shareholders' meeting. The Enhanced Voting Rights will accrue only after registration in the Loyalty Share Register on the said dates.

The holder of Loyalty Shares may also irrevocably waive Enhanced Voting Rights, at any time, with respect to some or all of the Loyalty Shares by means of written notice sent to Newlat. Enhanced Voting Rights may once again be acquired with respect to those shares by means of a new registration on the Loyalty Share Register following a period of continuous ownership of the Triggering Right and registration on the Loyalty Share Register for a 36-month period.

Enhanced Voting Rights are forfeited and the holder will be removed from the Loyalty Share Register in the event that: (i) the Loyalty Shares are transferred, with or without consideration (which results in the loss of the Triggering Right) (for this purpose, "transfer" also means the attachment of a security interest, usufruct or any other liens on the shares (resulting in the loss of the voting right), as well as the loss of the voting right absent any transfer); or (ii) the controlling stock of a company or entity that holds an amount of shares greater than 5% is transferred, directly or indirectly.

The foregoing removal and forfeiture provisions do not apply in the event that: (i) the Loyalty Shares are transferred through succession to the beneficiary of the deceased's estate in accordance with applicable laws of descent and distribution; (ii) there is merger or spin-off of the holder of the Loyalty Shares in favor of the company resulting from the merger or benefiting from the merger, provided that such company is a direct or indirect subsidiary of the same person which directly or indirectly holds the Loyalty Shares; and (iii) the Loyalty Shares are transferred from a portfolio to another portfolio of the OICR as defined in Article 1, letter (k) of the Consolidated Financial Act.

Enhanced Voting Rights may be extended to: (i) new Shares issued for free under Article 2442 of the Italian Civil Code or subscribed for as a result of the exercise of the pre-emption rights under Article 2441 of the Italian Civil Code; (ii) new Shares issued in connection with capital increases where the pre-emption rights are excluded or limited under Article 2441 of the Italian Civil Code; and (iii) to shares issued as a result of a merger or spin-off, if so provided by the relevant draft terms. The newly issued Shares under (i) and (iii) above will accrue the Enhanced Voting Rights immediately, if the underlying Shares granting the holder the right to receive new Shares were already Loyalty Shares or, if not, simultaneously with the accrual of the Enhanced Voting Rights by such underlying Shares.

As of the date of this Prospectus, then number of ordinary shares for which the voting increase has been granted are the No. 24,730,000.00 ordinary shares owned by Newlat Group S.A., equal to 49,460,000.00 voting rights.

## Employees

The following table shows the number of employees employed by the Group in the nine-months ended 30 September 2020 and in the year ended 31 December 2019, broken down by main categories.

| <b>Classification</b>       | <b>30.09.2020</b> | <b>31.12.2019</b> |
|-----------------------------|-------------------|-------------------|
| <b>Managers</b> .....       | 31                | 15                |
| <b>Clerical</b> .....       | 438               | 244               |
| <b>Manual workers</b> ..... | 1,022             | 837               |
| <b>Total</b> .....          | <b>1,491</b>      | <b>1096</b>       |

## Material Contracts

Other than the financing agreements and the first demand guarantee described under "Material Financings of the Company" below, no material contracts are currently in place.

## Material Financings of the Company

The Issuer is party to the following financing agreements:

- a 5-year loan agreement entered into on 10 April 2020 signed with BPER Banca S.p.A. for €10,000,000.00, to be reimbursed by Newlat in quarterly instalments;
- a 5-year financing agreement entered into on 28 November 2019 with Deutsche Bank S.p.A. for €15,000,000.00 to support current needs of the Company; and
- a loan agreement entered into on 19 February 2020 with Banco BPM S.p.A. for €15,000,000.00, to be reimbursed by Newlat in 19 quarterly instalments with final expiry date on 31 December 2024.

In addition, on 7 July 2020 Newlat Food granted MPS Capital Services Banca per le Imprese S.p.A. and Deutsche Bank S.p.A. with a first demand guarantee in the interest of Centrale del Latte d'Italia in order to secure the full performance by the latter of its obligations under the financing agreement entered into on the same date, for a maximum amount equal to €31,500,000.00, plus interests, charges and other ancillary expenses. According to the financing agreement, Centrale del Latte d'Italia shall reimburse the capital amount within 30 June 2026.

## ***Legal Proceedings***

In the ordinary course of its business, the Group is a party to various legal proceedings. The Group believes such litigation is routine in nature and incidental to the conduct of its business.

The Company estimated the possible liabilities that might arise from the pending legal proceedings on the basis of prudential criteria. The "provisions for legal risks" for the legal proceedings of the Group was equal to €225,000.00 as of 31 December 2019 (excluding Centrale del Latte d'Italia, which was not part of the Group at 31 December 2019) and €290,000.00 at 30 September 2020.

As of the date of this Prospectus, no legal proceedings other than those referred to below may have, or have had during the 12 months prior to the date of this Prospectus, a significant effect on the Issuer and/or Group's financial position or profitability.

### **Litigations related to supply relations**

On 5 February 2020, by a writ of summons, the Bankruptcy of CEDI SISA CENTRO NORD IN LIQUIDAZIONE S.p.A. sued Centrale del Latte di Vicenza S.p.A. (merged in Centrale del Latte d'Italia effective as of 20 July 2020) before the Court of Vicenza claiming the Court to remove and, therefore, to declare the ineffectiveness, pursuant to Article 67, second paragraph, of the Royal Decree dated 16 March 1942 no. 267 (Bankruptcy Law), of the payments made in the period between 5 February 2015 and 1 June 2015 by CEDI SISA CENTRO NORD IN LIQUIDAZIONE S.p.A. to Centrale del Latte di Vicenza S.p.A. for a total amount equal to Euro 647,668.46 (for the payment of invoices for supplies carried out by Centrale del Latte di Vicenza S.p.A.) and, consequently, to order Centrale del Latte di Vicenza S.p.A. to pay in favour of the Curatorship the amount of Euro 647,668.46 or the greater or the lower amount that the Court of Vicenza will decide in the course of the proceedings, plus interests at the legal rate and the inflation adjustment. In addition, on 17 January 2018, Centrale del Latte di Vicenza S.p.A. filed with the Court of Vicenza proof of debt petition of the Bankruptcy of CEDI SISA CENTRO NORD IN LIQUIDAZIONE S.p.A., for a total amount of around Euro 450,000 as capital, plus default interests (for invoices issued by Centrale del Latte di Vicenza S.p.A. and not paid).

### **Labour litigations**

Centrale del Latte d'Italia is currently party to the following three legal proceedings against Fondazione ENASARCO.

#### **First legal proceedings**

Fondazione ENASARCO brought an action against Centrale del Latte d'Italia before the Supreme Court in order to obtain the annulment of the judgement issued by the Court of Appeal of Rome No. 8634/2014, dated 18 November 2014, that sentenced Fondazione ENASARCO to reimburse to Centrale del Latte d'Italia an amount equal to Euro 811,000.00 as undue social security contributions. The legal proceedings before the Supreme Court is currently pending.

#### **Second legal proceedings**

Fondazione ENASARCO appealed the sentence No. 5185/2015, dated 20 July 2015, issued by the Court of Rome, by which the Court removed the injunctive decree No. 9800/2012 granted to Fondazione ENASARCO against Centrale del Latte d'Italia for an amount of Euro 658,000.00.

The Court of Appeal of Rome (labour division) with the sentence dated 23 June 2020 rejected the appeal filed by Fondazione ENASARCO and sentenced Fondazione ENASARCO to pay to Centrale del Latte d'Italia the costs of the appeal proceedings.

#### **Third legal proceedings**

Following rejection by the Regional Committee for Labour Relations (*Comitato Regionale per i Rapporti di Lavoro*) of the appeal against the assessment report (*verbale di accertamento*) dated 11 November 2014 of Fondazione ENASARCO, on 11 January 2017 Fondazione ENASARCO



served a new notice demanding Centrale del Latte d'Italia to pay the amount indicated in the assessment report (*verbale di accertamento*) for a total amount equal to Euro 423,829.69.

