Centrale del Latte d'Italia

HALF-YEAR FINANCIAL REPORT

AT 30 June 2025

DIRECTORS' REPORT ON OPERATING PERFORMANCE

AT 30 June 2025

Contents

This report is available online
at: https://centralelatteitalia.com/

Centrale del Latte d'Italia S.p.A. | Head office: Via Filadelfia 220, 10137 Turin – Secondary office: Via dell'Olmatello 20, 50127 Florence
Tax and VAT ID: 01934250018 | Registration in the Company Register – Official Archives of the Chamber of Commerce of Turin | REA number: TO - 520409 | Share Capital: Euro 28,840,041.20

Boards and officers

BOARD OF DIRECTORS

E.D.	N.E.D.	I.D.		C.C.M	R.C.	R.P.C.	I.D.C.
•			**Angelo Mastrolia** Chairman				
•			**Giuseppe Mastrolia** Deputy Chairman				
•			**Stefano Cometto** Chief Executive Officer				
	•		**Benedetta Mastrolia** Director				
	•	•	**Giovanni Maria Rayneri** Director	•	•	•	•
	•	•	**Anna Claudia Pellicelli** Director	•	•	•	•
	•	•	**Valeria Bruni Giordani** Director	•	•	•	•

E.D. = Executive Director
I.D. = Independent Director
N.E.D. = Non-Executive Director
C.R.C. = Control and Risks Committee
R.C. = Remuneration and appointments committee
R.P.C. = Related Party Transactions Committee
I.D.C. = Independent Directors Committee

INDEPENDENT AUDITORS

PricewaterhouseCoopers S.p.A. - Turin

FINANCIAL REPORTING OFFICER

Fabio Fazzari CFO and Investor Relator

As from the 2024 financial year, the company introduced the one-tier system, whose members of the Management Control Committee are:

- Giovanni Maria Rayneri Chairman
- Anna Claudia Pellicelli
- Valeria Bruni Giordani

General information

Centrale del Latte d'Italia S.p.A. (hereinafter also referred to as "CLI") is a company incorporated in Italy in the form of a public limited company operating under Italian law. The Company has its registered office at Via Filadelfia 220 in Turin.
The Company operates in the food sector with a large and structured product portfolio organised into the following business units: Milk Products, Dairy Products and Other Products.
67.74% of the Company's share capital is held by NewPrinces S.p.A., while the remainder (26.75%) is held by institutional investors and Centrale del Latte d'Italia (5.51%) following the purchase of own shares.
The Company has a one-tier governance system characterised by the presence of a Board of Directors, which is responsible for strategic supervision and management functions, and a Management Control Committee established within the same Board, which performs control functions.
This management report shows the financial information of the Company at 30 June 2025 compared to the financial statements at 30 June 2024 and the statement of financial position at 31 December 2024.

Alternative performance indicators

The following financial report presents and comments on some financial indicators and reclassified statements (relating to the statement of financial position and the statement of cash flows) not defined by IFRSs.
These amounts, defined below, are used to comment on the Company's business performance in compliance with the provisions of the Consob Communication of 28 July 2006 (DEM 6064293), as subsequently amended and supplemented (Consob Communication no. 0092543 of 3 December 2015 implementing the ESMA/2015/1415 guidelines).
The alternative performance indicators listed below should be used as an information supplement to IFRS requirements to help users of the financial report to better understand the Company's results, assets and liabilities and cash flows. This may differ from the methods used by other companies.

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

- EBITDA: the operating result (OR) before depreciation, amortisation and write-downs of tangible and intangible assets and of financial assets.
- Cash conversion: the ratio of EBITDA to the difference between EBITDA and total investments.

Net financial debt is given by the algebraic sum of:

- Cash and cash equivalents
- Current financial assets
- Non-current financial liabilities
- Current financial liabilities

- Current lease liabilities
- Non-current lease liabilities

Statement of cash flows

It is a cash flow that represents a measure of the Company's self-financing and is calculated from the cash flow generated by operating activities, in which the operating result 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 Company presents the income statement by destination (otherwise known as "at cost of sales"), which is considered more representative than the so-called presentation by nature of expenditure, which is also reported in the notes to the Annual Financial Report. The form chosen is, in fact, compliant with the internal reporting and business management methods.

Performance of H1 2025

Operations in the first half of 2025 show a positive pre-tax result of Euro 5,276 thousand and a total net result of Euro 4,656 thousand.
The aforementioned result is in line with the same period of the previous year.

In the first half of the year the company recorded an increase in turnover
(+3.7% compared to the same period last year) mainly due to an increase in sales volumes in the fresh milk and Dairy segment. Of note was the extraordinary performance of the Dairy segment, which recorded a 12.4% increase in turnover thanks to the acquisition of new customers and an increase in the average sales price.
The comparison with the same period of the previous year shows similar results, with EBITDA amounting to Euro 15.2 million or 8.8% of revenue compared to Euro 16 million as at 30 June 2024 or 9.6%.

On the management side, we recorded a slight deterioration in the purchasing conditions of the main components of the finished product, first and foremost the cost of raw materials, which led to a slight decrease in margins compared to the same period of the previous year, as will be better explained in the following paragraphs.

The results achieved during the first half of the year once again highlight the company's ability
to achieve its objectives even in particularly difficult market environments.

The first half of 2025 closed with a net profit after tax of Euro 4.7 million, in line with Euro 4.8 million in the first half of 2024.

Outlook

Considering the short period of time historically covered by the Company's order book and the difficulties and uncertainties of the current global economic situation, it is not easy to develop forecasts for H2 2025, which in any case seems to be very positive. The company will continue to pay particular attention to cost controls and financial management in order to maximise the generation of free cash flow, to be allocated both to organic growth and to the remuneration of Shareholders.
The Company has no way of predicting the extent to which the global economic situation may affect the Company's prospects for 2025, but based on the information available at the date of preparation of this report, the Directors believe that they can reasonably exclude significant adverse impacts, even considering the impact of potential tariffs promoted by the Trump administration.

Going concern

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

- The considerable level of cash reserves available at 30 June 2025.
- The presence of authorised and unused lines of credit from the Company to the majority shareholder NewPrinces S.p.A.
- The continual support given by the leading banks to the NewPrinces Group, which the company belongs to, partly because of its market-leading status.

