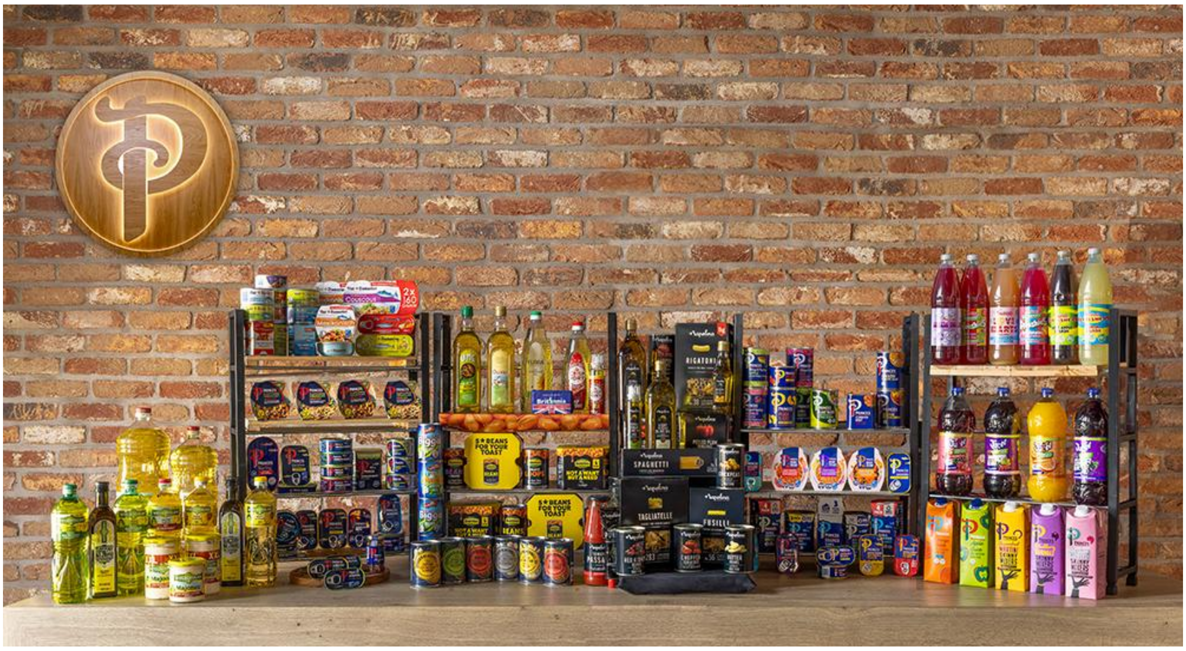
Newlat FOOD SpA

A multibrand company



ANNUAL FINANCIAL REPORT AT 31 DECEMBER 2024

This document constitutes a PDF copy of the Annual Financial Report of Newlat Food S.p.A. as at 31 December 2024 and does not constitute the document in ESEF format required by the ESEF Technical Standards pursuant to Delegated Regulation (EU) 2019/815 (the so-called "ESEF Regulation").

The Annual Financial Report of Newlat Food S.p.A. as at 31 December 2024 in the ESEF format, required by the ESEF Regulation, is available on the Company's website https://corporate.newlat.it/relazione-con-gli-investitori/bilanci-e-relazioni/ and via the authorised storage mechanism eMarket Storage www.emarketstorage.com.

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LETTER TO THE STAKEHOLDERS

Dear stakeholders,

2024 marked a year of profound transformation for Newlat Food, with strategic vision, financial solidity and execution capacity intertwining to create a new chapter in our history. A year in which we did not just consolidate what we had built in the past, but laid the foundations for an even more ambitious future.

The highlight of this year was the completion of the **acquisition of Princes** *at the end of July, a company with a long history, a large and well-positioned portfolio and a strong presence in the UK. This has transformed us into a* **truly international group***, with over 50% of our turnover now generated in the UK market. It is a strategic step that takes us to a completely new scale, allowing us to fully exploit industrial and commercial synergies and to take on the new challenges of the industry with strength and ambition.*

It is precisely to symbolically and concretely mark this new phase that our Group will soon be renamed **NewPrinces Group***. An identity that synthesises the union of two strong, rooted, complementary realities that share values, vision and ambition. The new name represents our future: integrated, solid, international, and above all oriented towards the creation of lasting value for all stakeholders.*

During this past year we demonstrated our ability to generate value even in a complex macroeconomic environment, achieving a **combined turnover of 2.8 billion euros***, the result of a resilient industrial model, effective governance and a clear strategic vision.*

The **integration with Princes** *is progressing very effectively and we are already seeing the first tangible results. The initial synergies are already having a positive effect on EBITDA, thanks to the optimisation of the supply chain, centralisation of purchasing, better use of production assets and cross-selling between markets. Our modern, scalable industrial infrastructure is becoming the ideal platform for developing new products, expanding formats and penetrating new categories.*

2024 also confirmed the **Group's extraordinary ability to generate cash***, with* **over 197 million euros of free cash flow***, which allowed us to reduce the* **net financial position by over 90 million euros***. The issuance of the new bond in February 2025 will allow us to significantly reduce the average cost of debt, which will have a positive impact on profitability and our investment capacity in the coming years.*

On the business front, the **UK** *is now a key driver of our strategy, with over* **£110 million of potential net sales identified** *through priority growth levers: from strengthening in the "Italian" world to expanding high value-added categories such as* **dairy, baby food and clean & functional***, to entering new areas such as* **Italian chilled** *and* **pet food***. A concrete plan that is both scalable and feasible without significant capital investments.*

At the same time, we continue to focus strongly on **further developing our historical markets***. In* **Germany***, we are working on an ambitious expansion plan for 2025, with a focus on the strategic* **tomato and tuna** *categories, where we still see largely untapped potential. Also in* **Italy***, we are ready to launch new products in these same lines and to further enrich our range, strengthening our on-shelf presence with authentic, convenient products capable of interpreting new consumer trends.*

But the value we are creating goes far beyond the numbers. We are building a group that is highly focused on its people, the planet and a passion for quality food. Our path is guided by a clear purpose: to make the right choices for better, affordable, sustainable food. Our vision is to unite people in the pleasure of sharing quality food and drink. And our mission is to continue to produce authentic, affordable products for millions of families around the world with pride and integrity.

Looking ahead to 2030, we have mapped out an ambitious but realistic trajectory. We expect to reach 3.3 billion euros in organic revenues driven by product innovation, brand growth and longer private label contracts. Adjusted EBITDA is expected to reach

320 million euros, with an improvement in margins supported by synergies, operational efficiency and an increasingly rational cost structure. We are aiming for a positive net cash position as early as 2027, with more than 1 billion euros available by 2030. These are challenging goals, but within our reach.

All this is possible because we have extraordinary human capital. Our people are the beating heart of the Group: skilled, passionate, determined. It is thanks to them that we can confidently say that today we are ready. Ready to grow, to innovate, to conquer new spaces. Ready to write the future of the NewPrinces Group together.

Thanks to each and every one of you for your trust, cooperation and support as you travel with us on this journey.

With esteem and gratitude,

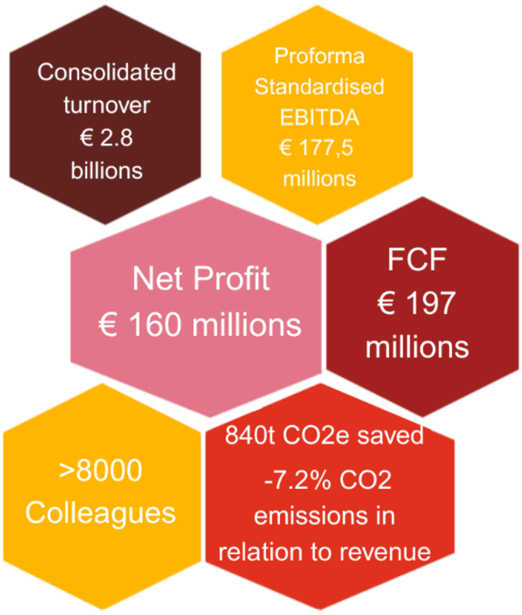
Angelo Mastrolia

Chair of the Board of Directors

Newlat Food S.p.A.

MAIN GROUP HIGHLIGHTS IN 2024

Key Figures



GROUP HISTORY

Year 2004

- Acquisition of the Guacci pasta factory by the Mastrolia family.

Year 2005

- Acquisition of the Eboli plant for the production of pasta and the Pezzullo brand.

Year 2006

- Acquisition of the factories and the brand for the production of Corticella branded pasta from Euricom Group.

Year 2008

- Acquisition of the Sansepolcro factory for the production and licensed sale of Buitoni pasta and baked goods.
- Acquisition of Newlat SpA operating in the dairy division through the Giglio, Polenghi, Torre in Pietra and Fior di Salento brands.

Year 2009

- Expansion of the brands in the dairy division through the acquisition of the Ala and Optimus brands.

Year 2013

- Acquisition of the German company for the production and sale of Birkel and 3Glocken branded pasta.

Year 2014

- Purchase of Centrale del Latte di Salerno S.p.A. and its brand, engaged in the production and sale of dairy products.

Year 2015

- Acquisition of the plant in Ozzano Taro, Parma, for the production and sale of products belonging to the baby food and protein- and gluten-free food sectors through a co-packaging contract with Kraft-Heinz.

Year 2019

- Acquisition of Industrie Alimentari Delverde S.p.A., owner of the Delverde brand in the pasta market.
- Access to the capital market through the placement of equity instruments for trading on the STAR segment of the Mercato Telematico Azionario stock market organised and managed by Borsa Italiana.

Year 2020

- Acquisition of the company Centrale del Latte d'Italia S.p.A. listed in the STAR segment of the Mercato Telematico Azionario stock market organised and managed by Borsa Italiana.

Year 2021

- Purchase of 100% of the ordinary shares and voting rights of the Symington's Group consisting of Symington's Limited, Symington's (Holdings) Limited and Symington's Australia PTY Limited, a group operating mainly in the UK and produces – both under its own brands and for third-party brands – a wide range of instant noodles (Naked) where it is a market leader in the authentic and Asian inspiration segment, soups and various ready meals under the Mug Shot brand, rice and couscous ready meals (Twistd), baked goods including croutons (Rochelle brand), cake and cake mixes (with about 75% market share in the private label segment), Chicken Tonight brand condiments and Ragu brand sauces.

Year 2023

- Purchase of 100% of the ordinary shares and voting rights of EM Foods S.A.S. ("EM Foods") following the Seller's exercise of the put option signed by the parties on 19 October. As required by French law, Alsa France exercised its option to sell 100% of the ordinary shares and voting rights of EM Foods, after EM Foods' workers' council formally agreed to the sale to Newlat Food. The closing of the transaction took place on 2 January 2023. With the acquisition of EM Foods, the Newlat Group enters the bakery and dessert mixes sector, a particularly interesting business becoming increasingly popular with consumers. Moreover, Newlat Food announced that it 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. This new partnership, of great strategic value, is further evidence of the high standard of the Newlat Group's industrial assets and further consolidates the business generated in partnership with large multinationals.

This partnership will enable the company to become a supplier of several products for well-known brands. The acquisition of EM Foods' industrial know-how and the important partnership with a multinational company will enable Newlat Food to enter the growing segment of bakery mixes and desserts as a major player. The company will produce a very wide range of products including brownies, puddings, muffins, baking powder and cake mixes, building on the strong brand awareness of the "Minuto" brand, already used by the Newlat Group in Germany to sell well-known, high-quality ready meals. The bakery and dessert mixes segment is a particularly interesting area of the food industry, as it reflects current trends and new lifestyle habits. The Newlat Group is strongly committed to the strategic development of the "Minuto" brand in the most important markets of Western Europe and especially in France, Germany and Italy, with plans to launch new recipes and formulations for products that are delicious but also healthy, quick and easy to prepare. The acquisition will also allow the company to develop further synergies with the existing Symington's division (the undisputed leader in the bakery mixes and desserts segment in the UK, with 75% market share in the private label sector). Symington's will also provide a solid distribution platform for the "Minuto" brand in the UK.

Year 2024

- On 27 May 2024 an agreement was signed for the acquisition of 100% of the share capital of Princes Limited, then finalised the following July. On 30 July 2024, all of the conditions precedent stipulated in the agreement for the acquisition of Princes Limited were fulfilled and therefore the Company acquired the entire share capital of said group. With the completion of the agreement, Newlat Group also sold 9,319,841 shares in the company, representing 21.2% of the company's capital, to Mitsubishi Corporation for a payment of approximately Euro 58 million.

  Princes Limited is a prestigious company, and the integration of its activities with Newlat will enable the Group to further solidify its leading position in the food industry. With the acquisition, Newlat Food became one of the largest food companies listed on the Milan Stock Exchange, strengthening its position as an international player. The new group will thus be able to offer a wide range of high-quality products, meeting the needs of an increasingly demanding and diversified global market. This transaction will enable the Group to enter new market segments and better serve customers with an even more comprehensive, innovative and unique product range. The integration of Newlat Food and Princes Limited therefore represents a significant opportunity for both companies.

STRATEGIC ACTIVITIES AND COMMERCIAL INITIATIVES FOR 2024-2025

<u>Italian products (Napolina pasta, tomato sauces and olive oil)</u>

Increase sales and purchase frequency through marketing and POS activation

Objective: to maintain Napolina as the number one "Italian" brand in the UK

In-house production of Napolina up and running in the fall of 2024, with other shapes launched thanks to Newlat's capabilities


<u>Italian products – pasta and tomato sauces (Delverde)</u>

Delverde's new range of tomatoes and sauces will be launched in April in Germany with quotations already confirmed in the top three German retailers. Furthermore, other products will be launched at the Foggia plant, including ready-made sauces for cooking

Italian Products – Bakery and Milk & Dairy

Restyling of bakery products and the use of recyclable paper packaging.

Launch of the new product “Crostino Dorato Sfoglie” with poppy seeds, sesame seeds and linseed.

Canned foods (Branston)

High impact, on-shelf activation

Optimise promotional frequency

Close range gaps

Maximise off-shelf

Tinned fish

The aim is to make tuna buyers prefer Princes over private labels and competitors. Increase sales through better packaging and expansion of the premium product range and diversification of existing recipes.

Instant Foods (Naked and Mugshot)

Unique trade association to be a modern brand

NAKED
FOR THE FLAVOUR MAKERS

Launch planned for June 2025

Brand positioning with a unique role in the market

Launch of new products with distinctive new creativity

Inspiration of consumers with a new look and quality products

The Perfect Pick-Me-Up

Wide-ranging campaign across digital, social, influencer and print media to reach 9.5 million consumers, inspiring them to recharge and refuel with a mug shot for an energetic start to the year.

Improved flavours

Second wave of communications coming in the second half of 2025

Advanced positioning to recruit the next generation of healthcare buyers

Home baking

Shakers are very popular and sales are growing steadily in the German market

Named product of the year in the German market

ENVIRONMENT, SOCIAL AND GOVERNANCE

All the Group's efforts are always aimed at respecting the environment and creating value for its stakeholders. Indeed, the main milestones achieved and the main initiatives are as follows:

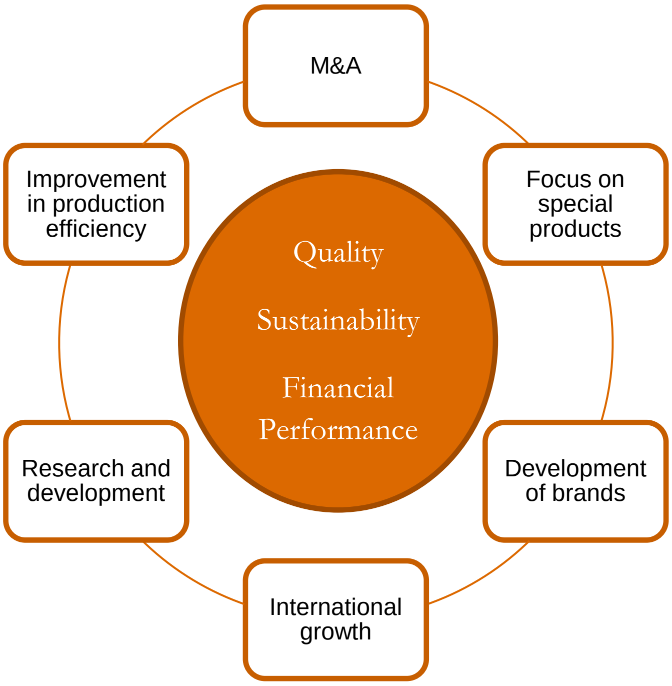
1. The presence of a Group-wide management committee – the ESG Steering Committee – that guides the integration of ESG principles into company strategies
2. A Net Zero plan for Princes was submitted to and approved by SBTi
3. The focus on recovered and undisposed waste continues to be high: >95% at the Group level
4. The continuation of training with schools and partnerships with universities on research projects for the evolution of products and production processes
5. Greater attention to packaging through the increasing use of FSC (Forest Stewardship Council) certified paper and rPET and other low-impact materials
6. The progressive reduction of virgin plastics and preference for mono-materials to promote packaging recyclability
7. Attention to the fish supply chain by obtaining MSC certification on Princes brand tuna in the UK
8. Combating food waste through the revision of processes, donations and re-use of production waste in the livestock sector
9. Carbon intensity (ratio of Scope 1 and Scope 2 emissions to revenues) and energy intensity (ratio of energy consumed to revenues) steadily declining in recent years
10. In 2024, for the fourth consecutive year, the Group was ranked among the "most climate-conscious companies" by Statista. The study was published by the *Corriere della Sera* in Italy
11. Also received the "Sustainability Leader" award again from Statista. The study was published in *Il Sole 24 Ore* in Italy
12. The share of the female workforce increased by 57% compared to 2023

THE GROUP'S VALUE CHAIN

The Group shares the results generated by the value generation process with stakeholders based on the analysis and management of critical success factors:

- Satisfaction of new consumer demands and recent market trends
- Achievement of international quality standards
- Continuous investments in research and development
- Continuous search and maintenance of the best suppliers
- Production planning based on the principles of timeliness, efficiency and high quality
- Integrated, efficient logistics
- Dialogue with key stakeholders, including customers and consumers
- Strong communications strategy to support our brands
- In-depth knowledge and continuous market analysis
- Comprehensive and proven organisation of the sales network

BUSINESS STRATEGY GUIDELINES



M&A: Growth of external lines through acquisitions of companies operating in sectors complementary to those currently served.

Focus on special products: Increase in market share for special products (health and wellness) and products for babies.

Development of brands: Increase in the communication capacity of trademarks.

International growth: Consolidation of presence on foreign markets and development of a competitive position in the German market.

Research and development: Investments in new technologies and new products.

Improvement in production efficiency: Continuous pursuit of efficiencies in all production sectors.

MANAGEMENT REPORT

INTRODUCTION TO THE REPORT ON OPERATIONS

Acquisition of the Princes Limited Group

On 17 June 2024, a purchase and sale agreement was entered into with Mitsubishi Corporation as seller, pursuant to which Newlat acquired 100% of the share capital of Princes Limited (hereinafter also referred to as "Princes" and together with its subsidiaries the "Princes Limited Group") for a net cash consideration of GBP 1. The purchase was then finalised at the end of July.

The Agreement stipulated that Newlat must provide the necessary financial resources to enable Princes Limited to repay its outstanding loan to Mitsubishi Corporation. The Transaction envisaged was financed through the Company's available liquidity, a Loan from the Newlat Group for a total amount of Euro 200 million and a loan of Euro 300 million that was provided by a pool of leading international banks.

On 30 July 2024, all of the conditions precedent stipulated in the agreement for the acquisition of Princes Limited were fulfilled and therefore the Company acquired the entire share capital of said group.

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 Acquisition of the Princes Limited Group.

(In thousands of euros)	At 30 July 2024
Property, plant and equipment including rights of use	485,933
Intangible assets	37,876
Financial assets and non-controlling interests	9,554
Total non-current assets	**533,363**
Inventories	417,416
Trade receivables	246,105
Other receivables and current assets	43,067
Cash and cash equivalents	5,737
Net current tax assets	2,007
Total current assets	**714,332**
Deferred tax liabilities	(26,176)
Non-current financial liabilities	(230,216)
Non-current lease liabilities	-(48,749)
Employee benefits	(4,870)
Total non-current liabilities	**(310,011)**
Trade payables	(312,296)
Current financial liabilities	(397,892)
Current lease liabilities	(12,432)
Other current liabilities	(15,155)
Total current liabilities	**(737,775)**
Total net assets acquired (values provisionally determined)	**199,909**
Proportional value of minority interests/shareholders at the Execution Date	(44,429)
Fair value of consideration at the acquisition date	(1)
Income from business combinations determined provisionally	**155,479**

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

On first consolidation the fair value measurement of the assets acquired and liabilities assumed was not yet complete. As per the accounting standard in question, management will complete the relevant measurements within 12 months of the purchase date. The badwill calculated in this way is provisionally recognised in the consolidated income statement as indicated in IFRS 3, paragraph 34, under "income from business combinations". This item, apart from possible refinements following the final allocation of any capital gains, represents the seller's willingness to sell a business, possibly deemed non-synergistic, with a view to recovering the initial cash investment.

In light of the above and in order to represent the assets and liabilities, results and cash flows for the periods under review in this Report on Operations, it was necessary to include combined financial information as at 31 December 2024 and 31 December 2023. The primary indicators at 31 December 2024 were obtained by excluding from the income statement the extraordinary income from the business combinations.

The Combined Consolidated Financial Statements therefore derive from

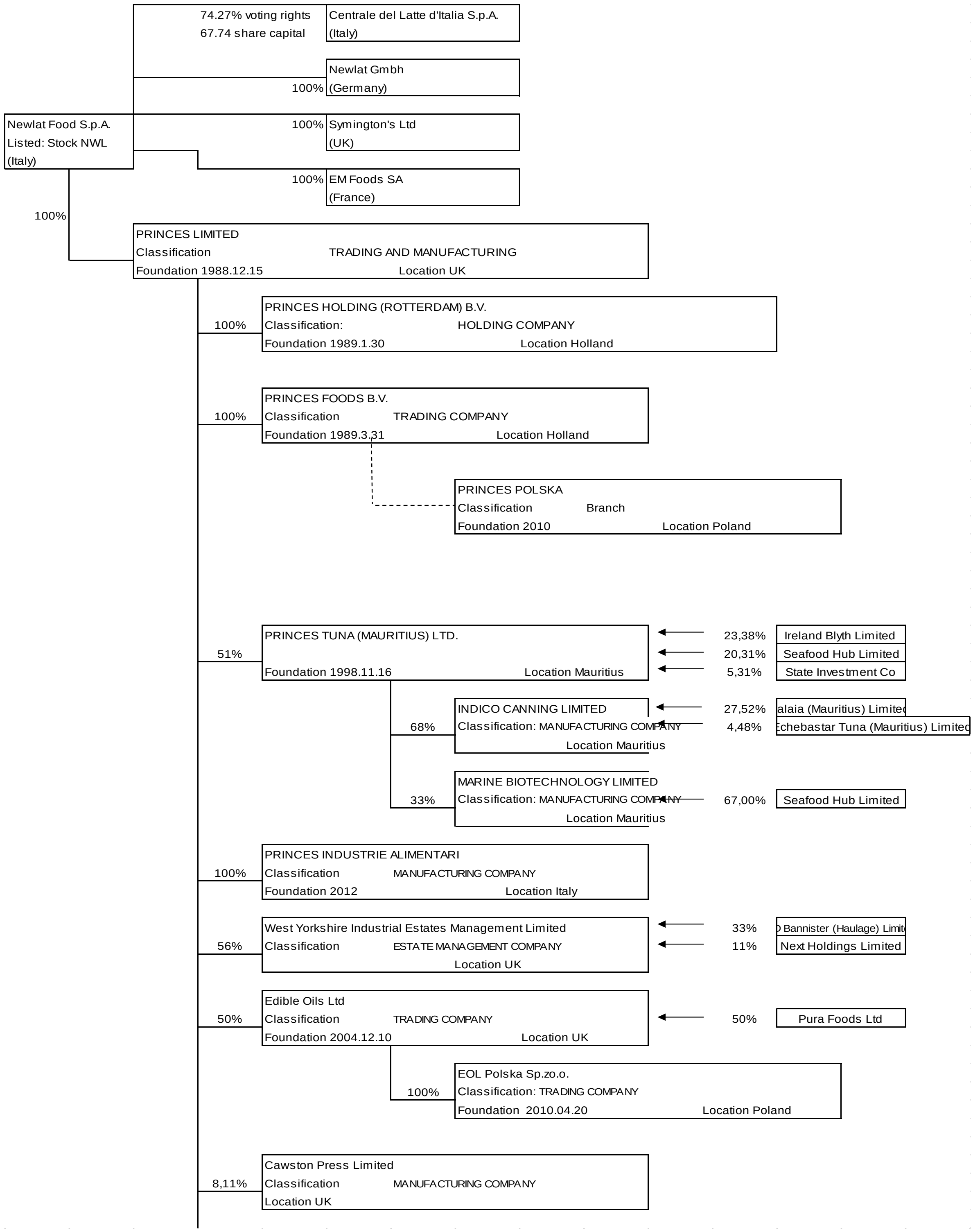
- the consolidated financial statements, prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and endorsed by the European Union, of Newlat Food S.p.A. for the years ended 31 December 2024 and 2023, audited by PricewaterhouseCoopers S.p.A.;
- The consolidated financial statements, prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and endorsed

by the European Union, of Princes Limited and made consistent with the end of the reporting period of the Newlat Group, i.e. 31 December.

The aggregate data contained in this Report on Operations has not been audited by PricewaterhouseCoopers S.p.A.

THE COMPANY STRUCTURE AS AT 31 DECEMBER 2024

Below is a graphical representation of the companies belonging to the Newlat Group at 31 December 2024:



The table below shows the main information regarding the Subsidiaries of Newlat:

Name	Registered Office	Currency	Share capital at 31 December 2024	Control percentage As at 31 December	
				2024	2023
Newlat Food S.p.A.	Italy - Via J.F. Kennedy 16, Reggio Emilia	EUR	43,935,050	Parent company	Parent company
EM Foods Sas	951 Rue Denis Papin, 54710 Ludres, France	EUR	1,000,000	100%	100%
Symington's Limited	2528254 Dartmouthway, Leeds	GBP	100,000	100%	100%
Newlat Deutschland	Germany - Fransozenstraβe 9, Mannheim	EUR	1,025,000	100%	100%
Centrale Latte d'Italia	Italy - Via Filadelfia 220, Turin	EUR	28,840,041	67.74%	67.74%
Princes Limited	Royal Liver Building Pier Head Liverpool	GBP	7,000,000	100%	-

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

Name	Carrying amount of equity investment (in thousands of euros)	Shareholders' equity (in thousands of euros)	Profit (loss) for the year (in thousands of euros)
	31/12/2024	31/12/2024	31/12/2024
Newlat GmbH Deutschland	68,525	40,592	326
EM Foods Sas	5,465	2,898	24
Symington's Limited	63,914	28,681	289
Centrale del Latte d'Italia S.p.A.	25,422	68,881	4,420
Princes Limited	1,023	290,402	2,458

The financial statements of subsidiaries have been audited.

A brief description of the activities carried out by the parent company and its subsidiaries is provided below:

- Newlat Food S.p.A.: a company specialising in the production and sale of fresh and shelf-stable milk, fresh and shelf-stable cream, yoghurt and different types of butter and cheese, mascarpone and dairy products, in the production and sale of pasta, including organic pasta, wholemeal pasta, long and short pasta, pasta nests and premium lasagne, in the production of baked goods such as croutons and rusks, in the production of speciality and baby products.
- Newlat GmbH Deutschland: a company active in the production and sale in Germany of traditional forms of German pasta such as *spätzle* and flavoured pasta, instant cups and sauces.
- Centrale del Latte d'Italia S.p.A.: a company specialising in the production and sale of fresh and shelf-stable milk, fresh and shelf-stable cream, yoghurt and different types of butter and cheese, mascarpone and dairy products.
- Symington's Limited, a company specialising in the production and sale of instant noodles.
- EM Foods Sas, a leading manufacturer of baking and dessert mixes.
- Princes Limited: a group active in the production and sale of products related to canned vegetables, tuna, oils, beverages, tomatoes and pasta.

It should be noted that at the reference dates of the Consolidated Financial Statements, all the companies included within the scope were consolidated using the line-by-line method.

The following table summarises, with reference to the companies (joint operations) proportionally included in the scope of the Consolidated Financial Statements, the information relating to the company name, registered office, functional currency and share capital at 31 December 2024:

Name	**Registered Office**	**Currency**	**Share capital at 31 December 2024**
Edible Oils Limited	Royal Liver Building Pier Head Liverpool	GBP	8,626,000
Edible Oils Polska SP. Z.O.O.	ul. B. Chrobrego 29, 64-500 Szamotuły, POLAND	ZL	70,155,000

The above two companies are the result of a 50-50 investment by the Group in a jointly controlled arrangement. The core business of Edible Oils Limited and its subsidiary Edible Oils Polska SP. Z.O.O. is the processing of edible oils. The contractual agreement provides for the Group's exclusive purchase of the entire oil production from the two companies. The entire output of the production of the Edible Oils sub-group is purchased by the Group (and then resold to third parties). Therefore, the obligations of the Edible Oils sub-group are met solely from the cash received by the participants in the agreement through the purchase of the output. Accordingly, the Edible Oils sub-group was identified as a joint operation on the basis of the "other facts and circumstances" governed by IFRS 11 B29 - B32. The consolidation of the assets, liabilities, costs and revenues of the Edible Oils sub-group is therefore based on the percentage of ownership, the latter being considered the most appropriate indicator in the context of a joint operation where the arrangements are set up through a limited liability company with legal personality.

In preparing the Consolidated Financial Statements, all balances and transactions carried out between the companies included in the scope have been eliminated and therefore the Consolidated Financial Statements do not include any of the transactions in question.

Finally, note that the Group directly or indirectly holds non-controlling interests in

- Mercarfir, a consortium company that manages the Multipurpose Food Centre in Florence, equal to 25% through the company Centrale del Latte d'Italia S.p.A. in Mercarfir equal to 25% and was valued using the equity method.
- Marine Biotechnology, a company specialising in the production of fishmeal and fish oil, equal to 33% through Princes Tuna Mauritius and was valued using the equity method.

COMPANY BODIES

Pursuant to article 12 of the new articles of association, Newlat Food S.p.A. is managed by a Board of Directors with no fewer than 3 members and no more than 15. The Shareholders' Meeting shall determine the number of Board members from time to time, before their appointment. The directors remain in office for the period set by the shareholders' appointment resolution, up to a maximum of three financial years, and are eligible for re-election. Their term shall expire on the date of the Shareholders' Meeting called to approve the financial statements for the last financial year of their term, unless there are grounds for termination and forfeiture as provided for by law and by the new articles of association.

The Board of Directors consisting of:

a. four members in office with immediate effect; and

b. three members, who fulfil the independence requirements, in office from the trading start date and renewed during 2022.

The following table displays the composition of the Board of Directors:

Name and surname	Position	Place and date of birth
Angelo Mastrolia	Executive Chair of the Board of Directors and Director (**)	Campagna (SA), 5 December 1964
Giuseppe Mastrolia	Chief Executive Officer and Director (**)	Battipaglia (SA), 11 February 1989
Stefano Cometto	Chief Executive Officer and Director (**)	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

(*) Independent director pursuant to article 148 of the Consolidated Law on Finance (TUF) and article 3 of the Corporate Governance Code, who took office when the Company's shares began to trade on the STAR segment of the MTA, i.e. 29 October 2019.
(**) Executive Director.
(***) Non-executive director.

The members of the Board of Statutory Auditors are as follows:

Name and surname	Position	Place and date of birth	Date first appointed
Massimo Carlomagno	Chair	Agnone (IS), 22 September 1965	28.02.2005
Ester Sammartino	Standing Auditor	Agnone (IS), 23 May 1966	28.02.2005
Antonio Mucci	Standing Auditor	Montelongo (CB), 24 March 1946	30.07.2009
Giovanni Rayneri	Alternate Auditor	Turin, 20 July 1963	28.04.2022
Cinzia Voltolina	Alternate Auditor	Moncalieri (TO), 26 April 1983	28.04.2022

Control and Risks Committee

Name and surname	Position	Place and date of birth	Date first appointed
Valentina Montanari	Chair	Milan, 20 March 1967	29.10.2019
Maria Cristina Zoppo	Member	Turin, 14 November 1971	25.09.2020
Eric Sandrin	Member	Saint-Amand-Montrond, 13 August 1964	29.10.2019

Remuneration and Appointments Committee

Name and surname	Position	Place and date of birth	Date first appointed
Eric Sandrin	Chair	Saint-Amand-Montrond, 13 August 1964	29.10.2019
Maria Cristina Zoppo	Member	Turin, 14 November 1971	25.09.2020
Valentina Montanari	Member	Milan, 20 March 1967	29.10.2019

Committee for transactions with related parties

Name and surname	Position	Place and date of birth	Date first appointed
Maria Cristina Zoppo	Chair	Turin, 14 November 1971	25.09.2020
Valentina Montanari	Member	Milan, 20 March 1967	29.10.2019
Eric Sandrin	Member	Saint-Amand-Montrond, 13 August 1964	29.10.2019

Supervisory Board pursuant to Italian Legislative Decree 231/01

Name and surname	Position	Place and date of birth	Date first appointed
Massimo Carlomagno	Chair	Agnone (IS), 22 September 1965	27.12.2016
Ester Sammartino	Member	Agnone (IS), 23 May 1966	27.12.2016

Rocco Sergi is the Financial Reporting Officer.

PricewaterhouseCoopers S.p.A. is the independent auditor appointed for the years 2019-2027.

CORPORATE GOVERNANCE

Corporate governance is the set of rules, systems and mechanisms designed to effectively implement the organisation's decision-making processes in the interest of all Group stakeholders. The parent company Newlat Food S.p.A. complies with the Corporate Governance Code for Listed Companies. A traditional governance system is in place which includes three structures: the Shareholders' Meeting, the Board of Directors and the Board of Statutory Auditors.

Board of Directors

The Board of Directors is the body charged with administering the company using the powers allocated to it by law and by the articles of association. It is structured and operates to ensure that its functions are performed efficiently and effectively. Directors act and make decisions to create value for shareholders, and they report on operations during the Shareholders' Meeting. With regard to appointing and replacing the entire Board of Directors and/or some of its members, the Company's articles of association require board members to be elected on the basis of candidate slates in accordance with the methods outlined in more detail in the Report on Corporate Governance and Ownership Structure (attached to this document) and in compliance with existing legislation on gender representation. The current Board of Directors was appointed by the Shareholders' Meeting on 28 April 2022 and will remain in office until the approval of the financial statements for the year ending 31 December 2024.

Board Committees

The Board of Directors has no internal committees other than those required by the Corporate Governance Code, with the exception of the Related Party Transactions Committee, in order to comply with the provisions of the Related Parties Regulation.

The Company has assigned to a single committee, namely the Remuneration and Appointments Committee, the functions envisaged in Articles 4 and 5 of the Corporate Governance Code.

The Board of Directors' internal committees are as follows:

- The Control, Risks and Sustainability Committee (hereinafter also referred to as the "Control and Risks Committee", "CRC" or "CRSC") helps the Board of Directors to assess and make decisions regarding the Internal Control and Risk Management System, the approval of annual and half-year financial statements and relations between the Company and the independent auditor, where support is provided in the form of an adequate investigative phase. For this purpose, the Committee has three members with sufficient financial and accounting experience: Valentina Montanari, as Chair, Maria Cristina Zoppo and Eric Sandrin, all of whom are non-executive and independent directors.

- The Remuneration and Appointments Committee plays an advisory and recommendatory role, with investigative functions, in the assessments and decisions relating to the composition of the Board of Directors and to the remuneration of directors and managers with strategic responsibilities, overseeing their application and making general recommendations on the matter. The Remuneration Committee is composed of three members, all of whom are non-executive and independent directors. All members have suitable financial and accounting experience and knowledge. With regard to determining remuneration for board members, the Shareholders' Meeting allots a salary for the duration of the mandate which may consist of a fixed portion and a variable portion commensurate with the achievement of certain targets and/or with the Company's financial results. To be able to list on the STAR segment, exchange regulations require the Remuneration Committee to ensure that a significant share of the pay for executive directors and senior managers be incentive-linked.

Please see the report on remuneration published in accordance with article 123-*ter* of the Consolidated Law on Finance (TUF) for information on the general remuneration policy and the remuneration of executive directors, managers with strategic responsibilities and non-executive directors. For this purpose, the Committee has three members with sufficient financial and accounting experience: Eric Sandrin, as Chair, Maria Cristina Zoppo and Valentina Montanari, all of whom are non-executive and independent directors.

• The Related Party Transactions Committee (hereinafter also the "RPT Committee") is responsible for ensuring the integrity of transactions with related parties by giving an opinion on the Company's interest in completing a specific transaction, as well as on the suitability and fairness of the corresponding conditions. This committee comprises three non-executive and independent directors: Maria Cristina Zoppo as Chair, Valentina Montanari and Eric Sandrin.

Board of Statutory Auditors

Members of the Board of Auditors are selected on the basis of their ability to meet requirements of professionalism, independence and integrity in accordance with legislation and regulations. The Company's Board of Statutory Auditors was appointed during the Shareholders' Meeting on 28 April 2022 and will remain in office until the approval of the 2024 financial statements.

Internal Control and Risk Management System

The Internal Control and Risk Management System (ICRMS) is the set of rules, procedures and organisational structures designed to enable the Company to conduct its business correctly and in line with set objectives, using a suitable process for identifying, measuring, managing and monitoring the main risks. The Board of Directors identified the nature and level of risk compatible with the Company's strategic objectives when it drew up its strategic, industrial and financial plans. This assessment included all and any risks that may become significant in terms of sustaining the Company's activities in the medium to long term. In support of the ICRMS and the Control and Risks Committee, on 2 May 2022 the Board of Directors appointed Angelo Mastrolia as the director responsible for the ICRMS who will perform the functions referred to in article 6 of the Corporate Governance Code. With the help of the Control and Risks Committee, the Board of Directors has also drawn up guidelines for the ICRMS, identifying the system itself as a cross-sectional process integral to all business activities and based on the international principles of Enterprise Risk Management (ERM).
The purpose of the ICRMS is to help the Group achieve its performance and profit objectives, obtain reliable economic and financial information and ensure compliance with existing laws and regulations, while shielding the Company from reputational damage and financial loss. In this process, particular importance is given to identifying corporate objectives and classifying and controlling related risks by implementing specific containment actions.
There are various types of potential business risks - strategic, operational (related to the effectiveness and efficiency of business operations), reporting (related to the reliability of economic/financial information), compliance (related to compliance with existing legislation and regulations to avoid damage to the company's reputation and/or financial losses). In view of this, the Internal Audit Department verifies the suitability of the ICRMS through an audit schedule that is approved by the Board of Directors and makes provision for

regular reports containing sufficient information on the performance of its activities, as well as timely reports on events of particular importance.

The Board of Directors annually assesses the effectiveness of the ICRMS and its suitability in view of the characteristics of the business based on information and evidence received with the support of the investigative activities performed by the Control and Risks Committee, the Head of Internal Audit and the Supervisory Board pursuant to Italian Legislative Decree 231/2001.

Organisational Model pursuant to Italian Leg. Decree 231/2001, Code of Ethics and fight against corruption

The Newlat Food S.p.A. Board of Directors approved its Organisation, Management and Control Model in accordance with Italian Legislative Decree 231/2001 on 30.03.2016, last updated on 13 May 2022. The Model was drawn up on the basis of guidelines issued by Confindustria (the Italian industry confederation) in accordance with the relevant legislation, and sets out standards for behaviour, procedures and control activities, in addition to powers and mandates designed to prevent the offences outlined in Italian Legislative Decree 231/2001.

The Organisational Model was published and communicated to all personnel, third-party contractors, customers, suppliers and partners.

No reports of non-compliant behaviour or violations of the Code of Ethics were received during the year.

In order to ensure that the Model is correctly implemented, a Supervisory Board (SB) has been established, currently comprising Massimo Carlomagno, as Chair, and Ester Sammartino.

The SB sends the Board of Directors a written report every six months on how the Model 231 is being implemented and disseminated within each Company department.

The implementation of adequate regular and/or sporadic information flows to the SB is another important tool helping it to fulfil its legal monitoring responsibilities and ensuring that the Model serves its purpose of preventing liability.

No breaches of the Model or irregularities have emerged after examining the information received from managers of the various areas of the Company, and no acts or conduct have come to light that constitute an infringement of the provisions of Italian Legislative Decree 231/2001.

SIGNIFICANT EVENTS DURING THE YEAR

Significant events during the year under review are illustrated below:

- On 17 June 2024, a purchase and sale agreement was entered into with Mitsubishi Corporation as seller, pursuant to which Newlat acquired 100% of the share capital of Princes for a net cash consideration of GBP 1. The agreement was then finalised in July.
- On 30 July 2024, all of the conditions precedent stipulated in the agreement for the acquisition of Princes Limited were fulfilled and therefore the Company acquired the entire share capital of said group.

SHAREHOLDERS AND FINANCIAL MARKETS

The Newlat Group maintains a constant dialogue with its shareholders through responsible and transparent communication carried out by the Investor Relations department, with the aim of facilitating an understanding of the Company's situation, outlook, Group strategies and the prospects for the reference market. This department is also tasked with organising presentations, events and roadshows that enable a direct relationship to be established between the financial community and the Group's senior management. For further information, and to consult the economic-financial data, corporate presentations, periodic publications, official communications and updates on the share price, visit the Investor Relations section of www.newlat.com.

The following is a graphical representation of the performance of Newlat Food stock over the course of 2024.

The market capitalisation at 31 December 2024 was Euro 560,611,238.

All shares issued were fully paid up.

MANAGEMENT REPORT

The Newlat Group is an important player in the Italian and European agri-food sector. In particular, 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
- Special Products
- Instant Noodles & Bakery Mixes
- Foods
- Drinks
- Fish
- Italian Products
- Oils
- Other Products

In the remainder of this Report on Operations, “combined” (proforma) numbers are presented, which, in order to allow an adequate comparison of the group's numbers, take into account:

- An adjustment of the balances for the period 2024 by considering the inclusion of the Princes group's economic balances as if it were controlled for the entire year of 2024 (thus adding the additional 7 months of the financial year to the economic balances of the Princes sub-group compared to the 5 months included in the balances of the financial statements).
- An adjustment of the balances for the period 2023 by considering the inclusion of the Princes group's economic balances as if it were controlled for the entirety of 2023 (thus adding the economic balances of the Princes sub-group for the 12 months of the year that are not reflected in the balances of the financial statements).

The construction of the comparative income statement also considered a simulation of the acquisition gain as if the acquisition had taken place similarly in 2023.

The following table contains the income statement of the Group's combined consolidated financial statements:

(In thousands of euros and as a percentage of revenue from contracts with customers)	**Combined income statement at and for the year ended 31 December**					
	2024	**%**	**2023**	**%**	**2024 v 2023**	**%**
Revenue from contracts with customers	2,775,725	100.0%	2,778,714	100.0%	(2,988)	(0.1%)
Cost of sales	(2,311,747)	(83.3%)	(2,292,943)	(82.5%)	(18,804)	0.8%
Gross operating profit/(loss)	**463,978**	**16.7%**	**485,771**	**17.5%**	**(21,793)**	**(4.5%)**
Sales and distribution costs	(182,975)	(6.6%)	(189,502)	(6.8%)	6,527	(3.4%)
Administrative costs	(241,626)	(8.7%)	(286,469)	(10.3%)	44,844	(15.7%)
Net write-downs of financial assets	(374)	0.00%	(1,378)	0.00%	1,004	(72.9%)
Other revenues and income	7,723	0.3%	14,519	0.5%	(6,795)	(46.8%)
Income from business combinations	155,479	5.6%	160,272	5.8%	(4,793)	100.0%
Other operating costs	(7,672)	(0.3%)	(6,496)	(0.2%)	(1,177)	18.1%
Operating profit/(loss) (EBIT)	**194,534**	**7.0%**	**176,718**	**6.4%**	**17,817**	**10.1%**
Financial income	12,239	0.4%	9,777	0.4%	2,462	25.2%
Financial expenses	(63,147)	(2.3%)	(54,474)	(2.0%)	(8,674)	15.9%
Profit/(loss) before taxes	**143,627**	**5.2%**	**132,021**	**4.8%**	**11,606**	**8.8%**
Income taxes	(1,317)	-	3,110	0.1%	(4,427)	(142.3%)
Net profit/(loss)	**142,310**	**5.1%**	**135,132**	**4.9%**	**7,178**	**5.3%**

The following is a brief commentary on the most significant changes to the main income statement items that occurred in the years 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, Newlat is expected to recognise contributions as year-end bonuses linked to the achievement of certain turnover volumes or amounts related to the positioning of products.

SEGMENT REPORTING

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

(In thousands of euros and as a percentage)	**Proforma income statement at and for the year ended 31 December**				**Changes**	
	2024	**%**	**2023**	**%**	**2024 v 2023**	**%**
Pasta	193,328	7.0%	212,934	7.7%	(19,606)	-9%
Milk Products	274,547	9.9%	259,272	9.3%	15,275	6%
Bakery Products	45,177	1.6%	50,327	1.8%	(5,150)	-10%
Dairy Products	60,139	2.2%	57,189	2.1%	2,950	5%
Special Products	23,620	0.9%	33,947	1.2%	(10,327)	-30%
Instant noodles	151,512	5.5%	165,414	6.0%	(13,902)	-8%
Foods	645,292	23.2%	669,127	24.1%	(23,835)	-4%
Drinks	354,544	12.8%	337,773	12.2%	16,770	5%
Fish	465,026	16.8%	427,450	15.4%	37,575	9%
Italian Products	181,492	6.5%	177,172	6.4%	4,321	2%
Oils	366,023	13.2%	373,852	13.5%	(7,830)	-2%
Other Products	15,026	0.5%	14,256	0.5%	770	5%
Revenue from contracts with customers	**2,775,725**	**100.0%**	**2,778,714**	**100.4%**	**(2,988)**	**(0.1%)**

Revenues in the Pasta segment decreased due to the combined effect of a reduction in the average sales price and a slight decrease in volumes in Germany and in the B2B and PL segment.

Revenues in the Milk Products segment increased due to the combined effect of an increase in average sales prices, particularly in the second half of the financial year (+64%), and an increase in demand, particularly in the traditional sector (+36%).

Revenues from the Bakery Products segment were down because of a reduction in the average sales price and a decrease in demand in the domestic and private label markets.

Revenues in the Dairy Products segment were up due to an increase in demand from existing customers and the acquisition of new customers.

Revenues in the Special Products segment were down due to a decrease in sales volumes related to the investments made at the Ozzano Taro plant. However, there was a clear recovery compared to 30 September (+17.5%).

Revenues from the Instant noodles & bakery mixes segment were down because of a combined reduction in the average sales price and a slight decrease in volumes in the United Kingdom and in the Mass Distribution and Private Labels segments.

Revenues in the Foods segment were down due mainly to a decrease in sales volumes as a consequence of increased competition in the baked beans segment and a decrease in the average sales price in order to maintain some existing contracts. Sales of tinned ready-to-eat meals decreased due to a drop in sales volumes offset by an increase in sales prices of ready-to-eat soups.

Revenues in the Drinks segment increased as a result of sales under the Capri Sun brand (new copack contract), which generated incremental sales of about Euro 3 million. Inflationary orange juice prices, which were passed on to customers, generated a decrease in demand.

Revenues in the Fish segment increased due to higher sales volumes in the frozen fish segment in the UK market and in Europe through Princes BV.

Revenues in the Italian Products segment increased due to the combined effect of a slight decrease in Napolina brand sales in the olive oil segment and an increase in volumes in private labels in the legume segment.

Revenues in the Oils segment decreased slightly, mainly due to a decrease in sales volumes, particularly in Poland, offset by an excellent performance in the UK market.

Revenues from the other activities segment were up compared to the previous year 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.

(In thousands of euros and as a percentage)	**Proforma income statement at and for the year ended 31 December**				**Changes**	
	2024	**%**	**2023**	**%**	**2024 v 2023**	**%**
Mass Distribution	1,003,830	36.2%	998,667	35.9%	5,163	1%
B2B partners	228,474	8.2%	243,102	8.7%	(14,629)	-6%
Normal trade	90,853	3.3%	94,308	3.4%	(3,454)	-4%
Private labels	1,225,131	44.1%	1,202,514	43.3%	22,617	2%
Food services	227,437	8.2%	240,122	8.5%	(12,685)	-5%
Total revenue from contracts with customers	**2,775,725**	**100.0%**	**2,778,714**	**99.8%**	**(2,988)**	**(0.1%)**

Revenues in the supermarket channel were in line with the previous year thanks to a strong recovery in the fourth quarter driven by the Fish and Dairy sectors.

Revenues from the B2B partners channel decreased due to a reduction in volumes in the Pasta and Foods sectors. However, during Q4 the B2 channel performed very well (+3%) driven by increased volumes in the drinks and special products segments

Revenues for the Normal Trade channel increased as a result of higher sales volumes and a higher average price than in 2023.

Revenues from the private label channel increased primarily as a result of higher sales volumes in the Fish and Dairy segments.

Revenues related to the Food services channel decreased as a main consequence of a contraction in demand in the Foods world. However, an excellent performance in Q4 (+14.4%) driven by the milk sector is worthy of note.

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

(In thousands of euros and as a percentage)	**Proforma income statement at and for the year ended 31 December**				**Changes**	
	2024	**%**	**2023**	**%**	**2024 v 2023**	**%**
Italy	439,993	15.9%	471,421	17.0%	(31,428)	-7%
Germany	195,037	7.0%	172,509	6.2%	22,528	13%
United Kingdom	1,488,454	53.6%	1,476,097	53.1%	12,358	1%
Other countries	652,240	23.5%	658,685	23.7%	(6,445)	-1%
Total revenue from contracts with customers	**2,775,725**	**100%**	**2,778,714**	**100.0%**	**(2,987)**	**(0.1%)**

Revenues in Italy were down, mainly due to lower sales in the pasta, bakery and special products segments. Excellent performance in the last two quarters driven by a recovery in volumes.

Revenues from Germany increased as a result of higher sales volumes in the Dairy and Italian Products sectors.

UK revenues increased due to the strong performance in the Fish segment.

Revenues from Other Countries decreased mainly due to the performance of the Pasta and Oils sectors.

Gross operating result and operating result

The following table provides a reconciliation of the ROS for the periods under review:

(In thousands of euros and as a percentage)	At 31 December 2024	At 31 December 2023
Operating profit/(loss) (EBIT)	194,534	176,718
Revenue from contracts with customers	2,775,725	2,778,714
Proforma ROS (*)	**7.0%**	**6.4%**

(*) ROS (return on sales) is an alternative performance indicator not identified as an accounting measure under IFRS and, therefore, should not be considered an alternative measure to those provided by the Group's financial statements when assessing the Group's results. EBIT was standardised, i.e. non-recurring and/or business combination income and expenses were not taken into account

ROS was up sharply compared to the previous year due to a marked improvement in the operating result as a result of the Group's ability to maintain high margin levels.

The following table provides a reconciliation of the ROI (return on investment) for the periods under review:

(In thousands of euros and as a percentage)	At 31 December 2024	At 31 December 2023
Operating profit/(loss) (EBIT)	194,534	176,718
Net invested capital (*)	948,257	1,343,883
Proforma ROI (*)	**20.5%**	**13.1%**

(*) Net invested capital and ROI (return on investment) 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 standardised, i.e. non-recurring and/or business combination income and expenses were not taken into account

EBITDA

The following table provides a reconciliation of EBITDA, the EBITDA margin and cash conversion at 31 December 2024 and 2023:

(In thousands of euros and as a percentage)	At 31 December 2024	At 31 December 2023
Operating profit/(loss) (EBIT)	194,534	176,718
Amortisation, depreciation and write-downs	100,171	97,656
Net write-downs of financial assets	374	68,314
Income from business combinations	(155,479)	(160,272)
Proforma EBITDA (*) (A)	**139,600**	**182,415**
Revenue from contracts with customers	2,775,725	2,778,714
Proforma EBITDA margin (*)	**5.0%**	**6.6%**
investments (B)	30,014	25,224
Proforma cash conversion [(A) - (B)]/(A)	**78.5%**	**86.2%**

(*) Operating profit/(loss) (EBIT), EBITDA, the EBITDA margin and the cash conversion are alternative performance indicators not identified as an accounting measure under IFRS and, therefore, should not be considered alternative measures to those provided by the Group's financial statements when assessing the Group's results. The figures for the 2023 and 2024 financial years reflect proforma adjustments as if the Princes Group had been part of the Group since the first day of the comparative period.

In order to assess performance, among other things the Company's management monitors standardized EBITDA by business unit as shown in the table below.

(In thousands of euros and as a percentage)	At 31 December 2024	At 31 December 2023
Proforma EBITDA (*)	**139,600**	**182,415**
Non-recurring expense (income)	37,960	5,113
Proforma standardised EBITDA (*)	**177,560**	**187,528**
Revenue from contracts with customers	2,775,725	2,778,714
Standardised EBITDA margin (*)	**6.4%**	**6.7%**

(*) EBITDA, standardised EBITDA and the standardised EBITDA margin are alternative performance indicators not identified as an accounting measure under IFRS and, therefore, should not be considered alternative measures to those provided by the Group's financial statements when assessing the Group's results. The figures for the 2023 and 2024 financial years reflect proforma adjustments as if the Princes Group had been part of the Group since the first day of the comparative period.

To assess performance, the Company's management monitors, among other things, standardised EBITDA by business unit as shown in the following table:

(In thousands of euros and as a percentage of revenue from contracts with customers)	Combined financial statements as at 31 December				Changes	
	2024	%	2023	%	2024 v 2023	%
Pasta	18,703	9.7%	19,923	9.4%	(1,220)	(6.1%)
Milk Products	21,028	7.7%	20,675	8.0%	353	1.7%
Bakery Products	6,248	13.8%	8,090	16.1%	(1,843)	(22.8%)
Dairy Products	5,498	9.1%	4,023	7.0%	1,475	36.7%
Special Products	3,100	13.1%	4,751	14.0%	(1,651)	(34.7%)
Instant Noodles & Bakery Mixes	11,890	7.8%	12,183	7.4%	(293)	(2.4%)
Foods	61,981	9.6%	74,961	11.2%	(12,980)	(17.3%)
Drinks	15,604	4.4%	11,841	3.5%	3,763	31.8%
Fish	21,189	4.6%	19,837	4.6%	1,352	6.8%
Italian Products	12,740	7.0%	14,207	8.0%	(1,467)	(10.3%)
Oils	8,485	2.3%	3,203	0.9%	5,282	164.9%
Other Activities	(8,905)	(59.3%)	(6,166)	(43.3%)	(2,739)	44.4%
Proforma standardised EBITDA	**177,560**	**6.4%**	**187,528**	**6.7%**	**(9,968)**	**(5.3%)**

(*) The standardised EBITDA is one of the alternative performance indicators not identified as an accounting measure under IFRS and, therefore, should not be considered alternative measures to those provided by the Group's financial statements when assessing the Group's results. The figures for the 2023 and 2024 financial years reflect proforma adjustments as if the Princes Group had been part of the Group since the first day of the comparative period.

The EBITDA of the Pasta segment was lower because of decreased turnover. In terms of impact, there was an improvement in margins due to better purchasing conditions for the main components of the finished product.

The EBITDA for the Milk Products segment was in line with the same period of the previous year both in absolute terms and in terms of turnover..

EBITDA for the Bakery Products segment decreased due to a drop in sales and a decrease in the average sales price compared to the same period last year.

The EBITDA of the Dairy Products segment was sharply higher because of increased sales volumes.

EBITDA from the Special Products segment was in line with the same period of the previous year. The decrease in absolute values is directly correlated to the drop in turnover due to investments at the Ozzano Taro plant.

EBITDA for the Instant Noodles & Bakery Mixes segment saw a linear increase compared to the same period last year.

EBITDA from the Foods segment decreased mainly due to lower sales volumes of the product mix sold.

EBITDA for the Drinks segment increased mainly due to the re-negotiation of some customer contracts.

EBITDA related to the Fish segment increased mainly due to an increase in volumes and the average sales price.

EBITDA for the Italian Products segment decreased, mainly due to a decrease in volumes and average sales price.

The EBITDA of the Oils segment increased mainly due to higher volumes and higher average sales prices.

Net profit/(loss)

The table below provides a reconciliation of the ROE at 31 December 2024 and 2023.

The decrease in ROE is mainly attributable to the decrease in the Group's net result.

(In thousands of euros and as a percentage)	**At 31 December 2024**	**At 31 December 2023**
Net profit/(loss)	142,310	135,132
Shareholders' equity	395,942	528,205
ROE (*)	**35.9%**	**25.6%**

ROE (return on equity) is an alternative performance indicator not identified as an accounting measure under IFRS and, therefore, should not be considered an alternative measure to those provided by the Group's financial statements when assessing the Group's results.

Net financial debt

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

(In thousands of euros)	**At 31 December**	
Net financial debt	**2024**	**2023**
A. Cash and cash equivalents	455,135	103,873
B. Cash equivalents	-	208,586
C. Other current financial assets	265,351	13,167
D Cash and cash equivalents (A)+(B)+(C)	**720,486**	**325,626**
E. Current financial payables	(361,009)	(29,727)
F. Current portion of non-current financial debt	(44,708)	(42,622)
G. Current financial indebtedness (E)+(F)	**(405,717)**	**(72,349)**
H. Net current financial indebtedness (G)+(D)	**314,770**	**253,277**
I. Non-current financial payables	(461,756)	(128,613)
J. Debt instruments	(199,231)	(199,013)
K. Trade and other non-current payables	(206,100)	-
L. Non-current financial indebtedness (I)+(J)+(K)	**(867,087)**	**(327,626)**
M. Net financial indebtedness (H)+(L)	**(552,317)**	**(74,348)**
Shareholder Loan	206,100	
N. Adjusted net financial debt	**(346,217)**	**(74,348)**

The change in net financial debt as of 31 December 2024 compared to 31 December 2023 totalling Euro 271,869 thousand is mainly due to the Group's ability to generate cash from operations and optimal management of net working capital.

At 31 December 2024, without considering lease liabilities, net financial debt was as follows:

(In thousands of euros)	**At 31 December 2024**	**At 31 December 2023**
Net financial debt	**(346,217)**	**(74,348)**
Current lease liabilities	20,230	7,694
Non-current lease liabilities	79,758	37,160
Net Financial Position	**(246,229)**	**(29,493)**

The following table shows some of the Group's solvency indicators at 31 December 2024 and 2023:

(In thousands of euros)	**At 31 December 2024**	**At 31 December 2023**
Adjusted net financial debt / equity	(0.87)	(0.43)
Adjusted net financial debt / standardised EBITDA	(1.98)	(0.41)
EBITDA / financial expenses	(3.44)	(4.20)

INVESTMENTS

The following table provides a breakdown of the Group's investments in property, plant and equipment and intangible assets, excluding rights of use, in the years ending 31 December 2024 and 2023:

(In thousands of euros and as a percentage)	At 31 December			
	2024	%	**2023**	%
Land and buildings	1,196	4.0%	5,633	22.3%
Plant and machinery	11,579	38.6%	10,265	40.7%
Industrial and commercial equipment	615	2.0%	2,125	8.4%
Other assets	34	0.1%	243	1.0%
Assets under construction and payments on account	13,158	43.8%	4,827	19.1%
Investments in property, plant and equipment	**26,581**	**88.5%**	**23,092**	**91.5%**
Patents and intellectual property rights	13	0.0%	662	2.6%
Concessions, licences, trademarks and similar rights	1,124	3.7%	673	2.7%
Other assets	2,296	7.7%	796	3.2%
Investments in intangible assets	**3,433**	**3.7%**	**2,131**	**8.5%**
Total investments	**30,014**	**100.0%**	**25,224**	**100.0%**

During the reporting period, the Group made investments totalling Euro 30,014 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 packaging lines.

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 2024 and 2023.:

(In thousands of euros and as a percentage)	At 31 December			
	2024	%	**2023**	%
Special Products	4,234	14.1%	3,102	12.3%
Pasta	2,298	7.7%	10,750	42.6%
Bakery Products	561	1.9%	740	2.9%
Milk Products	3,583	11.9%	2,234	8.9%
Dairy Products	457	1.5%	268	1.1%
Instant Noodles & Bakery Mixes	4,965	16.5%	6,611	26.2%
Fish	7,833	26.1%		
Drinks	1,253	4.2%		
Oils	3,526	11.7%		
Other Activities	1,303	4.3%	1,519	6.0%
Total investments	**30,014**	**100.0%**	**25,224**	**100.0%**

Investments in the Milk Products business unit mainly relate to the efficiency of production facilities at the plant of Reggio Emilia and the Centrale del Latte d'Italia Group.

Investments in the Special Products business unit refer to the new oven equipment at the Ozzano factory.

Investments in the Dairy business unit relate mainly to the new production line at the Lodi plant

Investments in the Pasta business unit mainly refer to new packaging plants in almost all Group factories and the new warehouse at the factory of the subsidiary Newlat Gmbh.

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

Investments in the Fish business unit refer mainly to the tuna production and canning lines at the Princes Tuna Mauritius facilities

Investments in the Drinks business unit relate mainly to the beverage production and packaging lines at the UK facilities

OTHER INFORMATION

Policy for analysing and managing risks connected with the activities of the Group

This section provides information on exposure to risks connected with the activities of the Group as well as the objectives, policies and processes for managing such risks and the methods used to assess and to mitigate them. The guidelines for the Group's ICRMS, defined by the Board of Directors, identify the internal control system as a cross-sectional process integral to all business activities. The purpose of the ICRMS is to help the Group achieve its performance and profit objectives, obtain reliable economic and financial information and ensure compliance with existing laws and regulations, while shielding the Company from reputational damage and financial loss. In this process, particular importance is given to identifying corporate objectives, classifying (based on combined assessments regarding the probability and the potential impact) and controlling related risks by implementing specific containment actions. There are various types of potential business risks: strategic, operational (related to the effectiveness and efficiency of business operations), reporting (related to the reliability of economic-financial information), compliance (related to the observance of the laws and regulations in force, to avoid the company suffering damage to its image or and/or economic losses) and, lastly, financial. Those in charge of the various company departments identify and assess the risks within their jurisdiction, whether these originate within or outside the Group, and identify actions to limit and reduce them (so-called "first-level control").

On top of this come the activities of the Financial Reporting Officer and their staff (so-called "second-level control") and those of the Manager of the Internal Audit function (so-called "third-level control") who continuously monitors the efficiency and effectiveness of the internal audit and risk management system through risk assessment activities, the performance of audit operations and the subsequent management of follow up.

The results of the risk identification procedures are reported and discussed to and discussed by the Group's senior management so that they can be covered and insured and the residual risk can be evaluated.

The following paragraphs describe the risks considered to be significant and connected with the activities of the Group (the order in which they are listed does not imply any classification, either in terms of probability of their occurrence or in terms of possible impact).

STRATEGIC RISKS

Risks relating to the macroeconomic and sector situation

The activity of the Group is influenced by the general conditions of the economy in the various markets where it operates. A period of economic crisis, with a consequent slow-down in consumption, can have a negative impact on the sales trends of the Group. The current macroeconomic context causes significant uncertainty regarding forecasts, with the resulting risk that reduced performance could impact margins in the short term. The Group pursues its aim of increasing its industrial efficiency and improving its production capacity while reducing overheads.

<u>*Risks connected with the external growth strategy*</u>

The Group has so far based its growth strategy on acquisitions of other companies, businesses or business units, and the plan is to continue this external growth strategy. The Group is therefore exposed to the risk of not being able to identify suitable companies or businesses in the future in order to feed its external growth strategy, or of not having the financial resources necessary to acquire the identified entities. The Group is also exposed to the risk that its past or future acquisitions will bring about unexpected costs and/or liabilities that prevent it from achieving its objectives.

OPERATING RISKS

<u>*Risks related to the high level of competitiveness of the sector*</u>

The food & beverage market in which the Group operates is characterised by a particularly significant level of competition, competitiveness and dynamism. This market is characterised in particular by (i) increasing competitiveness of companies that produce so-called private label products with prices lower than those charged by the Group; (ii) increasing prevalence of online sales (where the Group is starting to have a presence) resulting in a decrease in product prices, especially in the mass distribution channel (including private labels), through which the Group generates a significant percentage of its revenues, namely 80.3% at 31 December 2024; (iii) frequent promotional campaigns over time and with significant discounts; (iv) consolidation of existing operators (through M&As), especially in the mass distribution channel. The Group pursues its aim of increasing its industrial efficiency and improving its production capacity while reducing overheads and being competitive in its reference markets. Moreover, thanks to the presence of some "unique" products, the Group is able to face any level of competition.

ENVIRONMENTAL AND CLIMATE RISKS

Climate change is a major disruptive force with the potential to bring about substantial changes in the Group's operations in the short, medium and long term. Many of the potential impacts of climate change can be defined as risks: physical risks to our environment or risks related to the transition to a low-carbon economy in pursuit of the goals of the Paris Agreement. Climate risk can affect companies, financial institutions, households, countries and the financial system in general. However, opportunities may arise for those companies that favour the transition to a low-carbon economy, such as improved attractiveness to investors, enhanced reputation of the company among stakeholders, and increased long-term business sustainability.

The Group constantly monitors climate change-related risks and conducts regular assessments to measure its resilience against risks deemed to be material. This analysis was also carried out in 2024, at the same time as the ERM update, and considered all the companies included in the scope of consolidation. There are also other elements that increase the resilience of Newlat Food. Foremost among these is the Group's financial strength, which allows it to obtain capital at a sustainable cost, facilitating the financing of strategic investments and risk mitigation measures without compromising its financial equilibrium.

Furthermore, the ability to convert, upgrade or decommission existing assets is a key factor in adaptability, allowing resources to be optimised, reducing the risk of obsolete assets and responding in a timely manner to market developments or critical operational needs.

The aforementioned risk analysis included assessing the impact of climate change on the supply chain, corporate assets and financial performance, while also considering compliance with environmental regulations and international commitments to transition to a low-carbon economy.

This assessment of the impacts of climate change on our operations carried out in 2024 did not reveal any issues that would compromise the ordinary course of business or that could not be addressed with the resources available, and no significant material economic issues arose that affected the preparation of these consolidated financial statements.

Specifically, the following considerations were made:

- The risk of critical dependencies and/or possible disruptions in the supply chain was mitigated through the activation of contingency plans and the geographical diversification of suppliers.
- With regard to risks to assets, infrastructure and business continuity, no significant problems related to extreme weather events were encountered in recent years.
- Constant monitoring of these aspects allows timely preventive measures to be taken to minimise any impacts.

  With regard to regulatory compliance, Newlat Food has established an environmental management system with people dedicated both to controlling consumption and emissions and to monitoring the evolution of European regulations to ensure full compliance with any decarbonisation directives.

Lastly, the Group took into account the impacts of climate change with regard to:

- Cash flow projections used in impairment assessments of the value in use of non-current assets including goodwill and other assets with indefinite useful lives.
- The factors that determine the carrying value of non-current assets (such as residual values, useful lives and depreciation methods, provisions and onerous contracts).

Based on the above, the Group does not expect any significant financial impact from environmental and climate risks.

INFLATION RISKS

The sector the Group competes in has been exposed to the challenges of incremental inflationary pressures. Although there are some favourable factors for the global economy stemming from the further easing of global supply chain pressures due to improving supply and weakening demand, downside risks to global growth persist. The risks arising from the relative weakening of industry sector performance together with changes in consumer behaviour, as well as the overall evolution of the macroeconomic landscape, are constantly monitored by the Group to mitigate any impacts. Once again in 2024 the intensification of inflationary pressures was mitigated by the favourable sales mix and price increases applied throughout the year.

FINANCIAL RISKS

Management of financial risks

The main business risks identified, monitored and, as specified below, actively managed by the Group are as follows:

- Market risk, arising from the fluctuation of interest rates and of exchange rates between the euro and the other currencies in which the Group operates.
- Credit risk, arising from the possibility of counterparty default.
- Liquidity risk, arising from a lack of financial resources to meet commitments.

The Group's objective is to manage its financial exposure over time so that liabilities are balanced with assets on the statement of financial position and that the necessary operational flexibility is in place by using bank loans and the cash generated by current operating activities.

The ability to generate liquidity from core operations, together with the ability to borrow, allows the Group to adequately meet its operational, working capital financing and investment needs, as well as to comply with its financial obligations. The Group's financial policy and the management of the related financial risks are centrally guided and monitored. In particular, the central finance function is responsible for assessing and approving forecast financial requirements, monitoring performance and taking corrective action where necessary.

Exchange risk

Exposure to the risk of exchange rate fluctuations derives from the Group's commercial activities conducted in currencies other than the euro. Revenues and costs denominated in foreign currency can be influenced by fluctuations in the exchange rate, bringing about an impact on trade margins (economic risk), and trade and financial payables and receivables denominated in foreign currency can be impacted by the conversion rates used, with a knock-on effect on the profit or loss (transaction risk). Finally, fluctuations in exchange rates are also reflected in consolidated results and equity.

The main exchange rates to which the Group is exposed are:

- Euro/USD, in relation to transactions carried out in US dollars.
- Euro/GBP, in relation to transactions carried out in pound sterling.
- Euro/CHF, in relation to transactions carried out in Swiss francs.
- GBP/AUD, in relation to transactions carried out by the subsidiary Symington's.
- GBP/MUR, in relation to transactions carried out by the subsidiary Princes Tuna Mauritius.

The Group does not adopt specific policies to hedge exchange rate fluctuations because management does not believe that this risk can significantly harm the Group's results, since the amount of inflows and outflows of foreign currency is not only insignificant, but also fairly similar in terms of volumes and timing.

A hypothetical positive or negative change of 100 bps in the exchange rates relating to the currencies in which the Group operates would not have a significant impact on the net result and shareholders' equity of the years under review.

Interest rate risk

The Group uses external financial resources in the form of debt and uses the liquidity available in market instruments. Changes in interest rate levels affect the cost and return of the various forms of funding and use, thus affecting consolidated net financial expense. Exposure to interest rate risk is constantly monitored according to the trend of the Euribor curve, in order to assess possible interventions to contain the risk of a potential rise in market interest rates. At the reference dates, there were no hedges carried out by trading in derivatives.

With reference to interest rate risk, a sensitivity analysis was carried out to determine the effect on the consolidated income statement and consolidated shareholders' equity that would result from a hypothetical positive and negative change of 50 bps in interest rates compared with those actually recorded in each period. The analysis was carried out mainly with regard to the following items: (i) cash and cash equivalents and (ii) short- and medium-/long-term financial liabilities. With regard to cash and cash equivalents, reference was made to the average inventory and the average rate of return for the period, while for short- and medium-/long-term financial liabilities, the precise impact was calculated.

The table below shows the results of the analysis carried out:

(In thousands of euros)	**Impact on profit net tax**		**Impact on shareholders' equity net of tax**	
	- 50 bps	+ 50 bps	- 50 bps	+ 50 bps
Year ended 31 December 2024	(1,619)	1,619	(1,619)	1,619
Year ended 31 December 2023	(508)	508	(508)	508

Cash flow hedges

In the case of a derivative financial instrument for which a hedging relationship is formally documented for changes in cash flows originating from an asset or liability or from a future transaction (underlying hedged item) that is deemed to be highly probable and could affect profit or loss, the effective portion resulting from the fair value adjustment of the derivative financial instrument is recognised directly in an equity reserve. When the underlying hedged item becomes manifest, this reserve is removed from equity and allocated to the carrying amount of the underlying item. Any ineffective portion of the change in value of the hedging instrument is immediately allocated to the income statement under financial expenses and/or income.

When a hedging financial instrument matures, is sold or exercised, or the company changes the correlation with the underlying item, and the expected transaction originally hedged has not yet occurred but is still considered probable, the related gains and losses arising from the fair value adjustment of the financial instrument remain in equity and are recognised in the income statement when the transaction occurs as described above. If the likelihood of the underlying transaction ceases to exist, the related gains and losses of the derivative contract originally recognised in equity are immediately recognised in the income statement.

Fair value hedges of monetary assets and liabilities

Where a derivative financial instrument is used to hedge changes in the value of monetary assets or liabilities already recorded in the financial statements that could affect the income statement, profits and losses related to changes in fair value of the derivative financial instruments are immediately recorded in the income statement. Similarly, gains and losses relating to the hedged item change the carrying value of that item and are recognised in the income statement.

Credit risk

The Group is exposed to the credit risk inherent in the possibility of its customers becoming insolvent and/or less creditworthy, so it monitors the situation continually.

Credit risk derives essentially from the Group's commercial activity, where its counterparties are predominantly mass and retail distribution operators. Retail receivables are extremely fragmented, while the mass distribution segment is characterised by a larger exposure to a single client.

The following table provides a breakdown of trade receivables (from consolidated financial statements) at 31 December 2024 and 2023 grouped by maturity, net of the provision for bad debts:

(In thousands of euros)	Not overdue	1-90 days overdue	91-180 days overdue	More than 181 days overdue	Total
Gross trade receivables at 31 December 2024	225,272	28,707	4,636	20,055	**278,670**
Provision for bad debts	(176)	(166)	(1,405)	(18,378)	**(20,125)**
Net trade receivables at 31 December 2024	**225,096**	**28,541**	**3,231**	**1,677**	**258,545**
Gross trade receivables at 31 December 2023	43,476	36,641	4,303	20,419	**104,839**
Provision for bad debts	-	(166)	(1,405)	(18,634)	**(20,205)**
Net trade receivables at 31 December 2023	**43,476**	**36,475**	**2,898**	**1,785**	**84,634**

With regard to financial receivables, mainly related to cash-pooling relationships with the parent company, these are all "due" and no provision for impairment is deemed necessary.

Liquidity risk

Liquidity risk is the risk that, due to the inability to find new funds or to liquidate assets on the market, the Group will not be able to meet its payment obligations, resulting in a negative impact on results if it is forced to incur additional costs to meet its obligations or an insolvency situation.

The liquidity risk to which the Group may be subject comprises the failure to find sufficient financial resources for its operations, as well as for the development of its industrial and commercial activities. The two main factors that determine the Group's liquidity situation are the resources generated or absorbed by operating and investment activities, and the maturity and renewal status of payables or the liquidity of financial commitments and market conditions. In particular, the main factor affecting the Group's liquidity is the resources absorbed by operating activities: the sector in which the Group operates has seasonal sales phenomena, with peak liquidity requirements in the third quarter caused by a higher volume of trade receivables compared with the rest of the year. The Group's commercial and finance teams work together to manage the changing liquidity requirements, which involves carefully planning financial requirements related to sales, drafting the budget at the beginning of the year and carefully monitoring requirements throughout the year.

Since they are also subject to seasonal phenomena, liquidity requirements linked to inventory dynamics are subject to analysis as well: planning purchases of raw materials for the inventory is managed in accordance with established practices, with the Chair involved in decisions that could have an impact on the Group's financial equilibrium.

Based on established practices inspired by prudence and stakeholder protection, the Group's financing activity involves negotiating credit lines with the banking system and continually monitoring the Group's cash flows.

The following table shows, by contractual maturity bands, the Company's financial requirements at 31 December 2024 and 2023, expressed according to the following assumptions:

(i) cash flows are not discounted.

(ii) cash flows are allocated to time bands on the basis of the first due date provided for in the contractual terms.

(iii) all instruments held on the reporting date for which payments have already been contractually designated are included. Future commitments planned but not yet recognised are not included.

(iv) when the amount payable is not fixed (e.g. future interest repayments), the financial liability is measured at market conditions at the reporting date; and

(v) cash flows also include the interest that the company will pay until the maturity of the debt at the reporting date.

	At 31 December 2024					
(In thousands of euros)	**less than 1 year**	**between 1 and 2 years**	**between 3 and 5 years**	**over 5 years**	**Contract value**	**Book value**
Financial liabilities	385,486	46,406	552,001	-	**983,893**	**966,715**
Lease liabilities	20,230	29,185	44,087	7,660	**101,162**	**99,988**
Trade payables	559,229	-	-	-	**559,229**	**559,229**
Other current liabilities	55,526	-	-	-	**55,526**	**55,526**

	At 31 December 2023					
(In thousands of euros)	**less than 1 year**	**between 1 and 2 years**	**between 3 and 5 years**	**over 5 years**	**Contract value**	**Book value**
Financial liabilities	64,653	58,179	256,060	-	378,802	355,119
Lease liabilities	7,694	7,499	20,420	9,840	45,454	44,854
Trade payables	172,198	-	-	-	172,198	172,198
Other current liabilities	31,630	-	-	-	31,630	31,630

The financial requirements are adequately covered by the existing cash and credit lines as well as the financial resources that will be generated in the future by operations.

Positions or transactions deriving from atypical and/or unusual transactions

Pursuant to Consob Communication no. 6064293 of 28 July 2006, it is hereby disclosed that, during 2024, no atypical and/or unusual transactions occurred outside the Company's normal business that could give rise to doubts regarding the accuracy and completeness of the information in the financial statements, conflicts of interest, protection of assets and the safeguarding of minority shareholders. The accounting and financial effects of extraordinary transactions occurring in the year have been illustrated above.

Treasury shares and shares of parent companies

In compliance with the provisions of article 2428 of the Italian Civil Code, it is confirmed that the Parent Company holds 137,063 treasury shares as at 31 December 2024. The subsidiaries do not hold any shares of the Parent Company.

As at 28 February 2025 the amount of treasury shares held by the Parent Company was 283,239, equivalent to 0.64% of the share capital.

Branch offices

At its meeting on 16 July 2020, the Board of Directors of the subsidiary Centrale del Latte d'Italia S.p.A. resolved to set up a secondary office in Florence.

Corporate governance

Information on corporate governance is provided in a separate report that is an integral part of the financial statements, annexed to this Report.

Public Grants

Newlat Food S.p.A.'s R&D is focused on the ability to develop innovative products, occasionally evocative of local traditions in the relevant markets. In this regard, the Company received a contribution of Euro 857 thousand from the Ministry of Economic Development related to innovation agreements for activities carried out in 2023.

TRANSACTIONS WITH RELATED PARTIES

The Group's transactions with related parties (hereinafter, "**Related Party Transactions**"), identified based on criteria defined by IAS 24 – Related Party Disclosures, are mainly of a commercial or financial nature and are carried out under normal market conditions. The Company has adopted its own Procedure for Transactions with Related Parties, the latest version of which was approved on 25 June 2021 with effect from 1 July 2021, following the favourable opinion of the RPT Committee expressed at its meeting on 16 June 2021. This procedure was drawn up taking into account the guidelines provided by the Consob Related Parties Regulation, as last amended by Resolution no. 22144 of 22 December 2021.

The explanatory notes to the consolidated and separate financial statements report on the income statement and statement of financial position items pertaining to related party transactions at 31 December 2024 and 2023. This information has been extracted from the consolidated and separate financial statements and from calculations carried out by the Company based on the outcome of general and operational accounting work.

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 or which have already been illustrated.

For information on the remuneration of members of corporate bodies and senior managers, see the explanatory notes to the separate and consolidated financial statements.

The Group deals with the following related parties:

- Direct or indirect parent company ("**Parent Company**").
- Companies controlled by the direct parent or indirect parent companies other than its own subsidiaries and associates ("**Companies controlled by the parent companies**").

EVENTS AFTER THE REPORTING DATE

On 1 January 2025, Newlat Food transferred the activities related to the pasta, bakery and special products business units to Princes Italia SpA by means of a business unit lease agreement with a duration of two years, automatically renewable for a further two years.

Also with reference to 1 January 2025, Symington's Limited transferred its Instant Noodles business unit assets to Princes Limited by way of a business unit lease agreement.

On 7 February 2025, the Company issued a bond in the total amount of Euro 350,000,000 at an issue price of 100% of the nominal value, represented by 350,000 bonds with a nominal value of Euro 1,000 each at an interest rate of 4.75%. The bonds will have a term of 6 years and the option of voluntary early redemption is envisaged as from the fourth year with maturity on 12 February 2031. At the same time as this issue, the Company repaid the Euro 300 million loan signed with a pool of banks for the acquisition of the Princes Group.

On 12 February 2025, the shareholder Newlat Group SA announced that it successfully completed the accelerated bookbuilding procedure concerning ordinary shares of Newlat Food S.p.A. Newlat Group SA sold 3,000,000 ordinary shares of Newlat Food it held, corresponding to approximately 6.8% of the Company's share capital, to institutional investors at a price of €12 per share. The total consideration amounts to Euro 36 million. The closing of the transaction is scheduled for 14 February 2025.

The proceeds from the Offer, which will be received exclusively by the Selling Shareholder, will be used, among other things, to fully execute by 30 July 2025 the call option granted by Mitsubishi Corporation to the Selling Shareholder, pursuant to the shareholders' agreement signed on 30 July 2024, concerning 9,319,841 Newlat Food shares, corresponding to approximately 21.2% of the share capital. Note that on 10 February 2025, the Selling Shareholder exercised a first tranche of the call option for 3,000,000 Newlat Food shares. As a result of the transaction, Newlat Group will hold a 41.1% stake in the share capital of Newlat Food.

CONSOLIDATED SUSTAINABILITY STATEMENT

Drafted pursuant to Italian Legislative Decree 125/24

Newlat FOOD SpA
A multibrand company

ESRS 2 - GENERAL DISCLOSURES

ESRS 2 BP-1 - General basis for preparation of the sustainability statements

Preparation of the Consolidated Sustainability Statement

The Consolidated Sustainability Statement (hereinafter also referred to as “Report”, “Document” or “Statement”) was prepared pursuant to Italian Legislative Decree no. 125/2024 and forms an integral part of the 2024 Management Report.

The Statement is prepared annually in accordance with the European Sustainability Reporting Standards (ESRS) with the aim of providing a clear understanding of the business activities of the Newlat Food Group (hereinafter also “Newlat Food”, “Group” or “Company”) and its most material sustainability matters.

The double materiality assessment, the process and results of which are explained in the " Disclosures on the materiality assessment process" section, takes into account ESRS data points that include, where appropriate, considerations of the value chain in addition to direct company operations.

The Sustainability Report is subject to a Limited Audit by PricewaterhouseCoopers S.p.A. in accordance with the Standard on Sustainability Assurance Engagement - SSAE (Italy), and the report is available in the relevant section at the end of this Consolidated Sustainability Statement.

Structure of the Consolidated Sustainability Statement

The Report is structured in four sections: “General Information”, “Environmental Information”, “Social Information”, “Governance Information”, in accordance with the provisions of Appendix D: Structure of the ESRS sustainability statement of the ESRS 1 standard.

Characteristics of the disclosures provided

The information reported in the Report respects the qualitative characteristics set out in Appendix B of ESRS 1, such as: relevance, faithful representation, comparability, verifiability and understandability.

The intervals for the short, medium and long term used by Newlat Food in its Sustainability Report coincide with the time horizons defined by ESRS 1, "General requirements" Section 6.4:

- Short term: 1 year from the end of the reporting period.
- Medium term: up to 5 years after the end of the reporting period.
- Long term: more than 5 years from the end of the reporting period.

Where the metrics presented have been obtained from estimates or are subject to measurement uncertainties, Newlat Food has reported the specific assumptions, approximations and sources of uncertainty with specific notes. Note that the quantitative environmental and social data have not been audited by third parties other than the auditing firm as part of the assurance of this document.

For the purpose of reporting forward-looking information in accordance with ESRS, directors are required to prepare this information on the basis of assumptions described in individual sustainability reporting regarding events that may occur in the future and possible future actions by the Company. Due to the uncertainty associated with any future event, both in terms of the occurrence of the event and the extent and timing of its occurrence, deviations between actual values and forward-looking information could be significant.

Quantitative and qualitative information was gathered through the sharing of reporting packages with a structure aligned with ESRS, in order to fulfil the requirements of the reporting standards.

The Impacts, Risks and Opportunities (IROs) subject to disclosure were identified through a double materiality assessment. More information on the methodology adopted to conduct the analysis can be found in the section "Information on the materiality assessment process".

In assessing impacts, risks and opportunities, the Group considered the entire value chain.

To date, the Sustainability Report covers only part of the information related to Newlat Food's upstream and downstream value chain. Pursuant to the transitional provision in ESRS 1, Section 10.2 "Transitional provision related to chapter 5 Value chain", the Group disclosed information on the upstream and downstream value chain by referring only to internal or publicly available data on impacts, risks and opportunities.

Furthermore, as this is the first year of reporting under the CSRD, the information on the value chain is presented in qualitative form only. This is also due to the fact that many of the Group's suppliers are small and medium-sized companies that are not yet fully structured for the level of reporting required by the regulations.

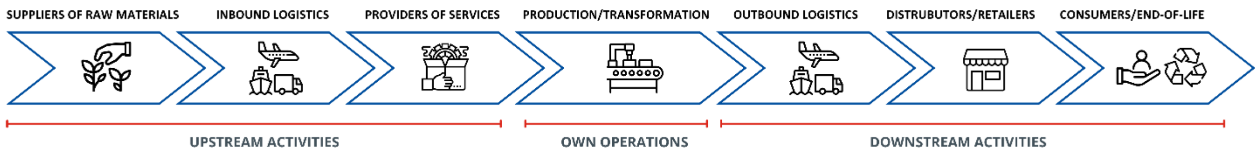
The Newlat Food Group Value Chain

The main resources used by the Group for its activities include agricultural land, water, human capital, energy and fossil resources such as oil and fuel, as well as industrial raw materials such as metals, minerals and timber. Newlat Food's value chain originates in the agricultural sector, through the cultivation of agri-food products, cattle breeding for milk production and aquaculture and fishing for the supply of fish products. These raw materials form the basis for the Group's production and are processed with the addition of chemical ingredients such as sugar, dextrose, salt, vegetable oils, flours, spices and flavourings.

In parallel, the company procures primary and secondary packaging materials that are essential for the optimal packaging and preservation of products, including plastic, paper, cardboard, glass, metals and poly-bonded materials. The operation of production facilities also requires the use of energy sources such as natural gas, electricity, steam and diesel oil, which are essential to ensure efficiency and continuity of operations.

Finally, the production chain relies on additional supplies, including components for plant and machinery maintenance, technical and management support services, as well as logistics partners that ensure the transport of raw materials and ingredients to the production plants. The added value from the company's own operations consists in the processing of raw materials and ingredients to produce food products for customers and end consumers.

Once the production is complete, the products are distributed to the various points of sale. The final product is then consumed, generating packaging waste, while the entire production process involves the production of industrial waste, emissions and waste water treatment, aspects that require careful management to minimise environmental impact.



As far as PATs (Policies, Actions, Targets) are concerned, some of them extend to the supply chain, in particular those related to sustainable sourcing targets for critical raw materials, such as palm oil and tuna. More details on these initiatives can be found in the chapters on material sustainability matters.

Finally, the Group did not make use of the option to omit specific information corresponding to intellectual property, know-how or innovation results.

Scope of consolidation and approval

For the 2024 financial year (1 January to 31 December 2024), for the first time Newlat Food is presenting its Consolidated Sustainability Statement following the requirements set by the European Sustainability Reporting Standards ("ESRS"), in line with Directive EU 2022/2464, Corporate Sustainability Reporting Directive ("CSRD"), as the frame of reference has changed. Therefore, Newlat Food is making use of the transitional provision in ESRS 1, Section 10.3 "Transitional provision related to section 7.1 Presenting comparative information" and no comparisons with metrics from previous periods will be presented, also in view of the significant change in scope compared to the previous year.

The Report is submitted together with the double materiality assessment to the Board of Directors of Newlat Food S.p.A. for approval.

The Control, Risk and Sustainability Committee reviews the general layout of the Consolidated Sustainability Statement, as well as the completeness and transparency of the information, issuing a prior opinion for approval by the Board of Directors.

The Sustainability Report was prepared on a consolidated basis and covers all operating subsidiaries of Newlat Food S.p.A. and the joint operation Edible Oil Ltd.

Specifically, the Group consolidates information concerning the following companies:

- Newlat Food S.p.A.
- Centrale del Latte d'Italia S.p.A.
- Newlat GmbH Deutschland
- Symington's Ltd.
- Em Foods S.A.S.
- Princes Ltd.
- Princes Italia S.p.A.
- Princes Tuna Mauritius
    - Indico Canning Ltd.
- West Yorkshire Industrial Estates Management Limited
- Princes Foods B.V.
- Edible Oil Ltd.
    - Edible Oil Ltd. Polska

Note that the Princes Group companies (Princes Ltd., West Yorkshire Industrial Estates Management Limited, Edible Oil Ltd. Polska, Princes Foods B.V., Princes Tuna Mauritius, Indico Canning Ltd, and Princes Italia S.p.A.) were consolidated as from 1 August 2024, following the completion of the acquisition on 30 July 2024. Any specific exceptions to this scope of consolidation are pointed out in relevant notes within the Sustainability Report.

<table>
<tr><th colspan="3">Corporate evolution</th><th rowspan="2">Plants (identified by geographical location)</th><th rowspan="2">2024</th><th rowspan="2">2023</th><th rowspan="2">2022</th><th rowspan="2">2021</th></tr>
<tr><th colspan="2"></th><th>From 2021</th></tr>
<tr><td colspan="3">Newlat GmbH</td><td>Mannheim (Germany)</td><td>X</td><td>X</td><td>X</td><td>X</td></tr>
<tr><td>Delverde S.p.A.</td><td rowspan="9">Newlat Food S.p.A.</td><td rowspan="6">Newlat Food S.p.A.</td><td>Fara San Martino (CH)</td><td>X</td><td>X</td><td>X</td><td>X</td></tr>
<tr><td rowspan="7">Newlat Food S.p.A.</td><td>Corte dei Frati (CR)</td><td>X</td><td>X</td><td>X</td><td>X</td></tr>
<tr><td>Bologna</td><td>X</td><td>X</td><td>X</td><td>X</td></tr>
<tr><td>Ozzano Taro (PR)</td><td>X</td><td>X</td><td>X</td><td>X</td></tr>
<tr><td>Sansepolcro (AR)</td><td>X</td><td>X</td><td>X</td><td>X</td></tr>
<tr><td>Eboli (SA)[1]</td><td>X</td><td>X</td><td>X</td><td>X</td></tr>
<tr><td rowspan="3">Centrale del Latte d'Italia S.p.A.</td><td>Lodi</td><td>X</td><td>X</td><td>X</td><td>X</td></tr>
<tr><td>Reggio Emilia</td><td>X</td><td>X</td><td>X</td><td>X</td></tr>
<tr><td>Centrale del Latte di Salerno S.p.A.</td><td>Salerno[2]</td><td>X</td><td>X</td><td>X</td><td>X</td></tr>
<tr><td colspan="3" rowspan="4">Centrale del Latte d'Italia S.p.A.</td><td>Turin</td><td>X</td><td>X</td><td>X</td><td>X</td></tr>
<tr><td>Vicenza</td><td>X</td><td>X</td><td>X</td><td>X</td></tr>
<tr><td>Rapallo</td><td>X</td><td>X</td><td>X</td><td>X</td></tr>
<tr><td>Florence[3]</td><td>X</td><td>X</td><td>X</td><td>X</td></tr>
<tr><td colspan="3" rowspan="3">Symington's Limited</td><td>Dartmouth Way + Cross Green | Leeds, United Kingdom</td><td>X</td><td>X</td><td>X</td><td>X</td></tr>
<tr><td>Bradford (United Kingdom)</td><td>X</td><td>X</td><td>X</td><td>X</td></tr>
<tr><td>Consett (United Kingdom)</td><td>X</td><td>X</td><td>X</td><td>X</td></tr>
</table>

[1] In Eboli (SA) there are two production units: the processing plant and the mill.

[2] The Salerno plant also manages the warehouses in Pozzuoli (NA), Lecce and Rome.

[3] The Florence plant also manages the warehouses in Arezzo, Livorno, San Vincenzo, Siena, Massa, Grosseto and the island of Elba.

EM Foods S.A.S.	Ludres (France)	X	X
Princes Limited	Bradford (United Kingdom)	X	
	Cardiff (United Kingdom)	X	
	Glasgow (United Kingdom)	X	
	Long Sutton (United Kingdom)	X	
	Wisbech (United Kingdom)	X	
	Liverpool (United Kingdom)	X	
West Yorkshire Industrial Real Estate Management Limited	Liverpool (United Kingdom)	X	
Edible Oil Limited[4]	Belvedere (United Kingdom)	X	
	Erith (United Kingdom)	X	
Edible Oil Limited Polska[5]	Szamotuly (Poland)	X	
Princes Foods BV	Rotterdam (Netherlands)	X	
Princes Tuna Mauritius	Port Louis Riche Terre (Mauritius)	X	
	Port Louis Marine Road (Mauritius)	X	
Indico Canning Limited	Port Louis Marine Road (Mauritius)	X	
Princes Italia (formerly Princes Industrie Alimentari)	Foggia	X	

[4] Joint operation consolidated at 50%.

[5] Joint operation consolidated at 50%.

ESRS 2 BP-2 - Disclosures in relation to specific circumstances

As already specified in the section "ESRS 2 BP-1 - General basis for preparation of sustainability statements", the concept of short, medium and long term used by Newlat Food in the Sustainability Report coincides with the time horizons defined by ESRS 1, Section 6.4.

Information on the value chain is presented in qualitative form, with the aim of progressively implementing a process that allows the reporting of quantitative metrics on an annual basis. This approach is due to the fact that this is the first year of reporting in accordance with CSRD and that most of the actors involved, especially upstream in the chain, are small and medium-sized enterprises, many of which do not yet have an adequate structure for collecting this data.

The only exception concerns the calculation of Scope 3 emissions, for which the Group collected data on its value chain using both the spend-based and activity-based approaches, without using estimates based on sector averages or other proxies.

With regard to metrics related to the Group's activities, where they have been obtained through estimates or subject to measurement uncertainties, Newlat Food has indicated the specific assumptions, approximations and sources of uncertainty in the notes within the relevant paragraphs. Where information has been incorporated by reference in this Report, such inclusions comply with the provisions set forth in ESRS 1, Section 9.1 "Incorporation by reference".

No changes are reported in the preparation and presentation of the sustainability information. In fact, the Group has adopted the metrics set out in the ESRS, without introducing additional specific indicators.

Newlat Food also makes use of the transitional provision in ESRS 1, Section 10.4, for the following metrics included in Appendix C, "List of phased-in Disclosure Requirements", contained in ESRS 1. The following table reports the disclosure requirements (DR) and data points subject to transitional provisions and the disclosure requirements (DR) and data points not considered material:

DR		DP	Reason
E1-9	Anticipated financial effects from material physical and transition risks and potential climate-related opportunities	64 (a) - 70	Phase-in
E2-6	Anticipated financial effects from pollution-related impacts, risks and opportunities	36 - 41	Phase-in
E3-5	Anticipated financial effects from water and marine resources-related impacts, risks and opportunities	30-33 (c)	Phase-in
E4-6	Anticipated financial effects from biodiversity and ecosystem-related impacts, risks and opportunities	42-45 (c)	Phase-in

E5-6	Anticipated financial effects from resource use and circular economy-related impacts, risks and opportunities	41-23 (c)	Phase-in
S1-7	Own workforce (Characteristics of non-employee workers in the undertaking's own workforce)	53 - 57	Phase-in
S1-11	Social protection	72 - 76	Phase-in
S1-12	Percentage of employees with disabilities	77-80	Phase-in
S1-13	Own workforce (Training and skill development metrics)	81 - 85	Phase-in
S1-14	Own workforce (Health and safety metrics)	88 e) 88 d) 89 90	Phase-in
S1-15	Own workforce (Work-life balance metrics)	91 - 94	Phase-in
E2-4	Air, water and soil pollution (Microplastics)	28 (b)	The issues were found to be non-material for the Group following the double materiality assessment
E2-5	Air, water and soil pollution (Substances of concern and substances of very high concern)	32-35	

ESRS 2 GOV-1 - The role of the administrative, management and supervisory bodies

The Group has adopted a traditional governance model in line with the Corporate Governance Code drawn up by the Committee for the Corporate Governance of Listed Companies, with a Board of Directors committed to protecting and promoting stakeholders' interests.

THE BOARD OF DIRECTORS

The Board of Directors is the main governing body of the parent company Newlat Food S.p.A. (hereinafter also referred to as the "Company"), with responsibility for overseeing management and making high-level strategic decisions. It operates in compliance with current law, the articles of association and the recommendations of the Italian Stock Exchange's Corporate Governance Code, ensuring effective corporate management.

The Board of Directors acts with the objective of creating value for the shareholders, reporting on management at the Shareholders' Meeting. The Company has adopted a traditional form of administration and control, in which the management of the company is entrusted to the Board of Directors, the supervisory functions to the Board of Statutory Auditors and the statutory audit to the auditing firm appointed by the Shareholders' Meeting.

Key Roles in the Board of Directors

- **Chair of the Board**: leads the Board meetings, facilitates discussions and ensures the effective functioning of the body. Furthermore, this person acts as the main interlocutor between the Board and management.
- **Non-Executive Directors**: are not involved in operational management, but bring an independent point of view and monitor management performance.
- **Independent Directors**: represent a sub-category of non-executive directors, not having material ties to the Company or its shareholders of reference, thus ensuring independence and objectivity in strategic decisions.

Board Committees

The Board of Directors has set up the committees envisaged in the Corporate Governance Code, delegating them specific decision-making support and control functions:

- **Control, Risk and Sustainability Committee**: assists the Board in evaluations and decisions concerning the Internal Control and Risk Management System, the approval of financial statements and periodic financial reports, as recommended in the Corporate Governance Code,[6] as well as in relations with the auditing firm.
- **Remuneration and Appointments Committee**: plays an advisory and proposing role in determining the composition of the Board and the remuneration policy for directors and executives with strategic responsibilities. The Committee ensures the application of the principles of good governance and monitors the transparency of the remuneration system,
- **Related-Party Transactions Committee (RPT Committee)**: ensures the propriety of related-party transactions, expressing opinions on the Company's interest, appropriateness and propriety of contractual conditions.