On 30 May 2017, Centrale del Latte d'Italia was notified with an enforceable order (*titolo esecutivo e atto di precetto*) issued by Fondazione ENASARCO to pay the amount of Euro 432,764.64 in relation to the assessment report (*verbale di accertamento*) dated 11 November 2014 in relation to the period between 2011 and 2013.

Centrale del Latte d'Italia filed with the Court of Rome the request for the suspension of the temporary enforceability of the injunctive decree. On 6 July 2017, the Court of Rome suspended the temporary enforceability of the injunctive decree. On 21 March 2019, the Court of Rome, first labour division, sentenced, in favour of Centrale del Latte d'Italia the removal of the injunctive decree requested by Fondazione ENASARCO in relation to the tax proceedings of the period between 2011 and 2013.

## TAXATION

*The statements herein regarding taxation are based on the laws, and the interpretation thereof, in force in Italy as at the date of this Prospectus and are subject to any changes in law occurring after such date, which changes could be made on a retroactive basis. The following overview does not purport to be a comprehensive description of all the tax considerations which may be relevant to a decision to subscribe for, purchase, own or dispose of the Notes and does not purport to deal with the tax consequences applicable to all categories of investors, some of which may be subject to special rules. The following overview is not intended to be, nor should it construed to be, legal or tax advice and does not consider any specific facts or circumstances that may apply to a particular purchaser.*

*Prospective purchasers of the Notes are advised to consult their own tax advisers concerning the overall tax consequences of their ownership of the Notes.*

*Furthermore, the tax legislation of the investor's Member State and of the Issuer's country of incorporation may have an impact on the income received from the Notes.*

### REPUBLIC OF ITALY

#### Tax treatment of interest

Legislative Decree No. 239 of April 1, 1996 as subsequently amended ("**Decree No. 239**") sets forth the applicable regime regarding the tax treatment of interest, premium and other income (including the difference between the redemption amount and the issue price, hereinafter collectively referred to as "**Interest**") deriving from Notes falling within the category of bonds (*obbligazioni*) and similar securities (pursuant to Article 44 of Presidential Decree No. 917 of December 22, 1986, as amended and supplemented ("**Decree No. 917**")), issued, *inter alia*, by companies resident in Italy for tax purposes whose shares are listed on a regulated market or on a multilateral trading platform of EU Member States or States party to the EEA Agreement allowing a satisfactory exchange of information with the Italian tax authorities as included in the decree of the Ministry of Economy and Finance of September 4, 1996, as subsequently amended and supplemented or superseded pursuant to Article 11(4)(c) of Decree No. 239 (the "**White List**").

For these purposes, securities similar to bonds (*titoli simili alle obbligazioni*) are securities that incorporate an unconditional obligation for the Issuer to actually pay, at maturity (or at any earlier redemption), an amount not lower than their nominal/face value/principal and that do not provide any right of direct or indirect participation in, or control on, the management of the Issuer or of the business in connection with which they are issued.

#### *Italian-resident Noteholders*

##### *Noteholders not engaged in an entrepreneurial activity*

If an Italian-resident beneficial owner of the Notes (a "**Noteholder**") is:

- (a) an individual not engaged in an entrepreneurial activity to which the Notes are connected;
- (b) a non-commercial partnership (*società semplice*) or a professional association;
- (c) a non-commercial private or public institution (other than Italian undertakings for collective investment); or
- (d) an investor exempt from Italian corporate income taxation,

then interest derived from the Notes, and accrued during the relevant holding period, is subject to a tax withheld at source (*imposta sostitutiva*), levied at a rate of 26 per cent., unless the relevant Noteholder holds the Notes in a discretionary investment portfolio managed by an authorised intermediary and has validly opted for the application of the *risparmio gestito* regime under Article of Legislative Decree No. 461 of November 21, 1997 ("**Decree No. 461**") (see also "*Tax treatment of capital gains — Discretionary investment portfolio regime (Risparmio gestito regime)*" below).

Subject to certain conditions (including a minimum holding period requirement) and limitations, interest, premium and other income relating to the Notes (being financial instruments issued by an Italian resident corporation) may be exempt from any income taxation (including the 26 per cent. *imposta sostitutiva*) if the Noteholder is an Italian resident individual not engaged in entrepreneurial activity and the Notes are included in a long-term savings account (*piano individuale di risparmio a lungo termine*) that meets the requirements set forth in Article 1(100-114) of Law No. 232 of December 11, 2016, Article 1, paragraphs 211 – 215, of Law No. 145 of 30 December 2018, as implemented by the Ministerial Decree 30 April 2019 and Article 13-bis of Law Decree No. 124 of 26 October 2019, converted into Law with amendments by Law No. 157 of 19 December 2019, as lastly amended and supplemented by Article 136 of Law Decree No. 34 of 19 May 2020, converted into Law with amendments by Law No. 77 of 17 July 2020 and by Article 68 of Law Decree No. 104 of 14 August 2020, converted into Law with amendments by Law No. 126 of 13 October 2020.

#### *Noteholders engaged in an entrepreneurial activity*

In the event that the Italian-resident Noteholders mentioned under letters a) and c) above are engaged in an entrepreneurial activity to which the Notes are connected, the *imposta sostitutiva* applies as a provisional tax. Interest will be included in the relevant beneficial owner's Italian income tax return and will be subject to Italian ordinary income taxation and the *imposta sostitutiva* may be recovered as a deduction from Italian income tax due.

If a Noteholder is an Italian-resident company or similar commercial entity, or a permanent establishment in Italy of a non-resident company to which the Notes are effectively connected, and the Notes are deposited with an authorised intermediary, interest from the Notes will not be subject to the *imposta sostitutiva*. Interest must, however, be included in the relevant Noteholder's income tax return and is therefore subject to general Italian corporate income taxation and, in certain circumstances, depending on the status of the Noteholder, also to the Italian regional tax on productive activities ("IRAP").

#### *Real estate investment funds and real estate SICAFs*

Payments of interest deriving from the Notes made to Italian resident real estate collective investment funds and real estate closed-ended investment companies (*società di investimento a capitale fisso*, or "**SICAFs**"), provided that the Notes, together with the coupons relating thereto, are timely deposited directly or indirectly with an Italian authorised financial intermediary (or permanent establishment in Italy of a non-resident intermediary) are subject neither to *imposta sostitutiva* nor to any other income tax at the level of the real estate investment fund or the real estate SICAF. However, a withholding or substitute tax of 26 per cent. will apply, in certain circumstances, to income realised by unitholders or shareholders in the event of distributions, redemption or sale of the units or shares. Moreover, subject to certain conditions, income realised by Italian real estate investment funds or real estate SICAFs is attributed pro rata to the Italian resident unitholders irrespective of any actual distribution on a tax transparency basis.

#### *Funds, SICAVs and non-real estate SICAFs*

If an Italian resident Noteholder is a non-real estate open-ended or a closed-ended collective investment fund ("**Fund**"), an open-ended investment company (*società di investimento a capitale variabile*, or "**SICAV**") or a non-real estate SICAF established in Italy and either (i) the Fund, SICAV or the non-real estate SICAF or (ii) their manager is subject to the supervision of a regulatory authority and the Notes are deposited with an authorised intermediary, interest accrued during the holding period on the Notes will not be subject to *imposta sostitutiva*, but must be included in the management results of the Fund, the SICAV or the non-real estate SICAF. The Fund, the SICAV or the non-real estate SICAF are subject neither to *imposta sostitutiva* nor to any other income tax at their level, but a withholding tax of 26 per cent. will be levied, in certain circumstances, by the Fund, the SICAV or the non-real estate SICAF on proceeds distributed in favour of their unitholders or shareholders.

