# VALSOIA SpA

# Condensed Interim Financial Statements at June 30, 2022

VALSOIA SpA

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.

VALSOIA® BONTÀ E SALUTE

VALSOIA® INTEGRATORI VEGETALI

SANTA ROSA

SANTA ROSA POMODORISSIMO®

Diete.Tic Una goccia di pura dolcezza

LORIANA LA PIADINA

VITASOYA® VITALITÀ E BENESSERE®

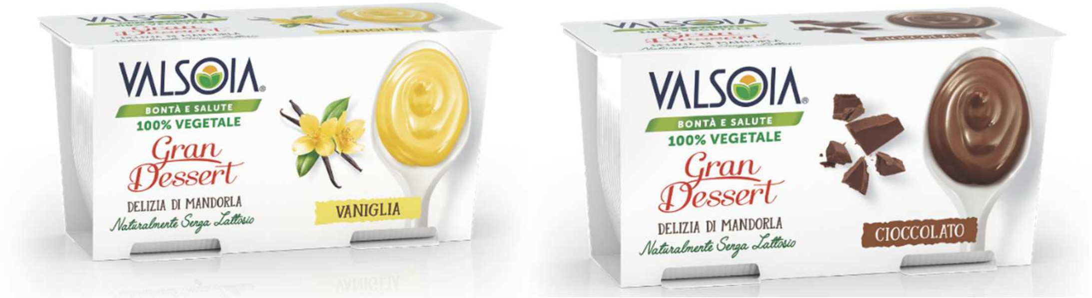
Naturattiva

Weetabix® *

OREO O'S CEREAL *

valle' *

* Brand in exclusive distribution in the Italian territory




*News:*

# *GRAN DESSERT VALSOIA VANILLA & CHOCOLATE*

Tasty intensity of the chocolate and surprising goodness of the vanilla
meet the delicacy of almond
for giving life to two fresh and creamy puddings.
Selected ingredients 100% vegetable, for a unique delicacy respecting the planet.

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# 1 / General information

Condensed Interim Financial Statements at June 30, 2022

# 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 |

### 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.

## 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 3,541,615.01.
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 Nale | Share Capital | Main Office | % Held |
|---|---|---|---|
| Valsoia Pronova d.o.o. | € 100,000 | Lubiana (Slovenia) | 100 |
| Swedish Green Food Company AB | SEK 50,000 | NYKVARN (Sweden) | 100 |

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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.

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# Directors Report

# INTERIM MANAGEMENT REPORT

## KEY FINANCIAL HIGHLIGHTS

| Income statement ratios | 06.30.2022 | | 06.30.2021 | | Change | |
|---|---|---|---|---|---|---|
| (EUR 000) | EURO | % | EURO | % | EURO | % |
| Revenues - (totals) | 49,544 | *100.0* | 46,390 | *100.0* | + 3,154 | *+ 6.8* |
| Value of production | 50,908 | *102.8* | 48,339 | *104.2* | + 2,569 | *+ 5.3* |
| Gross Operating Result (EBITDA) (*) | 6,571 | *13.3* | 7,895 | *17.0* | (1,324) | *(16.8)* |
| Net operating result (EBIT) | 5,253 | *10.6* | 6,635 | *14.3* | (1,382) | *(20.8)* |
| Net profit for the period | 3,756 | *7.6* | 4,722 | *10.2* | (966) | *(20.5)* |

*(*) 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 330 thousand with reference to the EBITDA value at 06/30/2022 (EUR 283 thousand with reference to that at 06/30/2021).*

| Financial ratios (*) (EUR 000) | Value | | | Changes 06.30.2021 | |
|---|---|---|---|---|---|
| | 06.30.2022 | 12.31.2021 | 06.30.2021 | Vs 12.31.2021 | Vs 06.30.2021 |
| Net working capital | 2,061 | (1,880) | 1,961 | 3,941 | +100 |
| Non-current assets | 54,222 | 55,173 | 54,989 | (951) | (767) |
| Financial Position Net - positive - (**) | 22,088 | 25,343 | 18,921 | (3,255) | +3,167 |

(*) 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 (2,186) thousand at 06/30/2022; The same effect was EUR (2,350) thousand at 12/31/2021 and EUR (1,645) thousand at 06/30/2021.

## MAIN EVENTS FOR THE PERIOD AND BUSINESS PERFORMANCE

In the first half of 2022, the Company reported revenues of EUR 49.54 million compared to EUR 46.39 million in the previous period of 2021. The increase is EUR 3.15 million (+6.8%) over the same half-year 2021, which had already recorded a similar growth of +6.8% (EUR +2.94 million) over the corresponding half-year 2020.

As shown in the table below, growth in the first half-year was due to both Italian (+5.6%) and foreign (+19.4%) sales. In Italy, both Health Division revenues (+6.7%) and Food Division revenues (+10.4%) increased. As of January 1, 2022, the Company distributes the Vallè brand (margarine and vegetable bases), which contributes to total revenues to the extent of only the sales commissions paid by the commissioning company Vallè Italia S.r.l., amounting to EUR 1,17million in the half-year. Excluding this amount, and thus on a like-for-like basis, revenue growth in 2022 is +4.3% compared to the first half of 2021.

The first half of 2022 showed a trend of +3.8% in value and -1.1% in volume for the total Italian packaged food markets. In this general context, marked by rising inflation and an initial contraction in consumption, some of the markets in which the Company operates also showed a slowdown, particularly in those segments that until May 2021, still benefited from growth due to the continuation of the so-called lockdown and related health emergency containment measures.

In the period under review, the Company was faced with two major cost increases: the first from January and the second, from March/April as a result of the conflict in Ukraine.
The significant wave of extra costs involved raw materials, packaging, logistics costs and, in particular, energy costs, requiring two list increases negotiated with retailers in March and July 2022, respectively.

Despite the complex situation on the cost side, the Company continued to support its Brands through marketing and sales actions in line with the Annual Plans. In particular, a high investment in communication continued for all the company's brands, including Piadina Loriana and Diete.Tic for the first time.

Structure-related expenditure levels also necessarily increased compared to the same period of 2021, in line with the Plan, however above the same period of the previous year, which was still characterised by a restriction on emergency medical mobility at that time.

The operating margin for the half-year (EBITDA) was therefore EUR 6.6 million, down EUR 1.3 million compared to the corresponding half-year 2021, however still solidly above (+22%) the margin of the first half of 2019 (pre-Covid).
Consequently, the operating margin ratio (Ebitda margin %) in 2022 was 13.3%, compared to 17.0% for the same period the previous year. In the first part of the year, this index reflects cost growth in advance of the new price lists and the resulting revenues.

Net profit for the period, as a result of the above, amounted to EUR 3.8 million, a decrease compared to the same period of 2021 (-20.5%), standing at 7.6% of sales revenue compared to 10.2% for the same period of 2021.

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

| Description (EUR 000) | 06.30.2022 | | 06.30.2021 | | Change |
|---|---|---|---|---|---|
| | EURO | *% Inc.* | EURO | EURO | *%* |
| Health Food Products Division (a) | 26,217 | *53.0%* | 24,576 | *53.0%* | *+6.7%* |
| Food Products Division (b) | 16,552 | *33.4%* | 14,989 | *32.3%* | *+10.4%* |
| Others (c) | 1,949 | *3.9%* | 2,782 | *6.0%* | *- 29.9%* |
| TOTAL ITALIAN REVENUE | 44,718 | *90.3%* | 42,347 | *91.3%* | *+5.6%* |
| Sales abroad | 4,826 | *9.7%* | 4,043 | *8.7%* | *+19.4%* |
| TOTAL REVENUE | 49,544 | *100%* | 46,390 | *100%* | *+6.8%* |

*(a) Valsoia Bontà e Salute, Vitasoya, Naturattiva trademarks*
*(b) SantaRosa brands (jams), Diete.Tic, Loriana, Weetabix, Oreo O's Cereal, Vallè (sales commissions)*
*(c) Total revenue from Industrial Products (B2B)*

The turnover of all Company divisions is up during the half-year, except for B2B Industrial Products, as shown in the summary table above.
These positive trends are shown by all the main brands of the company (Valsoia "Bontà e Salute", "Diete.Tic", "Loriana" piadina) and also by those in distribution ("Vallè","Weetabix", and "Oreo O's" cereals). Valsoia "Bontà e Salute" and the entire health division Italy, grew by +6.7%.
There was also excellent growth in terms of volumes, as well as revenues, for ice cream, helped by a favourable season, but also by full distribution coverage extended to new launches, which recorded excellent results in terms of shelf rotation.
Only "Santa Rosa" jams showed a -10.9% drop in revenues in the first half of the year. This reduction is attributable to a careful monitoring of pre-list increase and promoted volumes, , to safeguard targets, sales units and stock policies.