The Board of Directors of the parent company Newlat Food S.p.A. is composed as follows:

Name	Position	Executive/Non-Executive	Independent	Age group	Gender	Committees
Angelo Mastrolia	Chair of the Board and Director	Executive	No	>50	M	

[6] Recommendation 32 (c), Corporate Governance Code, January 2020.

Giuseppe Mastrolia	Chief Executive Officer and Director	Executive	No	30-50	M	
Stefano Cometto	Chief Executive Officer and Director	Executive	No	30-50	M	
Benedetta Mastrolia	Director	Non-Executive	No	<30	F	
Maria Cristina Zoppo	Director	Non-Executive	Yes	30-50	F	CRSC RAC Chair RPTC
Valentina Montanari	Director	Non-Executive	Yes	>50	F	Chair CRSC RAC RPTC
Eric Sandrin	Director	Non-Executive	Yes	>50	M	CRSC Chair RAC RPTC

An analysis of the composition of the Board of Directors shows a diversification in terms of gender and independence of directors consistent with best corporate governance practices:

- Breakdown by gender:
  - Males: 4 (57.1%)
  - Females: 3 (42.9%)
- Breakdown by independent directors:
  - Independent: 3 (42.9%)
  - Not independent: 4 (57.1%)
- Breakdown by executive and non-executive directors:
  - Executive: 3 (42.9%)
  - Non-Executive: 4 (57.1%)

Consistent with current law, there is no provision for the representation of employees and other workers on the Board of Directors.

The responsibilities of the governing bodies with respect to sustainability issues and the pursuit of the corporate mission are laid down in the Sustainability Policy and in the rules of the board committees.

The members of the Board of Directors have a balanced combination of managerial and professional profiles, with complementary expertise such as to guarantee the proper and diligent performance of the functions incumbent upon them, including those related to the ESG sphere.

The Board members have significant experience in industry, finance, accounting, legal, HR, governance and sustainability. These skills were also developed in international contexts.

	Angelo Mastrolia	Giuseppe Mastrolia	Stefano Cometto	Benedetta Mastrolia	Maria Cristina Zoppo	Valentina Montanari	Eric Sandrin
Industrial experience	X	X	X	X	X	X	X
Finance, Accounting and Risk Management	X		X	X	X	X	X
Corporate Governance	X	X	X	X	X	X	X
Legal & Compliance	X		X		X	X	X
Human Capital	X	X	X		X	X	X
Sustainability	X	X	X	X	X	X	X
International experience	X	X		X	X	X	X

In 2024 no specific induction sessions were organised for board members. However, the regular meetings of the board committees provided valuable opportunities for the in-depth analysis and discussion of issues and skills considered central to the Group, including those related to ESG aspects, which are closely linked to the Group's significant impacts, risks and opportunities.

SUSTAINABILITY GOVERNANCE

In the context of an increasing focus on environmental, social and governance (ESG) aspects, Newlat Food has developed a governance model that integrates sustainability into business strategies and decision-making processes. The objective is to ensure responsible management of **impacts, risks and opportunities (IROs)** through the methodological approach of the double materiality assessment, promoting transparency, accountability and stakeholder engagement.

Within the scope of the extensive functions conferred upon it by the legal system, the Board of Statutory Auditors is responsible for ensuring compliance with regulations, including sustainability reporting obligations. This includes verifying compliance with reporting standards, monitoring the reporting process and certifying compliance.

Both the Board of Directors and the Board of Statutory Auditors, autonomously and independently, regularly conduct self-assessments of their operation and composition. This process also considers the specific skills and experience within each body, including those crucial for sustainability.

Furthermore, to ensure a structured approach aligned with international best practices, Newlat Food has set up specific bodies with key roles in the supervision and management of ESG issues, including the **Control, Risk and Sustainability Committee** and the Management Committee known as the **ESG Steering Committee**. These bodies work in synergy with the Board of Directors to monitor business risks, ensure regulatory compliance and foster the company's sustainable success.

More specifically, the **Control, Risk and Sustainability Committee** supports the Board of Directors in supervising the internal control and risk management system, with a focus on ESG risks and regulatory compliance. Its main responsibilities include:

- Assessment of corporate risks, including ESG risks, and support for the Board of Directors' strategic decisions on their management.
- Review of periodic, financial and sustainability reporting to ensure proper representation of the business model, corporate strategies, impacts and performance.
- Monitoring of the sustainability reporting system, with particular reference to and risks associated therewith.
- Review and evaluation of internal audit reports, as well as the possible assignment of audits to specific operational areas.
- Periodic report to the Board of Directors on the adequacy of the internal control system and risk management.

In contrast, the **ESG Steering Committee** has the task of discussing, guiding and monitoring environmental, social and governance (ESG) issues, ensuring the integration of related principles into business operations and decision-making processes. Its main responsibilities include:

- Assessment and monitoring of ESG impacts and risks, with the development of dedicated corporate policies.
- Supervision of the sustainability reporting system in accordance with the CSRD, including the collection and validation of the necessary data.
- Stakeholder engagement and management of related relationships.
- Definition and monitoring of the company's greenhouse gas emission reduction targets.
- Analysis of the ESG impact on procurement strategies.

The ESG Steering Committee reports regularly to the Control, Risk and Sustainability Committee, ensuring transparency and accountability towards stakeholders.

Pursuant to Italian Law 262/05, the **Financial Reporting Manager** has been identified as the person responsible for the adequacy and compliance of the internal control system overseeing the financial reporting system. This person is also assigned the task introduced by Italian Legislative Decree. 125/24 of being responsible for the internal control system, overseeing sustainability reporting in order to guarantee accuracy, completeness and timeliness of disclosure, ensuring transparency and trust with stakeholders.

ESRS 2 GOV-2 - Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies

The Board of Directors governs the pursuit of sustainable success. At least once every six months, the Board of Directors and the Board of Statutory Auditors are informed by the Control, Risk and Sustainability Committee about material impacts, risks and opportunities, the implementation of due diligence, and the results and effectiveness of the policies, actions, metrics and targets adopted to address them. The Control, Risk and Sustainability Committee is in turn in contact with the ESG Steering Committee, composed of managers from Group companies, which has the operational task of overseeing and putting the company's ESG policies into practice.

The Control, Risk and Sustainability Committee receives regular reports at least every six months concerning impacts and risks generated or suffered by the company. The interlocutors are those responsible for control as defined by the internal control and risk management system, i.e. Risk Management, Internal Audit and specially organised management committees, including the ESG Steering Committee.

There are regular discussions (at least every six months) between the ESG Steering Committee and the Control, Risk and Sustainability Committee. During these meetings, the main impacts, risks and opportunities are discussed and illustrated, and significant changes to the Double Materiality exercise are evaluated.

In implementing the company's strategy, as well as in implementing plans and strategic choices, the Board of Directors, in consultation with management, takes into account the impacts, risks and opportunities of important transactions. Analyses include the choices made with impacts, risks and opportunities in mind.

Within the scope of the broader functions assigned to it by the legal system, the Board of Statutory Auditors monitors compliance with the law, including the statutory obligations on sustainability, among which compliance with reporting standards, monitoring of the reporting itself and the related certification of compliance.

During the reporting period, the administrative, management and supervisory bodies and their committees addressed the impacts, risks and opportunities that were found to be material. These impacts, risks and opportunities are reported in detail within each section dedicated to the various sustainability matters.

ESRS 2 GOV-3 - Integration of sustainability-related performance in incentive schemes

The Parent Company Newlat Food S.p.A. has included sustainability objectives in the variable component of the remuneration policies of the Chair, Chief Executive Officers, non-executive directors (excluding independent directors) and executives with strategic responsibilities.

A variable component is envisaged for these figures, subject to the achievement of three-year targets approved by the Board of Directors. Within this variable portion, sustainability targets account for 30%, of which:

1. Reduction of the ratio of CO_2 emissions to turnover (15%)
2. Reuse of production waste (15%)

The Remuneration Policy is defined each year by the Board of Directors on the proposal of the Appointments and Remuneration Committee, with the opinion of the Board of Statutory Auditors, and subsequently submitted to the ordinary Shareholders' Meeting for approval.

The Remuneration and Appointments Committee and the Board of Directors are responsible for implementing the Remuneration Policy, ensuring its proper application.

ESRS 2 GOV-4 - Statement on due diligence

Due Diligence in the Value Chain and Stakeholder Dialogue

The Group adopts a structured approach to due diligence within its Value Chain, with the aim of identifying, preventing and mitigating ESG (environmental, social and governance) impacts and risks throughout the supply chain.

To this end, it has implemented a Supplier Code of Conduct, applicable to the entities Newlat Food S.p.A. and Centrale del Latte d'Italia S.p.A. In parallel, Princes group companies have developed supply chain assessment processes to identify key risk areas and verify compliance with ESG standards in relation to raw materials, ingredients, packaging and services.

The suppliers that are deemed to be most important based on risk and impact criteria are audited in advance and periodically to ensure compliance with ESG standards. Furthermore, the Group ensures an anonymous reporting channel (whistleblowing) through which suppliers can report any violations of the Code of Conduct and regulations, thus strengthening the system of control and transparency along the supply chain.

With a view to continuous improvement, the Group is committed to harmonising its due diligence policies and processes in order to adopt a uniform integrated approach.

Stakeholder Dialogue and Impact Management

To meet the expectations of its stakeholders and ensure effective due diligence management in the supply chain, the Group has initiated and maintains an ongoing dialogue with the identified stakeholders. Each type of stakeholder corresponds to a specific area of relations, aimed at ensuring a targeted and constructive dialogue.

On the one hand this dialogue allows the Group to improve awareness of impacts – both positive and negative – as well as risks and opportunities along its Value Chain, with a focus on the tiers further afield. On the other, it represents a fundamental tool for implementing improvement actions where critical issues emerge. For a more in-depth analysis of stakeholder engagement, see the section on Stakeholder Engagement in ESRS 2 SBM-2 - Interests and views of stakeholders.

A detailed overview of the impacts, risks and opportunities identified through the due diligence process and stakeholder dialogue can be found in ESRS 2 SBM-2 - Interests and views of stakeholders. Furthermore, an in-depth view of the actions taken to mitigate negative sustainability impacts and the monitoring of the effectiveness of these initiatives can be found in the section on sustainability commitments, as well as in the introduction to each chapter on the material topics covered in this Report.

CORE ELEMENTS OF DUE DILIGENCE	PARAGRAPHS IN THE SUSTAINABILITY STATEMENT
a) Embedding due diligence in governance, strategy and business model	GOV-4 Statement on due diligence
b) Engaging with affected stakeholders in all key steps of the due diligence	GOV-4 Statement on due diligence
c) Identifying and assessing adverse impacts	IRO-1 Description of the processes to identify and assess material impacts, risks and opportunities SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model
d) Taking actions to address those adverse impacts	E1-2; E1-3; E2-1; E2-2; E3-1; E3-2; E4-1; E4-2; E5-1; E5-2; S1-1; S1-3; S1-4; S2-1; S2-3; S2-4; S3-1; S3-3; S3-4; S4-1; S4-2; S4-4; G1-1
e) Tracking the effectiveness of these efforts and communicating	E1-4; E2-3; E3-3; E4-3; E5-3; S1-5; S2-5; S3-5; S4-5

ESRS 2 GOV-5 - Risk management and internal controls over sustainability reporting

The risks associated with the preparation of the Sustainability Report are an integral part of the company's internal control and risk management processes.

Therefore, each year the Group identifies and updates the risks related to the Sustainability Reporting process, measuring them in terms of impact and likelihood. In recent years Newlat Food has begun to set up an internal control model, taking as a reference what already exists for financial data, whose reporting process is generally more mature than that of sustainability data. Specifically, documents have been drawn up for the Group's main divisions or legal entities that describe the roles and responsibilities for data collection and formalise the related controls necessary to ensure the robustness of the process. The Internal Audit function monitors the risks associated with reporting and the underlying processes and, together with the corresponding action plan to eliminate any deficiencies, shares the results of its activities with the Financial Reporting Manager and the Control, Risk and Sustainability Committee.

More generally, Newlat Food adopted an Internal Control and Risk Management System (ICRMS) consisting of a set of rules, procedures and organisational structures designed to enable the Company to conduct its business correctly and in line with set objectives, using a suitable process for identifying, measuring, managing and monitoring the main risks.

In defining the strategic, business and financial plans, the Group Board of Directors has identified the nature and level of risk compatible with the Company's strategic objectives, including in its evaluations all risks that may be relevant to the short-, medium- and long-term sustainability of the Company's business.

Supporting the ICRMS is the Control, Risk and Sustainability Committee, which assists the Board of Directors in identifying a cross-cutting and integrated process for all company activities by implementing an Enterprise Risk Management (ERM) Model in order to measure, monitor and manage risks according to internationally recognised approaches. The Model is an instrument of the board of directors drawn up with the cooperation of all company functions, in order to have:

- A complete and up-to-date mapping of the risks the Group is exposed to.
- An evaluation and classification of them using common metrics aimed at identifying and prioritising measures to ensure their proper management.

Moreover, roles and responsibilities are defined within the company to ensure the proper identification and management of the main risks that could compromise the achievement of the company's objectives. The Risk Assessment performed assesses Strategic, Operational, Reporting and Compliance risks, also including ESG risks as noted above. This process supports the Group in achieving its performance and profitability targets, guaranteeing reliable economic and financial information and ensuring compliance with applicable laws and regulations. This process also helps to mitigate potential reputational damage and economic losses, strengthening the company's resilience. In view of this, the Internal Audit Department verifies the suitability of the ICRMS through an audit schedule that is approved by the Board of Directors and makes provision for regular reports containing sufficient information on the performance of its activities, as well as timely reports on events of particular importance. The Board of Directors annually assesses the effectiveness of the ICRMS and its suitability in view of the characteristics of the business based on information and evidence received with the support of the investigative activities performed by the Control, Risks and Sustainability Committee, the Head of Internal Audit and, for the Italian companies, the Supervisory Body pursuant to Italian Legislative Decree 231/2001.

Following is a summary of the main risks generated and suffered in relation to sustainability issues. The management methods in place, as well as the policies practised, have also been defined in order to mitigate the risks identified, and therefore to ensure business continuity and the achievement of corporate objectives.

Risk	**Macro-topic**
Acute physical risk from weather events that can damage production facilities and disrupt value chains	**E**
Risk of disruption to global supply chains: logistical and supply problems arising from global events such as pandemics or natural disasters	**E**
Risk of catastrophic events that may compromise company operations and cause permanent loss of company data	**E**
Chronic physical risk due to long-term climate change (rising temperatures, rising sea levels, reduced water availability, loss of biodiversity, changes in soils and their productivity)	**E**
Risk of increased costs and penalties related to increasingly stringent regulations to reduce emissions and negative impacts	**E**
Risk associated with the use of non-sustainable packaging: negative environmental impact resulting from the use of non-recycled, non-recyclable or non-biodegradable packaging	**E**

Risk of not meeting publicly declared ESG commitments	**G**
Risk of non-compliance with food safety and security regulations	**S**
Risk of lack of a due diligence process for supply chain compliance	**G**
Risk associated with possible incidents of corruption that damage the company's integrity	**G**
Risk of failure to respect human rights in the management of labour relations	**S**
Risks associated with poor management of labour relations and any other personnel-related issues	**S**
Risk of lack of attention and failure to protect and promote diversity and inclusion, ensuring fair treatment for all employees	**S**

ESRS 2 SBM-1 - Strategy, business model and value chain

Today, the Newlat Food Group is an important player in the Italian and European agri-food sector. Since its inception, the Group has been involved in numerous acquisitions of companies operating in complementary markets. Today the Group's main business units are:

- Pasta
- Milk Products
- Dairy Products
- Bakery Products
- Instant Noodles & Bakery Mixes
- Special Products
- Foods
- Drinks
- Fish
- Italian Products
- Oils
- Other Products

The recent acquisition of the Princes Group, finalised in 2024, has allowed the Group to expand its product range to include fish products, tinned tomatoes, legumes, vegetable oils and soft drinks. The recent acquisitions are also strategic in terms of the geographical location of the companies and the markets served, consolidating the Group's presence in four of the most important European countries in terms of size and consumption – United Kingdom, Germany, France and Italy – thus facilitating integrated logistics at a European level.

Details on revenues per country and per business unit can be found in the relevant section of the Report on Operations.

The value chains of the businesses that make up the Newlat Food group are rich and diverse, spanning different stages of food production and distribution. For details on these, see "ESRS 2 BP-1 - General basis for preparation of sustainability statements".

Newlat Food S.p.A., together with its affiliated companies, operates in many sectors of the food market, including:

- Pasta and bakery products
- Milk and dairy products
- Instant noodles and baking mixes
- Special products
- Drinks
- Fish products
- Oils

The production chain of Newlat Food S.p.A. originates in the agricultural sector, comprising:

- Cultivation of agri-food products
- Breeding cattle for milk production
- Fisheries and aquaculture for the supply of fish products

This value chain ensures the production of a wide range of foods, from baked goods to traditional Italian foods.

This expansion has solidified the group's position in four of the most important European countries in terms of size and consumption – United Kingdom, Germany, France and Italy – facilitating integrated logistics at the European level.

The Newlat Group employs essential resources for its activities, including:

- Agricultural land
- Water
- Human capital
- Energy resources
- Industrial raw materials

These elements are crucial for the production and distribution of food products.

Newlat Food's value chain reflects an ongoing commitment to quality, innovation and sustainability, ensuring a diverse product range that meets the needs of modern consumers.

The Group's customers are primarily B2B, both large-scale retailers with Group brands and private labels, and the focus is on the end consumer, who can purchase products directly from Newlat Food customers. The Group's products are therefore used and consumed by consumers all over the world, and the common goal is to reduce scrap and waste by focusing on organic materials, which are at the heart of the Company's business.

The majority of employees are located in the United Kingdom, home to Princes Limited, Symington's and Edible Oil Limited (EOL), which also operates in Szamotuly, in Poland, through its subsidiary EOL Polska, in Mauritius where Princes Tuna Mauritius (PTM) specialises in the processing of seafood products, and in Italy, home to both the Group's headquarters and the companies Newlat Food S.p.A., Centrale del Latte d'Italia S.p.A. and Princes Italia S.p.A.

The remaining employees are located in Germany, where the pasta factory Newlat GmbH is located, in France, where the company EM Foods is based, and in the Netherlands, where the trading company Princes BV is headquartered.

The main sustainability initiatives, which are implemented through specific commitments detailed in the sections on sustainability matters, include:

- **Responsible production chain**: monitoring the origin and certification of raw materials (e.g. milk from farms certified for animal welfare, use of MSC-certified fish).
- **Reduction of the environmental impact of its operations**: optimising processes to reduce waste and encourage the recycling of production scrap.
- **Product innovation**: developing organic, whole-food, "free-from" and environmentally friendly foods.
- **Sustainable packaging**: increasing the use of materials with less environmental impact.
- **Energy efficiency**: optimising energy consumption in production facilities.

These initiatives were defined with the expectations of the main customer categories in mind.

The Group positions itself as a key player in offering products of the Mediterranean diet and in providing healthy, sustainable food. Emerging trends show an increased demand for organic, protein-based products with ingredients selected in a manner to reduce environmental impact.

Regarding its own climate impact, in 2024 Newlat Food began calculating Scope 3 emissions for its entire boundary with the aim of initiating an integrated plan to reduce greenhouse gas emissions. In 2024 the Princes Group submitted its plan to SBTi with the NetZero target to 2050.

As already mentioned, the Group is in the process of integrating sustainability policies after the recent acquisition. The main challenges following the recent acquisition include integrating sustainability policies at the Group level, improving supply chain management with more focus on raw material sourcing, and initiating an energy transition with consequent reduction of emissions through investments in energy efficiency.

Sustainability commitments

Below are the Group's sustainability commitments, considering that in 2024 the policies adopted covered different areas within the Group following the significant acquisition during the year. The sustainability commitments primarily include an integration process aimed at standardising existing policies as far as possible, ensuring consistency and synergies within the Group.

Boundary	**Target**	**Deadline**
Newlat Food Group	Integration of ESG policies to manage significant impacts and risks	2026
Newlat Food Group	Commitment not to cause deforestation in the main raw materials related to deforestation	2030
Newlat Food Group	100% certified sustainable palm oil	2028

Princes Ltd	100% electricity from renewable sources	2032
Princes Ltd	-50.4% Scope 1 and Scope 2 GHG emissions	2032
Princes Ltd	-50.4% Scope 3 GHG emissions from purchased goods and services, upstream transport and distribution, and waste generated in operations	2032
Princes Ltd	-90% of Scope 1, 2 and 3 GHG emissions from energy supply, operations, purchased goods and services, upstream transport and distribution, and waste generated in operations	2050
Princes Ltd	100% sourcing of MSC-certified tuna for the Princes brand in the UK and the Netherlands	2025
Princes Ltd	100% FSC-certified paper and cardboard	2026

Currently the Group is engaged in a continuous and proactive dialogue with its stakeholders to raise awareness of sustainability issues, the impacts generated by its activities and any critical issues to be addressed.

To this end, the Group constantly interacts with consumers and customers to identify market trends and meet their expectations regarding sustainability. At the same time, it works with suppliers and farmers to jointly address environmental and social challenges throughout the supply chain, promoting responsible and sustainable practices.

To ensure the sustainability of fishing and the entire fishing and farming chain, the Group maintains an active dialogue with NGOs, working on strategies and initiatives aimed at preserving marine resources. It is also in constant dialogue with trade unions and its employees to ensure fair, inclusive working conditions that respect workers' rights. For a complete overview of the Group's stakeholders and how they are involved, see the relevant section.

The Group will continue to strengthen its sustainability strategy, ensuring transparency and constant monitoring of progress against its commitments.

Newlat Food's products and results offer concrete benefits for customers, investors and stakeholders. Indeed, customers are offered a quality, food-safe product that is the subject of frequent innovations, thus meeting the needs of health-conscious consumers who take responsibility for their choices. Investors are offered stable growth through a resilient business model and a commitment to sustainability issues. With respect to all other stakeholders, the Group promotes a responsible supply chain, reducing its environmental impact and supporting projects and initiatives for local communities.

ESRS 2 SBM-2 - Interests and views of stakeholders

The Newlat Food Group interacts with different categories of subjects, generating interests and expectations for each. These subjects – the Stakeholders – include both internal actors, such as partners, shareholders and employees, and external actors, including suppliers, customers, consumers and local communities.

Stakeholder Engagement

Stakeholder engagement is structured according to the specificity of their interests and expectations. A differentiated and targeted dialogue approach is dedicated to each stakeholder category, with the aim of adequately responding to different needs and fostering effective communication. This approach is crucial for the achievement of objectives to improve and strengthen relations, as well as for the adoption of measures to minimise negative impacts and maximise positive outcomes in keeping with the Group's sustainability policies.

In 2024, with the aim of strengthening the dialogue with stakeholders and ensuring continuous involvement, the Group launched a multi-year integrated stakeholder engagement plan, including Princes Group stakeholders. This plan envisages various methods of interaction, including one-to-one meetings, workshops and online surveys, fostering a deeper understanding of the dynamics at work and allowing for early detection of any changes in impacts and adjusting corporate strategies accordingly. The stakeholders are schematically represented in the table below, which reflects the importance attached to each, considering the specificities of the various groups.

Category	Description of the Stakeholder	Method of Engagement
Certifying bodies	These work with the Group to ensure compliance with regulations and best practices.	Face-to-face meetings, online surveys, feedback during audits.
Consumers	At the heart of the Group's activities. Their health, safety and satisfaction are the Group's priority.	Evaluation panels, interviews, surveys, events and open days.
Customers	Both large retailers and normal trade. The main commitment is to guarantee the quality and safety of the products through strict controls throughout the production chain.	Two-year surveys, annual scorecards, face-to-face meetings, round tables.
Farmers and producers	Essential relationships for the quality and sustainability of raw materials.	Individual meetings, online surveys, round tables.
Government and institutions	Dialogue to represent corporate priorities and contribute to sustainable policies.	Meetings with policy-makers, institutional working groups, feedback from audits.
Credit institutions	Relationships based on transparency and trust, sustainable financing possibilities.	Shareholders' meetings, surveys.
Local communities	Support through social initiatives and collaborations with charities.	Interviews, online surveys, face-to-face meetings, volunteer programmes.
Environment and ecosystems	Environmental protection through responsible sourcing and emission reduction.	Collaborations with conservation agencies, impact assessments, certifications.

NGOs	Partnerships on sustainability, human rights and sustainable fishing.	Continuous collaboration, network expansion.
Employees	Staff welfare, development and promotion programmes.	Two-year surveys, regular meetings, training programmes.
Shareholders and investors	Transparent dialogue on company performance and future strategies.	Meetings, financial reports, roadshows, meetings with analysts.
Suppliers	Promotion of responsible purchasing and sustainability in the supply chain.	Online surveys, one-to-one meetings, sustainability criteria in tenders.
Trade associations	Participation in legislative discussions and industry best practices.	Face-to-face meetings, topical working groups.
Trade unions	Dialogue on industrial relations and freedom of association.	Constant meetings, possibility of online surveys.
Universities and academic institutions	Collaboration on research and innovation in agribusiness and sustainability.	Research projects, online surveys, academic partnerships.

Stakeholder Engagement and Corporate Strategy

Newlat Food has integrated the concept of Stakeholder Engagement into its business model and strategy. This approach allows the Group to align its business decisions with the interests of stakeholders, ensuring that their opinions and expectations are adequately considered. Continuous dialogue with stakeholders also contributes to a process of responsible business development, with a positive impact on the environment and society.
In light of the recently defined stakeholder engagement plan, the opinions and interests of stakeholders will be progressively analysed during the due diligence process and/or during the materiality assessment planned for the coming financial years. This process will allow stakeholders' priorities to be identified and company strategies to be adapted so that they are aligned with common interests.

Taking into account the interests and opinions gathered, the company evaluates and, if necessary, modifies its strategy and business model.

The ESG Steering Committee is operationally responsible for ensuring the involvement of stakeholders, working in close cooperation with the Board of Directors and keeping it constantly informed. In fact, the Group's administrative, management and supervisory bodies are regularly updated on the impacts of the company's activities on sustainability and stakeholder interests. This approach ensures that company decisions are always oriented towards responding to the needs of the community, the environment and stakeholders, fostering an integrated management of resources and relationships.

ESRS 2 SBM-3 - Material impacts, risks and opportunities and their interaction with strategy and business model

A comprehensive representation of relevant impacts, risks and opportunities is provided, broken down by sustainability matters, within the respective chapters, i.e. E1 Climate change, E4 Biodiversity and ecosystems, S1 Own workforce, S2 Workers in the value chain, S3 Affected communities, S4 Consumers and end-users.

Description of a company's resilience

An integral part of the Newlat Food Group's resilience strategy is the Internal Control and Risk Management System, already extensively described in section GOV-5, to which reference is made.

To address environmental risks, including those related to climate change and the transition to a low-carbon economy, Newlat Food constantly monitors regulatory developments and adopts strategies for sustainable resource management. In contrast, the environmental impacts of its operations are mitigated through strict compliance with environmental regulations and the adoption of practices geared towards minimising negative impacts on ecosystems.

On the social front and in relation to consumers, the Group ensures food quality and safety by implementing a supplier evaluation system that is also based on ethical and environmental criteria and promotes dialogue with local communities.

As far as personnel issues are concerned, the Group manages these risks and impacts by committing to comply with existing regulations on workers' rights, diversity and inclusion (D&I) and work-life balance. The company ensures the proper application of occupational health and safety provisions, preventing potential problems through risk assessment and promoting working environments that comply with industry standards. It also constantly monitors regulatory developments to adapt processes and procedures, ensuring equal opportunities and fair treatment for all employees in the various countries where the Group operates.

Another key aspect for Newlat Food concerns supply management. Supply chain risks are managed through a strategy of geographic and supplier diversification, ensuring business continuity and reducing dependence on individual partners.

Newlat Food is also committed to promoting respect for human rights within its value chain by adhering to international guidelines and standards. In this regard, the Group has drawn up a Supplier Code of Conduct and is implementing processes to assess compliance with ESG standards within its supply chain. In fact, the most important suppliers are periodically audited to ensure their compliance with human rights and labour rights standards and guidelines.

Finally, the Group implements anti-corruption measures and ensures regulatory compliance in its dealings with customers, suppliers and authorities through the implementation of targeted policies and, for Italian companies, through the adoption of an Organisational and Control Model pursuant to Italian Legislative Decree no. 231/01. With these safeguards in place, Newlat Food is able to address material risks and seize strategic opportunities while maintaining a resilient, sustainable business model.

Impacts, risks and opportunities management

Disclosures on the materiality assessment process

ESRS 2 IRO-1 - Description of the processes to identify and assess material impacts, risks and opportunities

Process for Identifying and Assessing Impacts, Risks and Opportunities in Sustainability Reporting

The process of identifying and assessing impacts, risks and opportunities, as well as determining the information to be included in this Sustainability Report for the year 2024 consists of several steps. With regard to the stakeholder consultation process, this activity was initiated in the reporting year. Over the coming years, the consultation process will be further expanded and developed in line with the stakeholder engagement plan defined. The main steps taken to achieve the double materiality assessment are described below.

Step One: Mapping the Value Chains

The first step involved mapping the value chains of Newlat Food's various business units. For each chain mapped, the Group identified:

- The key natural and social resources used for its operations, as well as the dependencies and influence of their availability on prices and quality.
- The sectors involved, including the sector of reference for the Group's business, with the related goods and services offered, operating at different levels of the value chain (upstream and downstream), up to the end of the product's life.

Step Two: Analysis of the Impacts, Risks and Opportunities

Subsequently, in order to identify the impacts, risks and opportunities within its value chain, the Group carefully assessed in which sustainability matters it believes such impacts, risks and opportunities are likely to arise, based on the nature of the activities of the various industries, business relationships, geographic areas or other factors considered critical.

To carry out this analysis, all sustainability matters in the topical ESRS (AR 16, Appendix A of ESRS 1) were considered, assessing how each sector of the value chain could be impacted and thus obtaining a prioritised list of sustainability matters.

To support this analysis, the group referred to several sources, among them, for example, the Working Paper Draft ESRS SEC1 Sector Classification Standard (published by EFRAG), the SASB standards, studies from international organisations such as the Intergovernmental Panel on Climate Change (IPCC) and the International Labour Organisation (ILO), as well as other studies and research from international organisations and study centres.

Lastly, in doing so, the Group considered the connections of its impacts and dependencies with the risks and opportunities that may arise from those impacts and dependencies. These links are described in detail within each section on sustainability matters.

From this list, a long-list of applicable sustainability matters was drawn up for the Group.

Step Three: Impact Materiality

Starting from the long-list of sustainability matters applicable to the Group, the relevant negative or positive, actual or potential impacts were identified and described, i.e. the effects that the Newlat Food Group's operations have on society or the environment (so-called inside-out approach) with respect to each matter. These analyses were carried out taking into consideration the three time horizons envisaged by paragraph 6.4 of ESRS 1, i.e. short, medium and long term, including not only the impacts deriving from the Group's direct operations but also those deriving from its business relations and value chain, both upstream and downstream.

To define the relevant issues from an inside-out perspective, each impact was assessed by averaging the two criteria:

- Severity, which includes:
    - Scale: how grave the negative impact is or how beneficial the positive impact is.
    - Scope: spread of the impacts (geographical or on people).
    - Irremediable nature: possibility of restoring the original condition – only applicable for negative impacts.
- Likelihood: probability of the impact occurring.

In the case of human rights impacts, severity outweighed likelihood.

Following this initial assessment, a benchmark was established with the main competitors in order to integrate any sustainability matters not previously included.

A threshold was therefore adopted to assess the materiality of a sustainability matter in relation to impact. Consequently, impacts – whether positive or negative, potential or actual – with a score greater than or equal to this threshold were considered material for the Group.

Step Four: Financial Materiality

A sustainability topic is financially material when it generates or is expected to generate significant effects on:

- Company development
- The asset and financial position
- Economic results
- Cash flows
- Access to funding
- Cost of capital

In order to define financial materiality, similar to what was done for the assessment of impact materiality, risks and opportunities were associated with each sustainability matter included in the long-list in step two.

To do so, the Enterprise Risk Management (ERM) Model was taken into account, and in particular the ESG risks already previously integrated within the Risk Assessment. These risks are listed in section GOV-5.

In parallel, in order to identify opportunities, the potential economic and financial benefits to the Group in relation to sustainability matters were assessed.

The risks and opportunities identified may arise from past or future events and are not limited to aspects under the direct control of the Company, but also include elements attributable to its value chain and business relationships outside the scope of consolidation of the financial statements.

To identify the material sustainability matters from an outside-in perspective, each risk and opportunity was assessed by averaging the following criteria:

- Scale: the magnitude of the consequences of a risk or opportunity.
- Likelihood: the possibility of the risk or opportunity materialising on the basis of historical data, forward-looking scenarios or statistical analysis.

Both criteria were measured on a scale of 1 to 5.

A threshold was therefore adopted to assess the materiality of a sustainability matter with respect to risks and opportunities. Accordingly, risks and opportunities with a score greater than or equal to this threshold were considered material for the Group.

The assessment of risks and opportunities was also conducted over three time horizons (short, medium and long term), in line with paragraph 6.4 of ESRS 1.

Step Five: Double Materiality

Ultimately, the outcomes of the impact materiality and of the financial materiality were integrated to provide a complete view of double materiality. This approach allows for a holistic analysis of both the effects of an event or action on the environment and society, as well as its economic and financial implications for the Group.

Integration of the Double Materiality assessment process with the Decision-Making Process and Internal Control Procedures

As mentioned in section GOV-5, Newlat Food has adopted an Internal Control and Risk Management System (ICRMS), a structured set of rules, procedures and organisational structures aimed at identifying, measuring, managing and monitoring the main business risks, including those of an ESG nature. This system ensures that the management of the company is consistent with its strategic and operational objectives, allowing for the effective integration of sustainability into decision-making and internal controls.

In parallel, the company has implemented specific safeguards to monitor and manage the impacts of its activities. Specifically, Newlat Food is committed to ensuring compliance with applicable regulations, guidelines and international standards including, but not limited to:

- The Universal Declaration of Human Rights and the principles of the Global Compact proposed by the United Nations (UN)
- The OECD Guidelines for Multinational Enterprises
- The standards contained in Social Accountability 8000 (SA8000)
- The core labour standards promoted by the International Labour Organisation (ILO); the Guidelines for the construction of Organisation, Management and Control Models of Confindustria

This alignment is fostered through the drafting of corporate procedures and practices governing operational activities, ensuring that the organisation complies with ESG standards and applicable legal requirements.

For a more in-depth look at the policies, actions and objectives adopted to manage or mitigate impacts and risks, as well as to seize opportunities related to each material sustainability matter, see the sections dedicated to the specific topics. In these sections, the metrics used are also disclosed.

ESRS 2 IRO-2 - Disclosure Requirements in ESRS covered by the undertaking's sustainability statement

For this requirement see the Index at the end of the document.

ENVIRONMENTAL INFORMATION

Disclosures pursuant to Article 8 of Regulation (EU) 2020/852

2024 is the fourth year of application of the provisions introduced by the European Taxonomy, approved by Regulation 2020/852 (hereinafter also °Regulation°) included in the Sustainable Finance Action Plan launched in 2018 by the European Commission. In fact, the aim of the Regulation is to identify the "degree of environmental sustainability" of an investment, increasing market transparency for the benefit of consumers and investors. The regulation introduces a unique EU-wide classification system for the identification of environmentally sustainable economic activities. In fact, the legislation stipulates that in order to determine whether an activity is environmentally sustainable, it must contribute to one or more of the following six environmental objectives:

- Climate change mitigation
- Climate change adaptation
- Sustainable use and protection of water and marine resources
- Transition to a circular economy, including with respect to waste reduction and recycling
- Pollution prevention and reduction
- Protection and restoration of biodiversity and health of ecosystems

In 2021, the European Commission adopted the Climate Delegated Act that regulates the first two climate objectives (mitigation and adaptation), establishing the technical screening criteria for economic activities that can contribute substantially to their achievement without causing significant damage to the remaining environmental objectives. In 2023 the Commission published two important updates to the taxonomy, namely:

- Publication of Delegated Regulation 2023/2485 (June 2023) amending the Climate Delegated Act, which introduced new activities and set some additional technical screening criteria on the first two objectives "climate change mitigation" and "climate change adaptation".
- Adoption of the Environmental Delegated Act (November 2023), which in Annexes I, II, III and IV defines the eligible activities with respect to the four environmental objectives of the Taxonomy, namely: i) sustainable use and protection of water and marine resources, ii) transition to a circular economy, iii) prevention and reduction of pollution, iv) protection and restoration of biodiversity and ecosystem health, and the related technical screening criteria.

Today, the Taxonomy identifies 16 sectors that include a total of more than 100 economic activities. Of these activities, 87 can make a substantial contribution to both mitigation and adaptation to climate change, 14 to mitigation only and 19 to adaptation only. With regard to environmental objectives, a total of 34 activities have been identified, two of which are also common to the climate objectives and one that can make a substantial contribution to both the pollution prevention and reduction objective and the circular economy transition objective.

For 2024, non-financial companies subject to the Regulation are required to publish a disclosure of their eligible and aligned economic activities with reference to the six environmental objectives and the quantitative economic performance indicators (KPIs) – i.e. the shares of turnover, capital expenditures (CapEx) and operating expenditures (OpEx) – attributable to them.

For 2024 Newlat Food has updated the eligibility analysis aimed at determining the Group's activities that match those listed and described in Annexes I and II of the Climate Delegated Act, Annexes I, II, III and IV of the Environmental Delegated Act and Delegated Act 2023/2485. Furthermore, the company also analysed possible eligible activities with reference to CapEx and OpEx related to the purchase of products from eligible economic activities and aligned with the taxonomy and individual measures that enable the target activities to reduce their emission profile. This analysis led to the identification of the following eligible activities.

Climate Change Mitigation Objective (CCM)

With regard to CapEx associated with the outputs of eligible activities or individual measures:

- 4.16 Installation and operation of electric heat pumps
- 4.25 Production of heat/cool using waste heat
- 5.1 Construction, extension and operation of water collection, treatment and supply systems
- 5.3 Construction, extension and operation of waste water collection and treatment
- 7.2 Renovation of existing buildings
- 7.3 Installation, maintenance and repair of energy efficiency equipment

With regard to OpEx associated with the outputs of eligible activities or individual measures:

- 4.16 Installation and operation of electric heat pumps
- 5.1 Construction, extension and operation of water collection, treatment and supply systems
- 5.2 Renewal of water collection, treatment and supply systems
- 5.3 Construction, extension and operation of waste water collection and treatment
- 5.4 Renewal of waste water collection and treatment
- 5.7 Anaerobic digestion of bio-waste
- 7.2 Renovation of existing buildings
- 7.3 Installation, maintenance and repair of energy efficiency equipment
- 7.4 Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)
- 7.5 Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings

Note that with reference to Delegated Regulation 2022/1214, which introduced economic activities in the energy sector (including the nuclear and gas sector), the Group has identified the following activities eligible for OpEx:

- 4.30 High-efficiency cogeneration of heat/cool and electricity from gaseous fossil fuels

Climate Change Adaptation Objective (CCA)

With regard to the climate change adaptation objective, the Commission Communication C/2023/305 of 20 October 2023 clarified that, with regard to adapted activities, i.e. non-enabling activities, in order to determine eligibility, the communicating undertaking must have carried out a climate risk assessment and should implement adaptation solutions that could make the adapted economic activity more resilient to climate change.

Based on this clarification, while the Group performs a Risk Assessment of its systems aimed primarily at assessing the possible causes of discontinuities (including those related to climate change) of its critical processes, it does not perform a climate change risk assessment pursuant to the requirements of the Taxonomy Regulation and does not identify or implement adaptation solutions corresponding to the risks identified. This interpretation led the Company to modify its climate change adaptation eligibility analysis and not to consider any of its activities eligible for this objective.

Transition to a circular economy (CE)

With regard to OpEx associated with the outputs of eligible activities or individual measures:

- 3.2 Renovation of existing buildings

In accordance with the provisions of the Regulation, alignment with the following criteria was also assessed for each eligible activity identified, with reference to the three climate objectives:

- Substantial contribution criteria: for each eligible activity, verification of compliance with the technical thresholds was carried out to establish its substantial contribution to achieving the mitigation and/or adaptation objective.
- Criteria for "Do No Significant Harm" (DNSH): verification of technical and regulatory requirements to ensure that the activity in question, in addition to contributing to at least one objective of the Regulation, does not cause significant harm to other environmental objectives.
- Minimum safeguards: verification that the activity is carried out in compliance with the minimum social safeguards referred to in the Regulation with respect to human and labour rights.

Substantial contribution criteria

For the purposes of the alignment assessment, for each of the economic activities considered eligible, compliance with the substantial contribution criteria was verified in order to determine the substantial contribution of each activity to achieving the climate mitigation and adaptation objectives.

4.16 Installation and operation of electric heat pumps

As described, the Group engages in activities that correspond to the activity description in Annex I of the Climate Delegated Act (climate change mitigation), 4.16 Installation and operation of electric heat pumps, and therefore considered eligible for the purposes of this analysis.

EVALUATION OF THE CRITERIA FOR SUBSTANTIAL CONTRIBUTION TO THE CCM OBJECTIVE: Adopting a conservative and prudential approach, the Group considers the activity to be non-compliant with the criteria of substantial contribution as there is insufficient evidence available to allow a full assessment of compliance with the criterion.

4.25 Production of heat/cool using waste heat

As described, the Group engages in activities that correspond to the activity description in Annex I of the Climate Delegated Act (climate change mitigation), 4.25 Production of heat/cool using waste heat, and therefore considered eligible for the purposes of this analysis.

EVALUATION OF THE CRITERIA FOR SUBSTANTIAL CONTRIBUTION TO THE CCM OBJECTIVE: Adopting a conservative and prudential approach, the Group considers the activity to be non-compliant with the criteria of substantial contribution as there is insufficient evidence available to allow a full assessment of compliance with the criterion.

4.30 High-efficiency cogeneration of heat/cool and electricity from gaseous fossil fuels

As described, the Group engages in activities that correspond to the activity description in Annex I of the Climate Delegated Act (climate change mitigation), 4.30 High-efficiency cogeneration of heat/cool and electricity from gaseous fossil fuels, and therefore considered eligible for the purposes of this analysis.

EVALUATION OF THE CRITERIA FOR SUBSTANTIAL CONTRIBUTION TO THE CCM OBJECTIVE: Adopting a conservative and prudential approach, the Group considers the activity to be non-compliant with the criteria of substantial contribution as there is insufficient evidence available to allow a full assessment of compliance with the criterion.

5.1 Construction, extension and operation of water collection, treatment and supply systems

Capital and operating expenditures related to projects to recover and restore owned or leased buildings, which correspond to the activity description in Annex I of the Climate Delegated Act (climate change mitigation), 5.1 Construction, expansion and operation of water collection, treatment and supply systems.

EVALUATION OF THE CRITERIA FOR SUBSTANTIAL CONTRIBUTION TO THE CCM OBJECTIVE: According to a conservative and prudential approach, in the absence of sufficient evidence to allow a full assessment of compliance with the criterion the Group considers the activity to be not aligned with the criteria of substantial contribution.

5.2 Renewal of water collection, treatment and supply systems

As described, the Group engages in activities that correspond to the activity description in Annex I of the Climate Delegated Act (climate change mitigation), 5.2 Renewal of water collection, treatment and supply systems, and therefore considered eligible for the purposes of this analysis.

EVALUATION OF THE CRITERIA FOR SUBSTANTIAL CONTRIBUTION TO THE CCM OBJECTIVE: Adopting a conservative and prudential approach, the Group considers the activity to be non-compliant with the criteria of substantial contribution as there is insufficient evidence available to allow a full assessment of compliance with the criterion.

5.3 Construction, extension and operation of waste water collection and treatment

Capital and operating expenditures related to projects to recover and restore owned or leased buildings, which correspond to the activity description in Annex I of the Climate Delegated Act (climate change mitigation), 5.3 Construction, expansion and operation of waste water collection and treatment systems.

EVALUATION OF THE CRITERIA FOR SUBSTANTIAL CONTRIBUTION TO THE CCM OBJECTIVE: According to a conservative and prudential approach, in the absence of sufficient evidence to allow a full assessment of compliance with the criterion the Group considers the activity to be not aligned with the criteria of substantial contribution.

5.4 Renewal of waste water collection and treatment

Operating expenses related to projects to recover and restore owned or leased buildings, which correspond to the activity description in Annex I of the Climate Delegated Act (climate change mitigation), 5.4 Renewal of waste water collection and treatment systems, are therefore considered eligible for the purposes of this analysis.

EVALUATION OF THE CRITERIA FOR SUBSTANTIAL CONTRIBUTION TO THE CCM OBJECTIVE: According to a conservative and prudential approach, in the absence of sufficient evidence to allow a full assessment of compliance with the criterion the Group considers the activity to be not aligned with the criteria of substantial contribution.

5.7 Anaerobic digestion of bio-waste

Operating expenses related to projects to recover and restore owned or leased buildings, which correspond to the activity description in Annex I of the Climate Delegated Act (climate change mitigation), 5.7 Anaerobic digestion of bio-waste, are therefore considered eligible for the purposes of this analysis.

EVALUATION OF THE CRITERIA FOR SUBSTANTIAL CONTRIBUTION TO THE CCM OBJECTIVE: According to a conservative and prudential approach, in the absence of sufficient evidence to allow a full assessment of compliance with the criterion the Group considers the activity to be not aligned with the criteria of substantial contribution.

7.2 Renovation of existing buildings

Capital and operating expenses related to projects to recover and restore owned or leased buildings, which correspond to the activity description in Annex I of the Climate Delegated Act (climate change mitigation), 7.2 Renovation of existing buildings, are therefore considered eligible for the purposes of this analysis.

EVALUATION OF THE CRITERIA FOR SUBSTANTIAL CONTRIBUTION TO THE CCM OBJECTIVE: According to a conservative and prudential approach, in the absence of sufficient evidence to allow a full assessment of compliance with the criterion the Group considers the activity to be not aligned with the criteria of substantial contribution.

3.2 Renovation of existing buildings

Operating expenses related to projects to recover and restore owned or leased buildings, which correspond to the activity description (Transition to a circular economy), 3.2 Renovation of existing buildings, are therefore considered eligible for the purposes of this analysis.

EVALUATION OF THE CRITERIA FOR SUBSTANTIAL CONTRIBUTION TO THE CE OBJECTIVE: According to a conservative and prudential approach, in the absence of sufficient evidence to allow a full assessment of compliance with the criterion the Company considers the activity to be not aligned with the criteria of substantial contribution.

7.3 Installation, maintenance and repair of energy efficiency equipment

Capital and operating expenses related to the installation of a new air conditioner, which corresponds to the activity description in Annex I of the Climate Delegated Act (climate change mitigation), 7.3 Installation, maintenance and repair of energy efficiency equipment, are therefore considered eligible for the purposes of this analysis.

EVALUATION OF THE CRITERIA FOR SUBSTANTIAL CONTRIBUTION TO THE CCM OBJECTIVE: The criteria for a substantial contribution are that the activity consists of an individual measure to improve the energy efficiency of buildings, in accordance with Directive 2010/31/EU. These measures include the installation, replacement, maintenance and repair of heating, ventilation, air conditioning and water heating systems with high-efficiency technologies. This measure must comply with the minimum requirements and energy efficiency classifications laid down in the relevant national and European regulations. Therefore, in the absence of sufficient evidence to allow a full assessment of compliance with the criterion, the Group considers the activity to be not aligned with the criteria of substantial contribution.

7.4 Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)

The capital expenditure related to the installation of an electric vehicle charging station, which corresponds to the activity description in Annex I of the Climate Delegated Act (climate change mitigation), 7.4 Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings).

EVALUATION OF THE CRITERIA FOR SUBSTANTIAL CONTRIBUTION TO THE CCM OBJECTIVE: The substantial contribution criteria stipulate that the activity consists merely in the installation of electric vehicle charging stations. Since no further alignment with any legislation is required in this criterion, the Group considers that the activity can meet the criterion of substantial contribution.

7.5 Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings

Operating expenses related to the installation of a new air conditioner, which corresponds to the activity description in Annex I of the Climate Delegated Act (climate change mitigation), 7.5 Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings, are therefore considered eligible for the purposes of this analysis.

EVALUATION OF THE CRITERIA FOR SUBSTANTIAL CONTRIBUTION TO THE CCM OBJECTIVE: According to a conservative and prudential approach, in the absence of sufficient evidence to allow a full assessment of compliance with the criterion the Group considers the activity to be not aligned with the criteria of substantial contribution.

Do No Significant Harm Criteria

The Do No Significant Harm (DNSH) criteria define the conditions under which activities are carried out without harming other environmental objectives. For each eligible activity related to the climate change mitigation objective, the Group verified its compliance with these criteria.

4.16 Installation and operation of electric heat pumps

EVALUATION OF THE DNSH CRITERIA FOR THE CCM OBJECTIVE: For activity 4.16, Annex I of the Climate Delegated Act envisages DNSH criteria with respect to four objectives: adaptation to climate change, sustainable use and protection of water and marine resources, transition to a circular economy, and pollution prevention and reduction. According to a conservative and prudential approach, in the absence of sufficient evidence to allow a full assessment of compliance with the criterion the Group considers the activity to be not aligned with the initiatives carried out in 2024.

4.25 Production of heat/cool using waste heat

EVALUATION OF THE DNSH CRITERIA FOR THE CCM OBJECTIVE: For activity 4.25, Annex I of the Climate Delegated Act envisages DNSH criteria with respect to the objectives of climate change adaptation, transition to a circular economy, pollution prevention and reduction, and protection and restoration of biodiversity and ecosystems. According to a conservative and prudential approach, in the absence of sufficient evidence to allow a full assessment of compliance with the criterion the Group considers the activity to be not aligned with the initiatives carried out in 2024.

4.30 High-efficiency cogeneration of heat/cool and electricity from gaseous fossil fuels

EVALUATION OF THE DNSH CRITERIA FOR THE CCM OBJECTIVE: For activity 4.30, Annex I of the Climate Delegated Act envisages DNSH criteria with respect to the objectives of climate change adaptation, sustainable use and protection of water and marine resources, pollution prevention and reduction, and protection and restoration of biodiversity and ecosystems. According to a conservative and prudential approach, in the absence of sufficient evidence to allow a full assessment of compliance with the criterion the Group considers the activity to be not aligned with the initiatives carried out in 2024.

5.1 Construction, extension and operation of water collection, treatment and supply systems

EVALUATION OF THE DNSH CRITERIA FOR THE CCM OBJECTIVE: For activity 5.1, Annex I of the Climate Delegated Act envisages DNSH criteria with respect to the objectives of climate change adaptation, sustainable use and protection of water and marine resources, and restoration of biodiversity and ecosystems. According to a conservative and prudential approach, in the absence of sufficient evidence to allow a full assessment of compliance with the criterion the Group considers the activity to be not aligned with the initiatives carried out in 2024.

5.2 Renewal of water collection, treatment and supply systems

EVALUATION OF THE DNSH CRITERIA FOR THE CCM OBJECTIVE: For activity 5.2, Annex I of the Climate Delegated Act envisages DNSH criteria with respect to the objectives of climate change adaptation, sustainable use and protection of water and marine resources, and restoration of biodiversity and ecosystems. According to a conservative and prudential approach, in the absence of sufficient evidence to allow a full assessment of compliance with the criterion the Group considers the activity to be not aligned with the initiatives carried out in 2024.

5.3 Construction, expansion and operation of waste water collection and treatment

EVALUATION OF THE DNSH CRITERIA FOR THE CCM OBJECTIVE: For activity 5.3, Annex I of the Climate Delegated Act envisages DNSH criteria with respect to the objectives of climate change adaptation, sustainable use and protection of water and marine resources, pollution prevention and reduction, and restoration of biodiversity and ecosystems. According to a conservative and prudential approach, in the absence of sufficient evidence to allow a full assessment of compliance with the criterion the Group considers the activity to be not aligned with the initiatives carried out in 2024.

5.4 Renewal of waste water collection and treatment

EVALUATION OF THE DNSH CRITERIA FOR THE CCM OBJECTIVE: For activity 5.4, Annex I of the Climate Delegated Act envisages DNSH criteria with respect to the objectives of climate change adaptation, sustainable use and protection of water and marine resources, pollution prevention and reduction, and restoration of biodiversity and ecosystems. According to a conservative and prudential approach, in the absence of sufficient evidence to allow a full assessment of compliance with the criterion the Group considers the activity to be not aligned with the initiatives carried out in 2024.

5.7 Anaerobic digestion of bio-waste

EVALUATION OF THE DNSH CRITERIA FOR THE CCM OBJECTIVE: For activity 5.7, Annex I of the Climate Delegated Act envisages DNSH criteria with respect to the objectives of climate change adaptation, sustainable use and protection of water and marine resources, pollution prevention and reduction, and protection and restoration of biodiversity and ecosystems. According to a conservative and prudential approach, in the absence of sufficient evidence to allow a full assessment of compliance with the criterion the Group considers the activity to be not aligned with the activities carried out in 2024.

7.2 Renovation of existing buildings

EVALUATION OF THE DNSH CRITERIA FOR THE CCM OBJECTIVE: For activity 7.2, Annex I of the Climate Delegated Act envisages DNSH criteria with respect to the objectives of adaptation to climate change, use and protection of water and marine resources, transition to a circular economy, and pollution prevention and reduction. According to a conservative and prudential approach, in the absence of sufficient evidence to allow a full assessment of compliance with the criterion the Group considers the activity to be not aligned with the initiatives carried out in 2024 on owned or leased buildings.

3.2 Renovation of existing buildings

EVALUATION OF THE DNSH CRITERIA FOR THE CE OBJECTIVE: For activity 3.2, DNSH criteria are envisaged with respect to the objectives of climate change mitigation, climate change adaptation, sustainable use and protection of water and marine resources, pollution prevention and reduction, and protection and restoration of biodiversity and ecosystems. According to a conservative and prudential approach, in the absence of sufficient evidence to allow a full assessment of compliance with the criterion the Company considers the activity to be not aligned with the initiatives carried out in 2024 on owned or leased buildings.

7.3 - Installation, maintenance and repair of energy efficiency devices

EVALUATION OF THE DNSH CRITERIA FOR THE CCM OBJECTIVE: For capital expenses related to activity 7.3, Annex I of the Climate Delegated Act provides for DNSH criteria with respect to climate change adaptation and pollution prevention and reduction objectives. According to a conservative and prudential approach, in the absence of sufficient evidence to allow a full assessment of compliance with the criterion the Group considers the activity to be not aligned with the investments made in the year for the installation of energy efficiency devices.

7.4 Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)

EVALUATION OF THE DNSH CRITERIA FOR THE CCM OBJECTIVE: For capital expenses related to Activity 7.4, Annex I of the Climate Delegated Act envisages DNSH criteria with respect to climate change adaptation objectives. According to a conservative and prudential approach, in the absence of sufficient evidence to allow a full assessment of compliance with the criterion the Group considers the activity to be not aligned with the investments made in the year for the installation of charging stations for electric vehicles.

7.5 Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings

EVALUATION OF THE DNSH CRITERIA FOR THE CCM OBJECTIVE: For activity 7.5, Annex I of the Climate Delegated Act envisages DNSH criteria with respect to climate change adaptation objectives. According to a conservative and prudential approach, in the absence of sufficient evidence to allow a full assessment of compliance with the criterion the Group considers the activity to be not aligned with the initiatives carried out in 2024.

In addition to the above, the topic of climate change risk assessment is referred to, which is required as DNSH for the objective of adaptation to climate change for each of the activities in question. As noted above, while the Company performs a Risk Assessment of its systems aimed primarily at assessing the possible causes of discontinuities (including those related to climate change) of its critical processes, it does not perform a climate change risk assessment pursuant to the requirements of the Taxonomy Regulation and does not identify or implement adaptation solutions corresponding to the risks identified. This element contributes to the impossibility of declaring the alignment of the company's activities.

Minimum safeguards

Finally, the Group analysed its level of compliance with the principles referred to in Article 18 of the Regulation, which defines the minimum measures to ensure that a business is conducted with respect for human and labour rights in line with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, including those set out in the eight core conventions of the International Labour Organisation (ILO), and the International Bill of Human Rights. The Group therefore analysed the elements explicitly set out in the documents referred to in Article 18, also on the basis of the guidance provided by the Platform on Sustainable Finance, and considering the clarifications provided by the Commission in its Communication (2023/C 211/01). With these references in mind, it checked the level of protection in place in the areas of human rights, consumer interests, corruption, competition and taxation. Italian legislation, in the field of human and labour rights regulates several aspects referred to in Article 18, such as for example the protection of privacy, health and safety, corruption, fair competition, and taxation. In addition to acting in compliance with the national regulations in force in the countries it operates in, the Newlat Food Group carries out its activities by pursuing sustainable and inclusive growth, operating in line with the Universal Declaration of Human Rights, the ILO Conventions and the principles issued by the United Nations Global Compact, which it has adopted.

One of the tools the Group implements to promote compliance with minimum safeguards both inside and outside the organisation is the Code of Ethics and Conduct. Furthermore, the Group demonstrates that it observes the principle of not causing significant harm as stipulated in the SFDR, Article 2, point 1736, by addressing the gender pay gap and gender diversity in governance bodies and reporting the respective indicators within the Report. Lastly, the Group declares that it has no equity investments in companies involved in the manufacture or sale of controversial weapons. As a demonstration of the Group's commitment to promoting ethical and responsible behaviour, in 2024 there were no instances of non-compliance relating to the issues of human rights, consumer interests, corruption, competition or taxation.

However, according to a conservative and prudential approach, and in view of the Commission's clarification that minimum safeguards require due diligence and remedial procedures implemented by an undertaking engaged in an economic activity, and, considering the current developments with regard to the Directive on Business Diligence, having identified aspects for improvement and further formalisation within its scope the Group considers its activities to be out of line with the minimum safeguards. Similarly, again following a conservative and prudent approach, Newlat Food does not consider the current practices in place along the supply chain sufficient to deem the activities related to the purchase of products derived from eligible economic activities aligned with the minimum safeguards criteria, nor those aligned with the taxonomy and specific measures that allow for contributions to one or more of the six objectives of the Taxonomy. In this context, it considers that it would be appropriate to align with good market practices and verify the minimum safeguards put in place by the suppliers of the individual eligible activities.

KPI calculation method

The Annexes to the Disclosure Delegated Act (EU) 2021/2178 (hereinafter Disclosure Delegated Act") require the calculation of the percentage of Turnover, CapEx and OpEx associated with eligible and aligned activities. As indicated in the previous paragraphs, to meet this regulatory requirement the Group identified its eligible activities and – once it had assessed which of them were consistent with the alignment criteria – calculated the KPIs required by the Regulation. The following paragraphs detail the analyses performed to meet the disclosure requirements of the Disclosure Delegated Act, explicating the methods applied and the accounting items considered for the calculation of the KPIs.

Employee turnover

The business's activity is not one of the sectors specifically covered by Regulation 2020/852, and therefore neither eligible nor aligned revenues were recorded in 2024.

CapEx

In calculating the denominator of the CapEx KPI, the Group took into account the increases in tangible assets, intangible assets and fixed assets for right-of-use in the reporting period. The approach used to extract the above figures involved an analysis of the accounting data, showing the investments made during the year by all companies within the scope of consolidation. In line with the Disclosure Delegated Act, the Group considered the following values for the calculation of the CapEx:

- Denominator: For the calculation of the denominator, the Group considered tangible assets accounted for in accordance with IAS 16, intangible assets accounted for in accordance with IAS 38, and leases accounted for in accordance with IFRS 16. This analysis returned a total value for 2024 of 26,488,000 euros.
- Numerator of eligible assets: for the purpose of determining the numerator, CapEx relating to assets or processes associated with eligible activities and with the purchase of products from economic activities eligible for the taxonomy were taken into account. In this regard, the Group included the following values in the numerator of the KPI:
    - 4.16 Installation and operation of electric heat pumps €12,400
    - 4.25 Production of heat/cool using waste heat €1,366,208
    - 5.1 Construction, extension and operation of water collection, treatment and supply systems €212,157
    - 5.3 Construction, extension and operation of waste water collection and treatment €78,509
    - 7.2 Renovation of existing buildings €605,000
    - 7.3 Installation, maintenance and repair of energy efficiency devices €622,591

- 7.4 Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings) €5,299.85

Furthermore, note that where possible the extraction of the data associated with the aforementioned eligible categories was carried out in a timely manner from the information available in the accounting systems currently used by the legal entities included in the scope of consolidation.

- Numerator of aligned activities: the share of the increases relating to the items considered for the calculation of the denominator associated with aligned activities is equal to €0, as the company (or its suppliers, where applicable) does not comply with the technical screening criteria and the minimum safeguard guarantees of the aforementioned activities. The downward change in the numerator of the CapEx KPI related to aligned activities compared to 2023 is due to a refinement in the method adopted for conducting the alignment analysis to comply with good market practice.

OpEx

In line with the Disclosure Delegated Act, the Group considered the following values for the calculation of the OpEx share:

- Denominator: the denominator was calculated by analysing the Group's chart of accounts, identifying the items that can be associated with the cost categories mentioned in the Disclosure Delegated Act.

The result of these analyses resulted in a value of Euro 103,606,000.

- Numerator of eligible activities: the Group incurred the following expenses:
  - 4.16 Installation and operation of electric heat pumps €34,005
  - 4.30 High-efficiency cogeneration of heat/cool and electricity from gaseous fossil fuels €1,086,609
  - 5.1 Construction, extension and operation of water collection, treatment and supply systems €18,992
  - 5.2 Renewal of water collection, treatment and supply systems €1,417,607
  - 5.3 Construction, extension and operation of waste water collection and treatment €494,346
  - 5.4 Renewal of waste water collection and treatment €6,050
  - 5.7 Anaerobic digestion of bio-waste €31,823
  - 7.2 Renovation of existing buildings €14,156
  - 7.3 Installation, maintenance and repair of energy efficiency devices €310,645
  - 7.5 Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings €4,840
- Numerator of aligned activities: the share of OpEx associated with aligned activities is equal to €0, as the company does not comply with the technical screening criteria and the minimum safeguard guarantees for the aforementioned activities.

E1 - CLIMATE CHANGE

ESRS 2 GOV-3 - Integration of sustainability-related performance in incentive schemes

As illustrated in paragraph "GOV-3" of the section "ESRS 2 – General disclosures", the Parent Company Newlat Food S.p.A. has included sustainability objectives in the variable component of the remuneration policies of the Chair, Chief Executive Officers, non-executive directors (excluding independent directors) and executives with strategic responsibilities.

For these persons, part of the variable remuneration is subject to the achievement of specific three-year quantitative targets approved by the Board of Directors. This includes a target aimed at reducing CO_2 emissions, in particular reducing the ratio of CO_2 emissions (relative to Scope 1 and Scope 2) to turnover, which accounts for 15% of the total variable remuneration.

In view of the recent acquisition, consideration will be given to extending the remuneration policies to the Group's entire scope of consolidation.

ESRS 2 IRO-1 - Description of the processes to identify and assess material climate-related impacts, risks and opportunities

Analysis of climate-related scenarios

To assess the Group's exposure to climate-related risks, an assessment was made based on two scenarios: limited temperature increase (1.5 degrees) and high temperature increase (3-4 degrees).

Climate-related risks are generally divided into two main categories:

1. Risks associated with the **transition** to a low-carbon economy, which may involve extensive policy, legal, technological and market changes. These are referred to as transition risks.
2. Risks related to the **physical impacts** of climate change caused by extreme weather events, such as hurricanes and floods, as well as long-term chronic changes, such as rising global average temperatures and sea levels. These changes can have far-reaching impacts on operations and supply chains, distribution networks, customers and markets. These are commonly referred to as physical risks.

RCP 2.6 (accelerated transition) limited increase between 1.5°C and 2.0°C

In this scenario, all current promises of zero net emissions are fully realised and there are extensive efforts to achieve emission reductions in the short term. The scenario is consistent with limiting the global temperature increase to less than 2°C.

RCP 8.5 (business as usual) temperature rise between 3.3°C and 4.5°C

This scenario is not aligned with the promises outlined in the Paris Agreement and represents a context in which countries fail to meet the UN Sustainable Development Goals. Essentially, this means that emissions continue to grow at the historic rates recorded so far. The temperature increase will exceed 4°C by 2100, leading to a high loss of biodiversity and extinction of species.

In completing our risk assessment, the following risks were considered to be material in terms of their impact and likelihood of occurrence:

- Future regulatory policy responses to address climate change could lead to the imposition of carbon taxes by the countries where we produce or purchase goods from third parties.
- Increased water stress levels that could lead to interruptions in water supply to the Group and third-party supply sites.
- Increased frequency and impact of extreme weather events that could cause disruptions to Group and third-party supplier sites.

The following climate-related physical and transitional risks have therefore been identified. The time horizons considered by the Group are short, medium and long, as defined by ESRS standards.

Transition Risks

Topic	Risk	Time horizon	Impact on the business
Market	Competitors faster in responding to needs arising from climate risks	Short	Loss of revenue and EBITDA both for products produced internally and products produced by third parties. Reduced operating efficiency of machinery and increased impact of general and administrative costs
Policy	Increased ESG reporting requirements	Short	Higher compliance costs and consequently higher cost of products and services
	New regulations or laws leading to an increase in taxes on products or services and consequent increase in charges	Medium	Core products are subject to higher taxes and thus an increase in cost for the consumer or a reduction in margin for the Group
	Stricter environmental regulations can impose carbon taxes and compliance obligations that increase company costs	Long	Increased operating costs due to a rise in costs associated with carbon emissions
	Penalties for failure to meet climate targets in the public domain	Short	Reputational impact, with financial consequences affecting company performance
Technological	Rising energy costs and carbon price	Medium	Higher operating costs and expenses to conduct operations and achieve Net Zero targets

	Failure to monitor energy consumption	Short	Ineffective control of energy consumption can lead to waste, high costs and a negative perception of the company

Physical risks

Topic	**Risk**	**Time horizon**	**Impact on the business**
Physical risks to operations	Increased cost of raw materials and potential disruption of the distribution chain	Short	Higher expenditures on raw materials due to price fluctuations. Instability caused by transitional climate risks in the supply chain
Physical risks to operations	Increased operating costs for heating and cooling Increased dependence on water from water-stressed areas Potential disruption of the distribution chain	Long	Changing temperatures or extreme heat/cold require additional costs for heating/cooling. Increased insurance costs in case of acute weather events and associated site damage and interruptions in production
Physical risks to the supply chain	Reduction in agricultural and fish supply yields due to multiple causes (floods, extreme events, pests, reduced biodiversity, etc.)	Long	Alteration of ecosystems and phenomena such as rising temperatures, rising sea levels, water shortages, loss of biodiversity, and changes in soil productivity can compromise the availability of raw materials and increase operating costs
	Disruption of the supply chain	Long	Dependence on global suppliers can be compromised by unforeseen events, causing delays and shortages of raw materials

ESRS 2 SBM-3 - Material impacts, risks and opportunities and their interaction with strategy and business model

Following the Double Materiality assessment described in detail in the section "Disclosures on the materiality assessment process", and considering the analysis of climate scenarios, following are the impacts, risks and opportunities associated with topic E1 - Climate Change.

Material impacts			
Sub-topic	**Impact**	**Description of the Impact**	**Position in the VC**
Climate change adaptation	Relocation of production facilities to more resilient areas	The relocation of plants to more resilient areas can lead to the creation of new jobs in other areas on the one hand, but on the other results in the loss of jobs for people permanently employed at production sites.	Own operations
Mitigation of changes	Greenhouse gas emissions from agriculture and livestock (and related climate change)	In the agricultural and livestock sector, most emissions come directly from the animals through the release of methane during enteric fermentation and from the handling and treatment of manure. Direct emissions from livestock and livestock production account for a significant share of total greenhouse gas emissions.	Upstream
Mitigation of changes	Greenhouse gas emissions from manufacturing (and related climate change)	Food & Beverage producers generate direct greenhouse gas (GHG) emissions through the processing and transport of goods by land and sea. Production and processing require high energy consumption, mainly from non-renewable sources, thus contributing to GHG emissions and climate change.	Own operations Downstream
Energy	Energy-intensive processes in agriculture and livestock farming	The agricultural and livestock sectors are energy-intensive. Energy is essential for various agricultural activities, including the operation of machinery, irrigation, heating and cooling of greenhouses, and the production of inputs such as fertilisers and pesticides.	Upstream
Energy	Energy-intensive activities in internal operations	In the food industry, energy management is crucial due to the high consumption required for food production and processing. These operations are energy-intensive and include activities such as cooking, pasteurisation, sterilisation, refrigeration and transport. Effective energy management can significantly reduce operating costs and environmental impact.	Own operations

The impact significance analysis showed that the Group's operations and its value chain generate significant climatic impacts over short-, medium- and long-term time horizons, with increasing significance in the medium to long term. Indeed, greenhouse gas emissions from agricultural and livestock activities, processing and transport contribute directly to climate change, exacerbating phenomena such as global warming. Furthermore, the high energy intensity of production processes, mainly based on non-renewable sources, increases the overall carbon footprint. Finally, the relocation of production facilities to adapt to more resilient climatic conditions can have an impact on communities, creating economic opportunities in some areas while causing job losses in others.

Material risks				
Sub-topic	**Risk**	**Description of the risk**	**Type**	**Position in the VC**
Climate change adaptation	Acute physical risk from weather events that can damage production facilities and disrupt value chains	Extreme events such as hurricanes, floods or heat waves can cause infrastructure damage and operational disruptions.	Physical	Upstream Own operations Downstream
Climate change adaptation	Risk of disruption to global supply chains: logistical and supply problems arising from global events such as pandemics or natural disasters	Dependence on global suppliers can be compromised by unforeseen events, causing delays and shortages of raw materials.	Physical	Upstream
Climate change adaptation	Risk of catastrophic events that could compromise company operations and cause the permanent loss of business data	Earthquakes, fires or other extreme events can jeopardise business continuity and the security of company information.	Physical	Own operations
Climate change adaptation	Chronic physical risk due to long-term climate change	Alteration of ecosystems and phenomena such as rising temperatures, rising sea levels, water shortages, loss of biodiversity, and changes in soil productivity can compromise the availability of raw materials and increase operating costs.	Physical	Upstream Own operations Downstream
Climate change mitigation	Risk of increased costs and penalties due to increasingly stringent regulations to reduce	Stricter environmental regulations can impose carbon taxes and compliance obligations that increase company costs.	Transition	Upstream Own operations Downstream

	emissions and negative impacts			
Energy	Risk of failure to monitor the Group's energy consumption and environmental impacts leading to cost inefficiencies, possible fines and reputational damage	Ineffective control of energy consumption can lead to waste, high costs and a negative perception of the company.	Transition	Upstream Own operations Downstream

Here again, in terms of financial significance, for some of the risks identified with respect to climate change, there is a trend of increasing significance in the medium to long term. A more in-depth description of the negative effects these risks could have on the Group's business, as well as the resilience strategies, is provided in the previous section "ESRS 2 SBM-3 - Material impacts, risks and opportunities and their interaction with strategy and business model "in the paragraph "Resilience analysis".

Material opportunities			
Sub-topic	**Opportunity**	**Description of the opportunity**	**Position in the VC**
Climate change adaptation	Opportunity to boost attractiveness to sustainable investors and strengthen the company's reputation among stakeholders, while fostering the long-term sustainability of the business.	Adopting ambitious climate strategies can increase investor trust, improve corporate image and ensure greater economic resilience in the long run.	Own operations

Finally, a strong sustainability positioning can facilitate access to capital on more advantageous terms, reduce the cost of capital and improve market competitiveness. Moreover, strengthening the company's reputation can increase the trust of consumers and business partners, fostering sales growth and customer loyalty. In a context of increasing focus on sustainability, the Group can thus benefit from a lasting competitive advantage, improving its economic resilience in the long run.[7]

Resilience analysis

The Group constantly monitors climate change-related risks and conducts regular assessments to measure its resilience against risks deemed to be material. This analysis was also carried out during 2024 in conjunction with the update of the ERM,[8] and considered all the Companies included in the financial scope of

[7] For an in-depth overview of the risk assessment, see the relevant paragraph in the GOV-5 section in ESRS 2.

[8] For an in-depth overview of the risk assessment, see the relevant paragraph in the GOV-5 section in ESRS 2.

consolidation, including the subsidiaries of Princes Ltd, covering the three time horizons of short, medium and long term as defined in paragraph 6.4 of ESRS 1.

The risk analysis included assessing the impact of climate change on the supply chain, corporate assets and financial performance, while also considering compliance with environmental regulations and commitments to transition to a low-carbon economy.

The analysis revealed several material aspects:

- Possible disruptions in the supply chain: operating in the food industry, the Group is highly dependent on agri-food raw materials, the availability of which is closely influenced by weather conditions and extreme weather events.
- Potential damage to assets, infrastructure and business continuity: some plants are located close to watercourses or reservoirs, while sites in Mauritius, being located on an island, are exposed to the effects of rising sea levels. These respective locations could be critical in the event of particularly heavy rainfall, with the risk of sudden flooding, or a progressive rise in sea level linked to global warming.
- Risks of regulatory non-compliance in the environmental field: as a manufacturing company, the Group is required to comply with specific regulatory requirements and deadlines. Constantly evolving environmental regulations require continuous monitoring to ensure compliance, prevent penalties and mitigate any operational impacts.

Specifically, to mitigate supply chain risks, the Group has implemented contingency plans and diversified its suppliers geographically, avoiding critical dependencies and reducing the risk of disruptions.

With regard to risks related to assets, infrastructure and business continuity, no significant problems due to extreme weather events have been encountered in recent years. Constant monitoring of these aspects allows timely preventive measures to be taken to minimise any impacts.

Finally, with regard to regulatory compliance, Newlat Food has established an environmental management system with people dedicated both to controlling consumption and emissions and to monitoring the evolution of European regulations to ensure full compliance with any decarbonisation directives.

There are also other elements that increase the resilience of Newlat Food. Foremost among these is the Group's financial strength, which allows it to obtain capital at a sustainable cost, facilitating the financing of strategic investments and risk mitigation measures without compromising its financial equilibrium.

Furthermore, the ability to convert, upgrade or decommission existing assets is a key factor in adaptability, allowing resources to be optimised, reducing the risk of obsolete assets and responding in a timely manner to market developments or critical operational needs.

Finally, the constant updating of the product range and the integration of innovative and sustainable products and services allow the Group to adapt to new market needs, ensuring competitiveness and long-term growth.

E1-1 - Transition plan for climate change mitigation

As mentioned in previous sections, in 2024 the Newlat Food Group concluded a major acquisition, which made the process of integrating and harmonising ESG policies at the Group level a priority. Therefore, a climate change mitigation transition plan has not yet been defined for the entire Group. Following the integration, the definition of this plan will be evaluated in the coming years.

In this context, Newlat Food constantly monitors its energy consumption and calculates its Scope 1 and 2 emissions using the methodology proposed by the GHG Protocol. For this Report, the Newlat Food Group also measured Scope 3 greenhouse gas (GHG) emissions across its entire scope of consolidation, with a commitment to quantify them and define a targeted climate transition strategy. An in-depth overview of the calculation of the Group's total GHG emissions and the methodology adopted is provided in the section on requirement E1-6.

The Princes Group, on the other hand, has been working on a Net-Zero plan with a 2050 horizon for the past few financial years. Both short- and long-term emission reduction targets were submitted to the Science Based Target Initiative (SBTi) at the end of 2024 to assess their alignment with the goal of limiting the global temperature increase to 1.5°C, in accordance with the Paris Agreement. The commitments made are as follows:

- *Short term*
  - Reduction of absolute Scope 1 and 2 GHG emissions by 50.4% by 2032 compared to the base year of 2022.
  - Reduction of absolute Scope 3 GHG emissions from purchased goods and services, upstream transport and distribution, and waste generated in operations by 50.4% by 2032 compared to the base year of 2022.
  - Increased share of electricity supplied from renewable sources from 40% in 2022 to 100% by 2030.
- *Long term*
  - Reduction of absolute Scope 1, 2 and 3 GHG emissions from energy supply, operations, purchased goods and services, upstream transport and distribution, and waste generated in operations by 90% by 2050 compared to the base year of 2022.
  - Reduction of absolute Scope 3 GHG emissions from purchased goods and services by 72% by 2050 compared to the base year of 2022.

E1-2 - Policies related to climate change mitigation and adaptation

To identify, assess and manage its impacts, risks and opportunities related to climate change, Newlat Food has adopted several strategic documents.

Among these, the Group's Code of Ethics and Conduct enshrines respect for and protection of the environment as one of its fundamental values, promoting strict compliance with current laws and the adoption of preventive measures to minimise environmental impact.

Another important document is the Supplier Code of Conduct, which involves the Group's entire supply chain. Suppliers are required to operate in a responsible manner, complying with environmental regulations and integrating sustainability principles into their activities. Specific commitments required include reducing emissions, monitoring and optimising energy consumption.

In addition to these, Newlat Food has adopted a Sustainability Policy and an Integrated Management System Policy, with the aim of improving process efficiency, reducing energy consumption and limiting CO_2 emissions, thus contributing to the mitigation of the environmental impact of its operations. These policies are applied by the parent company Newlat Food S.p.A. and its subsidiaries.

Following the major acquisition of the Princes Group, an integration of environmental policies at the consolidated level is necessary and will take place over the next few years. In fact, Princes has already adopted strategic policies aimed at managing climate impacts, such as the Environmental Sustainability Policy, which addresses climate change mitigation, renewable energy use and decarbonisation, both for its own operations and throughout the entire value chain.

All Policies are approved by the Governing Body or parties delegated thereby. The Governing Body also defines the methods of implementation.

Policy	**Scope of application**	**Topic covered**	**Beneficiary Stakeholders**
Group Code of Ethics and Conduct	Newlat Food S.p.A. and its subsidiaries as at 1/01/2024	Energy efficiency Continuous improvement Resource conservation Promoting environmental ethics	Nature and ecosystems Local communities Suppliers
Supplier Code of Conduct	Newlat Food S.p.A. and its subsidiaries as at 1/01/2024	Climate change mitigation Energy efficiency Resource conservation	Nature and ecosystems Local communities Suppliers
Sustainability Policy	Newlat Food S.p.A. and its subsidiaries as at 1/01/2024	Climate change mitigation Energy efficiency Resource conservation	Nature and ecosystems Local communities Suppliers
Integrated Management System Policy	Newlat Food S.p.A. and Centrale del Latte d'Italia S.p.A.	Energy Efficiency Spread of renewable energy Resource conservation	Nature and ecosystems Local communities Suppliers
Environmental Sustainability Policy	Princes Ltd. and its subsidiaries	Climate change mitigation Energy efficiency Spread of renewable energy Decarbonisation	Nature and ecosystems Local communities Suppliers
Group EHS Management	Princes Ltd. and its subsidiaries	Climate change mitigation Energy efficiency	Nature and ecosystems Local communities Suppliers Employees

Deforestation Policy	Princes Ltd. and its subsidiaries	Climate change mitigation	Nature and ecosystems Local communities Suppliers

E1-3 - Actions and resources in relation to climate change policies

In 2024 the Group adopted a series of measures to minimise and manage its climate change impacts, risks and opportunities. Specifically:

- Constantly monitor energy consumption and the energy mix through specific KPIs
- Calculate own direct emissions (Scope 1 and Scope 2)
- Calculate own indirect emissions (Scope 3), starting in 2024

The actions described above relate to both own operations and the entire value chain (Scope 3), considering the categories applicable to the Group's business, as reported in E1-6. The main stakeholder benefiting from the listed actions is the ecosystem.

Following the Double Materiality assessment, a series of potential actions were identified, which will be evaluated and prioritised in the coming years, also with a view to the integration of the Princes Group.

Princes Ltd. has also envisaged specific decarbonisation levers with associated actions identified to support the transition to a low-emission economy. This information is set forth in the table below:

Area	Decarbonisation levers	Actions	Status
Procurement	Responsible supply chain	Purchase of electricity from renewable sources	Ongoing
		Low-carbon procurement	Planned
		Monitoring deforestation within the supply chain	Planned
		Involvement of suppliers on the issue of climate change	Planned
Customer management	Making climate commitments attractive to the market	Working with customers on decarbonisation projects	Ongoing
		Involvement of Procurement on climate issues	Planned
		Competitiveness through climate commitments	Planned
Operations	Scope 1 & 2 emissions	Implementation of energy measurement and management systems	Ongoing

		Study of low-emission technologies	Ongoing
		Improved energy and resource efficiency	Ongoing
Human Resources	Development of climate skills	Integrated training to strengthen awareness and knowledge of climate issues	Planned
Distribution & Storage	Decarbonisation of product transport	Definition of a programme to reduce fleet emissions	Planned
		Integration of decarbonisation principles in contracts	Planned

As previously stated, following the acquisition of the Princes Group by Newlat Food, sustainability policies – including initiatives for the transition towards climate change mitigation and related actions – will be integrated where possible to cover the entire scope of the Group.

Metrics and targets

E1-4 - Targets related to climate change mitigation and adaptation

Following the recent acquisition of the Princes Group, which significantly enlarged the scope of consolidation, a careful assessment is required to integrate policies, and consequently actions and objectives. For this reason, Newlat Food has not yet defined specific targets for the management and mitigation of climate change impacts, risks and opportunities for the entire scope of consolidation. However, the Group constantly monitors the implementation and effectiveness of existing policies through environmental indicators, ensuring full compliance with regulations, especially those relating to emissions and energy consumption.

In contrast, Princes Ltd. and its subsidiaries have defined climate change commitments that recently underwent SBTi validation with the intention of developing a Net-Zero plan for the next few years. For more on these commitments, see section E1-1 - Transition plan for climate change mitigation.

E1-5 - Energy consumption and mix

The table below shows the consumption and energy mix of the Newlat Food Group in 2024.

	Disclosure	UoM	Quantity
(1)	Fuel consumption from coal and coal products	MWh	0
(2)	Fuel consumption from crude oil and petroleum products[9]	MWh	25,070.8

[9] The figure in MWh was obtained from the consumption measured in litres, using DEFRA 2024 conversion factors for specific fuels.

(3)	Fuel consumption from natural gas[10]	MWh	426,712.6
(4)	Fuel consumption from other fossil sources[11]	MWh	16,851
(5)	Consumption of purchased or acquired electricity, heat, steam, and cooling from fossil sources[12]	MWh	97,077.0
(6)	**Total energy consumption from fossil sources**	MWh	**565,711.4**
Share of fossil sources in total energy consumption		%	**95.5**
(7)	**Consumption from nuclear sources**	MWh	**2,368**
Share of consumption from nuclear sources in total energy consumption		%	**0.4**
(8)	Consumption from renewable sources, including biomass	MWh	0
(9)	Consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources[13]	MWh	24,145.0
(10)	Consumption of self-generated non-fuel renewable energy[14]	MWh	340.3
(11)	**Total energy consumption from renewable sources**	MWh	**24,485.4**
Share of renewable sources in total energy consumption		%	**4.1**
Total energy consumption		MWh	**592,564.8**
Energy production		MWh	**27,944.1**
	Of which:		
	From renewable sources	MWh	340.3
	From non-renewable sources	MWh	27,603.8
Energy intensity associated with activities in high climate impact sectors[15]		Consumption Mwh / Revenue in thousands of euros	**0.36**
Net revenue from activities in high climate impact sectors used to calculate energy intensity[16]		€	1,641,109,000

[10] The figure in MWh was obtained from the consumption measured in cubic metres, using DEFRA 2024 conversion factors.
[11] The measurement takes place directly in MWh, so no conversion factors were applied.
[12] The measurement takes place directly in MWh, so no conversion factors were applied.
[13] The measurement takes place directly in MWh, so no conversion factors were applied.
[14] The measurement takes place directly in MWh, so no conversion factors were applied.
[15] The Group's entire business is to be considered associated with activities in sectors with a high climate impact.
[16] Corresponding to the item “Revenue from contracts with customers”.

Net revenue (other)	€	0
Total net revenue (according to the financial statements)	€	1,641,109,000

Electricity is used by the Group to power its plants, to carry out heat treatments and for refrigeration. Natural gas is mainly used for heat production in the transformation processes, and fuels are used to power the company's vehicles and generators that must guarantee operational continuity. All data are promptly collected.

E1-6 - Gross Scopes 1, 2, 3 and Total GHG emissions

The Newlat Food Group's greenhouse gas emissions are given below. See the footnotes for details on the methodology.

Scope 1 emissions are mainly attributable to natural gas consumption and the operation of company vehicles. Scope 2 emissions are attributable to electricity consumption. Both of these are calculated on the basis of the data presented under indicator E1-5.

Scope 3 emissions are mostly from the supply chain and transport. See the footnotes for details on calculation methods.

Regarding the calculation of Scope 3 emissions, in accordance with the prioritisation criteria defined in the GHG Protocol Technical Guidance (section "Screening to prioritise data collection", Table II "Criteria for identifying relevant scope 3 activities"), a qualitative analysis was conducted through interviews with the Group's operating companies. The objective of this analysis was to identify possible hotspots arising from the value chain, as well as the significance of the individual scope 3 categories. Wherever possible, based on the data management processes and systems currently in place, every effort was made to perform calculations using the activity data method (see the methodological notes for each category). The Group will strive to refine the reporting process in future years. In any case, the methodologies used provide for a conservative approach, avoiding potential underestimates of emission values.

	Disclosure	UoM	Quantity
Scope 1 GHG emissions			
a)	Gross Scope 1 GHG emissions[17]	tCO2eq	86,704.8
	Of which:		
	Consolidated accounting group	tCO2eq	86,629.8
	Subsidiaries, associates, joint ventures over which operational control is exercised	tCO2eq	75.0
b)	Percentage of Scope 1 GHG emissions from regulated emission trading schemes	%	0

[17] Calculated using DEFRA 2024 emission factors (fuels) and GWP (F-gas).

Scope 2 GHG emissions			
a)	Gross location-based Scope 2 GHG emissions[18]	tCO2eq	51,981.5
	Of which:		
	Consolidated accounting group	tCO2eq	51,317.8
	Subsidiaries, associates, joint ventures over which operational control is exercised	tCO2eq	663.7
b)	Gross market-based Scope 2 GHG emissions[19]	tCO2eq	54,688.7
	Of which:		
	Consolidated accounting group	tCO2eq	54,425.1
	Subsidiaries, associates, joint ventures over which operational control is exercised	tCO2eq	263.6
Scope 3 GHG emissions			
Total Gross indirect (Scope 3) GHG emissions		tCO2eq	2,092,845.1
	1. Purchased goods and services[20]	tCO2eq	1,959,192.4
	2. Capital goods[21]	tCO2eq	8,900.6
	3. Fuel and energy-related activities (not included in Scope 1 or 2)[22]	tCO2eq	26,365.1
	4. Upstream transportation and distribution[23]	tCO2eq	40,745.0
	5. Waste generated in operations[24]	tCO2eq	1,430.9
	6. Business travel[25]	tCO2eq	1,207.7
	7. Employee commuting[26]	tCO2eq	10,231.0

[18] Calculated using the AIB 2023 - total supplier mix conversion factor. As factors for the country of Mauritius were not available, the emission factor made available by Carbon Footprint (residual emission factor) was used for the Group company Princes Tuna Mauritius.

[19] Calculated using the AIB 2023 - residual mix conversion factor. As factors for the country of Mauritius were not available, the emission factor made available by Carbon Footprint (residual emission factor) was used for the Group company Princes Tuna Mauritius.

[20] Calculated using the Activity-data or Spend-based methodology, depending on the type of purchases. Emission factors used Agribalyse v3.2, DEFRA 2024, EPA 2022, Base Empreinte.

[21] Calculated using the Spend-based methodology and EPA 2022 emission factors.

[22] Calculated using the Activity-data methodology, applying Carbon Footprint 2024 and DEFRA 2024 emission factors.

[23] Calculated using the Activity-data or Spend-based methodology. DEFRA 2024 and Base Empreinte emission factors.

[24] Calculated using the Activity-data methodology with DEFRA 2024 emission factors.

[25] Calculated using the Spend-based methodology with Exiobase and Base Empreinte emission factors.

[26] Calculated using the Activity-data methodology with point data (where available) on distances travelled by employees, or estimated by considering the number of employees, number of working days, average distances travelled (based on industry estimates and public sources). DEFRA 2024 emission factors for the various transport methods were used.

	8. Upstream leased assets[27]	tCO2eq	0
	9. Downstream transportation[28]	tCO2eq	28,309.3
	10. Processing of sold products[29]	tCO2eq	14,825.1
	11. Use of sold products[30]	tCO2eq	0
	12. End-of-life treatment of sold products[31]	tCO2eq	1,314.6
	13. Downstream leased assets[32]	tCO2eq	4.4
	14. Franchises[33]	tCO2eq	0
	15. Investments[34]	tCO2eq	319.0
Total GHG emissions (location-based)		tCO2eq	2,231,531.4
Total GHG emissions (market-based)		tCO2eq	2,234,238.6
Total GHG emissions versus net revenue (position-based)[35]		tCO2eq / Revenue in thousands of euros	1.36
Total GHG emissions versus net revenue (market-based)[36]		tCO2eq / Revenue in thousands of euros	1.36

E1-7 - GHG removals and GHG mitigation projects financed through carbon credits

The Group has no GHG removal or mitigation projects financed through carbon credits.

E1-8 - Internal carbon pricing

The Group does not carry out this activity.

[27] Category not applicable as there are no leased assets upstream.

[28] Calculated using the Activity-data methodology with DEFRA 2024 emission factors. Since point data on downstream transport is only available for some Group companies, the calculation of Group emissions was done using estimates.

[29] Calculated using the Activity-data methodology. Quantitative data on sales of products potentially subject to further industrial processing were used, and Agrybalise v3.2 emission factors were applied (considering only the product processing and transformation phase).

[30] According to GHG protocol guidelines, considering the non-compulsory reporting of emissions from food products, this category was deemed not applicable.

[31] This calculation focuses on the most significant component, which is the end-of-life management of packaging for products sold. DEFRA 2024 emission factors were applied.

[32] Calculated using the Spend-based methodology, applying the Exiobase emission factor specific to the asset categories identified to the monetary value of revenues generated by downstream leased assets.

[33] The Group's business does not involve franchises, so this category is deemed not applicable.

[34] The only investment within the value chain is the stake in Mercafir. The calculation was made using data from the latest available financial statements at the date of publication of this report, using the shareholding and applying the Exiobase emission factor for the relevant sector.

[35] Corresponding to the item "Revenue from contracts with customers".

[36] Corresponding to the item "Revenue from contracts with customers".

E2 - POLLUTION

ESRS 2 IRO-1 - Description of the processes to identify and assess material pollution-related impacts, risks and opportunities

The process of identifying and assessing material impacts, risks and opportunities for the Group, including those related to E2 Pollution, is described in detail in the section Impacts, risks and opportunities management, to which reference is made for more details.

To support the Double Materiality assessment, the Group developed a stakeholder engagement plan to involve key stakeholders in the identification of material sustainability matters. While the Group has consulted stakeholders in the past, the acquisition of the Princes Group made it necessary to update the plan to include the new stakeholders. Therefore, consultations with stakeholders on pollution issues, in particular with affected communities, will take place starting in the coming financial years, following the guidelines of the plan outlined in the Stakeholder Engagement section.

The Group has screened its site locations and business activities in order to identify its actual and potential pollution -related impacts, risks and opportunities in its own operations and upstream and downstream value chain. The material impacts identified associated with the relevant sub-topics are presented below with a brief description. With regard to topic E2 Pollution, Newlat Food has identified neither any relevant risks nor any relevant opportunities.

Material impacts			
Sub-topic	**Impact**	**Description of the Impact**	**Position in the VC**
Air pollution	Air pollution from agricultural and livestock activities	Agriculture is a significant source of various air pollutants, including ammonia, methane and particulate matter, generated by fertiliser and pesticide use, livestock waste management and the burning of crop residues.	Upstream
Air pollution	Increased air pollution due to local operations	The high consumption of energy from fossil fuels can generate air pollutants, with negative effects on local air quality and possible respiratory problems for neighbouring communities.	Own operations
Water pollution	Contamination of water bodies due to agricultural and livestock activities	Agriculture and livestock farming can cause fertilisers, pesticides and animal waste to run off into surface waters, causing nutrient pollution, harmful algal blooms and dead zones in aquatic ecosystems.	Upstream
Water pollution	Waste water from production	Production processes generate waste water containing organic substances, chemicals and pathogens, which can contaminate water bodies if not properly treated.	Own operations

Soil pollution	Chemical run-off and animal waste management	The use of pesticides and fertilisers, as well as the management of waste from livestock farming, can cause soil contamination, compromising soil health and reducing agricultural productivity.	Upstream

E2-1 - Policies related to pollution

The Group's Code of Ethics and Conduct reaffirms the commitment to environmental protection, promoting strict compliance with current regulations and the adoption of preventive measures to minimise pollution generated by company activities.

Moreover, the Supplier Code of Conduct requires supply chain operators to adopt responsible and environmentally compliant practices. These initiatives are complemented by the Sustainability Policy and the Integrated Management System Policy, aimed at improving the Group's operational efficiency and limiting its environmental impact. These policies are applied by Newlat Food S.p.A. and its subsidiaries.

With the acquisition of the Princes Group, a process of integration of environmental policies at the consolidated level is necessary and will take place over the course of the coming years. In fact, Princes already has strategies aimed at managing its environmental impact, including its Environmental Sustainability Policy, which addresses pollution and sustainability both in its operations and along the value chain.

At the operational level, site-specific procedures are also adopted for the management of environmental emergencies, with particular attention to possible accidental spills or emissions. These procedures aim to quickly contain any impacts, ensuring prompt intervention and reducing the risk of air, water and soil contamination.

All Policies are approved by the Governing Body or parties delegated thereby. The Governing Body also defines the methods of implementation.

E2-2 - Actions and resources related to pollution

In 2024 the Group adopted a series of measures to minimise and manage its impacts, risks and opportunities related to pollution. Specifically:

- There is constant monitoring of pollutant emissions, both through self-analysis and third-party testing.
- At the Foggia headquarters of Princes Italia, training programmes for farmers and the adoption of new technologies in the field have already reduced pesticide use.

The actions described above relate to both own operations and the supply chain. The main beneficiary stakeholders are the farmers in the tomato chain, and the ecosystem.

Following the Double Materiality assessment, a series of potential actions were identified, which will be evaluated and prioritised in the coming years, also with a view to the integration of the Princes Group.

Metrics and targets

E2-3 - Targets related to pollution

Newlat Food has not yet set specific targets for pollution reduction at the Group level, but they may be set in the coming years following the integration of the Princes Group. However, thanks to a structured monitoring system that includes internal analyses and audits conducted by third parties, as well as the implementation of environmental management systems, the Group is committed to ensuring compliance with the pollutant emission limits set by current regulations.

E2-4 - Pollution of air, water and soil

Pollutants emitted from own operations: • Hydrofluorocarbons (HFCs)[37]	Kg	746.1

For the emissions of air, water and soil pollutants, the Group only considers F-Gases. The use of F-Gas is essential for the operation of refrigeration systems. Consumption of these is limited to any topping up of the systems, which is recorded from time to time and is sometimes part of normal operating procedures as a result of continuous use, and any emissions are periodically monitored as required by existing management systems and regulations.

Given the nature of the business, microplastics were not a material topic requiring further disclosure.

E2-5 - Substances of concern and substances of very high concern

Substances of concern and substances of very high concern, as well as microplastics, were not a material topic.

[37] The consumption of F-Gas in 2024 concerned the companies Centrale del Latte SpA, Princes Tuna Mauritius, Newlat Food SpA, Princes Ltd, and EM Foods, and was mainly attributable to the plants in Rapallo, Marine Road and Sansepolcro.

E3 - WATER AND MARINE RESOURCES

ESRS 2 - General Disclosures

ESRS 2 IRO-1 - Description of the processes to identify and assess material water and marine resources-related impacts, risks and opportunities

The analysis of material impacts, risks and opportunities for the Group, including those related to E3 Water and Marine Resources, is detailed in section IRO-1, in ESRS 2 - General Disclosures. To further expand on this analysis, the Group developed a stakeholder engagement plan to involve key stakeholders in identifying the most important sustainability issues. While Newlat Food had already initiated stakeholder consultations in the past, the acquisition of the Princes Group made it necessary to update the plan to include the new stakeholders. Specifically, the interests of stakeholders impacted or involved in the issue of marine resources related to the processing of fish products by Princes Tuna Mauritius (part of the Princes Group) were considered, also involving industry entities such as the Global Tuna Alliance (GTA), an independent body that brings together retailers and supply chain operators.

Further consultations, particularly with directly affected communities, will be undertaken in the coming years in line with the guidance provided in the Stakeholder Engagement section.

The main impacts and risks identified for each sub-topic are listed below. Regarding the E3 Water and Marine Resources topic, Newlat Food did not identify any material opportunities.

