

**BOARD OF DIRECTORS APPROVES
INTERIM MANAGEMENT REPORT AS AT MARCH 31, 2018**

**ALL INCOME MARGINS UP ON MARCH 31, 2017
INCREASE OF OVER 35% IN FOREIGN TURNOVER COMPARED TO THE
PREVIOUS YEAR**

- **Revenues from sales: €18.4 million, +3% (€17.9 million)¹**
- **EBITDA: €2.4 million, +12.5% (€2.2 million)**
- **Net Profit: €1.3 million, +13.5% (€1.2 million)**
- **Positive Net Financial Position: €12.8 million (€15.1 million)**

Bologna, May 7, 2018

The Board of Directors of Valsoia S.p.A. met today, chaired by Lorenzo Sassoli de Bianchi. (MTA market: VLS) and approved the interim management report as at March 31, 2018.

Lorenzo Sassoli de Bianchi, Chairman of Valsoia S.p.A., stated, “The positive trend in results for the first quarter of 2018, in line with the last quarter of the previous year, confirms the soundness of the strategic decisions implemented: firstly, in the healthfood sector, the Company maintains its leadership position and premium positioning of the Valsoia Bontà e Salute brand. In the Food division, sales continue to record positive performance. International operations are continuing their extremely positive trend, with growth of over 35% compared to the previous year, due to the expansion of the distribution network in Europe and the USA, mainly for the Ice Cream lines. This positive start,” the Chairman continued, “gives us considerable faith in forecasting that over the entire year we will consolidate our share of the domestic market and increase our shares on international markets.”

¹ The figures in parentheses refer to the income statement data as at March 31, 2017 and, for the balance sheet data, as at December 31, 2017

INTRODUCTION

Starting from 2018 it is mandatory to adopt the new international accounting standards **IFRS 15** – Revenue from Contracts with Customers and **IFRS 9** – Financial Instruments, and therefore the Interim Management Report was prepared in line with the framework set out by the new accounting standards. For the purpose of better understanding and comprehension of the financial statement figures, the income statement for the 1st quarter of 2017 was reclassified based on the new rules of recognition set out by IFRS 15. The adoption of IFRS 15 resulted in:

- the one-off posting as at 1 January 2018 (First Time Adoption) of a negative shareholders' equity reserve of €132 thousand;
- the reclassification of revenues from the previous accounting methodology, which resulted in a reduction of € 6 million both for the current quarter and for the same period of the previous year;
- an increase in the value of inventories of around €600 thousand;
- an insignificant effect on the Company's operating margin.

Based on the analyses conducted by the Company, the adoption of the new accounting standard IFRS 9 – Financial Instruments did not have significant impacts on the first quarter of 2018.

MAIN CONSOLIDATED INCOME STATEMENT DATA AS AT MARCH 31, 2018

Income Statement Indicators (thousands of Euro)	03.31.2018		03.31.2017 ²		Change	
	Euro	% Inc.	Euro	% Inc.	Euro	%
Revenues from sales	18,426	100	17,892	100	534	3.0
Value of production	19,017	103.2	18,023	100.7	994	5.5
Gross operating profit (EBITDA)	2,420	13.1	2,151	12.0	269	12.5
Net operating profit (EBIT)	1,899	10.3	1,671	9.3	228	13.6
Profit (loss) before taxes	1,848	10.0	1,623	9.1	225	13.9
Net profit for the period	1,331	7.2	1,173	6.6	158	13.5

In the first quarter of 2018 the Company recorded Revenues from sales of €18.4 million (already posted as per the new standard IFRS 15), up by +3.0% on the like-for-like first quarter of 2017.

That increase resulted in the positive consolidation of revenues, recorded since the last quarter of 2017.

The positive performance of revenues from sales arose despite a scenario of the Grocery Italy market characterised by a slow start to the year for consumer spending on “Large Brands”.

² 2017 figure reclassified due to the adoption of IFRS 15, as indicated in the introduction

In particular, in the **healthfood** markets, where the Company operates with a leadership position through its “**Valsoia Bontà e Salute**” brand, problematic trends in consumer spending were generated by an extraordinary crowding of the shelves among competitors.

Also in the **Food Division**, all brands (**Santa Rosa, Pomodorissimo and Diete.Tic**) recorded positive sales performance, specifically as regards preserves, outperforming the reference market.

Diete.Tic showed a positive start, in line with expectations, which confirms its absolute leadership in the liquid sweeteners segment, strongly maintaining the top position as the single most sold item in the entire sweeteners market.

International markets the Company operates in showed a positive start in the first quarter. Specifically, due to a significant operation to expand distribution abroad, which currently covers around 10,000 points of sale, **turnover from exports grew by over 35%** compared to the same quarter of 2017. The international development plans mainly regard the Ice Cream lines which, as a result of their growth abroad, offset a slower start in Italy due to the more negative climate conditions in the quarter.

The **cost of goods sold** and logistics decreased slightly, also due to the effects of the cost saving projects implemented during 2017.

Commercial activities to support the Brands continued in line with the previous year, while fixed overheads increased slightly.

The **gross operating margin** (EBITDA) for the period, amounting to €2.4 million, grew by +12.5% compared to the same quarter of the previous year, generating a **net profit** of €1.3 million (+13.5% compared to the same period).

