



A multibrand company



INTERIM REPORT ON OPERATIONS AS

AT 30 September 2023



DIRECTORS' REPORT ON OPERATIONS AT 30 September 2023

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This report is available online at: www.newlat.it

Newlat Food S.p.A.

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

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

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

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

Operations in the first nine months of 2023 show a positive pre-tax result of Euro 25,152 thousand and a total net result of Euro 18,175 thousand.

In the Directors' Report on Operations as at 30 September 2023 herein, EM Foods SAS, which was acquired on 2 January 2023, was included in the scope of consolidation. Proforma financial and economic information was not included for comparative data.

During the first nine months of 2023, the Group recorded an increase in turnover (+15.2%) compared to the figures for the same period of the previous year thanks to the ability to acquire new customers in the Dairy segment (+25%), Bakery segment (+15%) and in the Pasta segment (+11%) and higher average sales price compared to the same period of the previous year.

Net of the acquisition of EM Foods, the increase in turnover would have been 11.2%.

The Group also confirmed its great ability to increase its margins (EBITDA margin of 9.5% as at 30 September 2023, 7.6% as at 30 September 2022).

The margins achieved as at 30 September reflect non-recurring costs, in particular related to the newly acquired company EM Foods Sas. Net of these non-recurring costs, the Group's margin as at 30 September 2023 would have been 9.7%.

In short, the highlights of the first nine months of 2023 can be summarised as follows:

- The results achieved by the Group in a highly unstable environment and with a market characterised by high inflation in general are quite extraordinary, with a performance that beat the same period of the previous year and the company's forecasts (EBITDA of Euro 57.1 million, or 9.5%, compared with Euro 39.6 million at 30 September 2022, or 7.6%). With this in mind, the strategy implemented by the Group since the previous year of keeping its customer base unchanged and acquiring new customers has proved effective with excellent results in terms of increased turnover and margins.
- Particularly worthy of note is the extraordinary performance of the dairy sector (+25%), bakery segment (+15%) and the pasta sector (+11%) thanks to the acquisition of new important customers, which led to an increase in sales volumes. The other business units also enjoyed organic growth above company forecasts and significantly better than the market as a whole. These figures augur well for the end of the financial year and provide a solid basis to develop the guidelines of the business plan and to embark on external growth.
- Growth figures by geographical area are also reassuring: +20% in the German market and +12% in the United Kingdom thanks also to the first synergies in the commercial area.
- On 7 December 2022 Newlat Food S.p.A. signed a contract with Alsa France (the "Seller") to acquire 100% of the ordinary shares and voting rights of EM Foods S.A.S. following the Seller's exercise of the put option signed by the parties on 19 October 2022. As required by French law, Alsa France exercised its option to sell 100% of the ordinary shares and voting rights of EM Foods S.A.S., after EM Foods S.A.S.'s workers' council formally agreed to the sale to Newlat Food. The acquisition was then finalised at the beginning of January 2023, and the closing of the acquisition of EM Foods

S.A.S. took place on 2 January 2023. With this acquisition the Newlat Group enters the bakery and dessert mixes sector, a particularly interesting business becoming increasingly popular with consumers. At the same time, Newlat Food S.p.A. signed a long-term contract with Unilever BV for the production of several products related to important brands such as Carte d'Or, Maizena and Mondamin. The signing of this agreement constituted a condition precedent for the conclusion of the acquisition of EM Foods S.A.S.

- On 9 June, Newlat Food sold 3,900,000 of its own shares, or 8.88% of the share capital, to a group of institutional investors including Helikon Investments and Banor at a price of Euro 5.80 per share. The same investors also simultaneously signed an option agreement for the purchase of the remaining part of the company's own shares under certain conditions.

Lastly, the financial data once again confirm the group's great ability to generate cash from operations, which allowed it to increase its margin levels from the same period of the previous year (9.5% EBITDA margin as at 30 September 2023 v 7.6% as at 30 September 2022) and a net financial position that improved by Euro 49 million, thanks also to the sale of treasury shares for a total amount of about Euro 23 million and cash generation from operations of about Euro 26 million. The cash conversion as at 30 September 2023 was 77.4%.

Net profit after tax amounted to Euro 18.2 million, a sharp increase from Euro 3.5 million in the same period last year.

Outlook

The Group will continue to pay particular attention to cost controls and financial management in order to maximise the generation of free cash flow, to be allocated both to organic growth externally and to the remuneration of Shareholders.

As of the date of approval of this interim report, due to the conflicts in Israel and the continuation of the war in Ukraine, there was a crisis in the Oil & Gas sector, which led to a great deal of uncertainty about the development of the world economy. In view of the above, the Group is unable to predict the extent to which these events might affect the outlook for the Group for the end of the current year and the next year, but, based on the data available when this report was being prepared, the Directors believe they can reasonably exclude the possibility of significant negative impacts.

Going concern

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

- The considerable level of cash reserves available at 30 September 2023.
- The presence of authorised and unused Group credit lines.

- The continual support given by the leading banks to the Newlat Group, partly because of its market-leading status.

Note that the Group's economic and financial performance in the first nine months of 2023 was higher than budgeted. It should also be noted that the cash and cash equivalents, amounting to Euro 321 million, the credit lines currently available and the cash flows that will be generated by operational management are considered more than sufficient to fulfil obligations and finance the Group's operations.

EVENTS AFTER 30 SEPTEMBER 2023

After 30 September 2023 there were no atypical or unusual transactions requiring changes to the interim financial statements at 30 September 2023.

BOARDS AND OFFICERS

Board of Directors

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

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

(**) Executive director.

(***) Non-executive director.

Board of Statutory Auditors

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

Remuneration and Appointments Committee

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

Control and Risks Committee

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

Related Party Transactions Committee

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

Financial Reporting Officer

Rocco Sergi

Independent Auditing Firm

PricewaterhouseCoopers S.p.A.

General information

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

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

The Company is subject to management and coordination by the parent Newlat Group S.A. (hereinafter “Newlat Group”), a company that as at 30 September 2023 directly owns 61.64% of the share capital, while the remaining part (35.70%) is held primarily by institutional investors and 2.66% by Newlat itself.

This report on operations contains economic, equity and financial information of the Newlat Group at 30 September 2023, 31 December 2022 and 30 September 2022.

Alternative performance indicators

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

These amounts, defined below, are used to comment on the Group's business performance in compliance with the provisions of the Consob Communication of 28 July 2006 (DEM 6064293), as subsequently amended and supplemented (Consob bulletin no. 5/21 of 29 April 2021 implementing the ESMA 32-382-1138 guidelines dated 4 March 2021).

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

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

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

Net financial position is given by the algebraic sum of:

- Cash and cash equivalents
- Non-current financial assets, recorded under other non-current assets