#### *Pension funds*

If an Italian-resident Noteholder is a pension fund (subject to the regime provided for by Article 17 of Italian Legislative Decree No. 252 of December 5, 2005) and the Notes are deposited with an

authorised intermediary, Interest relating to the Notes and accrued during the holding period will not be subject to *imposta sostitutiva*, but must be included in the results of the relevant portfolio accrued at the end of the tax period (which will be subject to a 20 per cent. substitute tax). Subject to certain limitations and requirements (including a minimum holding period) Interest in respects to the Notes may be excluded from the taxable base of the 20 per cent. substitute tax pursuant to Article 1, paragraph 92, of Law No. 232 of 11 December 2016, if the Notes are included in a long-term savings account (*piano individuale di risparmio a lungo termine*) pursuant to Article 1(100-114) of Law No. 232 of December 11, 2016, Article 1, paragraphs 211 – 215, of Law No. 145 of 30 December 2018, as implemented by the Ministerial Decree 30 April 2019 and Article 13-bis of Law Decree No. 124 of 26 October 2019, converted into Law with amendments by Law No. 157 of 19 December 2019, as lastly amended and supplemented by Article 136 of Law Decree No. 34 of 19 May 2020, converted into Law with amendments by Law No. 77 of 17 July 2020 and by Article 68 of Law Decree No. 104 of 14 August 2020, converted into Law with amendments by Law No. 126 of 13 October 2020.

#### *Application of the imposta sostitutiva*

Pursuant to Decree No. 239, the *imposta sostitutiva* is applied by banks, brokerage companies (*società di intermediazione mobiliare*, or "**SIM**"), fiduciary companies, *società di gestione del risparmio* ("**SGR**"), stockbrokers and other entities identified by decrees of the Ministry of Economy and Finance (each, an "**Intermediary**").

An Intermediary must:

- (a) be resident in Italy, or be a permanent establishment in Italy of a non-Italian-resident financial intermediary; and
- (b) participate, in any way, in the collection of Interest or in the transfer of the Notes. For the purpose of the application of the *imposta sostitutiva*, a transfer of Notes includes any assignment or other act, either with or without consideration, which results in a change in ownership of the relevant Notes or in a change in the Intermediary with which the Notes are deposited.

If the Notes are not deposited with an Intermediary, the *imposta sostitutiva* is applied and withheld by the relevant Italian financial intermediary (or permanent establishment in Italy of a non-Italian resident financial intermediary) paying the Interest to a Noteholder or, absent that, by the Issuer and gross recipients that are Italian resident corporations or permanent establishments in Italy of non-resident corporations to which the Notes are effectively connected are entitled to deduct *imposta sostitutiva* suffered from income taxes due.

#### *Non-Italian resident Noteholders*

If the Noteholder is a non-resident for tax purposes, an exemption from the *imposta sostitutiva* applies, provided that the non-resident Noteholder is:

- (a) a beneficial owner of the payment of Interest with no permanent establishment in Italy to which the Notes are effectively connected and resident, for tax purposes, in a state or territory included in the White List; or
- (b) an international body or entity set up in accordance with international agreements which have entered into force in Italy; or
- (c) an "institutional investor", whether or not subject to tax, which is established in a state or territory included in the White List, even if it does not possess the status of a taxpayer in its own state of establishment; or
- (d) a central bank or an entity which manages, *inter alia*, the official reserves of a foreign state.

In order to ensure gross payment, non-resident Noteholders beneficial owner of the Interest must promptly deposit the Notes together with the coupons relating to such Notes 'directly or indirectly' with:

- (i) an Italian or non-resident bank or financial institution (there is no requirement for the bank or financial institution to be EU resident) (the "**First Level Bank**"), acting as intermediary in the deposit of the Notes held, directly or indirectly, by the Noteholder with a Second Level Bank (as defined below); or
- (ii) an Italian-resident bank or SIM, or a permanent establishment in Italy of a non-resident bank or SIM, acting as depositary or sub-depositary of the Notes appointed to maintain direct relationships, via telematic link, with the Department of Revenue of the Ministry of Economy and Finance (the "**Second Level Bank**"). Organizations and companies that are not resident in Italy, acting through a system of centralised administration of securities and directly connected with the Department of Revenue of the Italian Ministry of Economy and Finance (which include Euroclear and Clearstream) are treated as Second Level Banks, provided that they appoint an Italian representative (an Italian resident bank or SIM, or permanent establishment in Italy of a non-resident bank or SIM, or a central depositary of financial instruments pursuant to Article 80 of Legislative Decree No. 58 of February 24, 1998) for the purposes of the application of Decree No. 239. If a non-resident Noteholder deposits the Notes directly with a Second Level Bank, the latter shall be treated both as a First Level Bank and a Second Level Bank.

The exemption from the *imposta sostitutiva* for non-resident Noteholders is conditional upon:

- (i) the deposit of the Notes, either directly or indirectly, with an institution which qualifies as a Second Level Bank; and
- (ii) the submission to the First Level Bank or the Second Level Bank (as the case may be) of a statement of the relevant Noteholder (*autocertificazione*), to be provided only once, in which it declares, *inter alia*, that it is the beneficial owner of any interest on the Notes and it is eligible to benefit from the exemption from the *imposta sostitutiva*.

Such statement must comply with the requirements set forth by a Ministerial Decree dated 12 December 2001, is valid until withdrawn or revoked (unless some information provided therein has changed) and does not need to be submitted where a certificate, declaration or other similar document for the same or equivalent purposes was previously submitted to the same depositary. The above statement is not required for non-Italian resident investors that are international bodies or entities set up in accordance with international agreements entered into force in Italy referred to in point (b) above or Central Banks or entities also authorised to manage the official reserves of a State referred to in point (d) above. Additional requirements are provided for "institutional investors" referred to in point (c) above (in this respect see, among others, Circular Letters Nos. 23/E of 1 March 2002 and No. 20/E of 27 March 2003).

The *imposta sostitutiva* will be applicable at a rate of 26 per cent. to interest paid to Noteholders who do not qualify for the foregoing exemption or do not timely and properly satisfy the requested conditions (including the procedures set forth under Decree No. 239 and in the relevant implementation rules).

Noteholders who are subject to the *imposta sostitutiva* might, nevertheless, be eligible for full or partial relief under an applicable tax treaty, subject to timely filing of required documentation provided by Regulation of the Director of Italian Revenue Agency No. 2013/84404 of July 10, 2013.

## **Tax treatment of capital gains**

### *Italian-resident Noteholders*

#### *Noteholders not engaged in an entrepreneurial activity*

Where an Italian-resident Noteholder is an individual not engaged in an entrepreneurial activity to which the Notes are connected, any capital gain realised by such Noteholder from the sale or redemption of the Notes would be subject to a capital gain tax (***imposta sostitutiva***, or "**CGT**") levied at a rate of 26 per cent. Noteholders may set off any capital losses with their capital gains.

In respect of the application of the *imposta sostitutiva*, taxpayers may opt - under certain conditions - for any of the three regimes described below.

**Tax return regime.** Under the tax return regime (*regime della dichiarazione*), which is the default regime for Italian-resident individuals not engaged in an entrepreneurial activity to which the Notes are connected, the CGT on capital gains will be chargeable, on a cumulative basis, on all capital gains (net of any incurred capital loss) realised by the Italian-resident individual holding the Notes during any given tax year. Italian-resident individuals holding the Notes not in connection with an entrepreneurial activity must indicate the overall capital gains realised in any tax year, net of any relevant incurred capital loss, in their annual tax return, and pay the CGT on such gains, together with any balance of income tax due for such year. Within the same time limit, capital losses in excess of capital gains may be carried forward against capital gains realised in any of the four succeeding tax years.

**Non-discretionary investment portfolio regime (*Risparmio amministrato regime*).** As an alternative to the tax return regime, Italian-resident individual Noteholders holding the Notes not in connection with an entrepreneurial activity may elect to pay the CGT separately on capital gains realised on each sale or redemption of the Notes (*regime del risparmio amministrato*). Such separate taxation of capital gains is allowed subject to:

- (i) the Notes being deposited with an Italian bank, SIM or certain authorised financial intermediaries; and
- (ii) an express election for the *risparmio amministrato* regime being made in writing in a timely fashion by the relevant Noteholder.