It should also be noted that the cash and cash equivalents, amounting to Euro 42 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 Company's operations.

EVENTS AFTER THE END OF H1 2025

After 30 June 2025 there were no atypical or unusual transactions requiring changes to the interim financial report as at 30 June 2025.

MANAGEMENT REPORT

The Company is mainly active in the dairy products sectors, specifically:

- Milk Products
- Dairy Products
- Other Products

The following table contains the income statement of the Company's financial statements:

(In thousands of euros and as a percentage of revenue from contracts with customers)	Half-year ended 30 June					
	2025	%	2024	%	2025 v 2024	%
Revenue from contracts with customers	171,782	100.0%	165,699	100.0%	6,083	3.7%
Cost of sales	(132,581)	(77.2%)	(129,011)	(77.9%)	(3,570)	2.8%
Gross operating profit/(loss)	39,201	22.8%	36,688	22.1%	2,513	6.8%
Sales and distribution costs	(26,949)	(15.7%)	(25,313)	(15.3%)	(1,636)	6.5%
Administrative costs	(4,359)	(2.5%)	(4,315)	(2.6%)	(44)	1.0%
Net write-downs of financial assets	(517)	(0.3%)	(88)	(0.1%)	(429)	484.5%
Other revenues and income	1,340	0.8%	2,226	1.3%	(886)	(39.8%)
Other operating costs	(1,824)	(1.1%)	(921)	(0.6%)	(903)	98%
Operating profit/(loss) (EBIT)	6,892	4.0%	8,277	5.0%	(1,384)	(16.7%)
Financial income	651	0.4%	720	0.4%	(69)	(9.6%)
Financial expenses	(2,267)	(1.3%)	(2,223)	(1.3%)	(44)	2.0%
Profit/(loss) before taxes	5,276	3.1%	6,774	4.1%	(1,498)	(22.1%)
Income taxes	(620)	(0.4%)	(1,959)	(1.2%)	1,339	(68.4%)
Net profit/(loss)	4,656	2.8%	4,815	2.9%	(159)	(3.3%)

Operating income amounted to Euro 6.9 million, slightly down compared to the same period of 2024.
EBITDA, the details of which can be found in the following section of the sector report, was in line with the trend of revenue and compared to the same period in 2024.

Revenue from contracts with customers

Revenue from contracts with customers contains the contractual fees to which the Company 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, CLI 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)	Half-year ended 30 June				Changes	
	2025	%	2024	%	2025vs2024	%
Milk Products	130,735	76.1%	128,544	77.6%	2,191	1.7%
Dairy Products	33,809	19.7%	30,079	18.2%	3,730	12.4%
Other Activities	7,238	4.2%	7,076	4.2%	162	2.3%
Revenue from contracts with customers	171,782	100%	165,699	100%	6,083	3.7%

Revenues from the **Milk Products** segment were up due to an increase in sales volumes in the fresh milk sector compared to the same period of the previous year.
Revenues from the **Dairy Products** segment increased sharply as a result of a rise in volumes and a higher average sales price.
Revenues from the **Other products** segment were in line with the previous period.

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)	Half-year ended 30 June				Changes	
	2025	%	2024	%	2025vs2024	%
Mass Distribution	108,624	63.2%	104,448	63%	4,176	4.0%
B2B partners	6,142	3.6%	6,081	3.7%	61	1.0%
Normal trade	40,655	23.7%	39,580	23.9%	1,075	2.7%
Private labels	8,448	4.9%	8,248	5%	200	2.4%
Food services	7,913	4.6%	7,342	4.4%	571	7.8%
Total revenue from contracts with customers	171,782	100%	165,699	100%	6,083	3.7%

Revenues from the **Mass Distribution** channel increased primarily as a result of higher sales volumes in the fresh milk and mascarpone segment.
Revenues from the **B2B partners** channel were in line with the same period of the previous year.
Revenues from the **Normal trade** channel increased as a result of higher sales volumes in the milk & dairy sector.
Revenues from the **Private Label** channel were in line with the same period of the previous year.
Revenues from the **Food services** channel were essentially in line with the same period of the previous year.

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

(In thousands of euros and as a percentage)	Half-year ended 30 June				Changes	
	2025	%	2024	%	2025vs2024	%
Italy	154,781	90.1%	149,804	90.4%	4,977	3.3%
Germany	7,426	4.3%	6,904	4.2%	522	7.6%
Other countries	9,575	5.6%	8,991	5.4%	584	6.5%
Total revenue from contracts with customers	171,782	100%	165,699	100%	6,083	3.7%

Revenues for **Italy** increased in the Dairy and Fresh Milk segment due to the higher quantities sold and an increase in the average sales price.
Revenues in **Germany** increased due to higher volumes in the Dairy segment.
Revenues in **Other Countries** increased due to higher volumes in the Dairy segment.

Operating costs

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

(In thousands of euros)	Half-year ended 30 June	
	2025	2024
Cost of sales	(132,581)	(129,011)
Sales and distribution costs	(26,949)	(25,313)
Administrative costs	(4,359)	(4,315)
Total operating costs	(163,889)	(158,639)

Cost of sales represented 77.2% of turnover (77.9% at 30 June 2024). In absolute terms, the increase in the cost of sales is primarily linked to the higher sales volumes recorded in the first half of 2025 as well as an increase in the average purchase price of raw materials.
Commercial sales and distribution expenses increased due to higher costs incurred in the distribution of products related to the traditional channel.
Administrative costs are in line with 30 June 2024.
EBITDA amounted to Euro 15.2 million (8.8% of sales) compared with Euro 16 million at 30 June 2024 (9.4% of sales), slightly down by 0.8%.
The following table shows EBITDA by activity segment:

(In thousands of euros)	At 30 June 2025			
	Milk products	*Dairy products*	Other Products	Total financial statements
Revenue from contracts with customers (third parties)	130,735	33,809	7,238	171,782
EBITDA (*)	11,495	3,450	252	15,197
EBITDA margin	8.8%	10.2%	3.5%	8.8%
Amortisation, depreciation and write-downs	7,488	205	95	7,788
Net write-downs of financial assets			517	517
Operating profit/(loss)	4,007	3,245	(360)	6,892
Financial income	-	-	651	651
Financial expenses	-	-	(2,267)	(2,267)
Profit/(loss) before taxes	4,007	3,245	(1,976)	5,276
Income taxes	-	-	(620)	(620)
Net profit/(loss)	4,007	3,245	(2,596)	4,656
Total assets	180,514	9,679	67,578	257,769
Total liabilities	87,044	15,252	81,938	184,234
Investments	792		-	792
Employees (number)	542	65	12	619

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

(In thousands of euros)	At 30 June 2024			
	Milk products	*Dairy products*	Other Products	Total financial statements
Revenue from contracts with customers (third parties)	128,544	30,079	7,076	165,699
EBITDA (*)	11,964	3,741	263	15,968
EBITDA margin	9.3%	12.4%	3.7%	9.6%
Amortisation, depreciation and write-downs	7,321	184	98	7,603
Net write-downs of financial assets	-	-	88	88
Operating profit/(loss)	4,644	3,556	77	8,277
Financial income	-	-	720	720
Financial expenses	-	-	(2,223)	(2,223)
Profit/(loss) before taxes	4,644	3,556	(1,426)	6,774
Income taxes	-	-	(1,959)	(1,959)
Net profit/(loss)	4,644	3,556	(3,385)	4,815
Total fixed assets as at 31 December 2024	180,874	9,840	67,317	258,031
Total liabilities as at 31 December 2024	90,591	16,223	82,338	189,152
Investments as at 30 June 2024	2,505	-	-	2,505
Employees (number) as at 31 December 2024	535	65	12	612

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

EBIT amounted to Euro 6.9 million (4% of sales) compared with Euro 8.3 million at 30 June 2024 (5% of sales), down by 16.7%.

The tax rate is 27.9%, in line with what was used as at 30 June 2024, and benefits from a positive effect deriving from previous years' taxes for about Euro 797 thousand. The net profit for the six months ended 30 June 2025 was Euro 4.7 million, in line with the net profit of Euro 4.8 million recorded for the six months ended 30 June 2024.

EBITDA

The table below provides a reconciliation of EBITDA, the EBITDA margin and cash conversion at 30 June 2025 and 2024.

(In thousands of euros and as a percentage)	Half-year ended 30 June	
	2025	2024
Operating profit/(loss) (EBIT)	6,893	8,277
Amortisation, depreciation and write-downs	7,788	7,603
Net write-downs of financial assets	517	88
EBITDA (*) (A)	15,197	15,968
Revenue from contracts with customers	171,782	165,699
EBITDA margin (*)	8.8%	9.6%
Investments (B)	792	2,505
Cash conversion [(A) - (B)]/(A)	94.8%	84.3%

(*) 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 Company's financial statements when assessing the Company's results.

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

(In thousands of euros and as a percentage of revenue from contracts with customers)	Half-year ended 30 June				Changes	
	2025	%	2024	%	2025 v 2024	%
Milk Products	11,495	8.8%	11,964	9.3%	(470)	(3.9%)
Dairy Products	3,450	10.2%	3,740	12.4%	(290)	(7.8%)
Other Activities	252	3.5%	263	3.7%	(11)	(4.2%)
EBITDA	15,197	8.8%	15,968	9.6%	(771)	(4.8%)

EBITDA in the **Milk Products** segment decreased slightly as a result of an increased promotional push in the fresh milk and shelf-stable milk segment in the first half year.
EBITDA of the **Dairy Products** segment decreased slightly mainly due to a worsening of the supply chain.
EBITDA in the **Other products** segment was in line with the same period of the previous year.

Net financial debt

The following table provides details of the composition of the Company's net financial debt as at 30 June 2025 and 31 December 2024, 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 30 June	At 31 December
Net financial debt	2025	2024
A. Cash and cash equivalents	7,950	7,394
B. Cash equivalents	33,936	35,219
C. Other current financial assets	2,526	2,540
D Cash and cash equivalents (A)+(B)+(C)	44,408	45,153
E. Current financial payables	(34,521)	(34,312)
F. Current portion of non-current financial debt	(17,918)	(10,461)
G. Current financial indebtedness (E)+(F)	(52,441)	(44,773)
H. Net current financial indebtedness (G)+(D)	(8,033)	380
I. Non-current financial payables	(30,118)	(38,413)
J. Debt instruments	-	-
K. Trade and other non-current payables	-	-
L. Non-current financial indebtedness (I)+(J)+(K)	(30,118)	(38,413)
M. Net financial indebtedness (H)+(L)	(38,151)	(38,033)

At 30 June 2025, without considering lease liabilities, net financial debt was as follows:

(In thousands of euros)	At 30 June	At 31 December
	2025	2024
Net financial debt	(38,151)	(38,033)
Non-current lease liabilities	7,973	8,358
Current lease liabilities	10,264	10,033
Net Financial Position	(19,914)	(19,642)

Changes in net financial debt as of 30 June 2025 are shown below:

Net financial position at 31 December 2024 (million euros)	(38.0)
EBITDA	15.2
Net working capital	(9.2)
Interest and taxes	(1.8)
Investments	(0.8)
Other	(3.2)
Net financial position at 30 June 2025 (million euros)	(38.2)

See the section on business continuity for more information on the soundness of the Company's financial structure.

INVESTMENTS

The following table provides a breakdown of the Company's investments in property, plant and equipment and intangible assets at 30 June 2024:

(In thousands of euros and as a percentage)	At 30 June			
	2025	%	2024	%
Land and buildings	62	7.8%	25	1.0%
Plant and machinery	316	39.9%	2,073	82.8%
Industrial and commercial equipment	126	15.9%	73	2.9%
Assets under construction and payments on account	288	36.4%	334	13.3%
Investments in property, plant and equipment	792	100.0%	2,505	100.0%

During the reporting period, the Company made investments totalling Euro 792 thousand.

The Company's investment policy is aimed at innovation and diversification in terms of product supply. In particular, the Company attaches importance to the development of new products, with the aim of continuously improving customer satisfaction.