Material impacts			
Sub-topic and sub-sub-topic	**Impact**	**Description of the Impact**	**Position in the VC**
Water – Water consumption	Water use for agricultural and livestock activities	Water is essential for irrigating crops and maintaining livestock, especially in arid areas.	Upstream
Water – Water consumption	Water use in production and transformation processes	Water is essential for food processing, heating, cooling and sanitising.	Own operations
Water – Water withdrawals	Depletion of water due to excessive abstraction for agricultural and livestock activities	Over-exploitation of water can deplete aquifers, threatening agriculture and the availability of drinking water.	Upstream
Water – Water withdrawals	Excessive water withdrawal related to production	Inefficient use of water in food industries can deplete water resources and jeopardise future activities.	Own operations
Water – Water discharges	Water pollution and eutrophication due to	Untreated agricultural effluents can contaminate water and cause	Upstream

	discharges from agricultural activities	eutrophication, with impacts on ecosystems and biodiversity.	
Marine resources - Extraction and use of marine resources	Overfishing and habitat destruction	Overfishing and harmful methods threaten marine species, reduce biodiversity and destroy ocean habitats.	Upstream

Material risks			
Sub-topic and sub-sub-topic	**Risk**	**Description of the risk**	**Position in the VC**
Marine resources – Extraction and use of marine resources	Risk of increased costs and penalties due to increasingly stringent regulations to reduce emissions and negative impacts	The risk is non-compliance with regulations, with possible regulatory restrictions such as fishing quotas and bans on certain species. This could lead to reduced availability of fish, higher costs and potential reputational damage.	Upstream Own operations Downstream

E3-1 - Policies related to water and marine resources

The Group's Code of Ethics and Conduct reaffirms the commitment to environmental protection, promoting strict compliance with current regulations and the adoption of preventive measures to minimise impacts on the environment, including any sub-optimal management of water resources.

Furthermore, the Supplier Code of Conduct requires supply chain operators to make responsible use of water resources by limiting waste as much as possible, optimising its use and providing a water monitoring system where possible to enable the most efficient management. These initiatives are complemented by the Sustainability Policy and the Integrated Management System Policy, aimed at improving efficiency through continuous monitoring of water resources in order to limit its waste as much as possible. These policies are applied by Newlat Food S.p.A. and its subsidiaries.

With the acquisition of the Princes Group, it is necessary to integrate environmental policies at a consolidated level, a process that will be developed in the coming years. Princes has already adopted specific strategies to manage its environmental impact, including the Environmental Sustainability Policy, which promotes the responsible use of natural resources. Indeed, the company is committed to engaging its supply chain – especially key suppliers – to promote the adoption of best practices in sustainable water management by monitoring water sources, consumption and effluents in its production facilities.

With regard to the extraction of marine resources, the Princes Group has developed a policy dedicated to the sustainable sourcing of fish products, both from fishing and farming. This policy takes into account the needs of key stakeholders sensitive to the issue, including customers, NGOs and other organisations and associations active in the field. The document defines commitments related to sustainable sourcing, addressed in detail in section E3-3 Targets related to water and marine resources, with a focus on investments in projects to improve fishing practices and the earning of certifications, illustrating commitments made with suppliers to promote more sustainable practices throughout the supply chain and thus preserve marine resources.

At the operational level, site-specific water management procedures are also adopted, whereby the various sites commit to an efficient and sustainable use of water in their production processes. Some of these sites are in water-stressed areas. While dedicated policies have not yet been implemented for them, they are nevertheless part of the Group's environmental management system. Consequently, they are subject to procedures and strategies aimed at optimising resources, including responsible water management. Newlat Food is committed to adopting policies for the sustainable use of water resources over the coming years, with a focus on water-stressed sites.

All Policies are approved by the Governing Body or parties delegated thereby. The Governing Body also defines the methods of implementation.

E3-2 - Actions and resources related to water and marine resources

In 2024 the Group adopted a series of measures to minimise and manage its impacts, risks and opportunities related to water and marine resources. Specifically:

- Adoption of waste water treatment technologies for some production sites to maximise reuse and reduce discharges.
- Regular analyses of the treated and discharged water, both through self-analysis and through audits by third parties such as local authorities to ensure full compliance with current regulations.
- At Princes Italia's Foggia plant, collaborations with tomato growers have been initiated, introducing advanced technologies that have reduced the water used for irrigation.
- For the Princes Group, participation in projects (Fishery Improvement Projects - FIP) to improve fish stock management and obtain new MSC certifications.
- For the Princes Group, complete traceability of products related to the fish production chain, ensuring that all raw materials are monitored from the moment of capture through distribution.
- For the Princes Group, support for the creation of marine protected areas for the conservation of ecosystems, working with associations such as the International Seafood Sustainability Foundation (ISSF) to reduce bycatch and sustainably manage marine resources.
- For the Princes Group, especially for the fish production chain, a commitment not to market species considered endangered or threatened with extinction and to apply strict controls on fishing standards, prohibiting practices detrimental to its branded products.
- For the Princes Group, active participation in global initiatives such as the Global Tuna Alliance (GTA) and the Tuna Protection Alliance (TUPA), through which it promotes best practices in fishery management and the protection of workers' rights in the sector.

The actions described above relate to both own operations and the supply chain. The main stakeholders benefiting from the actions are: supply chain workers, NGOs and ecosystems.

Following the Double Materiality assessment, a series of potential actions were identified, which will be evaluated and prioritised in the coming years, also with a view to the integration of the Princes Group.

Metrics and targets

E3-3 - Targets related to water and marine resources

Excluding the Princes Group, Newlat Food and its subsidiaries have not yet set specific targets for water use. However, following the integration of the Princes Group, water efficiency targets will be defined at the Group level, with a focus on facilities located in areas with high or very high water stress. In general, all locations aim at continuous monitoring of water use and strict compliance with the regulations in force in the various countries.

The Princes Group, on the other hand, has already set commitments for its internal operations: to reduce water waste by 25% by 2030 compared to the base year of 2018/2019.

As far as the extraction of marine resources is concerned, the Princes Group has made ambitious commitments to promote sustainable sourcing:

- **Caught fish:**
  - 100% MSC-certified tuna by 2025 for the Princes brand in the UK.
  - 100% MSC-certified tuna for the Princes brand in the Netherlands (already achieved).
- **Farmed fish:**
  - Aquaculture Stewardship Council (ASC), Global GAP or BAP 4 certification for all aquaculture fish products.

E3-4 - Water consumption

The Group conventionally adopts water withdrawals, measured by point measurements, as the benchmark for analysing consumption, considering them the most representative indicator. This approach is motivated by the fact that most of the water withdrawn is used for washing equipment (essential to ensure food safety and compliance with hygiene regulations), for cooling systems and for a residual part as raw material in products. A significant part of this water also returns to the environment through drains or by evaporation. This approach enables detailed and informed monitoring, supporting the adoption of optimisation strategies to improve water efficiency.

Disclosure	UoM	Quantity
Total water consumption	Cubic metres	6,152,910
Total water consumption in areas at water risk, including areas of high-water stress[38]	Cubic metres	2,021,898
Total water recycled and reused	Cubic metres	0
Total water stored and changes in storage	Cubic metres	0
Total water consumption in own operations	Cubic metres per million euros of net revenue	3.75

[38] The Aqueduct Water Risk Atlas produced by the World Resources Institute (WRI) was consulted for the identification of these areas.

E4 - BIODIVERSITY AND ECOSYSTEMS

Strategy

ESRS 2 SBM-3 - Material impacts, risks and opportunities and their interaction with strategy and business model

The only factory located within a protected area – Maiella National Park – is the one in Fara San Martino (CH), Italy, where pasta is produced. Precisely because of its location, the management of this site is subject to discussions with the managing authority, the Maiella National Park Authority, in the case of requests for building concessions or modifications, aimed at minimising any possible negative impact on the biodiversity of the protected area. The complete list of sites relevant to the Group's operations can be found in section ESRS 2 - General Disclosures.

The most significant impacts in terms of biodiversity occur along the supply chain. As shown in the section on ESRS 2 BP-1, the Group relies heavily on agricultural activities, including the cultivation of agri-food products, cattle breeding for milk production, as well as aquaculture and fishing for the supply of fish products. As far as the Group's direct operations are concerned, the entire production process generates industrial waste, emissions and requires waste water treatment, aspects that need careful management to reduce any impact on biodiversity. However, these activities are not considered responsible for significant impacts in this area.

With regard to negative impacts related to the Group's activities, some potential effects on soil degradation and desertification have been identified and are discussed in more detail in the next section. These impacts do not occur within the Group's direct operations, but along the supply chain and are attributable to sub-optimal management of water and land resources.

An impact on the status of species has also been identified along the supply chain, particularly with respect to fisheries for fish products. However, this impact does not affect endangered species, as the Group operates in full compliance with fishing regulations that strictly regulate the catching of endangered species. No impact was found with respect to soil sealing. The main impacts and risks identified for each sub-topic are listed below. Regarding topic E4 Biodiversity and Ecosystems, Newlat Food did not identify any specific opportunities.

As already mentioned, all the relevant impacts identified concern the supply chain. In fact, activities upstream of the Group's operations such as agriculture, livestock breeding and fishing can have negative effects on biodiversity if not managed responsibly. Similarly, the main risks for the Group come from the supply chain: given the strong dependence of these activities on ecosystems, these risks are mainly concentrated in the agricultural and fishing sectors.

Material impacts			
Sub-topic and sub-sub-topic	**Impact**	**Description of the impact**	**Position in the VC**
Direct drivers of impact on biodiversity loss	Agricultural and aquaculture activities that may	Some agricultural and aquaculture activities can lead to the introduction of invasive	Upstream

- Invasive non-native species	introduce invasive non-native species	non-native species, such as pests that cause disease in animals or plants.	
Direct impact factors on biodiversity loss - Climate change	Deforestation and greenhouse gas emissions	The food and beverage industry contributes significantly to greenhouse gas emissions through activities such as deforestation for agriculture, livestock production and energy consumption. This accelerates climate change, causing habitat loss and changes in species distribution.	Upstream
Direct drivers of impact on biodiversity loss - Changes in land use, freshwater and marine areas	Land conversion and habitat destruction	The conversion of forests and natural habitats to agricultural land causes a significant loss of biodiversity.	Upstream
Impacts on species status - Population size of species	Depletion of fish populations due to overfishing	To meet the high demand for fish products, producers often procure large quantities of fish, leading to overfishing. This phenomenon reduces fish populations faster than they can reproduce.	Upstream
Impacts on the extent and condition of ecosystems - Desertification	Over-exploitation of water resources	Over-irrigation and poor water management can deplete water resources, contributing to desertification.	Upstream
Impacts on the extent and condition of ecosystems - Desertification	Over-exploitation of the soil	Unsustainable deforestation and agricultural practices can lead to desertification, especially in arid and semi-arid regions.	Upstream
Impacts on the extent and condition of ecosystems – Soil degradation	Soil degradation and erosion	Overproduction and intensive farming can cause erosion and loss of soil fertility. Furthermore, the use of chemical fertilisers and pesticides can reduce the organic richness of the soil, compromising its structure and health.	Upstream
Impacts and dependencies on	Ecological imbalance due to unsustainable use	The food and beverage industry is highly dependent on natural resources, such as agricultural products, milk and fish. It also uses fertilisers, pesticides, animal feed and	Upstream

ecosystem services	of natural resources	chemicals for preservatives and detergents. In addition to resource extraction, it generates waste and emissions. If these outputs are not managed properly, they can alter the balance of the ecosystems, leading to environmental degradation.	

Material risks			
Sub-topic and sub-sub-topic	**Risk or Opportunity**	**Risk description**	**Position in the VC**
Direct impact factors on biodiversity loss - Climate change	Chronic physical risk due to long-term climate change (rising temperatures, rising sea levels, reduction of water availability, loss of biodiversity, changes in soils and their productivity)	Climate change can impair agricultural productivity, reduce the availability of natural resources and alter ecosystems, with negative impacts on the supply chain and operational stability.	Upstream Own operations Downstream
Impacts and dependencies on ecosystem services	Risk of disruption to global supply chains: logistical and supply problems arising from global events such as pandemics or natural disasters	Extreme events can cause shortages of raw materials, increase production costs and create instability in global business operations.	Upstream

Impacts, risks and opportunities management

ESRS 2 IRO-1 - Description of processes to identify and assess material biodiversity and ecosystem-related impacts, risks, dependencies and opportunities

The analysis of material impacts, risks and opportunities for the Group, including those related to E4 Biodiversity and Ecosystems, is detailed in section IRO-1, in ESRS 2 - General Disclosures.

To further expand on this analysis, the Group developed a stakeholder engagement plan to involve key stakeholders in identifying the most important sustainability issues. While Newlat Food had already initiated stakeholder consultations in the past, the acquisition of the Princes Group made it necessary to update the plan to include the new stakeholders. Indeed, the interests of stakeholders impacted or involved in the issue of marine resources were considered, involving industry bodies such as the Global Tuna Alliance (GTA). On the other hand, with regard to the Fara San Martino site, located within the protected area, it has contacts and discussions with local and national authorities and bodies.

Further consultations, particularly with directly affected communities, will be undertaken in the coming years in line with the guidance provided in the Stakeholder Engagement section.

Furthermore, in order to assess its resilience with respect to biodiversity issues, the Group constantly monitors biodiversity-related risks and performs regular assessments to measure its ability to manage them. Also in 2024, at the same time as the ERM update, an in-depth analysis was conducted involving all companies included in the financial scope of consolidation, including Princes Ltd.'s subsidiaries, covering the three time horizons – short, medium and long term – defined in paragraph 6.4 of ESRS 1.

The analysis assessed the impact of risks on the supply chain and financial performance, highlighting that the Group's main vulnerability factor is the supply chain's strong dependence on natural ecosystems. Supplies are directly dependent on soil productivity and the availability of fish stocks, both of which are influenced not only by weather and climate change but also by soil erosion and overexploitation. Inadequate management of these aspects could jeopardise the stability of the supply, with consequences along the entire production chain.

An additional vulnerability factor is the Fara San Martino plant, located within a protected area. In this case, potential accidental events related to site operations could affect protected areas, with potential impacts in terms of penalties, reputational damage and operational restrictions.

To mitigate these risks, the Group has adopted targeted strategies, including contingency plans and geographical diversification of suppliers, thus reducing dependence on individual areas and minimising the risk of supply chain disruptions.

Other key elements that strengthen Newlat Food's resilience include financial strength, which allows access to capital at a sustainable cost, facilitating strategic investments and risk mitigation measures without compromising financial equilibrium.

Moreover, the diversification of the product range and the constant updating of its product portfolio allow the Group to adapt to changes in the availability of agricultural and fish raw materials by investing in product lines less exposed to the variability of natural resources.

In order to ensure the resilience of operations within the protected area, the Group has implemented an environmental management system that, in addition to compliance with the relevant authorisations and regulations, provides for constant analysis and monitoring, supplemented by audits by third parties.

E4-1 - Transition plan and consideration of biodiversity and ecosystems in strategy and business model

Due to ongoing integration activities, the Group has not yet defined an Integrated Biodiversity Transition Plan. It will consider doing so over the next few years as integration progresses.

E4-2 - Policies related to biodiversity and ecosystems

Newlat Food has not yet established policies covering the entire reporting scope following the recent acquisition of the Princes Group, the integration of which will require efforts in the coming years to align policies at the Group level.

On the one hand, the parent company Newlat Food S.p.A., together with the subsidiaries included in the reporting boundary as at 1 January 2024, addresses the issue of biodiversity through its Code of Ethics and Conduct, which enshrines its commitment to protecting the environment for the good of the community and future generations. Furthermore, the Code of Conduct for Suppliers requires responsible practices to protect the environment and biodiversity. Each site operates in compliance with local regulations by means of the required authorisations and procedures.

On the other hand, the Princes Group has defined specific policies for the management of fish resources, already described in section E3 Water and Marine Resources. Furthermore, it has adopted a policy on deforestation concerning the sourcing of cocoa, beef, palm oil, soy and paper, commodities whose environmental impact is linked to deforestation, loss of biodiversity and social issues such as child labour and gender inequality.

All Policies are approved by the Governing Body or parties delegated thereby. The Governing Body also defines the methods of implementation.

E4-3 - Actions and resources related to biodiversity and ecosystems

In 2024 the Group adopted a series of measures to minimise and manage its impacts, risks and opportunities related to biodiversity and ecosystems. Specifically:

- Palm Oil: Since 2013, all palm oil, palm kernel and their derivatives used in Princes Group products, whether purchased directly or through third parties, are certified Roundtable on Sustainable Palm Oil (RSPO) at the Identity Preserved, Segregated or Mass Balance levels. In parallel, the teams involved in Quality and R&D are constantly working to find alternatives or eliminate palm oil from products wherever possible.
- Soy: the Princes Group encourages its suppliers to participate in initiatives such as the UK Soy Manifesto (or regional equivalents) and work with their supply chains to ensure Verified Deforestation and Conversion Free (VDCF) soy supplies.
- Fish resources: for the supply of fish and fish products, see section E3 Water and Marine Resources, where ways to mitigate overfishing and exploitation of marine resources are detailed.

The actions described above relate to own operations, the supply chain and the downstream stages. The main stakeholders benefiting from the actions are: end consumers and ecosystems.

Following the Double Materiality assessment, a series of potential actions were identified, which will be evaluated and prioritised in the coming years, also with a view to the integration of the Princes Group.

No biodiversity offsets were used, nor were indigenous views and knowledge or nature-based solutions incorporated. However, as described in ESRS 2 (General Disclosures) - IRO 1, local communities are involved in stakeholder engagement.

Metrics and targets

E4-4 - Targets related to biodiversity and ecosystems

Newlat Food has not yet defined biodiversity targets covering the entire reporting boundary following the recent acquisition of the Princes Group. Integration will require a commitment in the coming years to set Group-wide targets.

However, the Group is committed to operating with respect for biodiversity, complying with environmental regulations and local authorisations.

The Princes Group, on the other hand, has already adopted specific commitments for the main raw materials included in its environmental policies:

- Beef: by 2030, the entire supply chain in Brazil must be tracked using blockchain technology, with an earlier deadline of 2025 for the Amazon biome. Furthermore, all beef suppliers will have to comply with the annual Cattle Agreement.
- Palm oil: by 2027, 100% of palm oil used in food and vegetable oils must be certified as RSPO Segregated.
- Soy: the signatories of the UK Soy Manifesto commit that all soy in their supply chains will be certified Verified Deforestation and Conversion Free (VDCF) by 2025, with a deforestation cut-off date set for January 2020 or earlier.
- Cocoa: at present, the Princes Group neither buys cocoa directly nor uses it as an ingredient in its products. Should this change, the requirement will be the exclusive adoption of cocoa certified by the Rainforest Alliance.
- Paper: by 2026, all cardboard, paper or wood materials used in packaging must be certified by the Forest Stewardship Council (FSC) or Programme for the Endorsement of Forest Certification (PEFC).

Finally, the Group has defined specific commitments to protect biodiversity in the sourcing of marine resources, as outlined in the policy on sustainable sourcing of seafood products. For more details, see section E3 Water and Marine Resources.

E4-5 - Impact metrics related to biodiversity and ecosystems change

As already mentioned, the only production site located within a protected area, the Maiella National Park, is the pasta factory in Fara San Martino, whose surface area covers 3.5467 hectares. Only pasta production takes place here, a process that includes:

- Reception and analysis of semolina
- Use of water in the production process
- Drying of the finished product

The site's operations generate emissions, industrial waste and water discharges that are managed through a waste water treatment plant. The entire process is governed by the environmental management system, in full compliance with regulatory authorisations and controls. This includes regular analyses and compliance with precise limits for emissions and water discharges.

As the site is already subject to strict environmental monitoring and has all the necessary permits to operate, no additional biodiversity-specific metrics were implemented.

E5 - RESOURCE USE AND CIRCULAR ECONOMY

ESRS 2 IRO-1 - Description of the processes to identify and assess material resource use and circular economy-related impacts, risks and opportunities

The process of identifying and assessing material impacts, risks and opportunities for the Group, including those related to the topic E5 Resources Use and Circular Economy, is described in detail in paragraph IRO-1 within the section ESRS 2 - General Disclosures, to which reference is made for further details.

To support the Double Materiality assessment, the Group developed a stakeholder engagement plan to involve key stakeholders in the identification of material sustainability matters. While the Group has consulted stakeholders in the past, the acquisition of the Princes Group made it necessary to update the plan to include the new stakeholders. Therefore, consultations with stakeholders on pollution issues, in particular with affected communities, will take place starting in the coming financial years, following the guidelines of the plan outlined in the Stakeholder Engagement section.

The material impacts, risks and opportunities identified and associated with the relevant sub-topics are presented below with a brief description.

Material impacts			
Sub-topic	**Impact**	**Description of the impacts**	**Position in the VC**
Resource inflows, including resource use	Inefficiencies, waste and environmental degradation due to a linear use of the resources	The linear use of resources leads to inefficiency and waste, as materials are not reused or recycled efficiently. Furthermore, the overuse of water, energy and raw materials can deplete natural resources and contribute to environmental degradation.	Upstream Own operations
Outflows of resources related to products and services	Excess packaging waste and inefficient product design	Packaging waste, especially single-use plastic, contributes to environmental pollution and an increase in waste materials. Furthermore, products that are difficult to recycle or lack proper end-of-life plans increase waste and reduce circularity.	Own operations Downstream
Waste	Inefficient food waste management	Inefficient food waste management leads to increased greenhouse gas emissions and loss of organic matter that can be reused.	Own operations

Material risks			
Sub-topic	**Risk**	**Description of the risk**	**Position in the VC**

Resource inflows, including resource use	Risk associated with non-sustainable packaging: negative environmental impact resulting from the use of non-recycled, non-recyclable or non-biodegradable packaging	The use of non-sustainable packaging can lead to economic penalties linked to regulations such as the plastic tax and generate reputational damage for the company, influencing the perception of consumers and stakeholders.	Own operations

Material opportunities			
Sub-topic	**Opportunity**	**Description of the opportunity**	**Position in the VC**
Outflows of resources related to products and services	Opportunities related to investments in lower-impact packaging solutions, such as biodegradable, recyclable or reusable materials, to reduce the waste produced and the resources needed to manage it.	The adoption of sustainable packaging makes it possible to reduce environmental impact, improve resource efficiency and meet increasingly stringent environmental regulations. Moreover, investing in innovative solutions can strengthen corporate reputation, attract consumers sensitive to sustainability and generate competitive advantages in the market.	Own operations

E5-1 - Policies related to resource use and circular economy

As already highlighted in this document, Newlat Food has not yet established policies that cover the entire reporting boundary. This is due to the recent acquisition of the Princes Group, the integration of which will require an effort over the coming years to ensure an alignment of policies at the Group level.

The Parent Company Newlat Food S.p.A., together with the subsidiaries included in the reporting boundary as at 1 January 2024, addresses the issue of resource use through its Code of Ethics and Conduct, which enshrines its commitment to environmental protection, promoting the reduction of inefficiencies and waste. Furthermore, the Supplier Code of Conduct raises awareness in the supply chain to minimise the environmental impact of packaging, e.g. by favouring recyclable, recycled, compostable or renewably sourced materials, in line with circular economy principles.

The Princes Group, on the other hand, has defined internal guidelines for sustainable packaging, with clear and publicly disclosed commitments, detailed in the following section. Furthermore, Princes is actively engaged in the reduction of waste, food waste and waste water, as detailed in sections E5-2 and E5-3 on resource use and circular economy actions and targets.

All Policies are approved by the Governing Body or parties delegated thereby. The Governing Body also defines the methods of implementation.

In this context, Newlat Food demonstrates a progressive orientation towards the responsible management of waste flows. The Princes Group focuses on prevention practices and preparation for reuse, while the parent and other companies focus on recycling and, where not possible, responsible disposal.

E5-2 - Actions and resources related to resource use and circular economy

In 2024 the Group adopted a series of measures to minimise and manage its impacts, risks and opportunities related to resource use and the circular economy. Specifically:

- For plastic packaging used by Princes Group companies, increasing the recyclability of materials and the use of recycled materials, thus reducing the use of virgin plastic.
- For the paper-based packaging of the Princes Group, progressive adoption of FSC- or PEFC-certified materials, contributing to the sustainable management of forest resources.
- For Princes Tuna Mauritius, reuse of fish processing waste. Semi-solid waste and waste water are transformed into biogas through anaerobic digestion, while other waste parts, such as heads, entrails, skin and bones, are used to produce fishmeal and fish oil for animal feed. The remaining part is subjected to biochemical processes and transformed into materials of biological origin.
- For the company Princes Italia (Foggia plant), active in the production of tinned tomatoes, use of tomato peels and seeds, vegetable residues and legumes unsuitable for processing for the production of biogas and animal feed.
- Also for the Foggia plant, integral recovery of sand, soil and stones from the tomato harvest, together with water purification waste, destined for the production of agricultural fertilisers and local composting plants.

The actions described above relate to own operations, the supply chain and the downstream stages. The main stakeholders benefiting from these actions are: farmers, livestock farmers, end consumers and ecosystems.

Following the Double Materiality assessment, a series of potential actions were identified, which will be evaluated and prioritised in the coming years, also with a view to the integration of the Princes Group.

Metrics and targets

E5-3 - Targets related to resource use and circular economy

At present, no integrated objectives have been defined to cover the entire scope of consolidation. However, building on its good practices, Princes Ltd. has set ambitious commitments to improve its resource management and reduce it environmental impact.

By 2030, the company aims to:

- Decrease overall waste production by 30%
- Reduce food waste in production facilities by 50%

By 2026, its key commitments include:

- Use an average of at least 40% recycled plastic in product packaging
- Ensure that its packaging is widely recyclable
- Ensure that 100% of the paper and cardboard used comes from FSC- or PEFC-certified sources

The targets set by the Princes Group focus on prevention practices and preparation for reuse, and where this is not possible on increasing recycling, ensuring a responsible approach to resource management and reducing environmental impact.

E5-4 - Resource inflows

As already highlighted in the section on the Value Chain, the raw materials used in Newlat Food's production process are mainly agri-foods. These include durum wheat semolina for pasta production, as well as milk, cream and whey for dairy products. Another important category is fish products, especially tuna, both caught and farmed, along with vegetable oils, legumes and other foods such as tomatoes, fruit concentrates and juices. Furthermore, there are various flours, spices, eggs, flavourings, preservatives, powdered milk, sugars, cocoa, adjuvants, vitamins and minerals, yeasts and other chemical-food ingredients used in the production of special products.

In addition to food raw materials, a key role is played by packaging, which includes plastics, paper, cardboard, metals such as aluminium or tinplate, and poly-bonded materials. Moreover, the operation of the plants requires the use of energy resources such as natural gas, electricity, steam and fuels such as petrol, diesel and LPG.

The sourcing of these resources is a key element for the overall sustainability of the Group, as it directly affects consumption, emissions and responsible management of raw materials along the entire production chain. For this reason, Newlat Food will adopt an integrated approach across its entire scope of consolidation in the coming years, aimed at optimising the procurement and management of incoming flows. The aim will be to minimise environmental impacts and related risks while promoting a more efficient and sustainable use of resources.

Disclosure	UoM	Quantity
Overall total weight of products and technical and biological materials used[39]	Kg	975,439,300
% organic materials from sustainable supply chain[40]	%	0
Total weight of reused or recycled secondary components and intermediate secondary products and materials used[41]	Kg	0
% of secondary components reused or recycled and of secondary intermediate products and materials used	%	0

E5-5 - Resource outflows

The waste generated by the group, as recorded by the companies, is shown below. Being a manufacturer, the main types are organic waste, packaging waste, chemical waste for hygiene and machinery operation, industrial waste such as sewerage sludge and waste from maintenance. There is no radioactive waste.

Disclosure	UoM	Quantity

[39] Data on the main raw materials used by the Group (seed oil, tuna, olive oil, juices, legumes, milk, semolina, tomato, cream, whey) and packaging materials. The calculation was made using both data points (raw materials and, for some Group companies - Newlat Food S.p.A., Centrale del Latte d'Italia S.p.A., Princes Italia S.p.A., and EM Foods S.A.S., packaging) and based on estimates (packaging for the remaining Group companies for which this data point is not available). To extend the estimation of point data to the Group level, the turnover of the individual companies was used as a parameter.

[40] Although materials are sourced from sustainable supply chains within the Group, there is no data collection system in place that would allow this data point to be stated with reasonable approximation.

[41] Although there are supplies of recycled materials within the Group, there is no data collection system in place that would allow this data point to be stated with reasonable approximation.

a)	**Total** amount of waste generated	Kg	**37,352,977**
b)	**Waste** not destined for disposal	Kg	**34,807,260**
	Hazardous waste not destined for disposal	Kg	**198,006**
	of which:		
	preparation for re-use	Kg	4,569
	recycling	Kg	15,730
	other recovery operations	Kg	177,707
	Non-hazardous waste not destined for disposal	Kg	**34,609,254**
	of which:		
	preparation for re-use	Kg	59,566
	recycling	Kg	9,523,178
	other recovery operations	Kg	25,026,510
c)	**Waste** destined for disposal	Kg	**2,545,717**
	Hazardous waste destined for disposal	Kg	**31,222**
	of which:		
	incineration	Kg	5,297
	landfill	Kg	1,440
	Other disposal operations	Kg	24,485
	Non-hazardous waste destined for disposal	Kg	**2,514,496**
	of which:		
	incineration	Kg	221,275
	landfill	Kg	645,870
	other disposal operations	Kg	1,647,350
d)	Total amount of **non-recycled waste**	Kg	**27,814,069**
	Percentage of **non-recycled waste**	%	**74.5**
	Total amount of **hazardous waste**	Kg	**229,228**

The main products and materials resulting from the Group's production process include foodstuffs for consumption. Their durability is governed by strict storage and expiry regulations, ensuring quality, safety and compliance with current standards.

SOCIAL INFORMATION

S1 - OWN WORKFORCE

ESRS 2 SBM-2 - Interests and views of stakeholders

Stakeholders were involved during the stakeholder engagement exercise. See the relevant section in ESRS 2 for more information.

ESRS 2 SBM-3 - Material impacts, risks and opportunities and their interaction with strategy and business model

Newlat Food operates mainly in European countries and the United Kingdom, areas characterised by a strong commitment to the protection of human and labour rights. In addition to these locations, there are also two plants in Mauritius, where Princes Tuna Mauritius (PTM) is active in the processing of fish products, such as tuna.

While the International Labour Organisation (ILO) points to a higher risk of phenomena such as child and forced labour in Africa, especially in the sub-Saharan region, PTM, a subsidiary of Princes Limited, by adopting the same Code of Conduct and the same policies on human rights and worker protection as the parent company, aims to ensure compliance with corporate and international standards just like the European branches.

Since the Group is a manufacturer, the materiality assessment revealed a strong dependence on human capital. Newlat Food is mainly staffed by employees, supported by a smaller group of non-employees who are primarily engaged in cleaning, logistics, warehouse management and production. Most of the employees are directly involved in production, while the remainder perform administrative and management roles in the offices. A detailed analysis of the characteristics of the employees is given in the following sections, in particular S1-6.

The most significant topics in terms of impact include, first and foremost, employee health and safety, followed by key aspects such as equal opportunities, including gender equality, diversity & inclusion, professional growth and training. Other crucial areas concern the protection of workers against all forms of discrimination or violence, work-life balance, prevention of forced labour and protection of privacy. Another material aspect is the seasonality of the work, closely related to the nature of the operations of the Princes Italia tomato processing plant. The impacts identified, which are closely linked to the Group's own operations, are systemic in nature, i.e. the production sector is potentially fully affected, on the one hand due to the strong dependence on human capital and on the other due to the nature of operations requiring shift work, in close contact with machinery.

These material impacts are linked to the main risks identified, which, if not properly managed, could have both reputational consequences and lead to sanctions. Failure to respect human rights in labour relations could expose the company to serious legal and reputational repercussions. Similarly, ineffective human resources management could generate widespread dissatisfaction, increased turnover and a deteriorating corporate climate, with negative effects on productivity and the ability to attract and retain talent. Furthermore, a lack of attention to diversity & inclusion and equal treatment would be a further risk factor, as the absence of concrete initiatives to foster a fair and inclusive working environment could undermine employee engagement, damage the company's reputation and expose the company to potential discrimination lawsuits. Some of these risks are situated in the upstream phase of the Group's value chain, particularly those related to the non-respect of human rights, which concern the more remote areas of the supply chain where control over these issues is less incisive. Other risks, however, are also present within the Group's operations, such as those related to the promotion of diversity and inclusion, and the management of labour relations.

S1-1 - Policies related to own workforce

The parent company Newlat Food S.p.A. has implemented a Code of Ethics and Conduct that is applied to all subsidiaries, with the exception of the Princes Group, which has its own code. Both documents are based on international standards and guidelines, including the Universal Declaration of Human Rights, the principles of the UN Global Compact and the core labour standards promoted by the International Labour Organisation (ILO).

Among the principles common to both codes of conduct is the rejection of any form of discrimination, guaranteeing equal rights and opportunities to all workers regardless of ethnicity, colour, religious belief, gender, sexual orientation, national or regional origin, age, disability or any other personal condition.

In addition to the Code of Ethics and Conduct, the parent company Newlat Food S.p.A. has adopted a number of fundamental policies related to its own workforce, including:

- The Sustainability Policy: comprehensively addresses all ESG issues, including employee health and safety, human capital development, human rights protection, inclusion and diversity.
- Human Rights Policy: focuses on the protection and respect of fundamental rights, including the fight against child and forced labour, the promotion of fair and decent working conditions and wages, respect for working hours and the right to freedom of association.
- Diversity and Inclusion Policy: promotes equal treatment and non-discrimination, recognising diversity as a strategic value for business competitiveness. The policy focuses on gender equality, generational diversity, the inclusion of people with disabilities and the valuing of cultural differences.
- The Integrated Management System Policy (Quality, Environment, Health and Safety): enshrines the commitment to guarantee a safe and healthy working environment, emphasising the importance of the proper application of regulations on safety and the protection of workers' health.

The Princes Group has also developed relevant policies for its workforce, including a specific policy on health and safety, which establishes the framework for the management of these aspects at all operational sites. The Group's focus is on EHS compliance, continuous improvement of safety performance and prevention of risks to workers and the environment.

Moreover, for the respect of human rights the Modern Slavery Act Statement was adopted, a document that addresses the issue of modern slavery and enshrines the Group's commitment to combat forced labour, both within its supply chain and in its direct operations.

Princes Limited's policies also address specific issues related to discrimination and harassment in the workplace, with a focus on issues such as gender and ethnic discrimination and sexual harassment. Moreover, Princes actively promotes equal opportunities, striving to create a fair and inclusive working environment, where every individual can express their potential without barriers.

In some countries where Princes Limited operates, additional employee welfare policies have been implemented:

- United Kingdom and the Netherlands: introduction of measures to support employees undergoing fertility treatment, with the aim of creating an inclusive and supportive corporate culture.
- United Kingdom: implementation of specific policies in favour of caregivers, to ensure a favourable working environment for those who help spouses, partners, parents, children or friends, enabling them to reconcile family responsibilities with personal well-being and productivity. Furthermore, family leave policies were implemented to allow employees to better balance their work and family life.

The joint operation located in Poland also has similar policies and procedures issued by the counterparty. Specifically, the Code of Conduct addresses issues related to health and safety at work, the rejection of all forms of discrimination and harassment, the promotion of equal opportunities and the support of diversity and inclusion.

In addition, there are two Human Rights Policies, one for Newlat Food and one for Princes (Ethics Trade and Human Rights), which are in the process of being integrated, and which elaborate on aspects such as freedom of association, combating forced and child labour, prevention of harassment and discrimination, inclusion and the creation of a safe and respectful working environment.

All Newlat Food Group companies and locations thus have policies in place to protect human and labour rights in relation to their workforce. The objective in the coming years will be to progressively integrate these policies while preserving the specificities required by each site and region.

All Policies are approved by the Governing Body or parties delegated thereby. The Governing Body also defines the methods of implementation.

S1-2 - Processes for engaging with own workforce and workers' representatives about impacts

Newlat Food recognises the importance of an ongoing, structured dialogue with its employees regarding actual and potential material impacts. This discussion takes place directly, but also through employee representatives and trade unions, with the aim of ensuring transparency and involvement in company decisions. The responsibility for ensuring that this involvement takes place and that the results guide the company's approach lies with the Governing Body.

Communication with employees takes place in different ways: for simple information sharing, company notice boards and digital communication for office staff are used.

In cases where active involvement in the decision-making process is necessary, e.g. for the definition of collective agreements, bonuses and company benefits, dialogue takes place via employee representatives and trade unions. This approach ensures that employees' needs and opinions are listened to and integrated into company decisions, promoting a fair and participative working environment and fostering respect for human rights, which is already integrated into the Group Companies' Codes of Ethics of Conduct.

Dialogue with trade unions is a central element of the Group's industrial relations. Indeed, Newlat Food operates in a context where awareness of workers' rights is high and trade union representatives play an active role, fostering transparent and proactive interaction. The same approach is followed for the offices in Mauritius, which adopt the same policies to protect workers' rights, ensuring consistency with Group standards.

S1-3 - Processes to remediate negative impacts and channels for own workforce to raise concerns

The Group has adopted formal tools for the workforce to report any concerns, misconduct or violations of laws and regulations. All employees have access to dedicated complaint channels and mechanisms.

In addition to the traditional whistleblowing box, still present in some locations, an online channel is available, accessible to all employees in the various Group companies and locations. For Italian companies, this system is integrated into the Organisation, Management and Control Model pursuant to Italian Legislative Decree no. 231/01 (hereinafter also referred to as "231 OMCM").

Managed by a third-party and independent provider, the whistleblowing channel is operational 24/7 and complies with the requirements of Directive EU 2019/1937 regarding issues such as confidentiality and protection of the whistleblower's data, respect for the timing of the whistleblowing process, and protection of the whistleblower against any form of retaliation, including dismissal or other discrimination.

Reports are examined by members of management, who may belong to the HR function, the legal department or to committees specifically set up for this purpose.

In order to promote transparency and accessibility to these channels as well as communication to their workforce, Group companies have adopted specific policies and procedures informing employees of the existence of the channel and defining their rights and obligations in the event of a report. This information is disseminated through various means, including postings on company notice boards, publications on online portals and email communications.

Moreover, Italian companies with a 231 OMCM integrate this information in the training sessions envisaged by the law, ensuring its dissemination within their workforce.

Currently there is no structured or formalised system for assessing the level of awareness of workers regarding the existence of these structures and processes. However, the broad communication adopted facilitates the dissemination of information among the various functions and categories of employees, allowing them to know whom to contact with any reports.

S1-4 - Taking action on material impacts on own workforce, and approaches to managing material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions

Among the most significant issues in terms of impact are first and foremost the health and safety of employees given the centrality of production in the Group's activities. In order to ensure safe working environments that comply with current regulations, the various companies adopt Health and Safety Management Systems that comply with the relevant legislation. In Italy, the sites are subject Italian Legislative Decree no. 81/2008, while in the United Kingdom reference is made to the Health & Safety at Work Act of 1974. In Germany the Arbeitssicherheitsgesetz is applied, in France the Code du Travail and in Mauritius the Occupational Health and Safety Act.

The initiatives carried out by the Group include the following:

- Risk assessment and management: the identification and management of hazards in the workplace are key to preventing accidents and occupational diseases. These processes are conducted periodically and when significant changes are made to operations, facilities or equipment.

- Health monitoring: all employees undergo regular medical examinations to check their fitness for the job. The frequency of these visits is defined according to the specific risks of their jobs and the regulations in force in the various countries.
- Compulsory training: health and safety training is mandatory and provided on a regular basis. Courses are structured according to the specific tasks and risks associated with each job, with the aim of raising workers' awareness and promoting safe behaviour.
- Incident reporting and management: workers are actively encouraged to report dangerous situations through a structured system of collecting and analysing reports.
- Injury monitoring and analysis: the Group adopts a system of constant monitoring of safety at work through the analysis of specific KPIs. This approach makes it possible to assess the trend of incidents, measure the effectiveness of the measures taken and identify possible areas for improvement.
- Active worker involvement: the participation of the workforce is ensured through regular meetings between worker representatives and safety managers, where critical issues, reports and possible improvements are discussed.

At the same time, in order to monitor or mitigate negative impacts and risks related to equal opportunities, gender equality, diversity & inclusion, professional growth and the protection of workers, as detailed in the previous section the Group has set up a dedicated reporting channel through which employees can report any violations of the law or unlawful conduct also with reference to these issues.

In addition to this, the Group has taken the following measures to strengthen its commitment to these aspects:

- Prevention of forced labour and protection of workers' rights: the Group applies a zero-tolerance policy towards forced and child labour, ensuring full compliance with labour rights legislation. In addition, SMETA audits are conducted at some Group sites to verify compliance with labour standards.
- Inclusive selection processes: the Group has adopted non-discriminatory hiring practices, ensuring that selection processes assess not only technical skills but also respect for the principles of diversity and inclusion, with the aim of creating a fair and representative working environment.
- Training on inclusion and gender equality: the company promotes training programmes to reduce unconscious bias and foster an inclusive corporate culture. These initiatives, already active in some Princes Ltd. locations, will be progressively extended to the other Group sites.
- Skills development: the Group considers continuous training and professional development to be fundamental for business success. In order to ensure high product and process standards, it promotes a culture based on skill development through targeted courses and encouraging staff participation at all levels.
- Protection of privacy and personal data: the Group ensures compliance with the regulations on the processing of personal data, with the establishment of dedicated registers for data management. Moreover, investments are made in security systems and specific training programmes to raise employee awareness.
- For Princes Italia (Foggia plant), coverage of seasonal work through social protection against loss of income, in line with the public programmes envisaged.
- For the Princes Group, 100% coverage of production sites owned or in joint venture with third parties with independent ethical audits, such as SEDEX Members Ethical Trade Audit or SA8000 audits.

The actions described above relate to own operations. The main stakeholders benefiting from the actions are own workers.

Following the Double Materiality assessment, a series of potential actions were identified, which will be evaluated and prioritised in the coming years, also with a view to the integration of the Princes Group.

S1-5 - Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

The recent acquisition of the Princes Group makes it necessary to integrate the objectives concerning the management of negative impacts and risks at the Group level. This harmonisation process will be implemented progressively over the next few years.

Metrics

S1-6 - Characteristics of the undertaking's employees

In 2024, the Group's workforce grew significantly following the major acquisition of the Princes Group, from 2,303 employees in 2023 to 8,443 in 2024. The following tables illustrate the composition of the personnel, detailing gender, the country in which the workforce operates and the different types of contracts.

To represent the characteristics of the workforce, the headcount of the Group as at 31 December 2024 was taken into account.[42]

Gender	Number of employees
Men	4807
Women	3635
Other	0
Not reported	1
Total employees	**8443**

Country	Number of employees
France	90
Germany	164
Italy	1614

[42] The calculation of the number of people in the workforce was made by including workers employed by the Group with employment contracts or equivalent in countries outside Italy. Other forms of contracts such as temporary workers, trainees and long-term consultants were excluded from the calculation.

Mauritius	3855
The Netherlands	64
Poland[43]	32.5
United Kingdom[44]	2623.5
Total employees	**8443**

Number of employees as at 31/12/2024				
WOMEN	**MEN**	**OTHER**	**NOT REPORTED**	**TOTAL**
Number of employees				
3635	4807	0	1	**8443**
Number of employees with permanent contracts				
2328.5	3947.5	0	1	**6277**
Number of employees with fixed-term contracts				
1306.5	859.5	0	0	**2166**
Number of employees with non-guaranteed hours contracts				
0	0	0	0	**0**
Number of employees with full-time contracts				
3455.5	4702.5	0	1	**8159**
Number of employees with part-time contracts				
179.5	104.5	0	0	**284**

Number of employees as at 31/12/2024

[43] Some employees of the commercial branch Princes BV and employees of the joint operation EOL Polska work in Poland. The number of employees as at 31.12.2024 of the latter was considered to be 50%.

[44] Employees of the joint venture EOL UK operate in the UK, so the number of employees of the latter as at 31 December 2024 was taken as 50%.

France	Germany	Italy	Mauritius	The Netherlands	Poland[45]	United Kingdom[46]	Total
Number of employees							
90	164	1614	3855	64	32.5	2623.5	**8443**
Number of employees with permanent contracts							
90	130	1410	1960	64	32	2591	**6277**
Number of employees with fixed-term contracts							
0	34	204	1895	0	0.5	32.5	**2166**
Number of employees with non-guaranteed hours contracts							
0	0	0	0	0	0	0	**0**
Number of employees with full-time contracts							
84	159	1564	3746	57	32.5	2516	**8159**
Number of employees with part-time contracts							
6	5	50	109	7	0	107	**284**

2024 turnover rate[12]	
Number of employees who left the company in 2024[47]	693.5
Turnover rate	8.21

S1-8 - Collective bargaining coverage and social dialogue

The Group pays great attention to the protection of its employees and guarantees full compliance with current regulations. In 2024, 82% of the employee workforce was covered by a collective bargaining agreement. In detail, all employees in Italy, Germany, France and the Netherlands are covered by a national collective agreement, while in Mauritius the coverage reaches over 90% of the workforce. This number is linked to local regulations in EU countries, where collective bargaining is regulated and widespread. Similarly, in Mauritius it is also governed by existing labour laws. In contrast, in the English companies Symington's and Princes Limited, as well as in the joint operations in the UK and Poland, this percentage is reduced due to the different trade union structures and specific contractual conditions in the Polish and Anglo-Saxon markets. However,

[45] Figures for employees of the joint operation EOL Polska, based in Poland, were taken into account at 50%.
[46] Figures for employees of the joint operation EOL UK, based in the United Kingdom, were taken into account at 50%.
[47] The figures for employees of the joint operations EOL UK and EOL Polska were taken into account at 50%.

where there is no collective agreement regulating certain conditions there is direct national legislation, such as for example with regard to remuneration and other issues related to workers' rights.

With regard to social dialogue, as can be seen from the table below, all employees working in countries of the European Economic Area (EEA) are represented by employee representatives. Finally, in the English company Princes Ltd. and all of its European and UK-based subsidiaries there is an agreement with their employees for representation by a European Works Council (EWC).

During 2024 no validation was received from external bodies on the information related to this metric.

	Collective bargaining coverage	**Collective bargaining coverage**	**Social dialogue**
Coverage rate	**EEA employees**	**Non-EEA employees**	**Workplace representation (EEA only)**
0-19%	Poland		
20-39%			
40-59%		United Kingdom	
60-79%			
80-100%	Italy France Germany The Netherlands	Mauritius	Italy France Germany The Netherlands Poland

S1-9 - Diversity metrics

The Group's workforce broken down by diversity is presented below. With regard to gender distribution in Senior Management, considering the different types of contracts in the various countries the Group operates in, profiles similar to the management contracts in force in Italy were included among "Senior Executives".

Gender	Number of Senior Executives	% of Senior Executives
Men	45	90%
Women	5	10%
Total	**50**	**100%**

As far as the distribution of employees by age group is concerned, more than half fall into the 30-50 age group, followed by employees over 50, and finally the under-30 group.

Age group	Number of employees	% of employees
<30	1174	14%
30-50	4785	56%
>50	2485	30%
Total	**8443**	**100%**

S1-10 - Adequate wages

All Group employees receive fair remuneration in line with industry standards. In fact, the remuneration is determined in full compliance with national collective agreements, or with the regulations in force in the countries where such agreements are not applicable or not present. This approach ensures adequate wages consistent with the regulatory environment.

S1-14 - Health and safety metrics

Given the manufacturing nature of the business, health and safety is one of the key elements of the Group's strategy. Below are the key metrics calculated based on data accurately tracked in the company's records and systems. The injury rate is calculated as the number of injuries (on site, while working from home or while commuting) divided by the total number of hours worked, multiplied by 1,000,000. The injury rate is 15.

	Disclosure	UoM	Quantity
a)	% of workforce covered by the undertaking's **health and safety management system** based on legal requirements and/or recognised standards or guidelines, of which:	%	**100**
	Employees	%	100
	Workers who are not employees	%	0
b)	Number of **deaths** among the workforce during the reporting year, of which:	Number	**0**
	due to work-related injuries	Number	0
	due to work-related diseases	Number	0
	Number of **deaths** among other workers operating at the undertaking's sites, such as workers in the value chain if they operate at the undertaking's sites, that occurred during the reporting year, of which:	Number	**0**

	due to work-related injuries	Number	0
	due to work-related diseases	Number	0
c)	Number of recordable work-related **injuries**	Number	134
	Total hours worked by own workers	Number	8,936,209
	Rate of work-related injuries	Number per million hours worked	**15**

S1-16 - Remuneration metrics (pay gap and total remuneration)

Given the remuneration specificities of the different countries the Group operates in, it was decided to report the metrics related to the pay gap and total remuneration broken down by geographical area.

Geographical area	Gender pay gap	Annual remuneration ratio
France	13.85%	4.66
Germany	-0.15%	3.94
Italy	5.36%	12.46
Mauritius	25.98%	4.98
The Netherlands	39.98%	5.00
Poland	-15.92%	4.68
United Kingdom[48]	2.17% (Princes Ltd) 7.24% (Symington's)	4.64
Overall Group figures[49]	**14.28%**	**6.28**

S1-17 - Incidents, complaints and severe human rights impacts

A number of reports concerning human rights issues came to light during the reporting period. None of these were serious, i.e. related to child labour, human trafficking or forced labour. To determine the total number of reports received, all channels accessible to the workforce were taken into account: there were 4 internal and 5 external reports, most of them in the UK. None of these, which were received during the reporting

[48] The gender pay gap was determined according to the Equality Act 2010, the methodology of which is substantially aligned with AR 101 of the ESRS standards. As UK regulations require a calculation by company, Symington's and Princes Ltd. will be reported separately in the prospectus.

[49] The overall figures were calculated using the weighted average of the data points of the geographical areas shown in the table. The weighting factor used is the number of employees per geographical area, as reported within the S1-6 disclosure requirement.

period, had a material financial impact on the Group. Newlat Food continues to actively encourage reports in order to foster a working environment that respects human rights and prevents any form of violation, taking appropriate measures to protect employees.

S2 - WORKERS IN THE VALUE CHAIN

ESRS 2 SBM-2 - Interests and views of stakeholders

For details on this disclosure, see the relevant section in ESRS 2.

ESRS 2 SBM-3 - Material impacts, risks and opportunities and their interaction with strategy and business model

The workforce upstream of the Group's operations is mainly concentrated in the agricultural sector, including food growing, cattle breeding and fishing, but also involves forestry, chemicals, engineering and mining. Therefore, various challenges related to working conditions may arise within the supply chain. In fact, the agri-food nature of the supplies means that there is a high demand for workers subject to the seasonality of certain sectors, which can affect employment stability at the end of harvest or fishing seasons. Furthermore, during peak periods there is the risk of long working hours, unregulated overtime and potentially abusive working conditions, including lack of adequate housing, poor water quality and inadequate sanitation, which may affect the welfare of workers, especially in areas with less awareness of human rights and less stringent regulations.

Some sectors of the supply chain such as agriculture, fishing and mining are subject to strong pressures on the cost of raw materials produced, which may contribute to exploitative situations and inadequate wages, particularly in regions where national regulations and collective bargaining are less stringent.

Gender equality and valuing diversity are also areas of focus. In sectors requiring physical endurance such as agriculture, livestock farming and mining the workforce is often male-dominated, while women tend to be employed in lower-wage roles, reflecting inequalities in both job allocation and pay. More generally, in the agricultural, fishing, mining and energy sectors diversity is sometimes underestimated, especially in remote regions and areas with less attention to human rights, where cultural and socio-economic factors may hinder full inclusion.

In some critical contexts such as agriculture and fishing vulnerable situations may also occur, including incidents of harassment or violence in the workplace, especially in remote areas. Another potential critical issue concerns child labour, which in some areas sees children engaged in strenuous activities under difficult conditions and without adequate safety measures, with significant impacts on their development and well-being, especially in the more remote areas of countries with less protection of human rights.

These material impacts are all located in the upstream phase of the Group's value chain, being closely linked to the mining, agriculture and fishing sectors.

These issues are closely related to the main risks identified in supply chain management. If not properly addressed, they could lead to significant reputational consequences and sanctions.

Indeed, one of the main risks is the lack of an adequate due diligence process for assessing compliance in the supply chain. Insufficient monitoring of suppliers' working conditions could expose the Group to critical issues related to non-compliance with ethical and regulatory standards, with possible repercussions in terms of legal liability and loss of stakeholder trust.

A further risk is non-compliance with human rights in the management of labour relations, which can manifest itself through phenomena such as child labour and undocumented work. If not adequately prevented and countered, the presence of these issues in the supply chain could compromise the integrity of the Group, with negative impacts on the company's reputation and possible sanctions by the authorities.

The risks identified are mainly concentrated in the upstream phase of the Group's value chain. Nonetheless, some of them could have repercussions on the Group's own operations (e.g. with sanctions or reputational damage) if not adequately controlled.

The Group also generates positive impacts within its supply chain, particularly in the tomato cultivation sector, linked to the operations of Princes Italia. This commitment is aimed at ensuring fair and stable working conditions along the supply chain through concrete measures to support workers and agricultural producers.

To ensure the adequate remuneration of farmers, the price of the tomato is defined in collaboration with the University of Foggia, considering not only quality and cultivation techniques but also the adoption of sustainable practices. This approach ensures fair compensation for producers, contributing to the economic sustainability of the supply chain.

To support more secure and predictable employment, supply contracts with tomato growers are for three years and include a guaranteed purchase commitment. Volumes and prices are agreed well in advance, allowing producers to better plan investments and cultivation costs, thus boosting the stability of the agricultural sector.

As part of the Double Materiality assessment, no significant impacts or risks were identified for the workforce employed downstream in the value chain. The Group's downstream operations mainly take place in countries with a high awareness of human rights and a strong, protective legislative framework in this area.

Moreover, the downstream sectors involved are less critical than the agricultural or mining sectors, as they are generally characterised by more regulated working conditions and a lower risk of human rights violations.

Impacts, risks and opportunities management

S2-1 - Policies related to value chain workers

The Newlat Food Group has implemented policies to protect workers in its value chain. Following the acquisition of the Princes Group, a process of policy integration and standardisation is under way, which will be progressively developed in the coming years. However, all Group companies have had policies dedicated to this issue since 2024.

On the one hand, Newlat Food S.p.A. and the subsidiaries within its reporting scope adopted a Supplier Code of Conduct inspired by the main international standards at the beginning of 2024. This Code governs the respect of human rights in the supply chain, requiring the following of suppliers:

- Non-discrimination: equal opportunities for all workers and fair selection, hiring and remuneration processes.
- Legal contracts: formal recognition of labour relations in accordance with national regulations.

- Prohibition of child and forced labour: protection of minors and rejection of all forms of forced labour.
- Fair working hours and remuneration: compliance with regulations on working hours, rest and adequate remuneration.
- Trade union freedom and collective bargaining: right of association and negotiation for decent working conditions.
- Health and safety: safe working environments, with adequate training and preventive measures.

In parallel, the Princes Group adopted an Ethical Trade Policy for suppliers aligned with international standards, including the Ethical Trading Initiative (ETI) Basic Code. This policy sets out clear requirements to ensure decent working conditions and promote ethical practices along the supply chain, addressing issues such as:

- Documented and voluntary employment
- Protection of health and safety
- Freedom of association and the right to bargain
- Non-discrimination and equal opportunities
- Zero tolerance for abuse and harassment
- Forced and child labour
- Compliance with regulations on hours and pay

The Princes Group has also adopted a Modern Slavery Act Statement and implemented a Migrant & Contract Worker Policy that among other issues address human trafficking, with the aim of safeguarding the rights and welfare of migrant and contract workers within its operations and along the supply chain.

This policy sets clear guidelines for suppliers, requiring them to adopt ethical practices in the recruitment and management of migrant and contract workers. The main provisions include:

- Ethical recruitment
- Fair working conditions
- Freedom of movement and prohibition of undue restrictions by employers or intermediaries
- Access to personal documents
- Establishment of secure and confidential reporting mechanisms to ensure protection against retaliation

These policies, inspired by the main international standards such as the Universal Declaration of Human Rights and the Global Compact principles proposed by the United Nations (UN), the OECD Guidelines for Multinational Enterprises and the core labour standards promoted by the International Labour Organisation (ILO), reinforce the Group's commitment to promoting an ethical and sustainable supply chain, protecting workers' rights and contributing to fairer labour standards.

During the reporting period there were no significant reports of violations of the above standards.

All Policies are approved by the Governing Body or parties delegated thereby. The Governing Body also defines the methods of implementation.

S2-2 - Processes for engaging with value chain workers about impacts

As part of the stakeholder engagement plan developed in previous years, the Group involved various actors in its value chain, including farmers, livestock farmers, supply chain representatives, some suppliers and customers. This process made it possible to initiate a structured dialogue on their workforce issues, taking into consideration the impacts generated by the Group and gathering useful feedback to improve the practices adopted.

However, following the recent significant acquisition it became necessary to adjust the Group-wide stakeholder engagement plan, redefining the timing and method of consultation to ensure a consistent and integrated approach. The new plan thus aims to strengthen the dialogue with stakeholders in the value chain, promoting greater awareness and collaboration on workforce issues and the negative impacts caused by the Group.

For a more in-depth discussion of stakeholder engagement strategies see the relevant section in ESRS 2.

S2-3 - Processes to remediate negative impacts and channels for value chain workers to raise concerns

The Group has adopted formal means to allow the workforce in its value chain to report concerns, misconduct or violations of laws and regulations. These channels, described in detail in section S1-3, are the same as those used for the internal workforce and comply with data protection and reporting regulations.

For Newlat Food S.p.A. and Centrale del Latte d'Italia S.p.A., the reporting channel is easily accessible to workers in the value chain via the corporate website.

As far as the Princes Group is concerned, it is expected that suppliers will adopt similar mechanisms within their organisations, enabling workers to safely report any suspected or ascertained violations of laws or ethical principles. If such mechanisms are not in place, the Princes Group encourages suppliers to submit reports directly through their usual contact person or by sending an email to a dedicated address.

S2-4 - Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those action

The Group has adopted a series of measures to minimise and manage its impacts, risks and opportunities related to workers in the value chain. Specifically:

- Risk assessments are conducted on suppliers of raw materials and/or finished products, also considering respect for human rights in the workforce employed. To this end, both qualification and retention audits of suppliers are performed to ensure compliance with worker protection standards throughout the supply chain. Suppliers may be required to undergo third-party audits to verify compliance with ethical and human rights issues for their workforce, such as SMETA audits or SA8000 certification. Moreover, for Italian companies, documentation such as the Certificate of Social Security Compliance (DURC) is required.

- In the tomato supply chain, a three-year partnership (2022-2024) is in place with Oxfam Italy to fight labour exploitation, in particular *Caporalato*, a phenomenon that can involve undocumented and precarious working conditions. At the Italian Princes Italia plant (Foggia), this collaboration led to the implementation of independent monitoring of working conditions and training programmes on rights, ethical practices and safety.
- In the legumes supply chain, the Princes Group published a Human Rights Impact Assessment (HRIA) on sourcing from Argentina, from where about one fifth of the legumes used are sourced, mainly chickpeas and cannellini beans for Napolina and private label products. Conducted in accordance with the United Nations Guiding Principles on Business and Human Rights (UNGPs), the HRIA analysed each stage of the supply chain to identify and mitigate any impacts on workers' human rights.

The actions described above relate to the supply chain. The main stakeholders benefiting from the actions are suppliers, farmers and livestock farmers.

Following the Double Materiality assessment, a series of potential actions were identified, which will be evaluated and prioritised in the coming years, also with a view to the integration of the Princes Group.

No major human rights problems or incidents were reported along the value chain in 2024.

Metrics and targets

S2-5 - Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

The Group is still in the process of defining specific human and labour rights objectives in its value chain, a process that will be progressively developed over the coming years. However, the Princes Group has already established a number of commitments, including:

- 100% of direct suppliers of finished products, packaging and ingredients registered on an independent ethics platform and linked to Princes for sharing audit information (already achieved by 2024).
- 100% of direct suppliers of finished products, packaging and ingredients that have completed an Ethical Self-Assessment Questionnaire (SAQ) visible at Princes (reached 96% during 2024).
- 100% of finished products that commissioned and shared the results of a third-party ethical audit in the period 2022-2024 (reached 91% during 2024).

S3 - AFFECTED COMMUNITIES

ESRS 2 SBM-2 - Interests and views of stakeholders

For details on this disclosure, see the relevant section in ESRS 2.

ESRS 2 SBM-3 - Material impacts, risks and opportunities and their interaction with strategy and business model

The Group recognises that agricultural activities, particularly the cultivation of raw materials and livestock farming, can generate potential impacts on local communities and the environment in the areas where they are carried out. Although not directly attributable to Group operations, these impacts represent risk factors along the value chain, especially in the upstream stages, and in regions where local regulations and the protection of community rights may be less established. These dynamics may particularly affect fair access to land, the preservation of cultural rights, sustainable water management and responsible land use.

The material impacts include, for example, those related to intensive land use and expansion of cultivation and livestock activities that may affect local communities' access to and productivity of land, especially in areas with less regulation of human rights and land use. Water management is also affected by agricultural operations. The intensive use of water for irrigation can reduce availability for local communities, especially in water-stressed areas. Furthermore, if not properly managed, any discharges from agricultural operations may compromise the quality of water resources, with possible consequences on the health and living conditions of the populations involved. However, the main agricultural raw materials in the Group's supply chain, such as wheat, olives, tomatoes and cattle breeding, come from suppliers operating in areas with advanced regulations on the protection of local communities and land rights, such as the European Union, North America and Italy.

Closely related to the aforementioned impacts is the risk that the Group may fail to adequately manage relations with local communities, with possible repercussions on the workforce. Failure to take into account the needs of communities, including the need to support local economic development, could undermine the operating environment and jeopardise the resilience of farming operations in the long run, generating not only reputational damage should operations be linked to the Group's chain, but also economic impacts on the Group's operations resulting from procurement difficulties.

Impacts, risks and opportunities management

S3-1 - Policies related to affected communities

Newlat Food's Code of Ethics and Conduct, applied by the parent company Newlat Food S.p.A. and its subsidiaries in the reporting scope at the beginning of 2024, recognises the attention paid to the communities where the Company operates. The Code underlines Newlat Food's commitment to conducting its activities and investments in a responsible manner, contributing to the economic and social development of local and national communities.

At the same time, the Princes Group Code of Conduct emphasises the importance of respecting the culture, traditions and language of the indigenous peoples in the countries and regions where it operates. Princes is committed to conducting its activities in harmony with local society, valuing cultural diversity and promoting integration with local communities. These documents are aligned with the main international human rights standards, including but not limited to the United Nations Guiding Principles on Business and Human Rights, the International Labour Organisation Principles, and the OECD Guidelines for Multinational Enterprises.

Currently the Group has no specific policies for managing relations with local communities. However, the material impacts and risks in this area are mainly related to environmental factors such as water and waste management, as well as respect for human rights in the workforce both within the Group and along the supply chain, which is an integral part of local communities. For more details on the policies adopted in relation to these aspects, see the relevant sections on environmental indicators (E), direct workforce management (S1) and supply chain (S2).

All Policies are approved by the Governing Body or parties delegated thereby. The Governing Body also defines the methods of implementation.

In the coming years the Group's post-acquisition integration activities will include an assessment of the possibility of developing dedicated policies and strengthening collaboration with its value chain to improve the management of relations with local communities. Such initiatives may include measures to protect the right to land and to ensure respect for the economic, social and cultural rights of the communities concerned.

S3-2 - Processes for engaging with affected communities about impacts

As part of the stakeholder engagement plan developed in recent years, the Group has actively involved local communities, initiating a dialogue to consider the impacts generated and gather useful feedback to improve its practices.

However, following the recent significant acquisition it became necessary to adjust the Group-wide stakeholder engagement plan, redefining the timing and method of consultation to ensure a consistent and integrated approach. The new plan aims to strengthen the dialogue with local community stakeholders, promoting greater awareness and collaboration on issues related to the potentially negative impacts associated with the Group's activities.

For a more in-depth discussion of stakeholder engagement strategies see the relevant section in ESRS 2.

S3-3 - Processes to remediate negative impacts and channels for affected communities to raise concerns

The Group has formal means for local communities to report concerns, misconduct or violations of laws and regulations. These channels, described in detail in section S1-3, are shared with the internal workforce and are designed in compliance with data protection and reporting regulations.

For Newlat Food S.p.A., the reporting channel is easily accessible to all stakeholders – including local communities – through the company's corporate website.

In the case of the Princes Group, while a specific channel for local communities has not yet been implemented, a dedicated email address has been set up to receive any reports.

S3-4 - Taking action on material impacts on affected communities, and approaches to managing material risks and pursuing material opportunities related to affected communities, and effectiveness of those actions

The Group has adopted a series of measures to minimise and manage its impacts, risks and opportunities related to communities. Specifically:

- The Group's supplier qualification and monitoring process includes an assessment of geographical risk, considering environmental and social factors. This approach assigns preference to suppliers located in countries with strong community rights mechanisms such as North America, the European Union and Italy, especially for raw materials that require extensive land use.
- The Foggia plant (Princes Italia) has already implemented initiatives with tomato growers, introducing technologies to reduce water consumption for irrigation.
- The Foggia plant (Princes Italia) has implemented training programmes for farmers and new technologies in the field that have led to a reduction in the use of pesticides, thus contributing to a lower environmental impact on local communities.

The actions described above relate to the supply chain. The main stakeholders benefiting from the actions are suppliers and local communities.

Following the Double Materiality assessment, a series of potential actions were identified, which will be evaluated and prioritised in the coming years, also with a view to the integration of the Princes Group.

Metrics and targets

S3-5 - Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

As part of the integration following the 2024 acquisition, the Group is assessing the best opportunities to benefit the communities concerned, including through the stakeholder engagement exercise. Then consideration will also be given to whether to define group or local objectives.

S4 - CONSUMERS AND END-USERS

ESRS 2 SBM-2 - Interests and views of stakeholders

For details on this disclosure, see the relevant section in ESRS 2 – General disclosures.

ESRS 2 SBM-3 - Material impacts, risks and opportunities and their interaction with strategy and business model

The Group's activities could generate potential negative impacts on consumer health and safety, particularly with regard to food quality and safety. If not properly managed along the entire production chain, the risk of contamination by pathogens, hazardous substances or product spoilage could occur at several stages, from production and processing to transport, distribution and retail.

A further potential risk concerns the possible accidental presence of foreign bodies inside food products, such as plastic fragments or metal clips from packaging. Such elements could compromise the safety of consumers, exposing them to dangers such as internal injuries or contamination.

Responsible marketing practices could also influence consumer confidence and awareness. Unclear, incomplete or misleading labelling may hinder informed food choices, increasing the risk of uninformed nutritional decisions. Specifically, the lack of transparency about the origin of ingredients, nutritional information or the presence of controversial components such as palm oil or GMOs could lead to uncertainty and confusion.

From a financial materiality perspective, these potential negative impacts entail a significant risk of non-compliance with food safety and quality regulations. Failure to comply with these regulations could expose the Group to economic sanctions, product recalls and trade restrictions, resulting in direct financial losses.

In addition to the regulatory effects, there is a high reputational risk: incidents of non-compliance, especially when related to the safety of baby food, could undermine consumer confidence and damage the brand's image. This scenario could result in a decline in sales and loss of market share, with significant economic impacts in the short and long term.

Alongside potential negative impacts, the Group has also identified positive impacts related to consumer health and safety. Indeed, the company promotes and develops healthy, safe and low-processed food products inspired by the Mediterranean diet. The range includes foods such as pasta, milk, fresh cheese, yoghurt, tinned tomatoes and fish, with the aim of ensuring a balanced and nutritious diet for consumers.

A further positive impact concerns the attention paid to the younger age groups of the population, through the production of nutritious and safe food specifically formulated for children and infants. These products are enriched with essential vitamins and minerals for growth and made from raw materials selected according to strict criteria, in full compliance with industry regulations, to protect the health of the youngest children.

With regard to these positive impacts, the Group has also identified a strategic opportunity in the development and sale of innovative and healthier products in response to the growing consumer focus on healthy and conscious eating. This market trend represents an opportunity to expand the offer with products formulated to meet emerging nutritional needs while ensuring high standards of safety and quality.

Finally, the Group restricts the use of consumers' personal data and pays attention to its processing and any impacts that may generate discrimination or limits on freedom of expression.

S4-1 - Policies related to consumers and end-users

The Code of Ethics and Conduct, which has been adopted by the parent company Newlat Food S.p.A. and all its subsidiaries with the exception of the Princes Group, which has implemented its own Code of Conduct, defines the Group's commitment to guaranteeing full consumer satisfaction as one of its fundamental principles. This is pursued by offering products that comply with strict quality and food safety requirements, as well as constant investment in research and development to anticipate and respond to emerging needs, with a focus on health and well-being.

Newlat Food's Sustainability Policy also emphasises the importance of consumer protection, ensuring continuous control over all aspects of product quality and safety. With this in mind, a specific Quality Policy has been adopted and all the Group's Italian sites are certified according to UNI EN ISO 9001:2015, confirming the Group's commitment to implementing a solid and effective quality management system.

All Policies are approved by the Governing Body or parties delegated thereby. The Governing Body also defines the methods of implementation.

S4-2 - Processes for engaging with consumers and end-users about impacts

The Group recognises consumers as a major stakeholder and has included them in its stakeholder engagement plan. While their views have not yet been gathered for this report, a progressive engagement process will be initiated from the next financial year with the aim of assessing the impacts generated and gathering useful feedback to improve business practices.

In fact, following the recent major acquisition it became necessary to update the Group-wide stakeholder engagement plan, redefining the timing and methods of consultation to ensure a more integrated and consistent approach. The new plan aims to strengthen dialogue with all stakeholders, including consumers, by promoting greater awareness and collaboration on issues related to the potentially negative impacts of the Group's activities.

For a more in-depth discussion of stakeholder engagement strategies see the relevant section in ESRS 2.

S4-3 - Processes to remediate negative impacts and channels for consumers and end-users to raise concerns

The Group provides formal channels for consumers to report any problems or complaints related to products. Access to these channels is guaranteed to all consumers through online brand and product pages, ensuring transparency and user-friendliness. These tools allow reports to be collected in a timely manner, enabling the Group to respond promptly and take the necessary measures to remedy any negative impacts reported.

S4-4 - Taking action on material impacts on consumers and end- users, and approaches to managing material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of those actions

Mitigation measures taken by the Group to prevent and manage negative impacts and risks on consumers include:

- Implementation of rigorous procedures based on HACCP principles to identify and manage risks throughout the production chain, supported by regular internal audits to ensure compliance with food safety standards.
- Risk assessments and voluntary adoption of food quality and safety certifications such as BRCGS and IFS to validate and reinforce the standards applied.
- Careful selection of suppliers through structured due diligence processes, including audits and risk assessment, ensuring a reliable supply chain that complies with regulatory requirements.
- Use of advanced tools such as X-ray scanners and metal detectors to detect foreign bodies in products and ensure high safety standards. Furthermore, robust traceability systems allow for the timely identification and resolution of any problems along the supply chain.
- Strict control of labels by the marketing and quality functions, ensuring that information is accurate, complete and compliant with regulations. This includes clear details on nutritional content, the origin of raw materials and production processes.
- Transparent handling of regulatory issues and consumer concerns, providing detailed information on sourcing practices for controversial ingredients such as palm oil and GMOs. The Group also promotes ethical marketing practices and provides feedback channels for consumers, building trust and ensuring regulatory compliance.

In terms of positive impacts and material opportunities, aware of the growing consumer interest in a healthier, sustainable diet adapted to different nutritional needs, the Group has invested in research and development (R&D) projects aimed at innovating its product range. This strategy not only makes it possible to respond to new market trends, but also represents an opportunity to create value through the development of products with high added value.

In a context where consumers are paying more attention to the environmental and social impact of their diet, the Group has expanded its range with organic products, products from certified animal welfare farms and products with local raw materials, contributing to the promotion and protection of the territory. At the same time, innovations in packaging aim to reduce environmental impact, aligning with the expectations of an increasingly sustainability-conscious public.

From a nutritional point of view, the Group has developed specialised product lines for different needs. These include: infant formula and baby products with selected ingredients and safety standards that are stricter than current regulations; functional products enriched with vitamins, minerals and other nutrients; foods for intolerances and allergies such as lactose-free and gluten-free products; and finally plant-based alternatives and products to meet specific ethical and religious needs, for example by obtaining Halal and Kosher certification to guarantee respect for food traditions.

The integration of the Princes Group has further expanded the range, consolidating the inspiration of the Mediterranean diet, with tinned tomatoes, legumes, responsibly caught blue fish, olive oil and tinned fruit.

The actions described above relate to own operations and downstream components of the value chain. The main stakeholders benefiting from the actions are customers and end consumers.

Following the Double Materiality assessment, a series of potential actions were identified, which will be evaluated and prioritised in the coming years, also with a view to the integration of the Princes Group.

S4-5 - Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

As part of the integration following the 2024 acquisition, the Group is assessing the best opportunities to benefit the communities concerned, including through the stakeholder engagement exercise. Then consideration will also be given to whether to define group or local objectives.

GOVERNANCE INFORMATION

G1 - BUSINESS CONDUCT

ESRS 2 GOV-1 - The role of the administrative, management and supervisory bodies

See section GOV-1 in ESRS 2 - General disclosures.

ESRS 2 IRO-1 - Description of the processes to identify and assess material impacts, risks and opportunities

Details on the processes for identifying and assessing material impacts, risks and opportunities are provided under IRO-2 in ESRS 2.

As far as governance issues are concerned, the main potential negative impacts include those related to animal welfare, particularly in the fishery and dairy sectors, thus located in the upstream phase of the Group's value chain. Inadequate supply management could in fact compromise the adoption of appropriate ethical practices, with possible repercussions on animal welfare.

Another material impact linked to the Group's own activities concerns the protection of whistleblowers: in the absence of adequate protection measures, the propensity to report misconduct may decrease, compromising corporate transparency and internal trust, as well as making the prevention of violations less effective.

Managing relations with suppliers can also be a critical aspect, especially with regard to payment practices. Late payments or unfair contractual conditions could jeopardise the stability of smaller companies.

Some of the risks identified are closely related to impacts. One of these relates to the failure to conduct structured due diligence to ensure compliance with animal welfare standards throughout the supply chain, with possible repercussions on corporate reputation and regulatory compliance. On the subject of corruption, the Group has highlighted the risk of corruption that could compromise corporate integrity, with both reputational consequences and possible sanctions. Finally, in managing relations with suppliers, delays or non-payment could cause disruptions in supplies, affecting business continuity and the stability of the supply chain.

Other risks that are not directly related to the negative impacts identified concern for example the failure to meet publicly declared ESG commitments, which could affect corporate credibility and stakeholder trust. In terms of corporate governance, inadequate management of compliance issues could lead to both reputational damage and sanctions. Finally, with regard to lobbying and political involvement, the risk relates to the possibility of the company undertaking initiatives that may generate conflicts of interest or be associated with corruption and other forms of fraud.

The Group also identified some positive impacts. One of these relates to effective and transparent communications, which are essential to enable investors to make informed decisions. Providing clear and accessible information on financial performance, business strategies, risks and growth prospects enables investors to assess potential returns and align their investments with their values and objectives.

Another positive impact is related to the ability to foster innovation. By investing in research and development, healthier, more sustainable and better-tasting products can be brought to market, responding to the evolving needs of consumers. For example, the development of plant-based or allergen-free products can meet specific food and ethical needs, while innovations in packaging can help reduce environmental impact.

In order to identify material impacts, risks and opportunities, the Group considered the activities of its value chain, as well as its operations, business functions and the various locations of its sites.

G1-1 - Corporate culture and business conduct policies and corporate culture

The Newlat Food Group's model for responsible business management, inspired by national and international best practices, is based on internal codes of conduct and a system of clear and regularly updated rules. These instruments, including the Codes of Ethics and Conduct, the Anti-Bribery Policies and the Organisational, Management and Control Models adopted pursuant to Italian Legislative Decree no. 231/01 by Italian companies, and the compliance programmes of foreign subsidiaries that comply with local regulations, promote consistent and conscious behaviour.

The company strengthens its governance and management through continuous employee awareness, due diligence, internal controls, risk assessment methods and a transparent approach to information and business processes. This system is aimed at preventing risks, promoting an ethical business culture and developing responsible management. The Parent Company Newlat Food S.p.A. has also adopted the Corporate Governance Code published by Borsa Italiana.

Newlat Food has set up formal mechanisms to identify and report possible misconduct, including violations of laws, regulations, Organisational Models pursuant to Italian Legislative Decree no. 231/01 (for Italian companies), Codes of Conduct, company practices and procedures. Issues monitored include fraudulent activities, incidents of corruption, accounting issues and reporting. At the beginning of 2024 the parent company Newlat Food S.p.A. and all its subsidiaries included in the reporting scope made the whistleblowing mechanisms accessible not only to all employees, but also to third parties such as suppliers and customers. Otherwise, the Princes Group restricts access to these mechanisms exclusively to its own employees.

To ensure the protection of whistleblowers, all Group companies and offices have dedicated policies or procedures in place to ensure the confidentiality of information and provide for measures to ensure confidentiality. Reports are handled promptly, and in order to prevent any form of retaliation against whistleblowers a system of sanctions has been put in place. Reports are handled in accordance with national laws and Directive EU 2019/1937.

Specific policies have been adopted to address the main negative impacts and risks related to business conduct and corporate culture. Specifically, on the subject of animal welfare the Princes Group has implemented a policy dedicated to the sustainability of the sourcing of fish products, both from fishing and farming, which is detailed in section E3. In the dairy sector, on the other hand, the topic is dealt with within the Integrated Management System Policy, which promotes transparent relationships with the agri-food chains to ensure adequate conditions within the stables.

The issue of corruption, ethics and integrity is addressed in the Codes of Ethics and Conduct adopted by Group companies, which are inspired by international best practices and principles against corruption and bribery, as well as criteria of fairness and transparency. These principles are also integrated into the codes governing relations with suppliers. Furthermore, the parent company Newlat Food S.p.A. has adopted an Anti-Corruption Policy. In addition to these policies, Italian companies have adopted an Organisation and Management Model pursuant to Italian Legislative Decree no. 231/01.

G1-2 - Management of relationships with suppliers

Among the principles in the Codes of Conduct is the commitment to promote fair business practices and to comply with trade regulations. Specifically, the Group is committed to ensuring fair negotiations and fair competition, avoiding taking advantage of any imbalance in contractual strength, especially with regard to smaller counterparties, and refraining from collusive behaviour in compliance with the value of free competition.

At present there is still no specific policy on late payments to SMEs. However, the Group adopts an approach based on compliance with the above principles.

In fact, as mentioned in the previous sections, adopting proper practices, including those relating to payments, is essential not only to protect suppliers – especially small and medium-sized enterprises – from the risks of economic instability, but also to prevent possible critical issues with procurement. Late payments or unfair practices could in fact jeopardise relations with suppliers, jeopardising the continuity of supply.

In this context, the supplier evaluation process plays a crucial role in ensuring compliance with applicable regulations and authorisation requirements. To reduce potential procurement risks and verify professional suitability, the Group may request specific documentation such as food safety management plans, samples of materials and raw materials, as well as checks on contractual and insurance aspects.

During the evaluation phase the quality and safety of supplies are also analysed, as defined through specifications and data sheets. These requirements can go beyond the minimum thresholds laid down in the regulations, including parameters related to environmental sustainability and compliance with ethical and social principles. In fact, supplier qualification audits involve the verification of specific criteria, including for example the possession of environmental certifications such as ISO 14001, ethical certifications such as SA8000 and the SMETA audit, as well as certifications relating to animal welfare, worker safety and the quality of raw materials supplied.

G1-3 - Prevention and detection of corruption and bribery

With regard to the prevention and detection of corruption and bribery, the Group has implemented specific policies including Codes of Conduct and Organisation and Management Models compliant with Italian Legislative Decree no. 231/01, adopted by Italian companies. The system is supported by a set of procedures and tools such as whistleblowing channels, periodic risk assessments and entities such as ethics committees dedicated to overseeing compliance and managing possible violations.

Training is a key element in the prevention of corruption. In this context, Italian companies have launched training programmes extended to all sites and addressed to all employees, with a focus on ethical and anti-corruption issues, within the framework of Italian Legislative Decree no. 231/01. In parallel, the Princes Group introduced an annual mandatory training module for all employees. This training also covers the departments with the highest exposure to risk such as purchasing, finance and sales. The training combine e-learning modules and in-person sessions with the analysis of practical cases of corruption. The contents cover topics such as the detection of alarm signals, warning mechanisms and compliance with internal and external regulations. Executive board members are part of the training plan, and there is frequent interaction between them and the process owners.

In addition to training, the Group has implemented further control measures, including:

1. Risk assessment: regular analysis of risks related to governance issues, and in particular corruption and bribery.
2. Whistleblowing channels: tools accessible to all employees with specific investigation protocols, a topic covered extensively in the previous sections.
3. Continuous monitoring: regular reviews of financial transactions and employee activities to identify any anomalies.

For all Princes group companies, functions considered to be at higher risk – i.e. employees performing office work – participate in a training programme on corruption. The higher the risk in the relevant function, the more specific the content of the course provided. Similarly, the employees of the Group's Italian companies are fully included in the training plan under the 231 Model, which also covers the offence of Bribery and Corruption. Therefore, it can be argued that 100% of employees in functions considered at moderate or high risk are included in training programmes

G1-4 - Incidents of corruption or bribery

No convictions or fines for incidents of corruption were carried out in 2024. In any case, internal regulatory instruments provide for the application of possible disciplinary sanctions – up to and including dismissal for cause – in the event of violation of the internal anti-corruption policy and procedures, depending on the seriousness of the violation.

G1-5 - Political influence and lobbying activities

Although the Double Materiality assessment revealed a significant risk concerning lobbying and political involvement, in particular due to the potential for conflicts of interest or association with corruption and fraud, the Group does not currently engage in any material activities in this area.

No political contributions were made in 2024, either in cash or in kind. The only donations made by the company concern sponsorships, mainly of a sporting nature, and contributions to charities and foundations, such as the supply of lung ventilators for neonatal therapy. Such donations are always in accordance with the company's procedures on gifts, gratuities and benefits, which set out clear principles so that such contributions are not suspect. These procedures also provide for an approval structure in line with internal powers of attorney, and compliance with these is verified by the internal control structures. No Group Company is registered in the EU transparency register or an equivalent transparency register of a Member State.

Finally, some Group companies are members of trade associations.

G1-6 - Payment practices

The Group is currently not in a position to provide specific details with respect to SMEs, but this information will be made available in the coming years. However, with regard to payment practices towards suppliers, the Group's average payment time is 85 days. Below are the various categories of supply with their payment terms and the percentage of payments complying with these terms:

Supplier category	Payment terms	% payments respecting such terms
Raw materials, ingredients and resold products	30-60 days	90%
Packaging	60-90 days	85%
Maintenance, services and investments	90-120 days	80%

In 2024 there were no ongoing legal proceedings related to late payments.

Annex 1/A: SHARE OF TURNOVER DERIVED FROM PRODUCTS OR SERVICES ASSOCIATED WITH ECONOMIC ACTIVITIES ALIGNED WITH THE TAXONOMY - DISCLOSURE FOR THE YEAR 2024

Financial Year N	*2024*			Substantial contribution criteria						DNSH criteria (Does Not Significantly Harm) (h)									
Economic Activities (1)	Code (a) (2)	Turnover (3)	Proportion of turnover, year N (4)	Climate change mitigation (5)	Climate change adaption (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity (10)	Climate change mitigation (11)	Climate change adaption (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity and ecosystems (16)	Minimum safeguards (17)	Proportion of Taxonomy aligned (A.1.) or eligible (A.2.) turnover, year N-1 (18)	Category (enabling activity) (19)	Category (transitional activity) (20)
		EUR	%	*Yes; No; N/EL (b) (c)*	*Yes; No; N/EL (b) (c)*	*Yes; No; N/EL (b) (c)*	*Yes; No; N/EL (b) (c)*	*Yes; No; N/EL (b) (c)*	*Yes; No; N/EL (b) (c)*	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1 Environmental sustainable activities (taxonomy-aligned)																			
N/A	N/A	€0,00	0,00%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	%		
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)		€0,00	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%								0%		
Of which enabling		€0,00	0,00%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0%	E	
Of which transitional		€0,00	0,00%	N/A						N/A	N/A	N/A	N/A	N/A	N/A	N/A	0%		T
A.2 Taxonomy-Eligible but not environmental sustainable activities (not Taxonomy-aligned activities) (g)																			
				EL; N/EL (f)	*EL; N/EL (f)*	*EL; N/EL (f)*	*EL; N/EL (f)*	*EL; N/EL (f)*	*EL; N/EL (f)*										
N/A	N/A	€0,00	0,00%	N/A	N/A	N/A	N/A	N/A	N/A										
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		€0,00	0,00%	N/A	N/A	N/A	N/A	N/A	N/A								0,00%		
A. Turnover of Taxonomy eligible activities (A.1+A.2)		€0,00	0,0%	N/A	N/A	N/A	N/A	N/A	N/A								0,00%		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
Turnover of Taxonomy-non-eligible activities		1.641.109.000,00 €	100%																
TOTAL		1.641.109.000,00 €																	

	Proportion of turnover/Total turnover	
	Taxonomy-aligned per objective	*Taxonomy-eligible per objective*
CCM	*0%*	*0%*
CCA	*0%*	*0%*
WTR	*0%*	*0%*
CE	*0%*	*0%*
PPC	*0%*	*0%*
BIO	*0%*	*0%*

Annex 1/B: SHARE OF CAPEX DERIVED FROM PRODUCTS OR SERVICES ASSOCIATED WITH ECONOMIC ACTIVITIES ALIGNED WITH THE TAXONOMY - DISCLOSURE FOR THE YEAR 2024

Financial Year N	*2024*			Substantial contribution criteria						DNSH criteria (Does Not Significantly Harm) (h)									
Economic Activities (1)	Code (a) (2)	CapEx (3)	Proportion of CapEx, year N (4)	Climate change mitigation (5)	Climate change adaption (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity (10)	Climate change mitigation (11)	Climate change adaption (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity and ecosystems (16)	Minimum safeguards (17)	Proportion of Taxonomy aligned (A.1.) or eligible (A.2.) CapEx, year N-1 (18)	Category (enabling activity) (19)	Category (transitional activity) (20)
		EUR	%	*Yes; No; N/EL (b) (c)*	*Yes; No; N/EL (b) (c)*	*Yes; No; N/EL (b) (c)*	*Yes; No; N/EL (b) (c)*	*Yes; No; N/EL (b) (c)*	*Yes; No; N/EL (b) (c)*	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1 Environmental sustainable activities (taxonomy-aligned)																			
Installation, maintenance and repair of energy efficiency equipment	7.3 **CCM**/CCA	0,00 €	0,0%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0,01%		
Construction, extension and operation of waste water collection and treatment	5.3 **CCM**/CCA	0,00 €	0,0%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	3,32%		
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		€0,00	0,0%	N/A	N/A	N/A	N/A	N/A	N/A								3,33%		
Of which enabling		€0,00	0,0%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	%	E	
Of which transitional		€0,00	0,0%	N/A						N/A	N/A	N/A	N/A	N/A	N/A	N/A	%		T
A.2 Taxonomy-Eligible but not environmental sustainable activities (not Taxonomy-aligned activities) (g)																			
				EL; N/EL (f)	*EL; N/EL (f)*	*EL; N/EL (f)*	*EL; N/EL (f)*	*EL; N/EL (f)*	*EL; N/EL (f)*										
Installation and operation of electric heat pumps	4.16 **CCM**/CCA	12.400,00 €	0,05%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0,00%		
Production of heat/cool using waste heat	4.25 **CCM**/CCA	1.366.207,98 €	5,16%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0,00%		
Construction, extension and operation of water collection, treatment and supply systems	5.1 **CCM**/CCA	212.156,54 €	0,80%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0,00%		
Construction, extension and operation of waste water collection and treatment	5.3 **CCM**/CCA	78.509,00 €	0,30%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0,15%		
Renovation of existing buildings	7.2 **CCM**/CCA	605.000,00 €	2,28%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0,00%		
Installation, maintenance and repair of energy efficiency equipment	7.3 **CCM**/CCA	664.891,50 €	2,51%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0,86%		
Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)	7.4 **CCM**/CCA	5.299,85 €	0,02%	EL	EL	N/EL	N/EL	N/EL	N/EL								0,11%		
CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		€2.944.464,86	11,12%	%	%	%	%	%	%								1,12%		
A. CapEx of Taxonomy eligible activities (A.1+A.2)		€2.944.464,86	11,12%	%	%	%	%	%	%								4,5%		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
CapEx of Taxonomy-non-eligible activities		€23.544.535,14	88,88%																
TOTAL		€26.489.000,00																	

	Proportion of CapEx/Total CapEx	
	Taxonomy-aligned per objective	*Taxonomy-eligible per objective*
CCM	*0,0%*	*11,12%*
CCA	*0,0%*	*0,0%*
WTR	*0,0%*	*0,0%*
CE	*0,0%*	*0,0%*
PPC	*0,0%*	*0,0%*
BIO	*0,0%*	*0,0%*

Annex 1/C: SHARE OF OPEX DERIVED FROM PRODUCTS OR SERVICES ASSOCIATED WITH ECONOMIC ACTIVITIES ALIGNED WITH THE TAXONOMY – DISCLOSURE FOR THE YEAR 2024

Financial year N	2024			Substantial contribution criteria						DNSH criteria (Does Not Significantly Harm) (h)									
Economic Activities (1)	Code (a) (2)	OpEx (3)	Proportion of OpEx, year N (4)	Climate change mitigation (5)	Climate change adaption (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity (10)	Climate change mitigation (11)	Climate change adaption (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity and ecosystems (16)	Minimum safeguards (17)	Proportion of Taxonomy aligned (A.1.) or eligible (A.2.) OpEx, year N-1 (18)	Category (enabling activity) (19)	Category (transitional activity) (20)
		EUR	%	*Yes; No; N/EL (b) (c)*	*Yes; No; N/EL (b) (c)*	*Yes; No; N/EL (b) (c)*	*Yes; No; N/EL (b) (c)*	*Yes; No; N/EL (b) (c)*	*Yes; No; N/EL (b) (c)*	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1 Environmental sustainable activities (taxonomy-aligned)																			
Construction, extension and operation of water collection, treatment and supply systems	5.1 **CCM**	0,00 €	0,00%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0,00%	N/A	N/A
Construction, extension and operation of waste water collection and treatment	5.3 **CCM**	0,00 €	0,00%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0,02%	N/A	N/A
Installation, maintenance and repair of energy efficiency equipment	7.3 **CCM**	0,00 €	0,00%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0,01%	N/A	N/A
OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		€0,00	0,00%	N/A	N/A	N/A	N/A	N/A	N/A								0,03%		
Of which enabling		€0,00	0,00%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	%	E	
Of which transitional		€0,00	0,00%	N/A						N/A	N/A	N/A	N/A	N/A	N/A	N/A	%		T
A.2 Taxonomy-Eligible but not environmental sustainable activities (not Taxonomy-aligned activities) (g)																			
				EL; N/EL (f)	*EL; N/EL (f)*	*EL; N/EL (f)*	*EL; N/EL (f)*	*EL; N/EL (f)*	*EL; N/EL (f)*										
Installation and operation of electric heat pumps	4.16 **CCM**/CCA	34.004,77 €	0,03%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0,00%		
High-efficiency co-generation of heat/cool and power from fossil gaseous fuels	4.30 **CCM**/CCA	1.086.608,78 €	1,01%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0,00%		
Construction, extension and operation of water collection, treatment and supply systems	5.1 **CCM**/CCA	18.992,00 €	0,02%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0,00%		
Renewal of water collection, treatment and supply systems	5.2 **CCM**/CCA	1.417.607,44 €	1,32%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0,00%		
Construction, extension and operation of waste water collection and treatment	5.3 **CCM**/CCA	494.345,75 €	0,46%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0,02%		
Renewal of waste water collection and treatment	5.4 **CCM**/CCA	6.050,00 €	0,01%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0,00%		
Collection and transport of non-hazardous waste in source segregated fractions	5.5 **CCM**/CCA	0,00 €	0,00%	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL								0,00%		
Anaerobic digestion of bio-waste	5.7 **CCM**/CCA	31.823,00 €	0,03%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0,00%		
Renovation of existing buildings	7.2 **CCM**/CCA/ 3.2 CE	14.156,00 €	0,01%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0,00%		
Installation, maintenance and repair of energy efficiency equipment	7.3 **CCM**/CCA	310.645,08 €	0,29%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0,00%		
Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings	7.5 **CCM**/CCA	4.840,00 €	0,00%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0,00%		
OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		3.419.072,82 €	3,17%	%	%	%	%	%	%								0,03%		
A. OpEx of Taxonomy eligible activities (A.1+A.2)		3.419.072,82 €	3,17%	%	%	%	%	%	%								0,06%		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
OpEx of Taxonomy-non-eligible activities		104.285.927,18 €	96,83%																
TOTAL		107.705.000,00 €																	

	Proportion of OpEx/Total OpEx	
	Taxonomy-aligned per objective	*Taxonomy-eligible per objective*
CCM	*0%*	*3,17%*
CCA	*0%*	*0%*
WTR	*0%*	*0%*
CE	*0%*	*0%*
PPC	*0%*	*0%*
BIO	*0%*	*0%*

Annex 1/D - TEMPLATE 1 - GAS AND NUCLEAR TABLE

Line	Nuclear energy related activities	
1.	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	No
2.	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	No
3.	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	No
	Fossil gas related activities	
4.	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	Yes
5.	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	Yes
6.	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	Yes

Annex 1/E TEMPLATE 4 AND TEMPLATE 5 - GAS AND NUCLEAR

Template 4 - Taxonomy-eligible but not taxonomy-aligned economic activities

Line	Economic activities	Proportion (the information is to be presented in monetary amounts and as percentages) - OpEx					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
1	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	€ 1,086,608.78	31.8%	€ 1,086,608.78	31.8%	€ 0.00	0%
2	**Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity not included in line 1 in the denominator of the applicable KPI**	**€ 2,332,464.04**	**68.2%**	**€ 2,332,464.04**	**68.2%**	**€ 0.00**	**0%**
3	**Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity in the denominator of the applicable KPI**	**€ 3,419,072.82**	**100.0%**	**€ 3,419,072.82**	**100.0%**	**€ 0.00**	**0%**

Template 5 - Taxonomy non-eligible economic activities

Line	Economic activities	Amount	%
1	Amount and proportion of economic activity referred to in row 5 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.30 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	€ 0.00	0%
2	**Amount and proportion of other taxonomy-non-eligible economic activity not included in line 1 in the denominator of the applicable KPI**	€ 100,186,927.18	100%
3	**Total amount and proportion of taxonomy-non-eligible economic activities in the denominator of the applicable KPI'**	**€ 100,186,927.18**	100%

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ESRS	Disclosure Requirements	Document sections	Information deriving from other EU legislative acts as listed in Appendix B, if applicable
BP 1	General basis for preparation of sustainability statements	*ESRS 2 BP-1 - General basis for preparation of the sustainability statements*	
BP 2	Disclosures in relation to specific circumstances	*ESRS 2 BP-2 - Disclosures in relation to specific circumstances*	
GOV 1	The role of the administrative, management and supervisory bodies	*ESRS 2 GOV-1 - The role of the administrative, management and supervisory bodies*	ESRS 2 GOV-1 Board's gender diversity paragraph 21 (d) - SFDR reference: Indicator number 13 of Table #1 of Annex I - Benchmark Regulation reference: Commission Delegated Regulation (EU) 2020/1816, Annex II ESRS 2 GOV-1 Percentage of board members who are independent, paragraph 21 (e) - Benchmark Regulation reference: Delegated Regulation (EU) 2020/1816, Annex II
GOV 2	Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies	*ESRS 2 GOV-2 Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies*	
GOV 3	Integration of sustainability-related performance in incentive schemes	*ESRS 2 GOV-3 Integration of sustainability-related performance in incentive schemes*	
GOV 4	Statement on due diligence	*ESRS 2 GOV-4 Statement on due diligence*	ESRS 2 GOV-4 Statement on due diligence paragraph 30 - SFDR Reference: Indicator number 10 Table #3 of Annex I

ESRS	Disclosure Requirements	Document sections	Information deriving from other EU legislative acts as listed in Appendix B, if applicable
GOV 5	Risk management and internal controls over sustainability reporting	*ESRS 2 GOV-5 Risk management and internal controls over sustainability reporting*	

SBM 1	Strategy, business model and value chain	*ESRS 2 SBM-1 - Strategy, business model and value chain*	ESRS 2 SBM-1 Involvement in activities related to fossil fuel activities paragraph 40 (d) i - SFDR reference: Indicators number 4 Table #1 of Annex I - Pillar 3 reference: Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Table 1: Qualitative information on Environmental risk and Table 2: Qualitative information on Social risk - Benchmark Regulation reference: Commission Delegated Regulation (EU) 2020/1816, Annex II ESRS 2 SBM-1 Involvement in activities related to chemical production paragraph 40 (d) ii - SFDR reference: Indicator number 9 of Table #2 of Annex I - Benchmark Regulation reference: Delegated Regulation (EU) 2020/1816, Annex II ESRS 2 SBM-1 Involvement in activities related to controversial weapons paragraph 40 (d) iii - SFDR reference: Indicator number 14 of Table #1 of Annex I - Benchmark Regulation reference: Delegated Regulation (EU) 2020/1818, Article 12(1) Delegated Regulation (EU) 2020/1816, Annex II ESRS 2 SBM-1 Involvement in activities related to cultivation and production of tobacco paragraph 40 (d) iv - Benchmark Regulation reference: Delegated Regulation (EU) 2020/1818, Article 12(1) Delegated Regulation (EU) 2020/1816, Annex II