On the other hand, sales of Loriana piadina were positive (+26.5%), a brand acquired on December 31, 2020 that still shows ample development opportunities both in Italy and abroad.

In January, the distribution of the Vallè brand is started successfully, for now, aligned with the objectives of the 2022 Plan.

During the half year, the Company implemented the activities envisaged by the marketing and business plans together with some launches of innovative products, as described in the section.

As already mentioned, support for all the Brands continued during the half-year through strong advertising planning in parallel with increased investments in the area of store control and optimisation.

Of strategic significance, also for the future, are the results of presence and sales abroad, which recorded an increase of +19.4% compared to the same period of the previous year, which was already strongly up (+14.3% towards the first half of 2020). Of particular note is the good performance of all the European countries, which have been manned, with Key Accounts or Country Managers dedicated entirely to the management of the Company's Brands. Also positive was the kick-off of the new ice cream range initially offered in the US, Canada and Spain.

During the first half of the current year, the Company also carried out a number of significant transactions envisaged in its business plans:

- the implementation in the newly acquired Swedish Green Food Company's management policy;
- the kick-off of the exclusive distribution on the Italian territory of the entire "Vallè" branded product portfolio;
- the kick-off in the Baltic countries and in Spain of the operational management through direct Key Accounts and Country Managers;
- the kick-off in the USA, Canada and Spain of the distribution of a new range of ice creams;
- the finalisation of the "corporate sustainability 2021" document;
- the launch of the "Gran Stecco" ice cream line;
- the expansion of the "sugar-free" product offering in the beverage and yogurt linesthe expansion of the product line of frozen meat alternatives ;
- the expansion of the range of vegetable sliced products;the launch of the piadina toast;
- the entry into the cake yeast market with the Santa Rosa brand;
- the development of sales to the end consumer, via e-commerce (Amazon and other platforms);

Lastly, the Serravalle plant expansion project is progressing, which envisages almost doubling the usable surface area and simultaneously expanding the offices in the Bologna headquarters.

## ANALYSIS OF THE STATEMENT OF FINANCIAL POSITION

The following table shows the breakdown of the Net Financial Position at June 30, 2022, December 31, 2021 and June 30, 2021:

| Description (EUR 000) | 06.30.2022 | 12.31.2021 | 06.30.2021 |
|---|---|---|---|
| Cash | 2 | 3 | 3 |
| Current accounts and bank deposits | 26,157 | 41,242 | 25,471 |
| Current financial assets | 0 | 0 | 0 |
| Total cash and cash equivalents | 26,159 | 41,245 | 25,474 |
| Current loans and borrowings | (3,566) | (3,833) | (2,612) |
| Current payables for leases - | (594) | (639) | (535) |
| Current net financial position | 21,999 | 36,773 | 22,327 |
| Medium- to long-term financial assets | 9,981 | 0 | 0 |
| Non-current loans and borrowings | (8,300) | (9,719) | (2,296) |
| Non-current payables for leases - | (1,592) | (1,711) | (1,110) |
| TOTAL NET FINANCIAL POSITION | 22,088 | 25,343 | 18,921 |

As at June 30, 2022, the Company's total Net Financial Position was positive and equal to EUR 22.1 million. Excluding the purely accounting effects of the application of IFRS16, the Net Financial Position amounted to EUR 24.3 million compared to EUR 27.7 million at the beginning of the period (EUR -3.4 million).

During the first half of 2022, current operations continued the positive generation of cash with operating cash flow of EUR 7.0 million. The increase in the change in net working capital, as a result of the increase in period costs, added to the standard peak cash needs due to the seasonal nature of the ice cream business, absorbed liquidity for approximately EUR 4.6 million. Moreover, investments were made during the period to renew production plant and equipment for about EUR 1.0 million and paid tax for approximately EUR 0.6 million.

In line with its policy, Valsoia S.p.A. also distributed dividends in the same period for EUR 4.1 million.

Medium- and long-term financial assets include an investment made in June 2022, for a nominal EUR 10 million, in the Italian government bond BTP "Italia" maturing in June 2030. The purpose of the operation is to counteract the depreciation of purchasing power due to the recent inflation rates in Italy's economy and the resulting negative inflation forecasts for the future. For further details, please refer to the Notes to the Financial Statements.

## 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 did not carry out currency forward purchase operations. In this case, the financial impacts of these operations, carried out for hedging purposes, would be represented by the hedge accounting option and would be fully booked in the income statement for the period.

*Credit Risk*

The Company deals with customers who belong primarily to the large-scale retail distribution channel, 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 the 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) 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 new price lists and purchasing 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 2% of the Company's revenue derives from the distribution of third-party branded

products.
A termination of these relationships could in fact have a negative impact, although limited, on the financial results of the Company.

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

In line with the indications of the competent authorities, the Company has taken steps to guarantee the safety of all employees, stakeholders and consumers also in order to ensure business continuity.
In particular, the Company has set up an in-house crisis committee, which has been operative since the very first day of the emergency. 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, without delay, the maximum safety procedures for the production site and offices connected to 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 compliance with social distancing requirements pertaining to 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 reopening of all production activities, Valsoia S.p.A. has maintained all internal health safety protocols by 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.

From the point of view of business continuity, inventory levels and relationships with co-packers and logistics platforms have been carefully analysed. The operational continuity of the logistics centres has been verified and where possible a potential back up has been created. The copackers themselves adopted similar prudential solutions to protect continuity.

## Other general risks

*Risks related to the competition*

Given the fact that the Company operates in the consumer packaged food products sector, currently characterised, in particular regarding the Health division, 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 S.p.A., 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, together with a strategy to expand the portfolio of brands owned (conventional Food division) and distributed, precisely in order to reduce market risks.

*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 the price of oil and energy in general.

Against this backdrop of uncertainty, the Company is facing a sharp increase in the costs of raw materials, packaging, services and energy used in its operations. It is worth noting the strong efforts to control cost growth in an attempt to offset them with actions and price increases agreed with retailers in the first 6/7 months of the current year, in order to protect the Company's financial results for the year.

## SIGNIFICANT EVENTS AFTER THE INTERIM PERIOD AND BUSINESS OUTLOOK

In July and August 2022, the revenue trend continued positively for both Italy and foreign markets, with growth rates similar to those of the first half-year. Particularly noteworthy is the recovery of Santa Rosa jams, the marked growth of "Loriana" piadina and Vallè margarine. The good performance of the Valsoia ice cream line, thanks also to the exceptional climatic situation, continues both in Italy and abroad.

In July we note the launch of the innovative "Gran gusto latte" reference among the vegetable drinks

In relation to international markets, the poster campaigns in the summer months were carried out in the main cities of the three Baltic States, Slovenia, Spain and Sweden. After the positive results of the marketing operations in the summer of 2021, the Company in fact decided to repeat them, extending them to circuits and states not touched in the previous year.

Furthermore, on September 2nd, 2022, Valsoia S.p.A. finalised an agreement with the multinational company General Mills S.a.r.l. for the exclusive distribution, in the Italian territory, of the ice-cream lines packaged branded "Häagen-Dazs", number one take-home's ice cream brand in the world, being present in more than 80 countries. The agreement will be effective from January 1st, 2023. The entry of "Häagen-Dazs", in the Valsoia S.p.A. portfolio, represent a further step along the path of growth and consolidation of the Valsoia's group that already manages relevant leading brands, entirely owned, together with selected and prestigious brands in distribution.

In particular, the traditional brand of ice cream Häagen-Dazs is an important synergy on the Italian ice cream market being able to support the already Valsoia's plant-based ice cream leading line, widely present throughout the national mass market retailers with a market share higher than 70%.

## OTHER INFORMATION

### Sustainability project

The Company prepared the "Sustainability Report 2021" which, although it is not a "NFS" (Non-Financial Statement) pursuant to legislative decree 254/2016 in transposition of Directive 2014/95/EU, was presented to the Board of Directors on March 17, 2022 and was made public and distributed to all stakeholders.

The Roadmap envisages an update of the document during 2022 for dissemination in April 2023, also taking into account the contents of the Corporate Sustainability Reporting Directive (CSRD) adopted by the European Commission.

In particular, the development of the updating process of the Sustainability Report will be based on the following guidelines:

| Applying ESG criteria to the Supply Chain | ESG Structure Indicators and procedure for data collection | Sustainability Plan 2023-2025 | Sustainability Report 2022 |
|---|---|---|---|
| • Preparation of a questionnaire to be submitted to 4-5 strategic suppliers | • Preparation of an ESG Indicator Structure<br>• Drawing up a **procedure for ESG data collection**<br>• **Appointment of ESG contact persons** within the Departments | • Drafting of a Sustainability Plan 2023-2025<br>• **Consolidation of strategic directives and objectives**<br>• **Summary of the Plan** in the **Report 2022** | • Verification of **progress and monitoring of 2022 targets**<br>• **Update of the qualitative content** of the 2022 report and **quantitative data collection** as at Dec. 31 2022 |

### 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, in Italy and abroad;
- 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 Food brand area of the Valsoia's products portfolio, 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, 2022 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 of non-current payables
- Net Financial Position: see table presented above.