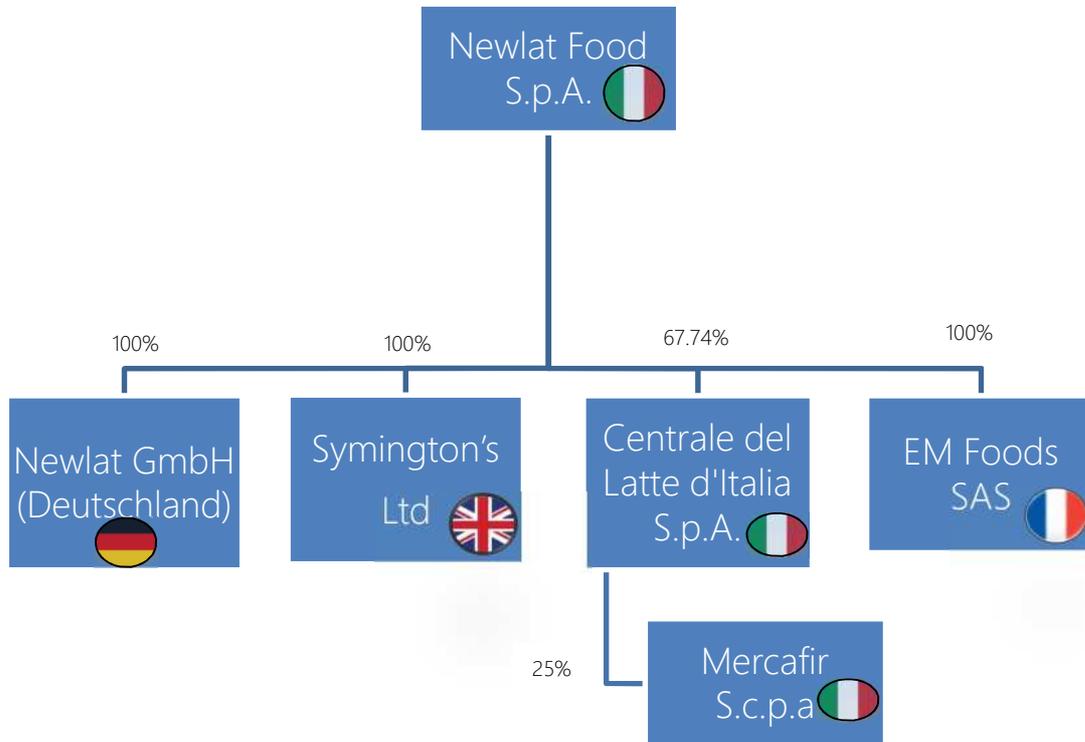
- Current financial assets, recorded under 'other receivables'
- Payables to banks
- Non-current financial liabilities, recorded under 'other non-current liabilities'.

Reclassified statement of cash flows

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

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

Group Structure



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

Name	Registered Office	Currency	Share capital as at 30 September 2023	Control percentage	
				At 30 September 2023	At 31 December 2022
Newlat Food S.p.A.	Italy - Via J.F. Kennedy 16, Reggio Emilia	EUR	43,935,050	Parent company	Parent company
Newlat GmbH	Germany - Franzosenstraße 9, Mannheim (Germany)	EUR	1,025,000	100%	100%
Centrale del Latte d'Italia S.p.A.	Turin Via Filadelfia 220, 10137	EUR	28,840,041	67.74%	67.74%
Symington's Ltd	Thornes Farm Business Park, Pontefract Ln, Leeds LS9	GBP	100,000	100%	100%
EM Foods Sas	951 Rue Denis Papin, 54710 Ludres, France	EUR	1,000,000	100%	-

A table summarising the carrying amount of each subsidiary recorded in the Company's separate financial statements at 30 September 2023 and the equity and profit/loss data for the period for each subsidiary and the parent company is provided below:

Name	Carrying amount of equity investment (in thousands of euros)	Shareholders' equity (thousands of euros)	Profit/loss for the period (in thousands of euros)
	30/09/2023	30/09/2023	30/09/2023
Newlat GmbH (Deutschland)	68,525	40,776	4,478
Centrale del Latte d'Italia S.p.A.	25,409	69,932	6,254
Symington's Ltd	63,914	21,134	73
EM Foods Sas	1,000	(102)	(1,103)

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

- Newlat GmbH (Deutschland) is active in the production and sale in Germany of traditional forms of German pasta (*spätzle* and flavoured pasta), instant cups and sauces, as well as the marketing of pasta produced by Newlat Food.
- Centrale del Latte d'Italia S.p.A. is a company active in the production and marketing of about 120 products ranging from milk and its derivatives to yoghurt and plant-based beverages that are distributed under the trademarks TappoRosso, Mukki, Tigullio and Vicenza in the reference territories at over 16,000 points of sale, both mass-market retailers and traditional traders. Its shares are listed on the Euronext STAR Milan segment of the Mercato Telematico Azionario organised and managed by Borsa Italiana S.p.A.
- Symington's Ltd is active in the production and sale of a wide range of products, including:

- Instant noodles, where it is the leader in the authentic and Asian inspiration segment
- Soups and various ready meals, rice and couscous ready meals
- Baked goods including toasted breads for desserts and cakes

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

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

INTERIM MANAGEMENT REPORT

**DIRECTORS' OBSERVATIONS ON PERFORMANCE
AT 30 SEPTEMBER 2023**

MANAGEMENT REPORT

The Newlat Group is an important player in the Italian and European agri-food sector. In particular, as at 30 September 2023 the Group has a strong position in its domestic market and a significant presence in the German market.

The Newlat Group is mainly active in the pasta, dairy and baked goods sectors, as well in special products such as health & wellness, gluten free and baby food. The Newlat Group's product range is divided into the following business units:

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

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

<i>(In thousands of euros and as a percentage of revenue from contracts with customers)</i>	Income statement of the first nine months				Changes	
	2023	%	2022	%	2023 v 2022	%
Revenue from contracts with customers	600,666	100.0%	521,193	100.0%	79,473	15.2%
Cost of sales	(491,968)	(81.9%)	(433,379)	(83.2%)	(58,589)	13.5%
Gross operating profit/(loss)	108,698	18.1%	87,814	16.8%	20,884	23.8%
Sales and distribution costs	(64,317)	(10.7%)	(62,496)	(12.0%)	(1,821)	2.9%
Administrative costs	(15,716)	(2.6%)	(15,518)	(3.0%)	(199)	1.3%
Net write-downs of financial assets	(586)	(0.1%)	(533)	(0.1%)	(53)	9.9%
Other revenues and income	6,712	1.1%	7,018	1.3%	(305)	(4.4%)
Income from business combinations	1,685	0.3%	-	-	1,685	100.0%
Other operating costs	(4,666)	(0.8%)	(4,540)	(0.9%)	(126)	2.8%
Operating profit/(loss) (EBIT)	31,810	5.3%	11,745	2.3%	20,065	170.8%
Financial income	6,788	1.1%	2,349	0.5%	4,439	189.0%
Financial expenses	(13,447)	(2.2%)	(8,988)	(1.7%)	(4,459)	49.6%
Profit/(loss) before taxes	25,152	4.2%	5,106	1.0%	20,046	392.6%
Income taxes	(6,977)	(1.2%)	(1,569)	(0.3%)	(5,408)	344.7%
Net profit/(loss)	18,175	3.0%	3,537	0.7%	14,637	413.8%

Operating income amounted to Euro 31.8 million, a sharp increase compared with the same period of the previous year. In absolute terms, EBITDA (Euro 57.1 million at 30 September 2023 and Euro 39.6 million at 30 September 2022) and the EBITDA Margin (9.5% in 2023 and 7.6% in 2022) were up markedly compared to the figures for the same period last year. The following is a brief commentary on the most significant changes to the main income statement items that occurred in the periods under review:

Revenue from contracts with customers

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

SEGMENT REPORTING

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

<i>(In thousands of euros and as a percentage)</i>	Income statement of the first nine months				Changes	
	2023	%	2022	%	2023 v 2022	%
Pasta	160,045	26.6%	143,674	27.6%	16,371	11.4%
Milk Products	200,068	33.3%	181,154	34.8%	18,914	10.4%
Bakery Products	36,075	6.0%	31,498	6.0%	4,578	14.5%
Dairy Products	38,702	6.4%	31,026	6.0%	7,676	24.7%
Special Products	27,465	4.6%	26,232	5.0%	1,233	4.7%
Instant noodles & bakery mixes	126,230	21.0%	96,442	18.5%	29,789	30.9%
Other Activities	12,081	2.0%	11,167	2.1%	914	8.2%
Revenue from contracts with customers	600,666	100.0%	521,193	100.0%	79,474	15.2%

Revenues in the **Pasta** segment increased in the period under review due to higher sales volumes, the acquisition of new customers and an increase in the average sales price.

Revenues from the **Milk Products** segment were up significantly due to the combined effect of an increase in the average sales price and higher volumes compared to the same period of the previous year.