MAIN CONSOLIDATED BALANCE SHEET DATA AS AT MARCH 31, 2018

Balance Sheet Indicators (thousands of Euro)	Value			Change 03.31.18	
	03.31.18	12.31.17	03.31.17	Vs. 12.31.17	Vs. 03.31.17
Net Working Capital	6,672	3,268	4,822	3,404	1,850
Fixed assets	42,865	42,882	34,599	(17)	8,266
Net positive/(negative) financial position	12,842	15,119	16,604	(2,277)	(3,762)

As at March 31 Valsoia had a positive **net financial position** of over €12.8 million, a decrease of €2.3 million compared to December 31 of the previous year. Compared to the same date in

the previous year, the net financial position decreased by €3.8 million, also considering the financial outlay for the finalisation of the acquisition of Diète.Tic.

The primary operating cash flow for the quarter came to €2.4 million, while the increase in net working capital absorbed cash of €4.0 million.

SIGNIFICANT EVENTS AFTER THE END OF THE QUARTER AND OUTLOOK FOR OPERATIONS

Sales for April were stable overall compared to the same period of the previous year. In particular, an overall positive performance was seen in Ice Cream in April, for which significant investment is planned in communications to support the summer season in Italy. The positive trend in export sales is continuing.

The Manager Responsible for Preparing the Company's Financial Reports, Carlo Emiliani, hereby declares, pursuant to Article 154 bis, paragraph 2 of the Consolidated Law on Finance, that the accounting information contained in this press release matches the documentary results, books and accounting records.

Valsoia S.p.A. announces that the Interim Management Report as at March 31 2018 will be available to the public at the Company's registered office, on the authorised storage mechanism www.1info.it and can be viewed on the Issuer's website at www.valsoiaspa.com, Investor Relations section, starting on May 8, 2018.

In compliance with CONSOB Communication no. 9081707 of September 16 2009, it is noted that this report and the reclassified tables were not audited by the independent auditors.



Valsoia S.p.A. (www.valsoiaspa.com), founded in 1990, has developed the Italian market of soya-based vegetable products, growing from an initial turnover of around €350,000 (1990) to the current €111.9 million³ and is now the leading company in the healthfood market in Italy. For consumers, the Valsoia brand represents innovation and attention to health through products that are tasty, natural and healthy. On 14 July 2006, Valsoia S.p.A. was listed on the MTA stock exchange organised and managed by Borsa Italiana S.p.A.

For more information

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Attachments:

- Balance Sheet
- Income Statement
- Cash flow statement

³ Source: Separate Financial Statements 2017.

FINANCIAL STATEMENTS

FIGURES IN THOUSANDS OF EURO

STATEMENT OF FINANCIAL POSITION	Notes	March 31, 2018	December 31, 2017
CURRENT ASSETS	(1)		
Cash and cash equivalents		23,654	15,937
Trade receivables, net		16,038	15,061
Inventories		9,231	7,521
Other current assets		1,422	1,743
Total current assets		50,345	40,262
NON-CURRENT ASSETS	(2)		
Fixed assets		42,712	42,729
Other non-current assets		153	153
Total non-current assets		42,865	42,882
TOTAL ASSETS		93,210	83,144

FINANCIAL STATEMENTS

FIGURES IN THOUSANDS OF EURO

STATEMENT OF FINANCIAL POSITION	Notes	March 31, 2018	December 31, 2017
CURRENT LIABILITIES	(3)		
Short-term amounts due to banks and other loans		720	100
Trade payables		17,406	17,871
Other current liabilities		2,613	3,186
Total current liabilities		20,739	21,157
NON-CURRENT LIABILITIES	(4)		
Medium/long-term amounts due to banks and other loans		10,092	718
Other non-current liabilities		1,037	1,126
Total non-current liabilities		11,129	1,844
SHAREHOLDERS' EQUITY	(5)		
Share Capital		3,503	3,503
Reserves and retained earnings		56,508	49,716
Profit/(loss) for the period		1,331	6,924
Total shareholders' equity		61,342	60,143
TOTAL		93,210	83,144

FINANCIAL STATEMENTS

FIGURES IN THOUSANDS OF EURO

INCOME STATEMENT	Notes	March 31, 2018	March 31, 2017
VALUE OF PRODUCTION	(6)		
Revenues from sales and services		18,426	17,892
Change in inventories of finished products		544	100
Other revenues and income		47	31
Total value of production		19,017	18,023
OPERATING COSTS	(7)		
Purchases		(10,337)	(9,520)
Services		(3,853)	(4,171)
Payroll Costs		(2,451)	(2,197)
Other operating costs		44	16
Total operating costs		(16,597)	(15,872)
EBITDA		2,420	2,151
Amort., deprec. and writedowns of fixed assets	(8)	(521)	(480)
EBIT		1,899	1,671
Financial expenses, net	(9)	(51)	(48)
PROFIT (LOSS) BEFORE TAXES		1,848	1,623
Taxes		(517)	(450)
NET PROFIT (LOSS)		1,331	1,173

FINANCIAL STATEMENTS

FIGURES IN THOUSANDS OF EURO

SUMMARY CASH FLOW STATEMENT FOR THE PERIODS ENDED AS AT	March 31, 2018	March 31, 2017
A Opening net short-term cash and cash equivalents	15,837	19,287
B Cash flow from operating activities in the period		
- Cash flow from operating activities before changes in working capital (primary cash flow)	2,400	2,257
- Change in Net Working Capital	(4,027)	(1,440)
- Change in Other Operating Assets/(Liabilities)	(89)	(2,201)
- Taxes paid during the period	0	0
Total (B)	(1,716)	(1,384)
C Cash flow from/(used in) investing activities	(510)	(447)
D Cash flow from/(used in) financing activities	9,323	(48)
E Cash flow for the period (B+C+D)	7,097	(1,879)
F Closing net short-term cash and cash equivalents (A+E)	22,934	17,408