

THE BOARD OF DIRECTORS APPROVES THE INTERIM REPORT ON OPERATIONS

FOR THE FIRST HALF OF 2020

PERFORMANCE IN THE FIRST HALF OF 2020 IN SIGNIFICANT GROWTH COMPARED TO THE DATA OF THE FIRST HALF OF 2019:

- SALES REVENUES EQUAL TO € 43.4 MILLION + 17.2% (of which: Export + 43.9%)

- EBITDA EQUAL TO € 7.6 MILLION + 41.1%

- PROFIT FOR THE PERIOD € 4.6 MILLION + 52.7%

POSITIVE NET FINANCIAL POSITION OF € 25.8 MILLION

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Bologna September 14, 2020 - The Board of Directors of Valsoia S.p.A. met today. (MTA: VLS) which approved the interim management report as at 30 June 2020.

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The Chairman Lorenzo Sassoli de Bianchi commented: "I express satisfaction, as well as for the results achieved, for how the Company has managed to safeguard the safety and health of its collaborators, stakeholders and consumers in a phase of health emergency without previous, ensuring business continuity. The growth in sales on international markets and the innovative effort continued also during the lockdown period with the launch of the supplement line was particularly satisfactory".

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The company, operating in the food sector and, in this area, mainly in the GD / DO channel, with regard to sales orders, has not suffered negative effects from the restrictive measures on the activities implemented by the Government in the period to manage the health emergency . At the same time, all stages of the supply chain unfolded without significant disruption or inefficiency.

MAIN ECONOMIC INDICATORS AT 30 JUNE 2020

Income Statement Ratios (Euro 000)	June 30, 2020		June 30, 2019		Change	
	Euro	%	Euro	%	Euro	%
Sales Revenues (Total)	43,447	100.0	37,071	100.0	6,376	17.2
Total Value of Production	44,548	102.5	38,651	104.3	5,897	15.3
Ebitda (*)	7,557	17.4	5,355	14.4	2,202	41.1
Ebit	6,417	14.8	4,183	11.3	2,234	53.4
Net Profit	4,584	10.6	3,002	8.1	1,582	52.7

() Intermediate result not defined as an accounting measure under the IFRS accounting standards and therefore the criteria for defining this parameter may not be homogeneous with those adopted by other companies. This result is influenced (positively) by the application of IFRS 16 "Leases" for a value of 287 thousand euros with reference to the value of Ebitda at 30/06/20 and 287 thousand euros with*

reference to that at 30/06/20 2019

GENERAL ECONOMIC TREND

Revenues at 30 June 2020 amounted to +43.4 million euros compared to 37.1 million euros in the same period, showing a growth of 17.2%. The increase in sales is attributable to all product lines, both in the "Healthy" division and in the "Food" division.

Already during the first two months of the current year, revenues from sales showed a positive trend, which continued with a further acceleration during the following months of March and April, marked by the health emergency due to the COVID 19 pandemic.

Even in the months of the so-called "Phase two" (May and June), sales maintained a positive trend, albeit more contained, both in Italy and in foreign markets.

Equally significant was also the growth in market shares relating to all the brands of the Company substantially in all the market segments covered.

There was also strong growth in sales abroad, which in the half year 2020 recorded revenues up + 43.9% compared to the same period of the previous year.

The increase in food stocks in households during the months of the lockdown had a positive effect on the trend in sales revenues in the months of March and April 2020.

EBITDA at 30 June 2020 was equal to 7.6 million euros, a significant increase, equal to + 41.1% compared to 30 June 2019, recording, consequently, an improvement in the percentage index of the **Ebitda margin** of 17.4% compared to 14.4% at 30 June 2019.

Net profit for the period amounted to € 4.6 million, up on the same period of 2019 by € 1.6 million (+ 52.7%) with an improvement in the percentage index which went from 8.1% in 2019 to 10.6% in the 2020 semester.