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

OTHER INFORMATION

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

This section provides information on exposure to risks connected with the activities of the Company 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 Company'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 Company 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 Company, 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 Company'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 Company (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 Company 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 Company. The current macroeconomic context causes significant uncertainty regarding forecasts, with the resulting risk that reduced performance could impact margins in the short term. The Company pursues its aim of increasing its industrial efficiency and improving its production capacity while reducing overheads.

OPERATING RISKS

Risks related to the high level of competitiveness of the sector

The food & beverage market in which the Company 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 Company; (ii) increasing prevalence of online sales (where the Company is starting to have a presence) resulting in a decrease in product prices, especially in the mass distribution channel, through which the Company generates a significant percentage of its revenues, namely 63.2% at 30 June 2025; (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 Company 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 Company 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 Company'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 NewPrinces Group, and consequently the Company, constantly monitor climate change-related risks and conduct regular assessments to measure its resilience against risks deemed to be material. There are also other elements that increase the Company’s resilience. Foremost among these is the financial strength of the Company and the Group it belongs to, 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 2025 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 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, the Company 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.

The Company 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. No risk factors were identified in 2025.
- The factors that determine the carrying value of non-current assets (such as residual values, useful lives and depreciation methods, provisions and onerous contracts). No risk factors were identified in 2025.
- Management reasonably believes that there will be no significant impacts related to climate and environmental risks in the short to medium term.

INFLATION-RELATED RISKS

The sector the Company 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 Company and the Group to mitigate any impacts.

FINANCIAL RISKS

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.

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 period 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 periods under review, insofar as foreign-currency exposure is less than 1% of turnover.

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 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 income statement for the period and 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
Half-year as at 30 June 2025	(432)	432	(432)	432
Year ended 31 December 2024	(155)	155	(155)	155

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 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 at 30 June 2025 and 31 December 2024 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 30 June 2025	22,819	15,906	1,105	3,771	43,600
Provision for bad debts	-	-	-	(3,122)	(3,122)
Net trade receivables at 30 June 2025	22,819	15,906	1,105	649	40,479
Gross trade receivables at 31 December 2024	18,716	17,647	1,082	3,477	40,892
Provision for bad debts	-	-	-	(2,624)	(2,624)
Net trade receivables at 31 December 2024	18,716	17,647	1,082	823	38,268

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 table below provides a breakdown of the Company's financial requirements by contractual maturity:

(In thousands of euros)	Carrying amount at 30 June 2025	Within one year	Expiry Beyond one year	Beyond 5 years
Total financial liabilities	64,323	42,177	20,831	1,315

From the assessments performed, there were no significant impacts to be noted on the Company's business.

Positions or transactions deriving from atypical and/or unusual transactions

Pursuant to CONSOB Communication no. 6064293 of 28 July 2006, note that during the first half of 2025 no atypical and/or unusual transactions occurred outside the normal operation of the company that could give rise to doubts regarding the correctness and completeness of the information in the financial statements, conflicts of interest, protection of company assets and safeguarding the minority shareholders.

Treasury shares and shares of parent companies

In compliance with Article 2428 of the Italian Civil Code, note that as of 30 June 2025 the Company held no shares in parent companies. Note instead that 771,204 shares are held.

Share performance

In the first half of 2025 the stock of Centrale del Latte d'Italia S.p.A., listed on the Euronext Milan market and organised and managed by Borsa Italiana S.p.A., reached a maximum value of Euro 3.16 per share compared to a low of Euro 2.68. On the last trading day of the half year the company's stock closed at Euro 2.88 per share, which is equivalent to a market capitalisation of Euro 40.3 million.

Branch offices

A branch office was opened in Florence, in Via dell'Olmatello 20.

Transactions with related parties

The Company'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 explanatory notes to the interim financial statements report on the income statement items at 30 June 2025 and 30 June 2024 and the statement of financial position items at 31 December 2024 pertaining to related party transactions. This information has been extracted from the Interim Financial Statements at 30 June 2025 and from calculations carried out by the Company based on the outcome of general and operational accounting work.

The Company 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 interim financial statements as at 30 June 2025.

The Company deals with the following related companies:

- 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**").

Turin, 08 September 2025

For the Board of Directors
Angelo Mastrolia
Chair of the Board of Directors

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

Turin, 08 September 2025

Mr Fabio Fazzari
Officer in charge of preparing the
company's financial reports

Financial statements and explanatory notes

Statement of Financial Position at 30 June 2025

(In thousands of euros)	At 30 June 2025	At 31 December 2024
Non-current assets		
Property, plant and equipment	96,545	100,169
Right-of-use assets	14,378	14,961
of which from related parties	*6,692*	*8,398*
Intangible assets	19,497	19,507
Equity investments in associates	1,397	1,397
Non-current financial assets measured at fair value through profit or loss	703	703
Deferred tax assets	-	-
Total non-current assets	132,520	136,737
Current assets		
Inventories	26,190	23,443
Trade receivables	40,479	38,268
of which from related parties	*9,685*	*8,328*
Current tax assets	172	130
Other receivables and current assets	14,000	14,300
of which from related parties	*6,546*	*5,867*
Current financial assets measured at fair value through profit or loss	1	1
Financial receivables measured at amortised cost	2,525	2,540
of which from related parties	*2,525*	*2,540*
Cash and cash equivalents	41,882	42,613
of which from related parties	*33,936*	*35,218*
Total current assets	125,249	121,295
TOTAL ASSETS	257,769	258,032
Shareholders' equity		
Share capital	28,840	28,840
Reserves	40,039	35,620
Net profit/(loss)	4,656	4,419
Total net equity	73,535	68,879
Non-current liabilities		
Provisions for employee benefits	4,483	5,011
Provisions for risks and charges	1,488	1,428
Deferred tax liabilities	3,297	3,414
Non-current financial liabilities	22,145	30,054
Non-current lease liabilities	7,973	8,358
of which from related parties	*2,603*	*3,920*
Total non-current liabilities	39,386	48,265
Current liabilities		
Trade payables	74,880	81,309
of which from related parties	*6,062*	*3,927*
Current financial liabilities	42,177	34,741
of which from related parties	*278*	*188*
Current lease liabilities	10,264	10,033
of which from related parties	*8,974*	*8,946*
Current tax liabilities	-	43
Other current liabilities	17,527	14,761
of which from related parties	*4,697*	*3,478*
Total current liabilities	144,848	140,887
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	257,769	258,032