Bologna, September 05, 2022

The Chairman of the Board of Directors
Lorenzo Sassoli de Bianchi

# 3 / Condensed Financial Statements

Condensed Interim Financial Statements at June 30, 2022

# ACCOUNTING STATEMENTS

FIGURES IN EUROS

| STATEMENT OF FINANCIAL POSITION | Notes | June 30, 2022 | December 31, 2021 |
|---|---|---|---|
| CURRENT ASSETS | | | |
| Cash and cash equivalents | (1) | 26,159,599 | 41,245,097 |
| Trade receivables, net | (2) | 17,707,510 | 8,318,104 |
| Inventories | (3) | 10,915,026 | 9,079,435 |
| Other current assets | (4) | 913,483 | 1,043,390 |
| | | | |
| **Total current assets** | | **55,695,618** | **59,686,026** |
| | | | |
| | | | |
| NON-CURRENT ASSETS | | | |
| Goodwill | (5) | 17,453,307 | 17,453,307 |
| Intangible assets | (6) | 26,306,232 | 26,558,687 |
| Property, plant and equipment | (7) | 10,053,714 | 9,929,428 |
| Fixed assets for right of use | (8) | 2,189,888 | 2,354,971 |
| Financial assets | (9) | 420,000 | 389,722 |
| Non-current financial assets | (10) | 9,981,150 | 0 |
| Other non-current assets | (11) | 50,100 | 80,378 |
| | | | |
| **Total non-current assets** | | **66,454,391** | **56,766,493** |
| | | | |
| **TOTAL ASSETS** | | **122,150,010** | **116,452,519** |

| STATEMENT OF FINANCIAL POSITION | Notes | June 30, 2022 | December 31, 2021 |
|---|---|---|---|
| CURRENT LIABILITIES | | | |
| Current payables due to banks | (12) | 3,566,389 | 3,832,643 |
| Short-term operative lease payables | (13) | 594,085 | 639,027 |
| Trade payables | (14) | 22,913,300 | 16,063,366 |
| Tax payables | (15) | 1,301,612 | 966,369 |
| Provision for risks | (16) | 127,283 | 301,227 |
| Other current liabilities | (17) | 3,133,248 | 2,989,681 |
| | | | |
| **Total current liabilities** | | **31,635,917** | **24,792,313** |
| | | | |
| NON-CURRENT LIABILITIES | | | |
| Non-current payables due to banks | (18) | 8,299,890 | 9,718,921 |
| Non-current payables | (19) | 1,592,181 | 1,711,398 |
| Other non-current tax payables | (20) | 405,214 | 405,214 |
| Provision for deferred taxes | (21) | 1,448,824 | 808,824 |
| Provision for post-employment benefits | (22) | 397,127 | 380,048 |
| | | | |
| **Total non-current liabilities** | | **12,143,236** | **13,024,405** |
| | | | |
| | | | |
| SHAREHOLDERS' EQUITY | (23) | | |
| Share Capital | | 3,541,615 | 3,533,773 |
| Legal Reserve | | 700,605 | 700,605 |
| Revaluation reserve | | 29,377,470 | 29,377,470 |
| IAS/IFRS adjustments reserve | | - 1,202,290 | - 1,202,290 |
| Other reserves | | 42,197,559 | 38,861,732 |
| Profit/(loss) for the period | | 3,755,897 | 7,364,511 |
| | | | |
| **Total Shareholders' equity** | | **78,370,857** | **78,635,801** |
| | | | |
| **TOTAL** | | **122,150,010** | **116,452,519** |

# ACCOUNTING STATEMENTS

FIGURES IN EUROS

| INCOME STATEMENT | Notes | June 30, 2022 | June 30, 2021 |
|---|---|---|---|
| VALUE OF PRODUCTION | (24) | | |
| Revenue from sales and services | | 49,543,782 | 46,389,733 |
| Changes in inventories of finished goods | | 610,618 | 1,327,625 |
| Other revenue and income | | 753,122 | 622,029 |
| **Total value of production** | | **50,907,522** | **48,339,387** |
| OPERATING COSTS | (25) | | |
| Purchases | | (29,020,175) | (25,736,802) |
| Services | | (10,186,426) | (8,827,323) |
| Cost of use of assets owned by other, of third party assets | | (80,524) | (84,091) |
| Labour costs | | (5,820,886) | (5,534,814) |
| Changes in raw materials inventory | | 1,224,974 | 323,732 |
| Other overheads | | (453,078) | (584,709) |
| **Total operating costs** | | **(44,336,114)** | **(40,444,007)** |
| **GROSS OPERATING RESULT** | | **6,571,407** | **7,895,380** |
| Amortisation, depreciation and write-downs of fixed assets | (26) | (1,318,075) | (1,259,927) |
| **NET OPERATING RESULT** | | **5,253,333** | **6,635,453** |
| Net financial income/(charges) | (27) | (79,149) | (29,224) |
| **PRE-TAX PROFIT (LOSS)** | | **5,174,184** | **6,606,229** |
| TAXES | (28) | | |
| Income taxes | | (770,000) | (1,160,000) |
| Deferred tax assets/liabilities | | (640,000) | (724,000) |
| Non-recurrent tax effects | | (8,287) | 0 |
| **Total taxes** | | **(1,418,287)** | **(1,884,000)** |
| **PROFIT/(LOSS) FOR THE PERIOD** | | **3,755,897** | **4,722,229** |
| Basic EPS | (29) | 0.350 | 0.441 |
| Diluted EPS | (29) | 0.349 | 0.435 |

# ACCOUNTING STATEMENTS

FIGURES IN EUROS

| STATEMENT OF COMPREHENSIVE INCOME | Notes | June 30, 2022 | June 30, 2021 |
|---|---|---|---|
| PROFIT (LOSS) FOR THE PERIOD | | 3,755,897 | 4,722,229 |
| | | | |
| | | | |
| EQUITY SECURITIES VALUED AT FVOCI | | (18,850) | 0 |
| **Total of other comprehensive income/(expense) wich will not be subsequently reclassified to profit/(loss) for the period** | | **(18,850)** | **0** |
| | | | |
| | | | |
| ACTUARIAL INCOME/(IEXPENSE) OF DEFINED BENEFIT PLANS | | 0 | 0 |
| **Total of other comprehensive income/(expense) wich will be subsequently reclassified to profit/(loss) for the period** | | **0** | **0** |
| | | | |
| | | | |
| **TOTAL COMPREHENSIVE INCOME FOR THE PERIOD (LOSS)** | | **3,737,047** | **4,722,229** |

# ACCOUNTING STATEMENTS

FIGURES IN EUROS

| STATEMENT OF CASH FLOWS FOR THE PERIODS ENDED AT | | June 30, 2022 | June 30, 2021 |
|---|---|---|---|
| (EUROS 000) | | | |
| **A** | **Opening current net cash** | **36,773,427** | **26,400,146** |
| **B** | **Cash flow from operating activities for the period** | | |
| | . Profit/(Loss) for the period | 3,755,897 | 4,722,229 |
| | . Net financial (income)/charges and Taxes for the period | 1,497,436 | 1,913,224 |
| | . Amortisation, depreciation and write-down of fixed assets | 1,318,075 | 1,259,927 |
| | . Capital (gains) - Losses from asset disposal | (5,378) | (13,350) |
| | . Charges for SOP (Stock Option Plans) | 59,359 | 187,348 |
| | . Net change in other provisions | 359,316 | (39,882) |
| - | *Cash flow from operating activities before changes in working capital* | *6,984,704* | *8,029,496* |
| | (Increase)/Decrease in trade receivables | (9,489,533) | (7,605,774) |
| | (Increase)/Decrease in Inventories | (2,059,723) | (1,576,703) |
| | Increase/(Decrease) in trade payables | 6,849,934 | 3,861,723 |
| | Net change in other current assets/liabilities | 233,857 | 363,062 |
| - | *Changes in Working Capital* | *(4,465,466)* | *(4,957,692)* |
| - | *Changes in other operating assets/liabilities* | *23,382* | *(5,654)* |
| | Total(B) | 2,542,620 | 3,066,150 |
| **C** | **Taxes paid** | **(612,427)** | **(485,442)** |
| **D** | **Cash flow from / (used in) investment activities** | | |
| - | Net increases in property, plant and equipment | (790,308) | (1,057,626) |
| - | Net increases in intangible assets | (69,821) | (69,009) |
| - | Net change in other non-current assets/liabilities | (0) | 81,215 |
| | Total(D) | **(860,129)** | **(1,045,420)** |
| **E** | **Cash flow from (used in) financial activities** | | |
| | Investment / (Realisation) Non-current Financial Assets | (10,000,000) | 0 |
| | Increase/(decrease) in medium/long-term loans | (1,419,031) | (1,255,618) |
| | Increase/(decrease) in medium/long-term loans IFRS 16. | (284,835) | (273,988) |
| | Net financial income/(charges) | (79,149) | (29,224) |
| | Share capital increase | 7,842 | 9,240 |
| | Dividends | (4,069,193) | (4,058,553) |
| | Total(E) | **(15,844,365)** | **(5,608,143)** |
| **F** | **Cash flow for the period (B+C+D+E)** | **(14,774,301)** | **(4,072,855)** |
| **G** | **Closing current net cash (A+F)** | **21,999,126** | **22,327,292** |

