VALSOIA SpA

Condensed Interim Financial Statements at June 30, 2021

Contributing to people's wellbeing by helping them make informed food choices. Promoting awareness of the health benefits of plant-based foods. Spreading knowledge of healthy eating responsibly and with passion.
That's Valsoia. And that's the mission expressed in our logo with the Italian for 'goodness and health' – "bontà e salute".
A mission everyone can experience in all our deliciously healthy products.
It's this commitment to pleasure and health that has made the Valsoia brands some of Italy's leading and best-loved household names, thanks to the quality of our products and constant research and innovation.

* Brand in exclusive distribution in the Italian territory

To live a better and healthier life through our nutritional choices every day, this is the MISSION of Valsoia Spa. An Italian company that strives every day to offer a sound dietetic-nutritional response to the increasing demand for health and well-being.

QUALITY AND EXPERIENCE

Valsoia champions "plant-based nutrition" and "healthy eating" connected to the cultural values of quality and selecting excellent ingredients. Well-designed and controlled processes back up the precious know how we have gained over decades of experience. Valsoia is always actively researching products that are good, healthy and safe and therefore made with precious and unique ingredients.

NUTRITION RESEARCH

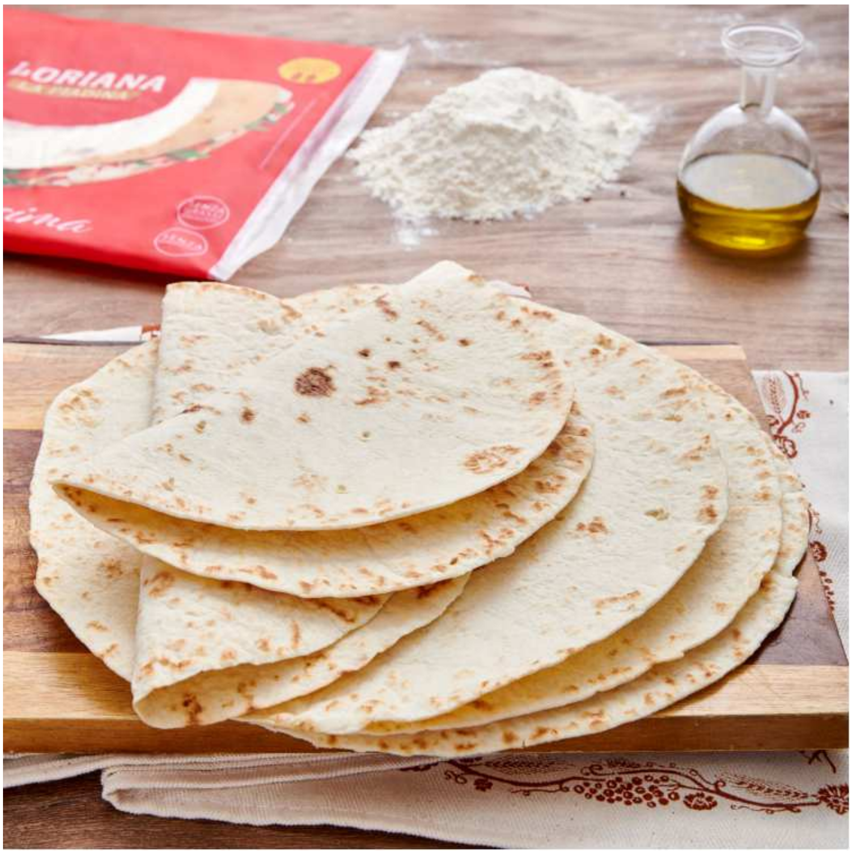
Our constant focus on recipes, the creation of new tastes and the selection of raw materials has led to improvement in the flavours and the realization of new proposals, so as to satisfy the ever-growing variety and complexity of the demand for nutritious foods.

PRODUCT VARIETY

Currently we offer plant-based alternatives, beverages, ice-creams, yoghurt, desserts, cookies, main dishes, cheeses and dressings all sold under the Valsoia trademark; moreover, our products include the Santa Rosa preserves and sorbets, marks of excellence in preserves and fruit processing and the Pomodorissimo tomato sauces, characterised by their unmistakable flavour.

ITALIAN TRADITION

All our products follow the nutritional tradition of Italy. Al the products are healthy and of high quality, ideal for the entire family and they are appropriate for every moment of the day, from breakfast to dinner. Our products feature the simplicity of the flavours that are the result of our careful preparation, distilling the experience of the best nutritionists.



News:

PIADINA LORIANA

Historic brand of Romagna piadine
from the end of 2020 is part of the Valsoia portfolio

According to brand of the category in terms of share value,
Loriana boasts a PREMIUM positioning
within a growing category

The wide range of plates that make up the offer,
in line with the latest market trends,
covers both classic and functional segments

CONTENTS

1 / General information

GENERAL INFORMATION

Corporate offices and positions

Board of Directors [1]

Chairman	Lorenzo Sassoli de Bianchi
Deputy Chairman	Furio Burnelli
Chief Executive Officer and General Manager [2]	Andrea Panzani
Directors	Susanna Zucchelli
	Francesca Postacchini
	Gregorio Sassoli de Bianchi
	Camilla Chiusoli
	Patrizia Fogacci
	Marco Montefameglio

Board of Statutory Auditors [1]

Chairman	Gianfranco Tomassoli
Statutory Auditors	Claudia Spisni
	Massimo Mezzogori
Alternate Auditors	Massimo Bolognesi
	Simonetta Frabetti

Honorary Chairman [6]

	Cesare Doria de Zuliani

Supervisory Board [3]

Chairman	Gianfranco Tomassoli
Standing members	Maria Luisa Muserra
	Giulia Benini [3.1]

Independent Auditors [4]

KPMG S.p.A.

Manager in charge of financial reporting [5]

Nicola Mastacchi

(1) Appointed on April 27, 2020, in office until the approval of the 2022 Financial Statements.

(2) Chief Executive Officer (since April 23, 2015) and General Manager (since February 04, 2014).

(3) Appointed on March 13, 2020, in office until the approval of the 2022 Financial Statements.

(3.1) Internal member, Legal Specialist of Valsoia S.p.A. since November 2018;

(4) Appointed on April 23, 2015, in office until the approval of the 2023 Financial Statements.

(5) Appointed by the Board of Directors on May 23, 2019, Manager of Valsoia S.p.A., Statutory Auditor.

(6) Appointed on 27 April 2020, in office until approval of the 2022 Financial Statements

Corporate data and Group structure

Company Name: Valsoia S.p.A.
Registered office: Via Ilio Barontini 16/5 - 40138 Bologna (BO) - Italy
Telephone no. +39 051 6086800
Fax no. +39 051 248220
Certified e-mail: valsoia@legalmail.it
Website: www.valsoiaspa.com - Investor Relations section

Share Capital - fully paid up: Euro 3,533,772.66
Tax Code and registration number in the Companies Register of Bologna: 02341060289
VAT no.: 04176050377
Enrolment with the Chamber of Commerce of Bologna: BO-338352

Production facility:
C.so Matteotti 13 - 13037 Serravalle Sesia (VC) – Italy

The structure of the Valsoia Group, at the period-end date, in addition to the parent company Valsoia S.p.A., included the following subsidiary:

Company Name	Share Capital	Main office	% Held
Valsoia Pronova d.o.o.	€ 100,000	Ljubljana (Slovenia)	100

At the closing of this period, Valsoia does not own any other investments above 10% of the share capital, represented by shares with rights of voting, in non-listed companies, nor does it own shares in limited liability companies.

The Company has no branch offices.

Valsoia S.p.A. has decided to take the option authorised by art. 70, par. 8 and art. 71, par. 1-bis of Consob Regulation No. 11971/99 (as amended) and therefore to dispense with the obligation to provide disclosure to the public in the event of significant mergers, spin-offs, share capital increases through contributions in kind, acquisitions and disposals.

2 /

Directors Report

INTERIM MANAGEMENT REPORT

KEY FINANCIAL HIGHLIGHTS

Income statement ratios (EUR 000)	06/30/2021 EUR	06/30/2021 %	06/30/2020 EUR	06/30/2020 %	Change EUR	Change %
Sales revenue (total)	46,390	*100.0*	43,447	*100.0*	+ 2,943	*+ 6.8*
Value of production	48,339	*104.2*	44,548	*102.5*	+ 3,792	*+ 8.5*
Gross Operating Result (EBITDA) (*)	7,895	*17.0*	7,557	*17.4*	+ 339	*+ 4.5*
Net operating result (EBIT)	6,635	*14.3*	6,416	*14.8*	+ 219	*+ 3.4*
Net profit for the period	4,722	*10.2*	4,584	*10.6*	+ 138	*+ 3.0*

(*) The interim result is not defined as an accounting measure pursuant to the IFRSs, therefore the definition criteria for this parameter may not be consistent with those adopted by other companies. This result is (positively) impacted by the application of IFRS 16 "Leases" for a value of EUR 283 thousand with reference to the EBITDA value at 06/30/2021 and EUR 287 thousand with reference to that at 06/30/2020

Financial ratios (*) (EUR 000)	Value 06/30/2021	Value 12/31/2020	Value 06/30/2020	Changes 06/30/2021 Vs 12/31/2020	Changes 06/30/2021 Vs 06/30/2020
Net working capital	1,961	(2,362)	3,338	4,323	(1,377)
Non-current assets	54,989	55,895	42,453	(906)	12,536
Financial Position Net - positive - (**)	18,921	21,479	25,820	(2,557)	(6,898)

(*) With regard to the composition of the Items indicated, see the Notes at the end of this Report.

(**) The figures include the (negative) effect on the NFP deriving from the application of IFRS 16, equal to:
EUR (2,077) thousand at 06/30/2020; EUR (1,913) thousand at 12/31/2020 and EUR (1,645) thousand at 06/30/2021.

MAIN EVENTS FOR THE PERIOD AND BUSINESS PERFORMANCE

In the first half of 2021, the Company reported **sales revenues** of EUR 46.4 million compared to EUR 43.4 million in the same period of 2020. The increase amounted to EUR 2.9 million (+6.8%) compared to the previous year, which

had already shown an increase of +17.2% over the first half of 2019.
A comparison of Sales Revenues between the first half of 2021 and the same period of 2019 (pre-Covid) therefore shows growth of + EUR 9.3 million (+25.1%).