Income statement

(In thousands of euros)	Half-year ended 30 June	
	2025	2024
Revenue from contracts with customers	171,782	165,699
of which from related parties	*1,202*	*626*
Cost of sales	(132,581)	(129,011)
of which from related parties	*(4,083)*	*(3,711)*
Gross operating profit/(loss)	39,201	36,688
Sales and distribution costs	(26,949)	(25,313)
Administrative costs	(4,359)	(4,315)
of which from related parties	*(24)*	*(24)*
Net write-downs of financial assets	(517)	(88)
Other revenues and income	1,340	2,226
Other operating costs	(1,824)	(921)
Operating profit/(loss)	6,892	8,277
Financial income	651	720
of which from related parties	*627*	*605*
Financial expenses	(2,267)	(2,223)
of which from related parties	*(200)*	*(274)*
Profit/(loss) before taxes	5,276	6,774
Income taxes	(620)	(1,959)
Net profit/(loss)	4,656	4,815
Basic net profit/(loss) per share	0.33	0.34
Diluted net profit/(loss) per share	0.33	0.34

Statement of comprehensive income

(In thousands of euros)	Half-year ended 30 June	
	2025	2024
Net profit/(loss) (A)	4,656	4,815
a) Other components of comprehensive income that will not be subsequently reclassified to the income statement:		
Actuarial gains/(losses)	-	-
Tax effect on actuarial gains/(losses)	-	-
Total other components of comprehensive income that will not be subsequently reclassified to the income statement	-	-
Total other components of comprehensive income, net of tax effect (B)	-	-
Total comprehensive net profit/(loss) (A)+(B)	4,656	4,815

Statement of changes in shareholders' equity

(In thousands of euros)	Share capital	Reserves	Net profit/(loss)	Total shareholders' equity of the Company
At 31 December 2023	28,840	34,834	2,959	66,633
Allocation of net profit/(loss) for the previous year	-	2,959	(2,959)	-
Net profit/(loss) for the period	-	-	4,815	4,815
At 30 June 2024	28,840	37,793	4,815	71,448
Net profit/(loss)	-	-	(396)	(396)
Actuarial gains/(losses) net of the related tax effect	-	114	-	114
Treasury shares	-	(2,287)	-	(2,287)
At 31 December 2024	28,840	35,620	4,419	68,879
Allocation of net profit/(loss) for the previous year	-	4,419	(4,419)	-
Net profit/(loss)	-	-	4,656	4,656
At 30 June 2025	28,840	40,039	4,656	73,535

Statement of cash flows

(In thousands of euros)	At 30 June	
	2025	2024
Profit/(loss) before taxes	5,277	6,774
- Adjustments for:		
Amortisation, depreciation and write-downs	8,305	7,691
Financial expense/(income)	1,616	1,503
of which from related parties	*427*	*(274)*
Cash flow generated /(absorbed) by operating activities before changes in net working capital	15,197	15,968
Change in inventory	(2,747)	(676)
Change in trade receivables	(2,728)	(17,595)
Change in trade payables	(6,429)	5,063
Change in other assets and liabilities	3,197	2,283
Use of provisions for risks and charges and for employee benefits	(468)	(255)
Taxes paid	(284)	-
Net cash flow generated / (absorbed) by operating activities	5,738	4,788
Investments in property, plant and equipment	(792)	(2,505)
Net cash flow generated / (absorbed) by investment activities	(792)	(2,505)
New financial payables	15,000	15,284
Repayments of long-term financial debt	(15,579)	(4,188)
Repayments of lease liabilities	(3,588)	(3,272)
of which from related parties	*(1,705)*	*(1,857)*
Net interest expense	(1,509)	(1,403)
Net cash flow generated/(absorbed) by financing activities	(5,677)	6,421
Total changes in cash and cash equivalents	(731)	8,704
Cash and cash equivalents at start of year	42,613	36,032
of which from related parties	*35,218*	*12,549*
Offsetting of financial receivables	-	500
Total changes in cash and cash equivalents	(730)	8,704
Cash and cash equivalents at end of year	41,883	45,236
of which from related parties	*33,936*	*36,962*

Explanatory notes

Basis of preparation

The condensed half-year financial statements at 30 June 2025 were prepared in accordance with the international accounting principles (IAS/IFRS) adopted by the European Union for interim financial statements (IAS 34). The financial statements were prepared in accordance with IAS 1, while the notes were prepared in condensed form applying the option provided for in IAS 34 and therefore do not include all the information required for an annual report prepared in accordance with IFRSs. The interim financial statements at 30 June should therefore be read in conjunction with the annual financial statements for the year ended 31 December 2024.

These notes are presented in summary form in order not to duplicate information that has already been published, as required by IAS 34. Specifically, note that the comments refer exclusively to those components of the income statement and balance sheet whose composition or whose variation in amount, nature or unusual character are essential for the understanding of the Company's economic, financial and equity situation.

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

Measurement criteria

The measurement criteria used for the preparation of the financial statements for the six months ending 30 June 2025 are the same as those used for the annual financial statements at 31 December 2024, except for the new accounting standards, amendments and interpretations applicable from 1 January 2025, which are described below and which it is noted did not have an impact on the Company's current results, assets and liabilities and cash flows.

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.

There was no impact resulting from the application of this standard on the report as at 30 June 2025 for Centrale del Latte d'Italia S.p.A.

Notes to the half-year report as at 30 June 2025

Criteria and methods

The half-year financial report includes the Balance Sheet, the Income Statement, the Comprehensive Income Statement, the changes in Shareholders' Equity and the Company's Cash Flow Statement and related Explanatory Notes, prepared on the basis of the relative accounting situation in accordance with IFRS accounting standards.

Sectoral information

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

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

For the purposes of IFRS 8, the Company's activity is identifiable in the following business segments: Milk Products, Dairy Products and Other Products. 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 interim period ended 30 June 2025, and the reconciliation of these items with respect to the corresponding amount included in the Interim Report.