The depository must account for the CGT in respect of capital gains realised on each sale or redemption of the Notes (as well as in respect of capital gains realised upon the revocation of its mandate), net of any incurred capital loss. The depository must also pay the CGT to the Italian tax authorities on behalf of the Noteholder, deducting a corresponding amount from the proceeds to be credited to the Noteholder or using funds provided by the Noteholder for this purpose. Under the *risparmio amministrato* regime, any possible capital loss resulting from a sale or redemption or certain other transfer of the Notes may be deducted from capital gains subsequently realised, within the same securities management, in the same tax year or in the following tax years, up until the fourth tax year. Under the *risparmio amministrato* regime, the Noteholder is not required to declare the capital gains/losses realised within said regime in the annual tax return.

**Discretionary investment portfolio regime (*Risparmio gestito regime*).** In the *risparmio gestito* regime, any capital gains realised by Italian-resident individuals holding the Notes not in connection with an entrepreneurial activity and who have entrusted the management of their financial assets (including the Notes) to an authorised intermediary, will be included in the computation of the annual increase in value of the managed assets accrued, even if not realised, at tax year-end, subject to a 26 per cent. substitute tax, to be paid by the managing authorised intermediary. Any decrease in value of the managed assets accrued at the tax year-end may be carried forward against any increase in value of the managed assets accrued in any of the four succeeding tax years. The Noteholder is not required to declare the capital gains or losses realised within said regime in its annual tax return. The Noteholder is not required to declare the capital gains realised in the annual tax return.

Subject to certain conditions (including minimum holding period requirement) and limitations, capital gains on the Notes may be exempt from any income taxation (including from the 26 per cent. CGT) if the Noteholder is an Italian resident individual not engaged in entrepreneurial activity and the Notes are included in a long-term savings account (*piano individuale di risparmio a lungo termine*) that meets all the requirements set forth in Article 1(100-114) of Law No. 232 of December 11, 2016, Article 1, paragraphs 211 – 215, of Law No. 145 of 30 December 2018, as implemented by the Ministerial Decree 30 April 2019 and Article 13-bis of Law Decree No. 124 of 26 October 2019, converted into Law with amendments by Law No. 157 of 19 December 2019, as lastly amended and supplemented by Article 136 of Law Decree No. 34 of 19 May 2020, converted into Law with amendments by Law No. 77 of 17 July 2020 and by Article 68 of Law Decree No. 104 of 14 August 2020, converted into Law with amendments by Law No. 126 of 13 October 2020.

### *Noteholders engaged in an entrepreneurial activity*

Any gain obtained from the sale or redemption of the Notes will be treated as part of taxable business income (and, in certain circumstances, depending on the "status" of the Noteholder, also as part of net value of the production for IRAP purposes), if realised by an Italian company, a similar commercial entity (including the Italian permanent establishment of non-resident entities to which the Notes are connected) or Italian-resident individuals engaged in an entrepreneurial activity to which the Notes are connected.

### *Real estate investment funds and real estate SICAFs*

Any capital gains realised by a Noteholder which qualifies as an Italian real estate investment fund or an Italian real estate SICAF will be subject neither to CGT nor to any other income tax at the level of the real estate investment fund or the real estate SICAF (see "*Tax treatment of interest – Real estate investment funds and real estate SICAFs*" above). However, a withholding or substitute tax of 26 per cent. will apply, in certain circumstances, to income realised by unitholders or shareholders in the event of distributions, redemption or sale of the units or shares. Moreover, subject to certain conditions, income realised by Italian real estate investment funds or real estate SICAFs is attributed pro rata to the Italian resident unitholders irrespective of any actual distribution on a tax transparency basis.

### *Funds, SICAVs and non-real estate SICAFs*

Any capital gains realised by a Noteholder which is a Fund, a SICAV or a non-real estate SICAF will not be subject to CGT but will be included in the result of the relevant portfolio accrued at the end of the relevant fiscal year. Such result will not be taxed at the level of the Fund, the SICAV or the non-real estate SICAF, but income realised by the unitholders or shareholders in case of distributions, redemption or sale of the units/shares may be subject to a withholding tax of 26 per cent.

### *Pension funds*

Any capital gains realised by a Noteholder which qualifies as an Italian pension fund (subject to the regime provided for by Article 17 of Legislative Decree No. 252 of December 5, 2005) will be included in the result of the relevant portfolio accrued at the end of the relevant tax period, and subject to 20 per cent. substitute tax. Subject to certain limitations and requirements (including a minimum holding period), capital gains realised in respect of the Notes may be excluded from the taxable base of the substitute tax pursuant to Article 1, paragraph 92, of Law No. 232 of 11 December 2016, if the Notes are included in a long-term savings account (*piano individuale di risparmio a lungo termine*) pursuant to Article 1(100-114) of Law No. 232 of December 11, 2016, Article 1, paragraphs 211 – 215, of Law No. 145 of 30 December 2018, as implemented by the Ministerial Decree 30 April 2019 and Article 13-bis of Law Decree No. 124 of 26 October 2019, converted into Law with amendments by Law No. 157 of 19 December 2019, as lastly amended and supplemented by Article 136 of Law Decree No. 34 of 19 May 2020, converted into Law with amendments by Law No. 77 of 17 July 2020 and by Article 68 of Law Decree No. 104 of 14 August 2020, converted into Law with amendments by Law No. 126 of 13 October 2020.

### *Non-Italian resident Noteholders*

A 26 per cent. CGT may be payable on capital gains realised on the sale or redemption of the Notes by non-Italian resident persons without a permanent establishment in Italy to which the Notes are effectively connected, if the Notes are held in Italy. However, under Article 23(1)(f)(2) of Decree No. 917, capital gains realised by non-resident Noteholders from the sale or redemption of notes issued by an Italian-resident issuer and traded on regulated markets in Italy or abroad are not subject to CGT, subject to the filing of required documentation in a timely fashion (in particular, a self-declaration that the Noteholder is not resident in Italy for tax purposes) with Italian qualified intermediaries (or permanent establishments in Italy of foreign intermediaries) with which the Notes are deposited, even if the Notes are held in Italy and regardless of the provisions set forth by any applicable double tax treaty.

Capital gains realised by non-resident Noteholders from the sale or redemption of Notes issued by an Italian-resident issuer, even if the Notes are not traded on regulated markets, are not subject to CGT, provided that the beneficial owner is:

- (a) a beneficial owner of the capital gains with no permanent establishment in Italy to which the Notes are effectively connected and resident, for tax purposes, of a state or territory included in the White List; or
- (b) an international body or entity set up in accordance with international agreements which have entered into force in Italy; or
- (c) an "institutional investor", whether or not subject to tax, which is established in a state or territory included in the White List, even if it does not possess the status of a taxpayer in its own state of establishment; or
- (d) a central bank or an entity which manages, *inter alia*, the official reserves of a foreign state.

In order to ensure gross payment, non-Italian resident Noteholders must satisfy the same conditions set forth above to benefit from the exemption from the *imposta sostitutiva* in accordance with Decree 239 (see "*Tax treatment of interest*" above).

If none of the above conditions is met, capital gains realised by non-Italian resident Noteholders from the sale or the redemption of Notes issued by an Italian resident issuer and not traded on regulated markets may be subject to CGT at the current rate of 26 per cent. However, Noteholders might benefit from an applicable tax treaty with Italy, providing that capital gains realised upon the sale or redemption of the Notes are to be taxed only in the State where the recipient is tax resident, subject to certain conditions to be satisfied.

Under these circumstances, if non-resident persons without a permanent establishment in Italy to which the Notes are effectively connected hold Notes with an Italian authorised financial intermediary and are subject to the *risparmio amministrato* regime or elect for the *risparmio gestito* regime, exemption from Italian taxation on capital gains will apply upon condition that the non-resident Noteholders file in time with the authorised financial intermediary appropriate documents which include, *inter alia*, a certificate of residence from the competent tax authorities of their country of residence.

The *risparmio amministrato* regime is the ordinary regime automatically applicable to non-Italian resident persons and entities holding Notes deposited with an Intermediary, but non-Italian resident Noteholders retain the right to waive this regime.