Revenues from the **Bakery Products** segment increased because of higher average sales prices and volumes due also to the acquisition of new customers.

Revenues from the **Dairy Products** segment increased sharply as a result of a rise in sales volumes.

Revenues from the **Special Products** segment were in line with the same period of the previous year.

Revenues for the **Instant noodles & bakery mixes** segment increased as a result of the acquisition of EM Foods and an increase in the average sales price, especially in the UK Mass Distribution market.

Revenues from the **Other Activities** segment were up slightly because of higher average sales prices.

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

<i>(In thousands of euros and as a percentage)</i>	Income statement of the first nine months				Changes	
	2023	%	2022	%	2023 v 2022	%
Mass Distribution	384,618	64.0%	317,928	61.0%	66,690	21%
B2B partners	52,327	8.7%	46,907	9.0%	5,419	12%
Normal trade	70,731	11.8%	67,755	13.0%	2,976	4%
Private labels	80,592	13.4%	78,179	15.0%	2,413	3%
Food services	12,399	2.1%	10,424	1.9%	1,975	19%
Total revenue from contracts with customers	600,666	100.0%	521,192	100.0%	79,473	15.2%

Revenues from the **Mass Distribution** channel increased, mainly due to an increase in demand related to the Group's main segments and a higher average sale price compared to the same period last year.

Revenues from the **B2B partners** channel saw higher demand, mainly due to the acquisition of new customers, especially in the bakery segment. The figures as at 30 September 2023 are affected by the inclusion of the newly acquired EM Foods in the scope of consolidation.

Revenues from the **Normal trade** channel were up as a result of an increase in sales demand due to the acquisition of new customers and an improvement in sales conditions in terms of average sales price.

Revenues from the **Private label** channel increased in the Pasta and Dairy segment as a result of higher average sales prices.

Revenues from the **Food services** channel increased as a result of improved sales conditions in terms of average sales price.

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

<i>(In thousands of euros and as a percentage)</i>	Income statement of the first nine months				Changes	
	2023	%	2022	%	2023 v 2022	%
Italy	305,126	50.8%	278,015	53.3%	27,111	10%
Germany	106,393	17.7%	88,631	17.0%	17,762	20%
United Kingdom	119,453	19.9%	106,917	20.5%	12,535	12%
Other countries	69,694	11.6%	47,629	9.1%	22,065	46%
Total revenue from contracts with customers	600,666	100.0%	521,193	100.0%	79,473	15.2%

Revenues in **Italy** were up mainly because of higher sales volumes and average sales prices.

Revenues from **Germany** increased as a result of higher volumes in the Pasta sector and a general increase in the average sales price.

Revenues in the **United Kingdom** increased due to a higher average sales price than in the same period last year.

Revenues from **Other Countries** increased mainly due to the acquisition of EM Foods. Net of the acquisition, revenues in other countries would still increase as a consequence of an increase in demand and the average selling price.

Operating costs

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

<i>(In thousands of euros)</i>	Income statement of the first nine months	
	2023	2022
Cost of sales	(491,968)	(433,379)
Sales and distribution costs	(64,317)	(62,496)
Administrative costs	(15,716)	(15,518)
Total operating costs	(572,001)	(511,392)

Cost of sales represented 82% of sales revenues (83% at 30 September 2022). In absolute terms, the increase in the cost of sales is directly linked to the higher sales volumes recorded in the first nine months of 2023. The slight decrease in terms of impact is linked to an improvement in supply chain conditions.

The proportion of sales and distribution expenses fell sharply due to an improvement in the Group's logistics by optimising transport costs and the distribution network.

Administrative expenses were in line with the same period last year.

EBITDA was Euro 57.1 million (or 9.5% of sales revenue) compared to Euro 39.6 million as of 30 September 2022 (or 7.6% of sales revenue), with a clear increase both in absolute terms and in terms of margins.

The following table shows EBITDA by activity segment:

At 30 September 2023								
(In thousands of euros)	Pasta	Milk products	Bakery Products	Dairy products	Special Products	Instant Noodles & Bakery Mixes	Other Activities	Consolidated Financial Statements total
Revenue from contracts with customers (third parties)	160,045	200,068	36,075	38,702	27,465	126,230	12,081	600,666
EBITDA (*)	17,389	18,538	5,009	4,813	2,784	7,865	695	57,094
EBITDA margin	10.87%	9.27%	13.89%	12.44%	10.14%	6.23%	5.75%	9.51%
Amortisation, depreciation and write-downs	3,303	11,600	1,238	276	1,434	8,385	147	26,382
Write-downs net of financial assets							586	586
Income from business combinations							1,685	1,685
Operating profit/(loss)	14,237	6,787	3,772	4,537	1,350	(520)	1,647	31,811
Financial income	-	-	-	-	-	-	6,788	6,788
Financial expenses	-	-	-	-	-	-	(13,447)	(13,447)
Profit/(loss) before taxes	14,237	6,787	3,772	4,537	1,350	(520)	(5,012)	25,152
Income taxes	-	-	-	-	-	-	(6,977)	(6,977)
Net profit/(loss)	14,237	6,787	3,772	4,537	1,350	(520)	(11,989)	18,175

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

At 30 September 2022								
(In thousands of euros)	Pasta	Milk products	Bakery Products	Dairy products	Special Products	Instant Noodles	Other Activities	Consolidated Financial Statements total
Revenue from contracts with customers (third parties)	143,674	181,154	31,498	31,026	26,232	96,442	11,167	521,193
EBITDA (*)	6,629	14,362	3,165	3,258	2,686	9,210	335	39,645
EBITDA margin	4.61%	7.93%	10.05%	10.50%	10.24%	9.55%	3.00%	7.61%
Amortisation, depreciation and write-downs	3,260	13,026	1,978	237	1,143	7,362	361	27,367
Net write-downs of financial assets							533	533
Operating profit/(loss)	3,369	1,336	1,187	3,021	1,543	1,848	(559)	11,745
Financial income	-	-	-	-	-	-	2,349	2,349
Financial expenses	-	-	-	-	-	-	(8,988)	(8,988)
Profit/(loss) before taxes	3,369	1,336	1,187	3,021	1,543	1,848	(7,198)	5,106
Income taxes	-	-	-	-	-	-	(1,569)	(1,569)
Net profit/(loss)	3,369	1,336	1,187	3,021	1,543	1,848	(8,767)	3,537

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

EBIT amounted to Euro 31.8 million (5.3% of sales) compared to Euro 11 million as at 30 September 2022 (2.3% of sales), a clear increase compared to the same period last year.

The tax rate was 27.7%.

Net profit as at 30 September 2023 was Euro 18.2 million, a sharp increase from 30 September 2022.

EBITDA

The table below provides a reconciliation of EBITDA, the EBITDA margin and cash conversion at 30 September 2023 and 2022.

<i>(In thousands of euros and as a percentage)</i>	At 30 September 2023	At 31 December 2022
Operating profit/(loss) (EBIT)	30,127	11,745
Amortisation, depreciation and write-downs	26,382	27,367
Net write-downs of financial assets	586	533
EBITDA (*) (A)	57,094	39,644
Revenue from contracts with customers	600,666	521,193
EBITDA margin (*)	9.5%	7.6%
investments (B)	12,896	7,938
Cash conversion [(A) - (B)]/(A)	77.4%	80.0%

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

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

<i>(In thousands of euros and as a percentage of revenue from contracts with customers)</i>	Income statement of the first nine months				Changes	
	2023	%	2022	%	2023 v 2022	%
Pasta	17,389	10.9%	6,629	4.6%	10,760	162.3%
Milk Products	18,538	9.3%	14,362	7.9%	4,176	29.1%
Bakery Products	5,009	13.9%	3,165	10.0%	1,845	58.3%
Dairy Products	4,813	12.4%	3,258	10.5%	1,555	47.7%
Special Products	2,784	10.1%	2,686	10.2%	98	3.7%
Instant Noodles & Bakery Mixes	7,865	6.2%	9,210	9.5%	(1,345)	(14.6%)
Other Activities	695	5.8%	335	3.0%	360	107.5%
EBITDA	57,094	9.5%	39,645	7.6%	17,449	44.0%

The EBITDA of the **Pasta** segment was up compared to the same period of the previous year due to both an increase in demand from existing and new customers and an increase in the average sales price

The EBITDA for the **Milk Products** segment was markedly up compared to the same period of the previous year, showing a significant margin recovery compared to 30 September 2022.