The increase in revenues recorded in the first half of the year was due to growth in both Italian (+6.1%) and foreign sales (+14.3%). In particular, in Italy both Health Division revenues (+3.7%) and Food Division revenues (+10.8%) grew. The improvement of availability and visibility in the Points of Sale, the important and continuous investments in “consumer marketing” and ADV, are the basis of the increase in revenues, together with the excellent start in the management of Piadina Loriana.

In the first half of the year, total Italian FMCG markets performed -0.5%. Against this backdrop, consumption was up in most of the markets where the Company operates, except for those segments (jams being the main one) that, during the first lock-down period of 2020, benefited most from an increase in consumption and household product inventories.

In the period under review, the Company had to absorb and manage higher costs, both trade-related in relation to new commercial agreements and higher sales volumes on promotion compared to the same period, and due to the increase in the cost of sales deriving in particular from the increase in some raw materials, food and non-food, of significant importance for the Company's production processes. In addition, the Company incurred additional expenses arising from the need to continue to provide protection and safety to its employees and stakeholders following the continuation of the health emergency.

The Company has implemented marketing and commercial actions in line with the provisions of the Annual Plans. In particular, it should be noted the continuation of a major investment in communication made for all the Company's brands, extended to the entire first half of the year.

The operating margin for the half-year (EBITDA) therefore amounted to EUR 7.9 million, an increase of +4.5% compared to the same period of 2020. It should also be noted that the marginality for the same period 2020 had already increased significantly by EUR 2.2 million (+41.1%) compared to the same period 2019.
The comparison of operating margins between the first half of 2021 and the same period of 2019 (pre-Covid) therefore shows an overall growth of + EUR 2.5 million (+47%).

The operating margin percentage ratio (EBITDA margin %) in 2021 was 17.0%, compared to 17.4% in the same period last year, and 14.4% in the same period in 2019 (pre-Covid).

The net profit for the period, given the above considerations, amounted to EUR 4.72 million, up 3.0% on the same period of 2020.
Net income as a percentage of sales revenue in 2021 was 10.2% compared to 10.6% for the same period in 2020, and 8.1% for the same period in 2019 (pre-Covid).

The following table shows the sales revenue broken down by business area.

Description (EUR 000)	06/30/2021		06/30/2020		Change
	EUR	*% Inc.*	EUR	EUR	*%*
Health Food Products Division (a)	24,576	*53.0%*	23,687	*54.6%*	*+3.7%*
Food Products Division (b)	14,989	*32.3%*	13,523	*31.1%*	*+10.8%*
Others (c)	2,782	*6.0%*	2,700	*6.2%*	*+3.0%*
TOTAL ITALIAN REVENUE	42,347	*91.3%*	39,910	*91.9%*	*+6.1%*
Sales abroad	4,043	*8.7%*	3,537	*8.1%*	*+14.3%*
TOTAL REVENUE	46,390	*100%*	43,447	*100%*	*+6.8%*

(a) Valsoia Bontà e Salute, Vitasoya, Naturattiva trademarks
(b) Santa Rosa (preserves), Diete.Tic, Weetabix trademarks
(c) Total revenue from Industrial Products and Supplements

The turnover of all Company divisions is up during the half-year, as shown in the summary table.
These positive trends are shown by all the main brands of the company (Valsoia “Bontà e Salute”, “Diete.Tic”, “Loriana”) and also by those in distribution (“Weetabix” and “Oreo O's”). Only “Santa Rosa” jams recorded a -19.6% drop in revenues in the first half of the year. This reduction in volumes and revenues is attributable to the strong acceleration in consumption and “stock” policies in points of sale as well as in the homes of Italian households that occurred in the corresponding period of the previous year, and which showed for Santa Rosa a +34.5% towards the same period of 2019, due to the effects of the first lock-down for the health emergency from Covid-19. However, it should be noted that the result for the first half of 2021 for the Santa Rosa Confetture brand is still +9.2% higher than the same period of 2019 (pre-Covid), and therefore partially confirms and consolidates the growth recorded in the previous year.
The comparison to the same period in 2019 is similarly significantly positive for the Company's other Brands: Valsoia “Bontà e Salute” and the entire health division Italy, grew by +11.8% compared to the first half of 2019 (pre-Covid) while there was also an increase of +24.5% for Weetabix and +36.7% for Diete.Tic towards the same period in 2019.

The start of sales of Loriana piadina, a brand acquired on December 31, 2020, was positive, and as at June 30, 2021 was in line with the budget, both in terms of volumes and distribution coverage forecast for the first 6 months of the year. Similarly positive performance of Oreo O's Cereals, which in the first 3 months of distribution exceeded 30 points of distribution coverage, in line with expectations.

During the first half of the year the company successfully implemented a number of innovative product launches and a number of extraordinary transactions in Italy and abroad, as described in the section “Main events during and after

the first half of 2021" to which reference should be made.
As previously reported, support for all the Brands continued throughout the half year through strong advertising planning.

The distribution coverage (50%) of the Iper + Super weighted area is very important and prospective, reached by the "Food supplements" line under the "Valsoia" brand: the innovative line of natural and 100% vegetable products presented to the market in the summer of 2020 and dedicated to large-scale retail trade. For Valsoia supplements, the Company also made a significant advertising investment to support the launch.

Of prospective significance are the results of presence and sales abroad, which recorded an increase of +14.3% compared to the same period of the previous year, which was already strongly up (+43.9% towards the first half of 2019).

ANALYSIS OF THE STATEMENT OF FINANCIAL POSITION

The following table shows the breakdown of the Net Financial Position at June 30, 2021, December 31, 2020 and June 30, 2020:

Description (EUR 000)	06/30/2021	12/31/2020	06/30/2020
Cash	3	3	3
Current accounts and bank deposits	25,471	29,566	35,397
Current financial assets	0	0	0
Total cash and cash equivalents	**25,474**	**29,568**	**35,400**
Current loans and borrowings	(2,612)	(2,603)	(2,597)
Current operative lease payables (IFRS 16)	(535)	(543)	(523)
Current net financial position	**22,327**	**26,422**	**32,280**
Non-current loans and borrowings	(2,296)	(3,573)	(4,906)
Non-current operative payables for leases (IFRS 16)	(1,110)	(1,370)	(1,554)
TOTAL NET FINANCIAL POSITION	**18,921**	**21,479**	**25,820**

The figure for the Net Financial Position as at June 30, 2021 reflects the cash outlay of approximately EUR 13.0 million made at the end of December 2020 for the acquisition of the Piadina "Loriana" Business Unit.

At June 30, 2021, the Company's comprehensive net financial position is positive for EUR 18.9 million (EUR 20.6 million excluding the purely accounting effects of the application of IFRS 16, as compared with 23.4 at the start of the period). During the first half of 2021, current operations continued the positive generation of cash with operating cash flow

of EUR 8.0 million. The increase in the change in net working capital, as a result of the clear increase in period business volumes, added to the standard peak cash needs due to the seasonal nature of the ice cream business, absorbed liquidity for approximately EUR 5.2 million. Moreover, investments were made during the period to renew production plant and equipment for more than EUR 1.0 million and paid tax for approximately EUR 0.5 million.
In line with its policy, Valsoia S.p.A. also distributed dividends in the same period for EUR 4.1 million.

MAIN RISKS AND UNCERTAINTIES TO WHICH THE COMPANY IS EXPOSED

Risks of a financial nature and derivative instruments

Foreign Exchange Risk
The Company purchases raw materials for its production in the international market and carries out business transactions in Euros and, as regards foreign currencies, in US dollars.
The foreign exchange risk derives primarily from soy purchase transactions on the US dollar markets.
During the half-year, the Company carried out currency forward purchase operations. The financial impact of these operations, carried out for hedging purposes but for which the hedge accounting option was not chosen, are fully booked on the period income statement. In particular, at the closing date of the period, some foreign exchange transactions on financial derivative products (forward purchases), the designation of which at fair value involved the recognition, in the income statement, of a positive component of EUR 18.5 thousand, recorded in the Statement of financial position under Non-current payables due to banks, were being carried out.

Credit Risk
The Company deals with customers who belong primarily to the large-scale retail sector, and which have historically shown an overall limited insolvency rate. Therefore, the Company monitors carefully the quality of its receivables in terms of risk control.

Interest Rate Risk
Given the capital and financial structure, and in consideration of the conditions under which the outstanding loans were taken out (fixed rate), it is believed that the Company is not particularly exposed to the risk of changes in the interest rates.

Cash and changes in Cash Flows risk
Considering the positive net financial position and the strong capacity to generate cash flows from operations, the risk from changes in the cash flows is estimated to be relatively low. Valsoia was also granted significant credit facilities by the banks, not used to date, which are more than adequate with respect to its current needs.

Operating risks

Risks related to the food/health sector

Although Valsoia guarantees effective quality control on its own production and on externally acquired products through a constant monitoring of raw materials, production processes and finished products, it cannot be excluded that, similarly to any other company operating in the food sector, an accidental contamination of the product by external agents, unpredicted in the formulation of the product, may occur.

In particular, Valsoia has always chosen to use only raw materials that are not genetically modified. For this purpose, the Company requires certifications from all the suppliers of raw materials, as a proof of their GMO-free status. In addition, the Company requires CSQA certifications to confirm the absence of genetically modified organisms both in the raw materials used and in the finished products; however, Valsoia cannot exclude their accidental presence in marketed products.

In general, contamination of products by external agents, including genetically modified organisms above the tolerance threshold, would involve a recall of the products from the market, with related financial burdens, as well as the risk of penalties charged to the Company and to any responsible individual. It also cannot be excluded that, if the use of food produced by Valsoia causes harm to the health of the consumers, the Company may be subject to compensation claims or actions due to these events.

Risks related to safety at the workplace and environmental damages

Valsoia owns and manages a production facility in Italy, Serravalle Sesia (VC) used for the production of some of the main products of the Company. Valsoia believes that it operates in full compliance with the regulations concerning occupational safety and the protection of the environment. However, it cannot be excluded that, for accidental reasons, the operations at the facility may cause harm to the employees of the Company, to third parties or to the surrounding environment.

Risks related to operations carried out at the production facilities of third parties and providers of logistic services

In addition to the Serravalle Sesia production facility, the Company partners with third parties for the supply of some products.

The marketing of products in Italy is carried out through a network of distribution centres specialised in the distribution logistics of food products.