## 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 01, 2021** | **3,524,533** | **700,605** | **26,423,946** | **(1,202,290)** | **37,910,738** | **7,654,112** | **75,011,644** |
| Transactions with the Shareholders | | | | | | | |
| Allocation of 2020 profit | | | | | 3,595,558 | (3,595,558) | 0 |
| Dividends | | | | | | (4,058,553) | (4,058,553) |
| Share Capital Increase | 9,240 | | | | | | 9,240 |
| Total Transaction with the shareholders | **9,240** | **0** | **0** | **0** | **3,595,558** | **(7,654,111)** | **(4,049,313)** |
| Realignment reserve law 178/2020 | | | 6,793,198 | | (6,793,198) | | 0 |
| SOP charges | | | | | 187,348 | | 187,348 |
| 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** |

| 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, 2022** | **3,533,773** | **700,605** | **29,377,470** | **(1,202,290)** | **38,861,731** | **7,364,512** | **78,635,801** |
| Transactions with the Shareholders | | | | | | | |
| Allocation of profit for FY 2021: | | | | | 3,295,319 | (3,295,319) | 0 |
| - Dividend distribution | | | | | | (4,069,193) | (4,069,193) |
| Share Capital Increase | 7,842 | | | | | | 7,842 |
| Total Transaction with the shareholders | **7,842** | **0** | **0** | **0** | **3,295,319** | **(7,364,512)** | **(4,061,350)** |
| SOP charges | | | | | 59,359 | | 59,359 |
| Comprehensive income/(loss): | | | | | | | |
| - Result for the period | | | | | | 3,755,897 | 3,755,897 |
| - Equity securities valued at the FVOCI | | | | | | (18,850) | (18,850) |
| **BALANCE AS AT 30 June 2022** | **3,541,615** | **700,605** | **29,377,470** | **(1,202,290)** | **42,216,409** | **3,737,047** | **78,370,857** |

# 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 3,541,615.01, with registered office in Italy, Bologna, Via Barontini 16/5, listed to Euronext Milan (EXM) managed by Borsa Italiana S.p.A.

Valsoia, at the closing date of the interim period, holds a controlling equity investment in Valsoia Pronova d.o.o. (SLO) and in the Swedish Green Food Co. AB. In consideration of the insignificance of the financial figures of these subsidiaries, 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, 2022, compared with the results of December 31, 2021. 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 2022, 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 2022, 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 2022, 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 2022 compared with those of the first half of 2021.

This information, in its entirety, represents the interim financial report at June 30, 2022 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.

## Preparation criteria

This interim financial report for the six-month period ended 30 June 2022 has been prepared in accordance with the provisions of article 154 ter., paragraph 5. of Legislative Decree 58/98 - T.U.F. - and subsequent amendments and additions - in compliance with article 2.2.3. of the Stock Exchange Regulations - and in application of IAS 34. It does not include all the information required by IFRS in the preparation of annual financial statements and should therefore be read in conjunction with the Company's latest annual financial report for the year ended 31 December 2021 (the "latest annual financial statements"). While not including all the information required for full financial statement disclosure under IFRS Standards, specific notes are included to explain events and transactions that are relevant to understanding changes in the Company's financial position and performance since the last annual financial statements.
These condensed interim financial statements were authorised for publication by the Board of Directors on 5 September 2022.

## Use of estimates and evaluations

In preparing these condensed interim financial statements, management had to make judgements and estimates that affect the application of accounting standards and the amounts of assets, liabilities, expenses and revenue recognised in the financial statements. However, it should be noted that since these are estimates, the results obtained will not necessarily be the same as those represented in these financial statements.

Management's significant judgements in the application of accounting standards and the main sources of estimation uncertainty are unchanged from those already explained in the last annual financial statements.

## Fair value measurements

The fair value of financial instruments traded on an active market is based on listed market prices at the reporting date. The fair value of instruments that are not traded on an active market is determined by using measurement techniques with a variety of methods and assumptions that are based on market conditions at the reporting date.

The classification of the fair value of financial instruments is based on the following hierarchy:
- Level 1: fair value determined with regard to quoted prices (unadjusted) in active markets for identical financial instruments;
- Level 2: fair value determined using valuation techniques, based on inputs that are observable in active markets;
- Level 3: fair value determined using valuation techniques, based on market inputs that are not observable.

Financial instruments exposed to fair value are classified in level 2 and the general criterion used to calculate it is the present value of the expected future cash flows of the instrument being measured.

Liabilities related to bank debt are measured according to the amortised cost method. Trade receivables and payables have been valued at book value, net of the allowance for doubtful accounts, as they are considered to approximate current value.
The following table provides a breakdown of financial assets and liabilities by category as at 30 June 2022 and 31 December 2021:

| Period ended 30 June 2022 | | | | |
|---|---|---|---|---|
| | Loans and receivables | Fair value Government securities (Level 1) | Other liabilities | Total |
| **Financial assets not measured at fair value** | | | | |
| Cash and cash equivalents | 26,159,599 | - | - | 26,159,599 |
| Trade receivables | 17,707,510 | - | - | 17,707,510 |
| Other assets | 963,583 | - | - | 963,583 |
| **Financial assets measured at fair value** | | | | |
| Non-current financial assets | | 9,981,150 | | 9,981,150 |
| **Financial liabilities not measured at fair value** | | | | |
| Financial liabilities | - | - | 11,866,279 | 11,866,279 |
| Trade payables | - | - | 22,913,300 | 22,913,300 |
| Other liabilities | - | - | 3,133,248 | 3,133,248 |
| Other financial liabilities | - | - | 2,186,266 | 2,186,266 |
| **Financial liabilities measured at fair value** | | | | |
| Other financial liabilities | - | - | - | - |

| Period ended 31 December 2021 | | | |
|---|---|---|---|
| | Loans and receivables | Other liabilities | Total |
| **Financial assets not measured at fair value** | | | |
| Cash and cash equivalents | 41,245,097 | - | 41,245,097 |
| Trade receivables | 8,318,104 | - | 8,318,104 |
| Other assets | 1,123,768 | - | 1,123,768 |
| **Financial assets measured at fair value** | | | |
| Other assets | | | - |
| **Financial liabilities not measured at fair value** | | | |
| Financial liabilities | - | 13,551,564 | 13,551,564 |
| Trade payables | - | 16,063,366 | 16,063,366 |

| | | | |
|---|---|---|---|
| Other liabilities | - | 2,989,681 | 2,989,681 |
| Other financial liabilities | - | 2,350,425 | 2,350,425 |
| **Financial liabilities measured at fair value** | | | |
| Other financial liabilities | - | - | - |

## 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:

The following documents published by the IASB Board on May 14, 2020 were adopted by effect of Regulation (EU) No. 2021/1080 of June 28, 2021, published in the Official Journal of the European Union on July 2, 2021:

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 entailing any changes to the provisions of the standard. With the amendment to IFRS 3, the new definitions of assets and liabilities in the new Conceptual Framework published in March 2018 will have to be used to identify the assets and liabilities of the acquiree, with the exception of liabilities assumed in the acquiree, which after the acquisition date are accounted for in accordance with IAS 37 Provisions, Contingent Liabilities and Contingent Assets or IFRIC 21 Taxes;

Amendments to IAS 16 - Property, plant and equipment: proceeds before intended use: the IASB Board has clarified that the proceeds from the sale of goods produced by an asset during the period prior to the date on which the asset is in the location and condition necessary for its operation in the manner intended by management must be recognised in profit/(loss) for the period. As a result of the above amendment, it will no longer be permitted to recognise as a direct reduction of the cost of the asset income from the sale of goods produced before the asset is available for use, for example, from the sale of samples produced during the testing phase of the proper functioning of the asset;

Amendments to IAS 37 - Onerous Contracts - Cost of Fulfilling a Contract: the IASB Board clarified that the costs necessary for fulfilling a contract include all costs directly related to the contract and, therefore, include

- incremental costs, i.e., costs that would not have been incurred in the absence of the contract (e.g., raw materials, direct labour costs, etc.)
- a portion of other costs that, although not incremental, are directly related to the contract (e.g., portion of depreciation of assets used to perform the contract).