#### *Certain reporting obligations for Italian-resident Noteholders*

Under Law Decree No. 167 of June 28, 1990, as subsequently amended and supplemented, individuals, non-business entities and non-business partnerships that are resident in Italy and, during the tax year, hold investments abroad or have financial assets abroad (including possibly the Notes) must, in certain circumstances, disclose these investments or financial assets to the Italian tax authorities in their income tax return (or, in case the income tax return is not due, in a proper form that must be filed within the same time as prescribed for the income tax return). The requirement applies also where the persons above, being not the direct holders of the financial assets, are the actual economic owners thereof for the purposes of anti-money laundering legislation.

No disclosure requirements exist for investments and financial assets (including the Notes) under management or administration entrusted to Italian resident intermediaries (Italian banks, SIMs, fiduciary companies or other professional intermediaries, indicated in Article 1 of Decree No. 167 of June 28, 1990) and for contracts concluded through their intervention, provided that the cash flows and the income derived from such activities and contracts have been subjected to Italian withholding or substitute tax by the such intermediaries.

#### *Italian inheritance tax and gift tax*



The transfer of Notes by reason of gift, donation or succession proceedings is subject to Italian gift and inheritance tax as follows:

- (a) 4 per cent. for transfers in favour of the spouse or direct relatives exceeding, for each beneficiary, a threshold of Euro 1 million;
- (b) 6 per cent. for transfers in favour of siblings exceeding, for each beneficiary, a threshold of Euro 100,000;
- (c) 6 per cent. for transfers in favour of relatives up to the fourth degree and to all relatives in law in direct line and to other relatives in law up to the third degree, on the entire value of the inheritance or the gift; and
- (d) 8 per cent. for transfers in favour of any other person or entity, on the entire value of the inheritance or the gift.

If the heir/heirress or the donee is a person with a severe disability pursuant to Law No. 104 of February 5, 1992, inheritance tax or gift tax is applied to the extent that the value of the inheritance or gift exceeds Euro 1.5 million.

With respect to Notes listed on a regulated market, the value for inheritance and gift tax purposes is the average stock exchange price of the last quarter preceding the date of the succession or of the gift (including any accrued interest).

Italian inheritance tax and gift tax applies to non-Italian resident individuals for bonds issued by Italian resident companies.

The *mortis causa* transfers of financial instruments included in a long-term savings account (*piano individuale di risparmio a lungo termine*) that meets the requirements set forth in Article 1(100-114) of Law No. 232 of 11 December 2016, as subsequently amended and supplemented from time to time, are exempt from inheritance taxes.

#### *Wealth tax – direct holding*

Pursuant to Article 19(18) and (20) of Law Decree No. 201 of December 6, 2011, converted with Law No. 214 of December 22, 2011 (as amended by Article 134 of Law Decree No. 34 of May 19, 2020, converted with Law No. 77 of July 17, 2020), Italian resident individuals, Italian non-profit organizations, Italian non business partnerships and similar Italian resident persons holding financial products, including the Notes, outside Italy without the involvement of an Italian financial intermediary are required to pay a wealth tax currently at the rate of 0.20 per cent. (the level of tax being determined in proportion to the period of ownership). The wealth tax applies on the market value at the end of the relevant year or, in the absence of a market value, on the nominal value or redemption value of such financial products held outside Italy. Taxpayers are generally permitted to deduct from the wealth tax a tax credit equal to any wealth taxes paid in the State where the financial products are held (up to the amount of the Italian wealth tax due). The wealth tax cannot exceed Euro 14,000 per year for Italian holders other than individuals.

#### *Stamp taxes and duties – holding through financial intermediary*

Under Article 13(2ter) of the tariff, Part I of the Decree No. 642 of October 26, 1972, a 0.2 per cent. stamp duty generally applies on communications and reports that Italian financial intermediaries periodically send to their clients in relation to the financial products that are deposited with such intermediaries. The Notes are included in the definition of financial products for these purposes. Communications and reports are deemed to be sent at least once a year even if the Italian financial intermediary is under no obligation to either draft or send such communications and reports.

The stamp duty cannot exceed Euro 14,000 for Noteholders other than individuals. Based on the wording of the law and the implementing decree issued by the Italian Ministry of Economy and Finance on 24 May 2012, the 0.2 per cent. stamp duty does not apply to communications and reports that the Italian financial intermediaries send to investors who do not qualify as "clients" according to the regulations issued by the Bank of Italy.

The taxable base of the stamp duty is the market value or, in the lack thereof, the nominal value or the redemption amount of any financial product.

*Registration tax*

Contracts relating to the transfer of the Notes are subject to the registration tax as follows:

- (a) public deeds and private deeds with notarised signatures (*atti pubblici e scritture private autenticate*) are subject to fixed registration tax at rate of Euro 200; and
- (b) private deeds (*scritture private non autenticate*) are subject to fixed registration tax of Euro 200 only in the "case of use" or voluntary registration or occurrence of the so-called *enunciazione*.

## SUBSCRIPTION AND SALE

### General

In connection with the Offering, Equita S.I.M. S.p.A. as placement agent (the "**Placement Agent**") has, according to Article 2.4.3 of the trading rules of Borsa Italiana, been appointed by the Issuer to offer and display the Notes for sale on the MOT. Furthermore, the Placement Agent has been appointed by the Issuer to act as the specialist (the "**Specialist**"). The Specialist may act in a market-making capacity by effecting purchases of the Notes on the secondary market with a view to supporting the liquidity of the Notes. Purchases effected by the Specialist may be made at prices which, within a range set by Borsa Italiana, may be higher than the price that would otherwise prevail. The Specialist's market-making activities will be done in compliance with all quantity- and duration-related requirements set forth by Borsa Italiana.

The fees payable to the Placement Agent in connection with the Offering will be up to 0.75 per cent. of the total principal amount of the Notes issued and up to 0.75 per cent. of the principal amount of the Notes issued pursuant to offers to purchase the Notes ("**Purchase Offers**") collected by the Placement Agent from institutional investors, and in any case subject to a maximum total amount. In addition to the foregoing, the Issuer may grant to the Placement Agent an additional fee up to a maximum amount of Euro 250,000.00. The Placement Agent considers its clients to be each of the Issuer and any potential investors in the Notes. The Placement Agent and its affiliates have provided from time to time, and expect to provide in the future, investment services to the Issuer or its respective affiliates, for which the Placement Agent and its affiliates have received or will receive customary fees and commissions.

In addition, in the ordinary course of their business activities, the Placement Agent and its affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of the Issuer or its respective affiliates. Typically, the Placement Agent and its affiliates would hedge and do hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in securities, including potentially the Notes. Any such short positions could adversely affect future trading prices of the Notes. The Placement Agent and its affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

There are no interests of natural and legal persons other than the Issuer and the Placement Agent involved in the issue of the Notes, including conflicting ones that are material to the issue.

### Offering of the Notes

#### Offering Amount

Subject to the Minimum Offer Condition, the Issuer is offering for subscription and listing and admission to trading on the MOT a minimum of €150,000,000 aggregate principal amount of the Notes (the "**Minimum Offer Amount**") and a maximum of €200,000,000 aggregate principal amount of the Notes (the "**Maximum Offer Amount**"). The Maximum Offer Amount may be reduced by the Issuer prior to the Launch Date (as defined below). If the Maximum Offer Amount is reduced below €200,000,000 the Issuer will publish a notice specifying the revised Maximum Offer Amount on the Issuer's Website, the Euronext Dublin Website and released through the SDIR-NIS system of Borsa Italiana.

"**Minimum Offer Condition**" shall occur if, at the expiration of the Offering Period, Purchase Offers have not been placed sufficient for the sale of at least the Minimum Offer Amount, the Offering will be withdrawn.

#### Pricing Details

The Notes will be issued at a price of 100 per cent. of their principal amount (the "**Issue Price**").