(In thousands of euros)	At 30 June 2025			
	Milk products	*Dairy products*	Other Products	Total financial statements
Revenue from contracts with customers (third parties)	130,735	33,809	7,238	171,782
EBITDA (*)	11,495	3,450	252	15,197
EBITDA margin	8.8%	10.2%	3.5%	8.8%
Amortisation, depreciation and write-downs	7,488	205	95	7,788
Net write-downs of financial assets			517	517
Operating profit/(loss)	**4,007**	**3,245**	**(360)**	**6,892**
Financial income	-	-	651	651
Financial expenses	-	-	(2,267)	(2,267)
Profit/(loss) before taxes	**4,007**	**3,245**	**(1,976)**	**5,276**
Income taxes	-	-	(620)	(620)
Net profit/(loss)	**4,007**	**3,245**	**(2,596)**	**4,656**
Total assets	180,514	9,679	67,578	257,769
Total liabilities	87,044	15,251	81,938	184,233
Investments	792		-	792
Employees (number)	542	65	12	619

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

Non-current assets

Below is a description of the main items that make up the non-current assets.

(In thousands of euros)	At 30 June 2025	At 31 December 2024
Non-current assets		
Property, plant and equipment	96,545	100,169
Right-of-use assets	14,378	14,961
Intangible assets	19,497	19,507
Equity investments in associates	1,397	1,397
Non-current financial assets measured at fair value through profit or loss	703	703
Deferred tax assets	-	-
Total non-current assets	132,520	136,737

Fixed assets, plant and equipment

(In thousands of euros)	Land and buildings	Plant and machinery	Industrial and commercial equipment	Leasehold improve-ments	Assets under construc-tion and payments on account	Total
Historical cost at 31 December 2024	85,552	134,572	18,697	358	636	239,814
Investments	62	316	126	-	288	792
Disposals	-	-	(614)	-	-	(614)
Reclassifications	3	28	-	-	(31)	-
Historical cost at 30 June 2025	85,617	134,916	18,209	358	893	239,992
Accumulated amortisation/depreciation as at 31 December 2024	29,928	91,564	17,826	327	-	139,645
Depreciation/Amortisation	751	3,508	156	1	-	4,416
Disposals	-	-	(614)	-	-	(614)
Accumulated amortisation/depreciation as at 30 June 2025	30,679	95,072	17,368	328	-	143,447
Net carrying amount at 31 December 2024	55,624	43,007	871	31	636	100,169
Net carrying amount at 30 June 2025	54,938	39,844	841	30	893	96,545

The decrease is mainly due to amortisation/depreciation for the period. The increases for the period relate to the completion of the investments in the Milk segment.

Right-of-use assets

The changes recorded under the investment item refer mainly to the lease of machinery used in the production process.

(In thousands of euros)	Right-of-use assets
Historical cost at 31 December 2024	40,613
Investments	2,778
Disposals	(2,142)
Historical cost at 30 June 2025	41,249
Accumulated amortisation/depreciation as at 31 December 2024	25,652
Depreciation/Amortisation	3,360
Disposals	(2,142)
Accumulated amortisation/depreciation as at 30 June 2025	26,871
Net carrying amount at 31 December 2024	14,961
Net carrying amount at 30 June 2025	14,378

Intangible assets

(In thousands of euros)	Goodwill	Concessions, licences, trademarks and similar rights	Assets under development	Total
Historical cost at 31 December 2024	570	42,395	2	42,967
Investments	-	-	-	-
Historical cost at 30 June 2025	570	42,395	2	42,967
Accumulated amortisation/depreciation as at 31 December 2024	220	23,240	-	23,460
Depreciation/Amortisation	-	10	-	10
Accumulated amortisation/depreciation as at 30 June 2025	220	23,250	-	23,470
Net carrying amount at 31 December 2024	350	19,155	2	19,507
Net carrying amount at 30 June 2025	350	19,145	2	19,497

Goodwill

Goodwill of Euro 350 thousand refers to the effect of the merger between Centrale del Latte d'Italia S.p.A. and Centro Latte Rapallo in 2013.

Concessions, licences, trademarks and similar rights

The following table shows a breakdown of "Concessions, licences, trademarks and similar rights" as at 30 June 2025:

(In thousands of euros)	**At 30 June 2025**	**At 31 December 2024**
Trademarks with an indefinite useful life	19,132	19,132
Total net book value	19,132	19,132

Trademarks with an indefinite useful life

This item refers to the brands “Latte Rapallo”, “Latte Tigullio”, “Centrale del Latte di Vicenza” and “Mukki” for a total of Euro 19,132 thousand. At the reporting date, trademarks with an indefinite useful life were not subject to an impairment test as no Trigger Events were found that required early impairment.

In fact, despite the fact that the market capitalisation is lower than the Company's shareholders' equity value, in the first six months of the year the performance and margins recorded were in line with those forecast in the Business Plan used to carry out the Impairment exercise as at 31 December 2024.

In fact, the assumptions that led to the Impairment result as shown in the Annual Financial Report as at 31 December 2024 are still valid.

Equity investments in associates

The investments of associate companies amounting to Euro 1,397 thousand refer mainly to the investment held by Centrale del Latte d'Italia SpA in Mercafir Scpa.

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

The balance mainly includes the interest in Futura S.r.l. for a total of approximately Euro 689 thousand (less than 5% stake).

Current assets

(In thousands of euros)	At 30 June 2025	At 31 December 2024
Current assets		
Inventories	26,190	23,443
Trade receivables	40,479	38,268
Current tax assets	172	130
Other receivables and current assets	14,000	14,300
Current financial assets measured at fair value through profit or loss	1	1
Financial receivables measured at amortised cost	2,525	2,540
Cash and cash equivalents	41,882	42,613
Total current assets	125,249	121,295

Inventories

Closing inventories were up by Euro 2.7 million on 31 December 2024 mainly because of an increase in warehouse stock.

(In thousands of euros)	At 30 June 2025	At 31 December 2024
Raw materials, supplies, consumables and spare parts	15,950	13,913
Finished products and goods	10,377	9,680
Advance payments	31	26
Total gross inventories	26,358	23,619
Inventory write-down reserve	(168)	(176)
Total inventories	26,190	23,443

Trade receivables

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

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

The provision for doubtful receivables changed as follows during 2025 and the for the period reflects the exposure of the receivables – net of the provision for doubtful receivables – at their presumed realisable value.