The IASB Board, moreover, confirmed that, before recognising a provision for an onerous contract, the entity must recognise any impairment losses on non-current assets, and clarified that impairment losses must be determined with reference not only to assets fully dedicated to the contract, but also to other assets that are partially used to fulfill the contract;

Improvements to IFRS - 2018-2020 cycle (Amendments to IFRS 1, IFRS 9 and IAS 41): the Improvements to IFRS Standards are the result of the annual improvement process aimed at resolving non-urgent issues related to inconsistencies or unclear terminology identified in the International Financial Reporting Standards. It should be noted that the document "Improvements to IFRS - 2018-2020 cycle" also includes an amendment to IFRS 16 that is not subject to endorsement by the European Union, as it relates to an illustrative example that is not an integral part of IFRS 16.

These amendments, which were endorsed by the European Union on June 28, 2021 (EU Regulation No. 2021/1080), will apply from fiscal 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.

The following is a list of documents applicable beginning with the Financial Statements for fiscal years beginning on January 1, 2022 described above:

| Document Title | Issue date | Effective date | EU endorsement regulation and publication date |
|---|---|---|---|
| Property, plant and equipment - Income before use (Amendments to IAS 16) | May 14, 2020 | January 1, 2022 | June 28, 2021 (EU) 2021/1080 July 2, 2021 |
| Onerous contracts - Costs necessary to fulfill a contract (Amendments to IAS 37) | May 14, 2020 | January 1, 2022 | June 28, 2021 (EU) 2021/1080 July 2, 2021 |
| Reference to the Conceptual Framework (Amendments to IFRS 3) | May 14, 2020 | January 1, 2022 | June 28, 2021 (EU) 2021/1080 July 2, 2021 |
| Improvements to IFRS Standards (2018-2020 cycle) *[Amendments to IFRS 1, IFRS 9, IFRS 16 (*) and IAS 41]* | May 14, 2020 | January 1, 2022 | June 28, 2021 (EU) 2021/1080 July 2, 2021 |

(*) The amendment to IFRS 16 has not been endorsed by the European Union because the amendment refers to an illustrative example that is not an integral part of the Standard.

## IFRS accounting standards, amendments and interpretations not yet ratified by the European Union

It should be noted that these documents will only be applicable once they have been approved by the EU:

| Document Title | Issue date | Effective date | EU endorsement regulation and publication date |
|---|---|---|---|
| IFRS 17 Insurance Contracts (including | May 18, 2017 | January 1, 2023 | November 19, |

| | | | |
|---|---|---|---|
| amendments published on June 25, 2020) | June 25, 2020 | | 2021<br>(EU) 2021/2036<br>November 23, 2021 |
| Classification of liabilities as current or non-current (amendments to IAS 1) + Deferral effective date (*) | January 23, 2020<br>July 15, 2020 | January 1, 2023 | TBD |
| Disclosure of accounting policies (Amendments to IAS 1 and IFRS Practice Statement 2) | February 12, 2021 | January 1, 2023 | TBD |
| Definition of accounting estimates (Amendments to IAS 8) | February 12, 2021 | January 1, 2023 | TBD |
| Deferred taxes related to assets and liabilities arising from a single transaction (Amendments to IAS 12) | May 7, 2021 | January 1, 2023 | TBD |
| Initial application of IFRS 17 and IFRS 9 - Comparative information (Amendment to IFRS 17) | December 9, 2021 | January 1, 2023 | TBD |

(*) A project is underway by the IASB Board to modify the requirements of the document published in 2020 and to postpone its entry into force to January 1, 2024. The Exposure Draft was released on November 19, 2021.

## List of documents not subject to EU approval:

| Document Title | Issue date | Effective date | EU endorsement |
|---|---|---|---|
| IFRS 14 Regulatory Deferral Accounts | January 30, 2014 | January 1, 2016 (*) | Unscheduled |
| Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28) | September 11, 2014<br>December 17, 2015 | Indefinite (**) | Unscheduled |

(*) IFRS 14 entered into force on January 1, 2016, but the European Commission has decided to suspend the approval process pending the new accounting standard on "rate-regulated activities".

(**) In December 2015, the IASB Board published the document "Effective date of amendments to IFRS 10 and IAS 28", by which it removed the mandatory effective date (which was scheduled to become effective on January 1, 2016) pending completion of the equity method project.

# 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 | 06.30.2022 | 12.31.2021 |
|---|---|---|
| Cash | 2 | 3 |
| Current accounts and bank deposits | 26,157 | 41,242 |
| **Total cash and cash equivalents** | **26,159** | **41,245** |

At June 30, 2022, 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, 2022, and June 30, 2021. 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) | 06.30.2022 | of which: related parties | 06.30.2021 | of which: related parties |
|---|---|---|---|---|
| (A) Cash and cash equivalents | 2 | 0 | 3 | 0 |
| (B) Cash equivalents | 26,157 | 0 | 25,471 | 0 |
| (C) Other current financial assets | 0 | | 0 | |
| **(D) Total liquidity (A+B+C)** | **26,159** | **0** | **25,474** | **0** |
| (E) Current financial payables | 0 | | 0 | |
| (F) Current portion of non-current financial payables (including leasing) | (4,160) | 0 | (3,147) | 0 |
| **(G) Total current financial payables (E+F)** | **(4,160)** | **0** | **(3,147)** | **0** |
| **(H) Net current financial position (G-D)** | **21,999** | **0** | **22,327** | **0** |
| (I) Non-current financial assets | 9,981 | 0 | 0 | 0 |
| **(L) Total non-current financial assets** | **9,981** | **0** | **0** | **0** |
| (M) Non-current financial payables (including leasing) | (9,892) | 0 | (3,406) | 0 |

| | | | | |
|---|---|---|---|---|
| (N) Debt instruments | 0 | 0 | 0 | 0 |
| (O) Other non-current financial payables | 0 | 0 | 0 | 0 |
| (P) Total non-current financial payables (M+N+O) | (9,892) | 0 | (3,406) | 0 |
| (Q) Financial position Net non-current (L+P) | 89 | 0 | (3,406) | 0 |
| (R) NET FINANCIAL POSITION (H+Q) | 22,088 | 0 | 18,921 | 0 |

## 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 | 06.30.2022 | 12.31.2021 |
|---|---|---|
| Trade receivables (nominal value) | 18,877 | 9,387 |
| Allowance for doubtful accounts | (1,169) | (1,069) |
| Total trade receivables | 17,708 | 8,318 |

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. In addition, we also note the increase in the amount arises from distribution of the "Vallè" brand, started from January 1$^{st}$, 2022.
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 | 06.30.2022 | 12.31.2021 |
|---|---|---|
| Trade receivables (nominal value) | | |
| - past due by over 12 months | 0 | 186 |
| - past due by over 30 days | 139 | 0 |
| - past due within 30 days | 5,545 | 2,798 |

| | | |
|---|---|---|
| - with subsequent expiry | 13,193 | 6,403 |
| Total trade receivables (gross) | 18,877 | 9,387 |

The receivables that are past due by over 12 months had been represented primarily by receivables pending legal resolution, today being brought to loss for a total of Euro 31 thousand.

The changes in the bad debt provision are shown below:

| Description | 06.30.2022 | 12.31.2021 |
|---|---|---|
| Opening balance | 1,069 | 1,014 |
| - (usage) | (31) | (45) |
| - allocations | 131 | 100 |
| Total allowance for doubtful accounts | 1,169 | 1,069 |

The provision made to the Allowance for doubtful accounts at 06.30.2022 also takes into account the 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 | 06.30.2022 | 12.31.2021 |
|---|---|---|
| Raw materials, ancillary and consumable materials | 2,441 | 1,672 |
| Work in process | 769 | 313 |
| Finished goods | 7,705 | 7,094 |
| Total inventories | 10,915 | 9,079 |

The value of the raw and ancillary materials was up with respect to last December 31 due to the seasonal nature of the activities linked to ice cream. The total amount of inventories is, in terms of volume, substantially comparable with the same figure at June 30, 2021, while it suffers from the general increase of the supplies costs for raw materials and packings.
In general, the level of stocks over the last 12 to 24 months takes into account an increase in the minimum levels to cope with the possible supply problems recorded, firstly, for the effects of the exit from the

lockdown phase during the Covid-19 pandemic and, secondly, to cope with the difficulties in the availability of certain raw materials (vegetable oils for the food industry, first and foremost) due to the economic consequences created by the Russian-Ukrainian conflict.