The production facility, the suppliers and the distribution centres are subject to ordinary operating risks, including, but not limited to: malfunctioning of the equipment, non-compliance with applicable regulations, revocation of permits and licenses, insufficient labour force or work disruptions, circumstances that may involve an increase in production or transport costs, natural disasters, significant disruptions in the supply of raw materials or semi-finished products, and terrorist attacks.

Any sudden and extended business disruption, due to the aforementioned events and other events, may have a negative impact on the financial results of the Company. The use of products and distributors involves also some additional risks and charges among which are the resolution of a contract and less control on the supply/production chain. Any delay or defect in the supplied products or services, as well as the disruption or termination of existing agreements without alternative solutions available in the short term, can have a negative impact on the activities and financial results of Valsoia.

Risks related to relationships with purchasing centres

Valsoia offers its products to large scale retail distribution and boasts several hundred customers. In Italy, within large scale retail distribution, it is normal practice that the execution of trade agreements with the suppliers is carried out for the most part by a limited number of purchasing centres involving a large portion of the Italian current distribution. Even if, despite the relative degree of independence of each single affiliate, the possibility of the direct contact of Valsoia with the individual customers cannot be excluded, each centre avails itself of a significant contractual power in defining terms and conditions, and a possible termination of relationships with one or more of these centres may have a strong negative impact on the financial results of the Company.

Therefore, Valsoia, given the recognition of its trademarks, the high reputation of the services associated with its products and the efficient distribution network, has maintained for many years strong business relationships with all the main Italian purchasing centres.

Risks related with the termination of distribution contracts on behalf of third parties

Currently, just over 3% of the Company's revenue derives from the distribution of third party products.

A termination of these relationships would have a limited negative impact on the financial results of the Company.

Risks associated with the spread of contagion by "COVID-19"

Late February 2020, at the same time as the health alert for Covid-19, the Company took action, in line with the indications of the competent authorities, to guarantee the safety and security of all employees, stakeholders and consumers, also assuring business continuity. Right from the early stages of the health emergency, Valsoia S.p.A. has never stopped operating, restoring its business in the production and marketing of food products.

In particular, Valsoia has set up an in-house crisis committee, which has been operative since the very first day of the emergency. This committee continues to meet frequently to monitor developments and act accordingly. In general, right from the outset, the recommendations made and which continue to apply, were:

- to demand that all company employees comply with the hygiene rules of conduct issued by the Ministry of Health, informing them accordingly;
- to supply the toilets and common areas inside the offices and the establishment with antibacterial detergents and alcohol-based hand solutions;
- to intensify sanitation operations in the work areas;
- to apply smart working solutions wherever possible, for office staff and only grant access to offices once body temperature had been measured;
- to apply, right from the outset, the maximum safety procedures for the production site and offices connected with the related activities (measurement of body temperature for all factory staff and all external workers involved in logistics/production - use of protective masks in all departments - careful verification of distancing between work stations);

- to suspend first, and thereafter limit to that strictly necessary, both commercial transfers and business travel in general, including abroad.

Even after the issuance, on several occasions and with different contents, of the Prime Ministerial Decrees which followed one another during 2020 and which sanctioned the substantial reopening of all production activities, first, and then commercial activities, Valsoia S.p.A. maintained all internal health safety protocols giving the following indications:

- continuity of activation of smart working on a rotation basis, at least until the declared end of the "health emergency" and simultaneous reduction of the work stations that can be occupied for each office;
- different break hours from work;
- reporting of the maximum capacity envisaged at the entrance to all common areas.

The above organisational solution was maintained in force in the first months of 2021 and is still in force, also due to the lock-down measures issued by the competent authorities (local, regional and state) to cope with the second and third pandemic wave and, thereafter, the slowing of the health alert, with the progressive roll-out of the vaccines in our country.

Other general risks

Risks related to the competition

Given the fact that the Company operates in the consumer packaged food products sector, currently characterised by increased dynamics without particularly high entry barriers from a production perspective, an increase in competition by current and new competitors operating in related sectors cannot be excluded.

An additional increase in competition could have negative impacts on the profitability of the Company; therefore, Valsoia, a company leader in the main market segments in which it operates, has been developing for years a careful marketing policy aimed at strengthening its trademarks, already widely recognised and established.

Risks related to the price volatility of raw materials

The prices of raw materials used by the Company are subject to the volatility of the relevant markets. This situation concerns also the other costs for production, transport and distribution of the products that are, in many cases, directly affected by the fluctuations in oil prices.

In this uncertain scenario, an increase in the prices of the raw materials used that would result in a negative impact on the Company's margins cannot be precluded.

SIGNIFICANT EVENTS AFTER THE INTERIM PERIOD AND BUSINESS OUTLOOK

During the month of July, the trend in revenues continued to be positive for all of the Company's main brands (Valsoia "Bontà e Salute", Diete.Tic, Piadina Loriana, Weetabix and Oreo O's) with the exception of Santa Rosa jams, which continue to register a contraction in sales due to the reduction in stocks at home with families and at the Trade compared to the same period in 2020, which, we would recall, was significantly affected by the health emergency. To date, this contraction in sales, which are in any case up compared with the period before the pandemic, is not significantly different from the Company's forecasts.

In July 2021, a preliminary agreement was reached for the acquisition of the "Swedish Green Food Company" already operating in the Swedish market for the distribution of the Valsoia brand "Bontà e Salute". The agreement is of strategic importance for the acceleration of the Company's globalisation process also through a direct presence in markets considered to have high potential for the Company's Brands portfolio. The agreement will be finalised by September 2021.

Again in relation to international markets, the first poster campaigns in the summer months were carried out in the main cities of the three Baltic States and Slovenia.

Already since January, the Company has continued its support for all its Brands through strong television media planning.

With a view to the future, during the first half of the year the Company also carried out a number of significant transactions envisaged in its business plans:

- the successful start-up in the management of the newly acquired Piadina Loriana;
- the launch of the distribution of the Oreo O's brand of cereals, achieving the distribution targets for the period;
- the partnership in the USA with the important American distribution structure WFF covering the entire national territory;
- the agreement with the company Vallè Italia S.r.l. for the exclusive distribution on Italian territory of the entire portfolio of "Vallè" branded products, which will be effective from January 1, 2022;
- the continuation of the distribution coverage of natural and 100% vegetable "food supplements" dedicated to the large-scale retail trade with the achievement of the objectives for the period. The presentation to retailers is supported by a significant television advertising campaign to support the launch;
- the finalisation of the first "corporate sustainability 2019-2020" document;
- the launch of "gran cookie" ice cream;
- the launch of the vegetable "super sausage", an innovative product of very high quality compared to the benchmarks of traditional products;
- the extension of the "sugar-free" drinks line;
- the launch of a line of vegetable oat-based yoghurts;
- the launch of the hazelnut and cocoa spread with oats and no added sugar.

OTHER INFORMATION

Sustainability project

Following the path undertaken at the end of 2019, with the support of DNV GL Business Assurance Italia, with the aim of measuring the commitment and degree of Social Responsibility of the Valsoia Company (according to the indications provided by the international standard ISO 26000), the Company has established the Sustainability Agenda (Valsoia Sustainability Agenda) and the related Roadmap that includes the actions considered priorities: definition of the Sustainability Strategy; Stakeholder map; Stakeholder Engagement; materiality analysis; analysis of extra-financial risks; identification of a set of GRI (Global Reporting Initiative) KPIs functional to Valsoia's business.
As a result, the Company has prepared for the first time its own "Sustainability Report 2019-2020" which, although it is not a "NFS" (Non-Financial Statement) pursuant to legislative decree 254/2016 in transposition of Directive 2014/95/EU, was submitted to the Board of Directors on 10 May 2021 and was made public and distributed to all stakeholders.

The Roadmap envisages an update of this document during 2021, also taking into account the contents of the Corporate Sustainability Reporting Directive (CSRD) adopted by the European Commission last April 21.
In particular, the development of the updating process of the Sustainability Report will be based on the following guidelines:

- Analysis and updating of possible KPIs to be reported considering the requirements of GRI Standards, emerging regulations (CSRD Directive), international best practices and what has already been set in the 2019-2020 Report;
- Identification of key messages and definition of the document storyline;
- Definition of the reporting system and support for the collection of data and information in order to meet the requirements of GRI Standards

Research and development activities

During the period, research and development activities continued in line with the Marketing Plans objectives:

- verification of the qualitative performance of the Company's products in respect of market benchmarks with the aim of maintaining our leadership position enjoyed in Quality;
- research and development of new products that represent the plant-based alternative to existing products with high health performance as well as high organoleptic characteristics;
- research and development in the area of Santa Rosa preserves, also in market segments adjoining the current lines.

Transactions with related parties

During the period Valsoia did not carry out transactions of particular economic and financial importance with related parties. For a complete analysis, please refer to the Notes to the Interim Financial Report.

NOTES

The Interim Financial Report of Valsoia S.p.A. for the period ended June 30, 2021 was prepared in compliance with the International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and endorsed by the European Union, as well as with Article 9 of Italian Legislative Decree 38/2005.

The term IFRS includes all the revised International Accounting Standards ("IAS") and all the interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"), formerly known as the Standing Interpretations Committee ("SIC").

In detail, this interim financial report was drawn up in compliance with IAS 34 "Interim Financial Reporting", which envisaged a level of disclosure significantly lower than that necessary for the drafting of the annual financial statements, in the event that complete disclosure financial statements drawn up on the basis of the IFRS have previously been made available to the general public.

With regard to the Balance sheet indicators indicated in this report, the following are understood to have the definition indicated below.

- Net Working Capital: Total current assets (excluding Cash and cash equivalents) – Total current liabilities (excluding Current payables due to banks).
- Non-current assets: Total non-current assets
- Net Financial Position: see table presented above.