ESRS	Disclosure Requirements	Document sections	Information deriving from other EU legislative acts as listed in Appendix B, if applicable
SBM 2	Interests and views of stakeholders	*ESRS 2 SBM-2 - Interests and views of stakeholders*	
SBM 3	Material impacts, risks and opportunities and their interaction with strategy and business model	*ESRS 2 SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model*	ESRS 2- SBM3 - S1 Risk of incidents of forced labour paragraph 14 (f) - SFDR reference: Indicator number 13 Table #3 of Annex I ESRS 2- SBM3 - S1 Risk of incidents of child labour paragraph 14 (g) - SFDR reference: Indicator number 12 Table #3 of Annex I ESRS 2- SBM3 - S2 Significant risk of child labour or forced labour in the value chain paragraph 11 (b) - SFDR reference: Indicator numbers 12 and 13 Table #3 of Annex I
IRO 1	Description of the processes to identify and assess material climate-related impacts, risks and opportunities	*ESRS 2 IRO-1 - Description of the processes to identify and assess material impacts, risks and opportunities* *ESRS 2 IRO-1 – Description of the processes to identify and assess material climate-related impacts, risks and opportunities* *ESRS 2 IRO-1 – Description of the processes to identify and assess material pollution-related impacts, risks and opportunities* *ESRS 2 IRO-1 – Description of the processes to identify and assess material water and marine resources-related impacts, risks and opportunities*	ESRS 2-IRO 1 - E4 paragraph 16 (a) i - SFDR reference: Indicator number 7 Table #1 of Annex I ESRS 2-IRO 1 - E4 paragraph 16 (b) - SFDR reference: Indicator number 10 Table #2 of Annex I ESRS 2-IRO 1 - E4 paragraph 16 (c) - SFDR reference: Indicator number 14 Table #2 of Annex I

ESRS	Disclosure Requirements	Document sections	Information deriving from other EU legislative acts as listed in Appendix B, if applicable
		ESRS 2 IRO-1 – Description of processes to identify and assess material biodiversity and ecosystem-related impacts, risks, dependencies and opportunities *ESRS 2 IRO-1 Description of the processes to identify and assess material resource use and circular economy-related impacts, risks and opportunities*	
IRO 2	Disclosure Requirements in ESRS covered by the undertaking's sustainability statement	*ESRS 2 IRO-2 - Disclosure Requirements in ESRS covered by the undertaking's sustainability statement*	
ESRS E1	E1-1 Transition plan for climate change mitigation	*E1-1 - Transition plan for climate change mitigation*	ESRS E1-1 Transition plan to reach climate neutrality by 2050 paragraph 14 - EU Climate Law reference: Article 2, paragraph 1, of Regulation (EU) 2021/1119 ESRS E1-1 Undertakings excluded from Paris-aligned Benchmarks paragraph 16 (g) - Pillar 3 reference: 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 1: Banking book - Climate Change transition risk: Credit quality of exposures by sector, emissions and residual maturity - Benchmark Regulation reference Article 12.1 (d) to (g), and Article 12.2
	E1-2 Policies related to climate change mitigation and adaptation	*E1-2 - Policies related to climate change mitigation and adaptation*	
	E1-3 Actions and resources in relation to climate change policies	*E1-3 - Actions and resources in relation to climate change policies*	

ESRS	Disclosure Requirements	Document sections	Information deriving from other EU legislative acts as listed in Appendix B, if applicable
	E1-4 Targets related to climate change mitigation and adaptation	*E1-4 - Targets related to climate change mitigation and adaptation*	ESRS E1-4 GHG emission reduction targets paragraph 34 - SFDR reference: Indicators number 4 Table #2 of Annex I - Pillar 3 reference: Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 3: Banking book – Climate change transition risk: alignment metrics - Benchmark Regulation reference: Delegated Regulation (EU) 2020/1818, Article 6
	E1-5 Energy consumption and mix	*E1-5 - Energy consumption and mix*	ESRS E1-5 Energy consumption from fossil sources disaggregated by sources (only high climate impact sectors) paragraph 38 - SFDR reference: Indicator number 5 Table #1 and Indicator n. 5 Table #2 of Annex I ESRS E1-5 Energy consumption and mix paragraph 37 - SFDR reference: Indicator number 5 Table #1 of Annex I ESRS E1-5 Energy intensity associated with activities in high climate impact sectors paragraphs 40 to 43 - SFDR reference: Indicator number 6 Table #1 of Annex I
	E1-6 Gross Scope 1, 2, 3 and Total GHG emissions	*E1-6 - Gross Scopes 1, 2, 3 and Total GHG emissions*	
	E1-7 GHG removals and GHG mitigation projects financed through carbon credits	*E1-7 - GHG removals and GHG mitigation projects financed through carbon credits*	ESRS E1-7 GHG removals and carbon credits paragraph 56 - EU Climate Law reference: Regulation (EU) 2021/1119, Article 2(1)
	E1-8 Internal carbon pricing	*E1-8 - Internal carbon pricing*	
	E1-9 Anticipated financial effects from material physical and transition risks	*Phase-in*	ESRS E1-9 Exposure of the benchmark portfolio to climate-related physical risks paragraph 66

ESRS	Disclosure Requirements	Document sections	Information deriving from other EU legislative acts as listed in Appendix B, if applicable
	and potential climate-related opportunities		- Benchmark Regulation reference: Delegated Regulation (EU) 2020/1818, Annex II Delegated Regulation (EU) 2020/1816, Annex II ESRS E1-9 Disaggregation of monetary amounts by acute and chronic physical risk paragraph 66 (a) ESRS E1-9 Location of significant assets at material physical risk paragraph 66 (c) - Pillar 3 reference: Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 paragraphs 46 and 47; Template 5: Banking book - Climate change physical risk: Exposures subject to physical risk
			ESRS E1-9 Breakdown of the carrying value of its real estate assets by energy-efficiency classes paragraph 67 (c) - Pillar 3 reference: Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 paragraph 34; Template 2: Banking book - Climate change transition risk: Loans collateralised by immovable property - Energy efficiency of the collateral ESRS E1-9 Degree of exposure of the portfolio to climate- related opportunities paragraph 69 - Benchmark Regulation reference: Delegated Regulation (EU) 2020/1818, Annex II
ESRS E2	E2-1 Policies related to pollution	*E2-1 – Policies related to pollution*	
	E2-2 Actions and resources related to pollution	*E2-2 – Actions and resources related to pollution*	
	E2-3 – Targets related to pollution	*E2-3 – Targets related to pollution*	

ESRS	Disclosure Requirements	Document sections	Information deriving from other EU legislative acts as listed in Appendix B, if applicable
	E2-4 – Pollution of air, water and soil	*E2-4 – Pollution of air, water and soil*	ESRS E2-4 Amount of each pollutant listed in Annex II of the E-PRTR Regulation (European Pollutant Release and Transfer Register) emitted to air, water and soil, paragraph 28 - SFDR reference: Indicator number 8 Table #1 of Annex I Indicator number 2 Table #2 of Annex I Indicator number 1 Table #2 of Annex 1 Indicator number 3 Table #2 of Annex I
	E2-5 Substances of concern and substances of very high concern	*E2-5 – Substances of concern and substances of very high concern*	
	E2-6 Anticipated financial effects from pollution-related, risks and opportunities	*Phase-in*	
ESRS E3	E3-1 Policies related to water and marine resources	*E3-1 – Policies related to water and marine resources*	ESRS E3-1 Water and marine resources paragraph 9 - SFDR reference: Indicator number 7 Table #2 of Annex I ESRS E3-1 Dedicated policy paragraph 13 - SFDR reference: Indicator number 8 Table #2 of Annex I ESRS E3-1 Sustainable oceans and seas paragraph 14 - SFDR reference: Indicator number 12 Table #2 of Annex I
	E3-2 Actions and resources related to water and marine resources	*E3-2 – Actions and resources related to water and marine resources*	
	E3-3 Targets related to water and marine resources	*E3-3 – Targets related to water and marine resources*	

ESRS	Disclosure Requirements	Document sections	Information deriving from other EU legislative acts as listed in Appendix B, if applicable
	E3-4 Water consumption	*E3-4 – Water consumption*	ESRS E3-4 Total water recycled and reused paragraph 28 (c) - SFDR reference: Indicator number 6.2 Table #2 of Annex I ESRS E3-4 Total water consumption in m3 per net revenue on own operations paragraph 29 - SFDR reference: Indicator number 6.1 Table #2 of Annex I
	E3-5 Anticipated financial effects from water and marine resources-related impacts, risks and opportunities	*Phase-in*	
ESRS E4	E4-1 Transition plan and consideration of biodiversity and ecosystems in strategy and business model	*E4-1 – Transition plan and consideration of biodiversity and ecosystems in strategy and business model*	
	E4-2 – Policies related to biodiversity and ecosystems	*E4-2 – Policies related to biodiversity and ecosystems*	ESRS E4-2 Sustainable land / agriculture practices or policies paragraph 24 (b) - SFDR reference: Indicator number 11 Table #2 of Annex I ESRS E4-2 Sustainable oceans / seas practices or policies paragraph 24 (c) - SFDR reference: Indicator number 12 Table #2 of Annex I ESRS E4-2 Policies to address deforestation paragraph 24 (d) - SFDR reference: Indicator number 15 Table #2 of Annex I
	E4-3 – Actions and resources related to biodiversity and ecosystems	*E4-3 – Actions and resources related to biodiversity and ecosystems*	
	E4-4 – Targets related to biodiversity and ecosystems	*E4-4 – Targets related to biodiversity and ecosystems*	

ESRS	Disclosure Requirements	Document sections	Information deriving from other EU legislative acts as listed in Appendix B, if applicable
	E4-5 – Impact metrics related to biodiversity and ecosystems change	*E4-5 – Impact metrics related to biodiversity and ecosystems change*	
	E4-6 Anticipated financial effects from biodiversity and ecosystem-related risks and opportunities	*Phase-in*	
ESRS E5	E5-1 Policies related to resource use and circular economy	*E5-1 – Policies related to resource use and circular economy*	
	E5-2 Actions and resources related to resource use and circular economy	*E5-2 – Actions and resources related to resource use and circular economy*	
	E5-3 Targets related to resource use and circular economy	*E5-3 – Targets related to resource use and circular economy*	
	E5-4 Resource inflows	*E5-4 – Resource inflows*	
	E5-5 Resource outflows	*E5-5 – Resource outflows*	ESRS E5-5 Non-recycled waste paragraph 37 (d) - SFDR reference: Indicator number 13 Table #2 of Annex I ESRS E5-5 Hazardous waste and radioactive waste paragraph 39 - SFDR reference: Indicator number 9 Table #1 of Annex I
	E5-6 Anticipated financial effects from resource use and circular economy-related impacts, risks and opportunities	*Phase-in*	

ESRS	Disclosure Requirements	Document sections	Information deriving from other EU legislative acts as listed in Appendix B, if applicable
ESRS S1	S1-1 – Policies related to own workforce	*S1-1 – Policies related to own workforce*	ESRS S1-1 Human rights policy commitments paragraph 20 - SFDR reference: Indicator number 9 Table #3 and Indicator number 11 Table #1 of Annex I ESRS S1-1 Due diligence policies on issues addressed by the fundamental International Labour Organisation Conventions 1 to 8, paragraph 21 - Benchmark Regulation reference: Commission Delegated Regulation (EU) 2020/1816, Annex II ESRS S1-1 processes and measures for preventing trafficking in human beings paragraph 22 - SFDR reference: Indicator number 11 Table #3 of Annex I ESRS S1-1 workplace accident prevention policy or management system paragraph 23 - SFDR reference: Indicator number 1 Table #3 of Annex I
	S1-2 Processes for engaging with own workers and workers' representatives about impacts	*S1-2 – Processes for engaging with own workforce and workers' representatives about impacts*	
	S1-3 Processes to remediate negative impacts and channels for own workforce to raise concerns	*S1-3 – Processes to remediate negative impacts and channels for own workforce to raise concerns*	ESRS S1-3 Grievance/complaints handling mechanisms paragraph 32 (c) - SFDR reference: Indicator number 5 Table #3 of Annex I
	S1-4 – Taking action on material impacts on own workforce, and approaches to mitigating material risks and pursuing material opportunities	*S1-4 Taking action on material impacts on own workforce, and approaches to managing material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions*	

ESRS	Disclosure Requirements	Document sections	Information deriving from other EU legislative acts as listed in Appendix B, if applicable
	related to own workforce, and effectiveness of those actions		
	S1-5 Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	*S1-5 Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities*	
	S1-6 – Characteristics of the undertaking's employees	*S1-6 – Characteristics of the undertaking's employees*	
	S1-7 Characteristics of non-employees in the undertaking's own workforce	*Phase-in*	
	S1-8 Collective bargaining coverage and social dialogue	*S1-8 – Collective bargaining coverage and social dialogue*	
	S1-9 Diversity metrics	*S1-9 – Diversity metrics*	
	S1-10 Adequate wages	*S1-10 – Adequate wages*	
	S1-11 Social protection	*Phase-in*	
	S1-12 Persons with disabilities	*Phase-in*	
	S1-13 Training and skills development metrics	*Phase-in*	
	S1-14 Health and safety metrics	*S1-14 – Health and safety metrics*	ESRS S1-14 Number of fatalities and number and rate of work-related accidents paragraph 88 (b) and (c) - SFDR reference: Indicator number 2 of Table #3 of Annex I

ESRS	Disclosure Requirements	Document sections	Information deriving from other EU legislative acts as listed in Appendix B, if applicable
			- Benchmark Regulation reference: Commission Delegated Regulation (EU) 2020/1816, Annex II ESRS S1-14 Number of days lost to injuries, accidents, fatalities or illness paragraph 88 (e) - SFDR reference: Indicator number 3 Table #3 of Annex I
	S1-15 Work-life balance metrics	*Phase-in*	
	S1-16 – Compensation metrics (pay gap and total compensation)	*S1-16 – Remuneration metrics (pay gap and total remuneration)*	ESRS S1-16 Unadjusted gender pay gap paragraph 97 (a) - SFDR reference: Indicator number 12 Table #1 of Annex I - Benchmark Regulation reference: Commission Delegated Regulation (EU) 2020/1816, Annex II
	S1-17 – Incidents, complaints and severe human rights impacts	*S1-17 – Incidents, complaints and severe human rights impacts*	ESRS S1-17 Incidents of discrimination paragraph 103 (a) - SFDR reference: Indicator number 7 Table #3 of Annex I
			ESRS S1-17 Non-respect of UNGPs on Business and Human Rights and OECD paragraph 104 (a) - SFDR reference: Indicator number 10 Table #1 and Indicator n. 14 Table #3 of Annex I - Benchmark Regulation reference: Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818 Art 12 (1)
ESRS S2	S2-1 Policies related to value chain workers	*S2-1 – Policies related to value chain workers*	ESRS S2-1 Human rights policy commitments paragraph 17 - SFDR reference: Indicator number 9 Table #3 and Indicator number 11 Table #1 of Annex I ESRS S2-1 Policies related to value chain workers paragraph 18 - SFDR reference: Indicator numbers 11 and 4 Table #3 of Annex I

ESRS	Disclosure Requirements	Document sections	Information deriving from other EU legislative acts as listed in Appendix B, if applicable
			ESRS S2-1 Non-respect of UNGPs on Business and Human Rights principles and OECD guidelines - SFDR reference: Indicator number 10 Table #1 of Annex I - Benchmark Regulation reference: Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818 Art 12 (1) ESRS S2-1 Due diligence policies on issues addressed by the fundamental International Labour Organisation Conventions 1 to 8, paragraph 19 - Benchmark Regulation reference: Commission Delegated Regulation (EU) 2020/1816, Annex II
	S2-2 Processes for engaging with value chain workers about impacts	*S2-2 – Processes for engaging with value chain workers about impacts*	
	S2-3 Processes to remediate negative impacts and channels for value chain workers to raise concerns	*S2-3 – Processes to remediate negative impacts and channels for value chain workers to raise concerns*	
	S2-4 Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those actions	*S2-4 – Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those actions*	
	S2-5 Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	*S2-5 – Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities*	

ESRS	Disclosure Requirements	Document sections	Information deriving from other EU legislative acts as listed in Appendix B, if applicable
ESRS S3	S3-1 Policies related to affected communities	*S3-1 – Policies related to affected communities*	ESRS S3-1 Human rights policy commitments paragraph 16 - SFDR reference: Indicator number 9 Table #3 and Indicator number 11 Table #1 of Annex I ESRS S3-1 Non-respect of UNGPs on Business and Human Rights, ILO principles or and OECD guidelines paragraph 17 - SFDR reference: Indicator number 10 Table #1 of Annex I - Benchmark Regulation reference: Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818 Art 12 (1)
	S3-2 Processes for engaging with affected communities about impacts	*S3-2 – Processes for engaging with affected communities about impacts*	
	S3-3 Processes to remediate negative impacts and channels for affected communities to raise concerns	*S3-3 – Processes to remediate negative impacts and channels for affected communities to raise concerns*	
	S3-4 Taking action on material impacts on affected communities, and approaches to managing material risks and pursuing material opportunities related to affected communities, and effectiveness of those actions	*S3-4 – Taking action on material impacts on affected communities, and approaches to managing material risks and pursuing material opportunities related to affected communities, and effectiveness of those actions*	ESRS S3-4 Human rights issues and incidents paragraph 36 - SFDR reference: Indicator number 14 Table #3 of Annex I
	S3-5 Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	*S3-5 – Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities*	

ESRS	Disclosure Requirements	Document sections	Information deriving from other EU legislative acts as listed in Appendix B, if applicable
ESRS S4	S4-1 Policies related to consumers and end-users	*S4-1 – Policies related to consumers and end-users*	ESRS S4-1 Policies related to consumers and end-users paragraph 16 - SFDR reference: Indicator number 9 Table #3 and Indicator number 11 Table #1 of Annex I ESRS S4-1 Non-respect of UNGPs on Business and Human Rights principles and OECD guidelines paragraph 17 - SFDR reference: Indicator number 10 Table #1 of Annex I - Benchmark Regulation reference: Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818 Art 12 (1)
	S4-2 Processes for engaging with consumers and end-users about impacts	*S4-2 – Processes for engaging with consumers and end-users about impacts*	
	S4-3 Processes to remediate negative impacts and channels for consumers and end-users to raise concerns	*S4-3 – Processes to remediate negative impacts and channels for consumers and end-users to raise concerns*	
	S4-4 Taking action on material impacts on consumers and end-users, and approaches to managing material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of those actions	*S4-4 – Taking action on material impacts on consumers and end- users, and approaches to managing material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of those actions*	ESRS S4-4 Human rights issues and incidents paragraph 35 - SFDR reference: Indicator number 14 Table #3 of Annex I
	S4-5 Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	*S4-5 – Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities*	

ESRS	**Disclosure Requirements**	**Document sections**	**Information deriving from other EU legislative acts as listed in Appendix B, if applicable**
ESRS G1	G1-1 Corporate culture and business conduct policies and corporate culture	*G1-1 – Corporate culture and business conduct policies and corporate culture*	ESRS G1-1 United Nations Convention against Corruption paragraph 10 (b) - SFDR reference: Indicator number 15 Table #3 of Annex I ESRS G1-1 Protection of whistle- blowers paragraph 10 (d) - SFDR reference: Indicator number 6 Table #3 of Annex I
	G1-2 Management of relationships with suppliers	*G1-2 – Management of relationships with suppliers*	
	G1-3 Prevention and detection of corruption and bribery	*G1-3 – Prevention and detection of corruption and bribery*	
	G1-4 Confirmed incidents of corruption or bribery	*G1-4 – Incidents of corruption or bribery*	ESRS G1-4 Fines for violation of anti-corruption and anti-bribery laws paragraph 24 (a) - SFDR reference: Indicator number 17 of Table #3 of Annex I - Benchmark Regulation reference: Delegated Regulation (EU) 2020/1816, Annex II ESRS G1-4 Standards of anti- corruption and anti- bribery paragraph 24 (b) - SFDR reference: Indicator number 16 Table #3 of Annex I
	G1-5 Political influence and lobbying activities	*G1-5 – Political influence and lobbying activities*	
	G1-6 Payment practices	*G1-6 – Payment practices*	

Certification of sustainability reporting pursuant to art. 81-ter, paragraph 1, of Consob Regulation no. 11971 of 14 May 1999 and subsequent amendments and additions

The undersigned Angelo Mastrolia, in his capacity as Chairman of the Board of Directors and Rocco Sergi, in his capacity as Manager responsible for preparing accounting and corporate documents, of the Newlat Food' Group, certify pursuant to art. 154-bis, paragraph 5-ter, of Legislative Decree no. 58 of 24 February 1998, that the sustainability reporting included in the management report has been prepared:

a) in accordance with the reporting standards applied pursuant to Directive 2013/34/EU of the European Parliament and of the Council of 26 June 2013 and Legislative Decree no. 125 of 6 September 2024;

b) with the specifications adopted pursuant to Article 8, paragraph 4, of Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020.

Reggio Emilia, 17 March 2025.

The Chairman of the

Board of Directors

Angelo Mastrolia

The Manager in charge

of preparing the corporate accounting documents

Rocco Sergi

Independent auditor's limited assurance report on the consolidated sustainability report

in accordance with article 14-bis of Legislative Decree No. 39 of 27 January 2010

To the shareholders of Newlat Food SpA

Conclusion

In accordance with articles 8 and 18, paragraph 1, of Legislative Decree No. 125 of 6 September 2024 (hereinafter also the "Decree"), we have undertaken a limited assurance engagement on the consolidated sustainability report of the Newlat Food Group (hereinafter also the "Group") for the year ended 31 December 2024 prepared in accordance with article 4 of the Decree, presented in the specific section of the consolidated report on operations.

Based on the procedures performed, nothing has come to our attention that causes us to believe that:

- the consolidated sustainability report of the Newlat Food Group for the year ended 31 December 2024 is not prepared, in all material respects, in accordance with the reporting criteria adopted by the European Commission pursuant to Directive (EU) 2013/34/UE (*European Sustainability Reporting Standards*, hereinafter also the "ESRS");
- the information set out in paragraph "Disclosures pursuant to Article 8 of Regulation (EU) 2020/852" of the consolidated sustainability report is not prepared, in all material respects, in accordance with article 8 of Regulation (UE) No. 852 of 18 June 2020 (hereinafter also the "Taxonomy Regulation").

Basis for conclusion

We conducted our limited assurance engagement in accordance with the Standard on Sustainability Assurance Engagements - SSAE (Italia). The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Our responsibilities under this Standard are further described in the Auditor's Responsibilities for the Limited Assurance Conclusion on the Consolidated Sustainability Report section of this report.

We are independent in accordance with the principles of ethics and independence applicable to assurance engagements on consolidated sustainability reporting under Italian law.

Our firm applies International Standard on Quality Management 1 (ISQM Italia 1), which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable

PricewaterhouseCoopers SpA

Sede legale: **Milano** 20145 Piazza Tre Torri 2 Tel. 02 77851 Fax 02 7785240 Capitale Sociale Euro 6.890.000,00 i.v. C.F. e P.IVA e Reg. Imprese Milano Monza Brianza Lodi 12979880155 Iscritta al n° 119644 del Registro dei Revisori Legali - Altri Uffici: **Ancona** 60131 Via Sandro Totti 1 Tel. 071 2132311 - **Bari** 70122 Via Abate Gimma 72 Tel. 080 5640211 - **Bergamo** 24121 Largo Belotti 5 Tel. 035 229691 - **Bologna** 40124 Via Luigi Carlo Farini 12 Tel. 051 6186211 - **Brescia** 25121 Viale Duca d'Aosta 28 Tel. 030 3697501 - **Catania** 95129 Corso Italia 302 Tel. 095 7532311 - **Firenze** 50121 Viale Gramsci 15 Tel. 055 2482811 - **Genova** 16121 Piazza Piccapietra 9 Tel. 010 29041 - **Napoli** 80121 Via dei Mille 16 Tel. 081 36181 - **Padova** 35138 Via Vicenza 4 Tel. 049 873481 - **Palermo** 90141 Via Marchese Ugo 60 Tel. 091 349737 - **Parma** 43121 Viale Tanara 20/A Tel. 0521 275911 - **Pescara** 65127 Piazza Ettore Troilo 8 Tel. 085 4545711 - **Roma** 00154 Largo Fochetti 29 Tel. 06 570251 - **Torino** 10122 Corso Palestro 10 Tel. 011 556771 - **Trento** 38122 Viale della Costituzione 33 Tel. 0461 237004 - **Treviso** 31100 Viale Felissent 90 Tel. 0422 696911 - **Trieste** 34125 Via Cesare Battisti 18 Tel. 040 3480781 - **Udine** 33100 Via Poscolle 43 Tel. 0432 25789 - **Varese** 21100 Via Albuzzi 43 Tel. 0332 285039 - **Verona** 37135 Via Francia 21/C Tel. 045 8263001 - **Vicenza** 36100 Piazza Pontelandolfo 9 Tel. 0444 393311

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legal and regulatory requirements.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Other matters - Comparative information

The consolidated sustainability report for the year ended 31 December 2024 contains, in the specific section "Disclosures pursuant to Article 8 of Regulation (EU) 2020/852", the comparative information referred to in article 8 of the Taxonomy Regulation in relation to the year ended 31 December 2023, which was not subjected to any assurance procedures.

Responsibilities of the directors and the board of statutory auditors of Newlat Food SpA for the consolidated sustainability report

The directors are responsible for developing and implementing the procedures adopted to identify the information included in the consolidated sustainability report in accordance with the provisions of the ESRS (hereinafter the "materiality assessment process") and for describing those procedures in the "ESRS 2 IRO-1 - Description of the processes to identify and assess material impacts, risks and opportunities" of the consolidated sustainability report.

The directors are also responsible for preparing the consolidated sustainability report, which contains the information identified through the materiality assessment process, in accordance with the provisions of article 4 of the Decree, including:

- its compliance with the ESRS;
- its compliance with article 8 of the Taxonomy Regulation of the information set out in paragraph "Disclosures pursuant to Article 8 of Regulation (EU) 2020/852".

That responsibility involves designing, implementing and maintaining, in the terms prescribed by law, such internal control as they determine is necessary to enable the preparation of a consolidated sustainability report in accordance with article 4 of the Decree that is free from material misstatement, whether due to fraud or error. That responsibility also involves selecting and applying appropriate methods for processing the information, as well as developing hypotheses and estimates about specific items of sustainability information that are reasonable in the circumstances.

The board of statutory auditors is responsible for overseeing, in the terms prescribed by law, compliance with the Decree.

Inherent limitations in the preparation of the consolidated sustainability report

For the purpose of reporting forward-looking information in accordance with ESRS, the directors are required to prepare such information on the basis of assumptions, described in the consolidated Sustainability Report, about future events and possible future actions by the Company. Because of the uncertainty connected with any future event, in terms both of occurrence and of the extent and timing of occurrence, variances between actual results and forward-looking information may be significant.

The disclosure about Scope 3 emissions is subject to greater inherent limitations compared with Scope 1 and 2 emissions, because of the poor availability and relative accuracy of the information used to define both qualitative and quantitative information on Scope 3 emissions related to the value chain.

Auditor's responsibilities for the limited assurance conclusion on the consolidated sustainability report

Our objectives are to plan and perform procedures to obtain limited assurance about whether the consolidated sustainability report is free from material misstatement, whether due to fraud or error, and to issue a limited assurance report that contains our conclusion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users taken on the basis of the consolidated sustainability report.

As part of our engagement designed to achieve limited assurance in accordance with the Standard on Sustainability Assurance Engagements - SSAE (Italia), we exercised professional judgement and maintained professional scepticism throughout the engagement.

Our responsibilities include:

- Performing risk assessment procedures to identify the disclosures where a material misstatement, whether due to fraud or error, is likely to arise;
- Designing and performing procedures to verify the disclosures where a material misstatement is likely to arise. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Directing, supervising and performing a limited assurance engagement on the consolidated sustainability report and assuming full responsibility for the conclusion on the consolidated sustainability report.

Summary of the work performed

An engagement designed to obtain limited assurance involves performing procedures to obtain evidence as a basis for our conclusion.

The procedures performed were based on our professional judgement and included inquiries, primarily of personnel of Newlat Food SpA responsible for the preparation of the information presented in the consolidated sustainability report, analyses of documents, recalculations and other procedures designed to obtain evidence considered useful.

We performed the following main procedures:

- We understood the Group's business model and strategies, and the environment in which it operates with reference to sustainability issues;
- We understood the processes underlying the generation, collection and management of the qualitative and quantitative information included in the consolidated sustainability report;
- We understood the process implemented by the Group to identify and assess the material impacts, risks and opportunities, in accordance with the double materiality principle, related to sustainability issues and, based on the information thus obtained, we considered whether any contradictory items emerged that could point to the existence of sustainability issues not considered by the Company in the materiality assessment process;
- We identified the disclosures where a material misstatement is likely to arise;
- We defined and performed procedures, based on our professional judgement, to address the risks of material misstatement identified;
- We understood the process implemented by the Group to identify the eligible economic activities and to determine whether they are aligned in accordance with the provisions of the Taxonomy Regulation, and we verified the related disclosures in the consolidated sustainability report;

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- We reconciled the information reported in the consolidated sustainability report with the information reported in the consolidated financial statements in accordance with the applicable financial reporting framework, or with the accounting information used for the preparation of the consolidated financial statements, or with management accounting information;
- We verified the structure and presentation of disclosures included in the consolidated sustainability report in accordance with the ESRS;
- We obtained management's representation letter.

Milan, 31 March 2025

PricewaterhouseCoopers SpA

Signed by

Davide Abramo Busnach

(Partner)

This report has been translated from the Italian original solely for the convenience of international readers.

REPORT ON CORPORATE GOVERNANCE AND OWNERSHIP STRUCTURE

in accordance with article 123-bis of the TUF

(traditional administration and control model)

Issuer: Newlat Food S.p.A.
Website: www.newlat.it
Year to which the Report refers: 2024
Date of approval of the report: 17 March 2025

GLOSSARY

Shareholders' Meeting: the Shareholders' Meeting of the Issuer.

CLI: Centrale del Latte d'Italia S.p.A.

Corporate Governance Code: the Corporate Governance Code for listed companies approved by the Corporate Governance Committee and published on 31 January 2020.

Civil Code: the Italian Civil Code.

Corporate Governance Committee: the Italian Committee for the Corporate Governance of Listed Companies, constituted by Borsa Italiana S.p.A., ABI, Ania, Assogestioni, Assonime and Confindustria.

Board of Directors: the Issuer's Board of Directors.

Issuer/Newlat/Company: the issuer of transferable securities to which the Report refers.

Financial Year: the 2024 financial year the Report refers to.

Newlat Group or Group: jointly the Issuer and the companies directly and/or indirectly controlled by it pursuant to article 2359 of the Italian Civil Code and article 93 of the TUF.

Consob Issuers' Regulation: the Regulation issued by Consob with Resolution no. 11971 of 1999 (as subsequently amended) on issuers.

Consob Markets Regulation: the Regulation issued by Consob with Resolution no. 20249 of 2017 on markets.

Consob Related Parties Regulation: the Regulation issued by Consob with Resolution no.17221 of 12 March 2010 (as subsequently amended) on related party transactions.

Report: the report on corporate governance and ownership structure that companies are required to draw up pursuant to article 123-bis of the Consolidated Law on Finance.

Remuneration Report: the report on remuneration policy and compensation paid that companies are required to prepare and publish pursuant to article 123-ter of the Consolidated Law on Finance and 84-quater Consob Issuers' Regulation.

Consolidated Law on Finance/TUF: Italian Legislative Decree no. 58 of 24 February 1998.

Unless otherwise specified, the definitions of the Corporate Governance Code relating to **Directors, Executive Directors, Independent Directors, Chief Executive Officer (CEO), Board of Statutory Auditors, Business Plan and Sustainable Success** are also to be understood by reference.

Moreover, unless otherwise specified, in the sections that refer to the content of the relevant ESRSs, the definitions of the ESRSs themselves must also be understood as referring by reference, in particular those relating to: **lobbying, value chain, affected communities, bribery and corruption, corporate culture, consumers, sustainability statement, employee, discrimination, suppliers, own workforce, impacts, sustainability-related impacts, workers in the value chain, non-employee workers, independent**

board members, metrics, business model, harassment, target, opportunities, sustainability-related opportunities, boards of directors management and control, policy, indigent peoples, stakeholders, sustainability matters, materiality, risks, sustainability-related risks, end-users.

ISSUER PROFILE

Issuer's corporate mission

The Issuer is at the head of the Newlat Group, an important player in the Italian and European agri-food sector, with a strong position in its domestic market and a significant presence in the German market, and the English market as well. The Newlat Group is mainly active in the fields of pasta, bakery products, dairy products, specialty products, in particular health & wellness, gluten free, baby products, instant products, dessert and cake mixes, bakery mixes and desserts, as well as products related to the world of tinned vegetables, tuna, oil, beverages and tomatoes. The Group's products are marketed through numerous trademarks, many of which are known nationally and internationally.

The Newlat Group has grown over the years thanks to the implementation of organic growth policies, but, above all, thanks to external growth, having perfected over the last 10 years multiple acquisitions from leading national and international counterparties in the agri-food sector.

To manufacture its products, the Newlat Group currently relies on 31 production facilities, including 16 sites in Italy, 1 in Germany, 10 in the UK, 1 in France and 2 in Mauritius.

The Newlat Group's product range is divided into the following business units: (i) Pasta; (ii) Milk Products; (iii) Dairy Products; (iv) Bakery Products; (v) Special Products (gluten-free products; low-protein products and products for infants and children up to 3 years of age); (vi) Instant Noodles & bakery mixes (soups, various ready meal dishes and dessert preparations), (vii) Foods (canned legumes); (viii) Drinks (juices and non-alcoholic beverages); (ix) Fish (tuna and other canned fish); (x) Italian Products (canned tomatoes); (xi) Oils (all types of oil, including vegetable oils); and (xii) Other Products (such as sauces, salads and cured meats). In addition to products marketed under its own brands, Newlat produces for third parties and for the private label market.

The Newlat Group’s mission is to pursue the well-being of the consumer by producing healthy, high-quality products at affordable prices, promoting the best of Italian tradition and leveraging an international production and trade platform.

The Newlat Group's vision is to purvey "Made in Italy" brands that are representative of healthy food and that enjoy worldwide distribution, and to act as a consolidating player in the agri-food sector. The activity of the Newlat Group also relies on the following reference values: healthy foods and solid business.

On 29 October 2019 (the "Trading Start Date"), the Issuer was admitted to trading on the STAR segment of the MTA (now ESM - Euronext Star Milan) with the ticker symbol NWL.

On 30 March 2020, Newlat Group S.A., the parent company of Newlat Food S.p.A., entered into a purchase and sale agreement, as the buyer, with Finanziaria Centrale del Latte di Torino S.p.A., Lavia – Partnership, Luigi Luzzati, Marco Fausto Luzzati, Carla Luzzati and Sylvia Loew, as the sellers, under which Newlat Group S.A. purchased 6,473,122 ordinary shares of Centrale del Latte d'Italia S.p.A., representing 46.24% of the share capital and voting rights, against the payment, for every three CLI shares subject to purchase and sale, of a total consideration of Euro 3.00 and 1 ordinary share of Newlat Food held by Newlat Group S.A., corresponding to a unit price for each share subject to purchase and sale of Euro 1.00 and 0.33 Newlat Food ordinary shares. The transaction allowed the sellers to become shareholders of Newlat Food S.p.A. with a total shareholding of 5.30% before the future share capital increase the public purchase and exchange offer.

The operation was not subject to any conditions precedent. Newlat Group S.A. and the sellers executed the purchase and sale agreement on 1 April 2020.

Newlat Group S.A. assigned to Newlat Food S.p.A. the shares subject to purchase and sale that were purchased by Newlat Group S.A. within the meaning of the aforementioned agreement, as well as an additional 187,120 ordinary shares of Centrale del Latte d'Italia S.p.A., representing 1.34% of share capital already held by Newlat Group, for a total of 6,660,242 ordinary shares, representing 47.57% of the share capital under the same financial terms as the agreement entered into with the previous sellers and, therefore, against payment of a cash consideration by Newlat Food.

As a result of the acquisition of the interest in Centrale del Latte d'Italia S.p.A., Newlat Food launched a mandatory public purchase and exchange offer (the "PPEO") on the remaining ordinary shares, pursuant to and in accordance with applicable law, at the same consideration paid to Newlat Group S.A. (as well as the same consideration paid by Newlat Group S.A. to the sellers) and, therefore, equal to 0.33 newly issued Newlat Food ordinary shares and Euro 1 for each Centrale del Latte d'Italia S.p.A. ordinary share attached to the PPEO.

Newlat Food S.p.A.'s subscription offer to the shareholders of Centrale del Latte d'Italia S.p.A. finished at the end of July 2020. Based on these results, 2,803,460 ordinary Centrale del Latte d'Italia S.p.A. shares were signed up to the offer, accounting for 20.02% of CLI's share capital and 38.19% of the ordinary shares targeted by the offer. Also taking into account the 6,660,242 ordinary Centrale del Latte d'Italia S.p.A. shares making up the offeror's existing majority stake, the final results show that at 30 July 2020, Newlat Food S.p.A. owned a total of 9,463,702 ordinary Centrale del Latte d'Italia S.p.A. shares, equal to 67.59% of its share capital. Newlat Food S.p.A. paid to each shareholder who took up the offer a consideration of Euro 1 and 0.33 newly issued ordinary Newlat Food S.p.A. shares, which resulted from the share capital increase approved by Newlat's Shareholders' Meeting on 25 June 2020. Payment of the consideration for the shares that were signed up to the offer during the take-up period took place on 31 July 2020.

On 1 February 2021, the Board of Directors of Newlat S.p.A. approved the issue of an unrated, unsecured, non-convertible and non-subordinated senior bond for a minimum value of Euro 150 million and a maximum of Euro 200 million. The duration of the bond is set at six years from the date of issue.

On 19 February 2021 a bond was successfully issued, called "Up to € 200,000,000 Senior Unsecured Fixed Rate Notes due February 2027" at an interest rate of 2.625%.

On 4 August 2021 a contract was stipulated with Speedboat Acquisitionco Limited, as the seller, for the purchase of 100% of the ordinary shares and voting rights of the Symington's Group (consisting of Symington's Limited, Symington's Limited (Holding) and Symington's Australia PTY Limited) for a consideration of GBP 53 million, equal to Euro 62.13 million.

Not being subject to any conditions precedent, the operation involved the purchase of the shares on the same date of 4 August 2021.

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. (now Princes France 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. (now Princes France S.A.S.), after the workers' council of EM Foods S.A.S. (now

Princes France S.A.S.) formally consented to the sale to Newlat Food. The transaction was closed on 2 January 2023.

With the acquisition of EM Foods S.A.S. (now Princes France S.A.S.), 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. (now Princes France S.A.S.).

On 27 May 2024, Newlat entered into an agreement (the “Agreement”) to acquire 100% of the share capital of Princes Limited (hereinafter also referred to as "Princes" and, together with its subsidiaries, the "Princes Limited Group") held by Mitsubishi Corporation, the closing of which was subject to the receipt of antitrust approvals from the relevant authorities and consultation with the European and Dutch works councils within the Princes Limited Group.

On 30 July 2024, following the fulfilment of all conditions precedent on 12 July 2024, the Company announced the completion of the transaction, and thus the acquisition of the entire share capital of Princes.

On the same date of 30 July 2024, in accordance with the terms of the Agreement, Newlat Group sold 9,319,841 shares in the Company, representing 21.2% of the Issuer's capital, to Mitsubishi Corporation in return for payment by the latter of a cash amount of GBP 50 million. On 12 February 2025, the Senior Unsecured Fixed Rate Notes due February 2031 were successfully issued at an interest rate of 4.75%.

Adopted corporate governance system

The Issuer's corporate governance system reflects the articles of association approved on 8 July 2019 by the Extraordinary Shareholders' Meeting of the Company in order to adjust the Issuer's corporate governance system following the start of trading of shares on Euronext Star Milan, as last amended on 25 June 2020 by the Extraordinary Shareholders' Meeting of the Company due to the share capital increase, approved at the same meeting (the "Articles of Association").

The Company's corporate governance system is consistent with the principles contained in the Corporate Governance Code, which the Company has applied since the 2021 financial year, informing the market in this Report.

The Company is organised according to the traditional model featuring the Shareholders' Meeting, Board of Directors and Board of Statutory Auditors. The characteristics of these bodies are provided below in the dedicated parts of the Report.

On 8 July 2019, the Issuer’s Ordinary Shareholders' Meeting awarded the audit firm PricewaterhouseCoopers S.p.A. ("PwC") the assignment to audit the accounts (including the audit of the regular keeping of the accounts, as well as the proper recording of operations in the accounting records) for the 2019-2027 financial years, for the Issuer's financial statements and the Newlat Group's consolidated financial statements. Also by resolution of 8 July 2019, the Issuer's Ordinary Shareholders' Meeting appointed PwC to carry out a limited audit of the Newlat Group's condensed consolidated half-year financial statements for the six-month periods as at 30 June 2020 - 2027.

As defined in article 2497 et seq. of the Italian Civil Code, the Issuer is subject to the management and control of Newlat Group S.A. For more information on this management and control, please refer to paragraph 2 (l) of the Report.

Note that the Shareholders' Meeting called to approve the financial statements for the year ending 31 December 2024 (with the consequent expiry of the terms of office of the Board of Directors and the Board of Statutory Auditors) will also be convened in extraordinary session to approve the adoption of a one-tier administration and control system pursuant to Article 2409-sexiesdecies of the Italian Civil Code and the consequent amendments to the articles of association, effective as at the date of expiry of the corporate bodies that will be appointed by the same Shareholders' Meeting in ordinary session.

Sustainable success

The Issuer pays particular attention to sustainable development issues in environmental, social and governance terms. During the 2024 financial year the implementation of activities aimed at pursuing sustainable success continued.

In order to create long-term value for the benefit of its shareholders, taking into account the interests of the Company's relevant stakeholders, Newlat has maintained an ongoing dialogue with these parties, taking care to concretely incorporate their input by launching a stakeholder engagement plan.

In order to pursue the objective set, the Issuer (i) has identified an internal management committee made up of the structures mainly involved in sustainable development with the task of supporting the Board of Directors; (ii) has updated the materiality matrix that defines priorities in terms of impact on ESG issues; (iii) has included quantitative and qualitative ESG KPIs in its remuneration policy alongside the original purely financial indicators; (iv) has strengthened the internal control and risk management system by updating the ERM model to include ESG risks.

By incorporating performance objectives that are not only financial in nature, Newlat pays concrete attention to the environmental and social role of its business, which, among other goals, aims to manage its impacts on stakeholders.

Moreover, since the first year of listing the Company has been preparing the Non-Financial Statement pursuant to Italian Legislative Decree no. 254/16, which illustrates – to the extent necessary to ensure an understanding of the company's operations – its performance, its results and the impact it has produced, environmental, social and personnel issues, respect for human rights and the fight against active and passive corruption. From the 2024 financial year, the company prepares the Consolidated Sustainability Statement pursuant to Italian Legislative Decree no. 125/24, which replaces the previously mentioned document in accordance with the EU "CSRD" Directive. This document also incorporates the outcome of a screening exercise performed on so-called Taxonomy-eligible and Taxonomy-aligned activities under Regulation EU 2020/852.

As detailed in the following sections of this Report, sustainable success is pursued by the Company through long-term value creation for the benefit of shareholders, taking into account the interests of other relevant stakeholders. Specifically, the following text details (i) how this objective is integrated into strategies (Section 4.1), remuneration policies (Section 8) and the internal control and risk management system (Section 9).

Nature of SMEs

For the purposes of Article 1, paragraph 1, letter w- quater .1) of the TUF,[50] "SME" refers to: "... the small and medium enterprises that are issuers of listed shares and that have a market capitalisation of less than Euro 1 billion. The issuers of listed shares that have exceeded that limit for three consecutive years are not considered SMEs".

The market capitalisation of the Issuer as at 31 December 2024 was Euro 560,611,238. In consideration of the above, the Issuer falls within the aforementioned definition of "SMEs" for all purposes envisaged by current legislation.

Finally, the Issuer qualifies as a company with concentrated ownership.

[50] Text currently in force (see art. 44-bis of Legislative Decree no. 76 of 16.7.2020, converted by Law no. 120 of 11.9.2020 which abolished the turnover parameter).

INFORMATION ON PROPRIETARY ASSETS (pursuant to article 123-bis, paragraph 1 of the TUF) as at 17 March 2025

Share capital structure (pursuant to article 123-bis, paragraph 1, letter a) of the TUF)

As of the date of the Report, the share capital was subscribed and paid in for Euro 43,935,050.00 (forty-three million nine hundred thirty-five thousand fifty/00), divided into 43,935,050 ordinary shares with no indication of par value, corresponding to 68,665,050 total voting rights due to the vesting of the increased voting right as per letter d) below.

On 8 July 2019, the Issuer's Extraordinary Shareholders' Meeting approved a paid capital increase entailing a share split, excluding the option rights, pursuant to and for the purposes of article 2441, paragraph five, of the Italian Civil Code, to be executed in one or more tranches, before 31 December 2020, for a maximum amount of Euro 200,000,000, including any premium, by issuing a maximum number of 23,000,000 ordinary shares without an indication of par value, a maximum number set by the Board of Directors according to their issue price, to be offered as part of the private placement of the shares deriving from this capital increase, reserved for institutional investors,[51] essential to the Listing.

The capital increase described above was carried out in the amount of Euro 13,780,482 by issuance of 13,780,482 shares, as per the declarations pursuant to article 2444 of the Italian Civil Code, filed with the Reggio Emilia Register of Companies on 29 October 2019 and 29 November 2019 respectively.

Subsequently, on 25 June 2020 the Extraordinary Shareholders' Meeting of the Company resolved on a new capital increase to serve the full mandatory public purchase and exchange offer announced by the Company on 1 April 2020 and concerning all CLI shares, less those already held by the Issuer.

Specifically, the Company approved a dissoluble paid-in capital increase excluding the option right pursuant to art. 2441, fourth paragraph, first sentence of the Italian Civil Code, to be executed on one or more occasions and also in several tranches, for a maximum amount, including a premium, of Euro 24,080,032, and more precisely for a maximum amount of Euro 4,666,673 in addition to a maximum premium of Euro 19,413,359, through the issue of a maximum number of 4,666,673 ordinary shares without the indication of par value, having regular dividend rights and the same characteristics as ordinary shares already in circulation, at an issue price per share of Euro 5.16 (charged for Euro 1 in capital and Euro 4.16 in premium), by 31 December 2020 by means of a contribution in kind (i) of 6,660,242 ordinary shares of CLI by Newlat Group S.A.; and (ii) of CLI ordinary shares subject to the PPEO.

The capital increase was carried out in two tranches in the amount of Euro 3,154,568 by issuance of 3,154,568 shares, as per the declarations pursuant to article 2444 of the Italian Civil Code, filed with the Reggio Emilia Register of Companies on 31 July 2020 and 6 August 2020 respectively.

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[51] Qualified investors as defined in article 34-ter, paragraph 1, letter b) of the Issuers Regulation and foreign institutional investors within the meaning of Regulation S of the United States Securities Act of 1933, as subsequently amended, with the exception of investors in the United States of America, Australia, Canada, Japan and any other country in which the offer of financial instruments is not permitted without authorisation by the competent authorities.

Restrictions on the transfer of securities (pursuant to article 123-bis, paragraph 1, letter b) of the TUF)

There is no restriction on the free transfer of the Issuer's shares nor any limitation on their possession, nor are there any approval clauses for access to Newlat's ownership structure, pursuant to the law or the Articles of Association.

Significant shareholdings (pursuant to article 123-bis, paragraph 1, letter c) of the TUF)

On the basis of the information available at the date of this Report, shareholders that hold stakes equal to or greater than 5% of the voting capital, directly and/or indirectly, including through intermediaries, trustees and subsidiaries, are shown in the following table:

Declarant	Direct shareholder	% share of ordinary capital	% share of voting capital
Angelo Mastrolia	Newlat Group S.A.	41.14%	58.25%
Mitsubishi Corporation	Mitsubishi Corporation	14.38%	10.20%
Helikon Inv.	Helikon Inv.	9.53%	6.76%

Securities conferring special rights (pursuant to article 123-bis, paragraph 1, letter d) of the TUF)

At the date of the Report there are no securities conferring special rights of control.

Pursuant to the provisions of Article 127-quinquies of the TUF and in accordance with Art. 44 of the Consolidated Act on Post Trading, as amended by Consob and the Bank of Italy Order of 10 October 2022, each share gives the right to double voting rights (i.e. two votes for each share) if the share is owned by the same person by virtue of a right in rem legitimating the exercise of voting rights (full ownership with voting rights or bare ownership with voting rights or usufruct with voting rights) for a continuous period of at least 36 months from the date of its registration in the list established for this purpose (the "List"), kept by the Company, in compliance with applicable laws and regulations.

The Company shall register and update the List on a quarterly basis or whenever dictated by sector regulations and, in any case, by the record date for the Shareholders' Meeting, provided that the allotment conditions of the previous paragraph have occurred before said record date.

The increase of voting rights is also calculated for the purposes of determining constituent and deliberative quorums that refer to portions of share capital, but it does not affect the non-voting rights due by virtue of the possession of certain portions of share capital.

Employee ownership: mechanism for exercising voting rights (pursuant to article 123-bis, paragraph 1, letter e) of the TUF)

The Articles of Association make no special provision for the exercise of employees' voting rights.

Restrictions on voting rights (pursuant to article 123-bis, paragraph 1, letter f) of the TUF)

There are no special provisions in the Articles of Association that restrict or limit voting rights or separate the financial rights attached to securities from their ownership.

Shareholder agreements (pursuant to article 123-bis, paragraph 1, letter g) of the TUF)

At the date of the Report, the Issuer is not aware of any shareholder agreements pertaining to the Shares within the meaning of article 122 of the TUF.

Change of control clauses (pursuant to article 123-bis, paragraph 1, letter h) of the TUF) and Articles of Association provisions on takeover bids (pursuant to articles 104, paragraph 1-ter and 104-bis, paragraph 1 of the TUF)

Change of control clauses

On 7 July 2020, CLI entered into a loan agreement with MPS Capital Services Banca per le Imprese S.p.A. and Deutsche Bank S.p.A. (the "Loan Agreement") for a maximum amount of Euro 31,500,000.00 at the Euribor rate increased by a margin of 175 basis points, to be repaid within 72 months from the date of signing the agreement. The Company granted the aforementioned lending banks a first-demand personal guarantee for the maximum total amount equal to the principal amount of the loan, as well as the related interest, charges and other accessories. Under the Loan Agreement, in the event of a change of control,[52] CLI shall repay the loan in full, pay interest, as well as any other amount due to the banks no later than 15 working days from such event.

Provisions on takeover bids in the articles of association

The Articles of Association do not derogate from the passivity rule provisions referred to in article 104, paragraph 1 and 1-bis of the TUF, nor do they make provision for application of the neutralisation rules referred to in article 104-bis, paragraphs 2 and 3, of the TUF.

Powers to increase the share capital and authorisations to purchase treasury shares (pursuant to article 123-bis, paragraph 1, letter m) of the TUF)

Increase the share capital

Pursuant to the Articles of Association, the Shareholders' Meeting, by means of a special resolution adopted in an extraordinary session, may grant the Board of Directors the power, pursuant to article 2443 of the Italian Civil Code, to increase the capital on one or more occasions up to a specified amount and for a maximum period of 5 (five) years from the date of the resolution, also excluding the option right. The capital increase

[52] There is a "change of control" under the Loan Agreement if (i) the Company ceases at any time to hold control of CLI or in any case a shareholding of at least 50% + 1 of CLI's voting share capital, or (ii) Angelo Mastrolia ceases at any time to hold the position of Chairman of CLI's Board of Directors.

resolution adopted by the Board of Directors in execution of this delegation of power must be recorded in the minutes drawn up by the Notary.

Without prejudice to the other cases of exclusion or limitation of the option right provided for by applicable laws and regulations, in paid capital increase resolutions, the option right may be excluded up to a maximum of 10% (ten per cent) of the existing share capital, provided that the issue price corresponds to the market value of the shares and this is confirmed in a special report by an independent auditor or an external audit firm pursuant to article 2441, paragraph 4 of the Italian Civil Code.

The Articles of Association provide that the Company may issue equity instruments, in compliance with the provisions of law.

At the date of the Report, the Board of Directors was delegated neither to increase the share capital pursuant to article 2443 of the Civil Code nor to issue equity instruments.

Authorisations to purchase treasury shares

Pursuant to article 2357 and following of the Italian Civil Code, as well as the combined provisions of article 132 TUF and article 144-bis of Consob Issuers' Regulation no. 11971/99, and in any case in any other manner allowed under applicable laws and regulations, the Ordinary Shareholders' Meeting convened on 29 April 2024 authorised the purchase of one or more tranches of common shares of Newlat Food S.p.A. up to a maximum number that, taking into account treasury shares held from time to time in the portfolio by the Company and its subsidiaries, does not in the aggregate exceed one-fifth of the Company's share capital as defined in article 2357, section 3, of the Italian Civil Code, or any other maximum amount envisaged by the laws in force at any given time. The authorisation to purchase treasury shares is aimed at providing the Company with a stock of treasury shares at its disposal, using, selling them at any time, in full or in part, on one or more occasions and with no time limits, as part of extraordinary transactions such as, among others, swaps, contributions, exchanges, corporate and/or financial transactions of an extraordinary nature on the capital or even financing transactions and operations of an extraordinary nature such as, among others, mergers or similar, sales and acquisition projects and/or future industrial projects in line with the Company's corporate development strategy, as well as in the context of exchange and/or sale of share packages and/or for the conclusion of commercial and/or strategic alliances or for other uses deemed of financial and/or management interest to the Company as well as to proceed with any acts of disposal of treasury shares acquired also to allow to seize the opportunities for maximising the value that may derive from operations, and therefore also for trading.

The authorisation has a duration of 18 months from the date of the resolution of the Ordinary Shareholders' Meeting.

As at 31 December 2024, the Company had 137,063 treasury shares.

At the date of the Report, the Company owned 238,239 treasury shares, accounting for 0.64% of share capital and 0.46% in terms of voting rights.

As of 31 December 2024, the subsidiary Centrale del Latte d'Italia S.p.A. held 771,204 treasury shares.

Management and control activities (pursuant to articles 2497 et seq. of the Italian Civil Code)

The Issuer is subject to management and control activities by Newlat Group S.A. pursuant to article 2497 et seq. of the Italian Civil Code.

* * *

Note also that the information required by article 123-bis, paragraph 1, letter i) ("agreements between companies and directors...providing for indemnities in the event of resignation or dismissal without just cause or if their employment relationship ceases following a takeover bid") is contained in the section of this Report dedicated to remuneration (Section 8).

The information required by article 123-bis, paragraph 1, letter l), first part ("rules applicable to the replacement of directors...if different from and additional to the applicable legislative and regulatory provisions") are illustrated in the section of this Report on the Board of Directors (Sec. 4.2).

Finally, the information required by art. 123-bis, paragraph 1, letter l), second part ("the rules applicable...to the amendment of the articles of association, if different from and additional to the applicable legislative and regulatory provisions") are illustrated in the section of the Report on the Shareholders' Meeting (Sec. 13).

COMPLIANCE (pursuant to article 123-bis, paragraph 2, letter a), first part, of the TUF)

The Issuer has acceded to the Corporate Governance Code, applying it from 2021, which is available to the public on Borsa Italiana's website (https://www.borsaitaliana.it/comitato-corporate-governance/codice/2020.pdf).

In accordance with the "comply or explain" principle underlying the Corporate Governance Code and in line with EU Recommendation no. 208/2014, this Report gives an account of the recommendations which the Company has not presently decided to comply with in part or in full.

Neither the Issuer nor its subsidiaries are subject to non-Italian legal provisions that influence the Issuer's corporate governance structure.

BOARD OF DIRECTORS

In this Section 4 reference shall be made to the provisions of the articles of association in force at the date of the Report and to the situation existing up to the end of 2024, unless otherwise indicated. Please refer to section 1 "Issuer Profile" on the proposal to adopt a one-tier governance system pursuant to Article 2409-sexiesdecies of the Italian Civil Code, which will be submitted to the Issuer's next Extraordinary Shareholders' Meeting.

ROLE OF THE BOARD OF DIRECTORS

The Board of Directors:

- Guides the Company pursuing its sustainable success: (i) By implementing a strategy incorporating environmental, social and governance elements, (ii) including qualitative ESG KPIs in the remuneration policies; (iii) strengthening the internal control and risk management system by assessing, monitoring and managing ESG risks.
- Defines its own strategies and those of the Group aimed at the pursuit of sustainable success by conducting a materiality analysis for ESG issues to identify the main risks and opportunities based on the impacts on its stakeholders and identifying ways to manage these, constantly monitoring their proper implementation.
- Defines the system of corporate governance that is most suitable for carrying out the company's operations and pursuing its strategies.
- Promotes dialogue with shareholders and stakeholders relevant to the Company through the organisation of and/or participation in workshops and specially organised one-to-one meetings with shareholders, investors, analysts and other stakeholders, aimed at understanding market demands and their suggestions in order to create value in the long term.

Pursuant to article 16 of the Articles of Association, the Board of Directors is vested with all powers for the ordinary and extraordinary management of the Company.

The Board of Directors is responsible, without prejudice to the limits of the law and without the power of delegation, for decisions relating to: a) mergers and demergers, in the cases referred to in articles 2505 and 2505-bis of the Civil Code, also as referred to in article 2506-ter of the Civil Code; b) the establishment and closure of branches; c) which directors can formally represent the company; d) possible capital reductions should one or more shareholders withdraw; e) bringing the articles of association into line with legal and regulatory provisions; f) the transfer of the registered office within Italy; g) the issuance of bonds within the limits provided for by applicable laws and regulations.

The Board of Directors also:

- reviews and approves the strategic, industrial and financial plans of the Company and the Group, regularly monitoring their implementation;
- defines the Issuer's corporate governance system and the Group's structure;

- defines the nature and level of risk compatible with the Company's strategic objectives, including in its assessments all risks that may become significant in terms of sustainability in the medium to long term;
- assesses the overall operational performance, taking into account, in particular, the information received from the delegated bodies, as well as periodically comparing the results achieved with targets;
- assesses the adequacy of the organisational, administrative and accounting structure of the Issuer as well as that of strategically important subsidiaries, with particular reference to the Internal Control and Risk Management System (ICRMS);
- establishes the frequency with which the delegated bodies must report to the Board on the activity carried out when exercising the powers conferred on them;
- assesses the overall operational performance, taking into account, in particular, the information received from the delegated bodies, as well as periodically comparing the results achieved with targets;
- decides on the operations of the Issuer and its subsidiaries, where such operations are strategic or of significant importance to the Issuer's results, assets and liabilities and cash flows;
- performs an evaluation of the functioning of the Board and its committees and of their size and composition, taking into account, inter alia, elements such as the professional characteristics and experience (managerial or otherwise) of the members, as well as their gender and seniority with an eye on diversity criteria;
- adopts, in order to ensure proper management of corporate information and as recommended by the Chief Executive Officer or the Chair of the Board of Directors, a procedure for the internal management and external disclosure of documents and information concerning the Issuer, with particular reference to inside information.

In 2023 the Board of Directors did not deem it necessary or appropriate to develop justified proposals to be submitted to the Shareholders' Meeting for the definition of a corporate governance system that is more functional to the company's needs, as better described in Section 13.

The Board of Directors adopted a policy for the management of dialogue with the general public, which is described in Section 12.

For a detailed description of the roles and responsibilities of the administration, management and supervisory bodies, including for sustainability matters, see the paragraph GOV-1 Role of the administration, management and supervisory bodies and the paragraph GOV-2 Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies, of the Consolidated Sustainability Statement pursuant to Italian Legislative Decree no. 125/24.

APPOINTMENTS AND REPLACEMENTS (pursuant to article 123-bis, paragraph 1, letter l) of the TUF)

Appointments

The Articles of Association, in compliance with the provisions of article 147-ter of the TUF, provide for the slate voting mechanism to be used for appointing directors.

The Company is administered by a Board of Directors with no fewer than 3 (three) members and no more than 15 (fifteen).

The appointment of the Board of Directors is resolved by the Ordinary Shareholders' Meeting on the basis of slates submitted by shareholders, in accordance with the procedure described below, without prejudice to other mandatory laws and regulations.

Shareholders who, at the time, hold – either individually or together with other submitting shareholders – a stake at least equal to the share determined from time to time by Consob pursuant to the applicable laws and regulations, are entitled to submit the slates. Ownership of the minimum stake is determined in relation to shares that are registered to the shareholder on the day when the slate is submitted to the Company, it being understood that the relevant certification may be produced between submission and the deadline for publication of the slate.

Each shareholder, the shareholders adhering to a shareholders' agreement pursuant to article 122 of the TUF, the parent company, subsidiaries, joint ventures and the other entities between which there is a direct or indirect link, pursuant to applicable laws and regulations, may submit – or contribute to the submission, even through an intermediary or trust company – and vote for only one slate.

Each candidate may appear on only one slate under penalty of ineligibility.

Each slate shall bear the names, marked with a sequential number, of no more than 15 (fifteen) candidates.

Each slate must include at least some candidates - in accordance with the provisions of applicable legislation - who meet the independence requirements prescribed by applicable laws or regulations (including the market regulations of Borsa Italiana S.p.A.), indicating them separately and placing one of them at the top of the list.

For the period of application of applicable laws and regulations on gender balance, each slate that presents a number of candidates equal to or greater than 3 (three) must include candidates of both genders, at least in the minimum proportion required by applicable laws and regulations.

The following must be filed when the slates are submitted:

- Information on the shareholders who have submitted the list, including their stake.
- A declaration by shareholders other than those who hold, even jointly, a controlling interest or a relative majority, certifying the absence of any direct or indirect link, within the meaning of applicable laws and regulations, with the latter.
- The curriculum vitae of the candidates and a statement in which each candidate declares, under his or her own responsibility, that there are no grounds for ineligibility and incompatibility and that he or she fulfils the conditions for appointment.

- Information on candidates and indication of any eligibility to qualify as an independent director in accordance with applicable legislation and with the codes of conduct on corporate governance adopted by the Company.
- A declaration from each candidate accepting their candidacy.
- Any other additional or different declaration, information and/or document required by applicable laws and regulations.

The slates are filed by the deadlines set out in applicable laws and regulations, as indicated in the notice of convocation at the Company's registered office or also communicated remotely, and made available to the public under the terms and conditions set out in applicable laws and regulations.

Any slate that fails to comply with the above provisions shall be deemed not to have been submitted.

Each person entitled to vote may vote for only one slate. Each shareholder votes for a particular slate and therefore all the candidates indicated therein, without the possibility of variations or exclusions.

Candidates will be appointed from the slates that have obtained the highest number of votes according to the following criteria:

- From the slate that has obtained the highest number of votes ("Majority Slate"), all directors to be elected minus one shall be drawn in the progressive order in which they were listed.
- From the second slate that has obtained the highest number of votes and that is not even indirectly connected with the shareholders who have submitted, or with those who have voted, the Minority Slate ("Minority Slate"), a director is drawn, in the person of the candidate indicated with the first number on said slate.

If votes are tied between lists, the Shareholders' Meeting, using the majorities specified in law, will vote again solely on the tied slates, with the list obtaining the highest number of votes during this second vote prevailing.

If the above methods fail to produce a Board of Directors that complies with provisions on independence requirements, the following procedure is followed: the candidate who does not meet the independent director requirements established by applicable laws and regulations and was elected last sequentially from the Majority Slate will be replaced by the first candidate sequentially from the same slate who does meet said requirements. If this procedure should also fail to ensure the necessary number of directors who meet the independence requirements established by applicable laws and regulations, candidates who do meet said requirements will be presented and the Shareholders' Meeting shall choose replacements using the majorities specified in law.

If the above methods fail to produce a Board of Directors that complies with provisions on gender balance, the candidates of the most represented gender elected last sequentially from the Majority Slate are replaced with the first unelected candidates of the other gender who appear on the same slate; where this is not possible, in order to ensure compliance with the aforementioned provisions on gender balance, the Shareholders' Meeting shall appoint the missing directors using the methods and majorities specified by law, without application of the slate vote.

In any case, slates that have not obtained a percentage of votes equal to at least half of that required for their submission will not be taken into account.

If only one slate has been submitted, the Shareholders' Meeting will vote on it and if it obtains a relative majority, the candidates listed will be elected as directors in sequential order, up to the number set by the Shareholders' Meeting, without prejudice to the obligation to appoint a number of directors who are independent pursuant to article 147-ter of the TUF equal to the minimum number established by the Articles of Association and by applicable laws and regulations, and to comply with the rules on gender balance, where applicable. If the minimum number of independent and least-represented-gender directors established by the Articles of Association and by current laws and regulations is not elected, the Shareholders' Meeting will replace the directors with the lowest sequential number who do not fulfil the relevant requirements with the subsequent candidates from the same slate who do. If applying this process fails to identify suitable replacements, the Shareholders' Meeting will hold another vote using the majorities specified by law. In this case, replacements will be made starting with the candidates with the lowest sequential number.

If the number of candidates in the Majority Slate and the Minority Slate is lower than the number of Directors to be elected, the remaining directors shall be elected by the Shareholders' Meeting with the majorities provided for by law, without prejudice to the obligation of the Shareholders' Meeting to appoint a number of independent and least-represented gender directors that is not less than the minimum established by the Articles of Association and by applicable laws and regulations. All directors will be appointed using the same methods and majorities even if no slate is submitted.

Replacement

Pursuant to article 15 of the Articles of Association, should the legal or regulatory requirements for the office of a director, including the requirement for independence, no longer be met, this shall entail the forfeiture of the office.

In addition, should the office of one more directors be terminated for any reason, they are replaced freely in accordance with the provisions of article 2386 of the Italian Civil Code, choosing where possible from the candidates originally presented on the same slate as the outgoing director who have re-affirmed their candidacy, without prejudice to the obligation to maintain the minimum number of independent directors pursuant to article 147-ter of the TUF established by the Articles of Association and by law, and to the obligation to maintain gender balance according to applicable laws and regulations.

Note that in addition to the provisions of the law, of the Consolidated Law on Finance, of the Instructions to the Regulations of Markets Organised and Managed by Borsa Italiana S.p.A. (for issuers with the STAR status) and the provisions of the Articles of Association and the Corporate Governance Code, the Issuer need not comply with other requirements on the composition of the Board of Directors.

With regard to information on the role of the Board of Directors and the Board Committees in the processes of self-assessment, appointment and succession of directors, please refer to Section 7.

COMPOSITION (pursuant to article 123-bis, paragraph 2, letters d) and d-bis) of the TUF)

The Board of Directors is composed of 3 (three) executive directors and 4 (four) non-executive directors, all of whom have the expertise and skills appropriate to the tasks entrusted to them.

The number and skills of non-executive directors are such as to ensure that they have a significant say in the passing of board resolutions and to guarantee effective monitoring of management. The Board of Directors consists of 3 (three) independent non-executive directors. The Issuer's Board of Directors in office on the date of this Report comprises seven members, as resolved by the Issuer's Ordinary Shareholders' Meeting on 28 April 2022.

The Board of Directors will remain in office for a period of three years, until approval of the financial statements for the year ending 31 December 2024.

The table below displays the composition of the Issuer's Board of Directors as of the date of this Report.

Name and surname	Position	Place and date of birth
Angelo Mastrolia	Chair of the Board of Directors and Director (**)	Campagna (SA), 5 December 1964
Giuseppe Mastrolia	Chief Executive Officer and Director (**)	Battipaglia (SA), 11 February 1989
Stefano Cometto	Chief Executive Officer and Director (**)	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

(*) Independent director pursuant to the combined provisions of articles 147-ter, paragraph 4 and 148, paragraph 3 of the Consolidated Law on Finance and article 2 of the Corporate Governance Code.
(**) Executive Director.
(***) Non-executive director.

Below is a summary of the personal and professional characteristics of the members of the Board of Directors.

Angelo Mastrolia – born in Campagna (SA) on 5 December 1964, he obtained his diploma in surveying in 1982 and attended the Faculty of Law at the University of Salerno. His entrepreneurial activity began in the 1980s in the milk and milk-based products sector, taking on the role of manager in the family company Piana del Sele Latteria S.p.A. After a stint in the leasing and real estate and industrial investments sectors, and in the supply of furnishings for luxury boats, in 2004, through the company TMT Finance SA (now Newlat Group), he began a series of acquisitions in the food & beverage sector, including the acquisition of Industrie Alimentari Molisane S.r.l., a producer of Pezzullo, Corticella and Guacci pasta, and in 2008 the acquisition of Newlat S.p.A. by Parmalat S.p.A., following approval from the antitrust authority. Following the acquisition of Newlat, in his role as controlling shareholder and Executive Chairman Angelo Mastrolia continued to ensure that the Newlat Group consolidated and grew in the domestic and international food & beverage sector, including through the acquisitions of the Birkel and Drei Glocken brands, the production plant at Ozzano Taro, the Delverde company in 2019, Centrale del Latte d'Italia S.p.A. in 2020, in 2021 of the English company Symington's Ltd, and finally in 2022 of the French company EM Foods S.A.S. (now Princes France S.A.S.) and then in 2024 of the Princes Group, through the acquisition of 100% of the share capital of Princes Limited.

Giuseppe Mastrolia – born in Battipaglia (SA) on 11 February 1989, he obtained his diploma in accounting in 2007 from the Kennedy Institute of Battipaglia (SA), and since 2008 he has been a member of the Issuer's Board of Directors and held the positions of Chief Commercial Officer and Chief Executive Officer (with responsibility for Sales & Marketing). As of April 2020, he also holds the position of Deputy-Chair of the Board of Directors of the subsidiary Centrale del Latte d'Italia S.p.A. and, as of August 2021, he is CEO of the English subsidiary Symington's Ltd, and from 2022 he holds the position of Managing Director of the French subsidiary EM Foods S.A.S. (now Princes France S.A.S.) and, since 2024 he has been entrusted with the positions of Director of Princes Limited, Deputy-Chair of the Board of Directors of Princes Italia S.p.A. and Director of Princes Tuna (Mauritius) Limited (all companies belonging to the Newlat Group).

Stefano Cometto – born in Monza on 25 September 1972, he received his Law degree from the University of Bologna in 1998 and obtained his Doctorate in Law from Nebrija University in Madrid in 2013. From 1998 to 1999 he was Lieutenant in the Finance Police. From 1999 to 2000 he was an internal lawyer in the credit department of San Paolo IMI S.p.A., and from 2000 to 2001 he was an employment lawyer for Unicredit S.p.A. (at the time, Rolo Banca 1473). From 2001 to 2007 he worked at Confindustria as an official in charge of industrial and trade union relations, as well as a legal adviser for trade unions. In 2008 he joined the Newlat Group, where he is the Issuer's Chief Executive Officer and Chief Operating Officer. As of April 2020, he joined the Board of Directors of the subsidiary Centrale del Latte d'Italia S.p.A., where – as of July 2022 – he was appointed Chief Executive Officer. As from 2024 he holds the position of Chief Executive Officer of Princes Italia S.p.A.

Benedetta Mastrolia – born in Rome on 18 October 1995, she earned a BA in Economics and Business from the University of London in 2017 and an MA in Corporate Finance from City, University of London's Cass Business School in 2018. In 2014 she joined the Issuer's Board of Directors. In April 2020 she joined the Board of Directors of the subsidiary Centrale del Latte d'Italia S.p.A., and in August 2021 she became Director of the English subsidiary Symington's Ltd. Since 2024 she has held the positions of Director of Princes Italia S.p.A. and Princes Limited, where she also holds the position of Company Secretary.

Maria Cristina Zoppo – born in Turin on 14 November 1971, she obtained her degree in Economics and Business from the University of Turin in 1995. Since 1999 she has been enrolled in the Register of Accounting Professionals of Ivrea, Pinerolo and Turin, as well as in the Register of Statutory Auditors. From 1996 to 2015 she served as a consultant and executive manager at the Turin office of Studio Pirola, Pennuto, Zei & Associati. She is currently a Partner at BDO Tax & Legal S.r.l. professional studio, a member of the BDO international network of auditing and consulting firms and Partner of BDO Italia S.p.A. Since 2016, she has held the position of Independent Director and member of the Management Control Committee of Banca Intesa Sanpaolo S.p.A., and since 2022 she has held the position of Standing Auditor of Michelin Italiana S.A.M.I. S.p.A. and since 2023 she has held the position of Chair of the Board of Statutory Auditors of Schoeller Allibert S.p.A.

Valentina Montanari – born in Milan on 20 March 1967, she obtained her degree in Economics and Business from the State University of Pavia in 1991. Since 1995 she has been enrolled in the Register of the Order of Chartered Accountants of Milan and worked as an auditor at the Register of the Ministry of Justice. In 1996 she obtained a Master's Degree in Management and Financial Policy and in 1997 she obtained a Master's Degree in Corporate Finance, both from SDA Bocconi. She has built up significant experience as chief financial officer of listed Italian groups and as an independent director. From 2003 to 2013 she worked at RCS MediaGroup S.p.A., working as, among other things, director of several companies belonging to the group, group director of administration and taxation and Group CFO. From 2012 to 2013 she was Group

CFO at Gefran S.p.A. and from 2013 to 2016 she held the same position at Il Sole 24 Ore S.p.A. From 2017 to 2018 she served as Group CFO of AC Milan, from 2016 to 2021 she served as Independent Director in Cerved Group. Since January 2013 she has held the position of Independent Director in Mediolanum Gestione Fondi SGR p.A., and since October 2021 she has been a member of the Control, Risk and Sustainability Committee in the same company. From 2019 to 2022, she held the position of Group CFO and Financial Reporting Officer at FNM Group S.p.A. Finally, from January 2023 she held the position of CFO at DRI D'Italia S.p.A. Furthermore, since 2022 she has been a member of the Board of Directors of the University of Pavia, since July 2022 she has been a Director in the Fondazione Italia per il Dono (FIDO), and finally since December 2022 she has been a Director in Impresa Sangalli Giancarlo, as well as independent Director, Lead Independent Director, Chair of the Control, Risk and Sustainability Committee and member of the Committee for Transactions with Related Parties of SECO S.p.A.

Eric Sandrin – born in Saint-Amand-Montrond on 13 August 1964, he obtained a degree in Political Science from the Institut d'études politiques in Paris in 1985, a Master’s degree (DEA) in private law from Paris XII University (Paris-Est Créteil) in 1990 and a Master's degree from Cornell Law School in 1994. In 1990 he began his career as a lawyer at the Cleary Gottlieb law firm in New York. From 2000 to 2008 he was general counsel art General Electric, before performing the same role at Atos Origin from 2008 to 2011. In 2011 he joined the SCOR Group, holding the position of general counsel until 2014. Since 2014 he has been general counsel at the Kering Group.

Please refer to Table 2 in the appendix for more details on the composition of the Board of Directors.

For a detailed description of the composition and diversity of the administration, management and supervisory bodies, also with regard to skills and capacities on sustainability matters, see the paragraph GOV-1 The role of the administration, management and supervisory bodies of the Consolidated Sustainability Statement pursuant to Italian Legislative Decree no. 125/24.

Diversity criteria and policies in Board composition and corporate organisation

The Company has adopted a diversity policy with respect to the composition of the management and administrative bodies with regard to aspects such as age, gender and educational and professional background, available at https://corporate.newlat.it.

The objective of this policy is to identify the optimal qualitative and quantitative composition of the Board of Directors in terms of the number of members, which must be adequate to the size and complexity of the Company's organisational structure, as well as in terms of diversified skills and profiles with expertise appropriate to the role to be filled.

Specifically, the policy sets certain objectives regarding the qualitative and quantitative composition of the Board of Directors, namely:

- In terms of quantity, the number of members must be appropriate to the size and complexity of the Company's organisational structure, in order to ensure an adequate balance of the skills and experience required by the Company's business.
- In terms of quality, in order to guarantee the correct performance of the functions of responsibility, the members of the Board of Directors must:

- Be fully aware of the tasks they are called upon to perform and the responsibilities that may arise.
- Have professional skills appropriate to the role to be filled, including in board committees, and calibrated with respect to the characteristics of the Company.
- Have diverse skills and experience, appropriately distributed among the members of the body.

Furthermore, this policy sets out the criteria for qualifying as independent and, in order to pursue the Company's strategic objectives, illustrates the diversification both in terms of skills and in terms of gender, age, length of service and experience that the members of Newlat's Board of Directors must have.

For a detailed description of the diversity of the members of the administrative, management and supervisory bodies, see paragraph GOV-1 The role of the administrative, management and supervisory bodies and paragraph S1-1 - Policies related to own workforce in the Consolidated Sustainability Statement pursuant to Italian Legislative Decree no. 125/24.

Maximum number of positions held in other companies

In the same Policy on the Composition of the Board of Directors referred to in the previous point, the Company has also defined, in order to ensure the effective performance of the office of director, that the number of directorships and auditing appointments in other companies may not exceed 3 (three) in companies listed on regulated markets (in Italy or abroad) or in financial, banking, insurance or large companies.

For the purposes of the calculation of such positions, no account shall be taken of any positions held by Newlat Food directors in Group companies. Positions held in more than one company belonging to the same group are considered as a single office, with the executive office taking precedence over the non-executive position.

OPERATION OF THE BOARD OF DIRECTORS (pursuant to article 123-bis, paragraph 2, letter d) of the TUF)

On 10 September 2021 Newlat approved the rules of the Board of Directors, which include the rules for the operation of the Board itself and its committees, including how to record minutes of meetings and procedures for submitting information to directors.

Specifically, minutes are to be taken by the Secretary, who is entitled to make audio recordings of the meetings to facilitate the taking of minutes, or by the Notary in the cases envisaged by current law.

Following the meeting, a draft of the minutes is sent to all directors and auditors for comments and observations, which are then collected by the Corporate & Legal Affairs function.

The final text of the minutes is transcribed in the register of meetings and resolutions of the Board of Directors by the competent company structures and is signed by the Chair and the Secretary.

With regard to the effective management of pre-meeting information, the Board of Directors has established that the documentation supporting the items on the agenda of each meeting must be sent to the directors and statutory auditors sufficiently in advance, as a rule no later than the second day prior to the date set for the meeting, except in cases of urgency in which the documentation is made available as soon as possible. The Company points out that the aforementioned deadline for the submission of pre-meeting documents has always been met.

Pursuant to article 17 of the Articles of Association, the Board of Directors is validly constituted with the presence of a majority of its serving members and validly resolves by absolute majority of the directors present. In the event of a tie, the vote of the Chair of the Board of Directors prevails.

Pursuant to article 19 of the Articles of Association, the Board of Directors may delegate, within the limits provided for by current laws and regulations, some of its responsibilities to an executive committee composed of some of its members or to one or more of its members, and determine their powers and, after consulting the Board of Statutory Auditors, their remuneration. The Board of Directors may also set up internal committees with advisory and recommendatory functions, and determine their powers partly in order to ensure that the corporate governance system conforms to codes of conduct adopted by the Company.

The Board of Directors may also appoint General Managers and special attorneys for certain acts or categories of acts, and assign their respective powers.

The Board of Directors appoints a Financial Reporting Officer, subject to the mandatory but non-binding opinion of the Board of Statutory Auditors, and can remove said officer if necessary. The Board of Directors, pursuant to article 154-bis, paragraph 4 of the TUF, ensures that the Financial Reporting Officer has adequate means and powers to carry out the tasks assigned to them by law, and that there is compliance with administrative and accounting procedures.

Pursuant to article 17 of the Articles of Association, the Chair of the Board of Directors convenes and chairs board meetings, sets the agenda and coordinates its work.

Convocation takes place using any and all suitable means in consideration of notice times, sent as a rule at least 5 (five) calendar days before the meeting to each member of the Board and the Board of Statutory Auditors; in case of urgency, this time frame may be reduced to 24 (twenty-four) hours before the meeting. In any case, meetings of the Board of Directors will be deemed validly constituted, even in the absence of a formal convocation, if all the serving directors and the majority of the serving statutory auditors are present, and all eligible parties have been previously informed of the meeting and have not opposed the discussion of what is on the agenda. The Board of Directors may also be convened by the Board of Statutory Auditors or even by each individual statutory auditor, pursuant to article 151 of the TUF.

Meetings of the Board of Directors are also held by video or teleconference provided that each of the participants can be identified by all the others and that each is able to intervene in real time during the discussion of the agenda items, as well as to receive, transmit and view documents. Provided these circumstances are in place, the meeting shall be deemed to have been held at the place where the Chair is present.

The Board – also from time to time – appoints the Secretary of the Board, either from within or outside its own members.

The deliberations of the Board shall be recorded in minutes that are signed by the Chair and the Secretary.

In accordance with article 18 of the Articles of Association, the remuneration payable to directors is determined by the Shareholders' Meeting. Directors are entitled to be reimbursed for expenses incurred in the performance of their duties. The remuneration of directors with special responsibilities, as defined in the Articles of Association, shall be determined by the Board of Directors after consulting the Board of Statutory Auditors.

Pursuant to article 27 of the Articles of Association, the Board of Directors may, during the year and when it deems it appropriate, distribute interim dividends for the same year, in compliance with applicable laws and regulations.

Dividends not collected within five years from the date on which they become due are retained by the Company.

In 2024, the Board of Directors held 8 meetings lasting an average of 1 hour.

As of the date of this Report, three meetings of the Board of Directors have already been held, one of which – precisely on 17 March 2025 – was called among other things to approve this Report. Furthermore, three more meetings of the Board of Directors were scheduled for the current year to approve the half-yearly financial report and the quarterly interim reports.

Information on the composition of the Board of Directors and the participation of directors in board meetings is given in Table 2 annexed to the Report.

At the invitation of the Chair and depending on the items on the agenda, board meetings are also attended by the Company's managers in order to provide more extensive information to board meetings, as when non-executive directors acquire detailed information on specific issues that affect the Company's activities. Indeed, people who were invited to participate in the meetings with respect to specific items on the agenda include: the Group Financial Director, Fabio Fazzari, the Financial Reporting Officer, Rocco Sergi, as well as the Head of the Internal Audit function, Fabrizio Carrara.

ROLE OF THE CHAIR OF THE BOARD OF DIRECTORS

The Chair of the Board of Directors acts as a liaison between the executive and non-executive directors, ensuring the effective operation of the Board.

Specifically, with the help of the Board's Secretary, the Chair of the Board of Directors:

Monitors and ensures that pre-meeting disclosures and supplementary information are provided in a complete, comprehensive manner that enables directors to act in an informed manner in the performance of their role.

Ensures that the activities of Board committees with investigative, propositional and advisory functions are coordinated with the activities of the Board of Directors, through participation in the meetings of those committees.

In agreement with the CEO, ensures that the executives of the Company and those of the Group companies it heads who are responsible for the corporate functions competent according to the subject matter attend Board meetings, including at the request of individual directors, in order to provide the appropriate details on the items on the agenda, ensuring their presence and verifying that such executives provide complete and accurate information. On this subject, note that executives are always present when their presence is required because of the topics on the agenda;

Monitors and ensures that after their appointment and during their terms of office all members of the administration and control bodies can participate in initiatives aimed at providing them with an adequate knowledge of the business sectors the Company operates in, of corporate dynamics and their evolution, also with a view to the sustainable success of the Issuer, as well as of the principles of correct risk management and of the relevant regulatory and self-regulatory framework. On this point, note the initiatives aimed at providing the members of the Board of Directors and the Board of Statutory Auditors with a complete knowledge of the Company.

Ensures the adequacy and transparency of the Board of Directors' self-assessment process, with the support of the appointments committee.

For a detailed description of the skills and capacities of the administration, management and supervisory bodies on sustainability matters or access to such skills and capacities, see the paragraph GOV-1 The role of the administration, management and supervisory bodies of the Consolidated Sustainability Statement pursuant to Italian Legislative Decree no. 125/24.

The Secretary of the Board

The Company has not appointed a Secretary of the Board of Directors, who is appointed from time to time at each meeting, even from outside the Company.

EXECUTIVE DIRECTORS

Chief Executive Officers

Pursuant to article 19 of the Articles of Association, the Board of Directors may delegate, within the limits provided for by current laws and regulations, some of its responsibilities to one or more of its members, and determine their powers and, after consulting the Board of Statutory Auditors, their remuneration.

By resolution of 2 May 2022, the Board of Directors, without prejudice to the responsibilities, powers and entitlements reserved by law and by the articles of association for the Board of Directors, the Chair and other corporate functions, delegated the following powers to the CEOs Giuseppe Mastrolia and Stefano Cometto:

Giuseppe Mastrolia:

All powers of ordinary and extraordinary administration:

- with no amount limit in all intra-group transactions,
- up to Euro 300,000.00 (three hundred thousand/00) in relation to third parties independently and with sole signing authority,
- without any amount limit with the joint signature with another member of the Board of Directors, except for matters and activities relating to the environment, occupational safety and product health, which are the exclusive competence of the CEO(s) or managers who have assumed the specific managerial responsibilities and powers, or for those matters that the law or the articles of association dictate are the exclusive competence of the Board of Directors and the Shareholders' Meeting.

Stefano Cometto:

All powers relating to the function of employer, for all divisions, business units, plants and local units/warehouses belonging to the Company, including activities aimed at implementing and complying with the rules on workplace safety and hygiene, protection of workers' health and protection of the environment, with the power of delegation, as well as all tasks resulting from and/or related to the powers specified herein.

In particular, in his capacity as an employer and in addition to the Company's signature and power of representation, Stefano Cometto is awarded powers in the following areas, among others:

1) employment contracts
2) production organisation
3) food hygiene, safety and safety
4) environmental protection
5) management and control powers
6) leases, real rights
7) Purchase and sale of goods and services; with the following amount limits:

- Movable property up to Euro 100,000.00 for each transaction when signed individually and up to Euro 300,000.00 when signed jointly with any other member of the Board of Directors.
- Motor vehicles of all kinds, aircraft and boats up to Euro 100,000.00 for each transaction when signed individually and up to Euro 300,000.00 when signed jointly with any other member of the Board of Directors.
- supplies and provisions for any type of use that must have an initial maximum duration of one year, subject to renewal, and up to an annual amount of Euro 100,000.00;
- works contracts, tenders, consultancies and freelance arrangements, including on an ongoing basis, drawing up the related contracts up to an annual amount of €100,000.00.

8) collections, disposals and receipts
9) banking and financial transactions, with the following amount limits:
   - Euro 100,000.00 for: withdrawals from the Company's bank accounts and payments to its creditors; drawing or accepting bills of exchange; requesting cashier's checks; collecting cheque books to be issued on the Company's current accounts and signing the related request; issuing statements of indemnity.
   - Euro 80,000.00 for: opening, modifying or closing post office current accounts; carrying out any operation permitted on such accounts including withdrawals and the issuance of postal orders; collecting; issuing receipt and discharge in due form for sums or anything else due to the Company from private individuals, firms, entities, institutions, companies of any kind, insurers, banks and pension funds.
10) insurance
11) contracts, tenders and licences
12) judicial proceedings
13) transactions and arbitration
14) tax compliance and obligations

Chair of the Board of Directors

By resolution of 28 April 2022, the Shareholders' Meeting appointed Angelo Mastrolia as Chair of the Board of Directors, assigning him all the powers of ordinary and extraordinary administration, except for matters and activities relating to occupational safety, the environment and product health, which are the exclusive competence of the CEO(s) or managers who have assumed the specific managerial powers and responsibilities, as well as for all matters that by law or articles of association are the exclusive competence of the Board of Directors or the Shareholders' Meeting.

The Chair, Angelo Mastrolia, is also the sole shareholder of Newlat Group S.A., which in turn owns a 41.14% stake in the Company's share capital.

Disclosure to the Board by directors/delegated bodies

The Managing Directors report to the Board of Directors on the most important activities performed in the exercise of the powers delegated to them.

Other executive directors

There are no other executive directors on the Company's Board of Directors, other than those mentioned in the paragraphs above.

INDEPENDENT DIRECTORS AND LEAD INDEPENDENT DIRECTOR

Independent directors

At the end of 2023, the Issuer's Board of Directors included 3 (three) directors who met the independence requirements set out in article 147-ter of the TUF and the Corporate Governance Code.

The independent directors of the Issuer are indicated below:

1) Maria Cristina Zoppo
2) Valentina Montanari
3) Eric Sandrin

The number and skills of the Independent Directors are considered adequate for the needs of the Company and the operation of the Board of Directors, as well as the constitution of the relevant committees.

Note that the Chair of the Board of Directors does not qualify as independent.

With the support of the Appointments and Remuneration Committee, the current Board of Directors drew up a Policy on the Composition of the Board of Directors, approved by the body on 17 March 2023, which also identifies the quantitative and qualitative criteria for assessing the significance of the relevant circumstances pursuant to the Corporate Governance Code for the purpose of assessing the independence of directors.

As a rule, for the purpose of this assessment a director is deemed not to be independent in the following representative cases:

a) They are significant shareholders of the Company.

b) In the previous three financial years they have been an executive director or an employee of the Company, of one of its strategically important subsidiaries or of a company under common control with the Company, or of a significant shareholder of the Company.

c) In the previous three financial years the director directly or indirectly (e.g. through subsidiaries or companies they are a significant representative of, or as a partner of a professional firm or consulting company) has or has had a significant commercial, financial or professional relationship:

   i. With the Company or its subsidiaries, or its executive directors or top management.

   ii. With a party that, even jointly with others through a shareholders' agreement, controls the Company; or, if the controlling party is a company or entity, with its executive directors or top management.

d) In the previous three financial years they have received from the Company, one of its subsidiaries or the parent company significant additional remuneration with respect to the "fixed" remuneration for the office of non-executive director of the Company and to the remuneration envisaged for participation in the Committees recommended by the Corporate Governance Code or envisaged by current regulations, even in the form of participation in incentive plans linked to company performance, including share-based plans.

e) They have been a director of the Company for more than nine years, even non-consecutive, in the last 12 years.

f) They hold the office of executive director in another company in which an executive director of the Company has an office of director.

g) They are shareholders or directors of a company or an entity belonging to the network of the company appointed to audit the Company.

h) They are a close member of the family (meaning the spouse not legally separated, cohabiting partner, dependent children, including those of the spouse, and, if cohabiting for at least one year, parents, relatives up to the 4th degree) of a person who is in one of the situations referred to in the preceding points.

As a threshold for the assessment of the cases set out in c) and d) above, the Board of Directors has established that the total value of the dealings and additional remuneration must not exceed 5% of the turnover of the director in question.

In any case, immediately after appointment, during the course of the term of office on an annual basis, as well as upon the occurrence of relevant circumstances, the Board of Directors must make sure that each of the non-executive directors meets the independence requirements.

The verification was performed by adopting the above criteria – in accordance with the provisions of the Corporate Governance Code, and in particular Recommendation 7 – based on which the Board of Directors was able to confirm the independence of Maria Cristina Zoppo, Valentina Montanari and Eric Sandrin.

In making the above assessment, the Board of Directors took into consideration all the information available, in particular the information provided by the directors being assessed, which was deemed sufficient and complete for a timely examination of those circumstances that could compromise independence, as stressed by Recommendation 6.

The Board of Statutory Auditors noted that the verification criteria and procedures used by the Board of Directors to assess the independence of its members were correctly applied, was the Policy on the Composition of the Board of Directors.

The Independent Directors in office at the date of this Report did not meet in the absence of the other directors, considering the opportunities to meet within the meetings of the board committees in which all the independent directors participate to be sufficient.

Lead Independent Director

By resolution of the Board of Directors on 2 May 2022, the Company appointed independent director Eric Sandrin as lead independent director.

The Lead Independent Director is assigned the task of coordinating the requests and contributions of the non-executive directors, and in particular of the independent directors.

Specifically, the Lead Independent Director:

- Cooperates with the Chair of the Board of Directors in order to ensure that directors are provided with complete, timely information flows and to define the initiatives aimed at enabling directors and statutory auditors to have a better knowledge of the Company and the Group and of corporate dynamics.
- Contributes to the evaluation process of the Board of Directors.
- Informs the Chair of the Board of Directors of any matters to be submitted for the examination and assessment of the governing body.
- Coordinates the meetings attended only by Independent Directors.

MANAGEMENT OF COMPANY INFORMATION

At its meeting on 6 September 2019, the Company's Board of Directors resolved to approve the Rules for the handling of inside information, the establishment and maintenance of the RIL and Insider List and Internal Dealing ("Rules") aimed at regulating, in addition to confidentiality and reporting obligations, the process of managing documents and information concerning Newlat and the companies belonging to its group, with particular regard to Confidential Information and Insider Information, as well as the establishment, maintenance and updating of the records of the parties who have access to the aforementioned information and the Internal Dealing obligations.

These Rules, which entered into force on the date when the application for the Issuer's shares to be admitted for trading was deposited with the Italian Stock Exchange, are published on the Issuer's website at https://corporate.newlat.it/wp-content/uploads/2020/04/Regolamento-info-privilegiate-internal-dealing.DOCX.pdf.

The purpose of the Rules is to ensure compliance with the applicable laws and regulations and to ensure that the Company timely, completely and adequately discloses the Group's inside information to the market, while guaranteeing maximum privacy and confidentiality until it is disclosed to the public.

Relevant and Inside Information is managed according to a process that breaks down into the following stages:

a) the Relevant or Inside Information is identified and reported by the competent IICOF (i.e. each "Inside Information Competent Organisational Function", identified within the Group, that becomes aware of Relevant or Inside Information due to its own activities) to the IIMF (i.e. the "Inside Information Management Function", in this case, the Chair of the Board of Directors);

b) the IIMF identifies and records the Relevant or Inside Information;

c) Relevant Information is monitored based on the different stages of its evolution towards Inside Information, and the additional IICOFs involved in the process are recorded;

d) where applicable, the Relevant Information becomes Inside Information.

The IIMF is the corporate figure responsible for deciding whether the information qualifies as inside information. If it does, the IIMF acts to ensure that the Inside Information directly pertaining to the Issuer is communicated to the public as soon as possible, in accordance with the Rules and with applicable laws and regulations, unless there are grounds to activate the delay procedure referred to in article 3.4 of the Rules.

Pursuant to the laws and regulations in force, the Issuer has established an electronic register of persons who have access to Insider Information ("Insider List") and a register of persons who have access to Relevant Information ("RIL"), the keeping of which is the responsibility of the FGIP with the support of the Corporate & Legal Affairs function for the updating and maintenance thereof.

In order to update the Insider List promptly, the IIMF mainly relies on the information contained in the RIL. When a piece of information becomes Inside Information, people are deleted from the RIL and added to the Insider List.

Section II of the Rules on internal dealing governs the reporting obligations, restrictions and control measures in relation to transactions carried out by relevant persons and persons closely associated with them of the Issuer and the Subsidiaries (as defined in the Rules).

In particular, the Relevant Managers are absolutely prohibited from directly or indirectly carrying out Transactions on their own behalf or on behalf of third parties in the 30 days preceding the publication of the annual or semi-annual or infra-monthly results that the Issuer is required to, or has decided to, make public ("Black-Out Period"), without prejudice to the provisions of art. 8 of the Rules.

The Issuer's Board of Directors, by means of a special resolution, may establish additional periods during which there is a ban/limitation on the completion of Newlat securities transactions in conjunction with particular events. It is understood that both Relevant Managers and all Recipients in possession of Inside Information must refrain from carrying out or recommending to third parties any operation on the securities, from inducing third parties to carry out operations on the securities or from communicating the Inside Information to third parties, unless such communication takes place in the normal performance of their role.

INTERNAL BOARD COMMITTEES (pursuant to article 123-bis, paragraph 2, letter d) of the TUF)

In this Section 5 reference shall be made to the provisions of the procedures in force at the date of the Report and to the situation existing up to the end of 2024, unless otherwise indicated.

On 2 May 2022, the Company's Board of Directors set up internal committees with investigative, propositional and advisory functions, namely:

- A Control and Risk Committee, which is described in more detail in Section 9.2 (the "Control and Risks Committee").
- An appointments and remuneration committee, which is described in greater detail in Sections 7.2 and 8.2 (the "Appointments and Remuneration Committee").
- A committee for transactions with related parties, which is described in greater detail in Section 10 (the "RPT Committee").

The Board of Directors has determined the composition of the individual board committees by giving priority to the expertise and experience of their members.

At the date of the Report, the Committees were composed as follows:

Position	**Control and Risks Committee**	**Appointments and Remuneration Committee**	**RPT Committee**
Chair	Valentina Montanari	Eric Sandrin	Maria Cristina Zoppo
Component	Eric Sandrin	Valentina Montanari	Valentina Montanari
Component	Maria Cristina Zoppo	Maria Cristina Zoppo	Eric Sandrin

When setting up the aforementioned board committees, the Board of Directors also adopted the relevant rules defining the operation of the committees, including the procedures for recording minutes of meetings and the procedures for managing the information to be provided to the directors who are members of the committees.

Specifically, each set of rules specifies the composition of the relevant committee, the expertise required of each member, as well as the way in which the chair is to be appointed and the procedure for the replacement of members.

The rules also establish the manner in which the Committee's meetings are convened, the related timing, specifying the places where the meetings may be held and the persons to whom the notice must be sent, as well as determining the validity of the constitution of each meeting and of the deliberations on the items on the agenda.

Furthermore, in order to ensure the completeness of information flows, while protecting the confidentiality of the data and information provided, the rules provide that any documentation relating to items on the agenda shall normally be made available within the second day prior to the day set for the meeting, except in cases of urgency where the documentation is made available as soon as possible.

Finally, they specify the tasks attributed to each committee, indicating the means that its members may use to carry out their activities. All this in compliance with the duty of confidentiality regarding news and information acquired in the exercise of their functions, even after the expiry of the mandate of the individual members.

Additional committees (other than those envisaged by the law or recommended by the Corporate Governance Code)

The Board of Directors has not established any additional committees - other than those required by law or recommended by the Corporate Governance Code.

SELF-ASSESSMENT AND DIRECTOR SUCCESSION - APPOINTMENTS COMMITTEE

In this Section 7 reference shall be made to the provisions of the articles of association in force at the date of the Report and to the situation existing up to the end of 2024, unless otherwise indicated.

SELF-ASSESSMENT AND DIRECTOR SUCCESSION

The Board of Directors assesses the effectiveness of its activities and the contribution made by its individual members through questionnaires specifically prepared by external consultants of the Company.

The Issuer conducts the self-assessment every year and focuses on its size, composition and actual operation, also considering the role played by the Board of Directors in defining strategies and monitoring management performance and the adequacy of the internal control and risk management system.