The measurement of the closing inventories is carried out net of the provision for inventory obsolescence, amounting to a total of EUR 996 thousand ( EUR 772 thousand at December 31, 2021), 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 | 06.30.2022 | 12.31.2021 |
|---|---|---|
| Tax receivables | 314 | 645 |
| Prepayments and accrued income | 352 | 0 |
| Other current receivables | 247 | 398 |
| Total other current assets | 913 | 1,043 |

Tax receivables at June 30, 2022 consist mainly of various tax receivables on current taxation, which will be deducted from ordinary tax payments in the coming months.

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

Other receivables mainly refer to advances to suppliers and employees for current travel expenses.

## Non-current assets

## Note (5) - Goodwill

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

| Description | 12.31.2021 | Changes | 06.30.2022 |
|---|---|---|---|
| | Net value | Increases / (Decreases) | Net value |
| Santa Rosa Goodwill | 3,230 | 0 | 3,230 |

| Description | 12.31.2021 | Changes | 06.30.2022 |
|---|---|---|---|
| | Net value | Increases / (Decreases) | Net value |
| 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.
- as regards Loriana, from the Purchase Price Allocation process of the positive difference between the value of the business unit relating to the "Loriana" Piadina acquired on December 31, 2021, and the fair value of the individual assets that comprised 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, in line with what has been done in previous years, will perform the impairment test when preparing the annual financial statements.

## Note (6) – Intangible assets

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

| Description | 12.31.2021 | Changes for the period | | 06.30.2022 |
|---|---|---|---|---|
| | Net value | Increases/(decreases) Net | Depr./ Write-downs | Net value |
| Trademarks | 24,488 | | (167) | 24,321 |
| Industrial patents and intellectual property rights | 2,045 | 50 | (143) | 1,952 |
| Other | 25 | 20 | (12) | 33 |
| Fixed asset Intangible | 26,558 | 70 | (322) | 26,306 |

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 June 30, 2022, of the "Diete.Tic" trademark was EUR 873 thousand and the patents were EUR 1,633 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, under Trademarks, also include the Loriana brand (EUR 3,353 thousand), which was measured at fair value upon initial recognition and belongs to the related business unit acquired at the end of the 2021 financial year.
The fair value of the Loriana brand was assessed, with the support of a third-party and 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 Loriana brand, based on the considerations already set out above, is amortised on the basis of an estimated useful life of 15 years.

## Note (7) – Property, plant and equipment

The breakdown of tangible fixed assets at June 30, 2022 is summarised below:

| 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 | 1,543 | | 1,543 |
| Buildings: | | | |
| - house in Serravalle Sesia | 134 | (16) | 118 |
| - industrial facilities in Serravalle Sesia | 6,135 | (3,086) | 3,049 |
| - light constructions | 35 | (5) | 31 |
| Total land and buildings | 8,755 | (3,107) | 5,648 |
| Plant and equipment | | | |
| - fixed systems for offices | | | |
| - specific plant and equipment for the production of | | | |
| plant extracts | 145 | (137) | 8 |
| - specific plant and equipment for ice cream | 6,103 | (5,382) | 721 |
| production | 12,180 | (10,015) | 2,165 |
| - specific plant and equipment for other food | 253 | (253) | 0 |
| production | 1,563 | (1,316) | 247 |
| - general plant and equipment for establishments | 446 | (435) | 11 |
| Serravalle | 372 | (365) | 7 |
| - silos, vats, tanks at the facility of Serravalle | 3,896 | (3,178) | 718 |
| - photovoltaic system | 122 | (93) | 29 |
| - plants for jams production | 144 | (79) | 65 |
| - generic plant at the facility of Sanguinetto | | | |
| - sweeteners production plants | | | |
| - supplement production plant | 60 | (15) | 45 |
| Total plant and equipment | 25,284 | (21,269) | 4,015 |
| Industrial and commercial equipment | | | |
| - furniture and equipment for the laboratory | 457 | (404) | 53 |

| | | | |
|---|---|---|---|
| - other small equipment | 222 | (199) | 23 |
| - other transportation means | 250 | (250) | 0 |
| Total industrial and commercial equipment | 929 | (853) | 76 |
| Other assets | | | |
| - electric and electronic machinery | 736 | (525) | 211 |
| - furniture and equipment for the offices | 398 | (371) | 27 |
| - cell phones | 82 | (77) | 5 |
| - vehicles | 250 | (223) | 27 |
| Total other assets | 1,466 | (1,196) | 270 |
| Fixed assets in progress | 45 | - | 45 |
| **Total property, plant and equipment** | 36,479 | (26,425) | 10,054 |

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

| Description | 12.31.2021 | Changes for the period | | | 06.30.2022 |
|---|---|---|---|---|---|
| | Value | Increases /purchases | Other changes | Decreases / Dep. | Value |
| Historical Cost | | | | | |
| Land and buildings | 8,646 | 109 | | | 8,755 |
| Plant and equipment | 24,716 | 568 | | | 25,284 |
| Industrial and commercial equipment | 909 | 20 | | | 929 |
| Other assets | 1,476 | 48 | | (58) | 1,466 |
| Fixed assets in progress | 0 | 45 | | | 45 |
| Tot. Historical Cost (A) | 35,746 | 790 | | (58) | 36,479 |
| Accumulated depreciation | | | | | |
| Land and buildings | 2,981 | | | 126 | 3,107 |
| Plant and equipment | 20,803 | | | 466 | 21,269 |
| Industrial and commercial equipment | 839 | | | 14 | 853 |
| Other assets | 1,194 | | | 2 | 1,196 |
| Tot. Acc. depreciation (B) | 25,817 | | | 608 | 26,425 |

| Description | 12.31.2021 | Changes for the period | | | 06.30.2022 |
|---|---|---|---|---|---|
| | Value | Increases /purchases | Other changes | Decreases / Dep. | Value |
| Total property, plant and equipment (A-B) | 9,929 | 790 | | 666 | 10,054 |

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) – Fixed assets for rights of use

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

| Description | 12.31.2021 | Changes for the period | | | 06.30.2022 |
|---|---|---|---|---|---|
| | Value | Increases | Decreases | Other changes | Value |
| **Historical Cost** | | | | | |
| Leased buildings | 2,428 | | | | 2,428 |
| Leased vehicles | 1,079 | 165 | (39) | | 1,205 |
| Rented electronic equipment | 386 | | | | 386 |
| Tot. Historical Cost (A) | 3,893 | 165 | (39) | | 4,019 |
| **Depreciation** | | | | | |
| Leased buildings | 678 | 140 | | | 818 |
| Leased vehicles | 573 | 141 | (39) | | 675 |
| Rented electronic equipment | 287 | 49 | | | 336 |
| Tot. Acc. depreciation (B) | 1,538 | 330 | (39) | | 1,829 |
| Total assets by right of use (A-B) | 2,355 | (164) | 0 | | 2,190 |

## 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 | 12.31.2021 Value | Changes in the period Increases/ Decreases | | 06.30.2022 Value |
|---|---|---|---|---|---|
| Valsoia Pronova d.o.o. - Slovenia | 100% | 110 | - | - | 110 |
| Swedish Green Food Co. - Swe | 100% | 280 | | 30 | 310 |
| Tot. Fixed assets Financial | | 390 | - | - | 420 |

In the first half of 2022:
- the subsidiary Valsoia Pronova d.o.o. recorded sales for EUR 360 thousand with a provisional pre-tax profit of around EUR 5 thousand.
- the subsidiary Swedish Green Food Co. AB realised a turnover of SEK 3,891,141 (equal to about EUR 362 thousand) with a provisional profit before tax of SEK 4,126 (equal to about EUR 0.4 thousand). During the first half of the year, a loan receivable from Valsoia S.p.A. was converted into an equity investment.

Based on the foregoing presented, in relation to the trend of the related companies there are no indications of impairment

## Note (10) - Non-current financial assets

This item breaks down as follows:

| Description | 06.30.2022 | 12.31.2021 |
|---|---|---|
| BTP “Italia” June 2030 Eur | 9,981 | 0 |
| Total non-current financial assets | 9,981 | 0 |

This item consists of a nominal EUR 10 million investment in the Italian government debt security BTP "Italia" maturing in June 2030, of a portion of the liquidity held in bank current accounts, for the sole purpose of counteracting the depreciation of purchasing power due to the recent inflation rates recorded in Italy's economy and the consequent negative inflation forecasts for the future.