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Bologna, September 02, 2021

The Chairman of the Board of Directors
Lorenzo Sassoli de Bianchi

3 / Condensed Financial Statements

Condensed Interim Financial Statements at June 30, 2021

ACCOUNTING STATEMENTS

FIGURES IN EUROS

STATEMENT OF FINANCIAL POSITION	Notes	June 30, 2021	December 31, 2020
CURRENT ASSETS			
Cash and cash equivalents	(1)	25,474,249	29,568,134
Current financial assets		0	0
Trade receivables, net	(2)	14,531,863	6,944,151
Inventories	(3)	10,179,792	8,528,435
Other current assets	(4)	814,362	1,290,545
Total current assets		**51,000,266**	**46,331,265**
NON-CURRENT ASSETS			
Goodwill	(5)	17,453,307	17,453,307
Intangible assets	(6)	26,860,140	27,128,049
Property, plant and equipment	(7)	9,965,317	9,547,894
Fixed assets for right of use	(8)	1,649,575	1,918,593
Financial assets	(9)	110,000	110,000
Deferred tax assets	(10)	0	291,432
Other non-current assets	(11)	50,100	131,315
Total non-current assets		**56,088,439**	**56,580,590**
TOTAL ASSETS		**107,088,705**	**102,911,855**

STATEMENT OF FINANCIAL POSITION	Notes	June 30, 2021	December 31, 2020
CURRENT LIABILITIES			
Current payables due to banks	(12)	2,612,393	2,625,206
Short-term operative lease payables (IFRS16)	(13)	534,564	542,782
Trade payables	(14)	19,139,287	15,277,564
Tax payables	(15)	1,086,095	701,532
Provision for risks	(16)	326,808	321,057
Other current liabilities	(17)	3,012,871	2,825,037
Total current liabilities		**26,712,018**	**22,293,178**
NON-CURRENT LIABILITIES			
Non-current payables due to banks	(18)	2,295,605	3,551,223
Non-current payables (IFRS16)	(19)	1,109,844	1,369,822
Other non-current tax payables	(20)	290,986	290,986
Provision for deferred taxes	(21)	432,568	0
Provision for post-employment benefits	(22)	375,776	395,002
Total non-current liabilities		**4,504,779**	**5,607,033**
SHAREHOLDERS' EQUITY	(23)		
Share Capital		3,533,773	3,524,533
Legal Reserve		700,605	700,605
Revaluation reserve		33,217,144	26,423,946
IAS/IFRS adjustments reserve		- 1,202,290	- 1,202,290
Other reserves		34,900,447	37,910,740
Profit/(loss) for the period		4,722,229	7,654,110
Total Shareholders' equity		**75,871,908**	**75,011,644**
TOTAL		**107,088,705**	**102,911,855**

ACCOUNTING STATEMENTS

FIGURES IN EUROS

INCOME STATEMENT	Notes	June 30, 2021	June 30, 2020
VALUE OF PRODUCTION	(24)		
Revenue from sales and services		46,389,733	43,447,022
Changes in inventories of finished goods		1,327,625	666,855
Other revenue and income		622,029	433,872
Total value of production		**48,339,387**	**44,547,749**
OPERATING COSTS	(25)		
Purchases		(25,736,802)	(22,560,739)
Services		(8,827,323)	(8,623,239)
Cost of use of assets owned by other, of third party assets		(84,091)	(63,347)
Labour costs		(5,534,814)	(5,583,971)
Changes in raw materials inventory		323,732	467,109
Other overheads		(584,709)	(627,034)
Total operating costs		**(40,444,007)**	**(36,991,221)**
GROSS OPERATING RESULT		**7,895,380**	**7,556,528**
Amortisation, depreciation and write-downs of fixed assets	(26)	(1,259,927)	(1,140,222)
NET OPERATING RESULT		**6,635,453**	**6,416,306**
Net financial income/(charges)	(27)	(29,224)	(54,088)
PRE-TAX PROFIT (LOSS)		**6,606,229**	**6,362,218**
TAXES	(28)		
Income taxes		(1,160,000)	(1,220,000)
Deferred tax assets/liabilities		(724,000)	(558,000)
Total taxes		**(1,884,000)**	**(1,778,000)**
PROFIT/(LOSS) FOR THE PERIOD		**4,722,229**	**4,584,218**
Basic EPS	(29)	0.441	0.429
Diluted EPS	(29)	0.436	0.423

ACCOUNTING STATEMENTS

FIGURES IN EUROS

STATEMENT OF COMPREHENSIVE INCOME	Notes	June 30, 2021	June 30, 2020
PROFIT (LOSS) FOR THE PERIOD		4,722,229	4,584,218
OTHER COMPREHENSIVE INCOME/(EXPENSE) WHICH MAY BE SUBSEQUENTLY			
RECLASSIFIED TO PROFIT/(LOSS) FOR THE PERIOD		0	0
Total		**0**	**0**
OTHER COMPREHENSIVE INCOME/(EXPENSE) WHICH WILL NOT BE SUBSEQUENTLY			
RECLASSIFIED TO PROFIT/(LOSS) FOR THE PERIOD		0	0
Total		**0**	**0**
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD (LOSS)		**4,722,229**	**4,584,218**

ACCOUNTING STATEMENTS

FIGURES IN EUROS

	STATEMENT OF CASH FLOWS FOR THE PERIODS ENDED AT	June 30, 2021	June 30, 2020
	(EUR 000)		
A	**Opening current net cash**	**26,400,146**	**33,655,790**
B	**Cash flow from operating activities for the period**		
	. Profit/(Loss) for the period	4,722,229	4,584,218
	. Net financial (income)/charges and Taxes for the period	1,913,224	1,832,088
	. Amortisation, depreciation and write-down of fixed assets	1,259,927	1,140,222
	. Capital (gains) - Losses from asset disposal	(13,350)	(8,732)
	. Charges for SOP (Stock Option Plans)	187,348	393,123
	. Net change in other provisions	(39,882)	174,269
-	*Cash flow from operating activities before changes in working capital*	*8,029,496*	*8,115,188*
	(Increase)/Decrease in trade receivables	(7,605,774)	(6,823,450)
	(Increase)/Decrease in Inventories	(1,576,703)	(1,133,142)
	Increase/(Decrease) in trade payables	3,861,723	4,968,771
	Net change in other current assets/liabilities	363,062	382,548
-	*Changes in Working Capital*	*(4,957,692)*	*(2,605,273)*
-	*Changes in other operating assets/liabilities*	*(5,654)*	*(11,359)*
	Total(B)	**3,066,150**	**5,498,556**
C	**Taxes paid**	**(485,442)**	**0**
D	**Cash flow from (used in) investment activities**		
-	Net increases in property, plant and equipment	(1,057,626)	(880,873)
-	Net increases in intangible assets	(69,009)	(124,550)
-	Net change in other non-current assets/liabilities	81,215	0
	Total(D)	**(1,045,420)**	**(1,005,423)**
E	**Cash flow from (used in) financial activities**		
	Increase/(decrease) in medium/long-term loans	(1,255,618)	(961,613)
	Increase/(decrease) in medium/long-term loans IFRS 16.	(273,988)	(286,956)
	Net financial income/(charges)	(29,224)	(54,088)
	Share capital increase	9,240	7,392
	Dividends	(4,058,553)	(4,050,041)
	Total(E)	**(5,608,143)**	**(5,345,306)**
F	**Cash flow for the period (B+C+D+E)**	**(4,072,854)**	**(852,173)**
G	**Closing current net cash (A+F)**	**22,327,292**	**32,803,617**

ACCOUNTING STATEMENTS

FIGURES IN EUROS

STATEMENT OF CHANGES IN EQUITY	SHARE CAPITAL	LEGAL RESERVE	WR-BACK/REALIGN RESERVES	ADJUST. RESERVE IAS/IFRS	OTHER RESERVES	PROFIT/ (LOSS) FOR THE PERIOD	TOTAL SHAREHOLDERS' EQUITY
BALANCE AS AT JANUARY 1, 2020	3,517,141	700,605	23,103,715	(1,202,290)	37,353,628	7,204,431	70,677,230
Allocation of 2019 profit					3,154,390	(3,154,390)	0
Realignment reserve law 160/2019			3,320,231		(3,320,231)		0
Dividends						(4,050,041)	(4,050,041)
SOP charges					393,123		393,123
Share Capital Increase	7,392						7,392
Comprehensive income/(loss)							
- Result for the period						4,584,218	4,584,218
BALANCE AT JUNE 30, 2020	3,524,533	700,605	26,423,946	(1,202,290)	37,580,910	4,584,218	71,611,922

STATEMENT OF CHANGES IN EQUITY	SHARE CAPITAL	LEGAL RESERVE	WR-BACK/REALIGN RESERVES	ADJUST. RESERVE IAS/IFRS	OTHER RESERVES	PROFIT/ (LOSS) FOR THE PERIOD	TOTAL SHAREHOLDERS' EQUITY
BALANCE AS AT JANUARY 01, 2021	3,524,533	700,605	26,423,946	(1,202,290)	37,910,738	7,654,112	75,011,644
Allocation of 2020 profit					3,595,558	(3,595,558)	0
Realignment reserve law 178/2020			6,793,198		(6,793,198)		0
Dividends						(4,058,553)	(4,058,553)
SOP charges					187,348		187,348
Share Capital Increase	9,240						9,240
Comprehensive income/(loss)							
- Result for the period						4,722,230	4,722,230
BALANCE AS AT JUNE 30, 2021	3,533,773	700,605	33,217,144	(1,202,290)	34,900,446	4,722,231	75,871,909

NOTES TO THE FINANCIAL STATEMENTS

Introduction

Valsoia S.p.A. (hereinafter "Valsoia" or the "Company") is a joint stock company established in Italy, registered with the Companies Register of Bologna, with fully paid-up share capital of EUR 3,533,772.66, with registered office in Italy, Bologna, Via Barontini 16/5, listed on the MTA of Borsa Italiana S.p.A.

The Interim Financial Report has been drawn up in compliance with Article 154 ter of Italian Legislative Decree No. 58/1998 and prepared in accordance with the International Financial Reporting Standards (IFRS) applicable, acknowledged by the European Parliament and Council, dated July 19, 2002, and in particular IAS 34 - Interim Financial Reporting, as well as the provisions issued in accordance with Article 9 of Italian Legislative Decree No. 38/2005.

Valsoia, at the closing date of the interim period, holds a controlling equity investment in Valsoia Pronova d.o.o. (SLO). In consideration of the insignificance of the financial figures of this subsidiary, Valsoia does not prepare consolidated financial statements.
As provided for in the relevant accounting standards, Group reports will be prepared when considered relevant in terms of complete information on the financial and business results of the Group. The relevance will be based, inter alia, on the impact of the balance sheet assets and business volume developed by the subsidiaries, any indebtedness pertaining to them and any other factors that may be relevant for the user of the financial statements or the interim information.