Specifically, the Board of Directors conducts its own self-assessment and expresses an orientation on its considered optimal quantitative and qualitative composition, the results of which have been published on the Company's website www.newlat.com, from which the following emerged:

- The appropriateness of the current number of 7 (seven) Directors to ensure an adequate balance of expertise and experience required by the Company's and the Group's business, suggesting an increase in the presence of members with digital and IT expertise, as well as ESG and, in particular, with skills in sustainability.
- Adequacy of the current ratio of Executive (3), Non-Executive (4) and Independent Directors pursuant to the Corporate Governance Code (3), as it is suitable to ensure an effective operation of the Board of Directors.
- Appropriate digital and IT skills, as well as ESG and, in particular, the sustainability skills of board members.

In general, the Board of Directors considers its composition to be adequate in terms of both skills and diversity given the presence of international managers with strong skills in accounting, finance and risk management capable of providing concrete support to the pursuit of the Company's strategic objectives and the tasks of the Board of Directors itself.

As far as the operation of the Board of Directors is concerned, the Directors believe that the organisation of the meetings is appropriate to the Company's structure, both in terms of the number of meetings and their duration, at which there is constant participation by all members, as well as external parties involved from time to time due to the topics on the agenda of the various meetings.

The conditions under which the meetings are held were also considered suitable and satisfactory, in terms of participation, in-depth examination of individual issues, and informed and independent deliberation.

With regard to the composition and operation of the internal committees (Control and Risk Committee, Appointments and Remuneration Committee and Related Party Transaction Committee), they were deemed adequate and suitable for the corporate structure. These board committees are all made up of highly experienced professionals who are able to carry out their tasks effectively. The activities entrusted to each of them of an investigative, advisory and propositional nature vis-à-vis the Board of Directors were deemed compliant and in line with the principles and recommendations provided by the Corporate Governance Code.

In conclusion, the Board of Directors considers its composition to be adequate both in qualitative and quantitative terms due to (i) the presence of a high degree of diversification of profiles and professional experience; (ii) the adequate operation of the body itself, whose activities are carried out in a climate of trust, cooperation and interaction between the members of the Board.

Finally, the outgoing Board of Directors proposes that the new governing body remain in office for the three-year period 2025-2027, i.e. until the Shareholders' Meeting approves the financial statements for the year ending 31 December 2027.

According to the Board of Directors, in addition to what is envisaged in current laws and the articles of association regarding gender balance, it is advisable to ensure a varied composition of the body itself in terms of skills, professional characteristics and age, in order to provide concrete support to the pursuit of the Company's strategic objectives and the tasks of the Board itself.

Furthermore, without prejudice to more stringent legal and/or regulatory provisions, in order to ensure the effective performance of the office of Director of the Company, the Directors must not hold more than 3 (three) positions of administration and control in other companies listed on regulated markets (including foreign markets) or in financial, banking, insurance or large companies, as set forth in the Policy on the Composition of the Board of Directors and Board of Statutory Auditors available on the website at www.newlat.it in the "Corporate Governance - Procedures and Documents" section. In any case, for the purposes of the calculation of such positions, no account shall be taken of any positions held by Newlat Food directors in companies controlled by Newlat Food itself.

Specifically, the Board of Directors hopes that the Shareholders' will evaluate and propose to the Shareholders' Meeting suitable candidates to ensure adequate continuity and action of the governing body.

Lastly, in accordance with the remuneration policy adopted by the Company, available on the website at www.corporate.newlat.it in the "Corporate Governance – Shareholders' meeting" section, the outgoing Board of Directors considered that the members of the governing body should be paid an appropriate remuneration for their work in accordance with the Group's policy.

Succession plans

As of the date of this Report, due to the fact that Newlat qualifies as a non-large company with concentrated ownership, as defined in the Corporate Governance Code, no succession plan for executive directors has been adopted.

The Board of Directors reserves the right to perform an analysis in the future to assess the appropriateness of defining measures to ensure the continuity of management, including through the adoption of a succession plan, without prejudice to the provisions of the Corporate Governance Code.

APPOINTMENTS COMMITTEE

Composition and operation of the appointments committee (pursuant to article 123-bis, paragraph 2, letter d) of the TUF)

The Company's Board of Directors set up a single Appointments and Remuneration Committee composed exclusively of independent Directors, appointing the directors Maria Cristina Zoppo and Valentina Montanari as members, and Eric Sandrin as its chair.

Minutes are duly taken at meetings of the Committee, and the Chair of the Committee reports these to the next meeting of the Board of Directors.

The members of the Board of Statutory Auditors may also attend the meetings as permanent guests.

In the 2024 financial year the Appointments and Remuneration Committee held 1 meeting with an average duration of 1 hour each, which were attended by all members.

As of the date of this Report, 1 meeting of the Appointments and Remuneration Committee has already been held.

Functions of the appointments committee

The Appointments Committee:

- Assists the Board of Directors in the self-assessment of the Board itself and its committees, supporting the Chair of the Board of Directors in ensuring the adequacy and transparency of the self-assessment process.
- Assists the Board of Directors in defining the optimal composition of the Board and its committees.
- Assists the Board of Directors in identifying candidates for the office of director in the event of co-option.

Should the Company adopt a succession plan for executive directors, the Appointments Committee will be asked to support the preparation, updating and implementation of such plan.

The Appointments Committee plays an advisory and recommendatory role and has the task of assisting the Board of Directors at a preliminary stage with the assessments and decisions relating to the composition of the Board of Directors.

During the year, the Appointments Committee mainly carried out activities related to the discussion of the findings of the self-assessment questionnaire.

The Appointments Committee has the right to access the information and the corporate functions and structures necessary to perform its tasks, having at its disposal financial resources and making use of external consultants within the terms set by the Board of Directors.

REMUNERATION OF DIRECTORS – REMUNERATION COMMITTEE

REMUNERATION OF DIRECTORS

For the information in this Section, please refer to the Remuneration Report, prepared by the Company and available at https://corporate.newlat.it/corporate-governance/assemblea-azionisti/.

For a detailed description of the information concerning the integration of its sustainability performance into the incentive systems, see paragraph GOV-3 - Integration of sustainability-related performance in incentive schemes of the Consolidated Sustainability Statement pursuant to Italian Legislative Decree no. 125/24.

REMUNERATION COMMITTEE

Composition and operation of the remuneration committee (pursuant to article 123-bis, paragraph 2, letter d) of the TUF)

As clarified in Section 7.2 above, the Company's Board of Directors set up a single Appointments and Remuneration Committee composed exclusively of independent Directors, currently composed of the directors Maria Cristina Zoppo and Valentina Montanari as members, and Eric Sanrdin as its chair.

All the members of the Remuneration Committee have knowledge and experience in financial matters or remuneration policies that was deemed adequate by the Board of Directors at the time of their appointment.

In accordance with the provisions of the Corporate Governance Code, no director takes part in the meetings of the Remuneration Committee at which proposals relating to their remuneration are formulated.

Minutes are duly taken at meetings of the Committee, and the Chair of the Committee reports these to the next meeting of the Board of Directors.

The members of the Board of Statutory Auditors may also attend the meetings as permanent guests.

As already mentioned in Section 7.2 above, in the 2024 financial year the Appointments and Remuneration Committee held 1 meeting with an average duration of 1 hour each, which were attended by all members.

As of the date of this Report, 1 meeting of the Appointments and Remuneration Committee has already been held.

Functions of the remuneration committee

The Remuneration Committee:

- Assists the Board of Directors in drawing up the remuneration policy.
- Submits proposals and expresses opinions on the remuneration of executive directors and other directors holding particular positions, and on the setting of performance targets related to the variable component of such remuneration.
- Monitors the concrete application of the remuneration policy, and verifies the actual achievement of performance targets.

- Periodically assesses the adequacy and overall consistency of the policy for the remuneration of directors and top management.

During the financial year, the Remuneration Committee carried out the following main activities:

- Discussion of remuneration policy and analysis of both qualitative and quantitative performance targets.
- Discussion of the Remuneration Report for 2024.

The Remuneration Committee has the right to access the information and the corporate functions and structures necessary to perform its tasks, having at its disposal financial resources and making use of external consultants within the terms set by the Board of Directors.

The Remuneration Committee did not use the services of a consultant in order to obtain information on market practices regarding remuneration policies.

INTERNAL CONTROL AND RISK MANAGEMENT SYSTEM – CONTROL AND RISK COMMITTEE

In accordance with Principle XVIII of the Corporate Governance Code, the Issuer has defined the guidelines of the internal control and risk management system (hereinafter also referred to as "ICRMS") consisting of the set of rules, procedures and organisational structures aimed at an effective and efficient identification, measurement, management and monitoring of the main risks, in order to contribute to the sustainable success of the Company, in accordance with its strategies.

Assessment of the adequacy of the Internal Control and Risk Management System

For the 2024 financial year, the assessment of the overall adequacy of the Internal Control and Risk Management System was expressed on the basis of the analysis of the following aspects:

Significant events with an impact on the corporate governance and control model:

- Group ERM Risk Assessment
- Audits scheduled in the 2024 Audit Plan
- 2025 Audit Plan
- Changes in the composition of the management and control bodies and in the organisational structure
- Changes in delegated and proxy powers
- Activities aimed at compliance with Law no. 262/05 on accounting and corporate documentation.
- Development of the Group's sustainability policies
- Information systems
- Export compliance
- Transactions involving derivative financial instruments
- Transactions involving own shares
- Related-party transactions
- Intragroup transactions and transactions with a potential conflict
- Transactions involving internal dealing
- Monitoring of the Internal Control and Risk Management Systems of subsidiaries
- Main pending litigation
- Situation of non-performing loans

Results of audits performed by internal and external audit bodies:

- Results of monitoring carried out by Internal Audit

- Meetings between the Control Bodies
- Information from the financial reporting officer
- Results of monitoring by the Supervisory Body
- Results of third-party audits of quality, occupational health and safety, and environmental management systems
- Impacts of macroeconomic scenarios: war and inflation
- Information from the Prevention and Protection Service and the Environmental Protection Service

Based on the information and evidence gathered and having consulted with the Control and Risk Committee, the Board of Directors considers that the Internal Control and Risk Management System in place in 2024 is adequate and effective with respect to the Group's size and characteristics, and overall capable of achieving the corporate objectives.

For a detailed description of the roles and responsibilities of the administration, management and supervisory bodies in supervising the procedures aimed at managing the material risks, impacts and opportunities, as well as the way in which these bodies are informed about sustainability matters and how these matters are addressed during the reference period, see the paragraph GOV-1 The role of the administration, management and supervisory bodies and the paragraph GOV-2 Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies of the Consolidated Sustainability Statement pursuant to Italian Legislative Decree no. 125/24.

Internal Control and Risk Management System on financial reporting (ICRMS)

The Company considers the Internal Control and Risk Management System on financial reporting to be an integral part of its risk management system.

With specific regard to the Internal Control and Risk Management System on financial reporting, the Group has defined its own system of accounting control rules that defines the rules that the Group follows.

In addition to this system, there are internal instructions and rules (including, by way of example, the system of powers and proxies, reporting instructions, supporting information systems, visits to the offices of Group companies) through which the Parent Company ensures an efficient system of data exchange with its Subsidiaries.

The 2024 assessment highlighted the relevant processes that were subjected to timely review during the year with respect to specific control objectives (existence, completeness and accuracy, valuation, rights and obligations, presentation and disclosure).

Any deficiencies/improvement actions identified during the audits and reporting as described above require immediate identification of actions to be taken, as well as regular monitoring of their resolution.

The main characteristics of the ICRMS and the methods of coordination between the actors involved therein, inspired by national and international best practice models, are described below.

The corporate and supervisory bodies within the ICRMS are:

- The Board of Directors

- The Control and Risks Committee

- The executive director responsible for internal audit

- The Head of Internal Audit

- The Supervisory Board (Italian Legislative Decree 231/01)

- The Financial Reporting Officer

- The Board of Statutory Auditors

- The Independent Auditor

The Company's ICRMS is based on three levels of control:

Level I Control – the operating teams are primarily responsible for the ICRMS process. These teams – as part of their daily activities – are called upon to identify, measure, evaluate, monitor, mitigate and report the risks deriving from ordinary business activities in accordance with the ICRMS and the applicable internal procedures.

Level II Control – corporate risks are monitored, guidelines on the related control systems are proposed and their adequacy is verified to ensure the efficiency and effectiveness of operations, as well as adequate risk control, prudent conduct of business, reliability of information, and compliance with laws, regulations and internal procedures.

Level III Control – the Head of Internal Audit verifies and ensures the adequacy and effective operation of the Level I and II Controls and – in general – of the ICRMS, evaluating its completeness, functionality and reliability in terms of efficiency and effectiveness, as well as identifying any violations of applicable procedures and standards.

The central role in the Internal Control and Risk Management System is played by the Board of Directors, which defines the nature and level of risk compatible with the Company's objectives.

When working effectively, the Company's ICRMS guarantees, with reasonable certainty, the achievement of operational, disclosure and compliance objectives. Specifically:

- The operational objective of the internal control system concerns the effectiveness and efficiency of the Company in using resources, protecting itself from losses, and safeguarding the Company's assets. This system is also aimed at ensuring that staff work towards the pursuit of company objectives, without putting other interests before Newlat's.

- The objective of disclosure translates into the preparation of timely and reliable reports for the decision-making process within and outside the company organisation.

- The compliance objective ensures, on the other hand, that all operations and actions are conducted in compliance with laws and regulations, prudential requirements and internal company procedures.

The ICRMS involves every sector of the activity carried out by the Company, distinguishing between operational and control tasks and reasonably reducing any possible conflict of interest.

In particular, the internal control system is based on the following elements:

- Formalised and clear organisational system in the allocation of responsibilities.
- Authorisation and signature powers assigned consistent with the responsibilities.
- System of procedures to govern all business processes.
- IT systems geared towards segregation of duties.
- Management control and reporting system.
- Functions responsible in a structured manner for external communication.
- Periodic audits of the main company processes.

The Company's ICRMS is based on the following principles:

- Every operation, transaction and action must be true, verifiable, coherent and documented.
- No one can manage an entire process independently (so-called segregation of duties).
- The internal control system documents the performance of controls, including supervision.

Responsibility for the proper functioning of the internal control system is vested in each business function for all processes for which it is responsible.

The type of corporate control structure existing in the Company includes:

- Line controls, carried out by individual operating units on the processes for which they have operational responsibility, aimed at ensuring the correct conduct of operations.
- Monitoring activities, carried out by the managers of each process and aimed at verifying the correct performance of the underlying activities, on the basis of hierarchical controls.
- Activities for the detection, evaluation and monitoring of the internal control system over the administrative and accounting systems and processes that are relevant to the financial statements.

Lastly, with regard to the ICRMS, it should be noted that in the exercise of its functions, during the Board meeting of 17 March 2025, the Board of Directors:

- Approved the internal audit plan after consulting the Board of Statutory Auditors and the executive director responsible for internal audit, after consulting the Control and Risk Committee.
- After obtaining the opinion of the Control and Risk Committee, assessed the adequacy of the system in relation to the characteristics of the company and its risk profile, as well as its effectiveness.

For a detailed description of the main characteristics of its internal control and risk management systems, see paragraph GOV-5 - Risk management and internal controls over sustainability reporting of the Consolidated Sustainability Statement pursuant to Italian Legislative Decree no. 125/24.

CHIEF EXECUTIVE OFFICER

The Board of Directors has identified the Executive Chair of the Board of Directors, Angelo Mastrolia, as the director responsible for establishing, maintaining and supervising the operation of the Internal Control and Risk Management System.

Within the scope of the responsibilities entrusted to him by the Board of Directors, the Chair has implemented the guidelines and directives of the Internal Control and Risk Management System, defined by the Board of Directors. Below are the actions taken.

- Identify the main corporate risks, to be periodically submitted to the Board of Directors, taking into account the characteristics of the activities carried out.
- Implement the guidelines defined by the Board, taking care of the design, creation and management of the internal control and risk management system, continually verifying its adequacy and effectiveness.
- Update the Internal Control and Risk Management system with respect to the dynamics of operating conditions and the legislative and regulatory landscape.
- Entrust the internal audit function with performing audits on specific operational areas and on compliance with internal rules and procedures in the execution of company operations, simultaneously notifying the chair of the Board of Directors, the chair of the Control and Risk Committee and the chair of the board of statutory auditors.
- Promptly report to the Control and Risks Committee on problems and issues emerging in the course of its activities or of which it has been informed, so that the Committee can take appropriate action.

CONTROL AND RISKS COMMITTEE

Composition and operation of the Control and Risk Committee (pursuant to Article 123-bis, paragraph 2, letter d) of the TUF)

The Company's Board of Directors set up the Control and Risk Committee composed solely of independent directors, namely the directors Maria Cristina Zoppo and Eric Sandrin as members, and Valentina Montanari as its chair.

All the members of the Control and Risk Committee have adequate expertise in the Company's business, functional to assess the relevant risks, and have an adequate knowledge and experience in accounting and finance or risk management.

Minutes are duly taken at meetings of the Committee, and the Chair of the Committee reports these to the next meeting of the Board of Directors.

Meetings of the Control and Risk Committee have always been attended by Newlat's financial reporting officer, as well as – at the invitation of the committee chair – the head of the internal audit department and representatives of the independent auditor, depending on the items on the agenda.

The members of the Board of Statutory Auditors may also attend the meetings as permanent guests.

In 2024, the Control and Risks Committee held 4 meetings lasting an average of 1 hour. These meetings were regularly attended.

As of the date of this Report, 2 meetings of the Appointments and Remuneration Committee have already been held.

Functions assigned to the Control and Risks Committee

The Control and Risks Committee:

- Supports the Board of Directors in carrying out its tasks in the field of internal control and risk management.
- After consulting the Financial Reporting Officer, the independent auditors and the Board of Statutory Auditors, assesses the correct use of the accounting standards, as well as their consistency for the purposes of preparing the consolidated financial statements.
- Assesses the suitability of periodic financial and non-financial information to correctly represent the Company's business model, strategies, the impact of its operations and the performance achieved.
- Examines the content of periodic non-financial information relevant to the internal control and risk management system.
- Expresses opinions on specific aspects relating to the identification of the main corporate risks, and supports the assessments and decisions of the Board of Directors relating to the management of risks arising from prejudicial events the latter has become aware of.
- Examines periodic and particularly significant reports prepared by the internal audit function.
- Where deemed necessary, entrusts the internal audit function to carry out audits on specific operational areas, giving simultaneous notice to the Chair of the Board of Statutory Auditors.
- When it is time to approve the annual and semi-annual financial reports, it reports to the Board of Directors on the activities carried out, as well as on the adequacy of the internal control and risk management system.

During the financial year, the Control and Risks Committee carried out the following main activities:

- Analysis of Group ERM Risk Assessment results.
- Analysis of the 2024 internal audit.
- Analysis of the risks and 2025 audit plan.
- Preparatory activities for drafting the 2024 financial statements.
- Discussions with the Control and Risks Committee of the subsidiary Centrale del Latte d'Italia S.p.A.
- Analysis and approval of the materiality matrix for the Sustainability Statement ("CSRD").
- Illustration of the impairment test procedure and its results.
- Impacts of macroeconomic scenarios: war and inflation.

- Update with the independent auditors on the activities of the financial statements and Sustainability Statement.
- 262 testing progress and results.
- Meeting with the Supervisory Body.
- Development of Group sustainability policies.
- Analysis of the draft Corporate Governance Report.

The Control and Risk Committee has the right to access the information and the corporate functions and structures necessary to perform its tasks, having at its disposal financial resources and making use of external consultants within the terms set by the Board of Directors.

HEAD OF INTERNAL AUDIT

On 10 September 2021 the Board of Directors appointed Mr Fabrizio Carrara as head of the Internal Audit function, the person responsible for verifying that the internal control and risk management system is functional, adequate and consistent with the guidelines defined by the Board of Directors.

The Board of Directors assigned Fabrizio Carrara a remuneration consistent with company policies, ensuring that he is provided with adequate resources to perform his duties.

The head of the Internal Audit department is not responsible for any operational area, reports hierarchically to the Board of Directors and has direct access to all information useful for carrying out the task.

On 17 March 2025 the Board of Directors approved the work plan prepared by the Head of Internal Audit, having consulted the Board of Statutory Auditors and the CEO.

During the year, the head of the Internal Audit function:

- Verifies, both on an ongoing basis and in relation to specific needs and in consideration of international standards, the operation and suitability of the internal control and risk management system through an audit plan approved by the Board of Directors and based on a structured process of analysis and prioritisation of the main risks.
- Prepares periodic reports containing adequate information on their activities, on the way in which risk management is conducted and on compliance with the plans defined for their containment, as well as an assessment of the suitability of the internal control and risk management system, transmitting such information to the chairs of the Board of Statutory Auditors, the Control and Risk Committee and the Board of Directors, as well as to the CEO, except in cases where the subject of these reports specifically concerns the activities of such parties.
- Prepares timely reports on events of particular importance, also at the request of the Board of Statutory Auditors, submitting them to the chairs of the Board of Statutory Auditors, the Control and Risk Committee and the Board of Directors, as well as to the CEO, except in cases where the subject of such reports specifically concerns the activities of such parties.
- As per the audit plan, checks the reliability of information systems, including accounting systems.

The main activities carried out by the Head of Internal Audit during the year were as follows:

- Drafting of the Audit Plan proposal based on the identification and prioritisation of the main business risks present in the ERM.
- Carrying out of the independent monitoring programme in support of the Financial Reporting Officer as part of the Corporate Reporting Control System.
- Activities relating to relations with the Independent Auditor.
- Verification of the design of the internal control system to support Sustainability Reporting.

ORGANISATIONAL MODEL AS PER ITALIAN LEGISLATIVE DECREE 231/2001

The Company adopted an organisation, management and control model pursuant to and for the purposes of Italian Legislative Decree 231/2001 (the "Model 231"), as updated during the 2022 financial year.

The Model 231 consists of: (a) a general part, relating to issues concerning, among other things, the validity and application of Italian Legislative Decree no. 231/2001, the composition and functioning of the supervisory body, and the penalty code to be applied in case of violations of the rules of conduct of Model 231; and (b) the special parts, containing the general principles of conduct and control protocols for each of the offences deemed to be a risk to the Company.

Specifically, note that the 231 Model aims to prevent the following types of offences:

- Offences against the Public Administration (articles 24 and 25 of the Decree).
- Computer crimes and unlawful processing of data (article 24-bis of the Decree).
- Organised crime (article 24-ter of the Decree).
- Offences relating to health and safety at work (art. 25 septies).
- Crimes for the purpose of terrorism or subversion of the democratic order (art. 25 quater).
- Offences against industry and commerce (art. 25 bis 1).
- Corporate offences (art. 25 ter).
- Crimes against the individual (art. 25 quinquies).
- Offences concerning copyright infringement (art. 25 novies).
- Transnational offences (Law no. 146/2006).
- Employment of undocumented third-country nationals (art. 25 duodecies).
- Offences of inducement not to make statements or to make false statements to the judicial authority (art. 25 decies).
- Receiving, laundering and using money, goods or benefits of unlawful origin, and self-laundering (art. 25 octies).
- Crimes of counterfeiting money, public credit cards, revenue stamps and instruments or signs of recognition (article 25-bis of the Decree).
- Environmental offences (art. 25 undecies).
- Market abuse offences (article 25-sexies of the Decree).
- Crimes of racism and xenophobia (article 25-terdecies of the Decree).
- Crimes relating to payments with financial instruments other than cash (article 25-octies of the Decree).
- Tax offences (article 25-quinquiesdecies of the Decree).
- Smuggling (article 25-sexiesdecies of the Decree).

The Company's 231 Model is available at https://corporate.newlat.it/corporate-governance/codice-etico-e-modello-231/.

The functions of the Supervisory Board are assigned to Mr Massimo Carlomagno as Chair, and to Ms Ester Sammartino as a member, in exercise of the power provided by the applicable law. In this way, the Supervisory Body meets the applicable requirements of autonomy, independence, professionalism and continuity of action.

For a description of the disclosure requirements that enable the users of the company's sustainability statements to understand the company's strategy and approach, processes and procedures, as well as its performance, see the GOVERNANCE Section of the Consolidated Sustainability Statement pursuant to Italian Legislative Decree no. 125/24.

INDEPENDENT AUDITORS

At the date of the Report, the company responsible for independently auditing the Issuer's accounts was PricewaterhouseCoopers S.p.A., with its registered office at Piazza Tre Torri 2, Milan, no. 119644 in the Register of Independent Auditors held by the Ministry of Economy and Finance.

The Issuer’s Ordinary Shareholders' Meeting of 8 July 2019 conferred on the Independent Auditors, effective from the Trading Start Date, an external audit assignment (including checking that books are being properly kept and operating events are being properly entered into accounting ledgers) pursuant to articles 13 and 17 of Italian Legislative Decree no. 39 of 2010 for the 2019-2027 financial years, in relation to the Issuer's separate financial statements and the consolidated financial statements of the Newlat Group, replacing PwC’s existing assignment awarded on 28 June 2017. Also by resolution of 8 July 2019, and also effective as of the Trading Start Date, the Issuer's Ordinary Shareholders' Meeting awarded the independent auditors the assignment to carry out a limited audit of the Newlat Group's condensed consolidated half-year financial statements for the six-month periods as at 30 June 2020 - 2027.

FINANCIAL REPORTING OFFICER AND OTHER CORPORATE ROLES AND FUNCTIONS

On 9 August 2019, the Issuer's Board of Directors, in compliance with the provisions of article 154-bis of the Consolidated Law on Finance and with the relevant appointment procedures laid down in article 19 of the Articles of Association, decided to appoint, with effect from the Company's shares starting to trade on the MTA (now ESM), Rocco Sergi as the Financial Reporting Officer.

Article 19 of the Issuer's Articles of Association provides that the FRO shall be appointed by the Board of Directors, subject to the mandatory but non-binding opinion of the Board of Statutory Auditors, in accordance with the provisions of Article 154-bis of the Consolidated Law on Finance. The articles of association also require the FRO to have at least three years' experience in administration, finance and control and to meet the integrity requirements for directors. If these requirements are no longer being met, the office shall be forfeited and this must be declared by the Board of Directors within 30 (thirty) days of becoming aware of the failing.

Pursuant to article 154-bis of the Consolidated Law on Finance, the FRO shall:

- Draw up written statements accompanying the Company's documents and communications disseminated to the market and relating to accounting information, including interim accounting information.
- prepare appropriate administrative and accounting procedures for preparing the separate financial statements and, where applicable, the consolidated financial statements and any other financial communications;
- certify with a special report on the separate financial statements, the condensed half-year financial statements and the consolidated financial statements (i) the adequacy and effective application of the administrative and accounting procedures for the preparation of the financial statements; (ii) that the documents are prepared in compliance with the applicable international accounting standards recognised in the European Union pursuant to Regulation (EC) No 1606/2002 of the European Parliament and of the Council of 19 July 2002; (iii) that the documents correspond to the ledgers and accounting records; (iv) the suitability of the documents to provide a true and fair picture of the results, assets and liabilities and cash flows of the Issuer and of the companies included in the consolidation; (v) for the separate and consolidated financial statements, that the report on operations includes a reliable analysis of the operating performance and result, as well as the situation of the Issuer and of the companies included in the consolidation, together with a description of the main risks and uncertainties to which they are exposed; (vi) for the condensed half-year financial statements, that the interim report on operations contains a reliable analysis of the information referred to in article 154-ter, paragraph 4 of the TUF.

COORDINATION BETWEEN THE PARTIES INVOLVED IN THE INTERNAL CONTROL AND RISK MANAGEMENT SYSTEM

The Company promotes meetings and exchanges of information between the various bodies responsible for the verification and monitoring of organisational, administrative, accounting, internal control and risk management systems.

Specifically, without prejudice to the provisions of the law with regard to auditors and statutory auditors,[53] prior to the approval by the Board of Directors of the Company's draft financial statements (statutory and consolidated) and half-yearly report a collective meeting is held involving the following bodies:

- Control and Risks Committee:
- Board of Statutory Auditors
- Supervisory Board (pursuant to Italian Legislative Decree 231/2001,
- Head of the Internal Audit Function
- Financial Reporting Officer
- Director responsible for the Internal Control and Risk Management System
- Statutory auditors

during which information will be exchanged on the main findings and/or critical issues identified during the audits performed, with regard to organisational, administrative, accounting, internal control and risk management structures. The meetings are recorded in minutes.

In addition to the periodic meetings mentioned above, the continuity and timeliness of information exchanges between the aforementioned control bodies is ensured by:

- The participation of the Board of Statutory Auditors in the meetings of the Control and Risk Committee.
- Periodic reporting by the Supervisory Board to the Control and Risk Committee and the Board of Statutory Auditors.
- Periodic reporting by the Head of Internal Audit to the Control and Risk Committee and the Board of Statutory Auditors.
- The exchange of information between the Control and Risk Committee, the statutory auditor and the Financial Reporting Officer on the accounting standards applied and the adequacy of the administrative and accounting procedures applied in preparing the financial reports of the Company and the Group.

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[53] The reference is to the following articles of the Consolidated Law on Finance: art. 150, paragraph 3 (The Board of Statutory Auditors and the statutory auditor or auditing firm shall promptly exchange data and information relevant to the performance of their respective duties) and paragraph 4 (Those in charge of internal control shall also report to the Board of Statutory Auditors on their own initiative or at the request of even one of the Statutory Auditors); art. 151, paragraph 1 (The Statutory Auditors may, even individually, at any time perform inspections and controls, as well as ask the directors for information, also with regard to subsidiary companies, on the performance of company operations or on specific business, or address such requests for information directly to the management and control bodies of the subsidiary companies) and paragraph 2 (The Board of Statutory Auditors may exchange information with the corresponding bodies of the subsidiary companies on the management and control systems and on the general performance of the company's business. [omitted]).

INTERESTS OF DIRECTORS AND TRANSACTIONS WITH RELATED PARTIES

In this Section 10 reference shall be made to the provisions of the procedures in force at the date of the Report and to the situation existing up to the end of 2024, unless otherwise indicated.

On 26 June 2021 the Issuer's Board of Directors resolved on the amendments made to the procedure for regulating related-party transactions (hereinafter the "Related Party Procedure") adopted by the Company by board resolution on 6 September 2019, available at https://corporate.newlat.it/wp-content/uploads/2021/06/Procedura-OPC-Newlat-2021.pdf

The Related Parties Procedure governs the procedures for the instruction and approval of transactions with related parties defined as of greater importance on the basis of the criteria set out in the regulation adopted by Consob with resolution no. 17221 on 12 March 2010 and subsequent amendments and additions (the "Related Parties Regulation") and transactions with related parties defined as of lesser importance, meaning transactions other than transactions of greater importance and transactions of a small amount (the latter are those transactions with related parties whose value does not exceed Euro 200,000.00 whether it is a natural or a legal person).

The Related Parties Procedure defines transactions of greater importance as those in which at least one of the significance indicators mentioned in Annex 3 of the Related Parties Regulations exceeds the 5% threshold and entrusts a specific corporate structure, consisting of the FRO supported by the competent functions, with the task of ascertaining how the procedure should be applied to a given transaction, including whether a transaction is classified as being of greater or lesser importance.

In accordance with the Related Parties Regulation, the procedure for transactions of lesser importance requires that, before approving a transaction with related parties, the Related Parties Committee ("RPT Committee"), composed exclusively of independent (pursuant to the TUF and the Corporate Governance Code) and unrelated directors, expresses a non-binding reasoned opinion on the Company's interest in completing it, as well as on the suitability and substantial fairness of the conditions envisaged. In this regard, it is noted that the Issuer has identified the RPT Committee as the competent body in relation to transactions with related parties.

With regard to transactions of greater importance, the Related Parties Procedure provides that the RPT Committee be involved in the negotiation and investigation phases, and at the end of the latter express its reasoned opinion on the Company's interest in completing the transaction and on the suitability and substantial fairness of the relevant conditions. The RPT Committee shall make its own assessments and, in the event of a negative opinion or one subject to the acceptance of certain findings:

- In the case of a transaction of greater importance that is not the responsibility of the Shareholders' Meeting or does not have to be authorised by it, the Board of Directors may: (i) approve the transaction, provided that the approval resolution fully incorporates the findings made by the RPT Committee; or (ii) approve the transaction despite the contrary opinion or in any case without taking into account the findings of the Committee, provided that the completion of the transaction is authorised by the Shareholders' Meeting, pursuant to article 2364, paragraph 1, no. 5) of the Italian Civil Code and in accordance with the provisions of paragraph (b) below; or (iii) decide not to proceed with the transaction.
- In the case of a transaction of greater importance falling within the competence of the Shareholders' Meeting or which must be authorised by it, without prejudice to the provisions of articles 2368, 2369

and 2373 of the Italian Civil Code, the transaction may not be carried out if the majority of unrelated shareholders (meaning persons entitled to vote other than the counterparty to a given transaction and related parties both to the counterparty to a given transaction and to the Company) who vote do so against the transaction, provided that the unrelated shareholders present at the Shareholders' Meeting represent at least 10% of the share capital.

The provisions of the Related Parties Procedure do not apply to transactions approved by Newlat Food and addressed to all shareholders on equal terms, including:

- Rights issues, including those servicing convertible bonds, and free capital increases pursuant to article 2442 of the Italian Civil Code.
- Demergers in the strict sense, whether total or partial, with proportional share allocation.
- Reductions in share capital by means of reimbursement to shareholders pursuant to article 2445 of the Italian Civil Code and purchases of treasury shares pursuant to article 132 of the Consolidated Law on Finance.

The rules laid down in the Related Parties Procedure also do not apply in the following cases:

a) Shareholders' resolutions on the remuneration payable to members of the Board of Directors pursuant to article 2389, paragraph 1 of the Italian Civil Code, as well as resolutions on the remuneration of directors with special responsibilities included in the total amount for the remuneration of all directors previously determined by the Shareholders' Meeting pursuant to article 2389, paragraph 3 of the Italian Civil Code.

b) Resolutions, other than those indicated under (a), on the remuneration of directors with special responsibilities and other managers with strategic responsibilities, provided that:

   - The Company has adopted a remuneration policy approved by the Shareholders' Meeting that the Remuneration and Appointments Committee was involved in drafting.
   - A report explaining the remuneration policy has been submitted for the approval or advisory vote of the Shareholders' Meeting.
   - The remuneration awarded is identified in accordance with that policy and quantified on the basis of criteria that do not involve discretionary assessments.

c) Transactions of a small amount.

d) Compensation plans based on financial instruments approved by the Shareholders' Meeting pursuant to article 114-bis of the Consolidated Law on Finance and related executive operations.

e) Transactions that are part of ordinary business and the related financial activity of the Company or of the subsidiary that performs the transaction, carried out at conditions similar to those usually practised with unrelated parties for transactions of a corresponding nature, scale and risk, or based on regulated rates or prices imposed on or practised with subjects with whom the Company is legally obliged to enter into a contract at a certain amount.

f) Transactions carried out by the Company with its subsidiaries or transactions carried out between such subsidiaries, as well as those with associates, if there are no significant interests of other related parties of the Company in the subsidiaries or associates.

g) Shareholders' resolutions on the fees payable to members of the Board of Statutory Auditors pursuant to article 2402 of the Italian Civil Code.

h) Transactions to be carried out on the basis of instructions for stability purposes given by Supervisory Authorities, or on the basis of provisions issued by the parent company for the execution of instructions given by Supervisory Authorities in the interest of the stability of the Group.

The procedure allows the adoption of framework resolutions relating to series of homogeneous operations to be carried out by the Company, directly or through subsidiaries, with certain categories of related parties.

Please note that any decisions regarding the renewal – even if tacit or automatic - of contracts and relationships that the Issuer enters into with related parties in the period prior to the formal adoption of the Related Parties Procedure described above will be taken in accordance with this procedure.

Committee for transactions with related parties

The Company's Board of Directors set up the RPT Committee, composed solely of independent directors, appointing the directors Eric Sandrin and Valentina Montanari as members, and Maria Cristina Zoppo as its chair.

Minutes are duly taken at meetings of the Committee, and the Chair of the Committee reports these to the next meeting of the Board of Directors. In particular, the RPT Committee:

- formulates prior opinions on the procedures governing the identification and management of related party transactions carried out by the Issuer and/or Group companies, as well as on the related amendments;
- formulates prior and reasoned opinions, in the cases expressly provided for, on the Issuer's interest in completing the transaction with related parties, as well as on the suitability and substantial fairness of the related conditions; and
- in the case of related party transactions of greater importance, the RPT Committee is involved in the negotiation phase and the investigation phase through the receipt of a complete and timely information flow, with the right to request information and to make comments to the parties responsible for conducting the negotiations or the investigation.

In 2024 the RPT Committee held 3 meetings lasting approximately 1 hour, which was attended by all members.

BOARD OF STATUTORY AUDITORS

APPOINTMENT AND REPLACEMENT

Pursuant to the provisions of articles 21, 22 and 23 of the Articles of Association, the Issuer has adopted a transparent procedure for the appointment of statutory auditors which guarantees, among other things, adequate and timely information on the personal and professional characteristics of candidates for the office.

The Board of Statutory Auditors is elected by the Ordinary Shareholders' Meeting on the basis of slates submitted by shareholders as per the provisions below, ensuring gender balance in accordance with the provisions of applicable laws and regulations.

The presentation of slates is governed by applicable laws and regulations and by the Articles of Association.

Slates can be submitted by shareholders who, alone or together with others, represent, at the time of submission, at least the stake required to submit lists of candidates for the office of director.

The slates are filed with the Company within the deadlines set out in applicable laws, as indicated in the notice of convocation at the Company's registered office or also communicated remotely, and made available to the public under the terms and conditions set out in applicable laws and regulations. Each shareholder, the shareholders adhering to a shareholders' agreement pursuant to article 122 of the TUF, the parent company, subsidiaries, joint ventures and the other entities between which there is a direct or indirect link, pursuant to applicable laws and regulations, may submit – or contribute to the submission, even through an intermediary or trust company – and vote for only one slate. Each candidate may appear on only one slate under penalty of ineligibility.

Each slate shall contain a sequential number of candidates not exceeding the number of members to be elected.

The slates are divided into two sections: one for candidates for the office of standing auditor, the other for candidates for the office of alternate auditor. The first of the candidates in each section must appear in the register of auditors and must have carried out auditing activities for a period of not less than 3 (three) years.

Each slate that – considering both sections – has a number of candidates equal to or greater than 3 (three) must also include candidates of both genders, so that at least two-fifths (rounded downwards since it is a three-member corporate body) of the candidates for the office of standing auditor and at least one candidate for the office of alternate auditor (where the list also includes candidates for the office of alternate auditor) belong to the least-represented gender.

The following must be filed when the slates are submitted: a) information on the identity of the shareholders submitting the slate and an indication of the percentage of share capital held, as well as certification(s) showing ownership of such shareholding(s) as at the date of submission of the slate; b) a declaration by shareholders other than those who hold, even jointly, a controlling interest or a relative majority, certifying the absence of any direct or indirect link, within the meaning of applicable laws and regulations, with the latter; c) the curriculum vitae of the candidates and a statement in which each candidate declares, under his or her own responsibility, that there are no grounds for ineligibility and incompatibility and that he or she fulfils the conditions for appointment; d) information relating to the candidates with an indication of the administration and control positions held in other companies, as well as a statement by the same candidates attesting to the fulfilment of the requirements, including those of integrity, professionalism, independence and related to the accumulation of positions, provided for by current laws and regulations and by the Articles of Association; e) a declaration from each candidate accepting their candidacy; f) any other additional or different declaration, information and/or document required by applicable laws and regulations.

Any slate that fails to comply with the above provisions shall be deemed not to have been submitted.

Members of the Board of Auditors must meet the requirements of integrity, professionalism, independence and the limit of number of positions envisaged by applicable laws and regulations, as well as by the Corporate Governance Code and the policy adopted by the Company. With regard to the requirements of professionalism, matters relating to commercial law, company law, financial market law, tax law, business economics, corporate finance, disciplines having a similar or comparable object, and matters and sectors relating to the business sector of the Company are considered strictly relevant to the scope of the Company's activities.

The election of the Board of Statutory Auditors shall take place in accordance with the following provisions: a) from the slate that has obtained the highest number of votes ("majority slate"), two effective members and one alternate shall be drawn in the order in which they are listed; b) from the slate that has obtained the second-highest number of votes in the Shareholders' Meeting ("minority slate"), the remaining effective member, who shall also be appointed Chair of the Board of Statutory Auditors, and the other alternate member shall be drawn in the order in which they are listed. If more than one slate has obtained the same number of votes, a new vote shall be taken on said slates by all those who can vote and are present at the Shareholders' Meeting, with the candidates from the slate that secures a relative majority being elected.

If gender balance is not ensured in accordance with the provisions of applicable laws and regulations, considering the statutory auditors and alternate auditors separately, the elected candidate belonging to the most represented gender who was last in the sequential order in each section of the majority slate, will be replaced by the unelected candidate from the least represented gender taken from the same section of the same slate in the sequential order of presentation. If the number of candidates elected on the basis of the slates submitted is lower than the number of statutory auditors to be elected, the remainder will be elected by the Shareholders' Meeting, which decides by relative majority and in such a way that the gender balance required by applicable laws and regulations is respected.

In the case of submission of a single slate, the Board of Statutory Auditors is drawn entirely from it in compliance with applicable laws and regulations. If, on the other hand, no slate is submitted, the Shareholders' Meeting decides by relative majority in accordance with the provisions of law. In such cases, the Chair of the Board of Statutory Auditors shall be appointed by relative majority of the votes present at the Shareholders' Meeting.

The Chair of the Board of Statutory Auditors shall be the statutory auditor elected from the minority slate unless only one slate is voted on or no slate is presented; in such cases, the Chair of the Board of Statutory Auditors shall be appointed by the Shareholders' Meeting by relative majority of the votes present.

COMPOSITION AND OPERATION OF THE BOARD OF STATUTORY AUDITORS (pursuant to article 123-bis, paragraph 2, letters d) and d-bis) of the TUF)

Pursuant to article 21 of the Articles of Association, the Board of Statutory Auditors shall consist of 3 (three) standing auditors and 2 (two) alternate auditors who shall hold office for three financial years, expiring on the date of approval of the financial statements for the third financial year of their office, and shall be eligible for re-election.

The Issuer's Board of Statutory Auditors in office on the Report Date consists of 3 standing auditors and 2 alternate auditors. This Board of Statutory Auditors was appointed by the Issuer's Ordinary Shareholders' Meeting on 28 April 2022 for a period of 3 years, until approval of the financial statements for the year ending 31 December 2024.

Only one slate was submitted, by the majority shareholder Newlat Group S.A., owner at the date of the presentation of the slate of 27,084,374 Newlat Food shares, corresponding to 61.65% of the share capital, which proposed the following candidates:

Section 1. Standing Auditors

- Massimo Carlomagno, born in Agnone (IS) on 22.09.1965, tax code CRLMSM65P22A080Y, male.
- Ester Sammartino, born in Agnone (IS) on 23.05.1966, tax code SMMSTR66E63A080O, female.
- Antonio Mucci, born in Montelongo (CB) on 24.03.1946, tax code MCCNTN46C24F548H, male.

Section 2. Alternate Auditors

- Giovanni Rayneri, born in Turin (TO) on 20.07.1963, tax code RYNGNN63L20L219Y, male.
- Cinzia Voltolina, born in Moncalieri (TO) on 26.04.1983, tax code VLTCNZ83D66F335E, female.

The aforementioned slate was approved by a majority vote, with 51,337,248 votes for, representing 99.95% of the votes cast, and shares for 25,222 votes against, representing 0.05% of the votes cast.

Therefore, the Issuer's Board of Statutory Auditors in office consists of:

Name and surname	Position	Place and date of birth
Massimo Carlomagno	Chair	Agnone (IS), 22 September 1965
Ester Sammartino	Standing Auditor	Agnone (IS), 23 May 1964
Antonio Mucci	Standing Auditor	Montelongo (CB), 24 March 1946
Giovanni Rayneri	Alternate Auditor	Turin, 20 July 1963
Cinzia Voltolina	Alternate Auditor	Moncalieri (TO), 26 April 1983

Below is a summary of the personal and professional characteristics of the members of the Statutory Board of Auditors.

Massimo Carlomagno – born in Agnone (IS) on 22 September 1965, he obtained a degree in Economics and Business from the University of Salerno in 1990 and has been enrolled in the Register of Chartered Accountants since 1996. From 1999 to 2005 he held the position of Chairman of the Board of Directors of Finanziaria Regionale del Molise S.p.A. Since 2005 he has held the position of Chairman of the Issuer's Board of Statutory Auditors.

Ester Sammartino – born in Agnone (IS) on 23 May 1966, she obtained a degree in Economics and Business from the University of Chieti in 1992 and has been enrolled in the Register of Chartered Accountants since 2002. From 1990 to 2005 she served as a director at Lamel Legno S.r.l. Since 2005 he has held the position of standing auditor on the Issuer's Board of Statutory Auditors.

Antonio Mucci – born in Montelongo (CB) on 24 March 1946, he obtained a degree in Economics and Business from the University of Bari in 1972 and has been enrolled in the Register of Chartered Accountants since 1990 and is also enrolled in the Register of Auditors. From 1991 to 2018 he held the position of auditor in various public bodies, 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 and Ururi. From 1996 to 2005 he served as Chairman of the Board of Auditors of the Consorzio di Bonifica di Larino. From 1996 to 1999 he served as Chairman of the Board of Statutory Auditors of the cooperative B&G. He was a member of the Board of Statutory Auditors of Piana del Sele S.r.l. from 2007 to 2013. He served first as a member of the board of statutory auditors (from 2011 to 2013) and then as Chairman (from 2014 to 2016) of Finmolise S.p.A. Since 2014 he has held the position of standing auditor on the Issuer's Board of Statutory Auditors.

Giovanni Rayneri – born in Turin, Italy, on 20 July 1963, he graduated in Economics and Business at the University of Turin in 1988 and is a registered Chartered Accountant and Auditor. He is also registered in the Register of Technical Consultants at the Court of Turin. He is the chair or a member of the board of statutory auditors in numerous medium-sized and large companies and groups, including international enterprises.

Cinzia Voltolina – born in Moncalieri (TO) on 26 April 1983, she holds a Bachelor's degree in Business Economics, specialising in professional accountancy, as well as a Master's degree in professional accountancy, both from the University of Turin. She has also been registered as a Chartered Accountant and Auditor since 2014.

The Board of Statutory Auditors in office at the date of this Report has an adequate composition to ensure the independence and professionalism of its function.

Specifically, no situations referred to in Recommendation 7 of the Corporate Governance Code were found.

For a detailed description of the composition and diversity of the administration, management and supervisory bodies, as well as their skills and capacities with respect to sustainability matters or access to such skills and capacities, see the paragraph GOV-1 The role of the administration, management and supervisory bodies of the Consolidated Sustainability Statement pursuant to Italian Legislative Decree no. 125/24.

Diversity criteria and policies

Note that the Issuer has adopted a diversity policy with respect to the composition of the control bodies that ensures a balance between genders, pursuant to the provisions of article 148, paragraph 1-bis of the Consolidated Law on Finance available at https://corporate.newlat.it.

The composition of the Board of Statutory Auditors at the date of the Report complies with these provisions on gender balance.

For a detailed description of the information on the diversity of the members of the company's administrative, management and supervisory bodies, see paragraph GOV-1 The role of the administrative, management and supervisory bodies in the Consolidated Sustainability Statement pursuant to Italian Legislative Decree no. 125/24.

Independence

The aforementioned Policy on the Composition of the Board of Statutory Auditors also provides that all members of the board of statutory auditors must meet the independence requirements set forth in Article 148, paragraph 3 of the TUF, as well as the independence requirements set forth for Directors in Recommendation 7 of the Corporate Governance Code.

Verification of these requirements is carried out immediately after their appointment and annually thereafter. As per the last evaluation on 18 March 2024, it was possible to confirm the independence of all members of the Board of Statutory Auditors.

In making the above assessment, all the information available to each member of the Board of Statutory Auditors was taken into account, applying all the criteria set out in the Corporate Governance Code with respect to the independence of Directors, as set out in Recommendation 6.

Remuneration

As resolved by the Shareholders' Meeting of 28 April 2022, the remuneration of the Statutory Auditors is appropriate to the competence, professionalism and commitment required by the importance of the role held, the size and sector of the Company, as well as its situation.

Management of interests

Any statutory auditor who, on their own behalf or on behalf of third parties, has an interest in a particular transaction of the Company is required to promptly and exhaustively inform the other members of the Board of Statutory Auditors, as well as the Chair of the Board of Directors, about the nature, terms, origin and scope of the interest.

POSITION

The Board of Statutory Auditors met seven times during the 2024 financial year and mainly performed the following activities:

- Supervised the activities of the directors.
- Ensured that the management and administration of the company was carried out in full compliance with the law and the Articles of Association.
- Checked that the sustainability reporting complied with current standards.
- Verified that ESG risks have been adequately managed.

For a detailed description of the roles and responsibilities of the administration, management and supervisory bodies in overseeing the procedures to manage risks, impacts and opportunities, as well as how these bodies are informed about sustainability matters and how these matters are addressed, see paragraph GOV-1 The role of the administrative, management and supervisory bodies of the Consolidated Sustainability Statement pursuant to Italian Legislative Decree no. 125/24.

SHAREHOLDER RELATIONS

Access to information

The Issuer has created an online section on its website that is easily identifiable and accessible and which contains information about the Company that is relevant to its shareholders, in order to allow them to exercise their rights in an informed manner.

This section is available at https://corporate.newlat.it/.

The Issuer has appointed a person responsible for managing relations with shareholders as Investor Relator, in the person of Ms Benedetta Mastrolia.

The Issuer has also entered into a contract with Barabino & Partners, a leading consulting firm in the field of communications, to best convey relevant information and news, both in terms of form and dissemination through the main press organs.

Dialogue with shareholders

In accordance with Recommendation 3 of the Code of Corporate Governance, the Company has adopted a Shareholder Dialogue Policy aimed at governing Newlat Food's current and potential methods of dialogue in order to strengthen, ensure and promote the exchange of information and improve the level of mutual understanding between investors and the Company in the most appropriate forms and in compliance with current regulations, including those on market abuse, all in order to achieve and encourage the exchange of ideas and foster the generation of value in the medium to long term.

Specifically, in addition to indicating the communication channels through which the Company engages in dialogue with the market, as well as the issues that may be the subject of such exchanges, the aforesaid Policy provides for the possibility that the dialogue may even be initiated at the request of the market, governing the related request procedures.

This policy is available at https://corporate.newlat.it.

For a detailed description of how stakeholder interests and opinions are taken into account in the strategy and business model, see section SBM-2 - Interests and views of stakeholders of the Consolidated Sustainability Statement pursuant to Italian Legislative Decree no. 125/24.

SHAREHOLDERS' MEETINGS (pursuant to Article 123-bis, paragraph 1, letter l) and paragraph 2, letter c), of the TUF)

Pursuant to the provisions of applicable laws, an ordinary session of the Shareholders' Meeting is able to approve the financial statements, to appoint and dismiss the directors, statutory auditors and the Chair of the Board of Statutory Auditors and to determine the remuneration of the directors and statutory auditors, and decides on anything else within its competence under the law. An extraordinary session of the Shareholders' Meeting will deliberate on amendments to the articles of association, as well as on everything reserved to its competence by law.

The Shareholders' Meeting resolves on all matters for which it is competent under law and under the Articles of Association; moreover, it is expressly invested with the power to dismiss the directors of the Company, even in the absence of just cause, if the relationship of trust between them and the Company has ceased to exist for any reason.

Each share gives the right to one vote, except for the shares with increased voting rights, as detailed in Section 2, letter (d) above.

In order to reduce the constraints and formalities that make it difficult and/or burdensome for shareholders to attend shareholders' meetings and exercise their voting rights, the Issuer has promoted initiatives aimed at encouraging the widest possible participation of shareholders in shareholders' meetings and facilitating the exercise of shareholders' rights.

As of the date of this Report, there have been no cases in which shareholders controlling the Issuer have submitted proposals to the Shareholders' Meeting on matters for which the Directors had not made a specific proposal.

As of the date of the Report, the Issuer has not proposed – for the approval of the Shareholders' Meeting – rules governing the conduct of Shareholders' Meetings.

The Shareholders' Meeting of 29 April 2024 was attended by all members of the Board of Directors.

Given that the corporate governance system adopted by the Issuer is considered suitable and functional to the Company's needs, the Board of Directors did not deem it necessary to submit further proposals to the Shareholders' Meeting regarding the identification of a new administration and control model.

Recall that the Shareholders' Meeting called to approve the financial statements for the year ending 31 December 2024 (with the consequent expiry of the terms of office of the Board of Directors and the Board of Statutory Auditors) will also be convened in extraordinary session to approve the adoption of a one-tier administration and control system pursuant to Article 2409-sexiesdecies of the Italian Civil Code and the consequent amendments to the articles of association, effective as at the date of expiry of the corporate bodies that will be appointed by the same Shareholders' Meeting in ordinary session.

FURTHER CORPORATE GOVERNANCE PRACTICES (pursuant to art. 123-bis, paragraph 2, letter a), second part of the TUF)

The Issuer has not applied any other corporate governance practices than those indicated in the previous sections of this Report.

CHANGES SINCE THE REPORTING DATE

There have been no other changes to the corporate governance structure since the end of the period aside from those reported in the specific sections.

COMMENTS ON THE LETTER OF 17 DECEMBER 2024 FROM THE CHAIR OF THE CORPORATE GOVERNANCE COMMITTEE

At the meeting of 17 March 2025, the Chair brought the Chair of the Corporate Governance Committee's letter of 17 December 2024 to the attention of the Board of Directors and the Board of Statutory Auditors.

Below are the Company’s considerations and the initiatives taken regarding the recommendations of the Committee.

On the subject of the completeness of the information distributed before board meetings, the Committee invites “the companies to provide all useful information on how Recommendation 11 is applied, bearing in mind that the failure to establish deadlines for the prior distribution of the information to the board and committees and/or the failure to provide information on the actual compliance with the deadlines and/or the provision in the board rules or adopted in practice of the possibility to waive such deadlines for distribution for confidentiality reasons may result in the waiver of Recommendation 11 of the Code. In the event of such waiver, companies are invited to clearly state this in the corporate governance report, explaining: the reasons for the waiver, how the decision to waive was made within the company, and how compliance with Principle IX of the Code is to be ensured”.

On 10 September 2021, the Board of Directors adopted its own rules governing among other things the timing of the distribution of supporting documentation for Board meetings to the members of the Board of Directors, timing that is acknowledged in Section 4.4. and is regularly respected.

On the issue of transparency and effectiveness of the remuneration policy, the Committee invites “companies to provide all useful information on how Recommendation 27 is applied, bearing in mind that the provision in the remuneration policy of variable components linked to generic sustainability objectives for which the specific assessment parameters are not provided and/or one-off extraordinary disbursements whose nature and objectives are not identified and adequate deliberative procedures are not defined may result in the waiving of Recommendation 27 of the Code. In the event of actual waiver, companies are therefore invited to expressly state this in the corporate governance report, explaining: the reasons, how the decision to waive was made within the company, and how it is intended to ensure compliance with Principle XV of the Code”.

Since the 2020 financial year, on the proposal of the Remuneration and Appointments Committee, the Company's Board of Directors has identified clear and specific qualitative performance objectives in the area of environmental and social sustainability that Newlat aims to achieve every three years, linking the achievement of these objectives to the payment of a portion of the variable component, as detailed in the Remuneration Policy.

On the subject of the executive role of the Chairman, the Committee invites “companies to provide all useful information on how Recommendation 4 is applied, bearing in mind that the lack of a suitably reasoned explanation of the choice to attribute significant management powers to the Chairman (whether CEO or not) may constitute a waiver of Recommendation 4 of the Code. In the event of actual waiver, companies are therefore invited to clearly state this in the corporate governance report, explaining: the reasons, how the decision to waive was made within the company, and how it is intended to ensure compliance with Principles V and X of the Code”.

The Issuer, which falls under the category of companies with concentrated ownership, has decided to grant significant management powers to the Chairman of the Board of Directors due to the managerial experience gained by the latter over the years, as well as to the fact that the Chairman is the founder of the Newlat Group, to which the Company belongs, and therefore has and in-depth knowledge of its workings. In any case, for full and effective operation the Chairman is supported by two other Executive Directors.

TABLE 1: OWNERSHIP STRUCTURE INFORMATION ON 17 MARCH 2025

STRUCTURE OF THE SHARE CAPITAL				
	No. of shares	No. of voting rights	Listed (show market) /unlisted	Rights and obligations
Ordinary shares (specifying whether voting rights may be increased)	43,935,050	68,665,050	Listed on Euronext - Star Milan	Increased vote pursuant to art. 6, paragraph 9 of the Articles of Association[54]
Preferred shares	0	0	-	-
Multiple-vote shares	0	0	-	-
Other categories of shares with voting rights	0	0	-	-
Savings shares	0	0	-	-
Convertible savings shares	0	0	-	-
Other categories of non-voting shares	0	0	-	-
Other	0	0	-	-

OTHER FINANCIAL INSTRUMENTS (conferring the right to subscribe newly issued shares)				
	Listed (show market) /unlisted	No. of instruments issued	Category of shares in service of the conversion/exercise	No. of shares in service of the conversion/ exercise
Convertible bonds	-	-	-	-
Warrants	-	-	-	-

[54] See Section 2 (d) of this Report.

SIGNIFICANT EQUITY INVESTMENTS			
Declarant	Direct shareholder	Holding % of the ordinary capital	Holding % of the voting capital
Angelo Mastrolia	Newlat Group S.A.	41.14%	58.25%
Mitsubishi Corporation	Mitsubishi Corporation	14.38%	10.20%
Helikon Inv.	Helikon Inv.	9.53%	6.76%

TABLE 2: STRUCTURE OF THE BOARD OF DIRECTORS AT THE END OF THE FINANCIAL YEAR

Board of Directors													
Position	Members	Year of birth	Date of first appointment (*)	Start of term	End of term	Slate (presenters) (**)	Slate (M/m) (***)	Exec.	Non exec.	Indep. Code	Indep. TUF	No. of other posts (****)	Participation (*****)
Chairman •	Angelo Mastrolia	1964	30/11/2006	28.04.22	Shareholders' Meeting to approve the 2024 financial statements	Shareholders	M	x				17	8/8
Chief Executive Officer	Stefano Cometto	1972	30.01.13	28.04.22	Shareholders' Meeting to approve the 2024 financial statements	Shareholders	M	x				6	8/8
Director Executive Officer	Giuseppe Mastrolia	1989	29.06.11	28.04.22	Shareholders' Meeting to approve the 2024 financial statements	Shareholders	M	x				9	8/8
Director	Benedetta Mastrolia	1995	05.06.14	28.04.22	Shareholders' Meeting to approve the 2024 financial statements	Shareholders	M		x			6	8/8
Director	Maria Cristina Zoppo	1971	25.09.20	28.04.22	Shareholders' Meeting to approve the 2024 financial statements	Shareholders	M		x	x	x	5	8/8
Director	Valentina Montanari	1967	29/10/2019	28.04.22	Shareholders' Meeting to approve the 2024 financial statements	Shareholders	M		x	x	x	9	8/8
Director ○	Eric Sandrin	1964	29/10/2019	28.04.22	Shareholders' Meeting to approve the 2024 financial statements	Shareholders	M		x	x	x	17	8/8

-------------------- DIRECTORS WHO LEFT OFFICE DURING THE YEAR -------------------													
Director	-	-	-	-	-	-	-	-	-	-	-	-	-

Indicate the number of meetings held during the year: 8
Indicate the quorum required for the submission of slates by minorities for the election of one or more members (pursuant to article 147-ter of the TUF): 2.5%

NOTES
The following symbols must be inserted in the "Position" column:
• This symbol indicates the director responsible for the internal control and risk management system.
○ This symbol indicates the Lead Independent Director (LID)
(*) The date of first appointment of each director is the date on which the director was appointed for the very first time to the Issuer's Board of Directors.
(**) This column indicates whether the slate from which each director was drawn was submitted by shareholders (specifying "Shareholders") or by the Board of Directors (specifying "BoD").
(***) This column indicates whether the slate from which each director was drawn is "majority" (specifying "M") or "minority" (specifying "m").
(****) This column shows the number of directorial or statutory auditor positions held by the person concerned in other listed companies or of significant size. The Corporate Governance Report provides more details on these positions.
(*****) This column indicates the attendance of directors at board meetings (indicate the number of meetings attended out of the total number of meetings attended; e.g. 6/8, 8/8 etc.).

TABLE 3: STRUCTURE OF THE BOARD COMMITTEES AT THE END OF THE YEAR

BoD		Executive Committee		RPT Committee		Control and Risks Committee		Remuneration Committee		Remuneration and		Other committee		Other committee	
Position/Qualification	Members	(*)	(**)	(*)	(**)	(*)	(**)	(*)	(**)	(*)	(**)	(*)	(**)	(*)	(**)
Independent as per TUF and Code	Maria Cristina Zoppo	N/A	N/A	3/3	C	4/4	M	1/1	M	1/1	M	-	-	-	-
Independent as per TUF and Code	Valentina Montanari	N/A	N/A	3/3	M	4/4	C	1/1	M	1/1	M	-	-	-	-
Independent as per TUF and Code	Eric Sandrin	N/A	N/A	3/3	M	4/4	M	1/1	C	1/1	C	-	-	-	-
-------------------- DIRECTORS WHO LEFT OFFICE DURING THE YEAR -------------------															
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
---------------ANY MEMBERS WHO ARE NOT DIRECTORS---------------															
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

NOTES
(*) This column indicates the attendance of directors at committee meetings (indicate the number of meetings attended out of the total number of meetings attended; e.g. 6/8, 8/8 etc.).
(**) This column shows the status of the director within the committee: "P": chair; "M": member.

TABLE 4: STRUCTURE OF THE BOARD OF STATUTORY AUDITORS AT THE END OF THE YEAR

Board of Statutory Auditors									
Position	Members	Year of birth	Date of first appointment (*)	Start of term	End of term	Slate (M/m) (**)	Indep. Code	Attendance at Board of Statutory Auditors meetings (***)	No. of other posts (****)
Chair	Massimo Carlomagno	1965	28.02.05	28.04.22	Shareholders' Meeting to approve the 2024 financial statements	M	x	7/7	6
Statutory Auditor Auditor	Ester Sammartino	1966	28.02.05	28.04.22	Shareholders' Meeting to approve the 2024 financial statements	M	x	7/7	6
Statutory Auditor Auditor	Antonio Mucci	1946	12.06.09	28.04.22	Shareholders' Meeting to approve the 2024 financial statements	M	x	7/7	1
Alternate Auditor	Giovanni Rayneri	1963	28.04.22	N/A	Shareholders' Meeting to approve the 2024 financial statements	M	N/A	N/A	N/A
Alternate Auditor	Cinzia Voltolina	1983	28.04.22	N/A	Shareholders' Meeting to approve the 2024 financial statements	M	N/A	N/A	N/A
-------------------STATUTORY AUDITORS WHO LEFT OFFICE DURING THE YEAR-------------------									
-	-	-	-	-	-	-	-	-	-

Indicate the number of meetings held during the year: 7
Indicate the quorum required for the submission of slates by minorities for the election of one or more members (pursuant to article 148 of the TUF): 2.5%

NOTES
(*) The date of first appointment of each statutory auditor is the date on which they were appointed for the very first time to the Issuer's Board of Statutory Auditors.
(**) This column indicates whether the slate from which each statutory auditor was drawn is "majority" (specifying "M") or "minority" (specifying "m").
(***) This column indicates the attendance of statutory auditors at meetings of the board of statutory auditors (indicate the number of meetings attended out of the total number of meetings attended; e.g. 6/8, 8/8 etc.).
(****) This column shows the number of director or statutory auditor positions held by the person in question pursuant to article 148-bis of the Consolidated Law on Finance and the related implementing provisions contained in the Consob Issuers' Regulation. The full list of positions is published by Consob on its website in accordance with article 144-quinquiesdecies of the Consob Issuers' Regulation.

Annex A - List of the main positions held by the Directors

List of the main positions held, at the date of this Report, by each Director in other companies listed on regulated markets, including abroad, in financial, banking, insurance or other companies of significant size.

Name and surname	Company	Position	Status
Angelo Mastrolia	Centrale del Latte d'Italia S.p.A.	Chair of the Board of Directors	In office
	Princes Limited	Chair	In office
	Princes Italia S.p.A.	Chair of the Board of Directors	In office
	Princes Foods B.V.	Director	In office
	Princes Holding (Rotterdam) B.V.	Director	In office
	New Property S.p.A.	Chair of the Board of Directors	In office
	TMT Property S.r.l.	Chair of the Board of Directors	In office
	Newservice S.r.l.	Chair of the Board of Directors	In office
	Symington's Ltd	Managing Director	In office
	Princes France S.A.S.	Chair	In office
	Newlat GmbH	Director	In office
	Newlat Group SA	Sole Director	In office
	Biochemia System S.r.l.	Sole Director	In office
	ABGM Group S.A.	Sole Director	In office
	CFR Hypermarché S.A.	Sole Director	In office
	TMT Group S.A.	Sole Director	In office
	Latterie Riunite Piana del Sele S.r.l. in liquidation	Liquidator	In office
Giuseppe Mastrolia	Centrale del Latte d'Italia S.p.A.	Deputy Chairman of the Board of Directors	In office
	New Property S.p.A.	Deputy Chairman of the Board of Directors	In office

	Princes Tuna (Mauritius) Limited	Director	In office
	Princes Limited	Director	In office
	Princes Italia S.p.A.	Deputy Chairman of the Board of Directors	In office
	TMT Property S.r.l.	Director	In office
	Symington's Ltd	CEO	In office
	Princes France S.A.S.	Managing Director	In office
	Newlat GmbH	CEO	In office
Stefano Cometto	Centrale del Latte d'Italia S.p.A.	Chief Executive Officer	In office
	New Property S.p.A.	Chief Executive Officer	In office
	Princes Italia S.p.A.	Chief Executive Officer	In office
	Newservice S.r.l.	Director	In office
	RA Creations S.r.l.s in liquidation	Liquidator	In office
	Gopura Consulting Srl.s	Sole Director	In office
Benedetta Mastrolia	Centrale del Latte d'Italia S.p.A.	Director	In office
	New Property S.p.A.	Director	In office
	Princes Italia S.p.A.	Director	In office
	Princes Limited	Director	In office
		Corporate Secretary	In office
	Symington's Ltd	Director	In office
Maria Cristina Zoppo	Banca Intesa Sanpaolo S.p.A.	Director	In office
		Management Control Committee Member	In office
	REAM SGR S.p.A.	Chair of the Board of Directors	In office
	Michelin Italiana S.p.A.	Standing Auditor	In office
	BDO Tax S.r.l. S.t.p.	Proxy	

Valentina Montanari	University of Pavia	Director	In office
	Impresa Sangalli Giancarlo	Director	In office
	Fondazione Italia per il Dono (FIDO)	Director	In office
	Seco S.p.A.	Independent Director	In office
		Lead Independent Director	In office
		Chair of the Control, Risks and Sustainability Committee	In office
		Member of the Related Parties Committee	In office
	Mediolanum Fund Management SGR p.A.	Director	In office
		Member of the Control, Risks and Sustainability Committee	In office
Eric Sandrin	Alexander Mcqueen Trading Limited	Director	In office
	Autumnpaper Limited	Director	In office
	Balenciaga	Member of the Strategic Committee	In office
	Balenciaga Japan Ltd	Director	In office
	Balenciaga Opérations	Member of the Strategic Committee	In office
	Balenciaga Uk Ltd	Director	In office
	Birdswan Solutions Limited	Director	In office
	Boucheron (Uk) Limited	Director	In office
	Boucheron Joaillerie (Usa), Inc.	Director	In office
	Boucheron Sas	Member of the Strategic Committee	In office
	Gg France 13	Chair	In office
	Gg France 14	Chair	In office

Guccio Gucci Spa	Director	In office
Immo France 2	Chair	In office
Immo France 3	Chair	In office
Immo France 4	Chair	In office
Immo France 5	Chair	In office
Alexander Mcqueen Trading Limited	Director	In office
Autumnpaper Limited	Director	In office
Balenciaga	Member of the Strategic Committee	In office
Balenciaga Japan Ltd	Director	In office

Annex B - List of the main positions held by the Statutory Auditors

List of the main positions held, at the date of this Report, by each Statutory Auditor in other companies listed on regulated markets, including abroad, in financial, banking, insurance or other companies of significant size.

Name and surname	Company	Position	Status
Massimo Carlomagno	New Property S.p.A.	Chair of the Board of Statutory Auditors	In office
	Centrale del Latte d'Italia S.p.A.	SB Chair	In office
	Princes Italia S.p.A.	Standing Auditor	In office
	Municipality of Esine	Sole Auditor	In office
	Korg Italy S.p.A.	Statutory Auditor	In office
	Bakoo S.p.A.	Statutory Auditor	In office
Ester Sammartino	New Property S.p.A.	Statutory Auditor	In office
	Centrale del Latte d'Italia S.p.A.	SB member	In office
	Princes Italia S.p.A.	Standing Auditor	In office
	Municipality of Pognana lario	Sole Auditor	In office
	Municipality of Caslino D'Erba	Sole Auditor	In office
	Municipality of Borghetto Lodigiano	Sole Auditor	In office
Antonio Mucci	New Property S.p.A.	Statutory Auditor	In office
	Princes Italia S.p.A.	Alternate Auditor	In office

CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2024

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(In thousands of euros)	Notes	At 31 December 2024	At 31 December 2023
Non-current assets			
Property, plant and equipment	8.1	580,410	164,732
Right-of-use assets	8.2	96,496	43,773
of which from related parties		*11,488*	*14,105*
Intangible assets	8.3	129,589	91,548
Equity investments in associates	8.4	10,090	1,401
Non-current financial assets measured at fair value through profit or loss	8.5	2,038	777
Financial assets measured at amortised cost	8.6	803	800
of which from related parties		*735*	*735*
Deferred tax assets	8.7	7,806	6,362
Total non-current assets		**827,233**	**309,392**
Current assets			
Inventories	8.8	486,942	74,099
Trade receivables	8.9	258,544	84,634
of which from related parties		*6,191*	*2,493*
Current tax assets	8.10	6,930	1,323
Other receivables and current assets	8.11	53,591	22,529
Current financial assets measured at fair value through profit or loss	8.12	1,576	69
Financial receivables measured at amortised cost	8.13	263,775	13,099
of which from related parties		*263,775*	*13,099*
Cash and cash equivalents	8.14	455,135	312,459
of which from related parties			*93,586*
Total current assets		**1,526,493**	**508,212**
TOTAL ASSETS		**2,353,726**	**817,604**
Shareholders' equity			
Share capital		43,935	43,935
Reserves		126,006	102,079
Translation reserve		2,538	(1,703)
Net profit/(loss)		157,934	14,325
Total shareholders' equity attributable to the Group	8.15	**330,412**	**158,636**
Shareholders' equity attributable to minority interests	8.15	**65,530**	**16,022**
Total consolidated equity	8.15	**395,943**	**174,658**
Non-current liabilities			
Provisions for employee benefits	8.16	13,056	10,951
Provisions for risks and charges	8.17	3,723	2,337
Deferred tax liabilities	8.7	48,500	22,868
Non-current financial liabilities	8.18	581,229	290,466
Non-current lease liabilities	8.2, 8.18	79,758	37,160
of which from related parties		*8,692*	*14,092*
Shareholder Loan	8.19	206,100	-
of which from related parties		*(206,100)*	-
Total non-current liabilities		**932,366**	**363,783**
Current liabilities			
Trade payables	8.20	559,229	172,198
of which from related parties		*12,493*	*823*
Current financial liabilities	8.18	385,486	64,653
of which from related parties		*7*	*3,916*
Current lease liabilities	8.2, 8.18	20,230	7,694
of which from related parties		*2,554*	*2,457*
Current tax liabilities	8.10	4,946	2,988
Other current liabilities	8.21	55,526	31,630
of which from related parties		*73*	*0*
Total current liabilities		**1,025,418**	**279,163**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**2,353,726**	**817,604**

CONSOLIDATED INCOME STATEMENT

(In thousands of euros)	Notes	Consolidated income statement at and for the year ended 31 December	
		2024	2023
Revenue from contracts with customers	9.1	1,641,109	793,339
Cost of sales	9.2	(1,369,712)	(656,186)
of which from related parties		*(2,644)*	*(2,839)*
Gross operating profit/(loss)		**271,397**	**137,154**
Sales and distribution costs	9.2	(123,973)	(89,912)
Administrative costs	9.2	(104,704)	(23,801)
of which from related parties		*(306)*	*(168)*
Net write-downs of financial assets	9.3	(374)	(1,378)
Other revenues and income	9.4	7,555	10,920
Income from business combinations	9.5	155,479	4,793
Other operating costs	9.6	(7,673)	(6,496)
Operating profit/(loss)		**197,709**	**31,280**
Financial income	9.7	12,224	9,777
of which from related parties		*3,914*	*1,501*
Financial expenses	9.7	(42,432)	(21,341)
of which from related parties		*(6,238)*	*(493)*
Valuation of associated companies using the equity method	9.8	(19)	
Profit/(loss) before taxes		**167,482**	**19,715**
Income taxes	9.9	(7,240)	(4,203)
Net profit/(loss)		**160,241**	**15,513**
Profit/(loss) attributable to minority interests		**2,308**	**1,188**
Group net profit/(loss)		**157,933**	**14,325**
Basic net profit/(loss) per share	9.10	3.60	0.33
Diluted net profit/(loss) per share	9.10	3.60	0.33

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(In thousands of euros)	Notes	Consolidated income statement at and for the year ended 31 December	
		2024	2023
Net profit/(loss) (A)		**160,241**	**15,513**
B) Other components of comprehensive income that will not be subsequently reclassified to the income statement:			
Actuarial gains/(losses)	8	391	(78)
Total other components of comprehensive income that will not be subsequently reclassified to the income statement:		**391**	**(78)**
C) Components of comprehensive income that will be subsequently reclassified to the income statement:			
Hedging instruments net of tax effects	8	1,102	(251)
Translation reserve	8.14	3,724	1,315
Total other components of comprehensive income that will be subsequently reclassified to the income statement		**4,826**	**1,065**
D) Total other components of comprehensive income, net of tax effect (B+C)		**5,218**	**987**
Total comprehensive net profit/(loss) (A)+(D)		**165,459**	**16,500**
Profit/(loss) attributable to minority interests		**5,078**	**1,188**
Group net profit/(loss)		**160,381**	**15,313**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(In thousands of euros)	Notes	Share capital	Reserves	Net profit/(loss)	Total shareholders' equity attributable to the Group	Shareholders' equity attributable to minority interests	Total
At 31 December 2022	8.14	**43,935**	**74,313**	**6,223**	**124,471**	**14,834**	**139,306**
Allocation of net profit/(loss) for the previous year			6,223	(6,223)	-		-
Treasury shares			18,853		18,853		18,853
Total treasury shares			**18,853**		**18,853**		**18,853**
Other changes			-		-	-	-
Net profit/(loss)				14,325	**14,325**	1,188	**15,513**
Hedging instruments net of tax effects			(251)		**(251)**		**(251)**
Translation reserve			1,315		**1,315**		**1,315**
Actuarial gains/(losses) net of the related tax effect			(78)		**(78)**	-	**(78)**
Total comprehensive net profit/(loss) for the year			**987**	**14,325**	**15,313**	**1,188**	**16,500**
At 31 December 2023	8.14	**43,935**	**100,376**	**14,325**	**158,636**	**16,022**	**174,658**
Allocation of net profit/(loss) for the previous year			14,325	(14,325)	-		
Treasury shares			11,395		11,395		11,395
Total treasury shares			**11,395**		**11,395**		**11,395**
Other changes			44,430			44,430	**44,430**
Net profit/(loss)				157,934	**157,934**	2,308	**160,241**
Hedging instruments net of tax effects			(473)		**(473)**	1575	**1,102**
Translation reserve			2,812		**2,812**	913	**3,725**
Actuarial gains/(losses) net of the related tax effect			109		**109**	282	**391**
Total comprehensive net profit/(loss) for the year			**2,448**	**157,934**	**160,381**	**5,078**	**165,459**
At 31 December 2024	8.14	**43,935**	**158,649**	**172,259**	**330,412**	**65,530**	**395,943**

CONSOLIDATED CASH FLOW STATEMENT

(In thousands of euros)	Notes	At 31 December	
		2024	2023
Profit/(loss) before taxes		167,482	19,715
- Adjustments for:			
Amortisation, depreciation and write-downs	8.1-8.2-8.3	62,890	41,665
Financial expense/(income)	9.7	30,227	11,564
of which from related parties		*(2,324)*	*1,131*
Other non-monetary changes from business combinations	9.5	(155,479)	(4,793)
Cash flow generated /(absorbed) by operating activities before changes in net working capital		**105,120**	**68,152**
Change in inventory	8.8	3,823	14,231
Change in trade receivables	8.9	71,821	11,462
Change in trade payables	8.20	72,800	(29,836)
Change in other assets and liabilities	8.5-8.11-8.19-8.21	29,956	4,026
Use of provisions for risks and charges and for employee benefits	8.16-8.17	(989)	(1,039)
Taxes paid	8.10	(3,033)	(4,606)
Net cash flow generated /(absorbed) by operating activities		**279,498**	**62,391**
Investments in property, plant and equipment	8.1	(23,056)	(22,807)
Investments in intangible assets	8.3	(3,433)	(2,132)
Divestment of financial assets	8.5-8.11	(240,360)	6,648
Acquisition of businesses net of cash inflows	1.2	5,737	(1,000)
Net cash flow generated /(absorbed) by investment activities		**(261,112)**	**(19,290)**
New financial payables	8.18	834,609	34,882
Repaid financial payables	8.18	(672,340)	(50,266)
Repayments of lease liabilities	8.18	(19,812)	(10,368)
of which from related parties		*(4,470)*	*(3,601)*
Net interest expense		(12,410)	(11,564)
Sale (purchase) of own shares		(5,758)	18,854
Net cash flow generated/(absorbed) by financing activities		**124,289**	**(18,463)**
Total changes in cash and cash equivalents		**142,675**	**24,637**
Cash and cash equivalents at start of year	8.14	**312,459**	**287,820**
of which from related parties		*93,586*	*97,909*
Total changes in cash and cash equivalents		142,675	24,637
Cash and cash equivalents at end of year	8.14	**455,135**	**312,459**
of which from related parties		*0*	*93,586*

RECONCILIATION STATEMENT AS AT 31 December 2024 WITH THE VALUES OF THE PARENT COMPANY'S SEPARATE FINANCIAL STATEMENTS

(In thousands of euros)	Equity	of which Net profit for the period
Balances resulting from the Parent Company's separate financial statements	171,491	2,015
Effect of full consolidation: -		
- Difference between the book value of the consolidated subsidiary Newlat GmbH and the relative share of equity	(35,693)	
- Difference between the book value of the consolidated subsidiary Centrale del Latte d'Italia SpA and the relative share of equity	33,645	
- Difference between the book value of the consolidated subsidiary Symington's Limited and the relative share of equity	(6,471)	
- Difference between the book value of the consolidated subsidiary Princes Limited and its share of equity	155,479	155,479
- Pro-rata results achieved by investees	365	365
- Other changes in shareholders' equity	16,637	
- Recognition of minority interests/shareholders	60,489	2,380
Shareholders' equity and profit/loss for the period from the Group's consolidated financial statements	395,943	160,240

EXPLANATORY NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

General information and significant transactions carried out in 2024

Newlat Food S.p.A. is incorporated in Italy in the form of a public limited company operating under Italian law. The Company has its registered office at Via J. F. Kennedy 16, 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, Foods, Drinks, Fish, Italian products, Oils and Other Products.

The Company is subject to the direction and coordination of its parent company Newlat Group S.A. (hereinafter "**Newlat Group**"), which directly holds 41.14% of its share capital, 34.51% is held by the market and retail, 14.38% is held by Mitsubishi Corporation, 9.53% is held by Helikon and the remainder (0.44%) is held by Newlat Food itself through the purchase of own shares.

1. ADOPTED ACCOUNTING STANDARDS

The accounting standards and measurement criteria adopted in the preparation and drafting of the annual report at 31 December 2024 are set out below.

The annual financial report at 31 December 2024 was prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and endorsed by the European Union. The term "IFRS" also encompasses International Accounting Standards (IAS) that are still in force, as well as all interpretations of the International Financial Interpretations Committee, which was formerly named the International Financial Interpretations Committee ("IFRIC"), and of the Standing Interpretations Committee ("SIC").

The preparation of financial statements in accordance with IFRS requires judgements, estimates and assumptions that have an effect on the assets, liabilities, costs and revenues. The final results may be different to those obtained through these estimates. 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, trademarks with an indefinite useful life, depreciation and amortisation of non-current assets, deferred taxes, the provision for doubtful receivables and the provision for inventory write-downs, the provisions for risks, the defined benefit plans for employees and the payables for the purchase of equity investments contained in the other liabilities.

In particular, discretionary measurements and significant accounting estimates relate to the determination of the recoverable amount of non-financial assets calculated as the greater of fair value less costs to sell and value in use. Value in use is calculated based on a discounted cash flow model. The recoverable value depends significantly on the discount rate used in the discounted cash flow model, as well as on expected future cash flows and the growth rate used. The key assumptions used to determine the recoverable value for the two cash-generating units, including a sensitivity analysis, are described in note 8.3 of the Consolidated Financial Statements at 31 December 2024.

The use of significant accounting estimates and assumptions also relates to the determination of the fair value of assets and liabilities acquired as part of business combinations. In fact, at the date of acquisition, the Group must separately recognise, at their fair value, assets, liabilities and contingent liabilities identifiable and acquired or assumed as part of the business combination, and determine the present value of the strike price of any call options on minority shares. This process requires the preparation of estimates, based on valuation techniques, which require judgement in the forecasting of future cash flows as well as the development of other assumptions such as long-term growth rates and discount rates for valuation models developed also with the use of experts outside the management team.

1.1 Basis of preparation

The Consolidated Financial Statements consist of the statement of financial position, the income statement, the statement of changes in shareholders' equity, the statement of cash flows and the notes.

The layout adopted for the statement of financial position provides for the separation of assets and liabilities between current and non-current.

An asset is classified as current when:

- it is assumed that this activity is carried out, or is owned for sale or consumption, in the normal course of the operating cycle;
- it is held primarily for the purpose of trading;
- it is assumed that it will be realised within twelve months of the reporting date;
- it consists of cash and cash equivalents (unless it is prohibited to exchange it or use it to settle a liability for at least twelve months from the reporting date).

All other assets are classified as non-current. In particular, IAS 1 includes property, plant and equipment, intangible assets and long-term financial assets as non-current assets.

A liability is classified as current when:

- it is expected to be extinguished in the normal operating cycle;
- it is held primarily for the purpose of trading;
- it will be extinguished within twelve months of the reporting date;
- there is no unconditional right to defer its settlement for at least twelve months from the reporting date. Covenants of a liability that could, at the discretion of the counterparty, result in its extinction through the issue of equity instruments do not affect its classification.

The chosen income statement layout provides for the classification of costs by destination.

The statement of other comprehensive income includes the result for the year and, with the same categories, income and expenses that, according to IFRSs, are directly recognised under equity.

The statement of changes in equity includes, in addition to the total gains / losses for the period, the amounts of transactions with shareholders and movements in reserves during the year.

In the statement of cash flows, the financial flows from operating activities are presented using the indirect method, under which the profit or loss for the year is adjusted by the effects of non-monetary operations, by any deferral or provision of previous or future operating inflows or outflows, and by elements of revenue or costs related to financial flows deriving from investment activities or financing activities.

The Consolidated Financial Statements have been prepared in thousands of euro, the functional currency of the Group. The statement of financial position, income statement, statement of cash flows, explanatory notes and tables are in thousands of euro, unless otherwise indicated.

The consolidated financial statements were prepared:

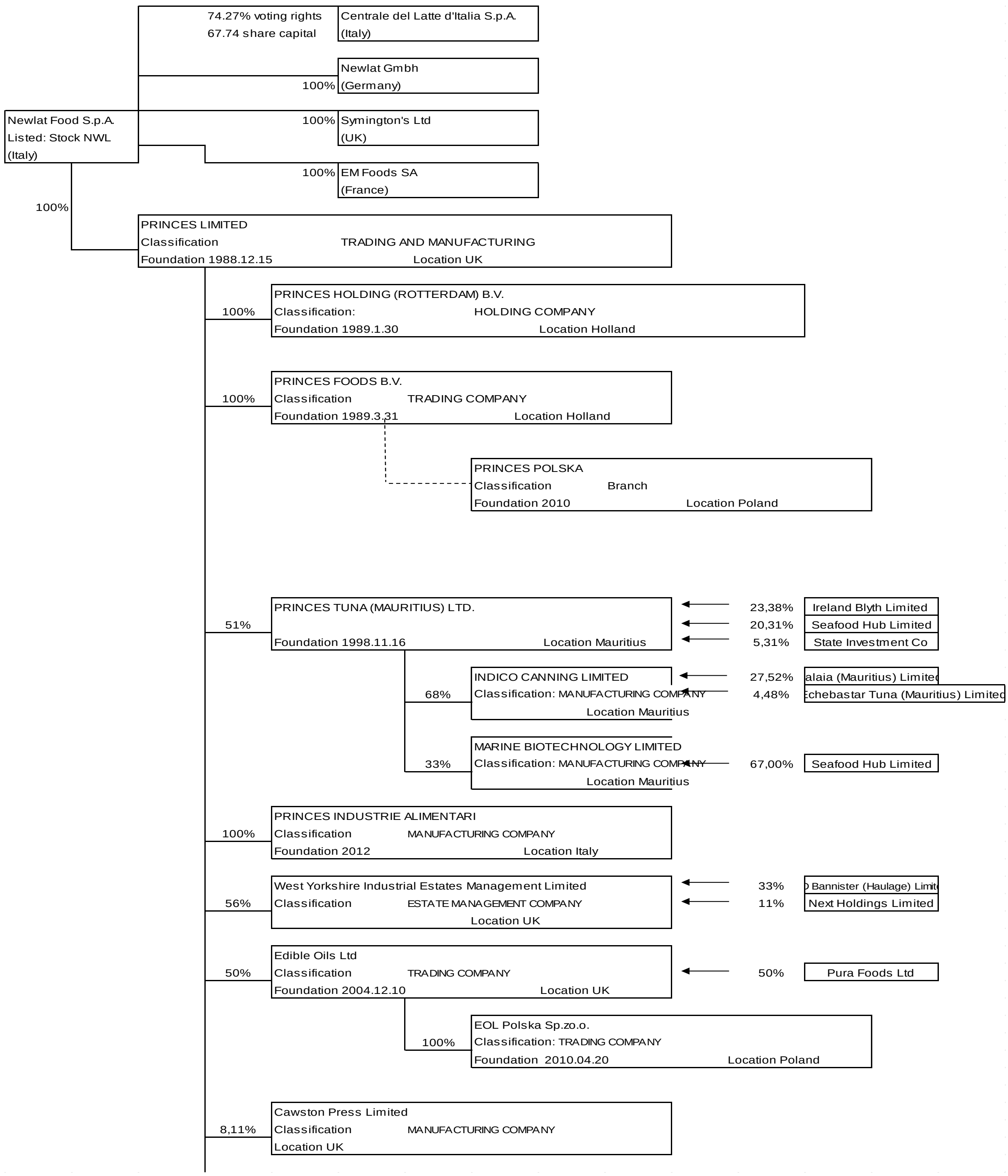
- on the basis of the best knowledge of IFRSs and taking into account the best doctrine on the subject;
- under the going-concern principle, in accordance with the principle of accrual accounting, in compliance with the principle of materiality of information and substance over form, and with a view to encouraging consistency with future presentations. The assets and liabilities and costs and revenues are not offset against each other, unless this is permitted or required by international accounting standards;
- on the basis of the conventional historical cost criterion, except for the measurement of financial assets and liabilities in cases where application of the fair value criterion is mandatory.

Criteria for preparation of the consolidated financial statements

The consolidated financial statements were prepared in order to represent the assets, liabilities, revenues and costs directly and indirectly attributable to the Newlat Group.

CORPORATE STRUCTURE AT 31 December 2024

Below is a graphical representation of the companies belonging to the Newlat Group at 31 December 2024:



The table below shows the main information regarding the direct Subsidiaries of Newlat:

Name	Registered Office	Currency	Share capital at 31 December 2024	Control percentage As at 31 December	
				2024	2023
Newlat Food S.p.A.	Italy - Via J.F. Kennedy 16, Reggio Emilia	EUR	43,935,050	Parent company	Parent company
EM Foods Sas	951 Rue Denis Papin, 54710 Ludres, France	EUR	1,000,000	100%	100%
Symington's Limited	2528254 Dartmouthway, Leeds	GBP	100,000	100%	100%
Newlat Deutschland	Germany - Fransozenstraβe 9, Mannheim	EUR	1,025,000	100%	100%
Centrale Latte d'Italia	Italy - Via Filadelfia 220, Turin	EUR	28,840,041	67.74%	67.74%
Princes Limited	Royal Liver Building Pier Head Liverpool	GBP	7,000,000	100%	-

The financial statements of subsidiaries have been audited.

A brief description of the activities carried out by the parent company and its subsidiaries is provided below:

- Newlat Food S.p.A.: a company specialising in the production and sale of fresh and shelf-stable milk, fresh and shelf-stable cream, yoghurt and different types of butter and cheese, mascarpone and dairy products, in the production and sale of pasta, including organic pasta, wholemeal pasta, long and short pasta, pasta nests and premium lasagne, in the production of baked goods such as croutons and rusks, in the production of speciality and baby products.
- Newlat GmbH Deutschland: a company active in the production and sale in Germany of traditional forms of German pasta such as *spätzle* and flavoured pasta, instant cups and sauces.
- Centrale del Latte d'Italia S.p.A.: a company specialising in the production and sale of fresh and shelf-stable milk, fresh and shelf-stable cream, yoghurt and different types of butter and cheese, mascarpone and dairy products.
- Symington's Limited, a company specialising in the production and sale of instant noodles.
- EM Foods Sas, a leading manufacturer of baking and dessert mixes.
- Princes Limited: a group active in the production and sale of products related to canned vegetables, tuna, oils, beverages, tomatoes and pasta.

1.2 Consolidation criteria and methods and changes in the scope of consolidation

The Consolidated Financial Statements include the results, assets and liabilities and cash flows of Newlat Food and the subsidiaries approved by the respective administrative bodies, prepared on the basis of their relative accounting situations and, where applicable, adjusted accordingly to bring them into compliance with IFRS.

The reporting date of the consolidated entities is aligned with that of the Parent Company.

The following table summarises, with reference to the companies included in the scope of the Consolidated Financial Statements, the information relating to the company name, registered office, functional currency and share capital at 31 December 2024:

Name	Registered Office	Currency	Share capital at 31 December 2024
Newlat Food S.p.A.	Italy - Via J.F. Kennedy 16, Reggio Emilia	EUR	43,935,050
Newlat Deutschland GmbH	Germany - Fransozenstraβe 9, Mannheim	EUR	1,025,000
Centrale del Latte d'Italia S.p.A.	Italy - Via Filadelfia 220, 10137 Turin	EUR	28,840,041
EM Foods Sas	951 Rue Denis Papin, 54710 Ludres, France	EUR	1,000,000
Symington's Limited	Leeds, 2528254 Dartmouthway	GBP	100,000
Princes Limited	Royal Liver Building Pier Head Liverpool	GBP	7,000,000
Princes Holding (Rotterdam) B.V.	Boompjes 40, PO Box 19157, 3001 BD, Rotterdam, Holland	EUR	1,831,109
Princes Foods B.V.	Boompjes 40, PO Box 19157, 3001 BD, Rotterdam, Holland	EUR	635,000
Princes Polska	Boompjes 40, PO Box 19157, 3001 BD, Rotterdam, Holland	PLN	-
Princes Italia S.p.A.	Italy - Via J.F. Kennedy 16, Reggio Emilia	EUR	40,000,000
Princes Tuna (Mauritius) Ltd.	PO Box 131, New Trunk Road, Riche Terre, Port Louis, Republic of Mauritius	EUR	14,512,262
Indico Canning Ltd.	Marine Road, Port Louis, Republic of Mauritius	EUR	125,397
West	Royal Liver Building Pier Head Liverpool	GBP	100

It should be noted that at the reference dates of the Consolidated Financial Statements, all the companies included within the scope were consolidated using the line-by-line method.

The following table summarises, with reference to the companies (joint operations) proportionally included in the scope of the Consolidated Financial Statements, the information relating to the company name, registered office, functional currency and share capital at 31 December 2024:

Name	Registered Office	Currency	Share capital at 31 December 2024
Edible Oils Limited	Royal Liver Building Pier Head Liverpool	GBP	8,626,000
Edible Oils Polska SP. Z.O.O.	ul. B. Chrobrego 29, 64-500 Szamotuły	ZL	70,155,000

The above two companies are the result of a 50-50 investment by the Group in a jointly controlled arrangement. The core business of Edible Oils Limited and its subsidiary Edible Oils Polska SP. Z.O.O. is the processing of edible oils. The contractual agreement provides for the Group's exclusive purchase of the entire oil production from the two companies. The entire output of the production of the Edible Oils sub-group is purchased by the Group (and then resold to third parties). Therefore, the obligations of the Edible Oils sub-group are met solely from the cash received by the participants in the agreement through the purchase of the output. Accordingly, the Edible Oils sub-group was identified as a joint operation on the basis of the "other facts and circumstances" governed by IFRS 11 B29 - B32. The consolidation of the assets, liabilities, costs and revenues of the Edible Oils sub-group is therefore based on the percentage of ownership, the latter being considered the most appropriate indicator in the context of a joint operation where the arrangements are set up through a limited liability company with legal personality.

In preparing the Consolidated Financial Statements, all balances and transactions carried out between the companies included in the scope have been eliminated and therefore the Consolidated Financial Statements do not include any of the transactions in question.

Finally, note that the Group directly or indirectly holds non-controlling interests in

- Mercarfir, a consortium company that manages the Multipurpose Food Centre in Florence, 25% through the company Centrale del Latte d'Italia S.p.A. in Mercafir equal to 25% and was valued using the equity method.
- Marine Biotechnology, a company specialising in the production of fishmeal and fish oil, held 33% through Princes Tuna Mauritius and was valued using the equity method.

Subsidiaries

An investor controls an entity when: (i) it is exposed, or has rights, to variable returns from its involvement with the entity and (ii) it has the ability to affect those returns through its power over said entity. The existence of control is checked every time facts and/or circumstances point to a change in one of the aforementioned elements constituting control. Subsidiaries are consolidated using the line-by-line method from the date on which control was acquired. They cease to be consolidated from the date on which control is transferred to third parties. The following criteria were adopted for line-by-line consolidation:

- assets and liabilities and income and expenses of the subsidiaries are consolidated line-by-line, attributing to the minority shareholders, where applicable, their portion of equity and net profit/loss for the period; these portions are shown separately in equity and the statement of other comprehensive income;
- gains and losses, including related tax effects, on transactions between companies consolidated on a line-by-line basis and unrealised gains and losses on transactions with third parties are derecognised, except for losses that are not derecognised if the transaction provides evidence of impairment of the transferred asset. The mutual debit and credit positions, costs and revenues and financial expenses and income are also eliminated.

Companies subject to joint control

Joint control is the sharing of control of an arrangement on a contractual basis that exists only when the unanimous consent of all parties sharing control is required for decisions on the relevant activities.

As required by IFRS 11, a joint arrangement is an arrangement in which two or more parties have joint control, and may be a joint operation or a joint venture. Classification in the financial statements depends on the type of jointly controlled arrangement.

An interest in a joint venture is recognised as an equity investment and accounted for using the equity method. Under the equity method, the equity investment is initially recognised at cost and the carrying amount is increased or decreased to recognise the equity interest of the participant in the gains or losses of the investee realised after the acquisition date.

Conversely, in the case of joint operations, the assets, liabilities, costs and revenues related to the jointly controlled business are recognised in accordance with IFRSs applicable to the specific assets, liabilities, costs and revenues.

Equity investments in associates

An associate is a company over which the Group exercises significant influence. Significant influence means the power to participate in determining the financial and operating policies of the investee company without having control or joint control over it. Investments in associates are measured using the shareholders' equity method. Under the equity method, the equity investment in an associate is initially recognised at cost. The carrying amount of the investment is increased or decreased to recognise the equity interest of the participant in the gains and losses of the investee realised after the acquisition date

Conversion of items in foreign currency

All assets and liabilities of foreign companies in currencies other than the euro (presentation currency) that are included in the scope of consolidation are converted using the exchange rates prevailing at the reporting date (current exchange rate method); all equity items are converted using historical exchange rates, while the related income and expenses in the income statement are converted at average exchange rates (source: Bank of Italy).

Exchange differences resulting from the application of this method are classified as an equity item attributed to the Group's shareholders and minority interests until the full disposal of the equity investment, or when the investee ceases to qualify as a subsidiary. Upon partial disposal without loss of control, the portion of exchange rate differences relating to the portion of the equity investment disposed of is allocated to the equity of the non-controlling interests.

The financial statements used for conversion are those expressed in the functional currency of the foreign company, represented by the local currency or the other currency in which most economic transactions and assets and liabilities are denominated.

The main exchange rates applied in the conversion of financial statements expressed in foreign currencies into euros are as follows:

Currency	Abbreviation	Exchange rate as at 31.12.2024	Exchange rate as at 31.12.2023	Average exchange rate 2024*	Average exchange rate 2023
British Pound Sterling	GBP	0.82912	0.86905	0.8377	0.86979
Polish Zloty	PLN	4.2750	N/A	4.2974	N/A
Mauritius Rupee	MUR	48.8335	N/A	50.1980	N/A

*Average exchange rate 2024 for the companies of the Princes group, which was acquired during the financial year, is to be understood as the average exchange rate for the five months since acquisition.