### ***Disclosure of the Interest Rate, Yield, Redemption Prices and the Results of the Offering***

The interest rate (which shall not be less than the Minimum Interest Rate) will be determined on the basis of the tenor of the Notes, the yield and the demand by investors in the course of the determination of the conditions (the book-building procedure) no later than the second Business Day after the end of the Offering Period. In the course of the book-building procedure, the Placement Agent will accept within a limited period of time indications of interest in subscribing for the Notes from investors, including credit spreads usually within a predetermined spread range. Subsequently, the Placement Agent will determine, in consultation with the Issuer, the interest rate (coupon), the final yield and the redemption prices (expressed as a percentage of the principal amount on the redemption date, plus accrued and unpaid interest and additional amounts, if any, to the relevant redemption date). The interest rate of the Notes (which shall not be less than the Minimum Interest Rate), the yield and the redemption prices will be set out in the Interest Rate, Yield and Redemption Prices Notice, which will be filed with the CBI and Euronext Dublin, and published on the Issuer's Website (<https://www.newlat.it>), the Euronext Dublin Website ([www.ise.ie](http://www.ise.ie)) and released through the SDIR-NIS system of Borsa Italiana no later than the second Business Day after the end of the Offering Period.

The aggregate principal amount of the Notes, the number of Notes sold and the proceeds of the Offering will be set out in the Offering Results Notice which will be filed with the CBI and Euronext Dublin, and published on the Issuer's Website (<https://www.newlat.it>), the Euronext Dublin Website ([www.ise.ie](http://www.ise.ie)) and released through the SDIR-NIS system of Borsa Italiana no later than the second Business Day after the end of the Offering Period.

### ***Conditions of the Offering***

Except for the Minimum Offer Condition, the Offering is not subject to any conditions.

Subscription rights for the Notes will not be issued. Therefore, there are no procedures in place for the exercise of any right of pre-emption, the negotiability of subscription rights and the treatment of subscription rights not exercised.

### ***Offering Period, Early Closure, Extension and Withdrawal***

The Offering will open on 9 February 2021 at 09:00 (CET) (the "**Launch Date**") and will expire on 15 February 2021 at 17:30 (CET) (the "**Offering Period End Date**"), subject to amendment, extension or postponement by the Issuer and the Placement Agent (the "**Offering Period**").

The Investors will be required to remit payment in exchange for the issuance of the Notes for which they have placed Purchase Offers on the Issue Date, which will initially be 19 February 2021. In the case of an extension of the Offering Period the Issue Date will be the fifth Business Day following the closure of the Offering Period. Notwithstanding any early closure of the Offering, the Notes will be issued on the original Issue Date.

The Offering Period is an approximate period and has been determined by the Issuer. The Issuer expressly reserves the right to postpone or extend the Offering Period or modify the Launch Date and/or the Offering Period End Date in agreement with the Placement Agent by giving due notice to the CBI, Euronext Dublin and Borsa Italiana - through the publication of a supplement to this Prospectus (a "**Supplement**"), to the extent such postponement or extension will be a significant new factor, as defined in Article 23 of the Prospectus Regulation - and by way of a notice published on the Issuer's Website, the Euronext Dublin Website and released through the SDIR-NIS system of Borsa Italiana, to the general public. Any notice of postponement or modification of the Offering Period will be given no later than the Business Day prior to the Launch Date. Any notice of an extension of the Offering Period will be published before the last day of the Offering Period.

If, during the Offering Period, Purchase Offers exceed the Maximum Offer Amount, the Placement Agent, in agreement with the Issuer, will close the Offering prior to the expiration of the Offering Period, and all Purchase Offers in excess of the Maximum Offer Amount will not be executed. The Issuer will promptly communicate an early closure of the Offering Period to the CBI, Euronext Dublin and Borsa Italiana and, by way of a notice published on the Issuer's Website, to the general public.

The Issuer and the Placement Agent (i) expressly reserve the right to withdraw the Offering at any time prior to 16:45 (CET) on the Business Day prior to the Issue Date and (ii) shall withdraw the Offering if Purchase Offers are lower than the Minimum Offer Amount. The Issuer will promptly communicate a withdrawal of the Offering to the CBI, Euronext Dublin and Borsa Italiana and, subsequently, to the general public, by way of a notice published on the Issuer's Website, the Euronext Dublin Website and released through the SDIR-NIS system of Borsa Italiana.

The Placement Agent, in agreement with the Issuer, expressly reserves the right to cancel the launch of the Offering at any time between the date of this Prospectus and the Launch Date or to withdraw the Offering at any time after the Launch Date and before 16:45 (CET) on the Business Day prior to the Issue Date in the case of (i) any extraordinary change in the political, financial, economic, regulatory, currency or market situation of the markets in which the Issuer and/or the Group operates which could have a materially adverse effect on the Offering, or the economic, financial and/or management conditions of the Issuer and/or the Group or on its/their business activities, or (ii) any act, fact, circumstance, event, opposition or any other extraordinary situation which has not yet occurred at the date of this Prospectus which may have a materially adverse effect on the Offering, or the economic, financial and/or management conditions of the Issuer and/or the Group or on its/their business activities. If the launch of the Offering is cancelled or the Offering is withdrawn, the Offering itself and all submitted Purchase Offers will be deemed cancelled. Prompt notice of any decision to cancel the launch of the Offering or withdraw the Offering after the Launch Date will be communicated to the CBI, Euronext Dublin, Borsa Italiana and, by way of a notice published on the Issuer's Website, the Euronext Dublin Website and released through the SDIR-NIS system of Borsa Italiana, the general public.

If, prior to the Issue Date, Borsa Italiana has failed to set the MOT Trading Start Date, the Offering will be automatically withdrawn by giving notice to CBI, Euronext Dublin and, no later than the day after notice has been given to CBI and Euronext Dublin, by notifying the general public by way of a notice published on the Issuer's Website, the Euronext Dublin Website and released through the SDIR-NIS system of Borsa Italiana.

#### Technical Details of the Offering on the MOT

The Offering will take place through Purchase Offers made by Investors on the MOT through Intermediaries (as defined below) and coordinated by the Placement Agent, who has been appointed by the Issuer to offer and display the Notes for sale on the MOT according to the trading rules of Borsa Italiana. Purchase Offers may only be made with the MOT through an investment company, bank, wealth management firm, registered financial intermediary, securities house and any other intermediary authorised to make Purchase Offers directly on the MOT or - if such institution is not qualified to perform transactions on the MOT - through an intermediary or agent authorised to do so (each an "**Intermediary**"). Purchase Offers must be made during the operating hours of the MOT for a minimum quantity of aggregate par value of €1,000 of the Notes, and may be made for any multiple thereof.

During the Offering Period, Intermediaries may make irrevocable Purchase Offers directly or through any agent authorised to operate on the MOT, either on their own behalf or on behalf of third parties, in compliance with the operational rules of the MOT.

The Notes shall be assigned, up to their maximum availability, based on the chronological order in which Purchase Offers are made on the MOT. The acceptance of a Purchase Offer on the MOT does not alone constitute the completion of a contract with respect to the Notes requested thereby. The perfection and effectiveness of contracts with respect to the Notes are subject to confirmation of the correct execution of the Purchase Offer and issuance of the Notes. Each Intermediary through whom a Purchase Offer is made will notify Investors of the number of Notes they have been assigned within the Issue Date.

After the end of the Offering Period, Euronext Dublin, in conjunction with the Issuer, shall set and give notice of the start date of the official admission to trading on the regulated market of Euronext Dublin and Borsa Italiana shall set and give notice of the start date of official trading of the Notes on the MOT (the "**MOT Trading Start Date**"). The MOT Trading Start Date shall correspond to the Issue Date.

Investors wishing to make Purchase Offers who do not have a relationship with any Intermediary may be requested to open an account or make a temporary deposit for an amount equivalent to that of the Purchase Offer. In case of partial sale of the Notes or a cancellation or withdrawal of the Offering, all amounts paid as temporary deposits, or any difference between the amount deposited with the Intermediary and the aggregate value of the Notes actually sold to the Investor, will be repaid to the Investor who initiated the Purchase Offer by the Issue Date. See "*Terms and Conditions of the Payment and Delivery of the Notes*".

Except as otherwise set forth herein, Purchase Offers, once placed, may not be revoked. See "*Revocation of Purchase Offers*" below.