The Interim Financial Report includes:

- the statement of financial position at June 30, 2021, compared with the results of December 31, 2020. In the schedules presented in this section, the statements of financial position provide a classification based on the current, or non-current, nature of the items comprising it, where:
    - current assets are represented by cash or cash equivalents, by assets that are expected to be realised, sold or consumed during the ordinary operations of the company, by assets held for trading, by assets that are expected to be realised within twelve months from the reporting date. All other assets are classified as non-current;
    - current liabilities are the liabilities that will be presumably extinguished during the ordinary operations of the company or within 12 months from the reporting date, or the liabilities that do not have an unconditional right to the deferral of their extinction beyond twelve months. All other liabilities are classified as non-current;

Pursuant to Consob Resolution No. 15519 of July 27, 2006, the financial effects of the transactions with related parties, if significant, are recognised separately in the statement of financial position.

- The income statement for the first half of 2021, compared with the income statement of the same period in the previous year. In particular, it must be noted that the adopted income statement, compliant with the IAS 1 provisions, shows the following interim result, not defined as an accounting measurement according to the IFRSs (therefore it is possible that the definition criteria of such interim results may not be consistent with those adopted by other companies), since Company Management believes that it contains significant information for understanding the Company's results:
    - EBITDA: comprises the Net profit (loss) for the period, before taxes, gains and losses arising from financial operations, amortisation/depreciation and write-downs of fixed assets carried out during the relevant period.

- The statement of comprehensive income for the first half of 2021, compared with the income statement of the same period in the previous year presented in accordance with the matters envisaged by IAS 1.

- The statement of cash flows for the first half of 2021, compared with the statement of cash flows of the same period of last year. In preparing the statement of cash flows, the indirect method – by which the profit or loss of the period is adjusted based on the effects of non-monetary operations, by any deferral or allocation of previous or future operating income or payments and by items of costs and revenues related to the financial flows arising from investment or financial activities – was adopted.

- The statement of changes in equity for the first half of 2021 compared with those of the first half of 2020.

This information, in its entirety, represents the interim financial report at June 30, 2021 of Valsoia S.p.A. in accordance with the matters envisaged by IAS 34 and Article 154 ter of Italian Legislative Decree No. 58/1998.

The amounts are expressed in thousands of EUR.

ACCOUNTING STANDARDS, AMENDMENTS AND INTERPRETATIONS ENDORSED BY THE EU AND EFFECTIVE FROM JANUARY 1, 2021

The accounting standards, amendments and interpretations in effect from January 1, 2021 and endorsed by the European Commission are shown below:

• On May 18, 2017, the IASB published the new standard IFRS 17 Insurance Contracts, which replaces the current IFRS 4. The new standard on insurance contracts aims to increase transparency on the sources of profit and the quality of profits made and to ensure a high level of comparability of results by introducing a single revenue recognition standard that reflects the services provided. Commission Regulation (EU) 2020/2097 of December 15, 2020 amending Regulation (EC) No 1126/2008 extending the deadline for the temporary extension of the application of IFRS 9 until 2023 was published in the Official Journal of the European Union No L 425 on December 16, 2020. The introduction of the new standard has not had any significant effects on the interim financial report at June 30, 2021.

• On January 14, 2021, Commission Regulation (EU) 2021/25 of January 13, 2021 amending Regulation (EC) No 1126/2008 implementing at European level the amendments adopted on August 27, 2020 by the International Accounting Standards Board of "Reform of interest rate reference indices - Phase 2 - Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16" was published, taking into account the consequences of effectively replacing existing interest rate reference indices with alternative reference rates. These amendments provide for a specific accounting treatment to allocate over time changes in the value of financial instruments or leasing contracts due to the replacement of the reference index for determining interest rates, thus avoiding immediate repercussions on the profit (loss) for the year and unnecessary terminations of hedging relationships following the replacement of the reference index for determining interest rates. These amendments to the Regulation have not had any significant impact on the half-year financial report at June 30, 2021.

ACCOUNTING STANDARDS, AMENDMENTS AND INTERPRETATIONS ENDORSED BY THE EU AND EFFECTIVE FROM JANUARY 1, 2022

The accounting standards, amendments and interpretations in effect from January 1, 2022 and endorsed by the European Commission are shown below:

- On May 14, 2020, the IASB issued marginal amendments to certain standard IFRSs, namely:
  a) Amendments to IFRS 3 - Reference to the Conceptual Framework: the amendments update the reference in IFRS 3 to the Conceptual Framework in the revised version, without affecting the provisions of the standard;
  b) Amendments to IAS 16 - Proceeds before Intended Use: it is no longer possible to deduct from the cost of property, plant and equipment the amount received from the sale of goods produced during the asset test phase. These sales revenues and related costs will be recognised in the income statement;
  c) Amendments to IAS 37 - Onerous Contracts - Cost of Fulfilling a Contract: the amendment clarifies that all costs directly attributable to a contract must be considered when estimating whether a contract is onerous. Accordingly, the assessment of whether a contract is onerous includes not only incremental costs but also all costs that the enterprise cannot avoid because it entered into the contract.

These amendments, which were endorsed by the European Union on June 28, 2021 (EU Regulation No. 2021/1080), will apply to financial years beginning on January 1, 2022 and are not expected to have a material impact on the Company's financial statements. Advanced application is allowed.

ACCOUNTING STANDARDS, AMENDMENTS AND INTERPRETATIONS NOT YET ENDORSED BY THE EUROPEAN UNION

At the date of the approval of this Interim Financial Report, following are some of the new standards, amendments and interpretations, still in a consultation stage, that have been issued by IASB but not yet endorsed by the EU:

Document title	Issue date by the IASB	Date of coming into force of the IASB document	Date of envisaged approval by the EU
Standards			
IFRS 14 Regulatory Deferral Accounts	January 2014	January 1, 2016	Approval process suspended pending the new accounting standard on “rate-regulated activities”.
IFRS 17 Insurance Contracts, including subsequent amendments issued in June 2020	May 2017 June 2020	January 1, 2023	TBD
Amendments			
Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28)	September 2014	Deferred until the completion of the IASB equity method project	Approval process suspended pending conclusion of IASB project on the equity method
Annual improvements to IFRS Standards (Cycle 2018–2020)	May 2020	January 1, 2022	TBD
Classification of Liabilities as Current or Non-current (Amendments to IAS 1), including subsequent amendment issued in July 2020	January 2020 July 2020	January 1, 2023	TBD
Amendments to IAS 8 – Accounting Policies, Changes in Accounting Estimates and Errors	February 2021	January 1, 2023	TBD
Amendments to IAS 1 – Presentation of Financial Statements	February 2021	January 1, 2023	TBD
Amendments to IFRS Practice Statement 2 – Disclosure of Accounting policies	February 2021	January 1, 2023	TBD
Amendments to IAS 12 – Income Taxes: deferred tax related to assets and liabilities arising from a single transaction	February 2021	January 1, 2023	TBD
IFRS 16 - Covid-19- Related Rent Concessions beyond 30 June 2021	May 2021	January 1, 2023	TBD

Analysis of the breakdown of the main items of the statement of financial position

Current assets

Note (1) – Cash and cash equivalents

This item breaks down as follows:

Description	06/30/2021	12/31/2020
Cash	3	2
Current accounts and bank deposits	25,471	29,566
Total cash and cash equivalents	**25,474**	**29,568**

At June 30, 2021 the Company availed itself of receivable interest rates ranging between 0.0% and 0.1%.

Following are details on the Net Financial Position at June 30, 2021, December 31, 2020 and June 30, 2020. For details on the changes in the Net Financial Position, please refer to the Directors' Report, which accompanies this interim financial report:

Description (EUR 000)	06/30/2021	12/31/2020	06/30/2020
Cash	3	2	3
Current accounts and bank deposits	25,471	29,566	35,398
Current financial assets	0	0	0
Total cash and cash equivalents (A)	**25,474**	**29,568**	**35,401**
Current financial debts (B)	(2,612)	(2,603)	(2,597)
Current operative lease payables (IFRS16)	(535)	(543)	(523)
Current net financial debt (C=A-B)	**22,327**	**26,422**	**32,281**
Non-current loans and borrowings (D)	(2,296)	(3,573)	(4,906)
Other non-current payables (IFRS16)	(1,110)	(1,370)	(1,554)
NET FINANCIAL POSITION (E=C+D)	**18,921**	**21,479**	**25,821**

Note (2) - Trade receivables (net)

Trade receivables derive from ordinary sale transactions, mainly with national operators in the Large-scale retail and Wholesale sectors.
This item breaks down as follows:

Description	06/30/2021	12/31/2020
Trade receivables (nominal value)	15,564	7,958
Allowance for doubtful accounts	(1,032)	(1,014)
Total trade receivables	**14,532**	**6,944**

The increase in trade receivables is partly inherent, due to the seasonal performance of business volumes (in consideration of ice cream sales concentrated in the summer months with collection deferred to the autumn months) and partly due to the rise in turnover in the period under review, as compared with the same period of last year.

The receivables are stated net of the Allowance for doubtful accounts determined in accordance with accounting standard IFRS 9, based on a prudent estimate of the collection risks, having taken into account the information available as regards the solvency risk of the individual positions, their ageing and the losses on receivables recognised in the past for similar types of receivables, as well as the projections of the average collection time-scales by type of counterparty and geographic area. The following table shows a summary of the afore-mentioned Trade receivables, broken down by ageing. There have been no particular changes in the collection conditions with respect to the previous year.

Description	06/30/2021	12/31/2020
Trade receivables (nominal value)		
- past due by over 12 months	219	427
- past due by over 30 days	(329)	115
- past due at the date	7,492	2,294
- with subsequent expiry	8,182	5,122
Total trade receivables (gross)	**15,564**	**7,958**

The receivables that are past due by over 12 months are represented primarily by receivables pending legal resolution.

Following are the changes in the allowance for doubtful accounts.

Description	06/30/2021	12/31/2020
Opening balance	1,014	904
- (usage)	(41)	(1)
- allocations	59	111
Total allowance for doubtful accounts	**1,032**	**1,014**

The provision made to the Allowance for doubtful accounts at 06.30.2021 also takes into account the probable increase in the insolvency rate relative to trade receivables due from the "Ho.re.ca" channel, which has been severely struck by the effects of the Covid-19 health emergency. The incidence of the Company's turnover on this channel is, however, very limited (less than 1% of Net sales revenue)

Note (3) - Inventories

This item breaks down as follows:

Description	06/30/2021	12/31/2020
Raw materials, ancillary and consumable materials	1,697	1,452
Work in process	238	143
Finished goods	8,245	6,933
Total inventories	**10,180**	**8,528**

The value of the raw and ancillary materials was up with respect to last December 31 essentially due to the seasonal nature of the activities linked to ice cream. The total amount of inventories is substantially comparable with the same figure at June 30, 2020.