Upon initial recognition, the financial asset was classified and presented using the fair value method with recognition of changes in other comprehensive income. The valuation and classification of the stock was made according to the business model adopted by the company and whether the stock passed the SPPI test, as required by IFRS 9.

The fair value of the BTP is of the stage 1 type, the inputs being quoted prices (unmodified) in active markets for identical assets or liabilities to which the company has free access at the valuation date.

The security was subscribed "at par" at issue on June 27, 2022 and its fair value is the official daily quotation on the MOT. On June 30, 2022, the quotation was 99.8115: the difference of 0.1885 ( EUR 18,850) from the nominal value of 100 (EUR 10 million) is shown in the Statement of Comprehensive Income.

Stock characteristics:

- Type: Italian State Stock,
- Issuer: Ministry of Economy and Finance, Cod. ISIN: IT00005497000,
- Subordination: Senior Stock,
- Bond structure: Inflation-indexed stock,
- Currency negotiation: EUR,
- Market: MOT,
- Coupon rate: 1.60% ("floor" guaranteed), - Coupon periodicity Half-yearly,

### Note (11) - Other non-current assets

This item breaks down as follows:

| Description | 06.30.2022 | 12.31.2021 |
|---|---|---|
| Guarantee deposits | 41 | 41 |
| Investments in other companies | 9 | 9 |
| Receivables from subsidiaries | 0 | 30 |
| Total other non-current assets | 50 | 80 |

The receivable from subsidiaries was from Swedish Green Food Co. AB, for the change of which please refer to the comment on the previous item (Note 10).

## Liabilities and shareholders' equity

### Current liabilities

### Note (12) - Short-term payables due to banks

This item breaks down as follows:

| Description | 06.30.2022 | 12.31.2021 |
|---|---|---|
| Overdraft accounts | 0 | 1 |
| Bank loans and borrowings (current instalments) | 3,566 | 3,832 |
| Total current payables due to banks | 3,566 | 3,833 |

The item Loans and borrowings refers primarily to the instalments, maturing in less than 12 months, referring to non-current financing still in the process of amortisation.
No covenants or negative pledges are planned for this bank loans.

## Note (13) - Current payables for leases

This item breaks down as follows:

| Description | 06.30.2022 | 12.31.2021 |
|---|---|---|
| Current payables for leases | 594 | 639 |
| Total current payables for leases | 594 | 639 |

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 | 06.30.2022 | 12.31.2021 |
|---|---|---|
| Trade payables due to suppliers within 12 months | 22,913 | 16,063 |
| Total trade payables | 22,913 | 16,063 |

The increase in trade payables at June 30, 2022 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 as well as the purchase prices of many raw materials. In addition, as in the case of the item "Trade receivables", we also report the influence on the amount of payables arising from product purchases for the distribution of the "Vallè" brand.
There have been no essential changes in the payment conditions.

### Note (15) – Tax payables

This item breaks down as follows:

| Description | 06.30.2022 | 12.31.2021 |
|---|---|---|
| Due to the Tax Authorities for: | | |
| - stamp duty and other | 5 | 2 |
| - withholding taxes applied | 634 | 408 |
| - value added tax | 505 | 0 |
| - direct taxes | 158 | 0 |
| - substitute tax (current portion) | 0 | 556 |
| Total tax payables | 1,302 | 966 |

Tax payables refer to the payables due to the Tax Authorities for withholdings made on income from employment and freelance work and VAT payables. Direct tax payables result from the provision for direct taxes accrued, after utilisation of the related residual receivables.

### Note (16) – Provisions for risks

This item breaks down as follows:

| Description | 06.30.2022 | 12.31.2021 |
|---|---|---|
| Sales return provision | 102 | 67 |
| Provision for customer disputes | 25 | 14 |
| Reserve for contingent liability risks | 0 | 220 |
| Total provision for risks | 127 | 301 |

The Sales return provision is a reliable estimate of the returns to be seen during the period after 06.30.2022, 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 06.30.2022 and for which the Company is assessing effective recognition.

The provision for Contingent liability risks present at the beginning of the year referred to the consequences of pending litigation against the Revenue Agency filed by a third party to which Valsoia could have been jointly and severally liable by virtue of the principle of solidarity. By Order no. 10629/2022 of 03.30.2022, the Court of Cassation upheld in its entirety the appeal against the tax claims relating to the operation under discussion. The litigation has therefore been definitively concluded and to this effect, no further amount is due to the Tax Authorities either by the third party or, consequently, by Valsoia SpA.

The amount set aside in the provision for contingent liability risks was therefore charged to the income statement in the current half-year (see Note 25 below)

## Note (17) - Other short-term liabilities

This item breaks down as follows:

| Description | 06.30.2022 | 12.31.2021 |
|---|---|---|
| Amounts payable to social security institutions | 496 | 496 |
| Amounts due to employees and on-going collaboration contracts | 2,437 | 2,445 |
| Amounts due to others | 192 | 225 |
| Accrued liabilities | 8 | 24 |
| Total other short-term liabilities | 3,133 | 2,990 |

The *Other short-term liabilities* are mainly composed of payables to employees for salaries, bonuses payable for the period and for the deferred monthly payments accrued as at June 30, 2022. 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 | 06.30.2022 | 12.31.2021 |
|---|---|---|
| Bank loans and borrowings (non-current instalments) | 8,300 | 9,719 |
| Other | 0 | 0 |
| Total non-current payables due to other lenders | 8,300 | 9,719 |

The item loans and borrowings (non-current) refers primarily to the instalments, maturing beyond 12 months, relating to existing non-current financing still in the process of amortisation. None of the existing loans have covenants, restrictions or encumbrances.

For comments on the Statement of financial position, see the Directors' Report.

The Company, obtaining the Bank loans at fixed interest rates, does not consider as sensitive the analysis of financial debts in function of the interest rates variation.

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 | EURO |
|---|---|
| 2023 | 891 |
| 2024 | 1,684 |
| 2025 | 1,689 |
| 2026 | 1,590 |
| 2027 | 1,374 |
| 2028 | 714 |
| 2029 | 358 |
| Loans and borrowings | 8,300 |

## Note (19) - Non-current payables for leases

This item breaks down as follows:

| Description | 06.30.2022 | 12.31.2021 |
|---|---|---|
| Non-current payables for leases | 1,592 | 1,711 |
| Total non-current payables for leases | 1,592 | 1,711 |

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 | 06.30.2022 | 12.31.2021 |
|---|---|---|
| Medium/long-term tax payables for substitute tax | 405 | 405 |
| Total medium/long-term payables for substitute tax | 405 | 405 |

This amount refers to the liability for Substitute Tax, payable after 12 months, relating to the realignment of the Santa Rosa brand and goodwill carried out pursuant to and in accordance with Law no. 178/2020 (which converted Law Decree 104/2020 into law). The effects of the latter transaction were affected by the consequences of Law no. 234/2021 (Budget Law 2022), which retroactively amended the provisions contained in art. 110 of Decree Law no. 104/2020.

## Note (21) – Provision for deferred taxes

This item breaks down as follows:

| Description | 06.30.2022 | | 12.31.2021 | |
|---|---|---|---|---|
| | Taxable amount | Taxes | Taxable amount | Taxes |
| **Deferred tax assets/Provision for deferred taxes with balancing entry in the Income Statement** | | | | |
| IRES/IRAP CHANGES | | | | |
| - Trademarks and deferred charges not capitalised pursuant to IAS/IFRS | *14* | 4 | *48* | 13 |
| - Misalign. of accounting-tax amounts for “Santa Rosa” trademark | *(8,889)* | (2,480) | *(7,546)* | (2,105) |
| - Misalign. of accounting-tax amounts for the “Santa Rosa” brand | *2,871* | 801 | *3,410* | 851 |
| - Misalign. of accounting-tax amounts for the “Diete.Tic” brand | *(552)* | (154) | *(276)* | (77) |
| - Misalign. of accounting-tax amounts for the “Loriana” brand | *(1,028)* | (287) | *(514)* | (143) |
| - Civil and fiscal variances of the amortisation of Brands | *154* | 43 | *98* | 27 |
| - Taxed risk and write-down provisions | *2,159* | 528 | *2,168* | 529 |
| - Others | *340* | 96 | *344* | 96 |
| Total | *(4,931)* | (1,449) | *(2,268)* | (809) |

The item "Deferred tax assets/(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. The credit items are estimated to refer to differences that will be reabsorbed in the medium and long term.

## Note (22) – Provision for post-employment benefits

In the first half of 2022, there were no major changes to the provision.

## Note (23) - Shareholders’ equity

***Share capital***

The share capital of the Company is fully subscribed and paid up and amounts to EUR 3,541,615.01.

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

*Revaluation reserve*
This item is made up of the Revaluation Reserve set aside pursuant to Law 488/2001 and Law 350/2003, as well as the Reserves deriving from all subsequent laws that have allowed the realignment between book and fiscal values.