Intra-group transactions

Profits arising from transactions between consolidated companies and not yet realised with respect to third parties are eliminated, as are the receivables, payables, income and expenses, guarantees, commitments and risks between consolidated companies. Intra-group losses are not eliminated because they are considered representative of impairment of the transferred asset.

Change in the scope of consolidation

On 17 June 2024, a purchase and sale agreement was entered into with Mitsubishi Corporation as seller, pursuant to which Newlat acquired 100% of the share capital of Princes for a net cash consideration of GBP

1. The transaction was completed following the closing of the conditions precedent and the endorsement of the shares on 30 July 2024.

The Agreement stipulated that Newlat must provide the necessary financial resources to enable Princes Limited to repay its outstanding loan to Mitsubishi Corporation. The transaction envisaged was financed through the Company's available liquidity, a Loan from the parent Newlat Group S.A. for a total amount of Euro 200 million and a loan of Euro 300 million that was provided by a pool of leading international banks.

The costs and revenues of the Princes sub-group were recognised in the consolidated income statement as at August 2024 and respectively contributed Euro 881 million and Euro 2.5 million (profit) to revenue and profit. If the Princes sub-group had been included for the entire year, it would have respectively contributed Euro 2,010 million and Euro 17.9 million (loss) to revenue and profit.

Ancillary costs for the transaction recognised in the income statement during the year amounted to approximately Euro 1 million.

The following table provides the book values of the net assets acquired as part of the Acquisition of the Princes Limited Group.

(In thousands of euros)	At 30 July 2024
Property, plant and equipment including rights of use	485,933
Intangible assets	37,876
Financial assets and non-controlling interests	9,554
Total non-current assets	**533,363**
Inventories	417,416
Trade receivables	246,105
Other receivables and current assets	43,067
Cash and cash equivalents	5,737
Net current tax assets	2,007
Total current assets	**714,332**
Deferred tax liabilities	(26,176)
Non-current financial liabilities	(230,216)
Non-current lease liabilities	(48,749)
Employee benefits	(4,870)
Total non-current liabilities	**(310,011)**
Trade payables	(312,296)
Current financial liabilities	(397,892)
Current lease liabilities	(12,432)
Other current liabilities	(15,155)
Total current liabilities	**(737,775)**
Total net assets acquired (values provisionally determined)	**199,909**
Proportional value of minority interests/shareholders at the Execution Date	(44,429)
Fair value of consideration at the acquisition date	(1)
Income from business combinations determined provisionally	**155,479**

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

On first consolidation the fair value measurement of the assets acquired and liabilities assumed was not yet complete, as the complexity of the group acquired required further investigation. Specifically, fixed assets (including rights of use) and intangible assets are still being analysed to date. As per the accounting standard in question, management will complete the relevant measurements within 12 months of the purchase date. With regard to financial receivables, it is believed that the value expressed represents the expected cash flows to be collected, and therefore the relative fair value.

Following the verification of the carrying values for potential impairment, the badwill thus determined was accounted for on a provisional basis in the consolidated income statement as indicated by IFRS 3, paragraph 34, under the specific item "income from business combinations". This item, apart from possible adjustments following the final allocation of any capital gains, represented the seller's willingness to sell a business, judged by them to be possibly non-synergistic, with a view to recovering the cash investment therein.

1.3 Accounting standards and measurement criteria

Adopted accounting standards

The Consolidated Financial Statements were prepared based on the IFRSs in force issued by the International Accounting Standards Board ("**IASB**") and endorsed by the European Union at the closing date of each year in question.

Below are the criteria used with reference to the classification, recognition, measurement and derecognition of the various asset and liability items, as well as the criteria used to recognise the income components.

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 goodwill. 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.

Property, plant and equipment

Property, plant and equipment is recognised as such only if the following conditions are met simultaneously:

- it is probable that the future economic benefits related to the asset will be enjoyed by the company;
- the cost can be reliably determined.

Property, plant and equipment are initially measured at cost, defined as the monetary or equivalent amount paid or the fair value of other considerations made to acquire an asset, at the time of purchase or replacement. Subsequent to initial recognition, property, plant and equipment are valued using the cost method, net of recorded depreciation and any accumulated impairment losses.

The cost includes the costs directly incurred to make their use possible, as well as any dismantling and removal costs that will be incurred as a result of contractual obligations that require the return of the asset to its original condition.

Costs incurred for maintenance and repairs of an ordinary and/or cyclical nature are directly charged to the income statement when incurred. The capitalisation of the costs inherent in the extension, modernisation or improvement of structural elements owned or used by third parties shall be carried out to the extent that they meet the requirements to be classified separately as an asset or part of an asset.

Property, plant and equipment are depreciated on a straight-line basis over their useful lives. The useful life estimated by the Group for the various categories of property, plant and equipment is shown below:

Category of assets	Useful Life
Land and buildings	10-33 years
Plant and machinery	4-20 years
Industrial and commercial equipment	2-9 years
Other assets	5-20 years

At the end of each financial year, the company checks whether significant changes have occurred in the expected characteristics of the economic benefits deriving from the capitalised assets and, if so, modifies the depreciation criterion, which is considered a change in accounting estimate in accordance with IAS 8.

The value of the asset is completely reversed at the time of its disposal or when the company expects that it will not be able to derive any economic benefit from its disposal.

Capital grants shall be accounted for when it is reasonably certain that they will be received and all conditions relating to them are met. Contributions are then deducted from the value of assets or suspended among liabilities and credited pro rata to the income statement in relation to the useful life of the related assets.

Intangible assets

An intangible asset is an asset that simultaneously fulfils the following conditions:

- it is identifiable;
- it is non-monetary;
- it has no physical consistency;
- it is under the control of the company preparing the accounts;
- it is expected to produce future economic benefits for the company.

If an asset does not meet the above requirements to be defined as an intangible asset, the expense incurred to acquire it or generate it internally is recognised as a cost when incurred.

Intangible assets are initially stated at cost. The cost of intangible assets acquired from outside includes the purchase price and any directly attributable costs.

Internally generated goodwill is not recognised as an asset, neither are intangible assets arising from research (or the research phase of an internal project).

An intangible asset arising from development or the development phase of an internal project is recognised if compliance with the following conditions can be demonstrated:

- the technical feasibility of completing the intangible asset so as to be available for use or sale;
- the intention to complete the intangible asset for use or sale;
- the ability to use or sell the intangible asset;
- the manner in which the intangible asset is capable of generating future economic benefits and in particular the existence of a market for the product of the intangible asset or for the intangible asset itself or, if it is to be used for internal purposes, its usefulness;
- the availability of adequate technical, financial and other resources to complete the development and the use or sale of the asset;
- the ability to reliably measure the cost attributable to the intangible asset during its development.

Intangible assets are measured using the cost method in accordance with one of the two different criteria set out in IAS 38 (cost model and revaluation model). The cost model requires an intangible asset to be recognised at cost after initial recognition, net of accumulated amortisation and any accumulated impairment losses.

The useful life estimated by the Group for the various categories of intangible assets is shown below:

Category of assets	**Useful Life**
Goodwill	unlimited
Some brands in Germany, Italy and the UK	unlimited
Other brands Italy	18 years
Intangible assets with a finite useful life SYM (core brands, other brands, customer relationships, know-how)	25 years 15 years 13 years
Software licences	5 years
Other assets	5 years

The following main intangible assets can be identified within the Group:

Goodwill

Goodwill is classified as an intangible asset with an indefinite useful life and is initially recognised at cost, as described earlier, and then subjected to (at least) annual testing to determine whether it has impaired (for more details, see the below paragraph "Impairment of goodwill, property, plant and equipment, intangible assets and right-of-use assets"). Reversals are not permitted in the case of a previous write-down due to impairment.

Trademarks with an indefinite useful life

Trademarks, for which the conditions for classification as intangible assets with an indefinite useful life are met, are not amortised systematically and are subject to impairment testing at least once a year and whenever there are indicators of impairment.

Intangible assets with a finite useful life

Intangible assets with a finite useful life are recognised at cost, as previously described, net of accumulated amortisation and any impairment losses.

Amortisation begins when the asset becomes available for use and is apportioned systematically based on the asset's estimated useful life; the criteria mentioned in the paragraphs "Property, plant and equipment" and "Impairment of goodwill, property, plant and equipment, intangible assets and right-of-use assets", respectively, contain the criteria for the value to be amortised and the recoverability of the book value.

Lease contracts

a) Right-of-use assets and lease liabilities

In accordance with IFRS 16, a contract is, or contains, a lease if, in exchange for consideration, it conveys the right to control the use of a specified asset for a period of time. The contract is re-evaluated to verify whether it is, or contains, a lease only if the terms and conditions of the contract are changed.

For a contract that is, or contains, a lease, each lease component is separated from the non-lease components, unless the Group applies the practical expedient referred to in paragraph 15 of IFRS 16. This practical expedient allows the lessee to choose, for each class of underlying asset, not to separate the non-lease components from the lease components and to recognise each lease component and the associated non-lease components as a single lease component.

The duration of the lease is determined as the non-cancellable period of the lease, to which must be added both the following periods:

- periods covered by a lease extension option, if the lessee is reasonably certain to exercise the option; and
- periods covered by the lease termination option, if the lessee is reasonably certain not to exercise the option.

In assessing whether the lessee is reasonably certain to exercise the option to extend the lease or not to exercise the option to terminate the lease, all relevant facts and circumstances that create an economic incentive for the lessee to exercise the option shall be considered. The lessee must redefine the lease term in the event of a change in the non-cancellable lease period.

At the effective date of the contract, the Group recognises the right-of use-asset and the related lease liability.

At the effective date of the contract, the right-of-use asset is valued at cost. The cost of the right-of-use asset includes:

- The initial value of the lease liability.
- Payments due for the lease made on or before the effective date, net of the lease incentives received;
- The initial direct costs incurred by the lessee; and
- The estimate of the costs to be incurred by the lessee for the dismantling and removal of the underlying asset and for the restoration of the site where it is located or for the restoration of the underlying asset under the terms and conditions of the lease, unless such costs are incurred for the production of inventories.

On the lease start date, the lessee shall measure the lease liability at the current value of the payments due for the lease but not yet paid. Payments due for the lease include the following amounts:

- Fixed payments, net of any outstanding lease incentives;
- Variable payments due for the lease that depend on an index or rate, initially measured using an index or rate on the effective date;
- The amounts expected to be paid by the lessee as guarantees of the residual value;
- The exercise price of the purchase option, if the lessee is reasonably certain to exercise the option.
- Lease termination penalty payments, if the lease term takes into account the lessee's exercise of the lease termination option.

Payments due for the lease must be discounted using the implicit interest rate of the lease, if it can be easily determined. If this is not possible, the lessee must use its marginal lending rate, i.e. the incremental interest rate that the company would have to pay to obtain a loan of the same duration and amount as the lease agreement.

Subsequent to initial recognition, right-of-use assets are measured at cost:

- net of accumulated depreciation/amortisation and impairment; and
- adjusted to take into account any restatement of the lease liability.

Subsequent to initial recognition, the lease liability is measured:

- by increasing the book value to take account of interest;
- by decreasing the book value to take account of lease payments that have been made; and
- by restating the book value to take account of any new valuations or changes in the lease or revision of payments due for fixed leases.

In the case of lease changes that do not constitute a separate lease, the right-of-use asset is restated (up or down), in line with the change in the lease liability at the date of the change. The lease liability is restated according to the new terms of the lease agreement, using the discount rate at the date of the change.

It should be noted that the Group makes use of two exemptions under IFRS 16, with reference to: (i) short-term leases (i.e. leases with a duration of 12 months or less from the effective date), in relation to certain categories of fixed assets, and (ii) leases of low-value assets (i.e. when the value of the underlying asset, if new, is less than USD 5,000, for example). In such cases, the right-of-use asset and the related lease liability are not recognised, and the payments due for the lease are recognised in the income statement.

Impairment of goodwill, property, plant and equipment, intangible assets and right-of-use assets

On each reporting date, a test is carried out to ascertain whether there are any indicators of impairment of property, plant and equipment and intangible assets that are not fully depreciated/amortised or of indefinite useful life.

Where these indicators are present, the recoverable value of the above-mentioned assets is estimated, and any write-down is recognised in the Income Statement. The recoverable value of an asset is the higher of the fair value, less costs to sell, and the related value in use, determined by discounting the estimated future cash flows for that asset, including, if they are significant and can be reasonably determined, those arising from the sale at the end of its useful life, net of any costs of disposal. In determining the value in use, the expected future cash flows are discounted using a pre-tax discount rate that reflects the current market valuations of the cost of the money, in proportion to the period of the investment and the specific risks of the asset.

For an asset that does not generate sufficiently independent cash flows, the recoverable value is determined in relation to the cash generating unit (CGU) to which said asset belongs.

Impairment is recognised in the income statement if the book value of the asset, or of the CGU to which it is allocated, is higher than its recoverable value. The impairment of a CGU is initially recognised as a reduction in the book value of any goodwill attributed to it and, therefore, as a reduction in other assets, in proportion to their book value and within the limits of their recoverable value. If the conditions for a previous write-down no longer exist, the book value of the asset is restored via the income statement, up to the limit of the net book value that the asset in question would have had without write-down and amortisation/depreciation. Reversals of goodwill impairment are not permitted in the case of a previous write-down due to impairment.

Financial assets

At the time of initial recognition, financial assets must be classified as "Financial assets at amortised cost", "Financial assets at fair value through other comprehensive income" or "Financial assets at fair value through profit or loss" on the basis of the following elements:

- The entity's business model for the management of the financial assets.
- The characteristics of the financial asset's contractual cash flows.

Financial assets are subsequently derecognised only if the disposal entails the substantial transfer of all risks and rewards connected to the assets. On the other hand, if a significant portion of the risks and rewards relating to the disposed financial assets has been retained, they continue to be recognised in the financial statements, even if legally their ownership has been effectively transferred.

Financial assets measured at amortised cost net of the related amortisation provision

a) *Financial assets at amortised cost (IFRS 9)*

This category includes the financial assets that meet both of the following conditions:

- the financial asset is held according to a "hold to collect" business model; and
- the contractual conditions of the financial asset provide for cash flows on certain dates which consist only of payments of capital and interest on the amount of capital to be repaid (so-called "SPPI test" passed).

These assets are initially recognised at fair value inclusive of the transaction costs or income directly attributable to the instrument. Subsequent to initial recognition, the financial assets in question are measured at amortised cost using the effective interest method. The amortised cost method is not used for assets valued at historical cost whose short duration makes the effect of discounting negligible, those without a defined maturity or for revocable credit lines.

This category mainly includes trade receivables arising from the transfer of goods and the provision of services, recognised in accordance with the terms of the contract with the customer in accordance with IFRS

15 and classified according to the nature of the debtor and/or the expiry date of the receivable (this definition includes invoices to be issued for services already rendered).

Moreover, since trade receivables are generally short-term and do not provide for the payment of interest, the amortised cost is not calculated, and they are recognised on the basis of the nominal value reported in invoices issued or contracts concluded with customers: this provision is also adopted for trade receivables with a contractual maturity of more than 12 months, unless the effect is particularly significant. The choice stems from the fact that the amount of short-term receivables is very similar whether you apply the historical cost method or the amortised cost method, and the impact of discounting would therefore be wholly negligible.

Trade receivables are subject to impairment testing in accordance with IFRS 9. For the purposes of the measurement process, trade receivables are divided into maturity time bands. For performing loans, a collective assessment is made by grouping the individual exposures on the basis of similar credit risk. The valuation is based on losses recorded for assets with similar credit risk characteristics based on historical experience and takes into account expected losses.

a) Financial assets at fair value through other comprehensive income (IFRS 9)

This category includes the financial assets that meet both of the following conditions:

- the financial asset is held according to a "hold to collect and sell" business model; and
- the contractual conditions of the financial asset provide for cash flows on certain dates which consist only of payments of capital and interest on the amount of capital to be repaid (so-called "SPPI test" passed).

These assets are initially recognised at fair value inclusive of the transaction costs or income directly attributable to the instrument. Following initial recognition, equity investments that do not qualify as subsidiaries, associates or joint control investees are measured at fair value, and amounts recognised as a counter-entry in equity should not be subsequently transferred to the income statement, even in the case of disposal. The only component referring to the equity instruments in question subject to recognition in the income statement is the relative dividends.

For the equity instruments included in this category and not listed in an active market, the cost criterion is used to estimate fair value only on a residual basis and in limited circumstances, or when the most recent information to measure fair value is insufficient, or if there is a broad range of possible fair value measurements and cost represents the best estimate of fair value within that range of values.

Financial assets at fair value through profit or loss

a) Financial assets at fair value through profit or loss (IFRS 9)

This category contains financial assets other than those classed as "Financial assets at fair value through other comprehensive income" or as "Financial assets at amortised cost". This item, in particular, includes only equity instruments held for purposes other than trading for which the Group has not opted for measurement at fair value through other comprehensive income, and bonds.

Financial assets at fair value through profit or loss are initially recognised at fair value, usually represented by the transaction price.

After initial recognition, these financial assets are measured at fair value. Any gains or losses resulting from the change in fair value are attributed to the Consolidated income statement.

Current financial assets at amortised cost

Upon initial recognition, financial assets are classified as appropriate according to the subsequent measurement method, i.e. at amortised cost, at fair value through other comprehensive income, or at fair value through profit (loss) for the year. The classification of financial assets upon initial recognition depends on the contractual cash flow characteristics of the financial assets and the business model the Group uses to manage them. A financial asset is measured at amortised cost if the asset is held to collect contractual cash flows (Held to Collect), represented solely by the payment of principal and interest on the principal amount to be repaid. These assets are valued at amortised cost in accordance with the effective interest method, less impairment losses. Interest income, foreign exchange gains and losses, and impairment losses are recognised in profit (loss) for the year, as are derecognition gains or losses. In accordance with IFRS 9, the Group has adopted a new impairment model for financial assets measured at amortised cost or at fair value through other comprehensive income, except for equity securities and assets arising from contracts with customers. A financial asset (or, where applicable, part of a financial asset or part of a group of similar financial assets) is derecognised in the first instance (e.g. removed from the statement of financial position) when: - The rights to receive cash flows from the asset are extinguished, or - The Company has transferred the right to receive cash flows from the asset to a third party or has assumed a contractual obligation to pay them in full and without delay and (a) has transferred substantially all risks and rewards of ownership of the financial asset, or (b) has neither transferred nor retained substantially all risks and rewards of the asset, but has transferred control thereof. The gain (loss) on a financial asset that is measured at amortised cost and is not part of a hedging relationship must be recognised in profit or loss when the financial asset is derecognised or reclassified through the amortisation process, or when impairment gains or losses are recognised.

Inventories

Inventories are assets:

- held for sale in the normal course of business;
- used in production processes for sale;
- in the form of materials or supplies of goods to be used in the production process or in the provision of services.

Inventories are recognised and measured at the lesser of cost and the net realisable value.

The cost of inventories includes all purchase costs, transformation costs and other costs incurred to bring inventories to their current location and condition, while it does not include exchange differences in the case of inventories invoiced in foreign currency. In accordance with the provisions of IAS 2, the weighted average cost method is used to determine the cost of inventories.

When the net realisable value is less than cost, the surplus is immediately written down in the income statement.

Derivative financial instruments

It is the Group's policy not to invest in derivative financial instruments of a speculative nature. However, in cases where derivative financial instruments do not meet all the conditions for hedge accounting, changes in the fair value of such instruments are recognised in the income statement as financial expenses and/or income. Derivative financial instruments are accounted for under hedge accounting rules when: - There is formal designation and documentation of the hedging relationship at the inception of the hedge. - The hedge is assumed to be highly effective. - The effectiveness can be reliably measured and the hedge is highly effective during the designation periods.

The method of accounting for derivative financial instruments changes depending on whether or not the conditions and requirements of IFRS 9 are fulfilled. Specifically:

- Cash flow hedges

In the case of a derivative financial instrument for which a hedging relationship is formally documented for changes in cash flows originating from an asset or liability or from a future transaction (underlying hedged item) that is deemed to be highly probable and could affect profit or loss, the effective portion resulting from the fair value adjustment of the derivative financial instrument is recognised directly in an equity reserve. When the underlying hedged item becomes manifest, this reserve is removed from equity and allocated to the carrying amount of the underlying item. Any ineffective portion of the change in value of the hedging instrument is immediately allocated to the income statement under financial expenses and/or income. When a hedging financial instrument matures, is sold or exercised, or the company changes the correlation with the underlying item, and the expected transaction originally hedged has not yet occurred but is still considered probable, the related gains and losses arising from the fair value adjustment of the financial instrument remain in equity and are recognised in the income statement when the transaction occurs as described above. If the likelihood of the underlying transaction ceases to exist, the related gains and losses of the derivative contract originally recognised in equity are immediately recognised in the income statement.

- Fair value hedges of monetary assets and liabilities

Where a derivative financial instrument is used to hedge changes in the value of monetary assets or liabilities already recorded in the financial statements that could affect the income statement, profits and losses related to changes in fair value of the derivative financial instruments are immediately recorded in the income statement. Similarly, gains and losses relating to the hedged item change the carrying value of that item and are recognised in the income statement.

Options are measured at fair value, and this is charged to the income statement as an increase in the financial cost of the underlying transaction. Fair value is measured at the grant date of the option and recognised in profit or loss in the period between that date and the date on which the options become exercisable (vesting period) after the vesting conditions have been met. In addition, a cost is recognised for each change that results in an increase in total fair value. The effect of the dilution of options not yet exercised is reflected in the calculation of the dilution of earnings per share. The fair value of the option is measured using the applicable option valuation method (in this case the binomial lattice model), taking into account the terms and conditions under which the options were granted.

Cash and cash equivalents

Cash and cash equivalents are recorded, depending on their nature, at nominal value or amortised cost. Other cash equivalents represent short-term and highly liquid financial commitments that are readily convertible into known cash values and subject to a negligible risk of change in value, with an original maturity or a maturity at the time of purchase of not more than 3 months.

Regular way purchase or sale of financial instruments are accounted for using the settlement date (value date) as the convention.

Payables

Payables relating to the year ended 31 December 2024.

Trade and other payables are recognised initially at fair value and are subsequently measured using the amortised cost method.

Payables to banks and other lenders are initially stated at their fair value, net of directly attributable ancillary costs, and subsequently measured at amortised cost, applying the effective interest rate criterion. When there is a change in the estimate of expected cash flows, the value of liabilities is recalculated to reflect that change on the basis of the present value of the new expected cash flows and the internal effective rate initially determined. Payables to banks and other lenders are classified as current liabilities, unless the Group has an unconditional right to defer payment for at least twelve months after the reference date.

Payables are derecognised when they are settled and when the Group has transferred all risks and charges relating to the instrument.

Employee benefits

These include benefits granted to employees or their dependants and can be liquidated by means of payments (or with the supply of goods and services) made directly to employees, spouses, children or other dependants or to third parties such as insurance companies, and are divided into short-term benefits, benefits due to employees for termination of employment and post-employment benefits.

Short-term benefits, which also include incentive programmes in the form of annual bonuses, MBOs and one-off renewals of national collective agreements, are accounted for as a liability (cost provision) after deducting any amount already paid, and as a cost, unless some other IFRS requires or permits the inclusion of benefits in the cost of an asset (for example, the cost of personnel employed in the development of internally generated intangible assets).

The category of benefits for termination of employment includes departure incentive plans arising in the event of voluntary resignation involving the participation of the employee or a group of employees in trade union agreements for the activation of so-called solidarity funds, and redundancy plans, which take place when the company unilaterally terminates the contract. The company recognises the cost of these benefits as a financial liability at the earliest of the time when the company is unable to withdraw the offer of these benefits and the time when the company recognises the costs of a restructuring that falls within the scope of IAS 37. Provisions for departures shall be reviewed at least every six months.

Post-employment benefit plans are broken down into two categories: defined contribution plans and defined benefit plans.

Defined contribution plans mainly include:

- supplementary pension funds involving a defined contribution by the company;

- the severance indemnity fund, limited to the shares accruing from 1 January 2007 for undertakings with more than 50 employees, irrespective of the destination chosen by the employee;
- employee severance indemnities accruing from 1 January 2007 and earmarked for supplementary pensions, in the case of undertakings with fewer than 50 employees;
- supplementary healthcare funds.

Defined benefit plans, on the other hand, include:

- the severance indemnity, limited to the amount accrued up to 31 December 2006 for all undertakings, as well as the amounts accrued since 1 January 2007 and not intended for supplementary pensions for undertakings with fewer than 50 employees;
- supplementary pension funds that provide for the payment of a defined benefit to members;
- long-service bonuses, which provide for an extraordinary payment to the employee upon reaching a certain level of working seniority.

In defined contribution plans, the obligation of the reporting company is determined on the basis of the contributions due for that year and therefore the measurement of the obligation does not require actuarial assumptions and there is no possibility of actuarial gains or losses.

The accounting for defined benefit plans is characterised by the use of actuarial assumptions to determine the value of the obligation. This valuation is entrusted to an external actuary and is carried out annually. For discounting purposes, the company uses the projected unit credit method, which projects future expenditure based on historical statistical analysis, the demographic curve, and the financial discounting of these cash flows based on the market interest rate. Actuarial gains and losses are recognised as a counter-entry in equity as required by IAS 19.

Provisions for risks and charges, and contingent assets and liabilities

Contingent assets and liabilities can be divided into several categories depending on their nature and their accounting impact. Specifically:

- the provisions are actual obligations of an uncertain amount and occurrence/maturity which arise from past events and for which it is probable that there will be a financial outlay that can be reliably estimated in terms of amount;
- contingent liabilities are possible obligations with a distinct probability of having to make a financial outlay;
- remote liabilities are those for which a financial outlay is unlikely;
- potential assets are assets which are uncertain and cannot therefore be recognised in the financial statements;
- the onerous contract is a contract in which the non-discretionary costs necessary to fulfil the obligations assumed are greater than the economic benefits that are supposed to be obtainable from the contract;

- restructuring is a programme planned and controlled by the company's management that significantly changes the scope of an activity undertaken by the company or the way in which the activity is managed.

For the purpose of recognising the charge, provisions are recorded in cases where there is uncertainty about the maturity or the amount of the flow of resources necessary to fulfil the obligation or other liabilities and in particular trade payables or provisions for presumed payables.

Provisions differ from other liabilities in that there is no certainty as to their maturity or the amount of future expenditure required. Due to their different nature, provisions are shown separately from trade payables and provisions for presumed payables.

Liabilities or allocations to a provision are recognised when:

- there is a current legal or implied obligation resulting from past events;
- it is probable that resources designed to produce economic benefits will have to be used to settle the obligation;
- the obligation can be reliably estimated.

Provisions require the use of estimates. In extremely rare circumstances where a reliable estimate cannot be made, the liability is classed as a contingent liability.

The allocation to the provision for risks and charges is an amount that represents the best possible estimate of the expenditure needed to liquidate the relevant obligation outstanding on the reporting date and takes into account the risks and uncertainties that inevitably surround many events and circumstances. The amount of the allocation reflects any future events that may affect the amount required to settle an obligation if there is sufficient objective evidence that they will occur.

Once the best possible estimate of the expense necessary to settle the related obligation outstanding on the reporting date has been determined, the current value of the provision is determined, in the event that the effect of the present value of money is a relevant aspect.

Revenue from contracts with customers

a) Revenue from contracts with related customers (IFRS 15)

The Group applies IFRS 15 as of 1 January 2018. In accordance with this standard, revenue from contracts with customers is recognised when the following conditions are met:

- the contract with the customer has been identified;
- performance obligations set forth in the contract have been identified;
- the price has been determined;
- the price has been allocated to the individual performance obligations set forth in the contract;
- the performance obligation set forth in the contract has been met.

The Group recognises revenue from contracts with customers when (or as) it fulfils the performance obligation, transferring the promised good or service (or asset) to the customer. The asset is transferred when (or as) the customer acquires control over it.

The Group transfers control over the good or service over time, and therefore fulfils the performance obligation and recognises revenue over time, when one of the following criteria is met:

- The customer simultaneously receives and uses the benefits arising from the entity's service as it is provided.
- The service of the Group creates or improves the asset (e.g. work in progress) that the customer controls as the asset is created or improved.
- The service of the Group does not create an asset which has an alternative use for the Group and the Group has the enforceable right to payment for the service completed up to the date in question.

If the performance obligation is not met over time, it is met at a specific moment. In that case, the Group recognises revenue when the customer acquires control over the promised asset.

The contractual consideration included in the contract with the customer may include fixed or variable amounts or both. If the contractual consideration includes a variable amount (e.g. discounts, concessions, incentives, penalties or other similar elements), the Group estimates the amount of the consideration to which it will be entitled in exchange for the transfer of the promised goods or services to the customer. The Group includes the amount of the estimated variable consideration in the transaction price only to the extent to which it is highly likely that when the uncertainty associated with the variable consideration is subsequently resolved, there will not be a significant downward adjustment in the amount of cumulative revenue recognised.

Incremental costs for obtaining customer contracts are accounted for as assets and amortised throughout the term of the underlying contract, if the Group expects them to be recovered. Incremental costs for obtaining the contract are costs that the Group incurs to obtain the contract with the customer and which it would not have incurred if it had not obtained the contract. The costs for obtaining the contract which would have been incurred even if the contract had not been obtained should be recognised as a cost at the moment they are incurred, unless they are explicitly chargeable to the customer even if the contract is not obtained.

Recognition of costs

Costs are recognised in the income statement according to the accruals principle.

Conversion of items in foreign currency

Transactions in currencies other than the functional currency are recognised at the exchange rate on the date of the transaction in the individual financial statements of the group companies. Monetary assets and liabilities in currencies other than the functional currency are then adjusted at the exchange rate in place on the reporting date. Any forex differences are reflected in the income statement under "Foreign exchange gains and losses".

Dividends

Dividends received from non-consolidated companies are recognised in the income statement according to the accruals principle, i.e. in the year in which the related right to receive them emerges, following the shareholders' resolution to distribute dividends from the investee company.

Distributed dividends are shown as changes in equity in the year in which they are approved by the Shareholders' Meeting.

Income taxes

Current taxes are calculated based on the taxable income for the year, applying the tax rates in force at the date of the financial statements. Current taxes for the year and for prior years, where unpaid, are recognised as liabilities. Current tax assets and liabilities, for the current year and for prior years, must be determined at the value expected to be recovered from or paid to, respectively, the tax authorities, applying the tax rates and legislation that is in force or imminent at the reporting date.

Deferred taxes can be divided into:

- deferred tax liabilities, which are the amounts of income taxes payable in future years relating to taxable temporary differences;
- deferred tax assets, which are the amounts of income taxes recoverable in future years relating to deductible temporary differences, carry-over of unused tax losses, carry-over of unused tax credits.

To calculate the amount of deferred tax assets and liabilities, the tax rate is applied to the temporary taxable or deductible differences identified, or to unused tax losses and unused tax credits.

At each reporting date, recognised and unrecognised deferred tax assets are revalued to check whether they are likely to be recovered.

Net profit/(loss) per share

Basic earnings per share are calculated by dividing the net profit (loss) pertaining to the Group by the weighted average number of ordinary shares in circulation during the year, excluding treasury shares.

Diluted earnings per share are calculated by dividing the profit (loss) pertaining to the Group by the weighted average number of ordinary shares in circulation during the year, excluding treasury shares. To calculate the diluted earnings per share, the weighted average number of shares in circulation is modified assuming that all assignees exercise rights with a potentially dilutive effect, while the profit (loss) pertaining to the Group is adjusted to take into account any effects, net of taxes, of the exercise of such rights.

Operating segments

The operating segment is a part of the group that undertakes business activities that generate revenue and costs, whose operating results are periodically reviewed by the Chair of the Board of Directors, in his role as Chief Operating Decision Maker (CODM), for the purpose of taking decisions on the resources to be allocated to the sector and evaluating results, and for which financial information is available.

1.4 Recently issued accounting policies

Below is a list of the New Accounting Policies, Amendments and Interpretations endorsed by the European Union and effective from 1 January 2024 and their descriptions:

Effective date	New accounting standard/amendment	Date of EU approval (OJEU publication date)
1 January 2024	Lease liabilities in a sale and leaseback transaction (Amendments to IFRS 16)	21 Nov 2023 (EU) 2023/2579
1 January 2024	Classification of liabilities as current and non-current (Amendments to IAS 1) and Non-current liabilities with conditions (Amendments to IAS 1)	20 Dec 2023 (EU) 2023/2822
1 January 2024	Financing agreements for supplies (Amendments to IAS 7 and IFRS 7)	15 May 2024 (EU) 2024/1317

Amendments to IFRS 16

1) With Regulation (EU) No. 2023/2579 of 20 November 2023, the European Commission endorsed the document "Lease Liability in a Sale and Leaseback (Amendments to IFRS 16 Leases)", published by the IASB® Board on 22 September 2022.

With the Amendments to IFRS 16, the IASB Board clarified the following accounting treatment for subsequent measurement of the lease liability arising from a sale and leaseback:

- The lessee-seller applies the requirements of IFRS 16.36-46 for the subsequent measurement of lease liabilities arising from the leaseback.
- In applying the above paragraphs of IFRS 16, the seller-lessee shall determine the "lease payments payable" or the "revised lease payments payable" in a manner that does not recognise any amount of gain or loss that relates to the right-of-use asset retained thereby. The lease liability is then reduced by the amount of the initially estimated lease payments payable, with any difference between the estimated and actual payments recognised in profit/(loss) for the year.
- The application of the above provisions does not preclude the lessee-seller from recognising in profit or loss the gain or loss arising from the partial or total termination of the contract as required by paragraph IFRS 16.46(a).

The lessee-seller must establish its own accounting policy for determining the lease payments to be included in the initial estimate of the lease liability.

2) With Regulation (EU) No. 2023/2822 of 19 December 2023, the European Commission endorsed the following documents published by the IASB Board:

- Classification of Liabilities as Current or Non-Current (Amendments to IAS 1 Presentation of Financial Statements), published on 23 January 2020.
- Non-current Liabilities with Covenants (Amendments to IAS 1 Presentation of Financial Statements), published on 31 October 2022.

Amendments to IAS 1

Right to defer settlement of a liability for at least 12 months after the end of the financial year

The IASB Board's first objective was to clarify the apparently conflicting concepts expressed in paragraphs 69(d) and 73 of IAS 1.

Specifically, IAS 1.69(d) provided as a general criterion for classifying a liability as non-current the existence of an “unconditional right of the entity to defer settlement of the liability for at least 12 months after the reporting period” and IAS 1.73 referred instead to “an entity's discretion to refinance or roll over the obligation for at least 12 months after the reporting period of an existing financing arrangement”. It was therefore unclear from a combined reading of these two paragraphs whether it was sufficient to have a right to defer settlement of a liability for at least 12 months at the end of the financial year, or whether it was also relevant to the classification of a liability in the financial statements whether the entity intended to exercise that right or not.

With the Amendments to IAS 1, the IASB Board clarified that:

- The right to defer the settlement of a liability for a period of at least 12 months after the end of the reporting period, referred to in paragraph 69(d), need not be unconditional but need only be “substantive and...must exist at the end of the reporting period”.
- The classification of a liability as current or non-current must not be affected by an entity's intentions to exercise or not to exercise the right to defer payment beyond 12 months (e.g. an intention to refinance or roll over a loan by extending its maturity) and by decisions made between the end of the reporting period and the date of its publication (e.g. a decision to repay a loan early).

Methods for settling a liability

The Amendments to IAS 1 clarified that, for the purposes of classifying a liability as current or non-current, the term settled (in paragraph 69(a), (c) and (d)) refers to a transfer to the counterparty that results in the settlement of the liability. The transfer could be of:

a) cash or other economic resources, e.g. goods or services; or

b) the entity's own equity instruments, unless paragraph 76B applies.

Contractual provisions in a liability that allow the counterparty to require the liability to be settled by the transfer of the entity's own equity instruments (e.g. a convertible bond) do not affect the classification of the liability as current or non-current if, by applying IAS 32 “Financial Instruments: presentation in the financial statements”, the entity classifies the option as an equity instrument, recognising it separately from the financial liability as a component of equity of a compound financial instrument (e.g. an option to convert into a fixed number of shares of a convertible bond).

Financial reporting

An entity must disclose information in the financial statements about events that occur between the end of the reporting period and the date the financial statements are authorised for issue that are specifically defined in IAS 1 as non-adjusting subsequent events in accordance with the requirements of IAS 10 “Events after the Reporting Period”:

a) Long-term refinancing of a liability classified as current.

b) Rectification of the breach of a long-term financing contract classified as current.

c) Granting by the lender of a grace period to rectify a breach of a long-term financing contract classified as current.

d) Settlement of a liability classified as non-current.

If management intends or expects to settle a liability classified as non-current within twelve months after the reporting period, it does not change the classification in the financial statements but must disclose the timing of such settlement in the notes.

Liabilities from loan contracts with covenants

The IASB Board has clarified that where the right to defer the settlement of a liability arising from a loan contract for at least 12 months after the reporting period is subject to compliance with specific covenants, the liability is classified as non-current if all covenants under the contract have been met up to the reporting period, even if they are calculated in the first few months of the following reporting period.

Compliance with contractual covenants to be calculated after the reporting period is not relevant to the classification of the liability in the statement of financial position.

Disclosure of liabilities arising from loan contracts with covenants

The Amendments to IAS 1 introduced the following disclosure requirements with respect to liabilities arising from loan contracts, which are classified as non-current liabilities in the statement of financial position, and whose right to defer their settlement for at least 12 months after the end of the reporting period is subject to covenant compliance:

a) Information about the covenants (including the nature of the covenants and when the entity is required to comply with them) and the carrying amount of the related liabilities.

b) Information about any facts and circumstances that indicate that the entity may have difficulty complying with the covenants. These facts and circumstances could also refer to the situation where the covenants to be met in the 12 months following the end of the reporting period would not be met using the figures at the end of the financial year.

The Amendments to IAS 1 are effective for financial statements for financial years beginning on or after 1 January 2024 and are to be applied retroactively in accordance with IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors. Early application is permitted by providing adequate disclosure in the notes to the financial statements.

Amendments to IAS 7 - IFRS 7

With Regulation (EU) no. 2023/1317 of 15 May 2024, the European Commission endorsed the amendment to IAS 7 and IFRS 7 "Supplier Finance Arrangements", which requires disclosures about supply financing arrangements that enable users of financial statements to evaluate the effects of these arrangements on the entity's liabilities and cash flows as well as its exposure to liquidity risk.

Supply finance arrangements are characterised by the fact that one or more lenders offer to pay amounts owed by an entity to its suppliers and that the entity agrees to pay according to the terms and conditions of the arrangements on the same or a later date as the suppliers are paid. Such agreements guarantee to the entity the extension of payment terms or to its suppliers the anticipation of payment terms with respect to the due date for payment of the invoice. Supply finance agreements are often referred to as supply chain finance agreements, supplier debt financing or indirect factoring. Arrangements that are solely credit support instruments for the entity (e.g. financial guarantees, including letters of credit used as collateral) or instruments used by the entity to settle amounts due directly with a supplier (e.g. credit cards) are not supply finance arrangements.

For its supply finance arrangements the entity must disclose in aggregate form:

a) The terms and conditions of the arrangements (e.g. the extension of payment terms and the securities or guarantees provided). However, in the case of arrangements with different terms and conditions, the entity shall indicate these separately.

b) At the beginning and end of the financial year:

   - The carrying amounts of financial liabilities that are part of a supply finance arrangements and the items associated with those carrying amounts presented in the entity's statement of financial position.

   - The carrying amounts of the financial liabilities indicated in point i) above for which the suppliers have already received payments from the lenders and the items associated with those carrying amounts.

   - The range of payment due dates (e.g. 30-40 days after the invoice date) for both the financial liabilities indicated under point i) and comparable trade payables that are not part of a supply finance arrangement. Comparable trade payables are, for example, trade payables of the entity incurred within the same line of business or legal system as the financial liabilities referred to in point i). If the intervals between payment due dates are long, the entity must provide an explanation of those intervals or indicate additional intervals (e.g. stratified intervals).

c) The type and effect of non-cash changes in the carrying amounts of the financial liabilities specified in letter b), point i). Examples of non-cash changes include the effect of business combinations, exchange rate differences or other transactions that do not require the use of cash or cash equivalents.

Other factors that the entity might consider in providing the required disclosure include but are not limited to:

a) It has signed financing agreements (e.g. commercial paper) or other credit lines (e.g. stand-by credit lines) that can be accessed to meet liquidity needs.

b) It hold deposits with central banks to meet liquidity needs.

c) It has very diverse sources of funding.

d) It has significant concentrations of liquidity risk in its assets or sources of funding.

e) It has internal control processes and contingency plans for liquidity risk management.

f) It has instruments that include accelerated repayment terms (e.g. following a downgrade in the entity's creditworthiness).

g) It has instruments that may require the provision of financial collateral (e.g. margin calls for derivatives).

h) It has instruments that allow the entity to decide whether to settle financial liabilities by delivering cash (or another financial asset) or by delivering its own shares.

i) It has instruments subject to framework netting agreements or

j) It has had or has access to supply finance arrangement (as described in IAS 7) that provide the entity with extended payment terms or its suppliers with early payment terms.

Accounting standards, amendments and interpretations endorsed by the European Union and effective from 1 January 2025

Effective date	New accounting standard/amendment	Date of EU approval (OJEU publication date)
1 January 2025	Lack of exchangeability (Amendments to IAS 21)	13 Nov 2024 (EU) 2024/2862

Amendments to IAS 21

With Regulation (EU) no. 2024/2862 of 13 November 2024, the European Commission endorsed the amendment to the regulation regarding IAS 21 "The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability". The document requires an entity to apply a consistent methodology to ascertain whether one currency can be converted into another, and when this is not possible, how to determine the exchange rate to be used and the disclosures to be made in the notes to the financial statements.

Accounting standards and interpretations issued by the IASB/IFRIC and not yet in force

Relevant information is provided below in order to assess the possible impact of the application of new accounting standards and interpretations that have already been issued but have not yet come into force or have not yet been endorsed by the EU and are therefore not applicable to the preparation of the financial statements for the year ending 31 December 2024.

Unless otherwise indicated, the adoption of the following standards is not expected to have a significant impact on the Group's economic and financial results, apart from any additional disclosure requirements.

Principle, amendment or interpretation	Status
IFRS 19 Subsidiaries without public accountability: Disclosure	Entry into force of the IASB: 1 January 2027 Date of EU endorsement: to be verified
IFRS 18 Presentation and Disclosure in Financial Statements	Entry into force of the IASB: 1 January 2027 Date of EU endorsement: to be verified
Amendment to IFRS 9 and IFRS 7 Contracts Referencing Nature-dependent Electricity	Entry into force (IASB): 1 January 2026 Date of EU endorsement: to be verified
Amendment to IFRS 9 Amendments to the Classification and Measurement of Financial Instruments	Entry into force (IASB): 1 January 2026 Date of EU endorsement: to be verified
Amendment to IFRS 7 Classification and Measurement of Financial Instruments	Entry into force (IASB): 1 January 2026 Date of EU endorsement: to be verified

2. ESTIMATES AND ASSUMPTIONS

The preparation of the financial statements requires the directors to apply accounting standards and methods that are sometimes based on difficult and subjective assessments and estimates derived from past experience and based on assumptions that are considered reasonable and realistic given the circumstances.

Applying these estimates and assumptions affects the amounts presented in the Statement of Financial Position, the Income Statement, the Statement of Other Comprehensive Income and the Statement of Cash Flows, and in other information provided. The amounts of the financial statement items for which the aforementioned estimates and assumptions have been used may differ, even significantly, from those reported in the financial statements that highlight the effects of the occurrence of the event being estimated, due to the uncertainty that characterises the assumptions and the conditions on which the estimates are based.

The following areas require the directors to be most subjective when producing the estimates and would significantly affect the Group's results if there were a change in the conditions underlying the assumptions used:

a) Impairment of property, plant and equipment and intangible assets with a finite useful life: property, plant and equipment and intangible assets with a finite useful life are subject to testing in order to ascertain whether impairment has occurred when indicators exist that predict difficulties in recovering the corresponding net book value through use. Checking for the existence of the aforementioned indicators requires directors to make subjective valuations based on the information available from both internal and external sources, as well as on historical experience. In addition, if it is determined that impairment may have occurred, the Group calculates said impairment using what are deemed to be suitable valuation techniques. Correctly identifying impairment indicators, as well as the estimates for their calculation, depends on subjective valuations and factors that can vary over time, influencing the valuations and estimates made by management.

b) Impairment of intangible assets with an indefinite useful life (goodwill): the value of goodwill is verified annually in order to check for any impairment that should be recognised in the income statement. In particular, the test in question involves allocating goodwill to cash generating units and then calculating the relative recoverable value, understood as the greater of fair value and value in use. If the recoverable value is less than the book value of the cash generating units, the goodwill allocated to them is written down. Goodwill is verified at least once a year, and in the event of trigger events verification is repeated during the year.

c) Impairment of intangible assets with an indefinite useful life (trademarks): the value of trademarks with an indefinite useful life is subject to an impairment test each year and whenever there are indicators of impairment. The value in use is determined using the discounted cash flow (DCF) method, based on a discount rate and an explicit forecast period of 4 years in accordance with the plans approved by the Group. After the explicit forecast period, the specific growth rate used is equal to the expected long-term inflation rate. The forecast values for future years and the parameters determined with reference to current market information are subject to uncertainties due to unpredictable future legal developments and possible developments in the market the Group competes in. Therefore, write-downs may be necessary in subsequent years.

d) Provision for bad debts: the determination of this provision reflects management estimates related to the historical and expected solvency of the bad debts in question.

e) Provisions for risks and charges: it is sometimes hard to determine whether or not a current obligation (legal or implied) exists. The directors assess such phenomena on a case by case basis, together with an estimate of the amount of the economic resources required in order to meet that obligation. When the directors believe it to be merely possible that liabilities may arise, the risks are indicated in the appropriate information section on commitments and risks, without resulting any allocation being made.

f) Useful life of property, plant and equipment and intangible assets: useful life is determined when the asset is recorded in the financial statements. Useful life is measured based on historical experience, market conditions and expectations of future events that could affect useful life, including technological changes. As a result, the effective useful life may differ from the estimated useful life.

g) Prepaid tax assets: prepaid tax assets are recognised to the extent that it is probable that there will be sufficient future tax gains against which temporary differences or any tax losses may be used.

h) Inventories: Closing inventories of obsolete or slow-to-move products are periodically subjected to valuation tests and are written down where their recoverable value is less than their book value. The write-downs carried out are based on assumptions and estimates of the directors based on their experience and the historical results achieved.

i) *Lease* liabilities: the amount of *the lease* liability and consequently of the related right-of-use assets depends on the determination of *the lease term*. This determination is subject to management assessments, with particular reference to the inclusion or otherwise of the periods covered by the lease renewal and termination options provided for in the lease agreements. These assessments will be reviewed upon the occurrence of a significant event or significant change in circumstances that has an impact on management's reasonable certainty of exercising an option not previously considered in determining the lease term or not exercising an option previously considered in determining the lease term.

j) Derivative instruments: The amount of assets and liabilities for derivative instruments is subject to management's assessment based on their fair value. It depends on the development of underlying market variables and sometimes on assumptions about non-market parameters.

k) Actuarial valuation of defined benefit plans and related plan assets: defined benefit plans are valued based on uncertain events and actuarial assumptions. The main assumptions include discount rates, mortality rates, demographic assumptions, etc. The use of complex valuation techniques involves the estimation of such forward-looking parameters.

l) Fair value measurement of assets acquired through business combinations: the amount of assets and liabilities acquired through a business combination is subject to management's assessment based on their fair value. It depends on the development of underlying market variables and sometimes on assumptions about non-market parameters according to the valuation methodology adopted. The valuation of the Princes Group's business combination, which took place on 30 July 2024, was provisionally determined as at 31 December 2024 and will be finalised during the measurement period, i.e. within 12 months from the date of acquisition.

3. MANAGEMENT OF FINANCIAL RISKS

The main business risks identified, monitored and, as specified below, actively managed by the Group are as follows:

- Market risk, arising from the fluctuation of rates between the euro and the other currencies in which the Group operates.
- Credit risk, arising from the possibility of counterparty default.
- Liquidity risk, arising from a lack of financial resources to meet commitments.
- Climate risk, arising both from potential climate damage (physical risk) and the potential transition risk associated with moving to a lower emissions economy.

The Group's objective is to manage its financial exposure over time so that liabilities are balanced with assets on the statement of financial position and that the necessary operational flexibility is in place by using bank loans and the cash generated by current operating activities.

The ability to generate liquidity from core operations, together with the ability to borrow, allows the Group to adequately meet its operational, working capital financing and investment needs, as well as to comply with its financial obligations. The Group's financial policy and the management of the related financial risks are centrally guided and monitored. In particular, the central finance function is responsible for assessing and approving forecast financial requirements, monitoring performance and taking corrective action where necessary.

3.1 Market risk

Exchange risk

Exposure to the risk of exchange rate fluctuations derives from the Group's commercial activities conducted in currencies other than the euro. Revenues and costs denominated in foreign currency can be influenced by fluctuations in the exchange rate, bringing about an impact on trade margins (economic risk), and trade and financial payables and receivables denominated in foreign currency can be impacted by the conversion rates used, with a knock-on effect on the profit or loss (transaction risk). Finally, fluctuations in exchange rates are also reflected in consolidated results and equity.

The main exchange rates to which the Group is exposed are:

- Euro/USD, in relation to transactions carried out in US dollars.
- Euro/GBP, in relation to transactions carried out in pound sterling.
- Euro/CHF, in relation to transactions carried out in Swiss francs.
- GBP/AUD, in relation to transactions carried out by the subsidiary Symington's.
- GBP/MUR, in relation to transactions carried out by the subsidiary Princes Tuna Mauritius.

The Group does not adopt specific policies to hedge exchange rate fluctuations because management does not believe that this risk can significantly harm the Group's results, since the amount of inflows and outflows of foreign currency is not only insignificant, but also fairly similar in terms of volumes and timing.

A hypothetical positive or negative change of 100 bps in the exchange rates relating to the currencies in which the Group operates would not have a significant impact on the net result and shareholders' equity of the years under review.

Interest rate risk

The Group uses external financial resources in the form of debt and uses the liquidity available in market instruments. Changes in interest rate levels affect the cost and return of the various forms of funding and use, thus affecting consolidated net financial expense. Exposure to interest rate risk is constantly monitored according to the trend of the Euribor curve, in order to assess possible interventions to contain the risk of a potential rise in market interest rates. At the reference dates, there were no hedges carried out by trading in derivatives.

With reference to interest rate risk, a sensitivity analysis was carried out to determine the effect on the consolidated income statement and consolidated shareholders' equity that would result from a hypothetical positive and negative change of 50 bps in interest rates compared with those actually recorded in each period. The analysis was carried out mainly with regard to the following items: (i) cash and cash equivalents and (ii) short- and medium-/long-term financial liabilities excluding fixed-rate liabilities. With regard to cash and cash equivalents, reference was made to the average inventory and the average rate of return for the period, while for short- and medium-/long-term financial liabilities, the precise impact was calculated.

The table below shows the results of the analysis carried out:

(In thousands of euros)	**Impact on profit net tax**		**Impact on shareholders' equity net of tax**	
	- 50 bps	+ 50 bps	- 50 bps	+ 50 bps
Year ended 31 December 2024	(1,619)	1,619	(1,619)	1,619
Year ended 31 December 2023	(508)	508	(508)	508

3.2 Credit risk

The Group is exposed to the credit risk inherent in the possibility of its customers becoming insolvent and/or less creditworthy so it monitors the situation continually.

Credit risk derives essentially from the Group's commercial activity, where its counterparties are mass and retail distribution operators. Retail receivables are extremely fragmented, while the mass distribution segment is characterised by a larger exposure to a single client.

The Group manages the credit risk of both types of customers through a consolidated practice, which provides for targeted and prudent management with a credit limit granted on the basis of commercial, financial and perceived market risk information.

The Group operates in business areas with low levels of credit risk, given the nature of its activities and the fact that its credit exposure is spread over a large number of customers. Assets are recognised net of any write-downs determined on the basis of counterparties' default risk, taking into account available solvency information and historical and prospective data.
Positions are regularly monitored for compliance with payment terms and overdue reminder actions are conducted in coordination with the sales force. If, on the other hand, a spot analysis of the individual case reveals an objective condition of partial or total bad debt, the amount of the write-down takes into account an estimate of recoverable flows. The credit management methodology means it is not deemed important to divide customer exposure into different risk classes.
Moreover, the Group has credit insurance policies with leading companies in the sector in order to mitigate the risk associated with the solvency of customers.

The credit risk deriving from receivables that the Group has with banks is, on the other hand, moderate and derives substantially from temporary surplus liquidity stocks usually invested in bank deposits and current accounts.

The following table provides a breakdown of trade receivables at 31 December 2024 and 2023 grouped by maturity, net of the provision for bad debts:

(In thousands of euros)	Not overdue	1-90 days overdue	91-180 days overdue	More than 181 days overdue	Total
Gross trade receivables at 31 December 2024	225,272	28,707	4,636	20,055	**278,670**
Provision for bad debts	(176)	(166)	(1,405)	(18,378)	**(20,125)**
Net trade receivables at 31 December 2024	**225,096**	**28,541**	**3,231**	**1,677**	**258,545**
Gross trade receivables at 31 December 2023	43,476	36,641	4,303	20,419	**104,839**
Provision for bad debts	-	(166)	(1,405)	(18,634)	**(20,205)**
Net trade receivables at 31 December 2023	**43,476**	**36,475**	**2,898**	**1,785**	**84,634**

With regard to financial receivables, mainly related to cash-pooling relationships with the parent company, these are all "due" and no provision for impairment is deemed necessary.

3.3 Liquidity risk

Liquidity risk is the risk that, due to the inability to find new funds or to liquidate assets on the market, the Group will not be able to meet its payment obligations, resulting in a negative impact on results if it is forced to incur additional costs to meet its obligations or an insolvency situation.

The liquidity risk to which the Group may be subject comprises the failure to find sufficient financial resources for its operations, as well as for the development of its industrial and commercial activities. The two main factors that determine the Group's liquidity situation are the resources generated or absorbed by operating and investment activities, and the maturity and renewal status of payables or the liquidity of financial commitments and market conditions. In particular, the main factor affecting the Group's liquidity is the resources absorbed by operating activities: the sector in which the Group operates has seasonal sales phenomena, with peak liquidity requirements in the third quarter caused by a higher volume of trade receivables compared with the rest of the year. The Group's commercial and finance teams work together to manage the changing liquidity requirements, which involves carefully planning financial requirements related to sales, drafting the budget at the beginning of the year and carefully monitoring requirements throughout the year.

The need for liquidity related to inventory dynamics is also subject to analysis, as it too is subject to seasonality. The planning of raw material purchases for the warehouse is managed according to established practices, which include the involvement of the chair in decisions that could affect the Group's financial equilibrium.

Based on established practices inspired by prudence and stakeholder protection, the Group's financing activity involves negotiating credit lines with the banking system and continually monitoring the Group's cash flows.

The following table shows, by contractual maturity bands, the Group's financial requirements at 31 December 2024 and 2023, expressed according to the following assumptions:

(vi) cash flows are not discounted;

(vii) cash flows are allocated to time bands on the basis of the first due date provided for in the contractual terms;

(viii) all instruments held on the reporting date for which payments have already been contractually designated are included. Future commitments planned but not yet recognised are not included;

(ix) when the amount payable is not fixed (e.g. future interest repayments), the financial liability is measured at market conditions at the reporting date; and

(x) cash flows also include the interest that the company will pay until the maturity of the debt at the reporting date.

(xi)

	At 31 December 2024					
(In thousands of euros)	**less than 1 year**	**between 1 and 2 years**	**between 3 and 5 years**	**over 5 years**	**Contract value**	**Book value**
Financial liabilities	385,486	46,406	552,001	-	983,893	966,715
Shareholder loan	-	-	-	206,100	206,100	206,100
Lease liabilities	20,230	29,185	44,087	7,660	101,162	99,976
Trade payables	455,135	-	-	-	455,135	455,135
Other current liabilities	169,321	-	-	-	169,321	169,321

	At 31 December 2023					
(In thousands of euros)	**less than 1 year**	**between 1 and 2 years**	**between 3 and 5 years**	**over 5 years**	**Contract value**	**Book value**
Financial liabilities	64,653	58,179	256,060	-	378,802	355,119
Lease liabilities	7,694	7,499	20,420	9,840	45,454	44,854
Trade payables	172,198	-	-	-	172,198	172,198
Other current liabilities	31,630	-	-	-	31,630	31,630

As also emphasised in the section on business continuity, the group's cash and cash equivalents, cash-generating capacity and available credit lines are deemed to be amply sufficient to guarantee liquidity requirements.

3.4 Environmental and climate risks

Climate change is a major disruptive force with the potential to bring about substantial changes in the Group's operations in the short, medium and long term. Many of the potential impacts of climate change can be defined as risks: physical risks to our environment or risks related to the transition to a low-carbon economy in pursuit of the goals of the Paris Agreement. Climate risk can affect companies, financial institutions, households, countries and the financial system in general. However, opportunities may arise for those companies that favour the transition to a low-carbon economy, such as improved attractiveness to investors, enhanced reputation of the company among stakeholders, and increased long-term business sustainability.

The Group constantly monitors climate change-related risks and conducts regular assessments to measure its resilience against risks deemed to be material. This analysis was also carried out in 2024, at the same time as the ERM update, and considered all the companies included in the scope of consolidation. There are also other elements that increase the resilience of Newlat Food. Foremost among these is the Group's financial strength, which allows it to obtain capital at a sustainable cost, facilitating the financing of strategic investments and risk mitigation measures without compromising its financial equilibrium.

Furthermore, the ability to convert, upgrade or decommission existing assets is a key factor in adaptability, allowing resources to be optimised, reducing the risk of obsolete assets and responding in a timely manner to market developments or critical operational needs.

The aforementioned risk analysis included assessing the impact of climate change on the supply chain, corporate assets and financial performance, while also considering compliance with environmental regulations and international commitments to transition to a low-carbon economy.

This assessment of the impacts of climate change on our operations carried out in 2024 did not reveal any issues that would compromise the ordinary course of business or that could not be addressed with the resources available, and no significant material economic issues arose that affected the preparation of these consolidated financial statements.

Specifically, the following considerations were made:

The risk of critical dependencies and/or possible disruptions in the supply chain was mitigated through the activation of contingency plans and the geographical diversification of suppliers.

With regard to risks to assets, infrastructure and business continuity, no significant problems related to extreme weather events were encountered in recent years. Constant monitoring of these aspects allows timely preventive measures to be taken to minimise any impacts.

With regard to regulatory compliance, Newlat Food has established an environmental management system with people dedicated both to controlling consumption and emissions and to monitoring the evolution of European regulations to ensure full compliance with any decarbonisation directives.

Lastly, the Group took into account the impacts of climate change with regard to:

Cash flow projections used in impairment assessments of the value in use of non-current assets including goodwill and other assets with indefinite useful lives.

The factors that determine the carrying value of non-current assets (such as residual values, useful lives and depreciation methods, provisions and onerous contracts).

Based on the above, the Group does not expect any significant financial impact from environmental and climate risks.

4. CAPITAL MANAGEMENT POLICY

The Group's capital management is aimed at ensuring a solid credit rating and adequate levels of capital indicators to support investment plans, in compliance with contractual commitments made with lenders.

The Group provides itself with the capital necessary to finance the needs of business development and operations; the sources of financing are divided into a mix of risk capital and debt capital, to ensure a balanced financial structure and the minimisation of the total cost of capital, thereby benefiting all stakeholders.

The remuneration of risk capital is monitored on the basis of market trends and business performance, once all other obligations have been fulfilled, including debt servicing; therefore, in order to ensure an adequate return on capital, the safeguarding of business continuity and business development, the Group continually monitors the level of debt in relation to equity, business performance and expected cash flow forecasts, in the short and medium/long term.

5. FINANCIAL ASSET AND LIABILITY CATEGORIES AND INFORMATION ON FAIR VALUE

Categories of financial assets and liabilities

The following tables provide a breakdown of financial assets and liabilities by category at 31 December 2024 and 2023:

(In thousands of euros)	Book value at 31 December	
	2024	**2023**
FINANCIAL ASSETS:		
Financial assets at amortised cost:		
Financial assets measured at amortised cost	803	800
Trade receivables	258,544	84,634
Other receivables and current assets (*)	33,801	10,031
Cash and cash equivalents	455,135	312,459
Financial receivables measured at amortised cost	263,775	13,099
	1,012,058	**421,023**
Financial assets valued at fair value through profit or loss:		
Non-current financial assets measured at fair value through profit or loss	2,038	777
Current financial assets measured at fair value through profit or loss	1,576	69
	3,614	**846**
TOTAL FINANCIAL ASSETS	**1,015,672**	**421,869**

(In thousands of euros)	Book value at 31 December	
	2024	**2023**
FINANCIAL LIABILITIES:		
Financial liabilities at amortised cost:		
Non-current financial liabilities	581,229	290,466
Shareholder Loan	206,100	
Non-current lease liabilities	79,758	37,160
Trade payables	559,229	172,198
Current financial liabilities	370,794	64,653
Current lease liabilities	20,230	7,694
Other current liabilities (**)	19,727	8,539
FINANCIAL LIABILITIES	**1,837,068**	**580,711**
Current financial liabilities	14,692	
Other current liabilities		2,603
Financial liabilities measured at fair value through profit or loss:	**14,692**	**2,603**
TOTAL FINANCIAL LIABILITIES	**1,851,760**	**583,314**

(*) Limited to the items "Accrued income and prepaid expenses", "Advances" and "Other receivables".
(**) Limited to the items "Accrued expenses and deferred income" and "Miscellaneous payables".

The tables above show that most of the outstanding financial assets and liabilities are short-term items. In view of their nature, for most items, the book value is considered a reasonable approximation of the fair value.

Non-current financial assets and liabilities are settled or valued at market rates and it is therefore considered that their fair value is substantially in line with current book values.

Note also that the bond loan included in non-current liabilities and having a carrying amount of Euro 203,544 thousand had a quotation value on the Irish market of Euro 198,020 thousand at the same date.

Information on fair value

In relation to assets and liabilities recognised in the statement of financial position and measured at fair value, IFRS 13 requires that these values be classified on the basis of a hierarchy of levels, reflecting the significance of the inputs used in determining fair value. The following table shows the fair value classification of financial instruments based on the following hierarchical levels:

- **Level 1**: fair value determined using unadjusted prices listed on active markets for identical financial instruments. Therefore, in Level 1 the emphasis is on determining the following elements: (a) the principal market for the asset or liability or, in the absence of a principal market, the most advantageous market for the asset or liability; (b) the entity's ability to transact the asset or liability at the price of that market on the valuation date.
- **Level 2**: fair value determined with valuation techniques using variables observable on active markets. The inputs for this level include: (a) prices listed for similar assets or liabilities in active markets; (b) prices listed for identical or similar assets or liabilities in non-active markets; (c) data other than observable listed prices for the asset or liability, for example: interest rates and yield curves observable at commonly quoted intervals, implicit volatility, credit spreads, input corroborated by the market.
- **Level 3**: fair value determined with valuation techniques using non-observable market variables.

The following tables summarise the financial assets and liabilities measured at fair value, broken down by hierarchy, at 31 December 2024 and 2023:

(In thousands of euros)	**At 31 December 2024**		
	Level 1	**Level 2**	**Level 3**
Non-current financial assets measured at fair value through profit or loss	44	-	1,944
Current financial assets measured at fair value through profit or loss	-	1,576	-
Total financial assets measured at fair value	**43**	**1,576**	**1,944**

(In thousands of euros)	**At 31 December 2024**		
	Level 1	**Level 2**	**Level 3**
Current financial liabilities	-	14,692	-
Total current financial liabilities at fair value	**-**	**14,692**	**-**

(In thousands of euros)	**At 31 December 2023**		
	Level 1	**Level 2**	**Level 3**
Non-current financial assets measured at fair value through profit or loss	43	-	734
Current financial assets measured at fair value through profit or loss	-	69	-
Total financial assets measured at fair value	**43**	**69**	**734**

(In thousands of euros)	**At 31 December 2023**		
	Level 1	**Level 2**	**Level 3**
Other current liabilities	-	2,603	-
Total other current liabilities at fair value	**-**	**2,603**	**-**

There were no transfers between the different levels of the fair value hierarchy in the periods considered. Level 3 includes minority interests in unlisted companies whose change in value is solely related to the change in fair value. Level 2 includes foreign exchange derivatives (forward contracts) linked to foreign currency acquisitions.

6. OPERATING SEGMENTS

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 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 and for the year ended 31 December 2024, and the reconciliation of these items with respect to the corresponding amount included in the Consolidated Financial Statements:

(In thousands of euros)	At 31 December 2024												
	Pasta	Milk products	Bakery Products	Dairy products	Special Products	Instant Noodles & Bakery Mixes	Foods	Drinks	Fish	Italian Products	Oils	Other Products	**Consolidated Financial Statements total**
Revenue from contracts with customers (third parties)	191,610	274,547	45,177	60,139	23,620	149,320	283,834	150,106	201,026	82,982	163,722	15,026	**1,641,109**
EBITDA (*)	14,158	19,239	6,248	5,498	2,388	9,440	28,571	6,646	8,484	2,465	4,301	(2,318)	**105,120**
EBITDA margin	7.39%	7.01%	13.83%	9.14%	10.11%	6.32%	10.07%	4.43%	4.22%	2.97%	2.63%	-15.42%	**6.41%**
Amortisation, depreciation and write-downs	4,612	14,589	1,780	587	1,702	12,734	9,550	7,500	2,545	3,720	480	2,718	**62,517**
Net write-downs of financial assets												374	**374**
Income from business combinations												155,479	**155,479**
Operating profit/(loss)	**9,547**	**4,650**	**4,468**	**4,911**	**686**	**(3,294)**	**19,021**	**(854)**	**5,939**	**(1,255)**	**3,821**	**150,071**	**197,709**
Financial income	-	-	-	-	-							12,224	**12,224**
Financial expenses	-	-	-	-	-							(42,451)	**(42,451)**
Profit/(loss) before taxes	**9,547**	**4,650**	**4,468**	**4,911**	**686**	**(3,294)**	**19,021**	**(854)**	**5,939**	**(1,255)**	**3,821**	**119,837**	**167,482**
Income taxes	-	-	-	-	-							(7,230)	**(7,240)**
Net profit/(loss)	**9,547**	**4,650**	**4,468**	**4,911**	**686**	**(3,294)**	**19,021**	**(854)**	**5,939**	**(1,255)**	**3,821**	**114,465**	**160,241**
Total assets	**137,236**	**155,452**	**21,020**	**9,840**	**26,332**	**58,755**	**259,551**	**199,866**	**427,374**	**70,015**	**253,930**	**734,357**	**2,353,727**
Total liabilities	**63,739**	**90,591**	**20,715**	**16,223**	**16,794**	**62,349**	**257,816**	**195,830**	**378,874**	**80,094**	**240,674**	**534,085**	**1,957,784**
Investments	2,298	3,583	561	457	4,234	4,965			1,253	7,833		-	**25,185**
Employees (number)	467	542	203	65	137	740	1,152	659	3,018	682	382	403	**8,443**

(*) 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 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 and for the year ended 31 December 2023, and the reconciliation of these items with respect to the corresponding amount included in the Consolidated Financial Statements:

(In thousands of euros)	At 31 December 2023							
	Pasta	Milk products	Bakery Products	Dairy products	Special Products	Instant Noodles & bakery mixes	Other Products	Consolidated Financial Statements total
Revenue from contracts with customers (third parties)	212,934	259,272	50,327	57,189	33,947	165,414	14,256	**793,339**
EBITDA (*)	19,923	20,675	8,090	4,023	4,751	10,933	(244)	**68,151**
EBITDA margin	9.36%	7.97%	16.07%	7.03%	14.00%	6.61%	-1.71%	**8.59%**
Amortisation, depreciation and write-downs	6,592	14,462	2,637	460	3,241	12,567	329	**40,288**
Net write-downs of financial assets							1,378	**1,378**
Income from business combinations							4,793	**4,793**
Operating profit/(loss)	**13,331**	**6,213**	**5,453**	**3,563**	**1,510**	**(1,634)**	**2,843**	**31,280**
Financial income	**-**	**-**	**-**	**-**	**-**		**9,777**	**9,777**
Financial expenses	**-**	**-**	**-**	**-**	**-**		**(21,341)**	**(21,341)**
Profit/(loss) before taxes	**13,331**	**6,213**	**5,453**	**3,563**	**1,510**	**(1,634)**	**(8,721)**	**19,715**
Income taxes	**-**	**-**	**-**	**-**	**-**		**(4,203)**	**(4,203)**
Net profit/(loss)	**13,331**	**6,213**	**5,453**	**3,563**	**1,510**	**(1,634)**	**(12,925)**	**15,513**
Total assets	**125,278**	**145,706**	**22,487**	**8,073**	**30,767**	**67,212**	**418,081**	**817,604**
Total liabilities	**76,025**	**90,842**	**17,721**	**14,374**	**16,818**	**69,308**	**357,858**	**642,946**
Investments	**10,750**	**2,234**	**740**	**268**	**3,102**	**6,611**	**1,519**	**25,224**
Employees (number)	**596**	**532**	**188**	**66**	**143**	**717**	**61**	**2,303**

(*) EBITDA is calculated as the absolute sum of the operating result, net write-downs of financial assets and depreciation and amortisation of inventory, and extraordinary income from business combinations.

Revenue from contracts with customers in the "Pasta" and "Milk Products" segments totalled Euro 466,157 thousand and Euro 472,206 thousand for the years ended 31 December 2024 and 2023, equal to 28.4% and 59.5% respectively of all revenue from contracts with customers.

EBITDA in the "Pasta" and "Milk Products" segments totalled Euro 33,397 thousand and Euro 40,598 thousand respectively for the years ended 31 December 2024 and 2023, equal to 32.3% and 59.6% respectively.

The biggest EBITDA margins in 2024 were delivered by the "Bakery Products" and "Special Products" segments.

As far as the Princes Group is concerned (included in the scope of consolidation as from 1 August for five months), note that the Foods business unit is the largest within the Group in terms of both turnover and EBITDA.

Revenues from the "Pasta" sector were lower than the previous year, going from Euro 212,934 to Euro 191,610 thousand in the year ended 31 December 2024. The EBITDA of the "Pasta" sector decreased from Euro 19,923 to Euro 14,158. The related EBITDA margin decreased from 9.36% as at 31 December 2023 to 7.39% as at 31 December 2024 mainly due to a decrease in the average sales price and a decrease in volumes in the German market.

Revenues from the "Milk Products" sector increased by Euro 15,275 thousand from Euro 259,272 thousand in the year ended 31 December 2023 to Euro 274,547 thousand in the year ended 31 December 2024. This increase is mainly attributable to an increase in sales volumes and a higher average sales price than in the previous year. EBITDA from the “Milk Products” segment decreased both in absolute values and as a percentage of sales due to a worsening of purchasing conditions in the raw materials segment, especially in H2 2024.

Revenues in the special products segment diminished due to a decrease in the average sales price and lower margin volumes, as well as due to some plant investments that slowed production levels, particularly in the fourth quarter.

Revenues from the “Instant Noodles” sector decreased by Euro 16,094 thousand from Euro 165,415 thousand in the year ended 31 December 2023 to Euro 149,320 thousand in the year ended 31 December 2024. This decrease is mainly attributable to a decrease in the average sales price.

Moreover, to complete the segment reporting, the income and asset information by geographic area required by IFRS 8 for the years ended 31 December 2024 and 2023 is presented below:

(In thousands of euros)	**Year ended 31 December**	
	2024	**2023**
Italy	398,240	397,384
Germany	146,448	140,534
United Kingdom	721,423	155,571
Other countries	374,998	99,850
Total revenue from contracts with customers	**1,641,109**	**793,339**

Finally, in accordance with IFRS 8, paragraph 34, for the years ended 31 December 2024 and 2023, the Group did not have any customers generating more than 10% of its revenues.

8. NOTES TO THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

8.1 Property, plant and equipment

The table below shows a breakdown of and changes in the item "Property, plant and equipment" for the years 31 December 2024 and 2023:

(In thousands of euros)	Land and buildings	Plant and machinery	Industrial and commercial equipment	Other assets	Assets under construction and payments on account	Total
Historical cost at 31 December 2023	**124,437**	**358,950**	**26,014**	**8,960**	**6,967**	**525,327**
Investments	1,196	8,053	615	34	13,158	23,055
Disposals		(988)	(576)	(28)		(1,592)
Net exchange rate effect	3,272	9,671	999		85	14,029
Reclassifications	3,980	12,067	(253)	33	(15,827)	0
Change to the consolidation scope	126,667	250,106	29,236	-	18,142	424,151
Historical cost at 31 December 2024	**259,552**	**637,859**	**56,035**	**8,999**	**22,525**	**984,970**
Accumulated amortisation/depreciation as at 31 December 2023	**(49,863)**	**(280,680)**	**(23,025)**	**(7,028)**	**-**	**(360,595)**
Depreciation/Amortisation	(8,022)	(27,163)	(3,870)	(71)		(39,126)
Disposals		1,311	195	28		1,534
Net exchange rate effect	(999)	(5,459)	(315)			(6,773)
Reclassifications		83	316			399
Accumulated amortisation/depreciation as at 31 December 2024	**(58,884)**	**(311,907)**	**(26,699)**	**(7,071)**	**-**	**(404,561)**
Net carrying amount at 31 December 2023	**74,574**	**78,270**	**2,989**	**1,932**	**6,967**	**164,732**
Net carrying amount at 31 December 2024	**200,668**	**325,952**	**29,336**	**1,928**	**22,525**	**580,410**

(In thousands of euros)	Land and buildings	Plant and machinery	Industrial and commercial equipment	Other assets	Assets under construction and payments on account	Total
Historical cost at 31 December 2022	**106,908**	**319,143**	**27,557**	**7,103**	**2,914**	**463,625**
Investments	5,633	10,265	2,125	243	4,827	23,092
Disposals	(631)	(384)	(3,689)	-	-	(4,704)
Net exchange rate effect	33	161	21	-	-	215
Reclassifications	6	768	-	-	(774)	-
Change to the consolidation scope	12,488	28,997	-	1,614	-	43,099
Historical cost at 31 December 2023	**124,437**	**358,950**	**26,014**	**8,960**	**6,967**	**525,327**
Accumulated amortisation/depreciation as at 31 December 2022	**(40,594)**	**(238,142)**	**(25,437)**	**(5,347)**	**-**	**(309,520)**
Depreciation/Amortisation	(3,094)	(18,817)	(1,274)	(67)	-	(23,251)
Disposals	631	102	3,686	-	-	4,419
Change to the consolidation scope	(6,807)	(23,824)	-	(1,614)	-	(32,245)
Accumulated amortisation/depreciation as at 31 December 2023	**(49,863)**	**(280,680)**	**(23,025)**	**(7,028)**	**-**	**(360,597)**
Net carrying amount at 31 December 2022	**66,314**	**81,001**	**2,119**	**1,756**	**2,914**	**154,106**
Net carrying amount at 31 December 2023	**74,574**	**78,270**	**2,989**	**1,932**	**6,967**	**164,732**

Investments in property, plant and equipment for the year ended 31 December 2024 amounted to Euro 23,055 thousand and included the share of Princes Limited as at 1 August. For more information on investments, please refer to the specific chapter "Investments".

At 31 December 2024 there were no capital contributions to the reduction of core plant and equipment.

8.2 Right-of-use assets and lease liabilities

The table below shows a breakdown of the item "Right-of-use assets" for the years ended 31 December 2024 and 2023:

(In thousands of euros)	Right-of-use assets
Historical cost at 31 December 2023	**96,752**
Increases	9,371
Decreases	(5,080)
Change in consolidation scope	61,182
Exchange rate effect	1,928
Historical cost at 31 December 2024	**164,153**
Accumulated amortisation/depreciation as at 31 December 2023	**(52,979)**
Depreciation/Amortisation	(18,924)
Disposals	5,080
Exchange rate effect	(834)
Accumulated amortisation/depreciation as at 31 December 2024	**(67,658)**
Net carrying amount at 31 December 2023	**43,773**
Net carrying amount at 31 December 2024	**96,496**

(In thousands of euros)	Right-of-use assets
Historical cost at 31 December 2022	**90,335**
Increases	9,813
Decreases	(3,762)
Change in consolidation scope	366
Historical cost at 31 December 2023	**96,752**
Accumulated amortisation/depreciation as at 31 December 2022	**(43,827)**
Depreciation/Amortisation	(11,751)
Disposals	2,599
Change in consolidation scope	
Accumulated amortisation/depreciation as at 31 December 2023	**(52,979)**
Net carrying amount at 31 December 2022	**46,509**
Net carrying amount at 31 December 2023	**43,773**

At 31 December 2024, the Group found no indicators of long-term impairment for right-of-use assets.

The following table displays the non-discounted contractual values of the Group's lease liabilities at 31 December 2024, following the application of IFRS 16 as of 1 January 2018:

	At 31 December 2024					
(In thousands of euros)	less than 1 year	between 1 and 2 years	between 3 and 5 years	over 5 years	Contract value	Book value
Lease liabilities	20,230	29,185	44,087	7,660	**101,162**	**99,988**

	At 31 December 2023					
(In thousands of euros)	less than 1 year	between 1 and 2 years	between 3 and 5 years	over 5 years	Contract value	Book value
Lease liabilities	7,694	7,499	20,420	9,840	**45,454**	**44,854**

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

The main information relating to the lease agreements held by the Group, which acts mainly as a lessee, is shown in the following table:

(In thousands of euros)	**At 31 December 2024**
Net book value of right-of-use assets (real estate)	78,896
Net book value of right-of-use assets (machinery)	13,915
Net book value of right-of-use assets (motor vehicles)	3,685
Total net book value of right-of-use assets	**96,496**
Current lease liabilities	20,230
Non-current lease liabilities	79,758
Total lease liabilities	**99,988**
Depreciation of right-of-use assets (real estate)	(7,907)
Depreciation of right-of-use assets (machinery)	(9,844)
Depreciation of right-of-use assets (motor vehicles)	(1,173)
Total depreciation of right-of-use assets	**(18,924)**
Interest expense on leases	**1,625**

Real estate right-of-use assets relate mainly to the production plants in Sansepolcro (AR), Ozzano Taro (PR), Reggio Emilia, Lodi, Lecce and Eboli (SA), Bologna and Corte de' Frati (CR), leased to Newlat and Centrale del Latte d'Italia under the agreements entered into with the related party New Property S.p.A. The term of the lease of the aforementioned properties has been set at six years, based on the withdrawal options provided for in the contracts themselves and on managerial assessments taking into account the changing market context and the Group's acquisition objectives. The rental contracts stipulated between the parties have the same structure, namely: (i) a term of six years automatically extendable for a further six years, with any subsequent tacit renewals every six years, and (ii) the early termination options exercisable by the lessor upon renewal and by the lessee, which may withdraw at any time and without cause, with six months' notice.

These leases fall within the scope of related party transactions; please see the specific section of these consolidated financial statements.

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

8.3 Intangible assets

The table below shows a breakdown of and changes in the item "Intangible assets" for the years 31 December 2024 and 2023:

(In thousands of euros)	Goodwill	Patents and intellectual property rights	Concessions, licences, trademarks and similar rights	Other assets	Assets under development	Total
Historical cost at 31 December 2023	**13,071**	**6,024**	**133,091**	**36,637**	**26**	**188,848**
Investments		13	1,124	2,212	84	**3,433**
Net exchange rate effect			835	368		**1,203**
Change to the consolidation scope		21,943	15,809	124		**37,876**
Historical cost at 31 December 2024	**13,071**	**27,980**	**150,858**	**39,341**	**110**	**231,360**
Accumulated amortisation/depreciation as at 31 December 2023	**-**	**(4,740)**	**(77,796)**	**(14,764)**	**-**	**(97,300)**
Net exchange rate effect			(553)	(201)		**(754)**
Depreciation/Amortisation		(228)	(1,436)	(2,053)		**(3,716)**
Accumulated amortisation/depreciation as at 31 December 2023	**-**	**(4,968)**	**(79,785)**	**(17,018)**	**-**	**(101,770)**
Net carrying amount at 31 December 2023	**13,071**	**1,284**	**55,295**	**21,873**	**26**	**91,548**
Net carrying amount at 31 December 2024	**13,071**	**23,012**	**71,073**	**22,323**	**110**	**129,588**

(In thousands of euros)	Goodwill	Patents and intellectual property rights	Concessions, licences, trademarks and similar rights	Other assets	Assets under development	Total
Historical cost at 31 December 2022	**13,070**	**5,237**	**131,823**	**35,721**	**125**	**185,976**
Investments		662	673	770	26	**2,131**
Net exchange rate effects			595	146		**741**
Reclassifications		125			(125)	**-**
Historical cost at 31 December 2023	**13,290**	**6,024**	**133,091**	**36,637**	**26**	**189,068**
Accumulated amortisation/depreciation as at 31 December 2022		**(4,416)**	**(75,638)**	**(13,575)**	**-**	**(93,629)**
Depreciation/Amortisation		(324)	(2,158)	(1,189)		**(3,671)**
Accumulated amortisation/depreciation as at 31 December 2023		**(4,740)**	**(77,796)**	**(14,764)**	**-**	**(97,520)**
Net carrying amount at 31 December 2022	**13,070**	**821**	**56,185**	**22,146**	**125**	**92,345**
Net carrying amount at 31 December 2023	**13,070**	**1,284**	**55,295**	**21,873**	**26**	**91,548**

There were no indicators of long-term impairment for intangible assets with a finite useful life for the year ended 31 December 2024.

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

Goodwill

The goodwill refers

- To the acquisition of Centrale del Latte di Salerno S.p.A. merged by incorporation into Newlat Food S.p.A. from 2019, which represents a cash generating unit (CGU). This amount of Euro 3,863 thousand reflects the difference between the purchase price and the equity of Centrale del Latte di Salerno on the acquisition date in December 2014.
- The acquisition of Symington's for a total amount of Euro 9,207 following the definition of the purchase price allocation process completed in 2022.

The value of this goodwill was subjected to impairment testing, with the help of an independent third-party professional.

The 2025-2027 economic and financial was used for the impairment test as at 31 December 2024. The Board of Directors approved this *impairment test*, as well as the flows represented therein, on 17 March 2025.

For the purposes of estimating the value in use of the CGUs to which goodwill was allocated:

(i) the following sources of information have been used:

a) internal sources: IAS 36 requires that the estimate of value in use be based on senior management's most up-to-date results flows forecasts. For the goodwill impairment test a three-year 2025-2027 plan was used. The Company's Board of Directors approved this test, as well as the flows represented therein, on 17 March 2025.

b) external sources: for the goodwill impairment test, external sources of information were used for the purposes of calculating the cost of capital set out below. All information for calculating the cost of capital is from an external source. The estimated calculation of the weighted average cost of capital was based on:

- the CAPM to estimate the cost of equity;

- the WACC (Modigliani-Miller) formula for estimating the weighted average cost of capital (after tax).

The recoverable amount is the value in use, determined by discounting the CGUs' forecast data represented by the Centrale del Latte di Salerno division ("DCF Method") and the company Symington's Limited for the three years after the reporting date (2025-2027). The key assumptions used by management to determine the forecast data of the CGU are estimates of growth of revenues, EBITDA, operating cash flows, the growth rate of the terminal value and the weighted average cost of capital (discount rate), taking into account past profits/losses and future expectations.

Furthermore, a linear marginality was assumed over the plan periods on the basis of what occurred in the previous two financial years.

The terminal value of the CGU was determined using the perpetual yield criterion of the CGU's normalised cash flow, with reference to the latest forecast period considered, assuming a growth rate and a discount rate ("WACC", which represents the weighted average between the cost of equity and the cost of debt, after tax), as represented below:

	Goodwill former CLS		**Goodwill SYM**	
(Percentage)	**Growth rate**	**WACC**	**Growth rate**	**WACC**
At 31 December 2024	1%	7.09%	2%	7.41%
At 31 December 2023	1%	8.81%	1%	8.47%

The cost of capital was calculated considering the Group's financial structure corresponding to 75.5% equity and 24.5% cost of debt, the same considered as aligned with that of a market participant. The post-tax WACCs determined correspond to pre-tax discount rates of 10.28% for Symington and 9.65% for CLS.

The long-term growth rate for Symington has been updated to reflect a better fit with long-term inflation expectations in the relevant market.

In both years, EBITDA and turnover development levels are actually expected to increase slightly compared to historical levels.

From the results of the impairment tests performed, it appears that the estimated recoverable amount exceeds the carrying amount by around 30% for Symington and more than 174% of the value of CLS.

Sensitivity analyses were also carried out to verify the effects on the impairment test results of a ±0.5% and ±0.25% change respectively in the WACC and growth rate, both parameters deemed to be significant. In particular, assuming no other changes, individual changes in the main parameters used for the test in question do not result in the recoverable value of the CGU being less than the relative book value. For the Symington CGU, an additional sensitivity analysis of the plan's marginality was also considered, condensing the effects on the other key parameters of the test. Considering a 10% decrease in margins for this CGU, the excess of recoverable value over book value would decrease from 30% to 19%.

Industrial patents and rights to use intellectual property

This item consists almost exclusively of software costs.

Concessions, licences, trademarks and similar rights and other intangible assets

The following table shows a breakdown of "Concessions, licences, trademarks and similar rights" as at 31 December 2024 and 2023:

(In thousands of euros)	At 31 December	
	2024	**2023**
Trademarks with an indefinite useful life Italy and Germany *(a)*	44,799	44,799
Trademarks with a finite useful life Italy and UK *(b)*	23,201	535
Symington's assets with a definite useful life *(c)*	29,513	31,157
Total net book value	**97,513**	**76,491**

The impairment test on brands with an indefinite useful life is carried out at least annually and whenever there are indicators of impairment.

a) Trademarks with an indefinite useful life

This item refers to:

- The Drei Glocken and Birkel brands registered by Newlat Deutschland for a total of Euro 18.8 million.
- The Centrale Latte Rapallo-Latte Tigullio, Mukki and Centrale del Latte di Vicenza brands recorded in the separate financial statements of the subsidiary for a total of Euro 19,132 thousand and revalued during purchase price allocation for a total of Euro 6,823 thousand.

The value of these brands has been subjected to impairment testing, with the help of an independent third-party professional for the Newlat Group.

The 2025-2027 economic and financial was used for the impairment test as at 31 December 2024. The Board of Directors approved this *impairment test*, as well as the flows represented therein, on 17 March 2025.

Starting from the financial year ending 31 December 2023, the management standardised the impairment test methodology for German brands by aligning it with what is already done for the Italian brands of the CGU Centrale del Latte d'Italia and for the goodwill described above. Therefore, also for all brands, the recoverable amount is the value in use determined by updating the CGU's forecast data represented by Newlat Gmbh and Centrale del Latte d'Italia respectively ("*DCF Method*") for the three years after the reporting date. With regard to the CGU Centrale del Latte d'Italia, the cash flows used by the Directors for impairment testing purposes do not include the economic and financial components arising from the lease of the "Milk & Diary" business operations stipulated with the controlling company Newlat Food S.p.A. on 21 December 2020, expiring on 31 December 2023 and renewed for a further three years.

The key assumptions used by management to determine the forecast data of the CGU are estimates of growth of revenues, EBITDA, operating cash flows, the growth rate of the terminal value and the weighted average cost of capital (discount rate), taking into account past profits/losses and future expectations.

Moreover, a linear marginality was assumed over the plan periods based on what had occurred in the previous two years for the Centrale del Latte d'Italia CGU and slightly higher than in 2024 for the Newlat Gmbh CGU and in line with previous years.

The terminal value of the CGU was determined using the perpetual yield criterion of the CGU's normalised cash flow, with reference to the latest forecast period considered, assuming a growth rate and a discount rate ("WACC", which represents the weighted average between the cost of equity and the cost of debt, after tax), as represented below:

	Newlat Gmbh Brands		CLI Brands	
(Percentage)	**Growth rate**	**WACC**	**Growth rate**	**WACC**
At 31 December 2024	1%	5.88%	1%	7.09%
At 31 December 2023	1%	7.02%	1%	8.81%

- The cost of capital was calculated considering the Group's financial structure corresponding to 75.5% equity and 24.5% cost of debt, the same considered as aligned with that of a market participant. The post-tax WACCs determined correspond to pre-tax discount rates of 8.12% for Newlat GmbH and 9.02% for CLI.
- In both years, EBITDA and turnover development levels are actually expected to remain constant compared to historical levels.
- The results of the impairment tests carried out show that the estimated recoverable value exceeds its book value by more than 400% for the German CGU and more than 56% for the CLI CGU.
- Sensitivity analyses were also carried out to verify the effects on the impairment test results of a ±0.5% and ±0.25% change respectively in the WACC and growth rate, both parameters deemed to be significant. In particular, assuming no other changes, individual changes in the main parameters used for the test in question do not result in the recoverable value of the CGU being less than the relative book value. For the CLI CGU, an additional sensitivity analysis of the plan's marginality was also considered, condensing the effects on the other key parameters of the test. Considering a 10% decrease in margins for this CGU, the excess of recoverable value over book value would decrease from 56% to 45%.

b) Trademarks with a finite useful life Italy and UK

This item includes the trademarks owned by Newlat Food S.p.A. and Princes Limited, specifically the Napolina brand in the amount of Euro 8,795 thousand and the brands related to the Food business unit in the amount of Euro 13,935 thousand, which are amortised on the basis of their residual useful life, estimated on the basis of the period of time over which they are expected to generate cash flows. No impairment indicators were identified with respect to these brands.

c) Symington's Limited assets with a finite useful life

This item includes allocations to trademarks with a finite useful life, know-how and customer lists, defined in the purchase price allocation following the acquisition of Symington's and amortised over their estimated remaining useful life based on the period of time they are expected to generate cash flows. No impairment indicators were identified with respect to these assets.

8.4 Equity investments in associates

As of 31 December 2024, equity investments in affiliated companies of Euro 10,090 thousand mainly refer to the equity investment held by Centrale del Latte d'Italia S.p.A. in Mercafir Scpa in the amount of Euro 1,401 thousand and the equity investment held indirectly by the Princes Group in Marine Biotechnology Limited in the amount of Euro 8,690 thousand.

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

At 31 December 2024 and 2023, non-current financial assets valued at fair value through profit or loss amounted to Euro 2,038 thousand and Euro 777 thousand respectively. These balances, the amount of which is not material, relate to equity instruments in minor companies, and specifically Princes Limited's shareholding in Cawston Press Limited.

8.6 Financial assets measured at amortised cost

At 31 December 2024 and 2023, financial assets at amortised cost respectively amounted to Euro 803 thousand and Euro 801 thousand. These balances refer to security deposits paid against existing lease agreements.

8.7 Prepaid tax assets and deferred tax liabilities

Prepaid tax assets are recognised on the financial statements where it is probable that future taxable income will be realised against which they can be used. The following table shows a breakdown of "Prepaid tax assets" as at 31 December 2024 and 2023:

(In thousands of euros)	At 31 December	
	2024	**2023**
Provisions	2,956	2,936
Tax losses carried forward		
Leases	891	613
Depreciation/Amortisation	327	59
Other	2,046	246
Sym Tax losses	417	1,129
PPA effects	1,169	1,379
Deferred tax assets	**7,806**	**6,362**

Deferred tax liabilities arising from intangible assets at 31 December 2023 are mainly attributable to the Drei Glocken and Birkel brands belonging to Newlat Deutschland and the brands included in the financial statements of Centrale del Latte d'Italia SpA and the tax effect of the purchase price allocation of Symington's Limited as well as the temporary differences on the tangible assets of the Princes Group:

(In thousands of euros)	At 31 December	
	2024	**2023**
Intangible assets	15,466	11,745
Property, plant and equipment	22,613	1,927
Other	1,572	82
PPA allocation	8,849	9,114
Gross deferred tax liabilities	**48,500**	**22,868**

The increase over the previous year is mainly due to the change in the scope of consolidation and the inclusion of balances pertaining to the Princes Group arising from the temporary difference between IFRS and tax depreciation.

The following table displays a breakdown of and changes in the gross value of prepaid tax assets and deferred tax liabilities for the years ending 31 December 2024 and 2023:

(In thousands of euros)	**Provisions**	**Tax losses carried forward**	**Lea ses**	**Depreciation /Amortisation**	**Ot her**	**Total prepaid tax assets**
Balance at 31 December 2023	**2,936**	**1,129**	**613**	**59**	**1,6 25**	**6,362**
Provisions (releases) to income statement	21	(712)	278	268	(24 3)	(388)
Changes in consolidation scope					1,8 80	1,880
Provisions (releases) to statement of other comprehensive income	(1)	-	-	-	(47)	(48)
Balance at 31 December 2024	**2,956**	**417**	**891**	**327**	**3,2 15**	**7,806**

(In thousands of euros)	**Trademarks**	**Property, plant and equipment**	**Others**	**PPA Allocation**	**Total deferred tax liabilities**
Balance at 31 December 2023	**11,086**	**464**	**2,204**	**9,114**	**22,868**
Provisions (releases) to income statement		249	(1)	(1,234)	(986)
Changes in consolidation scope		26,617			26,617
Balance at 31 December 2024	**11,086**	**27,330**	**2,203**	**7,880**	**48,499**

Prepaid tax assets and deferred tax liabilities arise from the temporary differences between the value attributed to an asset or liability in the financial statements and the value attributed to that asset or liability for tax purposes.

At the reporting date the Group has unused tax losses of more than Euro 100 million available to offset future profits. Prudently, no deferred tax assets were recognised in connection with the losses in view of the still ongoing purchase price allocation assessments and the expected tax gains from the acquisition of the Princes Group. All losses may be carried forward indefinitely.

8.8 Inventories

The following table shows a breakdown of "Inventories" as at 31 December 2024 and 2023:

(In thousands of euros)	At 31 December	
	2024	2023
Raw materials, supplies, consumables and spare parts	151,318	40,949
Finished products and goods	334,425	35,757
Semi-finished products	1,686	2,391
Advance payments	410	502
Total gross inventories	**487,838**	**79,598**
Inventory write-down reserve	(896)	(5,499)
Total inventories	**486,942**	**74,099**

Inventories are recorded net of the obsolescence reserve, which amounted to Euro 896 thousand at 31 December 2024 and related mainly to spare parts for slow-moving equipment. The increase over the previous year is due to the inclusion of the Princes Group in the scope of consolidation. Changes in the inventories write-down reserve during 2024 are shown below:

(In thousands of euros)	Inventory write-down reserve
Balance at 31 December 2022	**1,949**
Provisions	1,783
Uses/Releases	(144)
Change in consolidation scope	1,892
Exchange rate effect	19
Balance at 31 December 2023	**5,499**
Uses/Releases	(4,763)
Exchange rate effect	160
Balance at 31 December 2024	**896**

8.9 Trade receivables

The following table shows a breakdown of "Trade receivables" as at 31 December 2024 and 2023:

(In thousands of euros)	At 31 December	
	2024	2023
Trade receivables from customers	272,478	102,347
Trade receivables from related parties	6,191	2,493
Trade receivables (gross)	278,669	104,840
Provision for doubtful trade receivables	**(20,125)**	**(20,205)**
Total trade receivables	**258,544**	**84,635**

The increase over the previous year is due to the inclusion of the Princes Group in the scope of consolidation.

The following table displays the changes in the provision for doubtful trade receivable for the year ended 31 December 2024:

(In thousands of euros)	Provision for doubtful trade receivables
Balance at 31 December 2022	**19,737**
Provisions	1,378
Uses	(909)
Releases	
Change to the consolidation scope	-
Balance at 31 December 2023	**20,205**
Provisions	374
Uses	(453)
Change to the consolidation scope	
Balance at 31 December 2024	**20,125**

The net value of overdue trade receivables at 31 December 2024 amounted to Euro 53,398 thousand, a decrease compared with the previous year with the same scope.

Analysis of the credit risk, including details of the provisioning for doubtful receivables for the individual bands of overdueness, can be found in the section "Management of Financial Risks" above.

Analysis of trade receivables from related parties can be found in the section "Transactions with Related Parties" below.

The book value of trade receivables is deemed to approximate their fair value.

8.10 Current tax assets and liabilities

Current tax assets amounted to Euro 6,930 thousand and Euro 1,323 thousand at 31 December 2024 and 2023, respectively.

Current tax liabilities totalled Euro 4,946 thousand at 31 December 2024 and Euro 2,988 thousand at 31 December 2023.

The changes in the net balances of the assets and liabilities under review for the year ended 31 December 2024 mainly relate to the allocation of current income taxes and payments on account as well as the inclusion of the balances of the Princes Group in the scope of consolidation.

8.11 Other receivables and current assets

The following table shows a breakdown of "Other receivables and current assets" as at 31 December 2024 and 2023:

(In thousands of euros)	At 31 December	
	2024	**2023**
Tax assets	17,077	11,154
Receivables from social security institutions	2,714	1,344
Accrued income and prepaid expenses	14,740	1,809
Advance payments	4,542	1,440
Other receivables	14,518	6,782
Total other receivables and current assets	**53,591**	**22,529**

Receivables from social security institutions at 31 December 2024 and 2023 mainly refer to receivables from INAIL and social security institutions, amounting to Euro 2,714 thousand and Euro 1,344 thousand respectively.

Advance payments at 31 December 2024 and 2023 refer mainly to sums paid for future supplies in the respective amounts of Euro 4,542 thousand and Euro 1,440 thousand.

Tax assets as at 31 December 2024 mainly include VAT credits.

The increase in the main items of other current receivables and assets is mainly due to the inclusion of the Princes Group in the scope of consolidation.