In general, the level of stocks over the last 12 months takes into account an increase in minimum levels to cope with possible supply problems during the pandemic from Covid-19. In particular, the figure at June 30, 2021 also takes into account an extraordinary stock of finished product resulting from the change from "sales account" to "work account" of an important co-packing relationship with a historical supplier of Valsoia SpA.

The measurement of the closing inventories is carried out net of the provision for inventory obsolescence, amounting to a total of EUR 439 thousand at the end of the period, in order to adjust its assessment to the presumed realisable value.

Inventories are not subject to any obligations or restrictions related to property rights.

Note (4) - Other current assets

This item breaks down as follows:

Description	06/30/2021	12/31/2020
Tax receivables	111	752
Prepayments and accrued income	462	42
Other current receivables	241	497
Total other current assets	**814**	**1,291**

Tax receivables at June 30, 2021 consisted mainly of the credit for the VAT position at the end of the half-year. Tax receivables for direct tax posted through to December 31, 2020 have been zeroed due to their use to offset payables arising from ordinary tax maturities during the year.

Prepayments refer to portions of costs incurred, partly pertaining to subsequent periods, mainly referring to insurance premiums, membership fees and maintenance charges; they are in line with those normally recorded during the year for the Interim financial statements.

Non-current assets

Note (5) - Goodwill

The item *Goodwill* shows the following changes for the period:

Description	12/31/2020 Net value	Movements Increases / (Decreases)	06/30/2021 Net value
Santa Rosa Goodwill	3,230	0	3,230
Diete tic goodwill	4,968	0	4,968
Loriana goodwill	9,255	0	9,255
Total goodwill	**17,453**	**0**	**17,453**

The goodwill recognised derives:

- with regard to Santa Rosa, from the allocation of the residual amount from the premium of the investment value, compared with the fair value of the assets and liabilities of J&T Italia S.r.l., a company to which the

Santa Rosa business made reference, following the merger by incorporation of the same finalised in previous years.

- with regard to Diete.Tic, from the process of Purchase Price Allocation as regards the positive difference between the Business Unit value concerning the liquid sweetener “Diete.Tic” acquired on October 2, 2017 and the fair value of the single assets that compose it.
- with regard to Loriana, from the process of Purchase Price Allocation as regards the positive difference between the Business Unit value concerning the piadina “Loriana” acquired on December 31, 2020 and the fair value of the single assets that compose it.

Pursuant to the IAS/IFRS standards, goodwill is not amortised but is tested for impairment annually at the time of the drawing up of the annual financial statements, in accordance with the matters envisaged by IAS 36. Since no trigger events or potential indicators of impairment have been identified, the Company will carry out impairment testing in the ordinary course of business, as it has done in previous years, when preparing the financial statements.

Note (6) – Intangible assets

The item Intangible assets shows the following changes for the period:

Description	12/31/2020	Changes for the period		06/30/2021
	Net value	Increases/(decreases) Net	Depr./ Write-downs	Net value
Trademarks	24,822	8	(167)	24,663
Industrial patents and intellectual property rights	2,221	52	(135)	2,137
Other	85	9	(34)	60
Intangible assets	**27,128**	**69**	**(337)**	**26,860**

There have been no particular increases in the period.

The item Trademarks mainly refers to the Santa Rosa trademark of EUR 20,060 thousand, valued at fair value as part of the allocation of the value of the investment in J&T Italia S.r.l. following the aforementioned merger by incorporation.

The Santa Rosa trademark, as allowed by IAS 38 and in line with that applied in previous years, has been considered as having an indefinite useful life and therefore it is not amortised, based on the following reasons:

- it has a priority role in the Valsoia strategy;
- the trademark is owned and appropriately registered and constantly protected, pursuant to the law, with options for the renewal of the legal protection at the expiry of the registration periods, with limited costs

incurred;

- the products marketed by the Company under this trademark are not subject to technological obsolescence, as is also typical of the food sector in which the Company operates;
- the sector of reference of the Santa Rosa trademark shows characteristics of stability with a limited impact from product innovation or changes in the market demand;
- the level of trade investments needed to obtain the financial benefits expected from this business sector is sustainable for the Company and falls within the scope of the corporate strategies.

The value of the Santa Rosa trademark is tested for impairment at least annually at the time of the drawing up of the annual financial statements, in accordance with the matters envisaged by IAS 36.

Intangible assets also include trademarks and patents, valued upon their first recognition at fair value, belonging to the Business Unit producing the liquid sweetener "Diete.Tic", acquired during 2017. The net book value, at the end of the period, of the "Diete.Tic" trademark was EUR 958 thousand and the patents were EUR 1,806 thousand.
The fair value of the Diete.Tic trademark and of the Patents protecting the production process was measured with the support of a third party independent expert, using a market method called "relief from royalties". This method of measurement, which uses inputs that are observable from the market, is a methodology that is preferred by the accounting standards.
The Patents are amortised according to their residual useful life based on their expiry date; the "Diete.Tic" trademark, according to the considerations above, is amortised based on its useful life, estimated at 15 years.

Intangible assets include the Loriana trademark (EUR 3,609 thousand), which was measured at fair value upon initial recognition and belongs to the business acquired at the end of 2020.
The fair value of the "Loriana" trademark was measured with the support of a third party independent expert, using a market method called "relief from royalties". This method of measurement, which uses inputs that are observable from the market, is a methodology that is preferred by the accounting standards. On the basis of the above considerations, the Loriana trademark is amortised over an estimated useful life of 15 years.

Note (7) – Property, plant and equipment

Following is a breakdown of the Property, plant and equipment item at June 30, 2021:

Description	Historical cost	Depreciation Provision	Net book value
Land and buildings			

Land:			
- located in the Rubano municipality	908		908
- located in the Serravalle Sesia municipality	1,529		1,529
Buildings:			
- house in Serravalle Sesia	575	(457)	118
- industrial facilities in Serravalle Sesia	5,992	(2,845)	3,147
- light constructions/buildings at the facility of Sanguinetto	35	(2)	33
Total land and buildings	**9,039**	**(3,304)**	**5,735**
Plant and equipment			
- fixed systems for offices			
- specific plant and equipment for the production of			
plant extracts	145	(129)	16
- specific plant and equipment for ice cream	5,946	(5,258)	688
production	11,491	(9,585)	1,906
- specific plant and equipment for other food	253	(250)	3
production	1,563	(1,259)	304
- generic plant and equipment for establishments	446	(428)	18
Serravalle	372	(332)	40
- silos, vats, tanks at the facility of Serravalle	3,702	(2,982)	720
- photovoltaic system	121	(89)	33
- plants for preserves production	144	(65)	79
- generic plant at the facility of Sanguinetto			
- sweeteners production plants			
- supplement production plant	60	(15)	45
Total plant and equipment	**24,244**	**(20,393)**	**3,851**
Industrial and commercial equipment			
- furniture and equipment for the laboratory	438	(391)	47
- other small equipment	221	(190)	31
- other transportation means	250	(248)	2
Total industrial and commercial equipment	**909**	**(829)**	**80**
Other assets			
- electric and electronic machinery	651	(455)	196
- furniture and equipment for the offices	398	(361)	37
- cell phones	82	(74)	8
- vehicles	307	(248)	59
Total other assets	**1,438**	**(1,138)**	**300**
Fixed assets in progress	-	-	-

Total property, plant and equipment	**35,629**	**(25,664)**	**9,965**

The item Property, plant and equipment shows the following changes for the period.

Description	12/31/2020	Changes for the period			06/30/2021
	Value	Increases /purchases	Other changes	Decreases	Value
Historical Cost					
Land and buildings	8,845	194			9,039
Plant and equipment	23,550	732		(38)	24,244
Industrial and commercial equipment	881	28			909
Other assets	1,401	37			1,438
Fixed assets in progress	0				0
Tot. Historical Cost (A)	**34,677**	**990**		**(38)**	**35,629**
Depreciation					
Land and buildings	3,177	128			3,305
Plant and equipment	20,016	376			20,392
Industrial and commercial equipment	817	12			829
Other assets	1,119	19			1,138
Tot. Acc. depreciation (B)	**25,129**	**535**			**25,664**
Total property, plant and equipment (A-B)	**9,548**	**455**		**(38)**	**9,965**

The increases in Property, plant and equipment, plant and equipment mainly refer to the purchase of plant and machinery for the production of ice cream, plant-based extracts and jams.
There are no restrictions or encumbrances on the fixed assets.

Note (8) – Right-of-use assets (IFRS 16)

The item right-of-use assets shows the following changes for the period:

Description	12/31/2020	Changes for the period			06/30/2021
	Value	Increases	Decreases	Other changes	Value
Historical Cost					
Leased buildings	1,529	15			1,544
Leased vehicles	1,021				1,021
Rented electronic equipment	386				386
Tot. Historical Cost (A)	**2,936**	**15**			**2,951**
Depreciation					
Leased buildings	471	103			574
Leased vehicles	359	130			489
Rented electronic equipment	188	49			237
Tot. Acc. depreciation (B)	**1,018**	**283**			**1,301**
Total assets by right of use (A-B)	**1,918**	**(268)**			**1,650**

Note (9) – Financial assets

This item is composed of Investments in subsidiaries and shows the following changes for the period:

Description	Holding in share capital	12/31/2020 Value	Changes in the period Increases/	Decreases	06/30/2021 Value
Valsoia Pronova d.o.o. - Slovenia	100%	110	-	-	110
Tot. Financial Assets		**110**	**-**	**-**	**110**

In the first half of 2021, the subsidiary Valsoia Pronova d.o.o. recorded sales for EUR 376 thousand with a provisional pre-tax profit of around EUR 44 thousand. Consequently, there were no indications of impairment.

Note (10) – Deferred tax assets

See Note 21) Provision for deferred taxes.

Note (11) - Other non-current assets

This item breaks down as follows:

Description	06/30/2021	12/31/2020
Guarantee deposits	*41*	*37*
Investments in other companies	*9*	*9*
Receivables from subsidiary companies	*0*	*85*
Total other non-current assets	***50***	***131***

During the half-year, the subsidiary Valsoia ProNova d.o.o. repaid in full the interest-bearing loan granted by the parent company Valsoia SpA in the past, in order to finance its working capital requirements.