(In thousands of euros)	Provision for doubtful trade receivables
Balance at 31 December 2023	(2,590)
Provisions	(198)
Uses	164
Balance at 31 December 2024	(2,624)
Provisions	(517)
Releases	19
Balance at 30 June 2025	(3,122)

Current tax assets

Current tax assets totalled Euro 172 thousand, in line with 31 December 2024.

Other receivables and current assets

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

(In thousands of euros)	At 30 June 2025	At 31 December 2024
Tax assets	6,523	6,947
Receivables from social security institutions	6	4
Accrued income and prepaid expenses	655	444
Advance payments	838	781
Other receivables	5,978	6,123
Total other receivables and current assets	14,000	14,300

Financial receivables measured at amortised cost

Financial receivables measured at amortised cost refer to financial receivables from the related party New Property SpA for a total amount of Euro 2,525 thousand.

Cash and cash equivalents

"Cash and cash equivalents" consist of sight current accounts with banks. For details of the net financial debt, please see the report on operations in this document.
At 30 June 2025, cash and cash equivalents were not subject to restrictions or constraints.
Part of the aforementioned cash and cash equivalents of Euro 33,936 thousand is attributable to cash pooled with the direct parent NewPrinces.
Please see the statement of cash flows for changes in the "Cash and cash equivalents" item during the year under review.

Shareholders' equity

Share capital

As at 30 June 2025 the Company's fully subscribed and paid-up share capital totalled Euro 28,840,041.20, divided into 14,000,020 ordinary shares with no nominal value.
As reported in the statement of changes in shareholders' equity, the changes as at 30 June 2025 relate solely to the recognition of the net comprehensive income for the period in the amount of Euro 4,656 thousand.

Non-current liabilities

(In thousands of euros)	At 30 June 2025	At 31 December 2024
Non-current liabilities		
Provisions for employee benefits	4,483	5,011
Provisions for risks and charges	1,488	1,428
Deferred tax liabilities	3,297	3,414
Non-current financial liabilities	22,145	30,054
Non-current lease liabilities	7,973	8,358
Total non-current liabilities	39,386	48,265

Provisions for employee benefits

As at 30 June 2025 this item amounted to Euro 4,483 thousand, with a decrease compared to 31 December 2024 (Euro 5,011 thousand) mainly due to the payment of severance indemnity (TFR) following resignations and retirements in the first half of 2025.

(In thousands of euros)	Employee severance indemnity
Balance at 31 December 2023	5,786
Financial expenses	170
Actuarial losses/(gains)	(160)
Benefits paid	(785)
Balance at 31 December 2024	5,011
Benefits paid	(528)
Balance at 30 June 2025	4,483

Provisions for risks and charges

The table below shows a breakdown of and changes in the item: "Provisions for risks and charges":

(In thousands of euros)	Provision for agents' indemnities	Other provisions for risks and charges	Total provisions for risks and charges
Balance at 31 December 2023	1,301	68	1,369
Provisions	129	-	129
Uses	(70)	-	(70)
Balance at 31 December 2024	1,360	68	1,369
Provisions	71	-	71
Uses	(11)	-	(11)
Balance at 30 June 2025	1,420	68	1,488

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.

Deferred tax liabilities

Deferred tax liabilities mainly refer to the allocation of capital gains from the acquisition of Centrale del Latte Toscana, the fair value valuation of the Mukki, Rapallo-Tigullio and Vicenza trademarks, and the fair value valuation of the Centrale del Latte land.

Non-current and current financial liabilities

Please refer to the "Net Financial Debt" section in the management report. As at 30 June 2025, the covenants relating to the loan granted by MS Capital Services were respected. With regard to the financial constraints on the other financing lines, the check is performed on the annual data as at 31 December, as per contractual requirements. The Company maintains that it is likely that these covenants will be complied with during the current year.

Current and non-current lease liabilities

This item includes the financial debt related to the right-of-use values recorded under fixed assets.

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

There is a portion of Euro 1,294 thousand beyond 5 years.

Current liabilities

(In thousands of euros)	At 30 June 2025	At 31 December 2024
Current liabilities		
Trade payables	74,880	81,309
Current financial liabilities	42,177	34,741
Current lease liabilities	10,264	10,033
Current tax liabilities	-	43
Other current liabilities	17,527	14,761
Total current liabilities	144,848	140,887

Trade payables

Trade payables refer mainly to balances deriving from transactions for the purchase of goods destined for sale.

(In thousands of euros)	At 30 June 2025	At 31 December 2024
Trade payables to suppliers	68,818	77,382
Trade payables to related parties	6,062	3,927
Total trade payables	74,880	81,309

There are no particular changes in payment times to suppliers.

Current financial liabilities

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

Current lease liabilities

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

Other current liabilities

Other current liabilities consist mainly of tax payables and payables to employees or social security institutions.

(In thousands of euros)	At 30 June	At 31 December
	2025	2024
Payables to employees	7,220	5,493
Payables to social security institutions	1,839	1,551
Tax liabilities	5,905	4,908
Accrued expenses and deferred income	2,127	2,401
Miscellaneous payables	436	408
Total other current liabilities	17,527	14,761

Income statement

Please refer to the management report for a more uniform analysis of the Company's economic situation.

Earnings per share

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

(In thousands of euros)	Half-year ended 30 June	
	2025	2024
Profit for the Year of the Company	4,656	4,815
Weighted average number of shares in circulation	14,000	14,000
Earnings per share	0.333	0.344

Related party transactions

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 are carried out under normal market conditions.

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

The Company deals with the following related parties:

- NewPrinces S.p.A. and Newlat Group SA, respectively direct and indirect parent company.
- Companies controlled by the direct parent or indirect parent company other than its own subsidiaries and associates ("**Companies controlled by 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 30 June 2025 and 31 December 2024.