8.12 Current financial assets measured at fair value through profit or loss

The following table provides a breakdown of "Current financial assets measured at fair value through profit or loss" at 31 December 2024 and 2023:

(In thousands of euros)	At 31 December	
	2024	**2023**
Derivative financial instruments	1,575	68
Listed bonds	1	1
Total current financial assets measured at fair value through profit or loss	**1,576**	**69**

This residual item mainly includes foreign currency hedging instruments entered into by the subsidiary Princes limited.

8.13 Financial receivables measured at amortised cost

Financial receivables measured at amortised cost refer to financial receivables due from the related party Newlat Property S.p.A. for a total of Euro 12,099 thousand and from the parent company Newlat Group S.A. for Euro 251,675 thousand, of which Euro 240.453 thousand related to outstanding cash pooling transactions classified under this item as a result of the Group's overall liquidity management following the recent acquisition of the Princes Limited Group and related transactions (including the shareholder loan obtained by Newlat Group S.A. mentioned in the related note).

8.14 Cash and cash equivalents

The following table shows a breakdown of "Cash and cash equivalents" at 31 December 2024 and 2023:

(In thousands of euros)	At 31 December	
	2024	**2023**
Bank and postal deposits	454,958	311,952
Cash in hand	177	507
Total cash and cash equivalents	**455,135**	**312,459**

Bank and postal deposits refer to cash and cash equivalents deposited mainly in current accounts held with leading banking and financial institutions.

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

Please see the statement of cash flows for changes in the "Cash and cash equivalents" item during the periods under review, a change that includes an offsetting of reciprocal credit and debit items with the parent company in the comparative period.

8.15 Shareholders' equity

At 31 December 2024 the item Shareholders' Equity totalled Euro 395,943 thousand.

As reported in the statement of changes in consolidated equity, such changes in the year ended 31 December 2024 related to:

- The group net profit for the year in the amount of Euro 157,933 thousand.
- Net sales of treasury shares for Euro 8,663 thousand, of which Euro 5,364 thousand net in cash and the difference through the closure of derivatives on treasury shares.
- Actuarial gains net of the related tax effect for Euro 391 thousand related to the discounting of the employee severance indemnity provision.

- Positive translation reserve of Euro 6,457 thousand.
- Recognition of positive components in the amount of Euro 1,102 thousand net of the related tax effect, related to hedge accounting transactions:
- Recognition of non-controlling interests for a total cumulative amount of Euro 46,774 thousand (of which Euro 2,308 related to the result attributable to them).

Share capital

As at 31 December 2024, 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.

8.16 Provisions for employee benefits

The table below shows a breakdown of and changes in the item "Provisions for employee benefits" for the years 31 December 2024 and 2023:

(In thousands of euros)	Employee severance indemnity (Italian companies)	Princes Limited Pension Plan	Symington's Limited Pension Plan	Newlat Deutschland Pension Plan	Employee benefits
Balance at 31 December 2023	**10,327**	**-**	**199**	**425**	**10,951**
Exchange rate effect	-	61	10	-	71
Service Cost	-	1,010	-	11	1,021
Financial expenses	307	85	-	-	392
Actuarial losses/(gains)	(315)	(158)	-	-	(473)
Benefits paid	(1,142)	(573)	(121)	-	(1,836)
Change in consolidation scope	-	2,930	-	-	2,930
Balance at 31 December 2024	**9,177**	**3,355**	**88**	**436**	**13,056**

Provisions for employee benefits represent the estimated obligation, determined on the basis of actuarial techniques, relating to the amount to be paid to employees when their employment with the company ends.

Employee severance indemnity (TFR)

The liability for the Italian companies' employee severance indemnity, which falls within the IAS 19 definition of defined benefit plans, was determined according to actuarial logic. The following are the main actuarial, financial and demographic assumptions used to determine the value of the liability at 31 December 2024 and 2023, in accordance with the provisions of IAS 19:

	At 31 December	
	2024	**2023**
Financial assumptions		
Discount rate	3.29%	3.15%
Inflation rate	2.00%	2.25%
Annual rate of salary increase	2.00%	2.25%
Demographic assumptions		
Death	SIM/SIF2002 ISTAT table	SIM/SIF2002 ISTAT table
Retirement	Achievement of the first pensionable requirement according to current legislation	Achievement of the first pensionable requirement according to current legislation

The following table summarises the main assumptions relating to the annual turnover rate and requests for specific severance pay advances adopted for the calculation of Newlat's provisions for employee benefits in accordance with the provisions of IAS 19:

	At 31 December	
	2024	**2023**
Annual turnover rate and TFR Advances	**Italy**	**Italy**
Frequency of advances	1.10%	1.90%
Frequency of turnover	2.50%	2.82%

The following table summarises the sensitivity analysis for each actuarial, financial and demographic assumption, showing the effects (in absolute terms) that would have occurred as a result of changes to the reasonably possible actuarial assumptions on 31 December 2024 and 2023:

(In thousands of euros)	**Discount rate**		**Inflation rate**		**Change in retirement age**	
	+0.50%	**-0.50%**	**+0.50%**	**0.50%**	**+ 1 year**	**- 1 year**
Employee benefits (severance indemnities) at 31 December 2023	(518)	518	314	(-314)	29	(29)
Employee benefits (severance indemnities) at 31 December 2024	(411)	411	275	(275)	41	(41)

Newlat Deutschland Pension Plan

The following table summarises the main actuarial and financial assumptions made, in accordance with IAS 19, to determine the value of the liability relating to the Newlat Deutschland staff pension plan at 31 December 2024 and 2023:

	At 31 December	
	2024	**2023**
Discount rate	1.75%	1.75%
Rate of pension increase	1.50%	1.50%

Princes Limited Pension Plan

The following table summarises the main actuarial and financial assumptions made, in accordance with IAS 19, to determine the value of the liability relating to the Newlat Deutschland staff pension plan at 31 December 2024 and 2023:

	At 31 December	
	2024	**2023**
Financial assumptions		
Discount rate	5.60%	N/A
Inflation rate	3.40%	N/A
Annual rate of salary increase	2.00%	N/A

The following table summarises the sensitivity analysis for each actuarial, financial and demographic assumption, showing the effects (in absolute terms) that would have occurred as a result of changes to the reasonably possible actuarial assumptions on 31 December 2024 and 2023 for the more significant plans:

(In thousands of euros)	**Discount rate**		**Inflation rate**		**Change in retirement age**	
	+0.50%	**-0.50%**	**+0.50%**	**0.50%**	**+ 1 year**	**- 1 year**
Employee benefits (severance indemnities) at 31 December 2024	(9,500)	(10,590)	9,200	(8,500)	-	-

8.17 Provisions for risks and charges

The table below shows a breakdown of and changes in the item "Provisions for risks and charges" for the years 31 December 2024 and 2023:

(In thousands of euros)	**Provision for agents' indemnities**	**Provision for legal risks**	**Other provisions for risks and charges**	**Total provisions for risks and charges**
Balance at 31 December 2023	**1,363**	**224**	**749**	**2,337**
Provisions	144			144
Uses	(76)			(76)
Change to the consolidation scope			1,318	1,318
Balance at 30 June 2024	**1,431**	**224**	**2,067**	**3,723**

The provision for agents' indemnities, amounting to Euro 1,431 thousand at 31 December 2024, represents a reasonable forecast of the charges that would be borne by the Group in the event of future interruption of agency relationships.

The increase compared to the previous year is due to the inclusion of the Princes Group in the scope of consolidation, and in particular to a provision for the restoration of assets held under lease for a total amount of Euro 1,318 thousand

8.18 Current and non-current financial liabilities

The following table shows a breakdown of "Current and non-current financial liabilities" as at 31 December 2024 and 2023

(In thousands of euros)	**At 31 December 2024**		**At 31 December 2023**	
	Current portion	**Non-current portion**	**Current portion**	**Non-current portion**
Total financial liabilities	**385,486**	**581,229**	**64,653**	**304,723**

In terms of absolute value, the main loans include:

(i) A bond loan listed on the Irish market maturing in 2027 (interest rate 2.625%) in the amount of Euro 199,231 thousand entirely classified as long-term.

(ii) A loan of Euro 300 million that was provided by a pool of leading banks to partially finance the acquisition of the Princes Group (variable rate based on the group's level of indebtedness, the initial rate being EURIBOR plus 300 basis points). This loan has contractually defined repayment dates on a half-yearly basis from June 2025 until 2029. Thus, 36 million are included as a current share and the remainder as a non-current share. As detailed in the events that followed, this loan was fully repaid during the first months of 2025.

(iii) A loan of Euro 70 million stipulated in January 2024 and guaranteed by SACE with quarterly repayments starting in 2025 (rate equal to EURIBOR plus 90 basis points).

The residual component includes a number of smaller medium- and long-term unsecured loans. The current portion includes, in addition to the portions payable in the financial year 2024 of medium- and long-term debt, advance accounts and other working capital financing.
Some loan contracts require compliance with financial parameters. At 31 December 2024 the parameters indicated above were met.
Finally, the short-term financial liabilities also include exchange rate derivatives on intercompany loans (for Euro 14,692 thousand), the change in fair value of which was recognised in the income statement.

The following table shows the net financial position, in the format as per the Consob Communication:

(In thousands of euros)	At 31 December	
Net financial debt	**2024**	**2023**
A. Cash and cash equivalents	455,135	103,873
B. Cash equivalents	-	208,586
C. Other current financial assets	265,351	13,167
D Cash and cash equivalents (A)+(B)+(C)	**720,486**	**325,626**
E. Current financial payables	(361,009)	(29,727)
F. Current portion of non-current financial debt	(44,708)	(42,622)
G. Current financial indebtedness (E)+(F)	**(405,717)**	**(72,349)**
H. Net current financial indebtedness (G)+(D)	**314,770**	**253,277**
I. Non-current financial payables	(461,756)	(128,613)
J. Debt instruments	(199,231)	(199,013)
K. Trade and other non-current payables	(206,100)	-
L. Non-current financial indebtedness (I)+(J)+(K)	**(867,087)**	**(327,626)**
M. Net financial indebtedness (H)+(L)	**(552,317)**	**(74,348)**

Without considering the effects of IFRS 16, the net financial position would be determined as follows:

(In thousands of euros)	At 31 December	
	2024	**2023**
Net financial debt	**(552,317)**	**(74,348)**
Current lease liabilities	20,230	7,694
Non-current lease liabilities	79,758	37,160
Net Financial Position	**(452,329)**	**(29,493)**

The increase in debt was mainly due to the acquisition of the Princes Group.

The following table shows, in accordance with IAS 7, changes in financial liabilities arising from cash flows generated and/or absorbed by financing activities, as well as from non-monetary items:

(In thousands of euros)	At 31 December 2023	Change in the scope	New loans	Repayments	Change in FV of derivatives	Difference exchange and unpaid int	Reclassifications	At 31 December 2024
Financial liabilities non-current	290,466	397,892	320,000	(397,892)	-	927	(30,164)	581,229
Current financial liabilities	64,653	230,216	314,609	(274,448)	14,692	5,600	30,164	385,486
Total financial liabilities	**355,119**	**628,108**	**634,609**	**(672,340)**	**14,692**	**6,527**	**-**	**966,715**
Shareholder loan	-	-	200,000	-	-	6,100	-	206,100
Total	**355,119**	**628,108**	**834,609**	**(672,340)**	**14,692**	**12,627**	**-**	**1,172,815**

(In thousands of euros)	At 31 December 2023	Change in consolidation scope	New loans / Chg estimates	Repayments	Exchange difference	Reclassifications	At 31 December 2024
Non-current lease liabilities	37,160	48,879	12,301	-	(933)	(17,519)	79,758
Current lease liabilities	7,694	12,432	2,630	(19,812)	(233)	17,519	20,230
Total lease liabilities	**44,854**	**61,181**	**14,931**	**(19,812)**	**(1,166)**	**-**	**99,988**

8.19 Shareholder Loan

This item includes a shareholders' loan granted by the parent company Newlat Group for a total amount of Euro 200 million (and related interest) as part of the transaction for the acquisition of the Princes Group. This loan, which was also approved by the Related Parties Committee, matures in 2030 and was taken out at the same terms and rates obtained for the Euro 300 million bank loan referred to in the “Financial liabilities” note.

8.20 Trade payables

The following table shows a breakdown of "Trade payables" as at 31 December 2024 and 2023:

(In thousands of euros)	At 31 December	
	2024	2023
Trade payables to suppliers	555,447	171,375
Trade payables to related parties	3,782	823
Total trade payables	**559,229**	**172,198**

This item mainly includes payables relating to the Group's normal production activities.

Analysis of trade payables to related parties can be found in the section "Transactions with Related Parties" of the Consolidated Financial Statements.

The book value of trade payables is deemed to approximate their fair value.

8.21 Other current liabilities

The following table shows a breakdown of "Other current liabilities" as at 31 December 2024 and 2023:

(In thousands of euros)	At 31 December	
	2024	2023
Payables to employees	19,292	14,449
Payables to social security institutions	9,846	4,216
Tax liabilities	6,660	4,425
Accrued expenses and deferred income	5,128	4,477
Miscellaneous payables	14,599	4,062
Total other current liabilities	**55,526**	**31,629**

Payables to employees relate mainly to salaries to be settled and deferred charges such as holidays, leave and additional monthly payments.

Payables to social security institutions mainly refer to liabilities with the INPS and other social security institutions for the payment of contributions.

Tax payables at 31 December 2024 mainly include payables to the Treasury for withholding taxes.

The increase in other current liabilities is mainly due to the inclusion of the Princes Group as from 1 August 2024.

9. NOTES TO THE CONSOLIDATED INCOME STATEMENT

9.1 Revenue from contracts with customers

The following table displays a breakdown of "Revenue from Contracts with Customers" by operating segment:

(In thousands of euros)	**Combined income statement of the first nine months**	
	2024	**2023**
Pasta	191,610	212,934
Milk products	274,547	259,272
Bakery Products	45,177	50,327
Dairy products	60,139	57,189
Special Products	23,620	33,947
Instant Noodles & Bakery Mixes	149,320	165,414
Foods	283,834	-
Drinks	150,106	-
Fish	201,026	-
Italian Products	82,982	-
Oils	163,722	-
Other Products	15,026	14,256
Total revenue from contracts with customers	**1,641,109**	**793,339**

The following table displays a breakdown of "Revenue from Contracts with Customers" by distribution channel:

(In thousands of euros)	**Combined income statement of the first nine months**	
	2024	**2023**
Mass Distribution	592,482	465,266
B2B partners	135,213	97,655
Normal trade	53,768	88,532
Private labels	725,046	121,959
Food services	134,599	19,928
Total revenue from contracts with customers	**1,641,109**	**793,339**

The following table displays "Revenue from Contracts with Customers" by geographical area:

(In thousands of euros)	**Combined income statement of the first nine months**	
	2024	**2023**
Italy	398,240	397,384
Germany	146,448	140,534
United Kingdom	721,423	155,571
Other countries	374,998	99,850
Total revenue from contracts with customers	**1,641,109**	**793,339**

Revenue from contracts with customers for the year ended 31 December 2024 is almost exclusively related to the sale of goods. Revenues associated with such sales of goods are recognised when control of the asset is transferred to the customer. In the year just ended, the Group had consolidated revenues of Euro 1,641,109 thousand, up 107% compared with Euro 793,339 thousand recorded in the same period of the previous year. This result is mainly attributable to the change in the scope of consolidation, with the inclusion of the subsidiary Princes Limited as from 30 July 2024.

9.2 Operating costs

The following table provides details of operating costs broken down by purpose for the years ending 31 December 2024 and 2023:

(In thousands of euros)	**Year ended 31 December**	
	2024	**2023**
Cost of sales	(1,369,712)	(656,186)
Sales and distribution costs	(123,973)	(89,912)
Administrative costs	(104,704)	(23,801)
Total operating costs	**(1,598,389)**	**(769,899)**

The table below shows details of the same operating costs broken down according to their nature:

(In thousands of euros)	**Year ended 31 December**			
	2024	**%**	**2023**	**%**
Raw materials and finished products	1,035,523	63%	425,746	54%
Personnel costs	190,849	12%	103,367	13%
Packaging	66,365	4%	50,907	6%
Transport	82,377	5%	48,974	6%
Utilities	59,544	4%	38,936	5%
Depreciation/Amortisation	61,767	4%	38,672	5%
Sales commissions	9,530	1%	8,652	1%
Porterage and logistics	18,798	1%	7,158	1%
Surveillance and cleaning	7,828	0%	5,431	1%
Maintenance and repair	24,022	1%	12,348	2%
Royalties payable	374	0%	2,081	0%
Cost for use of third-party assets	11,504	1%	3,184	0%
Advertising and promotions	6,030	0%	8,912	1%
Consultancy and professional services	5,523	0%	4,928	1%
Insurance	4,099	0%	2,225	0%
Laboratory analysis and testing	3,286	0%	1,179	0%
Production plant services	3,013	0%	739	0%
Remuneration of the chair and directors	975	0%	1,011	0%
External auditor's fees	1,517	0%	873	0%
Remuneration of supervisory bodies	61	0%	59	0%
Other minor costs	5,248	1%	4,516	1%
Total operating costs	**1,598,389**	97%	**769,899**	97%

Operating expenses for the year ended 31 December 2024 increased due to the inclusion of the Princes Group in the scope of consolidation as from 1 August.

9.3 Net write-downs of financial assets

The item "Net write-downs of financial assets", amounting to Euro 374 thousand for the year ended 31 December 2024, refers to the write-down of overdue trade receivables and other late receivables. A breakdown of changes to the provision for bad debts for the years ended 31 December 2024 and 2023 can be found in Note 8.9 above, "Trade receivables" of the Consolidated Financial Statements.

9.4 Other revenues and income

The following table provides a breakdown of "Other revenues and income":

(In thousands of euros)	Year ended 31 December	
	2024	**2023**
Repayments and compensation	1,290	2,202
Leases receivable	31	30
Other revenues from the Ozzano plant	184	1,824
Operating grant	275	336
Other	5,756	6,528
Total other revenue and income	**7,536**	**10,920**

9.5 Income from business combinations

This refers to income from the business combination following the acquisition of the Princes Limited Group. This income is still provisional as the process of purchase price allocation and fair value valuation of the Group's assets and liabilities acquired on 31 July 2024 is ongoing and not final. See the section on the acquisition and change in the scope of consolidation for more details.

9.6 Other operating costs

The following table shows a breakdown of "Other operating costs":

(In thousands of euros)	Year ended 31 December	
	2024	**2023**
Stamps, duties and local taxes	1,116	1,006
Corporate canteen	156	148
Benefits and membership fees	15	20
Other	6,385	5,322
Total other operating costs	**7,673**	**6,496**

9.7 Financial income and expenses

The following table provides a breakdown of "Financial income":

(In thousands of euros)	Year ended 31 December	
	2024	**2023**
Interest income from cash pooling	3,914	1,501
Net foreign exchange gains	719	230
Other financial income	7,591	8,046
Total financial income	**12,224**	**9,777**

Other financial income mainly includes interest income from Group cash management.

The following table provides a breakdown of "Financial expenses":

(In thousands of euros)	Year ended 31 December	
	2024	**2023**
Interest on loans	24,891	8,263
Interest expense on lease liabilities	512	615
Fees and commissions	7,234	705
Net foreign exchange losses	360	242
Net interest expense on provisions for employee benefits	392	165
Other financial expenses	3,518	5,826
Bond interest	5,525	5,525
Total financial expenses	**42,432**	**21,341**

The increase from the previous year is mainly due to interest and fees on loans taken out for the acquisition of the Princes Group.

9.8 Valuation of associated companies using the equity method

This refers to the equity valuation of Princes Limited's indirect equity investment in Marine Biotechnology Limited.

9.9 Income taxes

The following table provides a breakdown of "Income taxes":

(In thousands of euros and as a percentage of revenue from contracts with customers)	Year ended 31 December	
	2024	**2023**
Current taxes	7,525	3,288
Prior-year taxes	314	4
Total current taxes	**7,839**	**3,292**
Decrease (increase) in prepaid taxes	388	830
Increase (decrease) in deferred taxes	(986)	82
Change in consolidation scope		
Total deferred taxes	**(598)**	**912**
Total income taxes	**7,240**	**4,203**

The following table displays a reconciliation of the theoretical tax rate with the effective impact on the pre-tax result:

(In thousands of euros)	Year ended 31 December	
	2024	**2023**
Profit/(loss) before taxes	**167,482**	**19,715**
Theoretical rate	27.9%	27.9%
Theoretical tax charge	**46,385**	**5,501**
Adjustments		
Prior-year taxes	314	4
Theoretical tax effect on non-recurring income from business combination	(43,379)	
Tax rate differences and permanent differences	3,578	(1,301)
Income taxes	**7,240**	**4,204**

9.10 Net profit/(loss) per share

The table below shows the net profit/loss per share, calculated as the ratio of net income to the weighted average number of ordinary shares in circulation during the period.

	Year ended 31 December	
	2024	**2023**
Profit for the year attributable to the Group in thousands of euros	157,933	14,324
Weighted average number of shares in circulation	43,879,253	42,770,715
Earnings per share (in Euro)	**3.60**	**0.33**

No share options were outstanding during the year. In the comparative period, since the potential options on outstanding own shares had an anti-dilutive effect, diluted earnings per share were reported as equal to earnings per share.

TRANSACTIONS WITH RELATED PARTIES

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 were 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, a direct parent company; and
- Companies controlled by the direct parent or indirect parent companies other than its own subsidiaries and associates ("**Companies controlled by the parent companies**").

The following table provides a detailed breakdown of the statement of financial position items relating to the Group's transactions with related parties at 31 December 2024 and 2023:

(In thousands of euros)	Parent company	Companies controlled by the parent companies			Total	Total statement of financial position items	% of statement of financial position item
	Newlat Group	New Property	Other companies controlled by the parent companies	Other companies consolidated using the proportional method			
Right-of-use assets							
At 31 December 2024		11,488			11,488	96,496	11.9%
At 31 December 2023		14,105			14,105	43,773	32.2%
Non-current financial assets at amortised cost							
At 31 December 2024		735			735	803	91.5%
At 31 December 2023		735			735	800	91.9%
Trade receivables							
At 31 December 2024	6,191				6,191	258,544	2.4%
At 31 December 2023	2,493				2,493	84,634	2.9%
Financial receivables measured at amortised cost							
At 31 December 2024	251,675	12,100			263,775	263,775	100.0%
At 31 December 2023		13,099			13,099	13,099	100.0%
Cash and cash equivalents							
At 31 December 2024	-				-	455,136	0.0%
At 31 December 2023	93,586				93,586	312,459	30.0%
Non-current lease liabilities							
At 31 December 2024		8,692			8,692	79,758	10.9%
At 31 December 2023		14,092			14,092	37,160	37.9%
Shareholder loan							
At 31 December 2024	206,100				206,100	206,100	100.0%
Trade payables							
At 31 December 2024	412	2,997	373	8,711	12,493	445,434	2.2%
At 31 December 2023	71	533	219		823	172,198	0.5%
Current financial liabilities							
At 31 December 2024	7				7	385,486	0.0%
At 31 December 2023	3,916				3,916	64,653	6.1%
Current lease liabilities							
At 31 December 2024		2,554			2,554	20,230	12.6%
At 31 December 2023		2,457			2,457	7,694	31.9%
Other current liabilities							
At 31 December 2024			73		8,784	169,321	5.20%

The following table provides a breakdown of the income statement items relating to the Group's transactions with related parties for the years ended 31 December 2024 and 2023:

(In thousands of euros)	Parent company	Companies controlled by the parent companies		Total	Total statement of financial position items	% of statement of financial position item
	Newlat Group	New Property	Other companies controlled by the parent companies			
Cost of sales						
At 31 December 2024	-	2,283	361	2,644	1,369,712	0.2%
At 31 December 2023	-	2,740	303	3,043	656,186	0.5%
Administrative costs						
At 31 December 2024	168	138	-	306	104,704	0.3%
At 31 December 2023	168	-	-	168	23,801	0.7%
Financial income						
At 31 December 2024	3,914	-	-	3,914	12,224	32.1%
At 31 December 2023	1,811	-	-	1,811	9,777	18.5%
Financial expenses						
At 31 December 2024	5,814	424	-	6,238	42,432	14.9%
At 31 December 2023	8	693	-	701	21,341	3.3%

Transactions with parent company Newlat Group

Financial receivables measured at amortised cost amounting to Euro 251,675 thousand as at 31 December 2024 are attributable to centralised treasury relations with the parent company for Euro 240,453 classified under this item compared to the previous year due to the recent acquisition of the Princes Limited Group, related transactions (shareholders' loan) and the overall management of Group liquidity.

The administrative expenses as at 31 December 2024 are attributable to operating expenses incurred by Newlat Food S.p.A. for Euro 168 thousand for service contracts and fees for the cost sharing agreements.

Transactions with companies controlled by the parent companies

The following are the companies controlled by the parent companies with which the Group has conducted transactions during the periods under review:

- New Property S.p.A., a real estate company to which lease royalties are paid;
- Other companies controlled by the parent companies such as Newservice S.r.l.

New Property S.p.A.

At 31 December 2024, Euro 11,488 thousand of right-of-use assets and Euro 2,554 thousand and Euro 8,662 thousand respectively of current and non-current lease liabilities relate to the real estate spun off to New Property S.p.A. of 2017 and subsequently leased to Newlat. The recognition of these contracts according to IFRS 16 led to the recognition of depreciation, recorded in the cost of sales, of Euro 2,283 thousand, and financial charges of Euro 424 thousand for the year ended 31 December 2024.

10. OTHER INFORMATION

10.1 Remuneration of Directors and Statutory Auditors

The fees payable to Directors and Statutory Auditors amounted to Euro 1,553 thousand and Euro 59 thousand respectively in the year ended 31 December 2024.

Remuneration for executives with strategic responsibilities amounted to Euro 2,430 thousand

10.2 External Auditor’s fees

Fees payable to the independent auditors for services provided to the Company and the Group for the year ended 31 December 2024 amounted to a total of Euro 2,320 thousand and are broken down as follows:

a) Fees for the provision of audit services by PricewaterhouseCoopers S.p.A. in the amount of €494 thousand (of which €81 thousand related to the limited audit of half-yearly financial statements).

b) Fees for the provision of audit services by auditors of the PricewaterhouseCoopers S.p.A. network amounting to Euro 882 thousand.

c) Fees for audit services provided by companies other than PricewaterhouseCoopers S.p.A. and its network in the amount of Euro 211 thousand.

d) Fees for assurance services other than auditing and for the issuance of a certification by PricewaterhouseCoopers S.p.A. amounting to €609 thousand (of which €240 thousand related to the engagement for the limited audit of the sustainability statement of the Newlat Group and the subsidiary Centrale del Latte di Italia SpA, and for the remainder services related to the disclosure obligations to Borsa Italiana following the acquisition of the Princes Group and the issuance of listed bonds).

e) Fees for Assurance services other than auditing and for the issuance of a certification by PricewaterhouseCoopers S.p.A. for €119 thousand (related to the disclosure obligations to Borsa Italiana following the acquisition of the Princes Group).

f) Other miscellaneous services provided by PricewaterhouseCoopers S.p.A. for Euro 5 thousand.

10.3 Research and Development

Newlat Food S.p.A.'s R&D is focused on the ability to develop innovative products, occasionally evocative of local traditions in the relevant markets. In this regard, the Company received a contribution of Euro 857 thousand from the Ministry of Economic Development related to innovation agreements for activities carried out in 2023.

Research and development costs incurred during 2023 and 2024 have been instrumental in pursuing the Company's production and commercial strategies, aimed at making product ranges more innovative and strengthening its position in the market.

It should be noted that the Company intends to avail itself of the research and development tax credit provided for in article 1, paragraph 35, of Law no. 190 of 23 December 2014, and to use it in the manner specified in the said legislation.

Outlook

Considering the short period of time historically covered by the Group's order book and the difficulties and uncertainties of the current global economic situation, it is not easy to develop forecasts for the next year, which in any case seems to be very positive. The company will continue to pay particular attention to cost controls and financial management, as well as to the process of integrating activities within the Princes Group, in order to maximise the generation of free cash flow, to be allocated both to organic growth externally and to the remuneration of Shareholders.

These events have conditioned and continue to condition the Group's commercial choices and policies, which is faced with a highly dynamic context in which it is difficult to predict the extent to which these events might affect the outlook for 2025, 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 Group’s solid financial structure as described below:

- The considerable level of cash reserves available at 31 December 2024.
- the presence of authorised and unused lines of credit at 31 December 2024 from the Newlat Group to the majority shareholder Newlat Group S.A.;
- The continual support given by the leading banks to the Newlat Group, partly because of its market-leading status.

It should also be noted that the cash and cash equivalents at 31 December 2024, amounting to Euro 455 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.

Inflation

The sector the Group competes in has been exposed to the challenges of incremental inflationary pressures. Although there are some favourable factors for the global economy stemming from the further easing of global supply chain pressures due to improving supply and weakening demand, downside risks to global growth persist. The risks arising from the relative weakening of industry sector performance together with changes in consumer behaviour, as well as the overall evolution of the macroeconomic landscape, are constantly monitored by the Group to mitigate any impacts. Once again in 2024 the intensification of inflationary pressures was mitigated by the favourable sales mix and price increases applied throughout the year.

Events after the reporting date

On 1 January 2025, Newlat Food transferred the activities related to the pasta, bakery and special products business units to Princes Italia SpA by means of a business unit lease agreement with a duration of two years, automatically renewable for a further two years.

Also with reference to 1 January 2025, Symington's Limited transferred its Instant Noodles business unit assets to Princes Limited by way of a business unit lease agreement.

On 7 February 2025, the Company issued a bond in the total amount of Euro 350,000,000 at an issue price of 100% of the nominal value, represented by 350,000 bonds with a nominal value of Euro 1,000 each at an interest rate of 4.75%. The Bonds will have a term of 6 years, and the option of voluntary early redemption is envisaged starting from the fourth year, with maturity on 12 February 2031. Concurrent with the issue of the Bonds, the Company extinguished the Euro 300 million loan stipulated with a pool of banks for the acquisition of the Princes Group.

On 12 February 2025, the shareholder Newlat Group SA announced that it successfully completed the accelerated bookbuilding procedure concerning ordinary shares of Newlat Food S.p.A. Newlat Group SA sold 3,000,000 ordinary shares of Newlat Food it held, corresponding to approximately 6.8% of the Company's share capital, to institutional investors at a price of €12 per share. The total consideration amounts to Euro 36 million. The closing of the transaction is scheduled for 14 February 2025.

The proceeds from the Offer, which will be received exclusively by the Selling Shareholder, will be used, among other things, to fully execute by 30 July 2025 the call option granted by Mitsubishi Corporation to the Selling Shareholder, pursuant to the shareholders' agreement signed on 30 July 2024, concerning 9,319,841 Newlat Food shares, corresponding to approximately 21.2% of the share capital. Note that on 10 February

2025, the Selling Shareholder exercised a first tranche of the call option for 3,000,000 Newlat Food shares. As a result of the transaction, Newlat Group will hold a 41.1% stake in the share capital of Newlat Food.

CERTIFICATION OF THE CONSOLIDATED FINANCIAL STATEMENTS PURSUANT TO ARTICLE 154-BIS OF ITALIAN LEGISLATIVE DECREE 58/98

Taking into consideration article 154-bis (3) and (4) of Italian Legislative Decree no. 58 of 24 February 1998, the undersigned, Angelo Mastrolia, as Chair of the Board of Directors, and Rocco Sergi, as Financial Reporting Officer, of Newlat Food Group, certify:

− The financial statements are adequate, in relation to the characteristics of the company, and

− The effective application of the administrative and accounting procedures for preparing the consolidated financial statements during the 2024 financial year.

It is furthermore declared that the consolidated financial statements at 31 December 2024:

a) were prepared in compliance with the applicable international accounting standards adopted by the European Community, pursuant to Regulation (EC) no. 1606/2002 of the European Parliament and Council, of 19 July 2002;

b) correspond with the accounting books and records;

c) provide a true and correct representation of the asset, economic and financial situation of the issuer and of the companies included in the consolidation.

The management report includes a reliable analysis of the performance and results of operations, as well as the situation of the issuer and the companies included in the scope of consolidation, together with a description of the key risks and uncertainties they are exposed to.

Reggio Emilia, 17 March 2025

The Chairman of the
Board of Directors
Angelo Mastrolia

Financial Reporting Officer
Rocco Sergi

Independent auditor's report

in accordance with article 14 of Legislative Decree No. 39 of 27 January 2010 and article 10 of Regulation (EU) No. 537/2014

To the shareholders of Newlat Food SpA

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Newlat Food Group (the Group), which comprise the consolidated statement of financial position as of 31 December 2024, the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity, consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the consolidated financial statements give a true and fair view of the financial position of the Group as of 31 December 2024, and of the result of its operations and cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and adopted by the European Union, as well as with the regulations issued to implement article 9 of Legislative Decree No. 38/05.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISA Italia). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of this report. We are independent of Newlat Food SpA pursuant to the regulations and standards on ethics and independence applicable to audits of financial statements under Italian law. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were

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addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matters	*Auditing procedures performed in response to key audit matters*
Indefinite-lived intangible assets and impairment testing process *Note n° 1.3 – "Accounting standards and measurement criteria" and Note n° 8.3 - "Intangible assets" to the consolidated financial statements* Indefinite-lived intangible assets recognized in the consolidated financial statements of Newlat Food as of 31 December 2024 are related to: - Goodwill from the acquisition of Centrale del Latte di Salerno (for an amount of some Euro 3.8 million); - Goodwill from the acquisition of Symington's Ltd (for an amount of some Euro 9.2 million); - Brands "Drei Glocken" and "Birkel" related to the German subsidiary Newlat GmbH (for an amount of some Euro 18.8 million); - Brands "Mukki", "Centrale del Latte di Vicenza" and "Centrale del Latte di Rapallo – Latte Tigullio" related to the subsidiary Centrale del Latte d'Italia SpA (for an amount of some Euro 25.9 million). These indefinite-lived intangible assets are subject to impairment test on an annual basis, comparing the carrying amount of the CGUs to which these assets belong with the estimate of their recoverable amounts, in accordance with the international accounting standard IAS 36 "Impairment of Assets", to identify any impairment losses. Estimating the recoverable amounts of assets being tested for impairment, determined using the value-in-use method, requires the Directors of Newlat Group to develop estimates that by nature	The process of identification and measurement of the recoverable amounts of indefinite-lived intangible assets, preliminary to the identification of possible impairment losses, requires in-depth knowledge of the relevant markets and specialist skills. In performing our audit procedures, we also used the support of business valuation experts from the PwC network. We obtained an understanding of the evaluations and criteria used by the Directors to identify the CGUs to which the indefinite-lived intangible assets have been allocated. We verified the correct identification of the CGUs in accordance with the international accounting standard IAS 36. We verified the accuracy and reasonableness of the projections used to determine the future cash flows of the CGUs identified. We assessed the reasonableness of the assumptions underlying the calculation of the recoverable amounts of indefinite-lived intangible assets recognized in the consolidated financial statements, also through specific sensitivity analyses performed independently on the key parameters used in the impairment test,

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contain significant elements of judgement in relation to the following: - the identification of the cash generating units ("CGUs") to which an asset is to be allocated; - the definition of the assumptions underlying the estimation of future cash flows from the CGUs identified, discounted to 31 December 2024, for the purpose of determining the recoverable amount of those assets - the rates used to discount financial flows and the perpetual growth rate. We considered this a key audit matter in consideration of the significance and complexity of the estimated components on the evaluations connected with the recoverability of the carrying amounts in relation to the consolidated statement of financial position of Newlat Food Group as of 31 December 2024. In particular, we considered that the evaluation process involves a high level of professional judgement for the Directors when they estimate the recoverable amount of the indefinite-lived intangible assets, and in particular the assumptions adopted in the calculation models used to determine: (i) the economic performance and future cash flows of the CGUs identified; (ii) the perpetual growth rate; and (iii) the discount rate.	namely the discount rate applied to the estimated future cash flows and the perpetual growth rate "g". Finally, we verified the disclosures provided by the Company on those assets in the explanatory notes to the consolidated financial statements.
Business Combinations - Acquisition of the Princes Group *Note n° 1.2 – "Consolidation criteria and methodologies and change in the scope of consolidation" and Note n° 1.3 - "Accounting standards and measurement criteria" to the consolidated financial statements* On 17 June 2024, an agreement was signed for the purchase of one hundred percent of the share capital of Princes Limited (hereinafter also "Princes" and, together with the companies controlled by it, the "Princes Limited Group"),	The audit procedures in response to the key matter identified involved: • the analysis of the agreements entered into in order to understand their relevant terms and conditions;

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then finalized in the following month of July 2024 (the "Transaction") for a net cash consideration of 1 GBP.

The agreement established that the Newlat Group had to provide Princes Limited with the financial resources necessary to repay the existing loan to the previous controlling shareholder. This loan was repaid using the Company's available liquidity, a loan received from the parent company Newlat Group SA for a total amount of Euro 200 million and a loan of Euro 300 million that was provided by a pool of leading international banks.

On 30 July 2024 (acquisition date), all the conditions precedent set out in the agreement for the purchase of Princes Limited were fulfilled and, therefore, Newlat Food SpA acquired the entire share capital of that group.

The Newlat Group consolidated the values relating to the acquired business starting from the date of acquisition of control, accounting for the transaction in accordance with the international accounting standard IFRS 3 "Business Combinations".

As of 31 December 2024, the fair value measurement of the acquired assets and liabilities had not yet been completed. As required by the relevant accounting standard, the Directors will finalize the appropriate valuations within 12 months from the acquisition date. The gain resulting from the difference between the consideration paid and the provisionally determined fair value of the net assets acquired was accounted for in the consolidated income statement as indicated by IFRS 3, paragraph 34, in the specific item "Income from business combinations". The same, beyond any adjustments following the completion of the accounting of the business combination, represents the seller's willingness to sell a business, deemed non-synergistic, with a view to recover the cash investment in the same.

- he examination of the minutes of the meetings of the corporate bodies of the Company during which the Transaction was discussed and approved;
- the analysis of the accounting treatment of the Transaction;
- the verification of the assessments made by the Company Management to determine, on a provisional basis, the value at the acquisition date of the assets acquired and the liabilities assumed;
- the analysis of the results of the due diligence also with reference to the contingent liabilities;
- the verification of the mathematical accuracy of the calculation and the correct accounting of the income from business combinations as the residual amount emerging after the accounting of the assets acquired and the liabilities assumed. The value of the gain from business combinations is strictly related to the completion of the process of determining the fair value of the assets and liabilities identified whose value at 31 December 2024 is determined on a provisional basis.

Finally, we verified the adequacy and completeness of the disclosures reported in the explanatory notes to the consolidated financial statements.

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In consideration of the significance of the Transaction and the complexities underlying the related accounting process for the assets acquired and liabilities assumed, we considered the business combination a key aspect of the audit activity.	

Responsibilities of the Directors and the Board of Statutory Auditors for the Consolidated Financial Statements

The directors are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and adopted by the European Union, as well as with the regulations issued to implement article 9 of Legislative Decree No. 38/05 and, in the terms prescribed by law, for such internal control as they determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

The directors are responsible for assessing the Group's ability to continue as a going concern and, in preparing the consolidated financial statements, for the appropriate application of the going concern basis of accounting, and for disclosing matters related to going concern. In preparing the consolidated financial statements, the directors use the going concern basis of accounting unless they either intend to liquidate Newlat Food SpA or to cease operations, or have no realistic alternative but to do so.

The board of statutory auditors is responsible for overseeing, in the terms prescribed by law, the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with International Standards on Auditing (ISA Italia) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the consolidated financial statements.

As part of our audit conducted in accordance with International Standards on Auditing (ISA Italia), we exercised professional judgement and maintained professional scepticism throughout the audit. Furthermore:

- We identified and assessed the risks of material misstatement of the consolidated financial statements, whether due to fraud or error; we designed and performed audit procedures responsive to those risks; we obtained audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;

- We obtained an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control;
- We evaluated the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors;
- We concluded on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern;
- We evaluated the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- We obtained sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion on the consolidated financial statements.

We communicated with those charged with governance, identified at an appropriate level as required by ISA Italia regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identified during our audit.

We also provided those charged with governance with a statement that we complied with the regulations and standards on ethics and independence applicable under Italian law and communicated with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate the related risks, or safeguards applied.

From the matters communicated with those charged with governance, we determined those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We described these matters in our auditor's report.

Additional Disclosures required by Article 10 of Regulation (EU) No. 537/2014

On 8 July 2019, the shareholders of Newlat Food SpA in general meeting engaged us to perform the statutory audit of the Company's and the consolidated financial statements for the years ending 31 December 2019 to 31 December 2027.

We declare that we did not provide any prohibited non-audit services referred to in article 5, paragraph 1, of Regulation (EU) No. 537/2014 and that we remained independent of the Company in conducting the statutory audit.

We confirm that the opinion on the consolidated financial statements expressed in this report is consistent with the additional report to the board of statutory auditors, in its capacity as audit committee, prepared pursuant to article 11 of the aforementioned Regulation.

Report on Compliance with other Laws and Regulations

Opinion on compliance with the provisions of Commission Delegated Regulation (EU) 2019/815

The directors of Newlat Food SpA are responsible for the application of the provisions of Commission Delegated Regulation (EU) 2019/815 concerning regulatory technical standards on the specification of a single electronic reporting format (ESEF - European Single Electronic Format) (hereinafter, the "Commission Delegated Regulation") to the consolidated financial statements as of 31 December 2024, to be included in the annual report.

We have performed the procedures specified in auditing standard (SA Italia) No. 700B in order to express an opinion on the compliance of the consolidated financial statements with the provisions of the Commission Delegated Regulation.

In our opinion, the consolidated financial statements as of 31 December 2024 have been prepared in XHTML format and have been marked up, in all significant respects, in compliance with the provisions of the Commission Delegated Regulation.

Due to certain technical limitations, some information included in the illustrative notes to the consolidated financial statements when extracted from the XHTML format to an XBRL instance may not be reproduced in an identical manner with respect to the corresponding information presented in the consolidated financial statements in XHTML format.

Opinions and statement in accordance with article 14, paragraph 2, letters e), e-bis) and e-ter) of Legislative Decree No. 39/10 and with article 123-bis, paragraph 4, of Legislative Decree No. 58/98

The directors of Newlat Food SpA are responsible for preparing a report on operations [and a report on the corporate governance and ownership structure] of Newlat Food group as of 31 December 2024, including their consistency with the relevant consolidated financial statements and their compliance with the law.

We have performed the procedures required under auditing standard (SA Italia) No. 720B in order to:

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- express an opinion on the consistency of the report on operations and of the specific information included in the report on corporate governance and ownership structure referred to in article 123-bis, paragraph 4, of Legislative Decree No. 58/98, with the consolidated financial statements;
- express an opinion on the compliance with the law of the report on operations, excluding the section on the consolidated sustainability reporting, and of the specific information included in the report on corporate governance and ownership structure referred to in article 123-bis, paragraph 4, of Legislative Decree No. 58/98;
- issue a statement on material misstatements, if any, in the report on operations and in the specific information included in the report on corporate governance and ownership structure referred to in article 123-bis, paragraph 4, of Legislative Decree No. 58/98.

In our opinion, the report on operations and the specific information included in the report on corporate governance and ownership structure referred to in article 123-bis, paragraph 4, of Legislative Decree No. 58/98 are consistent with the consolidated financial statements of Newlat Food group as of 31 December 2024.

Moreover, in our opinion, the report on operations, excluding the section on the consolidated sustainability reporting, and the specific information included in the report on corporate governance and ownership structure referred to in article 123-bis, paragraph 4, of Legislative Decree No. 58/98 are prepared in compliance with the law.

With reference to the statement referred to in article 14, paragraph 2, letter e-ter), of Legislative Decree No. 39/10, issued on the basis of our knowledge and understanding of the Company and its environment obtained in the course of the audit, we have nothing to report.

Our opinion on compliance with the law does not extend to the section of the report on operations relating to the consolidated sustainability reporting. The conclusions on the compliance of that section with the rules governing its preparation and on compliance with the disclosure requirements established by article 8 of Regulation (EU) 2020/852 are expressed by ourselves in the report prepared in accordance with article 14-bis of Legislative Decree No. 39/10.

Milano, 31 March 2025

PricewaterhouseCoopers SpA

Signed by

Davide Abramo Busnach
(Partner)

This independent auditor's report has been translated into the English language solely for the convenience of international readers. Accordingly, only the original text in Italian language is authoritative.

SEPARATE FINANCIAL STATEMENTS AT 31 DECEMBER 2024

SEPARATE STATEMENT OF FINANCIAL POSITION

(in EUR)	Notes	At 31 December	
		2024	**2023**
Non-current assets			
Property, plant and equipment	8.1	23,968,408	22,292,645
Right-of-use assets	8.2	12,080,825	14,428,585
of which from related parties		*8,611,364*	*10,576,706*
Intangible assets	8.3	6,336,509	5,242,131
Equity investments in subsidiaries	8.4	164,348,455	162,025,904
Non-current financial assets measured at fair value through profit or loss	8.5	74,192	74,192
Financial assets measured at amortised cost	8.6	416,866,201	616,593
of which from related parties		*416,797,937*	*552,000*
Deferred tax assets	8.7	1,921,305	1,721,764
Total non-current assets		**625,595,895**	**206,401,814**
Current assets			
Inventories	8.8	27,689,204	24,728,392
Trade receivables	8.9	54,696,400	82,460,465
of which from related parties		*18,983,974*	*49,568,352*
Current tax assets	8.10	1,116,171	1,138,236
Other receivables and current assets	8.11	14,832,373	10,094,825
of which from related parties		*3,885,641*	*1,185,131*
Current financial assets measured at fair value through profit or loss	8.12	4,240	4,240
Financial assets measured at amortised cost	8.13	326,590,053	12,574,790
of which from related parties		*326,590,053*	*12,574,790*
Cash and cash equivalents	8.14	158,528,484	270,674,069
of which from related parties			*63,108,000*
Total current assets		**583,456,924**	**401,675,017**
TOTAL ASSETS		**1,209,052,819**	**608,076,831**
Shareholders' equity			
Share capital		43,935,050	43,935,050
Reserves		127,556,458	108,009,797
Net profit/(loss)		2,185,855	5,752,301
Total shareholders' equity attributable	8.15	**173,677,363**	**157,697,149**
Non-current liabilities			
Provisions for employee benefits	8.16	4,165,120	4,540,513
Provisions for risks and charges	8.17	276,639	268,059
Non-current financial liabilities	8.18	548,129,865	246,812,083
Non-current lease liabilities	8.2	8,043,479	11,154,094
of which from related parties		*6,759,870*	*11,024,205*
Shareholder loans	8.19	206,100,154	
of which from related parties		*206,100,154*	
Total non-current liabilities		**766,715,258**	**262,774,749**
Current liabilities			
Trade payables	8.20	75,849,088	67,781,265
of which from related parties		*9,792,921*	*7,679,596*
Current financial liabilities	8.18	164,539,960	92,986,665
of which from related parties		*61,181,981*	*47,050,580*
Current lease liabilities	8.2	2,605,298	2,513,069
of which from related parties		*1,918,865*	*1,845,469*
Current tax liabilities	8.10	4,176,868	1,817,485
Other current liabilities	8.21	21,488,985	22,506,451
of which from related parties		*5,504,285*	*5,544,844*
Total current liabilities		**268,660,199**	**187,604,934**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**1,209,052,819**	**608,076,831**

SEPARATE INCOME STATEMENT

(In euros)	Notes	At 31 December 2024	At 31 December 2023
Revenue from contracts with customers	9.1	201,769,020	232,652,425
of which from related parties		*49,173,838*	*61,801,550*
Cost of sales	9.2	(168,047,853)	(197,496,834)
of which from related parties		*(3,381,531)*	*(4,533,536)*
Gross operating profit/(loss)		**33,721,167**	**35,155,590**
Sales and distribution costs	9.2	(17,681,933)	(17,160,398)
Administrative costs	9.2	(8,040,441)	(10,591,234)
of which from related parties		*(345,217)*	*(1,477,810)*
Net write-downs of financial assets	9.3	(176,797)	(446,259)
Other revenues and income	9.4	7,944,102	8,858,451
of which from related parties		*5,156,086*	*4,050,224*
Other operating costs	9.5	(1,552,469)	(1,862,407)
Operating profit/(loss)		**14,213,629**	**13,953,743**
Financial income	9.6	28,234,042	8,232,599
of which from related parties		*21,264,694*	*2,530,263*
Financial expenses	9.6	(38,217,738)	(14,807,211)
of which from related parties		*(7,363,397)*	*(939,716)*
Profit/(loss) before taxes		**4,229,934**	**7,379,131**
Income taxes	9.7	(2,044,078)	(1,626,829)
Net profit/(loss)		**2,185,855**	**5,752,301**
Basic net profit/(loss) per share	9.8	0.05	0.14
Diluted net profit/(loss) per share	9.8	0.05	0.14

SEPARATE STATEMENT OF OTHER COMPREHENSIVE INCOME

(In euros)	Notes	At 31 December 2024	At 31 December 2023
Net profit/(loss) (A)		**2,185,855**	**5,752,301**
a) Other components of comprehensive income that will not be subsequently reclassified to the income statement:			
Actuarial gains/(losses)	8.15	155,298	(84,229)
Tax effect on actuarial gains/(losses)	8.15	(43,328)	23,500
Currency translation		-	
Total other components of comprehensive income that will not be subsequently reclassified to the income statement		**111,970**	**(60,729)**
Total other components of comprehensive income, net of tax effect (B)		**111,970**	**(60,729)**
Total comprehensive net profit/(loss) (A)+(B)		**2,297,825**	**5,691,572**

SEPARATE STATEMENT OF CHANGES IN EQUITY

(In euros)	**Notes**	**Share capital**	**Reserves**	**Net profit/(loss)**	**Total net equity**
At 31 December 2022	**8.15**	**43,935,050**	**85,915,982**	**3,301,855**	**133,152,888**
Allocation of net profit/(loss) for the previous year			**3,301,855**	**(3,301,855)**	-
					-
Treasury shares (net effect)			18,852,688		18,852,688
Total treasury shares	**8.15**		**18,852,688**		**18,852,688**
Net profit/(loss)				5,752,301	5,752,301
Actuarial gains/(losses) net of the related tax effect			(60,729)		(60,729)
At 31 December 2023	**8.15**	**43,935,050**	**108,009,797**	**5,752,301**	**157,697,149**
Allocation of net profit/(loss) for the previous year			**5,752,301**	**(5,752,301)**	-
					-
Treasury shares			13,682,389		13,682,389
Total treasury shares	**8.15**		**13,682,389**		**13,682,389**
Net profit/(loss)				2,185,855	2,185,855
Actuarial gains/(losses) net of the related tax effect			111,970		111,970
Other changes					-
At 31 December 2024	**8.15**	**43,935,050**	**127,556,457**	**2,185,855**	**173,677,363**

SEPARATE STATEMENT OF CASH FLOWS

(In euros)	Notes	At 31 December	
		2024	2023
Profit/(loss) before taxes		4,229,934	7,379,131
- Adjustments for:			
Amortisation, depreciation and write-downs	8.1-8.2-8.3	6,969,530	11,587,413
Capital losses/(gains) on disposal		-	-
Financial expense/(income)	9.6	9,983,696	6,574,613
of which from related parties		*13,901,298*	*(939,716)*
Other non-monetary changes from business combinations		-	-
Other non-monetary changes	8.7-8.8-8.15-8.16	-	-
Cash flow generated /(absorbed) by operating activities before changes in net working capital		**21,183,159**	**25,541,157**
Change in inventory	8.8	(2,960,812)	6,656,292
Change in trade receivables	8.9	27,587,269	(8,505,641)
Change in trade payables	8.20	8,067,824	(16,629,720)
Change in other assets and liabilities	8.5-8.10-8.18-8.20	(592,603)	2,349,966
Use of provisions for risks and charges and for employee benefits	8.16-8.17	(211,515)	(704,906)
Taxes paid	8.10	(1,768,630)	(858,534)
Net cash flow generated /(absorbed) by operating activities		**51,304,692**	**7,848,613**
Investments in property, plant and equipment	8.1-8.2	(5,892,962)	(7,318,245)
Investments in intangible assets	8.3	(1,322,151)	(635,416)
Investments in financial assets	8.4-8.5-8.6	(713,321,822)	2,148,856
Acquisition of companies net of cash acquired		(1,022,551)	(1,000,000)
Net cash flow generated /(absorbed) by investment activities		**(721,559,486)**	**(6,804,805)**
New financial payables	8.18	603,741,613	29,500,000
Repaid financial payables	8.18	(46,780,583)	(22,304,141)
Changes in financial payables	8.18	-	-
Repayments of lease liabilities	8.2	(3,018,386)	(2,432,612)
of which from related parties		*(1,769,000)*	*(2,420,000)*
Net interest expense	9.6	5,005,516	(6,574,613)
Treasury shares		(838,951)	18,852,688
Net cash flow generated/(absorbed) by financing activities		**558,109,209**	**17,041,323**
Total changes in cash and cash equivalents		**(112,145,585)**	**18,085,131**
Cash and cash equivalents at start of year		**270,674,069**	**252,588,939**
of which from related parties		*63,108,000*	*81,133,033*
Offsetting of cash and cash equivalents		-	
Total changes in cash and cash equivalents		(112,145,585)	18,085,131
Cash and cash equivalents at end of year		**158,528,484**	**270,674,069**
of which from related parties		*0*	*63,108,000*

EXPLANATORY NOTES TO THE SEPARATE FINANCIAL STATEMENTS

General information and significant transactions carried out in 2023

Newlat Food S.p.A. is incorporated in Italy in the form of a public limited company operating under Italian law. The Company has its registered office at Via J. F. Kennedy 16, 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 and Other Activities.

In addition to its traditional business units, following the acquisition of Princes Limited the Group's product portfolio was expanded into the following business units: Food, Fish, Oils, Italian Products and drinks.

The Company is subject to the direction and coordination of its parent company Newlat Group S.A. (hereinafter "**Newlat Group**"), which directly holds 41.14% of its share capital, 34.51% is held by the market and retail, 14.38% is held by Mitsubishi Corporation, 9.53% is held by Helikon and the remainder (0.44%) is held by Newlat Food itself through the purchase of own shares.

1. ADOPTED ACCOUNTING STANDARDS

The accounting standards and measurement criteria adopted in the preparation and drafting of the annual report at 31 December 2024 are set out below.

The annual financial report at 31 December 2024 was prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and endorsed by the European Union. The term "IFRS" also encompasses International Accounting Standards (IAS) that are still in force, as well as all interpretations of the International Financial Interpretations Committee, which was formerly named the International Financial Interpretations Committee ("IFRIC"), and of the Standing Interpretations Committee ("SIC").

The preparation of financial statements in accordance with IFRS requires judgements, estimates and assumptions that have an effect on the assets, liabilities, costs and revenues. The final results may be different to those obtained through these estimates. 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 and the provision for inventory write-downs, the provisions for risks, the defined benefit plans for employees and the payables for the purchase of equity investments contained in the other liabilities.

In particular, discretionary measurements and significant accounting estimates relate to the determination of the recoverable amount of non-financial assets calculated as the greater of fair value less costs to sell and value in use. Value in use is calculated based on a discounted cash flow model. The recoverable value depends significantly on the discount rate used in the discounted cash flow model, as well as on expected future cash flows and the growth rate used. The key assumptions used to determine the recoverable value for the two cash-generating units, including a sensitivity analysis, are described in note 8.3 of the Consolidated Financial Statements at 31 December 2024.

The use of significant accounting estimates and assumptions also relates to the determination of the fair value of assets and liabilities acquired as part of business combinations. In fact, at the date of acquisition, the Group must separately recognise, at their fair value, assets, liabilities and contingent liabilities identifiable and acquired or assumed as part of the business combination, and determine the present value of the strike price of any call options on minority shares. This process requires the preparation of estimates, based on valuation techniques, which require judgement in the forecasting of future cash flows as well as the development of other assumptions such as long-term growth rates and discount rates for valuation models developed also with the use of experts outside the management team. The accounting impacts of the determination of the fair value of the assets acquired and liabilities assumed, as well as of the call options of minority interests for the business combinations that occurred during the year, are provided in the previous paragraph of this Note.

1.1 Basis of preparation

The Separate Financial Statements consist of the statement of financial position, the income statement, the statement of changes in shareholders' equity, the statement of cash flows and the notes.

The layout adopted for the statement of financial position provides for the separation of assets and liabilities between current and non-current.

An asset is classified as current when:

- it is assumed that this activity is carried out, or is owned for sale or consumption, in the normal course of the operating cycle;
- it is held primarily for the purpose of trading;
- it is assumed that it will be realised within twelve months of the reporting date;
- it consists of cash and cash equivalents (unless it is prohibited to exchange it or use it to settle a liability for at least twelve months from the reporting date).

All other assets are classified as non-current. In particular, IAS 1 includes property, plant and equipment, intangible assets and long-term financial assets as non-current assets.

A liability is classified as current when:

- it is expected to be extinguished in the normal operating cycle;
- it is held primarily for the purpose of trading;
- it will be extinguished within twelve months of the reporting date;
- there is no unconditional right to defer its settlement for at least twelve months from the reporting date. Covenants of a liability that could, at the discretion of the counterparty, result in its extinction through the issue of equity instruments do not affect its classification.

The chosen income statement layout provides for the classification of costs by destination.

The statement of other comprehensive income includes the result for the year and, with the same categories, income and expenses that, according to IFRSs, are directly recognised under equity.

The statement of changes in equity includes, in addition to the total gains / losses for the period, the amounts of transactions with shareholders and movements in reserves during the year.

In the statement of cash flows, the financial flows from operating activities are presented using the indirect method, under which the profit or loss for the year is adjusted by the effects of non-monetary operations, by any deferral or provision of previous or future operating inflows or outflows, and by elements of revenue or costs related to financial flows deriving from investment activities or financing activities.

The Separate Financial Statements were drafted in euros, the functional currency of the Company. The statement of financial position, income statement, statement of cash flows, explanatory notes and tables are in thousands of euro, unless otherwise indicated.

The separate financial statements were prepared:

- on the basis of the best knowledge of IFRSs and taking into account the best doctrine on the subject;
- under the going-concern principle, in accordance with the principle of accrual accounting, in compliance with the principle of materiality of information and substance over form, and with a view to encouraging consistency with future presentations. The assets and liabilities and costs and revenues are not offset against each other, unless this is permitted or required by international accounting standards;
- on the basis of the conventional historical cost criterion, except for the measurement of financial assets and liabilities in cases where application of the fair value criterion is mandatory.

Conversion of items in foreign currency

Transactions in currencies other than the functional currency are recognised at the exchange rate on the date of the transaction. Monetary assets and liabilities in currencies other than the euro are then adjusted at the exchange rate in place on the reporting date. Any forex differences are reflected in the income statement under "Foreign exchange gains and losses".

1.2 Accounting standards and measurement criteria

Adopted accounting standards

The Separate Financial Statements were prepared based on the IFRSs in force issued by the International Accounting Standards Board (**"IASB"**) and endorsed by the European Union at the closing date of each year in question.

Below are the criteria used with reference to the classification, recognition, measurement and derecognition of the various asset and liability items, as well as the criteria used to recognise the income components.

Property, plant and equipment

Property, plant and equipment is recognised as such only if the following conditions are met simultaneously:

- it is probable that the future economic benefits related to the asset will be enjoyed by the company;
- the cost can be reliably determined.

Property, plant and equipment are initially measured at cost, defined as the monetary or equivalent amount paid or the fair value of other considerations made to acquire an asset, at the time of purchase or replacement. Subsequent to initial recognition, property, plant and equipment are valued using the cost method, net of recorded depreciation and any accumulated impairment losses.

The cost includes the costs directly incurred to make their use possible, as well as any dismantling and removal costs that will be incurred as a result of contractual obligations that require the return of the asset to its original condition.

Costs incurred for maintenance and repairs of an ordinary and/or cyclical nature are directly charged to the income statement when incurred. The capitalisation of the costs inherent in the extension, modernisation or improvement of structural elements owned or used by third parties shall be carried out to the extent that they meet the requirements to be classified separately as an asset or part of an asset.

Property, plant and equipment are depreciated on a straight-line basis over their useful lives. The useful life estimated by the Company for the various categories of property, plant and equipment is shown below:

Category of assets	Useful Life
Land and buildings	10-33 years
Plant and machinery	4-20 years
Industrial and commercial equipment	2-9 years
Other assets	5-20 years

At the end of each financial year, the company checks whether significant changes have occurred in the expected characteristics of the economic benefits deriving from the capitalised assets and, if so, modifies the depreciation criterion, which is considered a change in accounting estimate in accordance with IAS 8.

The value of the asset is completely reversed at the time of its disposal or when the company expects that it will not be able to derive any economic benefit from its disposal.

Capital grants shall be accounted for when it is reasonably certain that they will be received and all conditions relating to them are met. Contributions are then deducted from the value of assets or suspended among liabilities and credited pro rata to the income statement in relation to the useful life of the related assets.

Intangible assets

An intangible asset is an asset that simultaneously fulfils the following conditions:

- it is identifiable;
- it is non-monetary;
- it has no physical consistency;
- it is under the control of the company preparing the accounts;
- it is expected to produce future economic benefits for the company.

If an asset does not meet the above requirements to be defined as an intangible asset, the expense incurred to acquire it or generate it internally is recognised as a cost when incurred.

Intangible assets are initially stated at cost. The cost of intangible assets acquired from outside includes the purchase price and any directly attributable costs.

Internally generated goodwill is not recognised as an asset, neither are intangible assets arising from research (or the research phase of an internal project).

An intangible asset arising from development or the development phase of an internal project is recognised if compliance with the following conditions can be demonstrated:

- the technical feasibility of completing the intangible asset so as to be available for use or sale;
- the intention to complete the intangible asset for use or sale;
- the ability to use or sell the intangible asset;
- the manner in which the intangible asset is capable of generating future economic benefits and in particular the existence of a market for the product of the intangible asset or for the intangible asset itself or, if it is to be used for internal purposes, its usefulness;
- the availability of adequate technical, financial and other resources to complete the development and the use or sale of the asset;
- the ability to reliably measure the cost attributable to the intangible asset during its development.

Intangible assets are measured using the cost method in accordance with one of the two different criteria set out in IAS 38 (cost model and revaluation model). The cost model requires an intangible asset to be recognised at cost after initial recognition, net of accumulated amortisation and any accumulated impairment losses.

The useful life estimated by the Company for the various categories of intangible assets is shown below:

Category of assets	Useful Life
Goodwill	unlimited
Other brands	18 years
Software licences	5 years
Other assets	5 years

The following main intangible assets can be identified within the Company:

Goodwill

Goodwill is classified as an intangible asset with an indefinite useful life and is initially recognised at cost, as described earlier, and then subjected to (at least) annual testing to determine whether it has impaired (for more details, see the below paragraph "Impairment of goodwill, property, plant and equipment, intangible assets and right-of-use assets"). Reversals are not permitted in the case of a previous write-down due to impairment.

Intangible assets with a finite useful life

Intangible assets with a finite useful life are recognised at cost, as previously described, net of accumulated amortisation and any impairment losses.

Depreciation begins when the asset becomes available for use and is apportioned systematically based on the asset's estimated useful life; the criteria mentioned in the paragraphs "Property, plant and equipment" and "Impairment of goodwill, property, plant and equipment, intangible assets and right-of-use assets", respectively, contain the criteria for the value to be depreciated and the recoverability of the book value.

Lease contracts

a) Right-of-use assets and lease liabilities (IFRS 16)

The Company chose early adoption, from 1 January 2018, of the new accounting standard IFRS 16 - "Leases", which replaces IAS 17 - "Leases" and its related interpretations.

In accordance with IFRS 16, a contract is, or contains, a lease if, in exchange for consideration, it conveys the right to control the use of a specified asset for a period of time. The contract is re-evaluated to verify whether it is, or contains, a lease only if the terms and conditions of the contract are changed.

For a contract that is, or contains, a lease, each lease component is separated from the non-lease components, unless the Company applies the practical expedient referred to in paragraph 15 of IFRS 16. This practical expedient allows the lessee to choose, for each class of underlying asset, not to separate the non-lease components from the lease components and to recognise each lease component and the associated non-lease components as a single lease component.

The duration of the lease is determined as the non-cancellable period of the lease, to which must be added both the following periods:

- periods covered by a lease extension option, if the lessee is reasonably certain to exercise the option; and

- periods covered by the lease termination option, if the lessee is reasonably certain not to exercise the option.

In assessing whether the lessee is reasonably certain to exercise the option to extend the lease or not to exercise the option to terminate the lease, all relevant facts and circumstances that create an economic incentive for the lessee to exercise the option shall be considered. The lessee must redefine the lease term in the event of a change in the non-cancellable lease period.

At the effective date of the contract, the Company recognises the right-of-use asset and the related *lease* liability.

At the effective date of the contract, the right-of-use asset is valued at cost. The cost of the right-of-use asset includes:

- the initial value of the lease liability;
- payments due for the lease made on or before the effective date, net of the lease incentives received;
- the initial direct costs incurred by the lessee; and
- the estimate of the costs to be incurred by the lessee for the dismantling and removal of the underlying asset and for the restoration of the site where it is located or for the restoration of the underlying asset under the terms and conditions of the lease, unless such costs are incurred for the production of inventories.

On the lease start date, the lessee shall measure the lease liability at the current value of the payments due for the lease but not yet paid. Payments due for the lease include the following amounts:

- fixed payments, net of any outstanding lease incentives;
- variable payments due for the lease that depend on an index or rate, initially measured using an index or rate on the effective date;
- the amounts expected to be paid by the lessee as guarantees of the residual value;
- the exercise price of the purchase option, if the lessee is reasonably certain to exercise the option; and
- lease termination penalty payments, if the lease term takes into account the lessee's exercise of the lease termination option.

Payments due for the lease must be discounted using the implicit interest rate of the lease, if it can be easily determined. If this is not possible, the lessee must use its marginal lending rate, i.e. the incremental interest rate that the company would have to pay to obtain a loan of the same duration and amount as the lease agreement.

Subsequent to initial recognition, right-of-use assets are measured at cost:

- net of accumulated depreciation/amortisation and impairment; and
- adjusted to take into account any restatement of the lease liability.

Subsequent to initial recognition, the lease liability is measured:

- by increasing the book value to take account of interest;
- by decreasing the book value to take account of lease payments that have been made; and

- by restating the book value to take account of any new valuations or changes in the lease or revision of payments due for fixed leases.

In the case of lease changes that do not constitute a separate lease, the right-of-use asset is restated (up or down), in line with the change in the lease liability at the date of the change. The lease liability is restated according to the new terms of the lease agreement, using the discount rate at the date of the change.

It should be noted that the Company makes use of two exemptions under IFRS 16, with reference to: (i) short-term leases (i.e. leases with a duration of 12 months or less from the effective date), in relation to certain categories of fixed assets, and (ii) leases of low-value assets (i.e. when the value of the underlying asset, if new, is less than USD 5,000, for example). In such cases, the right-of-use asset and the related lease liability are not recognised, and the payments due for the lease are recognised in the income statement.

Impairment of goodwill, property, plant and equipment, intangible assets and right-of-use assets

On each reporting date, a test is carried out to ascertain whether there are any indicators of impairment of property, plant and equipment and intangible assets that are not fully depreciated/amortised or of indefinite useful life.

Where these indicators are present, the recoverable value of the above-mentioned assets is estimated, and any write-down is recognised in the Income Statement. The recoverable value of an asset is the higher of the fair value, less costs to sell, and the related value in use, determined by discounting the estimated future cash flows for that asset, including, if they are significant and can be reasonably determined, those arising from the sale at the end of its useful life, net of any costs of disposal. In determining the value in use, the expected future cash flows are discounted using a pre-tax discount rate that reflects the current market valuations of the cost of the money, in proportion to the period of the investment and the specific risks of the asset.

For an asset that does not generate sufficiently independent cash flows, the recoverable value is determined in relation to the cash generating unit (CGU) to which said asset belongs.

Impairment is recognised in the income statement if the book value of the asset, or of the CGU to which it is allocated, is higher than its recoverable value. The impairment of a CGU is initially recognised as a reduction in the book value of any goodwill attributed to it and, therefore, as a reduction in other assets, in proportion to their book value and within the limits of their recoverable value. If the conditions for a previous write-down no longer exist, the book value of the asset is restored via the income statement, up to the limit of the net book value that the asset in question would have had without write-down and amortisation/depreciation. Reversals of goodwill impairment are not permitted in the case of a previous write-down due to impairment.

Financial assets

At the time of initial recognition, financial assets must be classified as "Financial assets at amortised cost", "Financial assets at fair value through other comprehensive income" or "Financial assets at fair value through profit or loss" on the basis of the following elements:

- the entity's business model for the management of the financial assets; and
- the characteristics of the financial asset's contractual cash flows.

Financial assets are subsequently derecognised only if the disposal entails the substantial transfer of all risks and rewards connected to the assets. On the other hand, if a significant portion of the risks and rewards relating to the disposed financial assets has been retained, they continue to be recognised in the financial statements, even if legally their ownership has been effectively transferred.

Financial assets measured at amortised cost

a) Financial assets at amortised cost (IFRS 9)

This category includes the financial assets that meet both of the following conditions:

- the financial asset is held according to a "hold to collect" business model; and
- the contractual conditions of the financial asset provide for cash flows on certain dates which consist only of payments of capital and interest on the amount of capital to be repaid (so-called "SPPI test" passed).

These assets are initially recognised at fair value inclusive of the transaction costs or income directly attributable to the instrument. Subsequent to initial recognition, the financial assets in question are measured at amortised cost using the effective interest method. The amortised cost method is not used for assets valued at historical cost whose short duration makes the effect of discounting negligible, those without a defined maturity or for revocable credit lines.

This category mainly includes trade receivables arising from the transfer of goods and the provision of services, recognised in accordance with the terms of the contract with the customer in accordance with IFRS 15 and classified according to the nature of the debtor and/or the expiry date of the receivable (this definition includes invoices to be issued for services already rendered).

Moreover, since trade receivables are generally short-term and do not provide for the payment of interest, the amortised cost is not calculated, and they are recognised on the basis of the nominal value reported in invoices issued or contracts concluded with customers: this provision is also adopted for trade receivables with a contractual maturity of more than 12 months, unless the effect is particularly significant. The choice stems from the fact that the amount of short-term receivables is very similar whether you apply the historical cost method or the amortised cost method, and the impact of discounting would therefore be wholly negligible.

Trade receivables are subject to impairment testing in accordance with IFRS 9. For the purposes of the measurement process, trade receivables are divided into maturity time bands. For performing loans, a collective assessment is made by grouping the individual exposures on the basis of similar credit risk. The valuation is based on losses recorded for assets with similar credit risk characteristics based on historical experience and takes into account expected losses.

b) Financial assets at fair value through other comprehensive income (IFRS 9)

This category includes the financial assets that meet both of the following conditions:

- the financial asset is held according to a "hold to collect and sell" business model; and
- the contractual conditions of the financial asset provide for cash flows on certain dates which consist only of payments of capital and interest on the amount of capital to be repaid (so-called "SPPI test" passed).

These assets are initially recognised at fair value inclusive of the transaction costs or income directly attributable to the instrument. Following initial recognition, equity investments that do not qualify as subsidiaries, associates or joint control investees are measured at fair value, and amounts recognised as a counter-entry in equity should not be subsequently transferred to the income statement, even in the case of disposal. The only component referring to the equity instruments in question subject to recognition in the income statement is the relative dividends.

For the equity instruments included in this category and not listed in an active market, the cost criterion is used to estimate fair value only on a residual basis and in limited circumstances, or when the most recent information to measure fair value is insufficient, or if there is a broad range of possible fair value measurements and cost represents the best estimate of fair value within that range of values.

Financial assets at fair value through profit or loss

a) *Financial assets at fair value through profit or loss (IFRS 9)*

This category contains financial assets other than those classed as "Financial assets at fair value through other comprehensive income" or as "Financial assets at amortised cost". This item, in particular, includes only equity instruments held for purposes other than trading for which the Company has not opted for measurement at fair value through other comprehensive income, and bonds.

Financial assets at fair value through profit or loss are initially recognised at fair value, usually represented by the transaction price.

After initial recognition, these financial assets are measured at fair value. Any gains or losses resulting from the change in fair value are attributed to the separate income statement.

Inventories

Inventories are assets:

- held for sale in the normal course of business;
- used in production processes for sale;
- in the form of materials or supplies of goods to be used in the production process or in the provision of services.

Inventories are recognised and measured at the lesser of cost and the net realisable value.

The cost of inventories includes all purchase costs, transformation costs and other costs incurred to bring inventories to their current location and condition, while it does not include exchange differences in the case of inventories invoiced in foreign currency. In accordance with the provisions of IAS 2, the weighted average cost method is used to determine the cost of inventories.

When the net realisable value is less than cost, the surplus is immediately written down in the income statement.

Cash and cash equivalents

Cash and cash equivalents are recorded, depending on their nature, at nominal value or amortised cost. Other cash equivalents represent short-term and highly liquid financial commitments that are readily convertible into known cash values and subject to a negligible risk of change in value, with an original maturity or a maturity at the time of purchase of not more than 3 months.

Regular way purchase or sale of financial instruments are accounted for using the settlement date (value date) as the convention.

Payables

Payables relating to the year ended 31 December 2024.

Trade and other payables are recognised initially at fair value and are subsequently measured using the amortised cost method.

Payables to banks and other lenders are initially stated at their fair value, net of directly attributable ancillary costs, and subsequently measured at amortised cost, applying the effective interest rate criterion. When there is a change in the estimate of expected cash flows, the value of liabilities is recalculated to reflect that change on the basis of the present value of the new expected cash flows and the internal effective rate initially determined. Payables to banks and other lenders are classified as current liabilities, unless the Company has an unconditional right to defer payment for at least twelve months after the reference date.

Payables are derecognised when they are settled and when the Company has transferred all risks and charges relating to the instrument.

Employee benefits

These include benefits granted to employees or their dependants and can be liquidated by means of payments (or with the supply of goods and services) made directly to employees, spouses, children or other dependants or to third parties such as insurance companies, and are divided into short-term benefits, benefits due to employees for termination of employment and post-employment benefits.

Short-term benefits, which also include incentive programmes in the form of annual bonuses, MBOs and one-off renewals of national collective agreements, are accounted for as a liability (cost provision) after deducting any amount already paid, and as a cost, unless some other IFRS requires or permits the inclusion of benefits in the cost of an asset (for example, the cost of personnel employed in the development of internally generated intangible assets).

The category of benefits for termination of employment includes departure incentive plans arising in the event of voluntary resignation involving the participation of the employee or a group of employees in trade union agreements for the activation of so-called solidarity funds, and redundancy plans, which take place when the company unilaterally terminates the contract. The company recognises the cost of these benefits as a financial liability at the earliest of the time when the company is unable to withdraw the offer of these benefits and the time when the company recognises the costs of a restructuring that falls within the scope of IAS 37. Provisions for departures shall be reviewed at least every six months.

Post-employment benefit plans are broken down into two categories: defined contribution plans and defined benefit plans.

Defined contribution plans mainly include:

- supplementary pension funds involving a defined contribution by the company;

- the severance indemnity fund, limited to the shares accruing from 1 January 2007 for undertakings with more than 50 employees, irrespective of the destination chosen by the employee;
- employee severance indemnities accruing from 1 January 2007 and earmarked for supplementary pensions, in the case of undertakings with fewer than 50 employees;
- supplementary healthcare funds.

Defined benefit plans, on the other hand, include:

- the severance indemnity, limited to the amount accrued up to 31 December 2006 for all undertakings, as well as the amounts accrued since 1 January 2007 and not intended for supplementary pensions for undertakings with fewer than 50 employees;
- supplementary pension funds that provide for the payment of a defined benefit to members;
- long-service bonuses, which provide for an extraordinary payment to the employee upon reaching a certain level of working seniority.

In defined contribution plans, the obligation of the reporting company is determined on the basis of the contributions due for that year and therefore the measurement of the obligation does not require actuarial assumptions and there is no possibility of actuarial gains or losses.

The accounting for defined benefit plans is characterised by the use of actuarial assumptions to determine the value of the obligation. This valuation is entrusted to an external actuary and is carried out annually. For discounting purposes, the company uses the projected unit credit method, which projects future expenditure based on historical statistical analysis, the demographic curve, and the financial discounting of these cash flows based on the market interest rate. Actuarial gains and losses are recognised as a counter-entry in equity as required by IAS 19.

Provisions for risks and charges, and contingent assets and liabilities

Contingent assets and liabilities can be divided into several categories depending on their nature and their accounting impact. Specifically:

- the provisions are actual obligations of an uncertain amount and occurrence/maturity which arise from past events and for which it is probable that there will be a financial outlay that can be reliably estimated in terms of amount;
- contingent liabilities are possible obligations with a distinct probability of having to make a financial outlay;
- remote liabilities are those for which a financial outlay is unlikely;
- potential assets are assets which are uncertain and cannot therefore be recognised in the financial statements;
- the onerous contract is a contract in which the non-discretionary costs necessary to fulfil the obligations assumed are greater than the economic benefits that are supposed to be obtainable from the contract;

- restructuring is a programme planned and controlled by the company's management that significantly changes the scope of an activity undertaken by the company or the way in which the activity is managed.

For the purpose of recognising the charge, provisions are recorded in cases where there is uncertainty about the maturity or the amount of the flow of resources necessary to fulfil the obligation or other liabilities and in particular trade payables or provisions for presumed payables.

Provisions differ from other liabilities in that there is no certainty as to their maturity or the amount of future expenditure required. Due to their different nature, provisions are shown separately from trade payables and provisions for presumed payables.

Liabilities or allocations to a provision are recognised when:

- there is a current legal or implied obligation resulting from past events;
- it is probable that resources designed to produce economic benefits will have to be used to settle the obligation;
- the obligation can be reliably estimated.

Provisions require the use of estimates. In extremely rare circumstances where a reliable estimate cannot be made, the liability is classed as a contingent liability.

The allocation to the provision for risks and charges is an amount that represents the best possible estimate of the expenditure needed to liquidate the relevant obligation outstanding on the reporting date and takes into account the risks and uncertainties that inevitably surround many events and circumstances. The amount of the allocation reflects any future events that may affect the amount required to settle an obligation if there is sufficient objective evidence that they will occur.

Once the best possible estimate of the expense necessary to settle the related obligation outstanding on the reporting date has been determined, the current value of the provision is determined, in the event that the effect of the present value of money is a relevant aspect.

Revenue from contracts with customers

a) Revenue from contracts with related customers (IFRS 15)

The Company applies IFRS 15 as of 1 January 2018. In accordance with this standard, revenue from contracts with customers is recognised when the following conditions are met:

- the contract with the customer has been identified;
- performance obligations set forth in the contract have been identified;
- the price has been determined;
- the price has been allocated to the individual performance obligations set forth in the contract;
- the performance obligation set forth in the contract has been met.

The Company recognises revenue from contracts with customers when (or as) it fulfils the performance obligation, transferring the promised good or service (or asset) to the customer. The asset is transferred when (or as) the customer acquires control over it.

The Company transfers control over the good or service over time, and therefore fulfils the performance obligation and recognises revenue over time, when one of the following criteria is met:

- the customer simultaneously receives and uses the benefits arising from the entity's service as it is provided;
- the service of the Company creates or improves the asset (e.g. work in progress) that the customer controls as the asset is created or improved;
- the service of the Company does not create an asset which has an alternative use and the Company has the enforceable right to payment for the service completed until the date considered.

If the performance obligation is not met over time, it is met at a specific moment. In that case, the Company recognises revenue when the customer acquires control over the promised asset.

The contractual consideration included in the contract with the customer may include fixed or variable amounts or both. If the contractual consideration includes a variable amount (e.g. discounts, concessions, incentives, penalties or other similar elements), the Company estimates the amount of the consideration to which it will be entitled in exchange for the transfer of the promised goods or services to the customer. The Group Company the amount of the estimated variable consideration in the transaction price only to the extent to which it is highly likely that when the uncertainty associated with the variable consideration is subsequently resolved, there will not be a significant downward adjustment in the amount of cumulative revenue recognised.

Incremental costs for obtaining customer contracts are accounted for as assets and amortised throughout the term of the underlying contract, if the Company expects them to be recovered. Incremental costs for obtaining the contract are costs that the Company incurs to obtain the contract with the customer and which it would not have incurred if it had not obtained the contract. The costs for obtaining the contract which would have been incurred even if the contract had not been obtained should be recognised as a cost at the moment they are incurred, unless they are explicitly chargeable to the customer even if the contract is not obtained.

Recognition of costs

Costs are recognised in the income statement according to the accruals principle.

Dividends

Dividends received are recognised in the income statement according to the accruals principle, i.e. in the year in which the related right to receive them emerges, following the shareholders' resolution to distribute dividends from the investee company.

Distributed dividends are shown as changes in equity in the year in which they are approved by the Shareholders' Meeting.

Income taxes

Current taxes are calculated based on the taxable income for the year, applying the tax rates in force at the date of the financial statements. Current taxes for the year and for prior years, where unpaid, are recognised as liabilities. Current tax assets and liabilities, for the current year and for prior years, must be determined at the value expected to be recovered from or paid to, respectively, the tax authorities, applying the tax rates and legislation that is in force or imminent at the reporting date.

Deferred taxes can be divided into:

- deferred tax liabilities, which are the amounts of income taxes payable in future years relating to taxable temporary differences.
- deferred tax assets, which are the amounts of income taxes recoverable in future years relating to deductible temporary differences, carry-over of unused tax losses, carry-over of unused tax credits.

To calculate the amount of deferred tax assets and liabilities, the tax rate is applied to the temporary taxable or deductible differences identified, or to unused tax losses and unused tax credits.

At each reporting date, recognised and unrecognised deferred tax assets are revalued to check whether they are likely to be recovered.

Net profit/(loss) per share

Basic earnings per share are calculated by dividing the net profit (loss) pertaining to the Company by the weighted average number of ordinary shares in circulation during the year, excluding treasury shares.

Diluted earnings per share are calculated by dividing the profit (loss) pertaining to the Company by the weighted average number of ordinary shares in circulation during the year, excluding treasury shares. To calculate the diluted earnings per share, the weighted average number of shares in circulation is modified assuming that all assignees exercise rights with a potentially dilutive effect, while the profit (loss) pertaining to the Company is adjusted to take into account any effects, net of taxes, of the exercise of such rights.

Operating segments

The operating segment is a part of the group that undertakes business activities that generate revenue and costs, whose operating results are periodically reviewed by the Chair of the Board of Directors, in his role as Chief Operating Decision Maker (CODM), for the purpose of taking decisions on the resources to be allocated to the sector and evaluating results, and for which financial information is available.

1.3 Recently issued accounting policies

Below is a list of the New Accounting Policies, Amendments and Interpretations endorsed by the European Union and effective from 1 January 2024 and their descriptions:

Effective date	New accounting standard/amendment	Date of EU approval (OJEU publication date)
1 January 2024	Lease liabilities in a sale and leaseback transaction (Amendments to IFRS 16)	21 Nov 2023 (EU) 2023/2579
1 January 2024	Classification of liabilities as current and non-current (Amendments to IAS 1) and Non-current liabilities with conditions (Amendments to IAS 1)	20 Dec 2023 (EU) 2023/2822
1 January 2024	Financing agreements for supplies (Amendments to IAS 7 and IFRS 7)	15 May 2024 (EU) 2024/1317

Amendments to IFRS 16

3) With Regulation (EU) No. 2023/2579 of 20 November 2023, the European Commission endorsed the document "Lease Liability in a Sale and Leaseback (Amendments to IFRS 16 Leases)", published by the IASB® Board on 22 September 2022.

With the Amendments to IFRS 16, the IASB Board clarified the following accounting treatment for subsequent measurement of the lease liability arising from a sale and leaseback:

- The lessee-seller applies the requirements of IFRS 16.36-46 for the subsequent measurement of lease liabilities arising from the leaseback.
- In applying the above paragraphs of IFRS 16, the seller-lessee shall determine the "lease payments payable" or the "revised lease payments payable" in a manner that does not recognise any amount of gain or loss that relates to the right-of-use asset retained thereby. The lease liability is then reduced by the amount of the initially estimated lease payments payable, with any difference between the estimated and actual payments recognised in profit/(loss) for the year.
- The application of the above provisions does not preclude the lessee-seller from recognising in profit or loss the gain or loss arising from the partial or total termination of the contract as required by paragraph IFRS 16.46(a).

The lessee-seller must establish its own accounting policy for determining the lease payments to be included in the initial estimate of the lease liability.

4) With Regulation (EU) No. 2023/2822 of 19 December 2023, the European Commission endorsed the following documents published by the IASB Board:

- Classification of Liabilities as Current or Non-Current (Amendments to IAS 1 Presentation of Financial Statements), published on 23 January 2020.
- Non-current Liabilities with Covenants (Amendments to IAS 1 Presentation of Financial Statements), published on 31 October 2022.

Amendments to IAS 1

Right to defer settlement of a liability for at least 12 months after the end of the financial year

The IASB Board's first objective was to clarify the apparently conflicting concepts expressed in paragraphs 69(d) and 73 of IAS 1.

Specifically, IAS 1.69(d) provided as a general criterion for classifying a liability as non-current the existence of an "unconditional right of the entity to defer settlement of the liability for at least 12 months after the reporting period" and IAS 1.73 referred instead to "an entity's discretion to refinance or roll over the obligation for at least 12 months after the reporting period of an existing financing arrangement". It was therefore unclear from a combined reading of these two paragraphs whether it was sufficient to have a right to defer settlement of a liability for at least 12 months at the end of the financial year, or whether it was also relevant to the classification of a liability in the financial statements whether the entity intended to exercise that right or not.

With the Amendments to IAS 1, the IASB Board clarified that:

- The right to defer the settlement of a liability for a period of at least 12 months after the end of the reporting period, referred to in paragraph 69(d), need not be unconditional but need only be "substantive and... must exist at the end of the reporting period".
- The classification of a liability as current or non-current must not be affected by an entity's intentions to exercise or not to exercise the right to defer payment beyond 12 months (e.g. an intention to refinance or roll over a loan by extending its maturity) and by decisions made between the end of the reporting period and the date of its publication (e.g. a decision to repay a loan early).

Methods for settling a liability

The Amendments to IAS 1 clarified that, for the purposes of classifying a liability as current or non-current, the term settled (in paragraph 69(a), (c) and (d)) refers to a transfer to the counterparty that results in the settlement of the liability. The transfer could be of:

a) cash or other economic resources, e.g. goods or services; or

b) the entity's own equity instruments, unless paragraph 76B applies.

Contractual provisions in a liability that allow the counterparty to require the liability to be settled by the transfer of the entity's own equity instruments (e.g. a convertible bond) do not affect the classification of the liability as current or non-current if, by applying IAS 32 "Financial Instruments: presentation in the financial statements", the entity classifies the option as an equity instrument, recognising it separately from the financial liability as a component of equity of a compound financial instrument (e.g. an option to convert into a fixed number of shares of a convertible bond).

Financial reporting

An entity must disclose information in the financial statements about events that occur between the end of the reporting period and the date the financial statements are authorised for issue that are specifically defined in IAS 1 as non-adjusting subsequent events in accordance with the requirements of IAS 10 "Events after the Reporting Period":

a) Long-term refinancing of a liability classified as current.

b) Rectification of the breach of a long-term financing contract classified as current.

c) Granting by the lender of a grace period to rectify a breach of a long-term financing contract classified as current.

d) Settlement of a liability classified as non-current.

If management intends or expects to settle a liability classified as non-current within twelve months after the reporting period, it does not change the classification in the financial statements but must disclose the timing of such settlement in the notes.

Liabilities from loan contracts with covenants

The IASB Board has clarified that where the right to defer the settlement of a liability arising from a loan contract for at least 12 months after the reporting period is subject to compliance with specific covenants, the liability is classified as non-current if all covenants under the contract have been met up to the reporting period, even if they are calculated in the first few months of the following reporting period.

Compliance with contractual covenants to be calculated after the reporting period is not relevant to the classification of the liability in the statement of financial position.

Disclosure of liabilities arising from loan contracts with covenants

The Amendments to IAS 1 introduced the following disclosure requirements with respect to liabilities arising from loan contracts, which are classified as non-current liabilities in the statement of financial position, and whose right to defer their settlement for at least 12 months after the end of the reporting period is subject to covenant compliance:

a) Information about the covenants (including the nature of the covenants and when the entity is required to comply with them) and the carrying amount of the related liabilities.

b) Information about any facts and circumstances that indicate that the entity may have difficulty complying with the covenants. These facts and circumstances could also refer to the situation where the covenants to be met in the 12 months following the end of the reporting period would not be met using the figures at the end of the financial year.

The Amendments to IAS 1 are effective for financial statements for financial years beginning on or after 1 January 2024 and are to be applied retroactively in accordance with IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors. Early application is permitted by providing adequate disclosure in the notes to the financial statements.

Amendments to IAS 7 - IFRS 7

With Regulation (EU) no. 2023/1317 of 15 May 2024, the European Commission endorsed the amendment to IAS 7 and IFRS 7 "Supplier Finance Arrangements", which requires disclosures about supply financing arrangements that enable users of financial statements to evaluate the effects of these arrangements on the entity's liabilities and cash flows as well as its exposure to liquidity risk.

Supply finance arrangements are characterised by the fact that one or more lenders offer to pay amounts owed by an entity to its suppliers and that the entity agrees to pay according to the terms and conditions of the arrangements on the same or a later date as the suppliers are paid. Such agreements guarantee to the entity the extension of payment terms or to its suppliers the anticipation of payment terms with respect to the due date for payment of the invoice. Supply finance agreements are often referred to as supply chain finance agreements, supplier debt financing or indirect factoring. Arrangements that are solely credit support instruments for the entity (e.g. financial guarantees, including letters of credit used as collateral) or instruments used by the entity to settle amounts due directly with a supplier (e.g. credit cards) are not supply finance arrangements.

For its supply finance arrangements the entity must disclose in aggregate form:

d) The terms and conditions of the arrangements (e.g. the extension of payment terms and the securities or guarantees provided). However, in the case of arrangements with different terms and conditions, the entity shall indicate these separately.

e) At the beginning and end of the financial year:

- The carrying amounts of financial liabilities that are part of a supply finance arrangements and the items associated with those carrying amounts presented in the entity's statement of financial position.

- The carrying amounts of the financial liabilities indicated in point i) above for which the suppliers have already received payments from the lenders and the items associated with those carrying amounts.

- The range of payment due dates (e.g. 30-40 days after the invoice date) for both the financial liabilities indicated under point i) and comparable trade payables that are not part of a supply finance arrangement. Comparable trade payables are, for example, trade payables of the entity incurred within the same line of business or legal system as the financial liabilities referred to in point i). If the intervals between payment due dates are long, the entity must provide an explanation of those intervals or indicate additional intervals (e.g. stratified intervals).

f) The type and effect of non-cash changes in the carrying amounts of the financial liabilities specified in letter b), point i). Examples of non-cash changes include the effect of business combinations, exchange rate differences or other transactions that do not require the use of cash or cash equivalents.

Other factors that the entity might consider in providing the required disclosure include but are not limited to:

k) It has signed financing agreements (e.g. commercial paper) or other credit lines (e.g. stand-by credit lines) that can be accessed to meet liquidity needs.

l) It holds deposits with central banks to meet liquidity needs.

m) It has very diverse sources of funding.

n) It has significant concentrations of liquidity risk in its assets or sources of funding.

o) It has internal control processes and contingency plans for liquidity risk management.

p) It has instruments that include accelerated repayment terms (e.g. following a downgrade in the entity's creditworthiness).

q) It has instruments that may require the provision of financial collateral (e.g. margin calls for derivatives).

r) It has instruments that allow the entity to decide whether to settle financial liabilities by delivering cash (or another financial asset) or by delivering its own shares.

s) It has instruments subject to framework netting agreements or

t) It has had or has access to supply finance arrangement (as described in IAS 7) that provide the entity with extended payment terms or its suppliers with early payment terms.

Accounting standards, amendments and interpretations endorsed by the European Union and effective from 1 January 2025

Effective date	**New accounting standard/amendment**	**Date of EU approval (OJEU publication date)**
1 January 2025	Lack of exchangeability (Amendments to IAS 21)	13 Nov 2024 (EU) 2024/2862

Amendments to IAS 21

With Regulation (EU) no. 2024/2862 of 13 November 2024, the European Commission endorsed the amendment to the regulation regarding IAS 21 "The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability". The document requires an entity to apply a consistent methodology to ascertain whether one currency can be converted into another, and when this is not possible, how to determine the exchange rate to be used and the disclosures to be made in the notes to the financial statements.

2. ESTIMATES AND ASSUMPTIONS

The preparation of the financial statements requires the directors to apply accounting standards and methods that are sometimes based on difficult and subjective assessments and estimates derived from past experience and based on assumptions that are considered reasonable and realistic given the circumstances.

Applying these estimates and assumptions affects the amounts presented in the Statement of Financial Position, the Income Statement, the Statement of Other Comprehensive Income and the Statement of Cash Flows, and in other information provided. The amounts of the financial statement items for which the aforementioned estimates and assumptions have been used may differ, even significantly, from those reported in the financial statements that highlight the effects of the occurrence of the event being estimated, due to the uncertainty that characterises the assumptions and the conditions on which the estimates are based.

The following areas require the directors to be most subjective when producing the estimates and would significantly affect the Company's results if there were a change in the conditions underlying the assumptions used:

a) Impairment of property, plant and equipment and intangible assets with a finite useful life: property, plant and equipment and intangible assets with a finite useful life are subject to testing in order to ascertain whether impairment has occurred when indicators exist that predict difficulties in recovering the corresponding net book value through use. Checking for the existence of the aforementioned indicators requires directors to make subjective valuations based on the information available from both internal and external sources, as well as on historical experience. In addition, if it is determined that impairment may have occurred, the Group calculates said impairment using what are deemed to be suitable valuation techniques. Correctly identifying impairment indicators, as well as the estimates for their calculation, depends on subjective valuations and factors that can vary over time, influencing the valuations and estimates made by management.

b) Impairment of intangible assets with an indefinite useful life (goodwill): the value of goodwill is verified annually in order to check for any impairment that should be recognised in the income statement. In particular, the test in question involves allocating goodwill to cash generating units and then calculating the relative recoverable value, understood as the greater of fair value and value in use. If the recoverable value is less than the book value of the cash generating units, the goodwill allocated to them is written down.

c) Impairment of intangible assets with an indefinite useful life (trademarks): the value of trademarks with an indefinite useful life is subject to an annual impairment test. The value in use is determined using the discounted cash flow (DCF) method, based on a discount rate and an explicit forecast period of 3 years in accordance with the budgets approved by the Group. After the explicit forecast period, the specific growth rate used is equal to the expected long-term inflation rate. The forecast values for future years and the parameters determined with reference to current market information are subject to uncertainties due to unpredictable future legal developments and possible developments in the pasta market; therefore, write-downs may be necessary in subsequent years.

d) Provision for bad debts: the determination of this provision reflects management estimates related to the historical and expected solvency of the bad debts in question.

e) Provisions for risks and charges: it is sometimes hard to determine whether or not a current obligation (legal or implied) exists. The directors assess such phenomena on a case by case basis, together with an estimate of the amount of the economic resources required in order to meet that obligation. When the directors believe it to be merely possible that liabilities may arise, the risks are indicated in the appropriate information section on commitments and risks, without resulting any allocation being made.

f) Useful life of property, plant and equipment and intangible assets: useful life is determined when the asset is recorded in the financial statements. Useful life is measured based on historical experience, market conditions and expectations of future events that could affect useful life, including technological changes. As a result, the effective useful life may differ from the estimated useful life.

g) Prepaid tax assets: prepaid tax assets are recognised to the extent that it is probable that there will be sufficient future tax gains against which temporary differences or any tax losses may be used.

h) Inventories: Closing inventories of obsolete or slow-to-move products are periodically subjected to valuation tests and are written down where their recoverable value is less than their book value. The write-downs carried out are based on assumptions and estimates of the directors based on their experience and the historical results achieved.

i) *Lease* liabilities: the amount of *the lease* liability and consequently of the related right-of-use assets depends on the determination of *the lease term*. This determination is subject to management assessments, with particular reference to the inclusion or otherwise of the periods covered by the lease renewal and termination options provided for in the lease agreements. These assessments will be reviewed upon the occurrence of a significant event or significant change in circumstances that has an impact on management's reasonable certainty of exercising an option not previously considered in determining the lease term or not exercising an option previously considered in determining the lease term.

j) Derivative instruments: The amount of assets and liabilities for derivative instruments is subject to management's assessment based on their fair value. It depends on the development of underlying market variables and sometimes on assumptions about non-market parameters.

3. MANAGEMENT OF FINANCIAL RISKS

The main business risks identified, monitored and, as specified below, actively managed by the Company are as follows:

- Market risk, arising from the fluctuation of interest rates and of exchange rates between the euro and the other currencies in which the Company operates.
- Credit risk, arising from the possibility of counterparty default.
- Liquidity risk, arising from a lack of financial resources to meet commitments.

The Company's objective is to manage its financial exposure over time so that liabilities are balanced with assets on the statement of financial position and that the necessary operational flexibility is in place by using bank loans and the cash generated by current operating activities.

The ability to generate liquidity from core operations, together with the ability to borrow, allows the Company to adequately meet its operational, working capital financing and investment needs, as well as to comply with its financial obligations. The Company's financial policy and the management of the related financial risks are centrally guided and monitored. In particular, the central finance function is responsible for assessing and approving forecast financial requirements, monitoring performance and taking corrective action where necessary.

3.1 Market risk

Exchange risk

Exposure to the risk of exchange rate fluctuations derives from the Company's commercial activities conducted in currencies other than the euro. Revenues and costs denominated in foreign currency can be influenced by fluctuations in the exchange rate, bringing about an impact on trade margins (economic risk), and trade and financial payables and receivables denominated in foreign currency can be impacted by the conversion rates used, with a knock-on effect on the profit or loss (transaction risk). Finally, fluctuations in exchange rates are also reflected in consolidated results and equity.