Liabilities and shareholders' equity

Current liabilities

Note (12) - Current payables due to banks

This item breaks down as follows:

Description	06/30/2021	12/31/2020
Overdraft accounts	0	0
Bank loans and borrowings (current instalments)	2,612	2,603
Payables for currency hedging	0	22
Total current payables due to banks	**2,612**	**2,625**

The item Loans and borrowings refers primarily to the instalments, maturing in less than 12 months, from a non-current financing agreement entered into in the first few months of 2018.

Note (13) - Current payables for leases (IFRS16)

This item breaks down as follows:

Description	06/30/2021	12/31/2020
Current payables for leases (IFRS16)	535	543
Total current payables for leases (IFRS16)	**535**	**543**

Current payables for leases refer to the effects of the application of IFRS16 on Assets for which there is a right of use.

Note (14) – Trade payables

This item breaks down as follows:

Description	06/30/2021	12/31/2020
Trade payables due to suppliers within 12 months	19,139	15,278
Total trade payables	**19,139**	**15,278**

The increase in trade payables at June 30, 2021 is partly inherent in relation to the seasonal nature of the production and marketing of ice cream and partly due to the general increase in business volumes during the period. There have been no essential changes in the payment conditions.

Note (15) – Tax payables

This item breaks down as follows:

Description	06/30/2021	12/31/2020
Due to the Tax Authorities for:		
- stamp duty paid electronically and other taxes	6	2
- withholding taxes	567	479
- direct taxation and VAT	513	0
- substitute tax (current portion)	0	221
Total tax payables	**1,086**	**702**

Tax payables refer to the payables due to the Tax Authorities for withholdings made on income from employment and freelance work and VAT payables. Payables for direct taxes derive from the provision for direct taxes accrued, after utilising the relative residual credits.

Note (16) – Provisions for risks

This item breaks down as follows:

Description	06/30/2021	12/31/2020
Sales return provision	77	94
Provision for customer disputes	50	27
Reserve for contingent liability risks	200	200
Total provision for risks	**327**	**321**

The Sales return provision is a reliable estimate of the returns expected to be seen during the period after June 30, 2021, with reference to Sales revenue booked during said period.

The provision for customer disputes refers to requests for liquidations of commercial items by customers, with reference to sales made until June 30, 2021 and for which the Company is assessing effective recognition.

The provision for contingent liabilities represents a present obligation arising from past events, of a legal nature, and an outflow of resources to meet this obligation is probable, the date and amount of which are uncertain. In particular, it refers to the risk deriving from a recourse action brought by the bankruptcy proceedings of a customer in relation to the volume of business invoiced to that customer over a given period of time: the probability of having to meet a financial commitment is confirmed by the Company's lawyers and the provision is allocated on the basis of the best estimate made by Management of the costs required to meet the obligation at the reporting date.

It should be noted that a dispute is still pending, substantially unchanged from the end of the previous period, with the Tax Authorities. This dispute, arising from an alleged minor registration fee paid in reference to the purchase of J&T Italia S.r.l., which occurred in 2011, finds Valsoia in a potential debit position toward the tax authorities, jointly with the company selling "J&T", for a total amount of EUR 723 thousand.
Valsoia, following the same approach of the previous period and keeping into account the opinion of its consultants, believes that to date there are no reasonable grounds for setting aside a provision for risks related to this pending dispute.

Note (17) - Other current liabilities

This item breaks down as follows:

Description	06/30/2021	12/31/2020
Amounts payable to social security institutions	463	477
Amounts due to employees and on-going collaboration contracts	2,365	2,016
Amounts due to others	181	327
Accrued liabilities	4	5
Total other current liabilities	**3,013**	**2,825**

Other current liabilities mainly consist of amounts due to employees for salaries, period bonuses and deferred compensation accrued at June 30, 2021. Amounts due to others include advance payments received from customers.

Non-current liabilities

Note (18) - Non-current payables due to banks

This item breaks down as follows:

Description	06/30/2021	12/31/2020
Bank loans and borrowings (non-current instalments)	2,296	3,551
Other	0	0
Total non-current payables due to other lenders	**2,296**	**3,551**

The item loans and borrowings (non-current) refers primarily to the instalments, maturing beyond 12 months, from a non-current financing agreement entered into in the first few months of 2018. With reference to this loan, there are no covenants, restrictions or encumbrances.
For comments on the Statement of financial position, see the Directors' Report.

With reference to the information required by IFRS 7, a summary is presented below of the nominal amounts due on the basis of the maturities envisaged in the Loans and borrowings repayment plans mentioned above:

Year	EUR
2022	1,359
2023	732
2024	102
2025	103
Loans and borrowings	2,296

Note (19) - Non-current payables for leases (IFRS 16)

This item breaks down as follows:

Description	06/30/2021	12/31/2020
Non-current payables for leases (IFRS16)	1,110	1,370
Total non-current payables for leases (IFRS16)	**1,110**	**1,370**

Non-current payables for leases refer to the effects of the application of IFRS16 on Assets for which there is a right of use.

Note (20) - Other non-current tax payables

This item breaks down as follows:

Description	06/30/2021	12/31/2020
Non-current tax payables for substitute tax	291	291
Total non-current payables for substitute tax	**291**	**291**

This amount refers, respectively, to the third instalment and the second and third instalments, referring to the substitute taxes to be paid in relation to:

- the realignment of the Santa Rosa trademark carried out pursuant to Law No. 160/2019 Art. 1, paragraphs 696 et seq.,
- the realignment of the Santa Rosa trademark and goodwill carried out pursuant to Law No. 178/2020

Note (21) – Provision for deferred taxes

This item breaks down as follows:

Description	06/30/2021		12/31/2020	
	Taxable amount	Taxes	Taxable amount	Taxes
Deferred tax assets/Provision for deferred taxes with contra entry in the income statement				
IRES/IRAP CHANGES				
- Trademarks and deferred charges not capitalised pursuant to IAS/IFRS	58	16	68	19
- Dealloc. of accounting-tax amounts for the "Santa Rosa" trademark and goodwill	(2,066)	(576)	0	0
- Dealloc. of accounting-tax amounts for the "Diete.Tic" trademark and goodwill	(1,193)	(333)	(1,062)	(296)
- Dealloc. of accounting-tax amounts for the "Loriana" trademark and goodwill	(237)	(66)	0	0
- Taxed risk and write-down provisions and other charges	2,068	505	2,159	528
- Others	73	20	146	40
Total	**(1,297)**	**(433)**	**1,311**	**291**

The item Provision for deferred taxes refers to the recognition of temporary differences between the values

recorded in the statement of financial position of the assets and liabilities and the related amounts recognised for tax purposes.
It is estimated that said payable is referring to differences that will be reabsorbed in the medium and long term.

Note (22) – Provision for post-employment benefits

No significant changes were registered in the first half of 2021 in the provision, other than the decreases deriving from the settlements made during the period, amounting in total to EUR 19 thousand.

Note (23) - Shareholders' equity

Share capital

The share capital of the Company is fully paid up and amounts to EUR 3,533,772.66, with 10,708,402 ordinary shares of a Nominal value of EUR 0.33 each.

Legal reserve
This is the reserve accrued pursuant to Art. 2430 of the Italian Civil code.

Revaluation reserve
This item comprises the Revaluation Reserve accrued pursuant to Law 488/2001 and Law 350/2003, as well as the Reserves arising from all subsequent laws which permitted the realignment of book and tax values.

IAS/IFRS adjustments reserve
In the IAS/IFRS reserve, the effects deriving from IFRS adjustments on Shareholders' equity at January 1, 2004, were recognised.

Other reserves
The other reserves include:
- extraordinary reserve deriving from the allocation of profits accrued but not yet distributed on a voluntary basis in previous periods, as set forth by the Shareholders' Meeting;
- earnings brought forward due to the application of IAS/IFRS accounting standards, starting from the transition date of January 1, 2004;
- reserve set up within the scope of the Allowance for doubtful accounts, in application of the IAS 8 accounting standard occurring in 2006;
- actuarial gains (losses) reserve: this includes the actuarial gains/losses deriving from the application of the IAS 19 standard;

- stock option reserve. This item includes:
    - the 2011-2015 Stock Option Plan reserve set aside for a total amount of EUR 490 thousand, corresponding to the charges applicable to the 5 validity periods of the Plan.
    - the 2016-2019 Stock Option Plan reserve set aside for a total amount of EUR 844 thousand, corresponding to the charges applicable to the 3 validity periods of the Plan.
    - the 2019-2022 Stock Option Plan reserve set aside for a total amount of EUR 977 thousand, corresponding to the charges applicable to the current year

  The first two Plans concluded with the issuance of the equity-linked instruments and the related increase of the Share Capital.

  With regard to the third plan, which is still in progress:

  - by resolution passed by the Board of Directors on May 8, 2020, a total of 22,400 option rights were exercised, applicable to the first objective of the first year of the Plan, which led to an increase in capital in the amount of EUR 7,392,

  - by resolution passed by the Board Other Directors on May 10, 2021, a total of 28,000 option rights were exercised, applicable to the first objective of the second year, which led to an increase in capital in the amount of EUR 9,240,

- reserve of EUR 201 thousand following the effects of the first time application (FTA) of the accounting standard IFRS15.

For details on the items composing the Shareholders' Equity, see the table below:

Description	06/30/2021	12/31/2020	Possibility of use
Share capital	3,534	3,525	-
Legal reserve	701	701	B
Reserves for realignment of tax values	33,217	26,424	A, B, D
IAS/IFRS adjustments reserve	(1,202)	(1,202)	
Other reserves:			
- IAS 8 adjustment reserve	469	469	A, B, C
- earnings carried forward, according to IAS/IFRS	417	417	A, B, C
- extraordinary reserve	31,701	34,899	A, B, C
- S.O.P. reserve 2011-2016	490	490	A, B, C
- S.O.P. reserve 2016-2019	844	844	A, B, C
- S.O.P. reserve 2019-2022	977	790	A, B, C
- foreign exchange gains reserve	9	9	
- actuarial gains/losses reserve	(7)	(8)	
Total other reserves	34,900	37,910	

Profit/(loss):		
Profit for the period	4,722	7,654
Total Shareholders' equity	**75,872**	**75,012**

Key notes possibility of use:

A. Available for share capital increases;

B. Available for loss hedging;

C. Available for shareholders distribution;

D. Available for the distribution to shareholders with the loss of the benefit of tax suspension.

It should also be noted that, during the first half of the year, dividends were distributed to the shareholders for a total of EUR 3.5 million, as an appropriation of profits for the year 2017.