(In thousands of euros)	Direct parent company	Indirect parent company	Companies controlled by the parent companies			Total	Total statement of financial position items	% of statement of financial position item
	NewPrinces	Newlat Group	New Property	Princes Italia	*Newservice*			
Right-of-use assets								
At 30 June 2025	4,140	-	2,552	-	-	6,692	14,378	46.5%
At 31 December 2024	5,520	-	2,878	-	-	8,398	14,961	56.1%
Trade receivables								
At 30 June 2025	8,053	948	-	684	-	9,685	40,479	23.9%
At 31 December 2024	7,395	933	-	-	-	8,328	38,268	21.8%
Other receivables and current assets								
At 30 June 2025	6,546	-	-	-	-	6,546	14,000	46.8%
At 31 December 2024	5,842	-	-	-	-	5,842	14,300	40.9%
Financial receivables measured at amortised cost								
At 30 June 2025	-	-	2,525	-	-	2,525	2,525	100.0%
At 31 December 2024	-	15	2,525	-	-	2,540	2,540	100.0%
Cash and cash equivalents								
At 30 June 2025	33,932	-	-	4	-	33,936	41,882	81.0%
At 31 December 2024	35,218	-	-	-	-	35,218	42,613	82.6%
Non-current lease liabilities								
At 30 June 2025	998	-	1,605	-	-	2,603	7,973	32.6%
At 31 December 2024	1,988	-	1,932	-	-	3,920	8,358	46.9%
Trade payables								
At 30 June 2025	5,090	37	470	286	178	6,061	74,880	8.1%
At 31 December 2024	2,539	12	1,376	-	-	3,927	81,309	4.8%
Current financial liabilities								
At 30 June 2025	278	-	-	-	-	278	42,177	0.7%

At 31 December 2024	188	-	-	-	-	188	34,741	0.5%
Current lease liabilities								
At 30 June 2025	8,326	-	648	-	-	8,974	10,264	87.4%
At 31 December 2024	8,310	-	636	-	-	8,946	10,033	89.2%
Other current liabilities								
At 30 June 2025	4,697	-	-	-	-	4,697	17,526	26.8%
At 31 December 2024	3,478	-	-	-	-	3,478	14,761	23.6%

The table below provides a breakdown of the income statement items relating to the Company's transactions with related parties for the interim periods ended 30 June 2025 and 2024.

(In thousands of euros)	Direct parent company	Indirect parent company	Companies controlled by the parent companies			Total	Total statement of financial position items	% of statement of financial position item
	NewPrinces	Newlat Group	Princes Italia	New Property	Newservice			
Revenue from contracts with customers								
At 30 June 2025	518	-	684	-	-	1,202	171,782	0.7%
At 30 June 2024	626	-	-	-	-	626	165,699	0.4%
Cost of sales								
At 30 June 2025	2,565	-	287	838	393	4,083	132,581	3.1%
At 30 June 2024	2,831	-	-	409	471	3,711	129,011	2.9%
Administrative costs								
At 30 June 2025	-	24	-	-	-	24	4,359	0.6%
At 30 June 2026	-	24	-	-	-	24	4,315	0.6%
Financial income								
At 30 June 2025	576	51	-	-	-	627	651	96.4%
At 30 June 2024	345	260	-	-	-	605	627	96.5%
Financial expenses								
At 30 June 2025	145	-	-	55	-	200	2,267	8.8%
At 30 June 2024	207	-	-	67	-	274	2,222	12.3%

Disputes, contingent liabilities and contingent assets

Furthermore, there are no substantial changes to the situations regarding disputes or contingent liabilities from 30 June 2025.

CERTIFICATION OF THE CONDENSED HALF-YEAR FINANCIAL STATEMENTS PURSUANT TO ART. 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 Chairman, and Fabio Fazzari, as Financial Reporting Officer, of the company Centrale del Latte d'Italia S.p.A. 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 condensed half-year financial statements during the first half of 2025.

The assessment of the adequacy of the administrative and accounting procedures for drawing up the condensed half-year financial statements at 30 June 2025 is based on a process defined by Centrale del Latte d'Italia S.p.A. in compliance with the Internal Control – Integrated Framework model issued by the Committee of Sponsoring Organizations of the Treadway Commission, which is a generally internationally accepted framework of reference.

We can also certify that:

a. the condensed half-year financial statements:
    - Were drafted in conformity with the applicable international accounting standards endorsed by the European Community under the terms of Regulation (EC) N° 1606/2002 of the European Parliament and Council, of 19 July 2002.
    - Correspond with the accounting books and records.
    - Are capable of providing a true and correct representation of the Company's balance sheet, economic and financial situation.

b. The interim report on performance includes a reliable analysis of the references to important events that occurred in the first six months of the year and to their impact on the condensed half-year financial statements, together with a description of the main risks and uncertainties for the remaining six months of the year. The interim report on operations also includes a reliable analysis of the information on the significant transactions with related parties.

Turin, 08 September 2025

Angelo Mastrolia Chairman of the BoD	Fabio Fazzari Financial Reporting Officer

REVIEW REPORT ON CONDENSED INTERIM FINANCIAL STATEMENTS

To the shareholders of
Centrale del Latte d'Italia SpA

Foreword

We have reviewed the accompanying condensed interim financial statements of Centrale del Latte d'Italia SpA as of 30 June 2025, comprising the statement of financial position, income statement, statement of comprehensive income, statement of changes in shareholders' equity, statement of cash flows and related explanatory notes. The directors of Centrale del Latte d'Italia SpA are responsible for the preparation of the condensed interim financial statements in accordance with the international accounting standard applicable to interim financial reporting (IAS 34) as issued by the International Accounting Standards Board and adopted by the European Union. Our responsibility is to express a conclusion on these condensed interim financial statements based on our review.

Scope of Review

We conducted our work in accordance with the criteria for a review recommended by Consob in Resolution No. 10867 of 31 July 1997. A review of condensed interim financial statements consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than a full-scope audit conducted in accordance with International Standards on Auditing (ISA Italia) and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion on the condensed interim financial statements.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed interim financial statements of Centrale del Latte d'Italia SpA as of 30 June 2025 are not prepared, in all material respects, in accordance with the international accounting standard applicable to interim financial reporting (IAS 34) as issued by the International Accounting Standards Board and adopted by the European Union.

Turin, 8 September 2025

PricewaterhouseCoopers SpA

Signed by

Monica Maggio
(Partner)

This review 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.