The main exchange rates to which the Company is exposed are:

- Euro/USD, in relation to transactions carried out in US dollars.
- Euro/GBP, in relation to transactions carried out in pound sterling.
- Euro/CHF, in relation to transactions carried out in Swiss francs.

The Company does not adopt specific policies to hedge exchange rate fluctuations because management does not believe that this risk can significantly harm the Company's results, since the amount of inflows and outflows of foreign currency is not only insignificant, but also fairly similar in terms of volumes and timing.

A hypothetical positive or negative change of 100 bps in the exchange rates relating to the currencies in which the Company operates would not have a significant impact on the net result and shareholders' equity of the years under review.

Interest rate risk

The Company uses external financial resources in the form of debt and uses the liquidity available in market instruments. Changes in interest rate levels affect the cost and return of the various forms of funding and use, thus affecting consolidated net financial expense. Exposure to interest rate risk is constantly monitored according to the trend of the Euribor curve, in order to assess possible interventions to contain the risk of a potential rise in market interest rates. At the reference dates, there were no hedges carried out by trading in derivatives.

With reference to interest rate risk, a sensitivity analysis was carried out to determine the effect on the Separate income statement and Separate shareholders' equity that would result from a hypothetical positive and negative change of 50 bps in interest rates compared with those actually recorded in each period. The analysis was carried out mainly with regard to the following items: (i) cash and cash equivalents and (ii) short- and medium-/long-term financial liabilities. With regard to cash and cash equivalents, reference was made to the average inventory and the average rate of return for the period, while for short- and medium-/long-term financial liabilities, the precise impact was calculated.

The table below shows the results of the analysis carried out:

(In thousands of euros)	**Impact on profit net tax**		**Impact on shareholders' equity net of tax**	
	- 50 bps	+ 50 bps	- 50 bps	+ 50 bps
Year ended 31 December 2024	(1,463)	1,463	(1,463)	1,463
Year ended 31 December 2023	(260)	260	(260)	260

Credit risk

The Company is exposed to the credit risk inherent in the possibility of its customers becoming insolvent and/or less creditworthy so it monitors the situation continually.

Credit risk derives essentially from the Company's commercial activity, where its counterparties are mass and retail distribution operators. Retail receivables are extremely fragmented, while the mass distribution segment is characterised by a larger exposure to a single client.

The Company manages the credit risk of both types of customers through a consolidated practice, which provides for targeted and prudent management with a credit limit granted on the basis of commercial, financial and perceived market risk information.

The Company operates in business areas with low levels of credit risk, given the nature of its activities and the fact that its credit exposure is spread over a large number of customers. Assets are recognised net of any write-downs determined on the basis of counterparties' default risk, taking into account available solvency information and historical and prospective data.

Positions are regularly monitored for compliance with payment terms and overdue reminder actions are conducted in coordination with the sales force. If, on the other hand, a spot analysis of the individual case reveals an objective condition of partial or total bad debt, the amount of the write-down takes into account an estimate of recoverable flows. The credit management methodology means it is not deemed important to divide customer exposure into different risk classes.

Moreover, the Company has credit insurance policies with leading companies in the sector in order to mitigate the risk associated with the solvency of customers.

The credit risk deriving from receivables that the Company has with banks is, on the other hand, moderate and derives substantially from temporary surplus liquidity stocks usually invested in bank deposits and current accounts.

The following table provides a breakdown of trade receivables at 31 December 2024 and 2023 grouped by maturity, net of the provision for bad debts:

(In thousands of euros)	**Not overdue**	**1-90 days overdue**	**91-180 days overdue**	**More than 181 days overdue**	**Total**
Gross trade receivables at 31 December 2024	33,946	10,186	2,756	25,022	**71,910**
Provision for bad debts	-	(166)	(1,405)	(15,643)	**(17,214)**
Net trade receivables at 31 December 2024	**33,946**	**10,020**	**1,351**	**9,379**	**54,696**
Gross trade receivables at 31 December 2023	40,797	19,302	1,762	37,636	**99,497**
Provision for bad debts	-	(166)	(1,405)	(15,466)	**(17,037)**
Net trade receivables at 31 December 2023	**40,797**	**19,136**	**358**	**22,170**	**82,460**

With regard to financial receivables, mainly related to cash-pooling relationships with the parent company, these are all "due" and no provision for impairment is deemed necessary.

Liquidity risk

Liquidity risk is the risk that, due to the inability to find new funds or to liquidate assets on the market, the Company will not be able to meet its payment obligations, resulting in a negative impact on results if it is forced to incur additional costs to meet its obligations or an insolvency situation.

The liquidity risk to which the Company may be subject comprises the failure to find sufficient financial resources for its operations, as well as for the development of its industrial and commercial activities. The two main factors that determine the Company's liquidity situation are the resources generated or absorbed by operating and investment activities, and the maturity and renewal status of payables or the liquidity of financial commitments and market conditions. In particular, the main factor affecting the Company's liquidity is the resources absorbed by operating activities: the sector in which the Company has seasonal sales phenomena, with peak liquidity requirements in the third quarter caused by a higher volume of trade receivables compared with the rest of the year. The Group's commercial and finance teams work together to manage the changing liquidity requirements, which involves carefully planning financial requirements related to sales, drafting the budget at the beginning of the year and carefully monitoring requirements throughout the year.

Since they are also subject to seasonal phenomena, liquidity requirements linked to inventory dynamics are subject to analysis as well: planning purchases of raw materials for the inventory is managed in accordance with established practices, with the Chair involved in decisions that could have an impact on the Company's financial equilibrium.

Based on established practices inspired by prudence and stakeholder protection, the Company's financing activity involves negotiating credit lines with the banking system and continually monitoring the Company's cash flows.

The following table shows, by contractual maturity bands, the Company's financial requirements at 31 December 2024 and 2023, expressed according to the following assumptions:

- cash flows are not discounted;
- cash flows are allocated to time bands on the basis of the first due date provided for in the contractual terms;
- all instruments held on the reporting date for which payments have already been contractually designated are included. Future commitments planned but not yet recognised are not included;
- when the amount payable is not fixed (e.g. future interest repayments), the financial liability is measured at market conditions at the reporting date; and
- cash flows also include the interest that the company will pay until the maturity of the debt at the reporting date.

	At 31 December 2024					
(In thousands of euros)	**less than 1 year**	**between 1 and 2 years**	**between 3 and 5 years**	**over 5 years**	**Contract value**	**Book value**
Financial liabilities	164,540	29,473	538,339	-	**732,352**	**712,670**
Lease liabilities	2,605	3,279	4,765		**10,649**	**10,649**
Shareholder loan	-	-	-	206,100	**206,100**	**206,100**
Trade payables	75,849	-	-	-	**75,849**	**75,849**
Other current liabilities	21,489	-	-	-	**21,489**	**21,489**

	At 31 December 2023					
(In thousands of euros)	**less than 1 year**	**between 1 and 2 years**	**between 3 and 5 years**	**over 5 years**	**Contract value**	**Book value**
Financial liabilities	92,987	29,473	238,339	-	**360,799**	**339,799**
Lease liabilities	2,513	2,611	8,064	1,095	**14,283**	**13,667**
Trade payables	67,781	-	-	-	**67,781**	**67,781**
Other current liabilities	22,506	-	-	-	**22,506**	**22,506**

Environmental and climate risks

Climate change is a major disruptive force with the potential to bring about substantial changes in the Group's operations in the short, medium and long term. Many of the potential impacts of climate change can be defined as risks: physical risks to our environment or risks related to the transition to a low-carbon economy in pursuit of the goals of the Paris Agreement. Climate risk can affect companies, financial institutions, households, countries and the financial system in general. However, opportunities may arise for those companies that favour the transition to a low-carbon economy, such as improved attractiveness to investors, enhanced reputation of the company among stakeholders, and increased long-term business sustainability.

The Group constantly monitors climate change-related risks and conducts regular assessments to measure its resilience against risks deemed to be material. This analysis was also carried out in 2024, at the same time as the ERM update, and considered all the companies included in the scope of consolidation. There are also other elements that increase the resilience of Newlat Food. Foremost among these is the Group's financial strength, which allows it to obtain capital at a sustainable cost, facilitating the financing of strategic investments and risk mitigation measures without compromising its financial equilibrium.

Furthermore, the ability to convert, upgrade or decommission existing assets is a key factor in adaptability, allowing resources to be optimised, reducing the risk of obsolete assets and responding in a timely manner to market developments or critical operational needs.

The aforementioned risk analysis included assessing the impact of climate change on the supply chain, corporate assets and financial performance, while also considering compliance with environmental regulations and international commitments to transition to a low-carbon economy.

This assessment of the impacts of climate change on our operations carried out in 2024 did not reveal any issues that would compromise the ordinary course of business or that could not be addressed with the resources available, and no significant material economic issues arose that affected the preparation of these consolidated financial statements.

Specifically, the following considerations were made:

The risk of critical dependencies and/or possible disruptions in the supply chain was mitigated through the activation of contingency plans and the geographical diversification of suppliers.

With regard to risks to assets, infrastructure and business continuity, no significant problems related to extreme weather events were encountered in recent years. Constant monitoring of these aspects allows timely preventive measures to be taken to minimise any impacts.

With regard to regulatory compliance, Newlat Food has established an environmental management system with people dedicated both to controlling consumption and emissions and to monitoring the evolution of European regulations to ensure full compliance with any decarbonisation directives.

Lastly, the Group took into account the impacts of climate change with regard to:

Cash flow projections used in impairment assessments of the value in use of non-current assets including goodwill and other assets with indefinite useful lives.

The factors that determine the carrying value of non-current assets (such as residual values, useful lives and depreciation methods, provisions and onerous contracts).

Based on the above, the Group does not expect any significant financial impact from environmental and climate risks.

4. CAPITAL MANAGEMENT POLICY

The Company's capital management is aimed at ensuring a solid credit rating and adequate levels of capital indicators to support investment plans, in compliance with contractual commitments made with lenders.

The Company provides itself with the capital necessary to finance the needs of business development and operations; the sources of financing are divided into a mix of risk capital and debt capital, to ensure a balanced financial structure and the minimisation of the total cost of capital, thereby benefiting all stakeholders.

The remuneration of risk capital is monitored on the basis of market trends and business performance, once all other obligations have been fulfilled, including debt servicing; therefore, in order to ensure an adequate return on capital, the safeguarding of business continuity and business development, the Company continually monitors the level of debt in relation to equity, business performance and expected cash flow forecasts, in the short and medium/long term.

FINANCIAL ASSET AND LIABILITY CATEGORIES AND INFORMATION ON FAIR VALUE

Categories of financial assets and liabilities

The following tables provide a breakdown of financial assets and liabilities by category at 31 December 2024 and 2023:

(In thousands of euros)	Book value at 31 December	
	2024	**2023**
FINANCIAL ASSETS:		
Financial assets at amortised cost:		
Financial assets measured at amortised cost	416,866	617
Trade receivables	54,696	82,460
Other receivables and current assets (*)	8,037	4,885
Cash and cash equivalents	158,528	270,674
Financial assets measured at amortised cost	326,590	12,575
	964,718	**371,211**
Financial assets valued at fair value through profit or loss:		
Non-current financial assets measured at fair value through profit or loss	74	74
Current financial assets measured at fair value through profit or loss	4	4
	78	**78**
TOTAL FINANCIAL ASSETS	**964,797**	**371,289**

(In thousands of euros)	Book value at 31 December	
	2024	**2023**
FINANCIAL LIABILITIES:		
Financial liabilities at amortised cost:		
Non-current financial liabilities	548,130	246,812
Non-current lease liabilities	8,043	11,154
Trade payables	75,849	67,781
Current financial liabilities	153,348	92,987
Current lease liabilities	2,605	2,513
Other current liabilities	8,833	11,938
FINANCIAL LIABILITIES	**796,809**	**433,185**
Financial liabilities measured at fair value through profit or loss:		
Current financial liabilities	11,192	-
Other current liabilities	-	2,603
TOTAL FINANCIAL LIABILITIES	**808,001**	**435,788**

(*) Limited to the items "Accrued income and prepaid expenses", "Advances" and "Other receivables".
(**) Limited to the items "Accrued expenses and deferred income" and "Miscellaneous payables".

The tables above show that most of the outstanding financial assets and liabilities are short-term items. In view of their nature, for most items, the book value is considered a reasonable approximation of the fair value. Non-current financial assets and liabilities are settled or valued at market rates and it is therefore considered that their fair value is substantially in line with current book values.

Note also that the bond loan included in non-current liabilities and having a carrying amount of Euro 203,544 thousand had a quotation value on the Irish market of Euro 198,020 thousand at the same date.

Information on fair value

In relation to assets and liabilities recognised in the statement of financial position and measured at fair value, IFRS 13 requires that these values be classified on the basis of a hierarchy of levels, reflecting the significance of the inputs used in determining fair value. The following table shows the fair value classification of financial instruments based on the following hierarchical levels:

- **Level 1**: fair value determined using unadjusted prices listed on active markets for identical financial instruments. Therefore, in Level 1 the emphasis is on determining the following elements: (a) the principal market for the asset or liability or, in the absence of a principal market, the most advantageous market for the asset or liability; (b) the entity's ability to transact the asset or liability at the price of that market on the valuation date.
- **Level 2**: fair value determined with valuation techniques using variables observable on active markets. The inputs for this level include: (a) prices listed for similar assets or liabilities in active markets; (b) prices listed for identical or similar assets or liabilities in non-active markets; (c) data other than observable listed prices for the asset or liability, for example: interest rates and yield curves observable at commonly quoted intervals, implicit volatility, credit spreads, input corroborated by the market.
- **Level 3**: fair value determined with valuation techniques using non-observable market variables.

The following tables summarise the financial assets and liabilities measured at fair value, broken down by hierarchy, at 31 December 2024 and 2023:

(In thousands of euros)	**At 31 December 2024**		
	Level 1	**Level 2**	**Level 3**
Non-current financial assets measured at fair value through profit or loss	43	-	31
Current financial assets measured at fair value through profit or loss	-	-	4
Total financial assets measured at fair value	**43**	**-**	**35**

(In thousands of euros)	**At 31 December 2023**		
	Level 1	**Level 2**	**Level 3**
Non-current financial assets measured at fair value through profit or loss	43	-	31
Current financial assets measured at fair value through profit or loss	-	-	4
Total financial assets measured at fair value	**43**	**-**	**35**

(In thousands of euros)	**At 31 December 2024**		
	Level 1	**Level 2**	**Level 3**
Current financial liabilities	-	11,192	-
Total financial assets measured at fair value	**-**	**11,192**	**-**

(In thousands of euros)	**At 31 December 2023**		
	Level 1	**Level 2**	**Level 3**
Other current liabilities	-	2,603	-
Total financial assets measured at fair value	**-**	**2,603**	**-**

There were no transfers between the different levels of the fair value hierarchy in the periods considered. Level 3 includes minority interests in unlisted companies.

5. OPERATING SEGMENTS

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, Bakery Products, Special Products 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 Company's performance for the year ended 31 December 2024, and the reconciliation of these items with respect to the corresponding amount included in the Separate Financial Statements:

	At 31 December 2024				
(In thousands of euros)	Pasta	Bakery Products	Special Products	Other Activities	**Separate Financial Statements total**
Revenue from contracts with customers (third parties)	132,973	45,177	23,620	-	**201,769**
EBITDA (*)	12,547	6,248	2,388	-	**21,183**
EBITDA margin	9.44%	13.83%	10.11%	-	**10.50%**
Amortisation, depreciation and write-downs	3,117	1,780	1,702	195	**6,794**
Net write-downs of financial assets				177	**177**
Operating profit/(loss)	**7,730**	**5,468**	**1,386**	**(372)**	**14,213**
Financial income	-	-	-	28,234	**28,234**
Financial expenses	-	-	-	(38,218)	**(38,218)**
Profit/(loss) before taxes	**7,730**	**5,468**	**1,386**	**(10,355)**	**4,229**
Income taxes	-	-	-	(2,044)	**(2,044)**
Net profit/(loss)	**7,730**	**5,468**	**1,386**	**(12,400)**	**2,186**
Total assets	**137,236**	**21,020**	**26,332**	**1,024,466**	**1,209,053**
Total liabilities	**63,739**	**20,715**	**16,794**	**934,127**	**1,035,375**
Investments	2,772	740	3,102	1,340	**7,954**
Employees (number)	467	203	137	54	**861**

(*) 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 below shows the main statement of financial position and income statement items examined by the chief operating decision maker in order to assess the Company's performance at and for the year ended 31 December 2023, and the reconciliation of these items with respect to the corresponding amount included in the Separate Financial Statements

	At 31 December 2023				
(In thousands of euros)	Pasta	Bakery Products	Special Products	Other Activities	**Separate Financial Statements total**
Revenue from contracts with customers (third parties)	148,380	50,327	33,947	-	**232,653**
EBITDA (*)	13,300	8,090	4,751	(600)	**25,541**
EBITDA margin	8.96%	16.08%	14.00%	-	**10.98%**
Amortisation, depreciation and write-downs	5,069	2,637	3,241	195	**11,142**
Net write-downs of financial assets				446	**446**
Operating profit/(loss)	**8,231**	**5,453**	**1,510**	**(1,241)**	**13,954**
Financial income	-	-	-	8,233	**8,233**
Financial expenses	-	-	-	(14,807)	**(14,807)**
Profit/(loss) before taxes	**8,231**	**5,453**	**1,510**	**(7,816)**	**7,379**
Income taxes	-	-	-	(1,627)	**(1,627)**
Net profit/(loss)	**8,231**	**5,453**	**1,510**	**(9,443)**	**5,752**

Total assets	**154,780**	**22,487**	**30,767**	**400,043**	**608,077**
Total liabilities	**59,470**	**17,721**	**16,818**	**356,371**	**450,380**
Investments	2,772	740	3,102	1,340	**7,954**
Employees (number)	452	188	143	47	**830**

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

Revenue from contracts with customers in the "Pasta" sector totalled Euro 148,380 thousand and Euro 125,973 thousand for the years ended 31 December 2023 and 2024, equal to 63.8% and 62.4% respectively of all revenue from contracts with customers. EBITDA in the "Pasta" segment totalled Euro 13,300 thousand and Euro 10,847 thousand respectively for the years ended 31 December 2023 and 2024, equal to 52.1% and 51.2% respectively.

The biggest EBITDA margins over the two years under review were delivered by the "Bakery Products" and "Special Products" segments.

In addition to the sectoral information, the statement of financial position and income statement data by geographical area, as required by IFRS 8, is provided below.

The following table displays revenue from contracts with customers by geographical area for the years ended 31 December 2024 and 2023.

(In thousands of euros)	**Year ended 31 December**	
	2024	**2023**
Italy	78,897	93,310
Germany	51,641	62,824
United Kingdom	12,314	12,962
Other countries	58,916	63,556
Total revenue from contracts with customers	**201,769**	**232,652**

Finally, in accordance with IFRS 8, paragraph 34, for the years ended 31 December 2024 and 2023 the Company has one customer generating more than 10% of its revenues.

8. NOTES TO THE SEPARATE STATEMENT OF FINANCIAL POSITION

8.1 Property, plant and equipment

The table below shows a breakdown of and changes in the item "Property, plant and equipment" for the years 31 December 2024 and 2023:

(In thousands of euros)	Land and buildings	Plant and machinery	Industrial and commercial equipment	Other assets	Assets under construction and payments on account	Total
Historical cost at 31 December 2023	**14,667**	**134,178**	**4,744**	**5,476**	**2,974**	**162,039**
Investments	93	3,116	64	34	2,586	5,893
Reclassifications		2,919	22	33	(2,974)	-
Historical cost at 31 December 2024	**14,760**	**140,213**	**4,830**	**5,543**	**2,586**	**167,932**
Accumulated amortisation/depreciation as at 30 December 2023	**(11,037)**	**(119,082)**	**(4,744)**	**(4,884)**	**-**	**(139,746)**
Depreciation/Amortisation	(497)	(3,584)	(68)	(69)		(4,217)
Disposals						-
Accumulated amortisation/depreciation as at 30 December 2024	**(11,533)**	**(122,666)**	**(4,811)**	**(4,953)**	**-**	**(143,964)**
Net carrying amount at 31 December 2023	**3,630**	**15,096**	**0**	**592**	**2,974**	**22,292**
Net carrying amount at 31 December 2024	**3,227**	**17,547**	**19**	**590**	**2,586**	**23,968**

(In thousands of euros)	Land and buildings	Plant and machinery	Industrial and commercial equipment	Other assets	Assets under construction and payments on account	Total
Historical cost at 31 December 2022	**14,667**	**129,122**	**4,700**	**5,233**	**998**	**154,720**
Investments	-	4,527	44	243	2,504	7,318
Reclassifications	-	528	-	-	(528)	-
Historical cost at 31 December 2023	**14,667**	**134,178**	**4,744**	**5,476**	**2,974**	**162,039**
Accumulated amortisation/depreciation as at 30 December 2022	**(10,428)**	**(111,458)**	**(4,602)**	**(4,820)**	**-**	**(131,308)**
Depreciation/Amortisation	(609)	(7,624)	(142)	(64)		(8,438)
Accumulated amortisation/depreciation as at 30 December 2023	**(11,037)**	**(119,082)**	**(4,744)**	**(4,884)**	**-**	**(139,746)**
Net carrying amount at 31 December 2022	**4,239**	**17,664**	**98**	**413**	**998**	**23,412**
Net carrying amount at 31 December 2023	**3,630**	**15,096**	**0**	**592**	**2,974**	**22,292**

Investments in property, plant and equipment for the year ended 31 December 2024 totalled Euro 7,318 thousand and were attributable mainly to the renovation of production lines and the new biscuit line at the Ozzano Taro factory. For more information on investments, please refer to the specific chapter "Investments".

The net value of property, plant and equipment disposed of in the years ending 31 December 2024 and 2023 is not significant.

At 31 December 2024 there were no capital contributions classified as a reduction in core plant and equipment.

During the year, the Company did not record write-downs of property, plant and equipment.

As at 31 December 2024, there are no real estate assets or proprietary capital goods subject to any kind of guarantee given to third parties.

8.2 Right-of-use assets and lease liabilities

The table below shows a breakdown of the item "Right-of-use assets" for the years ended 31 December 2024 and 2023:

(In euros)	Right-of-use assets
Historical cost at 31 December 2023	**31,092**
Increases	
Decreases	
Historical cost at 31 December 2024	**31,092**
Accumulated amortisation/depreciation as at 31 December 2023	**(16,663)**
Depreciation/Amortisation	(2,348)
Disposals	
Accumulated amortisation/depreciation as at 31 December 2024	**(19,011)**
Net carrying amount at 31 December 2023	**14,429**
Net carrying amount at 31 December 2024	**12,081**

(In thousands of euros)	Right-of-use assets
Historical cost at 30 December 2022	**31,092**
Increases	
Decreases	
Historical cost at 30 December 2023	**31,092**
Accumulated amortisation/depreciation as at 30 December 2022	**(14,285)**
Depreciation/Amortisation	(2,378)
Disposals	
Accumulated amortisation/depreciation as at 30 December 2023	**(16,663)**
Net carrying amount at 31 December 2022	**16,807**
Net carrying amount at 31 December 2023	**14,429**

At 31 December 2024, the Company found no indicators of long-term impairment for right-of-use assets.

The following table shows the undiscounted contractual values of the Company's lease liabilities as at 31 December 2024 and 2023:

	At 31 December 2024					
(In thousands of euros)	less than 1 year	between 1 and 2 years	between 3 and 5 years	over 5 years	Contract value	Book value
Lease liabilities	2,605	3,279	4,765		**10,649**	**10,649**

	At 31 December 2023					
(In thousands of euros)	less than 1 year	between 1 and 2 years	between 3 and 5 years	over 5 years	Contract value	Book value
Lease liabilities	2,513	2,611	8,064	1,095	**14,283**	**13,667**

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

The main information relating to the lease agreements held by the Company, which acts mainly as a lessee, is shown in the following table:

(In thousands of euros)	**At 31 December 2024**
Net book value of right-of-use assets (real estate)	11,896
Net book value of right-of-use assets (machinery)	185
Total net book value of right-of-use assets	**12,081**
Current lease liabilities	2,605
Non-current lease liabilities	8,041
Total lease liabilities	**10,650**
Depreciation of right-of-use assets (real estate)	(2,149)
Depreciation of right-of-use assets (machinery)	(185)
Depreciation of right-of-use assets (motor vehicles)	(14)
Total depreciation of right-of-use assets	**(2,348)**
Interest expense on leases	**120**

Real estate right-of-use assets relate mainly to the production plants in Sansepolcro (AR), Ozzano Taro (PR) and Eboli (SA), as well as the plants of Bologna and Corte de' Frati (CR), leased to Newlat under the agreements entered into with the related party New Property. These leases fall within the scope of related party transactions; please see the relevant section of the Separate Financial Statements.

The term of the lease of the aforementioned properties has been set at six years, based on the withdrawal options provided for in the contracts themselves and on managerial assessments. The rental contracts stipulated between the parties have the same structure, namely: (i) a term of six years automatically extendable for a further six years, with any subsequent tacit renewals every six years, and (ii) the early termination options exercisable by the lessor upon renewal and by the lessee, which may withdraw at any time and without cause, with six months' notice.

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

8.3 Intangible assets

The table below shows a breakdown of and changes in the item "Intangible assets" for the years ended 31 December 2024 and 2023:

(In thousands of euros)	Goodwill	Patents and intellectual property rights	Concessions, licences, trademarks and similar rights	Other assets	Assets under development	Total
Historical cost at 31 December 2023	**9,376**	**11,113**	**43,891**	**2,666**	**13**	**67,059**
Investments		49	71	1,198	4	**1,322**
Historical cost at 31 December 2024	**9,376**	**11,162**	**43,962**	**3,864**	**17**	**68,381**
Accumulated amortisation/depreciation as at 31 December 2023	**(5,512)**	**(9,748)**	**(43,891)**	**(2,666)**	**-**	**(61,817)**
Depreciation/Amortisation		(228)				**(228)**
Accumulated amortisation/depreciation as at 31 December 2024	**(5,512)**	**(9,976)**	**(43,891)**	**(2,666)**	**-**	**(62,045)**
Net carrying amount at 31 December 2023	**3,864**	**1,365**	**-**	**-**	**13**	**5,242**
Net carrying amount at 31 December 2024	**3,864**	**1,186**	**71**	**1,198**	**17**	**6,336**

(In thousands of euros)	Goodwill	Patents and intellectual property rights	Concessions, licences, trademarks and similar rights	Other assets	Assets under development	Total
Historical cost at 31 December 2022	**9,376**	**20,366**	**43,891**	**2,666**	**125**	**76,424**
Investments		622			13	**635**
Disposals		(10,000)				**(10,000)**
Reclassifications		125			(125)	**-**
Historical cost at 31 December 2023	**9,376**	**11,113**	**43,891**	**2,666**	**13**	**67,059**
Accumulated amortisation/depreciation as at 31 December 2022	**(5,512)**	**(19,424)**	**(43,891)**	**(2,666)**	**-**	**(71,493)**
Depreciation/Amortisation		(324)				**(324)**
Disposals		10,000				**10,000**
Accumulated amortisation/depreciation as at 31 December 2023	**(5,512)**	**(9,748)**	**(43,891)**	**(2,666)**	**-**	**(61,817)**
Net carrying amount at 31 December 2022	**3,864**	**942**	**-**	**-**	**125**	**4,931**
Net carrying amount at 31 December 2023	**3,864**	**1,365**	**-**	**-**	**13**	**5,242**

Investments in intangible assets for the year ended 31 December 2024 amounted to Euro 1,322 thousand and were mainly attributable to the purchase of software. For more information on investments, please refer to the specific chapter "Investments".

There were no indicators of long-term impairment for intangible assets for the year ended 31 December 2024.

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

Goodwill

The goodwill refers to the acquisition of Centrale del Latte di Salerno S.p.A. merged by incorporation into Newlat Food S.p.A. from 2019, which represents a cash generating unit (CGU). This amount of Euro 3,863 thousand reflects the difference between the purchase price and the equity of Centrale del Latte di Salerno on the acquisition date in December 2014.

The value of goodwill was subjected to impairment testing, with the help of an independent third-party professional.

The 2025-2027 economic and financial was used for the impairment test as at 31 December 2024. The Board of Directors approved this *impairment test*, as well as the flows represented therein, on 17 March 2025.

For the purposes of estimating the value in use of the CGUs to which goodwill was allocated:

(ii) the following sources of information have been used:

a) internal sources: IAS 36 requires that the estimate of value in use be based on senior management's most up-to-date results flows forecasts. For the goodwill impairment test a three-year 2025-2027 plan was used. The Company's Board of Directors approved this test, as well as the flows represented therein, on 17 March 2025.

b) external sources: for the goodwill impairment test, external sources of information were used for the purposes of calculating the cost of capital set out below. All information for calculating the cost of capital is from an external source. The estimated calculation of the weighted average cost of capital was based on:

- the CAPM to estimate the cost of equity;

- the WACC (Modigliani-Miller) formula for estimating the weighted average cost of capital (after tax).

The recoverable amount is the value in use determined by discounting the CGUs' forecast data represented by the Centrale del Latte di Salerno division ("DCF Method"). The key assumptions used by management to determine the forecast data of the CGU are estimates of growth of revenues, EBITDA, operating cash flows, the growth rate of the terminal value and the weighted average cost of capital (discount rate), taking into account past profits/losses and future expectations.

Furthermore, a linear marginality was assumed over the plan periods on the basis of what occurred in the previous two financial years.

The terminal value of the CGU was determined using the perpetual yield criterion of the CGU's normalised cash flow, with reference to the latest forecast period considered, assuming a growth rate and a discount rate ("WACC", which represents the weighted average between the cost of equity and the cost of debt, after tax), as represented below:

	Goodwill former CLS	
(Percentage)	**Growth rate**	**WACC**
At 31 December 2024	1%	7.09%
At 31 December 2023	1%	8.81%

The cost of capital was calculated considering the Group's financial structure corresponding to 74.5% equity and 25.5% cost of debt, the same considered as aligned with that of a market participant. The post-tax WACCs determined correspond to pre-tax discount rates of 9.75%.

In both years, EBITDA and turnover development levels are actually expected to increase slightly compared to historical levels.

The results of the impairment tests carried out show that the estimated recoverable value exceeds its book value by more than 16 million euros.

Sensitivity analyses were also carried out to verify the effects on the impairment test results of a ±0.5% and ±0.25% change respectively in the WACC and growth rate, both parameters deemed to be significant. In particular, assuming no other changes, individual changes in the main parameters used for the test in question do not result in the recoverable value of the CGU being less than the relative book value.

Industrial patents and rights to use intellectual property

This item consists almost exclusively of software costs.

Concessions, licences, trademarks and similar rights

The following table shows a breakdown of "Concessions, licences, trademarks and similar rights" as at 31 December 2024:

(In thousands of euros)	At 31 December	
	2024	**2023**
Trademarks with a finite useful life	535	535
Total net book value	**535**	**535**

Trademarks with a finite useful life

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

8.4 Equity investments in subsidiaries

This item consists of:

- The purchase value of all shares in Newlat GmbH on 29 October 2019 from the parent company Newlat Group S.A. The final fee paid to Newlat Group amounted to Euro 68,525 thousand.
- The purchase value of Centrale del Latte d'Italia for Euro 25,405 thousand.
- The purchase value of Symington's for Euro 63,914 thousand.
- The purchase value of Em Foods Sas for Euro 5,465 thousand. The original purchase cost of Euro 1,000 thousand was increased by the partial waiver of loans granted during the year in the amount of Euro 3,300 thousand and the price adjustment in the amount of Euro 2,165 thousand.
- The purchase value of all the shares of Princes Limited on 31 July 2025 equal to GBP 1 and Euro 1,023 thousand, including ancillary costs.

The book value of the equity investment is significantly higher than the shareholders' equity of Newlat GmbH.

In line with the requirements of international accounting standards, an impairment test was carried out to ascertain whether the carrying value of the investment had been impaired. The impairment test, approved by the Board of Directors on 17 March 2025, was prepared with the support of an independent professional, comparing the book value of the equity investment with the recoverable value of the related cash generating unit (CGU).

The recoverable amount is the value in use, determined by discounting the CGU's forecast data ("DCF Method") in the unlevered version for the three years after the reporting date. The key assumptions used by management to determine the forecast data of the CGU are estimates of growth of revenues, EBITDA, operating cash flows, the growth rate of the terminal value and the weighted average cost of capital (discount rate), taking into account past profits/losses and future expectations.

The reasonableness of the margins in the explicit forecast period was also verified and deemed to be equal to that recorded in 2024.

The terminal value of the CGU was determined using the perpetual yield criterion of the CGU's normalised cash flow, with reference to the latest forecast period considered, assuming a growth rate and a discount rate (WACC, which represents the weighted average between the cost of equity and the cost of debt, after tax), as represented below:

(Percentage)	At 31 December 2024	At 31 December 2023
Growth rate	**1.00%**	**1.00%**
WACC	**5.88%**	**7.02%**

For the purposes of estimating the value in use of the CGU, the following sources of information were used:

- internal sources the estimate of value in use is based on senior management's most up-to-date results flows forecasts. For the equity investment impairment test as at 31 December 2024 the 2025-2027 economic and financial plan approved by the Board of Directors on 17 March 2025 was used. The Company's Board of Directors approved this test, as well as the flows represented therein, on 17 March 2025. For the purpose of impairment testing the equity investment as at 31 December 2024, a higher margin than what was recorded in 2024 was considered in view of the Company's historical performance and the exceptional events that characterised the financial year.
- external sources: for the impairment test, external sources of information were used for the purposes of calculating the cost of capital set out below. All information for calculating the cost of capital is from an external source. The estimated calculation of the weighted average cost of capital was based on:

  - the CAPM to estimate *the cost of equity*;

  - the WACC (Modigliani-Miller) formula for estimating the weighted average cost of capital (after tax).

  The cost of capital was calculated considering the Group's current financial structure corresponding to 74.5% equity and 25.5% cost of debt.
- the following main basic assumptions were also used:

  a) Average annual revenue increase of 3.5% per annum from 2025 to 2027.

  b) Average EBITDA margin in the forecast years of 6.33%.

The results of the impairment tests carried out show that the estimated recoverable value for the CGU exceeds its book value by more than Euro 34 million. The value in use was calculated on the basis of a weighted average cost of capital (WACC) equal to 5.88% and a terminal cash flow growth rate (g) of 1.0%. Sensitivity analyses were also carried out to verify the effects on the *impairment test* results of a ±0.5% and ±0.25% change respectively in the WACC and growth rate, both parameters deemed to be significant. In particular, assuming no other changes, individual changes in the main parameters used for the test in question do not result in the recoverable value of the CGU being less than the relative book value.

No impairment test was performed on the investment held in Centrale del Latte d'Italia in view of the excellent results of the investee company. Furthermore, the impairment test on the brands of the Centrale del Latte prepared at consolidated level is based on the calculation of the value in use of the CGU of Centrale del Latte d'Italia before the milk&dairy transaction and compared with the relative CIN of the CGU subject to verification. The value in use is determined using the discounted cash flow (DCF) method, based on a discount rate and an explicit 3-year forecast period based on the Plan approved by the Board of Directors of Centrale del Latte d'Italia SpA on 17 March 2025. The value of the CGU thus determined is higher than the carrying value of the investment recorded in the separate financial statements of Newlat Food S.p.A.

No impairment test was performed on the investment held in Symington's Limited in view of the excellent results of the Company. Furthermore, the impairment test on the goodwill arising from the acquisition of the

Company prepared at the consolidated level is based on the calculation of the value in use of the CGU of Symington's Limited and compared to the relative CIN of the CGU being tested. The value in use is determined using the discounted cash flow (DCF) method, based on a discount rate and an explicit 3-year forecast period based on the Plan approved by the Board of Directors of Newlat on 17 March 2025. The value of the CGU thus determined is higher than the carrying value of the investment recorded in the separate financial statements of Newlat Food S.p.A.

No impairment test was performed on the equity investment held in EM Foods Sas.

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

At 31 December 2024 and 2023, non-current financial assets measured at fair value through profit or loss amounted to Euro 74 thousand. These balances, which are not material, relate to smaller corporate capital instruments.

8.6 Financial assets measured at amortised cost

At 31 December 2024 and 2023, financial assets at amortised cost amounted to Euro 416,866 thousand and Euro 617 thousand respectively. These balances mainly refer to the medium/long-term portion of the loan to the subsidiary Princes Limited in the amount of Euro 416,246 disbursed following the acquisition of the Group from Mitsubishi and necessary to repay the old loan held by the English company and for security deposits paid against existing lease contracts.

8.7 Prepaid tax assets and deferred tax liabilities

The following table shows a breakdown of "Prepaid tax assets" as at 31 December 2024 and 2023:

(In thousands of euros)	At 31 December	
	2024	**2023**
Provisions	1,799	1,847
Leases	-	(278)
Other	122	153
Gross prepaid tax assets	**1,921**	**1,722**
Offsetting with deferred tax liabilities	-	-
Total prepaid tax assets	**1,921**	**1,722**

Prepaid tax assets are recognised where it is probable that future taxable income will be realised against which they can be used.

The following table displays a breakdown of and changes in the gross value of prepaid tax assets for the years ending 31 December 2024 and 2023:

Prepaid tax assets arise from the temporary differences between the value attributed to an asset or liability in the financial statements and the value attributed to that asset or liability for tax purposes.

(In thousands of euros)	**Provisions**	**Leases**	**Other**	**Total prepaid tax assets**
Balance at 31 December 2023	**1,847**	**(278)**	**153**	**1,722**
Provisions (releases) to income statement	(48)	278	16	246
Provisions (releases) to statement of other comprehensive income			(47)	(47)
Balance at 31 December 2024	**1,799**	**-**	**122**	**1,921**

8.8 Inventories

The following table shows a breakdown of "Inventories" as at 31 December 2024 and 2023:

(In thousands of euros)	At 31 December	
	2023	**2023**
Raw materials, supplies, consumables and spare parts	13,992	14,673
Finished products and goods	14,643	11,000
Total gross inventories	**28,635**	**25,673**
Inventory write-down reserve	(946)	(946)
Total inventories	**27,690**	**24,728**

Inventories are recorded net of the obsolescence reserve, which amounted to Euro 946 thousand at 31 December 2024 and related mainly to spare parts for slow-moving machinery.

8.9 Trade receivables

The following table shows a breakdown of "Trade receivables" as at 31 December 2024 and 2023:

(In thousands of euros)	At 31 December	
	2024	**2023**
Trade receivables from customers	52,926	49,929
Trade receivables from related parties	18,984	49,568
Trade receivables (gross)	**71,910**	**99,497**
Provision for doubtful trade receivables	**(17,214)**	**(17,037)**
Total trade receivables	**54,697**	**82,461**

The following table displays the changes in the provision for doubtful trade receivable for the year ended 31 December 2024:

(In euros)	**Provision for doubtful trade receivables**
Balance at 31 December 2023	**(17,039)**
Provisions	(177)
Balance at 31 December 2024	**(17,214)**

The net value of overdue trade receivables at 31 December 2024 amounted to Euro 37,964 thousand.

Analysis of the credit risk, including details of the provisioning for doubtful receivables for the individual bands of overdueness, can be found in the section "Management of Financial Risks" above.

Analysis of trade receivables from related parties can be found in the section "Transactions with Related Parties" below.

The book value of trade receivables is deemed to approximate their fair value.

8.10 Current tax assets and liabilities

Current tax assets amounted to Euro 1,116 thousand and Euro 1,138 thousand at 31 December 2024 and 2023, respectively.

Current tax liabilities totalled Euro 4,177 thousand at 31 December 2024 and Euro 1,817 thousand at 31 December 2023.

The changes in the net balances of the assets and liabilities under review for the year ended 31 December 2024 mainly concern the setting aside of current income taxes amounting to Euro 2,360 thousand and payments amounting to Euro 1,769 thousand.

8.11 Other receivables and current assets

The following table shows a breakdown of "Other receivables and current assets" as at 31 December 2024 and 2023:

(In thousands of euros)	At 31 December	
	2024	**2023**
Tax assets	5,658	3,870
Receivables from social security institutions	1,979	1,340
Accrued income and prepaid expenses	1,413	330
Advance payments	1,610	589
Other receivables	4,172	3,966
Total other receivables and current assets	**14,832**	**10,095**

Receivables from social security institutions at 31 December 2024 and 2023 mainly refer to receivables from INAIL, amounting to Euro 1,979 thousand and Euro 1,340 thousand respectively.

Payments on account at 31 December 2024 and 2023 mainly refer to down payments for supplies.

Tax credits as of 31 December 2024 mainly include tax receivables for Euro 174 thousand, VAT credits amounting to Euro 2,436 thousand and for tax consolidation amounting to Euro 3,048 thousand.

8.12 Current financial assets measured at fair value through profit or loss

The following table provides a breakdown of "Current financial assets measured at fair value through profit or loss" at 31 December 2024 and 2023:

(In thousands of euros)	At 31 December	
	2024	**2023**
Listed bonds	4	4
Total current financial assets measured at fair value through profit or loss	**4**	**4**

This item includes securities held for sale.

8.13 Financial receivables measured at amortised cost

Financial receivables measured at amortised cost amounting to Euro 326,591 thousand refer to:

- Financial receivables from the related party New Property in the amount of Euro 9,574.
- Cash pooling transactions with the parent company Newlat Group amounting to Euro 183,331 thousand reclassified with respect to the previous year due to the overall management of the Group's liquidity as a result of the recent acquisition of the Princes Limited Group and related transactions (shareholders' loan outstanding at 31 December 2024).
- Cash pooling transactions with the subsidiaries Centrale del Latte d'Italia, Newlat Gmbh, Princes France Sas, Princes Limited and Princes Italia SpA for a total of Euro 50,876 thousand reclassified with respect to the previous year due to the overall management of the Group's liquidity following the recent acquisition of the Princes Limited Group and related transactions (shareholders' loan outstanding at 31 December 2024).

- Financial receivables from the Newlat Group in the amount of Euro 11,222 thousand for the sale of treasury shares during the year.
- Short-term portion of the loan granted to Princes Limited in the amount of €70,386 thousand.
- Financial receivables from the subsidiary Princes France Sas for a total amount of Euro 1,200 thousand.

8.14 Cash and cash equivalents

The following table shows a breakdown of "Cash and cash equivalents" at 31 December 2024 and 2023:

(In thousands of euros)	At 31 December	
	2024	**2023**
Bank and postal deposits	158,523	270,669
Cash in hand	5	5
Total cash and cash equivalents	**158,528**	**270,674**

Bank and postal deposits refer mainly to cash and cash equivalents deposited in current accounts held with leading banking and financial institutions.

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

Please see the statement of cash flows for changes in the "Cash and cash equivalents" item during the periods under review.

8.15 Shareholders' equity

At 31 December 2024 the item Shareholders' Equity totalled Euro 173,677 thousand. The statement of changes in equity is shown in the relevant section.

The changes that affected shareholders' equity for the year ended 31 December 2024 related to the following:

- The recognition of the net profit for the year, in the amount of Euro 2,186 thousand.
- Actuarial gain of Euro 112 thousand relating to the discounting of the employee severance indemnity provision.
- Net sales of treasury shares for Euro 13,683 thousand.

Share capital

As at 31 December 2024, 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.

Legal reserve

At 31 December 2024, the legal reserve totalled Euro 3,356 thousand.

Reserves

Please refer to the statement of changes in equity for a breakdown of and changes in reserves in 2024, of which the possibility of use is shown in this statement, with reference to 31 December 2024.

Nature/ description	Amount	Possible use	Quota available
Share capital	43,935,050	B	
Capital reserves:			
Reserve L.413/91	1,314,285	A, B	1,314,285
FTA reserve	6,937,413	B	6,937,413
IAS reserve	240,407		240,407
Costs to Shareholders' Equity	(4,224,615)		(4,224,615)
Share premium reserve	81,257,656	A,B,C	81,257,656
Other non-distributable reserves	123,110	A, B	123,110
Treasury shares	(1,569,710)		(1,569,710)
Profit reserves:			
Legal reserve	3,356,008	B	3,356,008
Extraordinary reserve	36,697,162	A,B,C	36,697,162
Other reserves	3,424,742	A,B,C	3,424,742
Total			127,556,458
Non-distributable portion			11,848,113
Residual distributable portion			115,708,345

Notes

A Available for capital increases

B Available to cover any losses

C Distributable to shareholders

8.16 Provisions for employee benefits

The table below shows a breakdown of and changes in the item "Provisions for employee benefits" for the years 31 December 2024 and 2023:

(In thousands of euros)	**Employee benefits**
Balance at 31 December 2022	**4,627**
Current service cost	
Financial expenses	165
Actuarial losses/(gains)	84
Benefits paid	(337)
Balance at 31 December 2023	**4,539**
Current service cost	
Financial expenses	137
Actuarial losses/(gains)	(155)
Benefits paid	(357)
Balance at 31 December 2024	**4,165**

Provisions for employee benefits represent the estimated obligation, determined on the basis of actuarial techniques, relating to the amount to be paid to employees when their employment with the company ends.

Employee severance indemnity (TFR)

The debt for Newlat's employee severance indemnity, which falls within the IAS 19 definition of defined benefit plans, was determined according to actuarial logic. The following are the main actuarial, financial and demographic assumptions used to determine the value of the liability at 31 December 2024 and 2023, in accordance with the provisions of IAS 19:

	At 31 December	
	2024	**2023**
Financial assumptions		
Discount rate	3.29%	3.15%
Inflation rate	2.00%	2.25%
Annual rate of salary increase	2.00%	2.25%
Demographic assumptions		
Death	SIM/SIF2002 ISTAT table	SIM/SIF2002 ISTAT table
Retirement	Achievement of the first pensionable requirement according to current legislation	Achievement of the first pensionable requirement according to current legislation

The following table summarises the main assumptions relating to the annual turnover rate and requests for severance pay advances adopted for the calculation of Newlat's provisions for employee benefits, in accordance with the provisions of IAS 19:

	At 31 December	
	2024	**2023**
Annual turnover rate and TFR Advances	**Newlat Food**	**Newlat Food**
Frequency of advances	1.10%	1.10%
Turnover rate	2.60%	2.50%

The following table summarises the sensitivity analysis for each actuarial, financial and demographic assumption, showing the effects (in absolute terms) that would have occurred as a result of changes to the reasonably possible actuarial assumptions on 31 December 2024 and 2023:

(In thousands of euros)	**Discount rate**		**Inflation rate**		**Change in retirement age**	
	+0.50 %	**- 0.50%**	**+0.50%**	**-0.50%**	**+ 1 year**	**- 1 year**
Employee benefits (severance indemnities) at 31 December 2024	(207)	207	139	(139)	18	(18)
Employee benefits (severance indemnities) at 31 December 2023	(255)	254	154	(154)	12	(12)

8.17 Provisions for risks and charges

The table below shows a breakdown of and changes in the item "Provisions for risks and charges" for the year ended 31 December 2024:

(In thousands of euros)	**Provision for agents' indemnities**	**Provision for legal risks**	**Other provisions for risks and charges**	**Total provisions for risks and charges**
Balance at 31 December 2023	**122**	**69**	**78**	**268**
Provisions	9	-	-	9
Releases	-	-	-	-
Balance at 31 December 2023	**131**	**69**	**78**	**277**

The provision for agents' indemnities represents a reasonable forecast of the charges that would be borne by the Company in the event of future interruption of agency relationships.

8.18 Current and non-current financial liabilities

The following table shows a breakdown of "Current and non-current financial liabilities" as at 31 December 2024 and 2023:

(In thousands of euros)	At 31 December 2024		At 31 December 2023	
	Current portion	Non-current portion	Current portion	Non-current portion
Total financial liabilities	**164,540**	**548,130**	**92,987**	**246,812**

In terms of absolute value, the main loans include:

- A bond loan listed on the Irish market maturing in 2027 (interest rate 2.625%) in the amount of Euro 199,231 thousand entirely classified as long-term.
- A loan of Euro 300 million that was provided by a pool of leading banks to partially finance the acquisition of the Princes Group (variable rate based on the group's level of indebtedness, the initial rate being EURIBOR plus 300 basis points). This loan has contractually defined repayment dates on a half-yearly basis from June 2025 until 2029. Thus, 36 million are included as a current share and the remainder as a non-current share. As detailed in the events that followed, this loan was fully repaid during the first months of 2025.
- A loan of Euro 70 million issued in January 2024 and guaranteed by SACE with quarterly repayments starting in 2025 (rate equal to EURIBOR plus 90 basis points).

The residual component includes a number of smaller medium- and long-term unsecured loans. The current portion includes, in addition to the portions payable in the financial year 2024 of medium- and long-term debt, advance accounts and other working capital financing.

Some loan contracts require compliance with financial parameters. At 31 December 2024 the parameters indicated above were met.

Finally, the short-term financial liabilities also include exchange rate derivatives for Euro 11 million on intercompany loans, the change in fair value of which was recognised in the income statement.

The following table shows the Net Financial Position, according to the classification scheme indicated in the Consob Communication:

(In thousands of euros)	At 31 December	
Net financial debt	**2024**	**2023**
A. Cash and cash equivalents	158,528	92,566
B. Cash equivalents	-	178,108
C. Other current financial assets	326,590	12,579
D Cash and cash equivalents (A)+(B)+(C)	**485,122**	**283,253**
E. Current financial payables	(130,789)	(66,496)
F. Current portion of non-current financial debt	(36,356)	(29,004)
G. Current financial indebtedness (E)+(F)	**(167,145)**	**(95,500)**
H. Net current financial indebtedness (G)+(D)	**317,977**	**187,753**
I. Non-current financial payables	(356,869)	(58,953)
J. Debt instruments	(199,304)	(199,013)
K. Trade and other non-current payables	(206,100)	
L. Non-current financial indebtedness (I)+(J)+(K)	**(762,273)**	**(257,966)**
M. Net financial indebtedness (H)+(L)	**(444,295)**	**(70,212)**

Without considering the effects of IFRS 16, the net financial position would be determined as follows:

(In thousands of euros)	At 31 December	
	2024	**2023**
Net financial debt	**(444,295)**	**(70,212)**
Current lease liabilities	2,605	2,513
Non-current lease liabilities	8,043	11,154
Net Financial Position	**(433,647)**	**(56,545)**

The following table shows, in accordance with IAS 7, changes in financial liabilities arising from cash flows generated and/or absorbed by financing activities, as well as from non-monetary items:

(In thousands of euros)	**At 31 December 2023**	**New loans**	**Repayments**	**Change in FV of derivatives**	**Difference exchange and unpaid int**	**Reclassifications**	**At 31 December 2024**
Financial liabilities non-current	246,812	320,000	-	-	-	(18,682)	548,130
Current financial liabilities	92,987	83,742	(46,781)	11,192	4,718	18,682	164,540
Total financial liabilities	**339,799**	**403,742**	**(46,781)**	**11,192**	**4,718**	**-**	**712,670**
Shareholder loan	-	200,000	-	-	6,100	-	206,100
Total	**339,799**	**603,742**	**(46,781)**	**11,192**	**10,818**	**-**	**918,770**

Concerning lease liabilities, the change in the year relates to repayments of Euro 3 million. No new lease contracts were entered into during the year.

8.19 Shareholder Loan

This item includes a shareholders' loan granted by the parent company Newlat Group for a total amount of Euro 200 million (and related interest) as part of the transaction for the acquisition of the Princes Group. This loan, which was also approved by the Related Parties Committee, matures in 2030 and was taken out at the same terms and rates obtained for the Euro 300 million bank loan referred to in the “Financial liabilities” note.

8.20 Trade payables

The following table shows a breakdown of "Trade payables" as at 31 December 2024 and 2023:

(In thousands of euros)	At 31 December	
	2024	**2023**
Trade payables to suppliers	66,056	60,102
Trade payables to related parties	9,793	7,680
Total trade payables	**75,849**	**67,782**

This item mainly includes payables relating to the Company's normal production activities.

Analysis of trade payables to related parties can be found in the section "Transactions with Related Parties" below of the Separate Financial Statements.

The book value of trade payables is deemed to approximate their fair value.

8.21 Other current liabilities

The following table shows a breakdown of "Other current liabilities" as at 31 December 2024 and 2023:

(In thousands of euros)	At 31 December	
	2024	**2023**
Payables to employees	6,945	6,384
Payables to social security institutions	3,255	2,480
Tax liabilities	2,265	1,513
Accrued expenses and deferred income	2,727	1,860
Miscellaneous payables	6,106	10,078
Total other current liabilities	**21,489**	**22,506**

Payables to employees relate to salaries to be settled and deferred charges such as holidays, leave and additional monthly payments.

Payables to social security institutions mainly refer to liabilities with the INPS and other social security institutions for the payment of contributions.

Tax payables at 31 December 2024 mainly include payables to the Treasury for withholding taxes, amounting to Euro 2,046 thousand.

9. NOTES TO THE SEPARATE INCOME STATEMENT

9.1 Revenue from contracts with customers

The following table displays a breakdown of "Revenue from Contracts with Customers" by operating segment:

(In thousands of euros)	Year ended 31 December	
	2024	**2023**
Pasta	132,973	148,380
Bakery Products	45,177	50,327
Special Products	18,540	33,947
Total revenue from contracts with customers	**201,769**	**232,653**

The following table displays a breakdown of "Revenue from Contracts with Customers" by distribution channel:

(In thousands of euros)	Year ended 31 December	
	2024	**2023**
Mass Distribution	110,904	130,475
B2B partners	46,676	53,773
Normal trade	6,999	7,142
Private labels	36,214	40,238
Food services	976	1,025
Total revenue from contracts with customers	**201,769**	**232,653**

The following table displays "Revenue from Contracts with Customers" by geographical area:

(In thousands of euros)	Year ended 31 December	
	2024	**2023**
Italy	78,897	93,310
Germany	51,641	62,824
United Kingdom	12,314	12,962
Other countries	58,916	63,556
Total revenue from contracts with customers	**201,769**	**232,653**

Sectoral information is given in the previous section of the Separate Financial Statements.

Revenue from contracts with customers for the year ended 31 December 2024 is almost exclusively related to the sale of goods. Revenues associated with such sales of goods are recognised when control of the asset is transferred to the customer.

9.2 Operating costs

The table below shows details of the operating costs broken down according to their use:

(In thousands of euros)	Year ended 31 December	
	2024	**2023**
Cost of sales	(168,048)	(197,497)
Sales and distribution costs	(17,682)	(17,160)
Administrative costs	(8,040)	(10,591)
Total operating costs	**(193,770)**	**(225,248)**

The table below shows details of the same operating costs broken down according to their nature:

(In thousands of euros)	Year ended 31 December	
	2024	**2023**
Raw materials and finished products	77,659	105,366
Personnel costs	43,010	40,492
Packaging	18,908	21,351
Transport	12,029	12,197
Utilities	14,169	13,631
Depreciation/Amortisation	6,793	11,141
Sales commissions	455	472
Porterage and logistics	3,699	3,375
Surveillance and cleaning	1,997	1,688
Maintenance and repair	3,481	2,810
Cost for use of third-party assets	3,688	3,317
Advertising and promotions	1,334	1,153
Consultancy and professional services	868	2,706
Insurance	725	635
Laboratory analysis and testing	963	852
Production plant services	220	434
Remuneration of the chair and directors	353	353
External auditor's fees	243	248
Statutory auditors' fees	16	16
Other minor costs	3,160	3,011
Total operating costs	**193,770**	**225,248**

9.3 Net write-downs of financial assets

The item "Net write-downs of financial assets", amounting to Euro 177 thousand for the year ended 31 December 2024, refers to the write-down of trade receivables. A breakdown of changes to the provision for bad debts for the year ended 31 December 2024 can be found in Note 8.9 "Trade receivables" above of the Separate Financial Statements.

9.4 Other revenues and income

The following table provides a breakdown of "Other revenues and income":

(In thousands of euros)	Year ended 31 December	
	2024	**2023**
Repayments and compensation	517	870
Leases receivable	4,190	3,971
Other revenues from the Ozzano plant	184	1,824
Capital gains from disposals	12	1
Other	3,040	2,191
Total other revenue and income	**7,944**	**8,858**

9.5 Other operating costs

The following table shows a breakdown of "Other operating costs":

(In thousands of euros)	Year ended 31 December	
	2024	**2023**
Stamps, duties and local taxes	441	362
Corporate canteen	156	148
Benefits and membership fees	15	20
Other	940	1,332
Total other operating costs	**1,552**	**1,862**

9.6 Financial income and expenses

The following table provides a breakdown of "Financial income":

(In thousands of euros)	Year ended 31 December	
	2024	**2023**
Interest income from cash pooling	3,864	2,530
Net foreign exchange gains	719	230
Other financial income	23,651	5,473
Total financial income	**28,234**	**8,233**

Other financial income mainly includes interest income from Group cash management and the loan granted to Princes Limited as part of the acquisition transaction.

The following table provides a breakdown of "Financial expenses":

(In thousands of euros)	Year ended 31 December	
	2024	**2023**
Interest on loans	22,316	4,376
Interest expense on lease liabilities	512	615
Cash pooling interest expenses and charges	1,683	485
Fees and commissions	6,973	402
Exchange rate differences	343	197
Net interest expense on provisions for employee benefits	137	165
Other financial expenses	711	2,610
Bond interest	5,542	5,532
Impairment of securities	0	425
Total financial expenses	**38,218**	**14,807**

9.7 Income taxes

The following table provides a breakdown of "Income taxes":

(In thousands of euros)	Year ended 31 December	
	2024	**2023**
Current taxes	2,002	814
Prior-year taxes	286	
Provision for litigation	-	
Current taxes to equity		
Total current taxes	**2,288**	**814**
Decrease (increase) in prepaid taxes	(230)	650
Increase (decrease) in deferred taxes	(13)	164
Total deferred taxes	**(243)**	**814**
Total income taxes	**2,044**	**1,627**

The following table displays a reconciliation of the theoretical tax rate with the effective impact on the pre-tax result:

(In thousands of euros)	Year ended 31 December	
	2024	**2023**
Profit/(loss) before taxes	**4,230**	**7,379**
Theoretical rate	27.9%	27.9%
Theoretical tax charge	**1,180**	**2,059**
Adjustments		
Tax rate differences and permanent differences	864	(432)
Income taxes	**2,044**	**1,627**

9.8 Net profit/(loss) per share

The table below shows the net profit/loss per share, calculated as the ratio of net income to the weighted average number of ordinary shares in circulation during the period:

(In euros)	At 31 December	
	2024	**2023**
Profit for the year in thousands of euros	2,185,855	5,752,301
Weighted average number of shares in circulation	43,797,987	41,292,222
Earnings per share (in Euro)	**0.05**	**0.14**

Since potential outstanding options have an anti-dilutive effect, diluted earnings per share have been shown equal to earnings per share.

TRANSACTIONS WITH RELATED PARTIES

The Company'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 were 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 Company deals with the following related parties:

- Newlat Group, a direct parent company.
- Centrale del Latte d'Italia S.p.A., and Newlat Gmbh, Symington's Ltd, EM Foods SA and Princes Limited direct subsidiaries.
- Princes Italia SpA, an indirect subsidiary.
- Companies controlled by the direct parent or indirect parent companies other than its own subsidiaries and associates ("**Companies controlled by the parent companies**").

The following table provides a detailed breakdown of the statement of financial position items relating to the Company's transactions with related parties at 31 December 2024 and 2023:

(In thousands of euros)	Parent company	Subsidiaries						Companies controlled by the parent companies		Total	Total statement of financial position items	% of statement of financial position item
	Newlat Group	Princes Italia SpA	Princes Limited	Em Foods Sas	Symington's Limited	Newlat GmbH	Centrale del Latte d'Italia S.p.A.	New Property	Other companies controlled by the parent companies			
Right-of-use assets												
At 31 December 2024								8,611		8,611	12,081	71.3%
At 31 December 2023								10,576		10,576	14,429	73.3%
Non-current financial assets at amortised cost												
At 31 December 2024			416,246					552		416,798	416,866	100.0%
At 31 December 2023								552		552	617	89.5%
Trade receivables												
At 31 December 2024	5,258		390	417	155	10,218	2,546			18,984	54,696	34.7%
At 31 December 2023	2,294			163	150	25,873	21,088			49,568	82,460	60.1%
Other receivables and current assets												
At 31 December 2024							3,886			3,886	14,832	26.2%
At 31 December 2023							1,185			1,185	10,095	11.7%
Financial assets measured at amortised cost												
At 31 December 2024	194,553	5,147	79,687	2,168		19,220	16,239	9,575		326,589	326,589	100.0%
At 31 December 2023				2,500				10,075		12,575	12,575	100.0%
Cash and cash equivalents												
At 31 December 2024												
At 31 December 2023	48,617					9,157	5,334			63,108	270,674	23.3%
Non-current lease liabilities												
At 31 December 2024								6,760		6,760	8,043	84.0%
At 31 December 2023								9,179		9,179	11,154	82.3%
Shareholder loans												
At 31 December 2024	206,100									206,100	206,100	100.0%
Trade payables												
At 31 December 2024	400	19			156	58	7,412	1,622	126	9,793	75,849	12.9%
At 31 December 2023	40				167	7	6,877	520	69	7,680	67,781	11.3%
Current financial liabilities												
At 31 December 2024	(7)		9,924				51,265			61,182	164,540	37.2%
At 31 December 2023	981					16,742	29,327			47,050	92,987	50.6%
Current lease liabilities												
At 31 December 2024								1,919		1,919	2,605	73.7%
At 31 December 2023								1,846		1,846	2,513	73.5%
Other current liabilities												
At 31 December 2024							5,431	73		5,504	21,489	25.6%
At 31 December 2023							5,472	73		5,545	22,506	24.6%

The following table provides a breakdown of the income statement items relating to the Company's transactions with related parties for the years ended 31 December 2024 and 2023:

	Parent company	Subsidiaries					Companies controlled by the parent companies				
(In thousands of euros)	Newlat Group	Princes Italia SpA	Princes Limited	Symington's Limited	EM FOODS SAS	Newlat GmbH	Centrale del Latte d'Italia S.p.A.	New Property	Other companies controlled by the parent companies	Total	Total statement of financial position items	% of statement of financial position item
Revenue from contracts with customers												
Year ended 31 December 2024			252	513		47,856	553			49,174	201,769	24.4%
Year ended 31 December 2023				345		60,757	699			61,801	232,652	26.6%
Cost of sales												
Year ended 31 December 2024		19		605		57	1,163	1,474	63	3,381	168,048	2.0%
Year ended 31 December 2023				554		67	1,882	1,965	65	4,534	197,497	2.3%
Other revenues and income												
Year ended 31 December 2024							5,156			5,156	7,944	64.9%
Year ended 31 December 2023							4,050			4,050	8,858	45.7%
Administrative costs												
Year ended 31 December 2024	120				87			138		345	8,040	4.3%
Year ended 31 December 2023	120						1,262	95		1,477	10,591	13.9%
Financial income												
Year ended 31 December 2024	3,140		17,070		331	308	416			21,265	28,234	75.3%
Year ended 31 December 2023	1,614				163	516	237			2,530	8,233	30.7%
Financial expenses												
Year ended 31 December 2024	5,407					901	760	295		7,363	38,218	19.3%
Year ended 31 December 2023	32						453	455		940	14,807	6.3%

Centralised treasury operations

Cash and cash equivalents amounting respectively to Euro 50,879 thousand and Euro 63,108 thousand as at 31 December 2024 and 2023 are attributable to Newlat Food S.p.A.'s centralised treasury relationships with the subsidiaries Princes Limited, EM Foods SA, Newlat GmbH, Centrale del Latte d'Italia S.p.A. and with the indirect subsidiary Princes Italia S.p.A. for 2024 and with the parent company and the subsidiaries Centrale del Latte d'Italia S.p.A. and Newlat Gmbh for 2023.

Financial liabilities amounting to Euro 61,182 thousand and Euro 47,050 thousand respectively at 31 December 2024 and 2023 are mainly attributable to the cash pooling of Newlat Food S.p.A. with the parent company and the subsidiaries Princes Limited, Centrale del Latte d'Italia S.p.A. and Newlat GmbH.

Transactions with the parent company for direction and coordination

Administrative expenses for the years ended 31 December 2024 and 31 December 2023 are attributable to cost-sharing services provided by the parent company Newlat Group SA.

Transactions with the subsidiaries Newlat and Centrale del Latte d'Italia S.p.A.

Transactions with the subsidiaries Newlat Gmbh and Centrale del Latte d'Italia are of a commercial nature and governed by specific commercial and financial (cash pooling) agreements.

Transactions with Princes Group companies

Transactions with the subsidiaries Princes Limited and Princes Italia SpA are of a commercial nature and governed by specific commercial agreements and of a financial nature (cash pooling) governed by specific contracts.

Transactions with companies controlled by the parent companies

The following are the companies controlled by the parent companies with which the Company has conducted transactions during the periods under review:

- New Property S.p.A., a real estate company to which lease royalties are paid;
- other companies controlled by the parent companies such as Newservice S.r.l.

At 31 December 2024, Euro 8,611 thousand of right-of-use assets and Euro 6,760 thousand and Euro 1,191 thousand respectively of current and non-current lease liabilities relate to real estate spun off to New Property S.p.A. on 1 June 2017 and subsequently leased to Newlat. The recognition of these contracts according to IFRS 16 led to the recognition of depreciation, recorded in the cost of sales, of Euro 1,474 thousand, and financial charges of Euro 295 thousand for the year ended 31 December 2024.

10. OTHER INFORMATION

10.1 Remuneration of Directors and Statutory Auditors

The fees payable to Directors and Statutory Auditors amounted to Euro 353 thousand and Euro 16 thousand respectively in the year ended 31 December 2024.

Remuneration for executives with strategic responsibilities amounted to Euro 353 thousand

10.2 External Auditor's fees

Fees paid to the independent auditors for auditing the separate financial statements for the year 2024 amounted to Euro 70 thousand, of which Euro 9 thousand related to fees for assurance services other than auditing and aimed at issuing a statement, and Euro 301 thousand in other miscellaneous services provided by the PricewaterhouseCoopers S.p.A. network mainly related to due diligence services and disclosure obligations vis-à-vis Borsa Italiana following the acquisition of the Princes Group.

10.3 Research and Development

Newlat Food S.p.A.'s R&D is focused on the ability to develop innovative products, occasionally evocative of local traditions in the relevant markets. In this regard, the Company received a contribution of Euro 857 thousand from the Ministry of Economic Development related to innovation agreements for activities carried out in 2023.

Research and development costs incurred during 2023 and 2024 have been instrumental in pursuing the Company's production and commercial strategies, aimed at making product ranges more innovative and strengthening its position in the market.

It should be noted that the Company intends to avail itself of the research and development tax credit provided for in article 1, paragraph 35, of Law no. 190 of 23 December 2014, and to use it in the manner specified in the said legislation.

10.4 Proposal for allocation of the net result

Dear Shareholders, the separate financial statements that we submit for your approval show a net profit of Euro 2,015,178, of which we propose to allocate 5% to the legal reserve and 95% to the extraordinary reserve.

RESULTS, ASSETS AND LIABILITIES AND CASH FLOWS OF THE PARENT COMPANY NEWLAT GROUP SA THAT EXERCISES MANAGEMENT AND CONTROL

(in thousands of euros)	ANNUAL FINANCIAL STATEMENTS AS AT 31.12.2023 STATEMENT OF FINANCIAL POSITION
	ASSETS
Intangible Assets	-
Tangible Assets	43,012
Equity investments	30,712
Total non-current assets	**73,733**
Receivables and other current items	200,096
Short-term liquidity and investments	101,964
Total current assets	**302,035**
Total assets	**375,768**
	LIABILITIES
Equity	**99,198**
Provisions for risks and charges	2,393
Total non-current liabilities	**2,393**
Current payables and liabilities	274,177
Total current liabilities	**275,674**
Total liabilities	**375,768**
	INCOME STATEMENT
Other revenues and income	540
Other operating costs	(2,502)
Financial income/charges	4,186
Profit/(loss) before taxes	**2,223**
Income taxes	(618)
Profit/loss for the year	**1,605**

CERTIFICATION OF THE SEPARATE FINANCIAL STATEMENTS PURSUANT TO ARTICLE 154-BIS OF ITALIAN LEGISLATIVE DECREE 58/98

Taking into consideration article 154 -bis (3) and (4) of Italian Legislative Decree no. 58 of 24 February 1998, the undersigned, Angelo Mastrolia, as Chair of the Board of Directors, and Rocco Sergi, as Financial Reporting Officer, of Newlat Food Group, certify:

− The financial statements are adequate, in relation to the characteristics of the company, and

− The effective application of the administrative and accounting procedures for preparing the financial statements during the 2024 financial year.

It is furthermore declared that the financial statements at 31 December 2024:

a) were prepared in compliance with the applicable international accounting standards adopted by the European Community, pursuant to Regulation (EC) no. 1606/2002 of the European Parliament and Council, of 19 July 2002;

b) correspond with the accounting books and records;

c) provide a true and correct representation of the asset, economic and financial situation of the issuer and of the companies included in the consolidation.

The management report includes a reliable analysis of the performance and results of operations as well as the issuer's situation, together with a description of the key risks and uncertainties the issuer is exposed to.

Reggio Emilia, 17 March 2025

The Chairman of the
Board of Directors
Angelo Mastrolia

Financial Reporting Officer
Rocco Sergi

Independent auditor's report

in accordance with article 14 of Legislative Decree No. 39 of 27 January 2010 and article 10 of Regulation (EU) No. 537/2014

To the shareholders of Newlat Food SpA

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Newlat Food SpA (the Company), which comprise the statement of financial position as of 31 December 2024, the separate income statement, separate statement of other comprehensive income, separate statement of changes in equity, separate statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the financial statements give a true and fair view of the financial position of the Company as of 31 December 2024, and of the result of its operations and cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and adopted by the European Union, as well as with the regulations issued to implement article 9 of Legislative Decree No. 38/05.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISA Italia).
Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of this report. We are independent of the Company pursuant to the regulations and standards on ethics and independence applicable to audits of financial statements under Italian law. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

pwc

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matters	*Auditing procedures performed in response to key audit matters*
Recoverability of the investments in the subsidiaries Newlat GmbH and Sumington's Ltd	
Note n° 1.2 – "Accounting standards and measurement criteria" and Note n° 8.4 - "Equity investments in subsidiaries" to the separate financial statements As of 31 December 2024, the carrying amount of the investments in the fully owned subsidiaries Newlat GmbH and Symington's Ltd reported in the separate financial statements of Newlat Food SpA were respectively equal to approximately Euro 68.5 million and to approximately Euro 63.9 million. Investments in subsidiaries are carried at cost, which, when there is evidence of impairment indicators, is compared with the recoverable amount, being it the highest of fair value less costs of disposal and value-in-use, as required by the International Accounting Standard IAS 36 "Impairment of Assets". The valuation models applied to determine the recoverable amounts (values-in-use) of investments in subsidiaries are based on complex valuations and estimates prepared by the Company's management. In detail, the models applied in the valuation of investments in subsidiaries and the assumptions used in those models are influenced by future market	Our audit approach involved, as a preliminary step, understanding and evaluating the method and procedures defined by the Company to determine the recoverable amount of the investments in the subsidiaries Newlat GmbH and Symington's Ltd, which were approved by the Board of Directors of the Company on 17 March 2025. We verified, also involving business valuation experts from the PwC network, that the method used by the Company was consistent with the international accounting standard IAS 36 and with prevailing valuation practice. The key valuation parameters adopted by the Company were analyzed in terms of reasonableness. With specific reference to the method use for determining the discount rates (weighted average cost of capital, "WACC"), we verified that those rates had been determined in accordance with best practices and using market data adopted for entities operating in the same segment as the subsidiaries. Similarly, we analyzed the determination of the medium/long-term growth rate ("g") against the guidance provided by IFRSs as adopted by the European Union.

conditions with regard to the future cash flows, the perpetual growth rate and the discount rate. To assess the recoverability of the investments in subsidiaries in Newlat GmbH and in Symington's Ltd as of 31 December 2024, the Directors of Newlat Food SpA, with the support of an external advisor, prepared a specific impairment test. In our statutory audit of the separate financial statements, we considered this a key audit matter in consideration of the significance and complexity of the estimated components on the evaluations connected with the recoverability of the carrying amounts. In particular, the valuation process involves a high level of professional judgement for the Directors when they estimate the recoverable amount of the investments in subsidiaries, and in particular the assumptions adopted in the calculation models used to determine: (i) the economic performance and future cash flows of the subsidiaries; (ii) the perpetual growth rate; and (iii) the discount rate.	We analyzed on a sample basis the reasonableness of estimated future cash flows. We also verified the mathematical accuracy of the valuation models prepared by the Company. Finally, we verified the adequacy and completeness of the disclosures provided by the Company in the explanatory notes to the separate financial statements.

Other Matters

The Company, as required by law, has included in the explanatory notes to the separate financial statements the key figures of the latest separate financial statements of the entity which directs and coordinates its activities. Our opinion on the separate financial statements of Newlat Food SpA does not extend to those figures.

Responsibilities of the Directors and the Board of Statutory Auditors for the Financial Statements

The directors are responsible for the preparation of financial statements that give a true and fair view in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and adopted by the European Union, as well as with the regulations issued to implement article 9 of Legislative Decree No. 38/05 and, in the terms prescribed by law, for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The directors are responsible for assessing the Company's ability to continue as a going concern and, in preparing the financial statements, for the appropriate application of the going concern basis of accounting, and for disclosing matters related to going concern. In preparing the financial statements, the directors use the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

The board of statutory auditors is responsible for overseeing, in the terms prescribed by law, the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with International Standards on Auditing (ISA Italia) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of our audit conducted in accordance with International Standards on Auditing (ISA Italia), we exercised our professional judgement and maintained professional scepticism throughout the audit. Furthermore:

- We identified and assessed the risks of material misstatement of the financial statements, whether due to fraud or error; we designed and performed audit procedures responsive to those risks; we obtained audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- We obtained an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control;
- We evaluated the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors;
- We concluded on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern;
- We evaluated the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicated with those charged with governance, identified at an appropriate level as required by ISA Italia, regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identified during our audit.

We also provided those charged with governance with a statement that we complied with the regulations and standards on ethics and independence applicable under Italian law and communicated with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate the related risks, or safeguards applied.

From the matters communicated with those charged with governance, we determined those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We described these matters in our auditor's report.

Additional Disclosures required by Article 10 of Regulation (EU) No 537/2014

On 8 July 2019, the shareholders of Newlat Food SpA in general meeting engaged us to perform the statutory audit of the Company's and consolidated financial statements for the years ending 31 December 2019 to 31 December 2027.

We declare that we did not provide any prohibited non-audit services referred to in article 5, paragraph 1, of Regulation (EU) No. 537/2014 and that we remained independent of the Company in conducting the statutory audit.

We confirm that the opinion on the financial statements expressed in this report is consistent with the additional report to the board of statutory auditors, in its capacity as audit committee, prepared pursuant to article 11 of the aforementioned Regulation.

Report on Compliance with other Laws and Regulations

Opinion on compliance with the provisions of Commission Delegated Regulation (EU) 2019/815

The directors of Newlat Food SpA are responsible for the application of the provisions of Commission Delegated Regulation (EU) 2019/815 concerning regulatory technical standards on the specification of a single electronic reporting format (ESEF - European Single Electronic Format) (hereinafter, the "Commission Delegated Regulation") to the financial statements as of 31 December 2024, to be included in the annual report.

We have performed the procedures specified in auditing standard (SA Italia) No. 700B in order to express an opinion on the compliance of the financial statements with the provisions of the Commission Delegated Regulation.

In our opinion, the financial statements as of 31 December 2024 have been prepared in XHTML format in compliance with the provisions of the Commission Delegated Regulation.

pwc

Opinions and statement in accordance with article 14, paragraph 2, letters e), e-bis) and e-ter) of Legislative Decree No. 39/10 and with article 123-bis, paragraph 4, of Legislative Decree No. 58/98

The directors of Newlat Food SpA are responsible for preparing a report on operations and a report on the corporate governance and ownership structure of Newlat Food SpA as of 31 December 2024, including their consistency with the relevant financial statements and their compliance with the law.

We have performed the procedures required under auditing standard (SA Italia) No. 720B in order to:

- express an opinion on the consistency of the report on operations and of the specific information included in the report on corporate governance and ownership structure referred to in article 123-bis, paragraph 4, of Legislative Decree No. 58/98, with the financial statements;
- express an opinion on the compliance with the law of the report on operations and of the specific information included in the report on corporate governance and ownership structure referred to in article 123-bis, paragraph 4, of Legislative Decree No. 58/98;
- issue a statement on material misstatements, if any, in the report on operations and in the specific information included in the report on corporate governance and ownership structure referred to in article 123-bis, paragraph 4, of Legislative Decree No. 58/98.

In our opinion, the report on operations and the specific information included in the report on corporate governance and ownership structure referred to in article 123-bis, paragraph 4, of Legislative Decree No. 58/98 are consistent with the financial statements of Newlat Food SpA as of 31 December 2024.

Moreover, in our opinion, the report on operations and the specific information included in the report on corporate governance and ownership structure referred to in article 123-bis, paragraph 4, of Legislative Decree No. 58/98 are prepared in compliance with the law.

With reference to the statement referred to in article 14, paragraph 2, letter e-ter), of Legislative Decree No. 39/10, issued on the basis of our knowledge and understanding of the Company and its environment obtained in the course of the audit, we have nothing to report.

Milano, 31 March 2025

PricewaterhouseCoopers SpA

Signed by

Davide Abramo Busnach
(Partner)

This independent auditor's report has been translated into the English language solely for the convenience of international readers. Accordingly, only the original text in Italian language is authoritative.

REPORT OF THE BOARD OF STATUTORY AUDITORS AND OF THE SHAREHOLDERS' MEETING

NEWLAT FOOD S.p.A.

Registered Office in Reggio Emilia, Via Kennedy 16 - 42124
Share capital €43,935,050.00 fully paid-in
Reggio Emilia Companies Register, Tax ID and VAT no. 00183410653
Economic Administrative Index no. RE277595
Company subject to management and coordination by Newlat Group S.A. pursuant to articles 2497 et seq. of the Italian Civil Code

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Report of the Board of Statutory Auditors to the Newlat Food S.p.A. Shareholders' Meeting of 28 April pursuant to art. 153 of Italian Legislative Decree 58/1998 and art. 2429 of the Italian Civil Code

Shareholders,

1. Introduction: legislative, regulatory and code of conduct sources

This Report was prepared by the Board of Statutory Auditors of **NEWLAT FOOD S.p.A. (hereinafter the "Company" or "NEWLAT FOOD")** appointed by the Shareholders' Meeting on 28 April 2022 and currently in office until the approval of the financial statements for the year ended 31 December 2024. The Board of Statutory Auditors is composed of Massimo Carlomagno (Chair), Ester Sammartino and Antonio Mucci (Standing Auditors).

This Report details the supervision activities and other activities carried out by the Board of Statutory Auditors during the year ended 31 December 2024, prepared pursuant to Legislative Decree no. 58/1998 ("TUF") and subsequent amendments, art. 2429 of the Italian Civil Code, the Rules of Conduct of the Board of Statutory Auditors of listed companies issued by the National Association of Certified Accountants and Accounting Experts, and also in compliance with the guidance contained in the CONSOB Communication DEM/1025564 of 6 April 2001, as amended.

Since **NEWLAT FOOD** has adopted the traditional Governance model, and given that PricewaterhouseCoopers S.p.A. (hereinafter also "PWC") was appointed as independent auditor for the financial years 2019 to 2027, the Board of Statutory Auditors sees itself as the "Internal Control and Accounts Auditing Committee", which has additional specific control and monitoring functions on financial reporting and statutory auditing provided for in article 19 of Italian Legislative Decree of 27 January 2010 no. 39, as amended, which are also acknowledged in this Report.

With this Report, the Board of Statutory Auditors also reports on the supervision activities carried out with regard to the obligations relating to non-financial information pursuant to Italian Legislative Decree no. 254/2016 as amended.

2. Supervision of compliance with laws, regulations and articles of association

During the 2024 financial year, the Board of Statutory Auditors met 7 times, and precisely on 11 March, 29 March, 12 June, 9 September, 8 October, 4 November and 11 November. The Board of Statutory Auditors attended the 6 meetings of the Board of Directors held in 2024, and the meetings after 31 December 2024 to date. The Appointments and Remuneration Committee met 1 time in 2024 and 1 time in 2025. The Control, Risk and Sustainability Committee met 4 times in 2024 and 2 times in 2025. The Related Party Transactions Committee met 3 times in 2024 and 1 time in 2025.

The Board of Statutory Auditors participated in the Shareholders' Meeting of 28 April 2024. The Board of Statutory Auditors met regularly with the independent auditing firm PWC.

The Board of Statutory Auditors liaised with the Head of the Internal Audit Department and held regular meetings with the heads of some key corporate functions (such as the Chair and CEO, Deputy CEO, Deputy CEO & COO, the Financial Reporting Officer and CFO). The work of Internal Audit involved the following areas: - performance of certain assurance activities for some company processes; - support for the Company's financial reporting officer. With regard to the above item, the Risk & Control Matrices have been prepared/updated; – provision of advice on some company processes for Group companies. With regard to the last item above, the following documents have been prepared: 1) Sustainability reporting procedure

2) Documentation for the management of the GDPR model

3) ERM model

The recent meeting of the Control, Risk and Sustainability Committee was informed of the outcome of the Internal Audit function's activities for 2024.

The Financial Reporting Officer was provided with information on the activities of the Internal Audit Manager under Law 262/05 for the year 2024, through the half-yearly reports on the adequacy of the control model implemented for the purposes of 262 and the results of the tests performed by the Internal Audit function in this area.
The Board of Statutory Auditors continuously acquired useful documentation and information in order to plan its activities, which concerned in particular:

a) Supervision of: (i) Compliance of the resolutions adopted by the corporate bodies with the law and regulatory provisions, as well as with the Articles of Association; (ii) Pursuant to Article 149, paragraph 1, letter c-bis of Italian Legislative Decree 58/98, the method of actual implementation of the Corporate Governance Code of listed companies which **NEWLAT FOOD** has adhered to; (iii) Compliance with the obligations regarding inside information; (iv) Compliance of the internal procedure concerning related party transactions with the principles specified in the Regulations approved by CONSOB with Resolution no. 17221 of 12 March 2010 and subsequent amendments (hereinafter "RPT Regulation"); (v) The functioning of the corporate information process, verifying compliance with the laws and regulations concerning the preparation and layout of the separate and consolidated financial statements, as well as the accompanying documentation, for this purpose also examining the Annual Report of the Financial Reporting Officer; (vi) The actions taken with reference to the provisions on privacy, for which the Company has appointed a Data Protection Officer; (vii) On Consolidated Sustainability Reporting pursuant to Italian Legislative Decree no. 125/2024. It was drafted with the aim of providing a clear understanding of the activities of the Newlat Food Group and its most material sustainability matters. For the 2024 financial year (1 January to 31 December 2024), for the first time Newlat Food is presenting its sustainability report following the requirements set by the European Sustainability Reporting Standards ("ESRS"), in line with Directive EU 2022/2464, Corporate Sustainability Reporting Directive ("CSRD"). The Board of Statutory Auditors checked the sustainability reporting as required by the EU CSRD Directive and Italian Legislative Decree 125/24 et seq. for Newlat Food S.p.A. and Centrale del Latte d'Italia S.p.A. In accordance with the EU CSRD Directive and Italian Legislative Decree 125/24, the Board of Statutory Auditors performed the following checks on the sustainability reporting of the two issuing companies:

1. Analysis of regulatory compliance: The documentation provided by the company was reviewed to verify compliance with the regulatory requirements established by the EU CSRD Directive and Italian Legislative Decree 125/24 as amended.

2. Assessment of sustainability policies: the sustainability policies adopted by the companies were assessed, including their objectives and strategies for improving environmental, social and governance (ESG) performance. The policies are aligned with international standards.

3. Review of data and information: the data and information in the sustainability reports were reviewed for accuracy and completeness. The company has provided detailed, transparent data that accurately reflects its ESG-related activities and results.

4. Monitoring of sustainability initiatives: the sustainability initiatives undertaken by the companies were monitored, assessing the effectiveness of the actions taken and the progress made.

In November 2024, the Board of Statutory Auditors held a meeting with representatives of CONSOB, during which ESG activities and the preparation of CSRD reporting for 2024 were discussed.

In summary, the following topics were addressed:

1. Status of CSRD compliance

2. EU Taxonomy

3. Next steps and deadlines for ESG 2024 reporting

An ESG Steering Committee was set up at Newlat Food Spa. Newlat Food's ESG Steering Committee is tasked with discussing, guiding and monitoring environmental, sustainability and governance issues. It focuses on topics such as ESG risks and impacts, disclosure of the Sustainability Report under the CSRD, stakeholder engagement, the decarbonisation plan and ESG impacts on the procurement strategy.

The committee is composed of various members including the Internal Audit & Risk Management Director, the Corporate Relations Director, the Head of investor relations, the CFO, the financial reporting officers and the CEO of Princes Ltd. A Chair is elected to coordinate the committee's activities and a liaison who acts as a contact person with various corporate functions and the Statutory Auditor.

The committee manages ESG issues by monitoring progress against set targets and stakeholder requests. Specifically, for the disclosure of the Sustainability Report in accordance with the CSRD, the committee initiates the project for collecting data, monitors progress and validates the data collected.

b) Verification of the following: (i) Compliance with the rules on the holding of meetings of corporate bodies and the fulfilment of the periodic reporting obligation by the delegated bodies regarding the exercise of delegated powers; (ii) That none of the Statutory Auditors had an interest, on their own behalf or on behalf of third parties, in a specific transaction during the 2024 financial year and that the conditions of independence are maintained, including through the internal process of continuous self-assessment concerning the recurrence and maintenance of the eligibility requirements of members and the correctness and effectiveness of their operations; (iii) Monitoring the actual methods of implementing corporate governance rules; and (iv) Preparation of the Remuneration Report.

To date, there have been no reports to Consob pursuant to Article 149 (3) of the Consolidated Law on Finance (TUF).

3. Most significant economic, financial and equity transactions - related party transactions

The Board of Statutory Auditors reports on the significant events that occurred during the financial year and after the end of the financial year under review:

- On 27 May 2024 an agreement was signed for the acquisition of 100% of the share capital of Princes Limited and, together with its subsidiaries the "Princes Limited Group", then finalised the following July.
- On 17 June 2024, a purchase and sale agreement was entered into with Mitsubishi Corporation as seller, pursuant to which Newlat acquired 100% of the share capital of Princes for a net cash consideration of GBP 1.
- On 30 July 2024, all of the conditions precedent stipulated in the agreement for the acquisition of Princes Limited were fulfilled and therefore the Company acquired the entire share capital of said group. With the completion of the agreement, Newlat Group also sold 9,319,841 shares in the company, representing 21.2% of the company's capital, to Mitsubishi Corporation for a payment of approximately Euro 58 million.

Taking into account the size and structure of the Company and NEWLAT FOOD Group, the Board of Statutory Auditors considers that the Board of Directors, in its Annual Financial Report for the year ended 31 December 2024, provided an adequate illustration of the transactions with subsidiaries and other related parties, explaining the economic, financial and equity effects.

The Board of Statutory Auditors highlights the main events relating to the year ended 31 December 2024 of the company Centrale del Latte d'Italia Spa with Newlat Food as the largest shareholder:

- In 2024 the lease of the "Milk & Dairy" business unit between Newlat Food Spa and Centrale del Latte di Italia continued, with the lease of all the dairy companies of the Newlat Food SpA group involved in the processing of raw materials and the production of milk & dairy products. The activities of the Business Unit are carried out through the plants in Reggio Emilia, Salerno and Lodi with the warehouses in Reggio Emilia, Lodi, Rome Eboli, Pozzuoli and Lecce.

- PricewaterhouseCoopers S.p.A. has been the independent auditor of Centrale del Latte di Italia Spa since 2022.

- The Company issued its report for the financial statements which contains no particular findings or disclosures, and certifies that the financial statements comply with IAS/IFRS accounting standards.

4. Supervision of compliance with the principles of good administration

In order to monitor compliance with the principles of good administration, in addition to attendance at all Board of Directors meetings, the Board of Statutory Auditors declares that:

- It has obtained the information during the 2024 financial year about the activities performed and the most significant economic, financial and equity transactions carried out by NEWLAT FOOD and its subsidiaries in the 2024 financial year from the Directors. All this is reported accurately in the documents relating to the consolidated financial statements and the separate financial statements. Based on the information made available to the Board of Statutory Auditors, the latter can reasonably consider that the transactions carried out in 2024 were performed in accordance with the law and the Articles of Association, and that they were not demonstrably irresponsible, reckless or in conflict with the resolutions passed by the Shareholders' Meeting or likely to compromise the integrity of the share capital.

- It did not identify any atypical or unusual transactions with Group companies or with third parties carried out during the 2024 financial year. Reference should be made to the Management Report and the risk analysis contained in the consolidated financial statements and the separate financial statements for the risks and effects of the transactions carried out.

The Board of Directors identified the nature and level of risk compatible with the Company's strategic objectives when drawing up its strategic, industrial and financial plans. This assessment included all and any risks that may become significant in terms of sustaining the Company's activities in the medium to long term. In support of the ICRMS and the Control and Risks Committee, on 2 May 2022 the Board of Directors appointed Mr Angelo Mastrolia as the director responsible for the ICRMS, who will perform the functions listed in the Corporate Governance Code. With the help of the Control, Risk and Sustainability Committee, the Board of Directors also prepared guidelines for the Internal Control and

Risk Management System (ICRMS). The ICRMS is capable of identifying, measuring, managing and monitoring major risks and is in line with national and international best practice.

5. Supervision activities on the adequacy of the organisational structure

Within its scope of responsibility, the Board of Statutory Auditors acquired knowledge and monitored the adequacy of the Company's organisational structure and considers that the structure, which was being adjusted with the entry of new figures, is adequate. The Company has a Supervisory Board which currently consists of Massimo Carlomagno, as Chair, and Ester Sammartino, as a Member. The Company's Board of Directors approved its Organisation, Management and Control Model in accordance with Italian Legislative Decree 231/2001 on 30 March 2016, updating it when necessary. The Model was drawn up on the basis of guidelines issued by Confindustria (the Italian industry confederation) in accordance with the relevant legislation, and sets out standards for behaviour, procedures and control activities, in addition to powers and mandates designed to prevent the offences outlined in Italian Legislative Decree 231/2001. 2022 saw the conclusion of the work necessary to update the Organisation, Management and Control Model pursuant to Italian Legislative Decree no. 231/01 with respect to the introduction of tax crimes, as introduced by Italian Law no. 157/2019 and Italian Legislative Decree no. 75/2020 implementing the so-called PIF Directive (EU Directive 2017/1371) and Whistleblowing channels, also taking into account recent European Union legislation on the subject (EU Directive 2019/1937) for the companies Newlat Food SpA and Centrale del Latte d'Italia SpA. Following these activities, a review was carried out of the existing safeguards in the company mitigating identified criminal risks, and additional controls to be implemented were defined.
The Code of Ethics and Conduct of the parent company Newlat Food S.p.A. is being updated, considering the recent acquisition of Princes Limited.

After the recent audit performed on 6 March 2025 by the Supervisory Body of the various corporate functions, a report was drawn up on the activities carried out in the year 2024.

No breaches of the Model or irregularities have emerged after examining the information received from managers of the various areas of the Company, and no acts or conduct have come to light that constitute an infringement of the provisions of Italian Legislative Decree 231/2001.

During the past year the Board of Statutory Auditors of Newlat Food exchanged information with the Board of Statutory Auditors and the Management Control Committee of Centrale del Latte d'Italia SpA. No

anomalies were found during their checks.

Regarding the self-assessment process of the Board of Directors and its Committees, a largely adequate picture emerges.

At the meeting of 17 March 2025, the Chair of the Board of Directors informed those present of the contents of the letter of the Chair of the Italian Corporate Governance Committee of 17 December 2024, as well as the related report on the evolution of corporate governance of listed companies 2024, prepared by said Committee.

6. Supervision of the internal control and risk management system and the administrative and accounting system

The Board of Statutory Auditors examined the assessment expressed by the Board of Directors on the adequacy and effective functioning of the Internal Control and Risk Management System (hereinafter "ICRMS") through: (i) identification of the ICRMS Guidelines, within which the company validated the integrated risk management model; (ii) certification of the Separate Financial Statements and Consolidated Financial Statements by the Chair of the Board of Directors and the Financial Reporting Officer, who provided the appropriate statements; (iii) regular meetings with the Internal Audit Manager; (iv) examination of company documents and the results of the work carried out by PWC; (v) participation in the work of the Control, Risk and Sustainability Committee. It received information from PWC concerning the new regulations having an impact on auditing activities, as well as confirmation of the independence of PWC and communication of the non-statutory audit services provided; and (vi) with reference to the issues of social responsibility, monitored the data and information related to sustainability, which were presented in the Consolidated Sustainability Report pursuant to Legislative Decree 125/2024.

Ample space was given to disclosing the financial and operational risks the Company is exposed to, as well as the measurement criteria used for the items of the financial statements.

7. Audit of the separate financial statements, the consolidated financial statements and the Consolidated Sustainability Report

The Board of Statutory Auditors carried out the checks on compliance with the rules relating to the preparation of the Separate Financial Statements of NEWLAT FOOD and the Group Consolidated Financial Statements for the year ended 31 December 2024, and duly noted the statement of the responsible bodies for which the separate financial statements and the consolidated financial statements were prepared in accordance with IAS/IFRS accounting standards. The notes to the financial statements contain the information required by the international accounting standards regarding the impairment of assets. The procedure adopted by the Company for the impairment test since its listing was updated in March 2025 for both goodwill and the value of trademarks. The Company used external experts for the procedure (impairment tests).

The Board of Statutory Auditors monitored the approval of the Non-Financial Statement. The Board of Statutory Auditors met both the function responsible for its preparation and representatives of PWC, and examined the documentation made available. The Board of Statutory Auditors acknowledges the report of PWC, from which it can be seen that there are no elements, facts or circumstances that suggest that the Consolidated Sustainability Report (subject to limited review) was not drafted in compliance with the relevant regulations.

PricewaterhouseCoopers S.p.A., which was appointed the task of statutory auditing, issued, on 31 March 2025, among other things the reports pursuant to Article 14 of Italian Legislative Decree 39/2010 and art. 10 of Regulation (EU) No. 537/2014 for the Separate Financial Statements and Consolidated Financial Statements of NEWLAT FOOD S.p.A. as of 31 December 2024, reporting that no irregularities were found. In particular, PWC certifies that the separate financial statements and the consolidated financial statements provide a truthful and correct representation of the equity and financial situation of

Newlat Food S.p.A. as of 31 December 2024 and of the Newlat Group as of 31 December 2024, respectively, and of the net result and cash flows for the year ended on that date, in accordance with the International Financial Reporting Standards adopted by the European Union, as well as the provisions issued in implementation of Article 9 of Italian Legislative Decree no. 38/2005 as amended.

8. Methods of actual implementation of corporate governance rules

The Board of Statutory Auditors reports, based on acquired information, on the adjustment of the corporate governance structure of the Company. From the start of the listing and periodically thereafter, the Company carried out a self-assessment of the members of the Board of Directors and its Committees. The Board of Statutory Auditors verified that the Annual Corporate Governance Report was prepared in accordance with existing regulations. No complaints or reports were received by the Board of Statutory Auditors pursuant to Article 2408 of the Italian Civil Code.

9. Comments on the adequacy of provisions imposed upon subsidiaries pursuant to art. 114 of Italian Legislative Decree 58/1998 - Management and Coordination

The Board of Statutory Auditors supervised the adequacy of the instructions given by Newlat Food to its subsidiaries pursuant to article 114 of Italian Legislative Decree 58/1998, considering them sufficient to meet the reporting obligations established by law. With regard to the close functional and operational links, also considering the presence of Newlat Food SpA personnel in subsidiaries, a correct, constant and adequate flow of information is guaranteed, supported by suitable documents and accounting processes relating to the management of the investee companies. There are no comments worthy of note on the adequacy of the instructions given to subsidiaries in order to acquire the information flows necessary to ensure the timely fulfilment of the reporting obligations established by law. The Board of Statutory Auditors also acknowledges that Newlat Food SpA is subject to the management and coordination of Newlat Group SA.

10. Opinions of the Board of Statutory Auditors

During 2024 and after 31 December 2024 until today, the Board of Statutory Auditors issued the following opinions:

- Opinion on the activity related to disclosures to Borsa Italiana for the "reverse merger" acquisition of Princes, concerning the combined budget.
- Opinion on the limited review of the sustainability report in accordance with CSRD regulations for Newlat and CLI.
- Opinion on the certification of costs incurred for the research and development tax credit relating to 2022.
- Opinion on the activity related to the certification of the bond listing prospectus on the Irish market, including the limited review of the interim nine-month report as at 30.09.

- Opinion on the assurance services related to disclosures to Borsa Italiana for the "reverse merger" acquisition of Princes, concerning combined management control.

- Opinions on some minor services (VAT software licence in the UK and participation in a paid ESG course).

11. Conclusions and proposals regarding the financial statements and their approval

Based on the supervision activities carried out during the financial year, the Board of Statutory Auditors, taking into account the above, does not find any reason to oppose the approval of the NEWLAT FOOD S.p.A. financial statements as of 31 December 2024 and the proposal made by the Board of Directors on 17 March 2025 regarding the allocation of the net result for the financial year.

Dear Shareholders, at the end of our Report we would like to express our warmest thanks to all those who have actively cooperated with us, and to all of you for the trust and esteem you have shown us with our appointment.

31 March 2025

On behalf of the Board of Statutory Auditors

The Chair
Massimo Carlomagno