The EBITDA for the **Bakery Products** segment improved significantly compared to the same period last year due to higher sales volumes and a higher average selling price compared to 30 September 2022.

The EBITDA for the **Dairy Products** segment increased significantly compared to the same period of the previous year due to higher sales volumes and a higher average selling price compared to 30 September 2022.

EBITDA from the **Special Products** segment was in line with the same period of the previous year. The increase in absolute values is directly related to the increase in revenue. EBITDA for the **Instant Noodles & Bakery Mixes** segment decreased compared to the same period last year due to non-recurring costs associated with the acquired company EM Foods.

EBITDA for the **Other Activities** segment increased compared to the same period of the previous year due to an increase in the average sales price.

Net financial debt

The following table provides details of the composition of the Group's net financial debt as at 30 September 2023 and 31 December 2022, determined in accordance with the provisions of Consob Communication DEM/6064293 of 28 July 2006 and in accordance with paragraph 175 et seq. of the recommendations contained in the document prepared by ESMA, no. 32-382-1138 of 4 March 2021 (guidelines on disclosure requirements under Regulation EU 2017/1129, so-called "Prospectus Regulation"):

<i>(In thousands of euros)</i>	At 30 September 2023	At 31 December 2022
Net financial debt		
A. Cash and cash equivalents	75,637	149,911
B. Cash equivalents	245,107	137,909
C. Other current financial assets	23,004	19,625
D Cash and cash equivalents (A)+(B)+(C)	343,748	307,445
E. Current financial payables	(36,869)	(32,282)
F. Current portion of non-current financial debt	(39,876)	(41,067)
G. Current financial indebtedness (E)+(F)	(76,745)	(73,349)
H. Net current financial indebtedness (G)+(D)	267,003	234,096
I. Non-current financial payables	(125,334)	(144,447)
J. Debt instruments	(202,149)	(199,450)
K. Trade and other non-current payables	-	-
L. Non-current financial indebtedness (I)+(J)+(K)	(327,483)	(343,897)
M. Net financial indebtedness (H)+(L)	(60,481)	(109,800)

Comparing the net financial position at 30 September 2023 with the corresponding data at 31 December 2022 demonstrates a significant improvement of Euro 49.3 million thanks to the Newlat Group's ability to generate cash flows from operations and the sale of treasury shares.

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

<i>(In thousands of euros)</i>	At 30 September 2023	At 31 December 2022
Net financial debt	(60,481)	(109,800)
Current lease liabilities	7,562	7,567
Non-current lease liabilities	38,108	39,173
Net Financial Position	(14,811)	(63,060)

Net financial debt compared with 31 December 2022 has improved considerably by some Euro 48.3 million due to the positive period performance and the Group's ability to generate cash from operations.

INVESTMENTS

The following table provides a breakdown of the Group's investments in property, plant and equipment and intangible assets in the period ended 30 September 2023:

<i>(In thousands of euros and as a percentage)</i>	At 30 September		At 31 December	
	2023	%	2022	%
Land and buildings	576	4.5%	613	4.0%
Plant and machinery	9,423	73.1%	11,332	73.2%
Industrial and commercial equipment	1,218	9.4%	1,295	8.4%
Other assets	48	0.4%	49	0.3%
Assets under construction and payments on account	540	4.2%	1,205	7.8%
Investments in property, plant and equipment	11,804	91.6%	14,494	93.7%
Patents and intellectual property rights	155	1.2%	112	0.7%
Concessions, licences, trademarks and similar rights	2	0.0%	63	0.4%
Other assets	935	7.2%	804	5.2%
Investments in intangible assets	1,092	8.4%	979	6.3%
Total investments	12,896	100.0%	15,473	100.0%

During the reporting period, the Group made investments totalling Euro 12,896 thousand. The Group's investment policy is aimed at innovation and diversification in terms of product supply. In particular, the Group attaches importance to the development of new products, with the aim of continuously improving customer satisfaction.

Investments in property, plant and equipment relate mainly to purchases of plant and machinery, mostly in connection with projects for updating and renovating production and packaging lines.

Investments in intangible assets mainly relate to the purchase and updating of application software and investments of a long-term nature in customers of the subsidiary Symington's.

The following table provides a breakdown by business unit of the Group's investments as at 30 September 2023:

<i>(In thousands of euros and as a percentage)</i>	At 30 September		At 31 December	
	2023	%	2022	%
Special Products	750	5.8%	1,973	12.8%
Pasta	5,203	40.3%	3,762	24.3%
Bakery Products	682	5.3%	1,167	7.5%
Milk Products	710	5.5%	1,752	11.3%
Dairy Products	685	4.5%	1,306	8.4%
Instant Noodles & Bakery Mixes	4,811	37.3%	5,208	33.7%
Other Activities	155	1.2%	305	2.0%
Total investments	12,896	100.0%	15,473	100.0%

Investments in the Pasta business unit relate mainly to the new packaging facility for pasta products, located at plants in Italy and Germany.

Investments in the Instant Noodles & Bakery Mixes business unit mainly relate to the new plant at Symington's and the purchase of SAP software by EM Foods.

OTHER INFORMATION

Positions or transactions deriving from atypical and/or unusual transactions

Pursuant to CONSOB Communication no. 6064293 of 28 July 2006, note that during the first nine months of 2023 no atypical and/or unusual transactions occurred outside the normal operation of the company that could give rise to doubts regarding the correctness and completeness of the information in the financial statements, conflicts of interest, protection of company assets and safeguarding the minority Shareholders.

Treasury shares and shares of parent companies

In compliance with Article 2428 of the Italian Civil Code, note that as of 30 September 2023 the Parent Company held 1,164,335 treasury shares

Transactions with related parties

The Group's transactions with related parties (hereinafter, "**Related Party Transactions**"), identified based on criteria defined by IAS 24 – Related Party Disclosures, are mainly of a commercial or financial nature and are carried out under normal market conditions. On 6 September 2019 the Board of Directors resolved to adopt the Procedure for Transactions with Related Parties.

The Group did not carry out Related Party Transactions that were unusual in terms of characteristics, or significant in terms of amount, other than those of an ongoing nature. The Group deals with the following related parties:

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

Reggio Emilia (RE), 13 November 2023

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

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

Reggio Emilia, 13 November 2023

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

Financial statements and explanatory notes

Consolidated Statement of Financial Position at 30 September 2023

<i>(In thousands of euros)</i>	At 30 September 2023	At 31 December 2022
Non-current assets		
Property, plant and equipment	158,718	154,106
Right-of-use assets	44,523	46,509
<i>of which from related parties</i>	<i>15,483</i>	<i>16,722</i>
Intangible assets	92,690	92,345
Equity investments in associates	1,401	1,401
Non-current financial assets measured at fair value through profit or loss	777	1,213
Financial assets measured at amortised cost	804	801
<i>of which from related parties</i>	<i>735</i>	<i>735</i>
Deferred tax assets	7,100	7,148
Total non-current assets	306,014	303,522
Current assets		
Inventories	83,045	85,213
Trade receivables	76,529	91,982
<i>of which from related parties</i>	<i>2,182</i>	<i>681</i>
Current tax assets	2,266	1,889
Other receivables and current assets	14,635	19,045
Current financial assets measured at fair value through profit or loss	1,128	6,525
Financial receivables measured at amortised cost	21,876	13,099
<i>of which from related parties</i>	<i>21,876</i>	<i>13,099</i>
Cash and cash equivalents	320,744	287,820
<i>of which from related parties</i>	<i>80,987</i>	<i>97,909</i>
Total current assets	520,223	505,573
TOTAL ASSETS	826,236	809,094
Shareholders' equity		
Share capital	43,935	43,935
Reserves	100,816	77,296
Translation reserve	2,461	(2,982)
Net profit/(loss)	15,988	6,223
Total shareholders' equity attributable to the Group	163,199	124,471
Shareholders' equity attributable to minority interests	17,020	14,834
Total consolidated equity	180,220	139,306
Non-current liabilities		
Provisions for employee benefits	10,679	11,399
Provisions for risks and charges	1,601	2,038
Deferred tax liabilities	25,116	19,991
Non-current financial liabilities	289,375	304,723
Non-current lease liabilities	38,108	39,173
<i>of which from related parties</i>	<i>12,870</i>	<i>14,703</i>
Total non-current liabilities	364,880	377,324
Current liabilities		
Trade payables	170,860	193,776
<i>of which from related parties</i>	<i>1,122</i>	<i>0</i>
Current financial liabilities	69,184	65,780
<i>of which from related parties</i>	<i>981</i>	<i>8,929</i>
Current lease liabilities	7,562	7,567
<i>of which from related parties</i>	<i>2,513</i>	<i>2,356</i>
Current tax liabilities	8,506	3,688
Other current liabilities	25,025	21,654
Total current liabilities	281,137	292,466
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	826,236	809,094

Consolidated income statement of the first nine months of 2023

<i>(In thousands of euros)</i>	Consolidated income statement of the first nine months	
	2023	2022
Revenue from contracts with customers	600,666	521,193
Cost of sales	(491,968)	(433,379)
<i>of which from related parties</i>	<i>(2,839)</i>	<i>(2,561)</i>
Gross operating profit/(loss)	108,698	87,814
Sales and distribution costs	(64,317)	(62,496)
Administrative costs	(15,716)	(15,518)
<i>of which from related parties</i>	<i>(126)</i>	<i>(230)</i>
Net write-downs of financial assets	(586)	(533)
Other revenues and income	6,712	7,018
Income from business combinations	1,685	0
Other operating costs	(4,666)	(4,540)
Operating profit/(loss)	31,810	11,745
Financial income	6,788	2,349
<i>of which from related parties</i>	<i>1,501</i>	<i>48</i>
Financial expenses	(13,447)	(8,988)
<i>of which from related parties</i>	<i>(493)</i>	<i>(60)</i>
Profit/(loss) before taxes	25,152	5,106
Income taxes	(6,977)	(1,569)
Net profit/(loss)	18,175	3,537
Profit/(loss) attributable to minority interests	2,187	955
Group net profit/(loss)	15,988	2,582
Basic net profit/(loss) per share	0.37	0.07
Diluted net profit/(loss) per share	0.37	0.07

Consolidated statement of other comprehensive income

<i>(In thousands of euros)</i>	Consolidated income statement of the first nine months	
	2023	2022
Net profit/(loss) (A)	18,175	3,537
b) Other components of comprehensive income that will not be subsequently reclassified to the income statement:		
Actuarial gains/(losses)	-	-
Total other components of comprehensive income that will not be subsequently reclassified to the income statement:	-	-
c) Components of comprehensive income that will not be subsequently reclassified to the income statement:		
Hedging instruments net of tax effects	(154)	92
Translation reserve	2,809	(2,070)
Total other components of comprehensive income that will not be subsequently reclassified to the income statement	2,655	(1,978)
d) Total other components of comprehensive income, net of tax effect (B+C)	2,655	(1,978)
Total comprehensive net profit/(loss) (A)+(D)	20,829	1,559
Profit/(loss) attributable to minority interests	2,187	955
Group net profit/(loss)	18,643	604

Statement of changes in consolidated shareholders' equity as at 30 September 2023

<i>(In thousands of euros)</i>	Share capital	Reserves	Net profit/(loss)	Total shareholders' equity attributable to the Group	Shareholders' equity attributable to minority interests	Total
At 31 December 2021	43,935	80,968	5,134	130,038	14,477	144,515
Allocation of net profit/(loss) for the previous year		5,134	(5,134)	-		-
Treasury shares		(10,396)		(10,396)		(10,396)
Total treasury shares		(10,396)		(10,396)		(10,396)
Other changes		365		365	(17)	348
Net profit/(loss)			2,582	2,582	955	3,537
Hedge accounting		92		92		92
Translation reserve		(2,070)		(2,070)		(2,070)
Total comprehensive net profit/(loss) for the year		(1,978)	2,582	604	955	1,559
At 30 September 2022	43,935	74,093	2,582	120,610	15,415	136,026
Treasury shares		(1,335)		(1,335)		(1,335)
Total treasury shares		(1,335)		(1,335)		(1,335)
Other changes		88		88		88
Net profit/(loss)			3,641	3,641	(581)	3,060
Hedge accounting		491		491		491
Total non-current liabilities		(558)		(558)		(558)
Actuarial gains/(losses) net of the related tax effect		1,534		1,534		1,534
Total comprehensive net profit/(loss) for the year		1,467	3,641	5,108	(581)	4,527
At 31 December 2022	43,935	74,313	6,223	124,472	14,834	139,306
Allocation of net profit/(loss) for the previous year		6,223	(6,223)	-		-
Treasury shares		20,085		20,085		20,085
Total treasury shares		20,085		20,085		20,085
Other changes		-		-	-	-
Net profit/(loss)			15,988	15,988	2,187	18,175
Hedge accounting		(154)		(154)		(154)
Translation reserve		2,809		2,809		2,809
Total comprehensive net profit/(loss) for the year		2,655	15,988	18,643	2,187	20,829
At 30 September 2023	43,935	103,276	15,988	163,199	17,020	180,220

Consolidated cash flow statement of the first nine months of 2023

<i>(In thousands of euros)</i>	Cash flow statement of the nine months	
	2023	2022
Profit/(loss) before taxes	25,152	5,106
- <i>Adjustments for:</i>		
Amortisation, depreciation and write-downs	26,968	27,900
Capital losses/(gains) on disposal	-	
Other non-monetary changes from business combinations	(1,685)	
Financial expense/(income)	6,659	6,639
<i>of which from related parties</i>	1,008	(60)
Cash flow generated /(absorbed) by operating activities before changes in net working capital	57,094	39,645
Change in inventory	5,548	(25,329)
Change in trade receivables	20,298	5,512
Change in trade payables	(29,252)	8,397
Change in other assets and liabilities	6,408	7,535
Use of provisions for risks and charges and for employee benefits	(1,156)	(234)
Taxes paid	(3,163)	(1,656)
Net cash flow generated /(absorbed) by operating activities	55,777	33,870
Investments in property, plant and equipment	(11,804)	(7,261)
Investments in intangible assets	(1,092)	(677)
Investments of financial assets	(3,096)	(4,363)
Deferred fee for acquisitions		
Acquisitions	(1,000)	(300)
Net cash flow generated /(absorbed) by investment activities	(16,992)	(12,601)
New long-term financial debt	19,500	70,000
Repayments of long-term financial debt	(28,420)	(36,983)
Change in current financial debt	-	-
Repayments of lease liabilities	(7,341)	(11,071)
<i>of which from related parties</i>	(4,470)	(2,142)
Net interest expense	(6,659)	(6,639)
Acquisition of minority interests	-	(17)
Treasury shares	20,085	(10,396)
Net cash flow generated/(absorbed) by financing activities	(2,835)	4,894
Total changes in cash and cash equivalents	35,948	26,163
Cash and cash equivalents at start of year	287,820	384,888
<i>of which from related parties</i>	97,909	126,552
Offsetting of cash and cash equivalents	(3,025)	
Effect of changes in exchange rates and the translation reserve		(1,959)
Total changes in cash and cash equivalents	35,948	26,163
Cash and cash equivalents at end of year	320,744	409,093
<i>of which from related parties</i>	80,987	176,260

Explanatory notes

Basis of preparation

The Interim Management Report at 30 September 2023 was prepared in accordance with the international accounting principles (IAS/IFRS) adopted by the European Union for interim reporting (IAS 34). The financial statements were prepared in accordance with IAS 1, while the explanatory notes were prepared in condensed form applying the option provided for in IAS 34 and therefore do not include all the information required for an annual report prepared in accordance with IFRSs. The condensed consolidated financial statements at 30 September 2023 should therefore be read in conjunction with the consolidated annual financial statements for the year ended 31 December 2022.