*IAS/IFRS adjustments reserve*
The effects of the IFRS adjustments on Shareholders’ equity at January 1, 2004 have been recorded in the IAS/IFRS reserve.

***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;
- retained earnings resulting from the application of the 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;
- reserve from valuation of financial assets to FVOCI arising from the application of IFRS9;
- 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 1,160 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 reference to the charges relating to the 2019-2022 Stock Option Plan, in accordance with IFRS2, they have been estimated by assessing:

- the percentage of probability in achieving the objectives set out in the Plan and the consequent number of option rights accrued by the beneficiaries, based on the plans set out by the company and the probability of their achievement;

  the fair value of the assigned option rights. This value was determined, in reference to the date of the actual initial assignment of the option rights approved by the Board of Directors on November 11, 2019,

- reserve of EUR 201 thousand following the effects of the first time application (FTA) of the accounting standard IFRS 15.

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

| Description | 06.30.2022 | 12.31.2021 | Possibility of use |
|---|---|---|---|
| Share capital | 3,542 | 3,534 | - |
| Legal reserve | 701 | 701 | B |
| Reserves for realignment of tax values | 29,377 | 29,377 | 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 | 38,837 | 35,541 | 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 | 1,159 | 1,100 | A, B, C |
| - foreign exchange gains reserve | 9 | 9 | |
| - FV valuation reserve IFRS 9 | (19) | 0 | |
| - actuarial gains/losses reserve | (8) | (9) | |
| Total other reserves | 42,198 | 38,861 | |
| Profit/(loss): | | | |
| Profit for the period | 3,756 | 7,365 | |

| | | |
|---|---|---|
| Total Shareholders' equity | 78,371 | 78,636 |

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 4.1 million, as an appropriation of profits for the year 2021.

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

### Note (24) - Revenue and Incomes

This item breaks down as follows:

| Description | 06.30.2022 | 06.30.2021 |
|---|---|---|
| Revenue | | |
| - Revenue - Italy | 44,718 | 42,347 |
| - Revenue - Abroad | 4,826 | 4,043 |
| Total revenue | 49,544 | 46,390 |
| | | |
| Change in inventories of work in progress, semi-finished and finished goods: | | |
| - Opening inventories | (7,460) | (6,885) |
| - Closing inventories | 8,071 | 8,213 |
| Total changes in inventories of finished goods | 611 | 1,328 |
| Other income | 753 | 622 |
| | | |
| Total Value of production | 50,908 | 48,339 |

The 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 income*" is detailed as follows:

| Description | 06.30.2022 | 06.30.2021 |
|---|---|---|
| - Chargeback to third parties | 243 | 225 |
| - Capital gains on sale of assets | 5 | 13 |
| - Other | 505 | 384 |
| Total other revenue and income | 753 | 622 |

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 incomes refer to contingent assets and insurance reimbursements, including the 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 | 06.30.2022 | 06.30.2021 |
|---|---|---|
| Purchase costs | | |
| - Raw materials | 7,150 | 5,826 |
| - Ancillary materials | 1,658 | 1,369 |
| - Consumable materials | 435 | 360 |
| - Finished products and goods | 19,777 | 18,182 |
| Total purchases | 29,020 | 25,737 |
| Services | | |
| - Industrial | 2,238 | 2,019 |
| - Marketing and sales | 5,919 | 5,009 |
| - Administrative and general | 2,029 | 1,799 |
| Total services | 10,186 | 8,827 |
| Cost of use of assets owned by other, of third party assets | 81 | 84 |
| Labour costs | | |
| - Wage and salaries | 4,075 | 3,883 |
| - Social security charges | 1,276 | 1,401 |

| | | |
|---|---|---|
| - Post employment benefits (*) | 248 | 1 |
| - Personnel charges pursuant to SOP | 59 | 187 |
| - Other labour costs | 163 | 63 |
| Total labour costs | 5,821 | 5,535 |
| Changes in raw materials inventory | (1,225) | (324) |
| Other overheads | 453 | 585 |
| Total Operating costs | 44,336 | 40,444 |

(*) = in the previous year, this item was included in the line "Social security charges"

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 | 06.30.2022 | 06.30.2021 |
|---|---|---|
| - Executives | 11 | 10 |
| - Employees and managers | 97 | 93 |
| - Factory workers | 23 | 24 |
| - Seasonal workers | 32 | 22 |
| Total employees | 163 | 149 |

The item *Other overheads* breaks down as follows:

| Description | 06.30.2022 | 06.30.2021 |
|---|---|---|
| Other overheads: | | |
| - Taxes and excise license | 51 | 62 |
| - Losses/provisions for risks on receivables | 131 | 59 |
| - Contingent liabilities | 103 | 95 |
| - Membership fees | 99 | 93 |
| - Other charges | 89 | 276 |
| Total other overheads | 453 | 585 |

The Other charges mainly consist of costs for the disposal of obsolete products, out-of-period expense, entertainment costs and contributions to trade associations and donations or other similar. The total amount

is adjusted because it includes the utilisation of the provision for contingent liability risks, which was allocated as at December 31, 2021*(see Note 16)*,
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 | 06.30.2022 | 06.30.2021 |
|---|---|---|
| - Amortisation of intangible assets | 322 | 337 |
| - Depreciation of fixed assets Materials | 666 | 640 |
| - Depreciation of assets in right of use | 330 | 283 |
| Total amortisation, depreciation and write-downs | 1,318 | 1,260 |

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), 7) and 8)*

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

This item breaks down as follows:

| Description | 06.30.2022 | 06.30.2021 |
|---|---|---|
| - Other financial income | 2 | 2 |
| - Interest expense, currency discounts and bank charges | (64) | (35) |
| - Operative lease interest expense | (2) | (1) |
| - Foreign exchange gains/(losses) | (15) | 5 |
| Total financial income/(charges) | (79) | (29) |

Interest expenses refer to the financing lines contracted and being amortised *(see Notes 12, 18)*

### Note (28) – Taxes

This item breaks down as follows:

| Description | 06.30.2022 | 06.30.2021 |
|---|---|---|
| - Income taxes (IRES - IRAP) | 778 | 1,160 |

| | | |
|---|---|---|
| - Deferred tax liabilities/(assets) | 640 | 724 |
| Total taxes | 1,418 | 1,884 |

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.
Details about the recognition of deferred taxes were 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, 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 shares of potential future issue to service the 2019-2022 SOP plan.

/

## Non-recurring significant transactions and events

During the period ended June 30, 2022, 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 2022 | 01.01.2022 | 06.30.2022 | 1st half 2022 |
| 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 subsidiaries Valsoia Pronova d.o.o. and Swedish Green Food Co. AB, were carried out on an arm's length basis, classified by nature:

| Related party | revenue/(costs) | receivables/(payables) | | collections/(payments) |
|---|---|---|---|---|
| | 1st half 2022 | 01.01.2022 | 06.30.2022 | 1st half 2022 |
| Membership fees | (62,518) | (1,410) | (8,000) | (120,378) |
| Directors' remuneration | (18,528) | (22,196) | (20,800) | (35,367) |
| (Purch.) / Sales of goods and services | 7,530 | 27,453 | 36,429 | (15,329) |
| Relations with subsidiaries | 502,944 | 161,968 | 345,309 | 259,070 |
| Total transactions with related parties | 429,428 | 165,815 | 352,938 | 87,996 |

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

## Commitments

At June 30, 2022, there were no other undertakings besides those described in the interim financial report.

Bologna, September 5, 2022

The Chairman of the Board of Directors
Lorenzo Sassoli de Bianchi

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

VALSOIA SpA

# 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, 2022.

It is also hereby certified that:

a) the abridged interim financial statements at June 30, 2022 fully reflect the accounting records and books;

b) the abridged interim financial statements at June 30, 2022 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 05, 2022

Direttore Generale
Amministratore Delegato

Andrea Panzani

Dirigente Preposto alla redazione
dei documenti contabili societari

Nicola Mastacchi

# 5 /

# Independent Auditors Report

Condensed Interim Financial Statements at June 30, 2022

**(This independent auditors' report has been translated into English solely for the convenience of international readers. Accordingly, only the original Italian version is authoritative.)**

# Valsoia S.p.A.

## Condensed interim financial statements as at and for the six months ended 30 June 2022

(with independent auditors' report thereon)

KPMG S.p.A.

8 September 2022

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

**(This independent auditors' report has been translated into English solely for the convenience of international readers. Accordingly, only the original Italian version is authoritative.)**

# 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 2022, 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 2022 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, 8 September 2022

KPMG S.p.A.

(signed on the original)

Enrico Bassanelli
Director of Audit

www.valsoiaspa.com