Any Purchase Offer received outside the Offering Period, or within the Offering Period but outside the operating hours of the MOT, will not be accepted.

Investors may place multiple Purchase Offers.

Purchase Offers placed by Italian Investors through telecommunication means are not subject to the withdrawal provisions applicable to distance marketing of consumer financial services, services in accordance with articles 67-*bis* and 67-*duodecies* of Italian Legislative Decree no. 206 of 6 September 2005 as regards the public offer in Italy.

#### *Revocation of Purchase Offers*

If the Issuer publishes any Supplement, any Investor who has placed a Purchase Offer prior to the publication of the Supplement shall be entitled to revoke such Purchase Offer by delivering a written notice to the Intermediary through whom the Purchase Offer was made by no later than the second Business Day following the publication of the Supplement in accordance with Article 23(2) of the Prospectus Regulation.. The Intermediary will in turn notify the Placement Agent of such revocation.

#### *Terms and Conditions of the Payment and Delivery of the Notes*

Investors will pay the Issue Price to the Intermediaries through whom they have placed Purchase Offers on the Issue Date.

A press release will be published to inform Investors and potential Investors of any early closure of the Offering or extension of the Offering Period. In case of an extension of the Offering Period the Issue Date will be postponed to the fifth Business Day following the closure of the Offering Period, as extended. In case of an early closure of the Offering Period, the Issue Date will remain unchanged and the Notes will be issued on 19 February 2021. For more information about the circumstances in which the Offering Period may be closed early or extended, see "*Offering Period, Early Closure, Extension and Withdrawal*" above.

Ownership of interests in the Notes will be limited to persons that have accounts with Euroclear and/or Clearstream, Luxembourg or persons that hold interests in the Notes through participants in Euroclear and/or Clearstream, Luxembourg, including Monte Titoli. Euroclear and Clearstream, Luxembourg will hold interests in the Notes on behalf of their participants through customers' securities accounts in their respective names on the books of their respective depositories. Payments and transfers of the Notes will be settled through Euroclear and Clearstream, Luxembourg.

None of the Issuer and the Paying Agents or any of their respective agents will have any responsibility, or be liable, for any aspect of the records relating to the ownership of interests in the Notes.

#### *Costs and Expenses Related to the Offer*

The Issuer will not charge any costs, expenses or taxes directly to any Investor. Investors must, however, inform themselves about any costs, expenses or taxes in connection with the Notes which are generally applicable in their respective country of residence related to the opening of a bank account or a temporary deposit account with an Intermediary, if necessary, and/or any costs

related to the execution, acceptance and transmission of Purchase Offers imposed by such Intermediaries. See "*Technical Details of the Offering on the MOT*".

### **Consent to the Use of this Prospectus**

The Issuer has granted its consent to the use of this Prospectus for the Offering of the Notes during the Offering Period without conditions and accepts responsibility for the content of the Prospectus also with respect to the subsequent resale or final placement of the Notes by any financial intermediary which was given consent to use this Prospectus in Italy and in other jurisdictions as indicated in the selling restrictions as described in "*Subscription and Sale — Public Offer and Selling Restrictions*".

### **Public Offer and Selling Restrictions**

The Offering is addressed to the general public in Italy and to qualified investors (as defined in the Prospectus Regulation) in Ireland and Italy following the approval of this Prospectus by the CBI for the purposes of the Prospectus Regulation, and the effectiveness of the notification of this Prospectus by the CBI to CONSOB according to Article 25 of the Prospectus Regulation.

Purchase Offers may only be placed through Intermediaries. Any persons who, at the moment of making a Purchase Offer, even if they are resident in Italy, may be considered as being resident in the United States or in any other country in which the offer of financial instruments is not permitted to be made unless it has been authorised by the competent authorities of such country (the "**Other Countries**") are not entitled to subscribe for the Notes in the Offering.

If, according to the Intermediaries, Purchase Offers were made by persons resident in Italy in breach of the provisions in force in the United States or in Other Countries, the Intermediaries shall adopt any adequate measure to remedy the unauthorised Purchase Offers and shall promptly notify the Placement Agent.

**The Notes are not intended to qualify as packaged retail and insurance-based investment products (PRIIPs) and, as such, no key information document required by the Regulation (EU) No 1286/2014 has been or will be prepared by the Issuer.**

#### United States and its Territories

The Notes have not been and will not be registered under the Securities Act, and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S.

The Notes have not been, and will not be, offered or sold within the United States or to U.S. Persons except in accordance with Rule 903 of Regulation S. Neither the Issuer nor the Placement Agent or the Intermediaries, nor any persons acting on their behalf, have engaged, or will engage, in any directed selling efforts with respect to the Notes. Terms used in this paragraph have the meanings given to them by Regulation S.

The Notes are in bearer form and are subject to U.S. tax laws, including the limitations provided in Sections 165(j) and 1287(a) of the U.S. Internal Revenue Code of 1986, as amended, and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986, as amended, and regulations thereunder, including TEFRA D.

In accordance with TEFRA D, the Placement Agent and each Intermediary represents and agrees that:

- except to the extent permitted under TEFRA D, (a) it has not offered or sold, and until 40 days after the later of the commencement of the offering and the Closing Date (the "**Restricted Period**") will not offer or sell, the Notes to a person who is within the United States or its possessions or to, or for the account or benefit of, a United States person and (b) it has not

delivered and will not deliver within the United States or its possessions definitive Notes (if any) that are sold during the Restricted Period;

- it has, and throughout the Restricted Period will have, in effect procedures reasonably designed to ensure that its employees or agents who are directly engaged in selling the Notes are aware that such Notes may not be offered or sold during the Restricted Period to a person who is within the United States or its possessions or to, or for the account or benefit of, a United States person, except as permitted by TEFRA D;
- if the Intermediary is a United States person, it represents that it is acquiring the Notes for purposes of resale in connection with their original issuance and, if such Intermediary retains the Notes for its own account, it will only do so in accordance with TEFRA D;
- with respect to each affiliate (if any) that acquires from such Intermediary the Notes for the purpose of offering or selling such Notes during the Restricted Period, such Intermediary either (a) hereby represents and agrees on behalf of such affiliate to the effect set forth in the three bullet points above or (b) agrees that it will obtain from such affiliate, for the benefit of the Issuer, the representations and agreements contained in the three bullet points above; and
- such Intermediary will obtain for the benefit of the Issuer the representations and agreements contained in the four bullet points above from any person other than its affiliate with whom it enters into a written contract, as defined under TEFRA D, for the offer and sale during the Restricted Period of the Notes.

Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986, as amended, and regulations thereunder, including TEFRA D. In addition, until 40 days after the commencement of the offering of the Notes, an offer or sale of Notes within the United States by a dealer that is not participating in the offering may violate the registration requirements of the Securities Act.

#### European Economic Area

In relation to each Member State of the European Economic Area, the Placement Agent has represented and agreed that it has not made and will not make an offer of Notes which are the subject of the offering contemplated by this Prospectus to the public in that Member State other than the offers contemplated in this Prospectus in Italy from the time the Prospectus has been approved by the competent authority in Ireland and published and notified to the relevant competent authorities in accordance with the Prospectus Regulation, and provided that the Issuer has consented in writing to use of the Prospectus for any such offers, except that it may make an offer of such Notes to the public in that Member State:

- a) to any legal entity which is a qualified investor as defined in the Prospectus Regulation;
- b) to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Regulation), subject to obtaining the prior consent of the Placement Agent; or
- c) in any other circumstances falling within Article 1(4) of the Prospectus Regulation,

provided that no such offer of Notes shall require the Issuer or the Placement Agent to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation.

For the purposes of this provision, the expression an "**offer of Notes to the public**" in relation to any Notes in any Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes and the expression "**Prospectus Regulation**" means Regulation (EU) 2017/1129 and includes any relevant implementing measure in the Member State.