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

Measurement criteria

The measurement criteria used for the preparation of the consolidated financial statements as at 30 September 2023 are the same as those used for the consolidated financial statements as at 31 December 2022, except for the new accounting standards, amendments and interpretations applicable from 1 January 2023, which are described below and which – it is noted – did not have a material impact on the equity and economic situation as at 30 September 2023.

Accounting standards, amendments and interpretations not yet adopted but applicable in advance.

Amendments to IAS 1 — Presentation of Financial Statements: Classification of Liabilities as Current or Non-Current	In January 2020, the IASB issued amendments to IAS 1 - Presentation of Financial Statements: Classification of liabilities as current or non-current to clarify how to classify payables and other liabilities as current or non-current, and in particular how to classify liabilities with an uncertain settlement date and liabilities that can be settled by conversion to equity. These amendments will go into effect on 1 January 2024.
IFRS 16 – Leases: Liability in a Sale and Leaseback	In September 2022 the IASB made changes to IFRS 16 - Leases: Liability in a Sale and Leaseback to provide guidelines for the valuation of the liability arising from a sale and leaseback transaction designed to ensure that the seller-lessee does not recognise any amount of gain or loss in respect of the retained right of use. These amendments will go into effect on 1 January 2024. The Company does not expect any significant impact from the adoption of these amendments.
IAS 1 – Presentation of Financial Statements: Non-current Liabilities with Covenants	In October 2022, the IASB made changes to IAS 1 - Presentation of Financial Statements: Non-current Liabilities with Covenants to clarify how conditions that an entity must meet within twelve months after the reporting period affect the classification of a liability. These amendments will come into force on 1 January 2024. The Company does not expect any significant impact from the adoption of these amendments.

Accounting standards, amendments and interpretations effective from 1 January 2023 and adopted by the Company

Amendments to IFRS 17 — Insurance Contracts: Initial Application of IFRS 17 and IFRS 9 - Comparative Information	In December 2021 the IASB issued amendments to IFRS 17 — Insurance Contracts: Initial Application of IFRS 17 and IFRS 9 - Comparative Information, which provides a transitional option relating to comparative information on financial assets presented upon initial adoption of IFRS 17. The amendments are intended to help companies avoid temporary accounting mismatches between financial assets and liabilities from insurance contracts, thus improving the usefulness of disclosures for users of the financial statements. These amendments will go into effect on 1 January 2023.
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Amendments to IAS 12 – Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction	In May 2021 the IASB issued amendments to IAS 12 - Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction, to specify how companies should account for deferred taxation on transactions such as leases and decommissioning obligations, transactions for which companies recognise both an asset and a liability. Specifically, it was clarified that the exemption does not apply and that companies are required to recognise deferred taxation on such transactions. These amendments will go into effect on 1 January 2023, with advance application allowed.
IFRS 17 — Insurance Contracts	In May 2017 the IASB issued IFRS 17 - Insurance Contracts, which establishes standards for the recognition, measurement, presentation and disclosure of insurance contracts issued, as well as guidance on reinsurance contracts held and investment contracts with discretionary participation issued. In June 2020 the IASB issued amendments to IFRS 17 aimed at helping companies implement IFRS 17 and making it easier for companies to explain their financial performance. The new standard and amendments are effective from 1 January 2023.
Amendments to IAS 1 — Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of Accounting policies	In February 2021 the IASB issued amendments to IAS 1 - Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of Accounting policies that require companies to disclose information about their material accounting policies rather than their significant accounting policies and provide guidance on how to apply the concept of materiality to accounting policy disclosures. These amendments will go into effect on 1 January 2023.
Amendments to IAS 8 – Accounting Policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates	In February 2021 the IASB issued amendments to IAS 8 - Accounting Policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates that clarifies how companies should distinguish changes in accounting principles from changes in accounting estimates. These amendments will go into effect on 1 January 2023.

The Group does not expect any significant economic and financial impacts from the provisions resulting from the entry into force of the aforementioned principles.

In any case, the Group has not adopted in advance any accounting standards or amendments with a later effective date.

Explanatory notes as at 30 September 2023

Scope of consolidation and goodwill

Name	Registered Office	Currency	Share capital as at 30 September 2023	Control percentage	
				At 30 September 2023	At 31 December 2022
Newlat Food S.p.A.	Italy - Via J.F. Kennedy 16, Reggio Emilia	EUR	43,935,050	Parent company	Parent company
Newlat GmbH	Germany - Franzosenstraße 9, Mannheim (Germany)	EUR	1,025,000	100%	100%
Centrale del Latte d'Italia S.p.A.	Turin Via Filadelfia 220, 10137	EUR	28,840,041	67.74%	67.74%
Symington's Ltd	Thornes Farm Business Park, Pontefract Ln, Leeds LS9	GBP	100,000	100%	100%
EM Foods Sas	951 Rue Denis Papin, 54710 Ludres, France	EUR	1,000,000	100%	-

Consolidation criteria and methodology

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

The subsidiaries were consolidated using the line-by-line method. With regard to the subsidiary Centrale del Latte d'Italia S.p.A. (also listed on the Milan Euronext STAR segment and owned 67.74% as at 30 September 2023), minority interests were recognised.

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

Sectoral information

IFRS 8 - *Operating Segments* defines an operating segment as a component:

- That engages in business activities from which it may earn revenues and incur expenses.
- Whose operating results are reviewed regularly by the entity's chief operating decision maker.
- For which discrete financial information is available.

For the purposes of IFRS 8, the Group's activity is identifiable in the following business segments: Pasta, Milk Products, Bakery Products, Dairy Products, Special Products, Instant Noodles & Bakery Mixes and Other Activities.

The table below shows the main statement of financial position and income statement items examined by the chief operating decision maker in order to assess the Group's performance at 30 September 2023:

At 30 September 2023								
<i>(In thousands of euros)</i>	Pasta	Milk products	Bakery Products	Dairy products	Special Products	Instant Noodles & Bakery Mixes	Other Activities	Consolidated Financial Statements total
Revenue from contracts with customers (third parties)	160,045	200,068	36,075	38,702	27,465	126,230	12,081	600,666
EBITDA (*)	17,389	18,538	5,009	4,813	2,784	7,865	695	57,094
EBITDA margin	10.87%	9.27%	13.89%	12.44%	10.14%	6.23%	5.75%	9.51%
Amortisation, depreciation and write-downs	3,152	11,751	1,238	276	1,434	8,385	147	26,382
Net write-downs of financial assets							586	586
Income from business combinations							1,685	1,685
Operating profit/(loss)	14,237	6,787	3,772	4,537	1,350	(520)	1,647	31,811
Financial income	-	-	-	-	-	-	6,788	6,788
Financial expenses	-	-	-	-	-	-	(13,447)	(13,447)
Profit/(loss) before taxes	14,237	6,787	3,772	4,537	1,350	(520)	(5,012)	25,152
Income taxes	-	-	-	-	-	-	(6,977)	(6,977)
Net profit/(loss)	14,237	6,787	3,772	4,537	1,350	(520)	(11,989)	18,175
Total assets	151,263	189,039	20,120	8,001	27,762	67,347	362,705	826,237
Total liabilities	125,745	75,897	30,669	13,238	30,508	72,261	297,700	646,017
Investments	5,203	710	682	685	750	4,811	155	12,896
Employees (number)	568	533	198	70	137	643	71	2,220