Analysis of the breakdown of the main items of the income statement

Note (24) - Value of production

This item breaks down as follows:

Description	06/30/2021	06/30/2020
Revenue from sales and services:		
- Revenue - Italy	42,347	39,910
- Revenue - Abroad	4,043	3,537
Total sales revenue	**46,390**	**43,447**
Change in inventories of work in progress, semi-finished and finished goods		
- Opening inventories	(6,885)	(4,829)
- Closing inventories	(8,213)	5,496
Total changes in inventories of finished goods	**1,328**	**667**
Other revenue and income	**622**	**434**
Total Value of production	**48,339**	**44,548**

The sales revenue is concentrated essentially within the Italian territory and therefore its geographic breakdown is not believed to be significant.
Please see the Directors' Report for the description of the trend of sales broken down by main product lines.

The item "*Other revenue and income*" is detailed as follows:

Description	06/30/2021	06/30/2020
- Chargeback to third parties	225	201
- Capital gains on sale of assets	13	9
- Other	384	224
Total other revenue and income	**622**	**434**

The Chargeback to third parties is to be attributed to business and promotional costs incurred pursuant to distribution agreements charged to the counterparty and the recovery of costs incurred on behalf of third parties.
Other revenues refer to contingent assets and insurance reimbursements, including the pertinent portion of the consideration agreed upon following the execution of the Third Party Licensing Agreement for the "Pomodorissimo" Santa Rosa line.

Note (25) - Operating costs

This item breaks down as follows:

Description	06/30/2021	06/30/2020
Purchase costs		
- Raw materials	5,826	7,679
- Ancillary materials	1,369	1,266
- Consumable materials	360	325
- Finished products and goods	18,182	13,291
Total purchases	**25,737**	**22,561**
Services		
- Industrial	2,019	2,049
- Marketing and sales	5,009	5,036
- Administrative and general	1,799	1,531

Total services	**8,827**	**8,616**
Cost of use of assets owned by other, of third party assets	**84**	**63**
Labour costs		
- Wage and salaries	3,883	3,726
- Social security charges	1,401	1,418
- Post employment benefits	1	1
- Personnel charges pursuant to SOP	187	393
- Other labour costs	63	53
Total labour costs	**5,535**	**5,591**
Changes in raw materials inventory	**(324)**	**(467)**
Other overheads	**585**	**627**
Total Operating costs	**40,444**	**36,991**

The increase in Operating costs is due to greater Costs for Purchases in all product categories as a consequence of the increase in business volumes in the reference period as compared with the same period of last year.

At the end of the period under review, the workforce of the company was composed as follows:

Description	06/30/2021	06/30/2020
- Executives	10	10
- Employees and managers	93	88
- Factory workers	24	22
- Seasonal workers	22	31
Total employees	**149**	**151**

The item *Other overheads* breaks down as follows:

Description	06/30/2021	06/30/2020
Other overheads:		
- Taxes and excise license	62	60
- Losses/provisions for risks on receivables	59	113
- Contingent liabilities	95	86
- Membership fees	93	84
- Other charges	276	284
Total other overheads	**585**	**627**

The Other charges mainly consist of costs for the disposal of obsolete products, out-of-period expense, entertainment costs and contributions to trade associations. Out-of-period expense refers to operating costs recognised in the period pertaining to previous years.

Note (26) – Amortisation, depreciation and write-downs of fixed assets

This item breaks down as follows:

Description	06/30/2021	06/30/2020
- Amortisation of intangible assets	337	206
- Depreciation of Property, plant and equipment	640	647
- Depreciation of assets in right of use	283	287
Total amortisation, depreciation and write-downs	**1,260**	**1,140**

There were no particular changes in amortisation and depreciation. For greater details on the change in fixed assets, please see the matters described in *Notes 6) and 7)*

Note (27) – Net financial income/(charges)

This item breaks down as follows:

Description	06/30/2021	06/30/2020
- Other financial income	2	2
- Interest expense, currency discounts and bank charges	(35)	(55)
- Operative lease interest expense (IFRS 16)	(1)	(1)
- Foreign exchange gains/(losses)	5	0
Total financial income/(charges)	**(29)**	**(54)**

The decrease in Financial charges mainly derives from the lesser value discounts granted to customers compared with the previous period.

Note (28) – Taxes

This item breaks down as follows:

Description	06/30/2021	06/30/2020
- Income taxes (IRES - IRAP)	1,160	1,220
- Deferred tax liabilities/(assets)	724	558
Total taxes	**1,884**	**1,778**

Income taxes also include deferred tax liabilities (net of the prepaid tax) which were calculated on allowances and other temporary differences, the tax benefits of which are deferred. The main effect during the period deriving from this provision relates to the effects deriving from the deduction of the amortisation on the Santa Rosa trademark. Details about the recognition of deferred taxes are provided in Note 21.

Note (29) - Basic and diluted earnings per share

The basic earnings per share are determined by dividing the profit for the year by the number of shares (no. 10,708,402) which compose the share capital. The diluted earnings per share is determined by dividing the profit for the year by the number of shares composing the share capital plus the potentially new issued shares servicing the 2019-2022 SOP.

/

Non-recurring significant transactions and events

During the period ended June 30, 2021, no significant events/transactions, falling within the scope of the Consob Communication DEM/6064293 of July 28, 2006, were recorded. As instructed in said Communication, “atypical and/or unusual transactions are those that, because of their significance, importance, nature of the counterparties, purpose of the transaction, method for determining the transfer price or time of their occurrence (close to the end of the year), could give rise to doubts relating to: the accuracy and completeness of the information in the financial statements, a conflict of interest, the safeguarding of the company’s assets or the protection of non-controlling shareholders”.

Information on transactions carried out with the holding company and related parties

During the period under review, Valsoia provided the parent company Finsalute S.r.l. with accounting data processing and custody services which generated the following economic-financial impacts:

Holding company	revenue/(costs)	receivables/(payables)		collections/(payments)
	1st half 2021	01/01/2021	06/30/2021	1st half 2021
Finsalute S.r.l.	2,676	1,632	1,632	3,265

During the first half of the year, the following transactions with related parties, including therein the subsidiary Valsoia Pronova d.o.o., were carried out on an arm's length basis, classified by nature:

Related party	revenue/(costs)	receivables/(payables)		collections/(payments)
	1st half 2021	01/01/2021	06/30/2021	1st half 2021
Membership fees	(51,376)	(2,440)	0	(124,838)
Directors' remuneration	(17,492)	(11,796)	(20,800)	(19,794)
Purchase of goods and services	20,361	71,958	53,310	20,935
Transactions with subsidiary	188,233	161,307	127,772	221,769
Total transactions with related parties	**139,726**	**219,029**	**160,282**	**98,072**

There were no other transactions between the Company and related parties.

Commitments

At June 30, 2021 there were no other undertakings besides those described in the interim financial report.

/

Bologna, September 02, 2021

The Chairman of the Board of Directors
Lorenzo Sassoli de Bianchi

4 / Statement pursuant to Art. 154-bis of Legislative Decree 58/98

STATEMENT PURSUANT TO ART. 154 *BIS*, PARAGRAPH 5 OF ITALIAN LEGISLATIVE DECREE NO. 58/98

The undersigned, Andrea Panzani, General Manager and Chief Executive Officer, and Nicola Mastacchi, Manager in charge of financial reporting for Valsoia S.p.A., hereby certify, also taking into account the provisions of Art. 154 *bis*, paragraphs 3 and 4 of Italian Legislative Decree no. 58 of February 24, 1998:

- the adequacy in the relation to the characteristics of the company, and
- the actual application

of the administrative and accounting procedures for the preparation of the Interim Financial Report as at June 30,

2021. It is also hereby certified that:

a) the abridged interim financial statements at June 30, 2021 fully reflect the accounting records and books;

b) the abridged interim financial statements at June 30, 2021 were prepared in compliance with the International Financial Reporting Standards, ratified by the European Union, as well as all provisions issued in implementation of Italian Legislative Decree no. 38/2005; they provide a truthful and correct representation of the equity, business and financial situation of the issuer;

c) The interim management report contains a reliable analysis of the references to the important events which took place in the first six months of the year and to their incidence on the abridged interim financial statements, together with a description of the main risks and uncertainties for the remaining six months of the year. The interim management report also contains a reliable analysis of the information of the significant transactions with related parties.

Bologna, Italy, September 02 2021

General Manager
Chief Executive Officer

Andrea Panzani

Manager in charge
of financial reporting

Nicola Mastacchi

5 / Independent Auditors Report

KPMG S.p.A.
Revisione e organizzazione contabile
Via Innocenzo Malvasia, 6
40131 BOLOGNA BO
Telefono +39 051 4392511
Email it-fmauditaly@kpmg.it
PEC kpmgspa@pec.kpmg.it

(Translation from the Italian original which remains the definitive version)

Report on review of condensed interim financial statements

To the shareholders of
Valsoia S.p.A.

Introduction

We have reviewed the accompanying condensed interim financial statements of Valsoia S.p.A., comprising the statement of financial position as at 30 June 2021, the income statement and the statements of comprehensive income, changes in equity and cash flows for the six months then ended and notes thereto. The directors are responsible for the preparation of these condensed interim financial statements in accordance with the International Financial Reporting Standard applicable to interim financial reporting (IAS 34), endorsed by the European Union. Our responsibility is to express a conclusion on these condensed interim financial statements based on our review.

Scope of the review

We conducted our review in accordance with Consob (the Italian Commission for Listed Companies and the Stock Exchange) guidelines set out in Consob resolution no. 10867 dated 31 July 1997. A review of condensed interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, applying analytical and other review procedures. A review is substantially less in scope than an 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 Valsoia S.p.A. as at and for the six months ended 30 June 2021 have not been prepared, in all material respects, in accordance with the International Financial Reporting Standard applicable to interim financial reporting (IAS 34), endorsed by the European Union.

Bologna, 2 September 2021

KPMG S.p.A.

(signed on the original)

Massimo Tamburini
Director of Audit

VALSOIA SpA

www.valsoiaspa.com