#### United Kingdom



The Placement Agent has represented and agreed that it has not made and will not make an offer of Notes which are the subject of the offering contemplated by this Prospectus to the public in the United Kingdom except that it may make an offer of such Notes to the public in the United Kingdom:

- a) to any legal entity which is a qualified investor as defined in Article 2 of the UK Prospectus Regulation;
- b) to fewer than 150 natural or legal persons (other than qualified investors as defined in Article 2 of the UK Prospectus Regulation) in the United Kingdom, subject to obtaining the prior consent of the Placement Agent; or
- c) in any other circumstances falling within section 86 of the Financial Services and Markets Act 2000 (the "**FSMA**"),

provided that no such offer of Notes shall require the Issuer or the Placement Agent to publish a prospectus pursuant to section 85 of the FSMA or supplement a prospectus pursuant to Article 23 of the UK Prospectus Regulation.

For the purposes of this provision, the expression an "**offer of Notes to the public**" in relation to any Notes means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes and the expression "**UK Prospectus Regulation**" means Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018.

*Other regulatory restrictions*

The Placement Agent has represented, warranted and undertaken that:

- a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of the Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer; and
- b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Notes in, from or otherwise involving the United Kingdom.

## GENERAL INFORMATION

### Authorisation

The issue of the Notes was authorised by a resolution of the Board of Directors' meeting of the Issuer passed on 1 February 2021.

### Expenses related to Admission to Trading

The total expenses related to the admission to trading of the Notes are expected to amount to €17,540 in respect of the admission to trading of the Notes on the Regulated Market and an amount ranging between €7,500 and €20,000 (depending on the size of the Offering) in respect of the admission to trading of the Notes on the MOT.

### Listing and Admission to Trading

Application has been made to Euronext Dublin for the Notes to be admitted to the official list and to trading on the Regulated Market.

Application has also been made to Borsa Italiana for the Notes to be admitted to the official list and to trading on the MOT. Borsa Italiana has admitted the Notes to listing and trading on the MOT with order n. LOL-004375 dated 1 February 2021. The MOT Trading Start Date will be set by Borsa Italiana and shall correspond to the settlement date of the purchase agreements with respect to the Notes and the Issue Date. See "*Subscription and Sale — Offering of the Notes — Technical Details of the Offering on the MOT*".

### Clearing Systems

The Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg. The ISIN is XS2289795465 and the common code is 228979546. The address of Euroclear is 1 Boulevard du Roi Albert II, B-1210 Brussels, Belgium and the address of Clearstream, Luxembourg is 42 Avenue JF Kennedy, L-1855 Luxembourg, Grand Duchy of Luxembourg.

### Legal Entity Identifier (LEI)

The Issuer's Legal Entity Identifier (LEI) is 81560005669DDD3DF789. The CFI Code for the Notes is DBFXFB .

### Significant/Material Change

Save as set out in "*Description of the Issuer – History*", since 31 December 2019 there has been no material adverse change in the prospects of the Issuer or the Group.

Since 30 September 2020 there has been no significant change in the financial performance or the financial position of the Issuer or the Group.

### Legal and Arbitration Proceedings

Other than as described in the section "*Description of the Issuer - Legal Proceedings*" on pages 88-89 of this Prospectus, there are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened, of which the Issuer is aware) which may have, or have had during the 12 months prior to the date of this Prospectus, a significant effect on the Issuer and/or the Group's financial position or profitability.

### Auditors

The current independent Auditors of the Issuer are PricewaterhouseCoopers S.p.A., whose registered office is at Piazza Tre Torri, 2, 20145 Milan (Italy). PricewaterhouseCoopers S.p.A. is

registered under No. 119644 in the Register of Independent Auditors held by the Ministry of Economy and Finance pursuant to Legislative Decree No. 39 of 27 January 2010 and the relevant implementing regulations and is also a member of ASSIREVI (*Associazione Nazionale Revisori Contabili*), the Italian association of auditing firms.

The independent Auditors' appointment by the Issuer was conferred for the period 2019-2027 by the Issuer's shareholders' meeting of 8 July 2019.

The reports of the auditors of the Issuer are included or incorporated in this Prospectus in the form and context in which they are included or incorporated, with the consent of the relevant auditors who have authorised the contents of that part of this Prospectus.

## **Documents Available**

For so long as any Notes remain outstanding, copies of the following documents will, when published, be available for inspection from the specified office of the Fiscal Agent for the time being in London:

- (a) the memorandum and articles of association (*statuto*) of the Issuer;
- (b) the Agency Agreement;
- (c) the Combined Consolidated Financial Statements;
- (d) the Pro-Forma Consolidated Financial Information;
- (e) the 2020 Newlat Interim Report;
- (f) the CLI Financial Statements;
- (g) the 2020 CLI Interim Report;
- (h) a copy of this Prospectus, any supplement thereto, if any, and any document incorporated by reference therein.

A copy of the documents listed above will be electronically available for viewing on the Issuer's website ([www.newlat.it](http://www.newlat.it)).

A copy of this Prospectus will also be electronically available for viewing on the website of Euronext Dublin ([www.ise.ie](http://www.ise.ie)).

## **Material Contracts**

The Issuer and the companies forming part of the Group have not entered into any contracts in the last two years outside the ordinary course of their business which could result in the Issuer being under an obligation or entitlement that is material to the Issuer's ability to meet its obligation to holders of the Notes.

## **Potential Conflicts of Interest**

The Placement Agent and its affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions (including, without limitation, the provision of loan facilities) with, and may perform services for, the Issuer and their respective affiliates in the ordinary course of business.

In addition, in the ordinary course of their business activities, the Placement Agent and its affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of the Issuer or its affiliates or any entity related to the Notes. The Placement Agent and its affiliates that have a lending relationship with the Issuer routinely hedge their credit exposure to the Issuer consistent with their customary risk management policies. Typically, the Placement Agent and its affiliates would hedge such

exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in the Issuer's securities, including potentially the Notes offered hereby. Any such short positions could adversely affect future trading prices of the Notes offered hereby. The Placement Agent and its affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments. In particular, the Placement Agent will receive a commission (as further described in "*Subscription and Sale*" above).

## **Yield**

On the basis of the issue price of the Notes of 100 per cent. of their principal amount and a Minimum Interest Rate of 2.50 per cent. per annum, the gross real yield of the Notes is a minimum of 2.50 per cent. on an annual basis. The final yield will be set out in the Interest Rate, Yield and Redemption Prices Notice (see "*Subscription and Sale – Disclosure of the Interest Rate, Yield, Redemption Prices and the Offering*"). The yield indicated in this paragraph is calculated, and the final yield set out in the Interest Rate, Yield and Redemption Prices Notice will be calculated, as the yield to maturity as at the Issue Date of the Notes and will not be an indication of future yield.

## **Legend Concerning US Persons**

The Notes and any Coupons appertaining thereto will bear a legend to the following effect: "Any United States person who holds this obligation will be subject to limitations under the United States income tax laws, including the limitations provided in Sections 165(j) and 1287(a) of the Internal Revenue Code".

## **Post-issuance Information**

The Issuer will not provide any post-issuance information, except if required by any applicable laws and regulations.

## **REGISTERED OFFICE OF THE ISSUER**

**Newlat Food S.p.A.**  
Via J.F. Kennedy, 16  
42124 Reggio Emilia  
Italy

## **PLACEMENT AGENT**

**Equita SIM S.p.A.**  
Via Turati, 9  
20121 Milan  
Italy

## **FISCAL AGENT AND PAYING AGENT**

**The Bank of New York Mellon, London Branch**  
One Canada Square  
London E1 5AL  
United Kingdom

## **LISTING AGENT**

**McCann FitzGerald Listing Services Limited**  
Riverside One  
Sir John Rogerson's Quay  
Dublin 2  
Republic of Ireland

## **LEGAL ADVISERS**

*To the Placement Agent as to English and Italian law:*

**Hogan Lovells Studio Legale**  
Via Marche 1-3  
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**Hogan Lovells International LLP**  
Atlantic House  
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London EC1A 2FG  
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*To the Issuer as to Italian law:*

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Via Barozzi, 1  
20122 Milan  
Italy

## **AUDITORS TO THE ISSUER**

**PricewaterhouseCoopers S.p.A.**  
Piazza Tre Torri, 2  
20145 Milan  
Italy