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

At 30 September 2022								
<i>(In thousands of euros)</i>	Pasta	Milk products	Bakery Products	Dairy products	Special Products	Instant Noodles	Other Activities	Consolidated Financial Statements total
Revenue from contracts with customers (third parties)	143,674	181,154	31,498	31,026	26,232	96,442	11,167	521,193
EBITDA (*)	6,629	14,362	3,165	3,258	2,686	9,210	335	39,645
EBITDA margin	4.61%	7.93%	10.05%	10.50%	10.24%	9.55%	3.00%	7.61%
Amortisation, depreciation and write-downs	3,260	13,026	1,978	237	1,143	7,362	361	27,367
Net write-downs of financial assets							533	533
Operating profit/(loss)	3,369	1,336	1,187	3,021	1,543	1,848	(559)	11,745
Financial income	-	-	-	-	-	-	2,349	2,349
Financial expenses	-	-	-	-	-	-	(8,988)	(8,988)
Profit/(loss) before taxes	3,369	1,336	1,187	3,021	1,543	1,848	(7,198)	5,106
Income taxes	-	-	-	-	-	-	(1,569)	(1,569)
Net profit/(loss)	3,369	1,336	1,187	3,021	1,543	1,848	(8,767)	3,537
Total fixed assets as at 31 December 2022	88,107	197,184	21,322	8,911	34,048	55,954	403,567	809,093
Total liabilities as at 31 December 2022	72,482	104,715	20,004	8,458	20,500	62,424	381,205	669,787
Investments as at 30 September 2022	1,230	3,970	618	-	66	2,779	50	8,713
Employees (number)	492	589	188	72	157	622	72	2,192

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

The table above shows the main income statement items at 30 September 2022 and the main statement of financial position items at 31 December 2022 examined by the chief operating decision maker in order to assess the Group's performance, and the reconciliation of these items with respect to the corresponding amount included in the Interim Management Report:

Acquisition EM FOODS SAS

On 7 December 2022 Newlat Food S.p.A. signed a contract with Alsa France (the "Seller") to acquire 100% of the ordinary shares and voting rights of EM Foods S.A.S. following the Seller's exercise of the put option signed by the parties on 19 October 2022. As required by French law, Alsa France exercised its option to sell 100% of the ordinary shares and voting rights of EM Foods S.A.S., after EM Foods S.A.S.'s workers' council formally agreed to the sale to Newlat Food. The acquisition was then finalised at the beginning of January 2023.

The closing of the acquisition of EM Foods S.A.S. took place on 2 January 2023. With this acquisition the Newlat Group enters the bakery and dessert mixes sector, a particularly interesting business becoming increasingly popular with consumers.

At the same time, Newlat Food S.p.A. signed a long-term contract with Unilever BV for the production of several products related to important brands such as Carte d'Or, Maizena and Mondamin. The signing of this agreement constituted a condition precedent for the conclusion of the acquisition of EM Foods S.A.S.

Business combinations

Business combinations, in which the control of a business is acquired, are recognised in accordance with IFRS 3 "Business combination", applying the acquisition method. In particular, identifiable assets, liabilities and potential liabilities are recognised at fair value at the date of acquisition, i.e. the date when control is acquired (the acquisition date), except for deferred tax assets and liabilities, assets and liabilities relative to employee benefits and assets held for sale, which are recognised based on the relative accounting standards. If positive, the difference between the cost of acquisition and the current value of the assets and liabilities is recorded in intangible assets as goodwill; if negative, after having checked that the current values of the assets and liabilities acquired and the cost of acquisition have been properly measured, it is recorded directly in the statement of other comprehensive income, as revenue. Minority interests on the date of acquisition can be measured at fair value or at the pro-rata of the value of the net assets recognised for the acquired company. The valuation method is chosen on a transaction-by-transaction basis. When the assets and liabilities of the acquired business are calculated on a provisional basis, this must be completed within twelve months of the date of acquisition, taking into account only information relating to facts and circumstances existing at the Acquisition Date. In the year in which the aforementioned calculation is concluded, the provisionally recognised values are adjusted with retrospective effect. The ancillary expenses of the transaction are recognised in the income statement at the moment at which they are incurred. The cost of acquisition is represented by the fair value

on the Acquisition Date of the assets transferred, the liabilities assumed and the equity instruments issued for the purpose of the acquisition, and also includes the contingent consideration, i.e. the part of the fee whose amount and disbursement are dependent on future events. The contingent consideration is recognised on the basis of its fair value at the Acquisition Date, and subsequent changes in fair value are recognised in the income statement if the contingent consideration is a financial asset or liability, while contingent considerations classified as equity are not restated and the subsequent elimination occurs directly in equity. Where control is acquired in subsequent phases, the acquisition cost is determined by adding the fair value of the investment previously held in the acquiree and the amount paid for the additional portion. Any difference between the fair value of the investment previously held and its carrying value is charged to the income statement. When control is acquired, any amounts previously recognised as other components of comprehensive income are recognised in the statement of other comprehensive income or, if such reclassification is not envisaged, in another shareholders' equity item.

The following table provides the book values of the net assets acquired as part of the EM Foods Sas Acquisition:

<i>(In thousands of euros)</i>	As at 1 January 2023
Property, plant and equipment	7,376
Financial assets measured at amortised cost	4
Inventories	3,380
Trade receivables	5,431
Other receivables and current assets	523
Trade payables	(6,334)
Current tax liabilities	(38)
Other current payables and liabilities	(1,858)
Deferred tax liabilities	(5,800)
Total net assets acquired	2,685
Payment by bank transfer	(1,000)
<i>Income from business combinations recognised provisionally</i>	<i>1,685</i>

The transaction was booked in accordance with the guidance contained in IFRS 3 – "Business Combinations" since it can be categorised as an acquisition.

The purchase price allocation process as well as the valuation of assets and liabilities at fair value is still being completed and may change over the coming months.

Management expects to conclude the final valuation of the assets and liabilities at fair value by the end of the current year.

Non-current assets

<i>(In thousands of euros)</i>	At 30 September 2023	At 31 December 2022
Non-current assets		
Property, plant and equipment	158,718	154,106
Right-of-use assets	44,523	46,509
Intangible assets	92,690	92,345
Equity investments in associates	1,401	1,401
Non-current financial assets measured at fair value through profit or loss	777	12.31
Financial assets measured at amortised cost	804	801
Deferred tax assets	7,100	7,148
Total non-current assets	306,014	303,522

Fixed assets, plant and equipment

The increase compared to 31 December 2022 is mainly due to the addition of the new company EM Foods Sas to the scope of consolidation.

Investments for the period amounted to Euro 11,804 thousand.

Depreciation for the period amounted to Euro 14,841 thousand.

Right-of-use assets

Real estate right-of-use assets relate mainly to the production plants in Sansepolcro (AR), Ozzano Taro (PR), Reggio Emilia, Lodi, Lecce, Bologna, Corte de' Frati (CR) and Eboli (SA) used by Newlat or Centrale del Latte d'Italia under agreements entered into with the related party New Property S.p.A. and those relating to the subsidiary Symington's. The agreements entered into with the related party New Property S.p.A. fall within the scope of the agreements with related parties.

The right-of-use assets at 30 September 2023 also refer to the Delverde production plant, located at Fara San Martino (CH), used by Newlat Food under a financial lease with third parties and the production plants of the subsidiary Symington's Limited.

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

The change compared with 31 December 2022 was due mainly to depreciation for the period.

Intangible assets

The change from 31 December 2022 is mainly due to amortisation for the period and investments in EM Foods and Symington's.

Equity investments in associates

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

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

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

Financial assets measured at amortised cost

At 30 September 2023, this item totalled Euro 804 thousand (Euro 801 thousand at 31 December 2022) and referred mainly to security deposits paid by the Parent Company under the production premises lease agreements.

Deferred tax assets

As at 30 September 2023 this item totalled Euro 7,228 thousand (Euro 7,148 thousand as at 31 December 2022).

Prepaid taxes refer mainly to the appropriation of taxed provisions. Based on the multi-year business plans prepared, management believes that these receivables can be fully recovered through future taxable income.

Current assets

<i>(In thousands of euros)</i>	At 30 September 2023	At 31 December 2022
Current assets		
Inventories	83,045	85,213
Trade receivables	76,529	91,982
Current tax assets	2,266	1,889
Other receivables and current assets	14,635	19,045
Current financial assets measured at fair value through profit or loss	1,128	6,525
Financial receivables measured at amortised cost	21,876	13,099
Cash and cash equivalents	320,744	287,820
Total current assets	520,223	505,573

Inventories

Closing inventories were down by Euro 2,168 thousand on 31 December 2022 because of a decrease in warehouse stock.

Trade receivables

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

At each reporting date, customer receivables are analysed to check their recoverability in accordance with IFRS 9. To perform this analysis, the Group assesses whether there are expected losses from trade receivables over the entire duration of these receivables and takes into account the expertise it has accrued regarding losses on receivables, grouped into similar categories, based on specific factors pertaining to the Group's receivables as well as on the general economic environment. Customer receivables are written down

when there is no reasonable expectation that they will be recovered and the write-down takes place in the income statement under “amortisation, depreciation and write-downs”.

Current tax assets

Current tax assets totalled Euro 2,266 thousand (Euro 1,889 thousand at 31 December 2022).

Other receivables and current assets

“Other receivables and current assets” consist of tax receivables, advances to suppliers, prepaid expenses and other short-term receivables:

Current financial assets measured at fair value through profit or loss

This item mainly includes government securities held for the temporary management of excess liquidity and with a view to their sale, and derivative financial instruments used as hedging instruments against exchange rate effects in hedge accounting.

Financial receivables measured at amortised cost

Financial receivables measured at amortised cost refer to financial receivables from the related party New Property SpA totalling Euro 13,099 thousand and Euro 8,777 thousand from the parent company Newlat Group SA.

Cash and cash equivalents

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

At 30 September 2023, cash and cash equivalents were not subject to restrictions or constraints. Part of the aforementioned cash and cash equivalents, amounting to Euro 80,987 thousand, is attributable to the cash pooling relationships of Newlat Food and Centrale del Latte d'Italia with the parent company Newlat Group S.A., and are immediately callable by the Group.

See the statement of cash flows for changes in the “Cash and cash equivalents” item during the period under review.

Shareholders' equity

Share capital

As at 30 September 2023, the Company's fully subscribed and paid-up share capital totalled Euro 43,935,050, divided into 43,935,050 ordinary shares that were dematerialised as a result of the IPO operation in October 2019.

As reported in the statement of changes in consolidated equity, the changes as at 30 September 2023 related to:

- Recognition of the total net profit for the period, in the amount of Euro 18,175 thousand.
- Positive translation reserve of Euro 2,809 thousand.
- Hedging instruments negative for Euro 155 thousand.
- Treasury shares for Euro 20,085 thousand.

Non-current liabilities

<i>(In thousands of euros)</i>	At 30 September 2023	At 31 December 2022
Non-current liabilities		
Provisions for employee benefits	10,679	11,399
Provisions for risks and charges	1,601	2,038
Deferred tax liabilities	25,116	19,991
Non-current financial liabilities	289,375	304,723
Non-current lease liabilities	38,108	39,173
Total non-current liabilities	364,880	377,324

Provisions for employee benefits

At 30 September 2023, this item totalled Euro 10,679 thousand, down from Euro 720 thousand at 31 December 2022, mainly due to the departure of employees through retirement and resignation.

Provisions for risks and charges

Provisions for risks and charges refer primarily to the provision for agents' indemnities, which represents a reasonable forecast of the charges that would be borne by the Group in the event of future interruption of agency relationships.

Deferred tax liabilities

Deferred-tax liabilities amounted to Euro 25,116 thousand at 30 September 2023. The increase of Euro 5,125 thousand compared to the liability as at 31 December 2022 is mainly due to the inclusion of the balances of EM Foods Sas in the scope of consolidation.

Non-current and current financial liabilities

See the Group's net financial position.

The verification of compliance with financial covenants is performed only on the annual data at 31 December based on the requests of the related contracts. The Group believes that these covenants will be respected at 31 December 2023, also considering the results achieved at 30 September 2023. The decrease in financial liabilities is mainly due to the repayment of instalments maturing on 30 September and the lower use of short-term credit lines. Moreover, in February 2023 the interest on the bond loan of approximately Euro 5.2 million was paid.

Current and non-current lease liabilities

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

Liabilities were recognised in compliance with the IFRS 16 accounting standard and determined as the present value of future lease payments discounted at a marginal rate of interest which, based on the length of each individual agreement, was identified in a range between 4% and 6%.

There are no payables due beyond five years.

The change compared with 31 December 2022 was due mainly to the reimbursement of rental fees according to existing contractual agreements.

Current liabilities

<i>(In thousands of euros)</i>	At 30 September 2023	At 31 December 2022
Current liabilities		
Trade payables	170,860	193,776
Current financial liabilities	69,184	65,780
Current lease liabilities	7,562	7,567
Current tax liabilities	8,506	3,668
Other current liabilities	25,025	21,654
Total current liabilities	281,137	292,466

Trade payables

There are no particular changes in supplier payment terms.

Current financial liabilities

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

Current tax liabilities

Current tax liabilities totalled Euro 8,506 thousand (Euro 3,688 thousand at 31 December 2022). The change from 31 December 2022 is related to taxes for the period and the payment of the balance for the previous year.

Other current liabilities

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

Income statement

Please refer to the management report for an analysis of the income statement items for the first nine months of 2023.

Earnings per share

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

<i>(In thousands of euros)</i>	Income statement of the first nine months	
	2023	2022
Profit for the year attributable to the Group in thousands of euros	15,988	2,582
Weighted average number of shares in circulation	42,770,715	39,629,842
Earnings per share (in Euro)	0.37	0.07

Related party transactions

The Group's transactions with related parties, identified based on criteria defined by IAS 24 – Related party disclosures, are mainly of a commercial or financial nature and are carried out under normal market conditions. Despite this, there is no guarantee that, if these transactions had been conducted between or with third parties, said third parties would have negotiated and entered into the relevant contracts, or executed the transactions themselves, under the same conditions and in the same manner. The Group deals with the following related parties:

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

Disputes and potential liabilities

The Parent Company and its subsidiaries are parties to some legal disputes, for relatively small amounts. The future resolution of such disputes is unlikely to generate significant liabilities for the Group for which specific risk provisions have not already been allocated in the financial statements. As at 30 September 2023 there were no substantial changes to the situations regarding disputes or contingent liabilities from 31 December 2022.

Reggio Emilia, 13 November 2023

Angelo Mastrolia
Chairman of the BoD

Rocco Sergi
Financial Reporting Officer

Pursuant to paragraph 2, article 154-bis of the Italian Consolidated Law on Finance, the Financial Reporting Officer Fabio Fazzari declares that the accounting information contained in this Interim Report corresponds to the contents of accounting documents, books and records.

Reggio Emilia, 13 November 2023

Angelo Mastrolia
Chairman of the BoD

Rocco Sergi
Financial Reporting Officer