PERFORMANCE OF PRODUCT FAMILIES AT 30 JUNE 2020

Description (Euro 000)	June 30, 2020		June 30, 2019		Change
	Euro	%	Euro	%	%
Healt division (a)	23,687	54.6%	21,867	59.0%	+8.3%
Food Division (b)	13,523	31.1%	10,445	28.2%	+29.4%
Other (c)	2,700	6.2%	2,301	6.2%	+17.3%
TOTAL REVENUES ITALY	39,910	91.9%	34,616	93.4%	+15.3%
Exports	3,537	8.1%	2,458	6.6%	+43.9%
TOTAL REVENUES	43,447	100%	37,071	100%	+17.2%

The performance of the "Santa Rosa" and "Dietetic" brands, which recorded, respectively, in the half year, a trend of + 34.5% and + 17.9%, having benefited particularly from the increase in domestic consumption during the lockdown period.

Similarly, the "Valsoia Bontà e Salute" brand, after having seen its market shares grow since 2019, consolidated this trend, also improving revenues for the period under review by + 8.3%.

The company successfully implemented a number of innovative and strategic product launches during the half year:

- the "Gran Cono" gluten-free ice cream, a new recipe with natural ingredients;
- the "Super Burger" innovative product of the highest quality with a few simple ingredients, for the most demanding consumers who are attentive to sustainability issues

Finally, the results of presence and sales abroad are significant, exceeding 8% of the company's total revenues with an increase of + 43.9% compared to the same period of the previous year.

The Company decided to continue with determination in the half-year to support all its brands through strong media planning, particularly effective given the extraordinary audience of the period. In particular, we note the interesting growth in the number of "Treating Families" for each of the product lines of the "Valsoia Bontà e Salute" brand as well as of the "Santa Rosa" and "Dietetic" brands.

Very important, and in perspective, is the presentation to the market and retailers, starting from May and June, of the innovative line of "Food supplements" branded "Valsoia": a line of natural and 100% vegetable products dedicated to large-scale distribution . The presentation to the Retailers and the consequent insertions are currently in progress. The launch will be supported by a significant communication plan starting next fall.

NET FINANCIAL POSITION AT 30 JUNE 2020

Description (Euro 000)	June 30, 2020	December 31, 2019	June 30, 2019
Cash	3	3	2
C/C and bank deposits	35,397	36.245	28,477
Short-term financial assets	0	0	3,000
Total liquidity	35,400	36.248	31,479
Current financial payables	(2,597)	(2.592)	(2,587)
Short-term payables for operating leases (IFRS 16)	(523)	(537)	(535)
Short-term net financial position	32,280	33.119	28,357
Medium long-term financial payables	(4,906)	(6.154)	(7,503)
Medium long-term payables for operating leases (IFRS 16)	(1,554)	(1.561)	(421)
NET FINANCIAL POSITION	25,820	25,404	20,433

The Net Financial Position, on 30 June 2020, was positive for € 25.8 million, in line with the figure as at 31 December 2019 and significantly increased (+ 26.4%) compared to the corresponding period of the previous year (€ 20.4 million at June 30, 2019) essentially attributable to the net cash flows generated by the company management in the previous 12 months, net of investments and dividend distribution.

COVID 19

The health of its employees and all stakeholders and business continuity characterize the Company's operational approach to the context related to the COVID-19 health emergency. Therefore, as early as the end of February, the Company took action, pursuing the safety protocols issued by the competent authorities. In particular, Valsoia has set up an internal crisis committee active from the first day of the emergency. This committee still meets at short intervals of time following the evolution of the situation and acting accordingly. In general, immediately, the recommendations provided and still in application, were:

- give maximum priority to the use of smart working, where possible;
- increase stock levels for all the company's products in order to prevent stock outages;
- implement and intensify all the prevention and protection measures for the functions not in smart working, including the sanitization of the workplace and the provision of individual protection tools.

We also remind you that:

- supplementary health coverage has been activated for all employees in the event of hospitalization from COVID 19 infection;
- an economic recognition was decided on the plant workers who, unable to take advantage of smart working, with responsibility and in compliance with safety protocols, guaranteed the presence and operation of the production departments.

The Company has also joined Solidality, with the donation of products within 20,000 food packages distributed free of charge to families most in difficulty. Furthermore, the Company has decided to support the Sant'Orsola Hospital in Bologna with a donation aimed at the purchase of ultrasound scanners functional to the rapid diagnosis of COVID 19 and also the Sant'Anna Institute in Bologna with a cash donation.

MAIN EVENTS SUBSEQUENT TO THE CLOSURE OF THE 1ST HALF OF 2020 AND OUTLOOK

In the period subsequent to June 30, the distribution of the novelty relating to the Gelato line continued, which recorded results of rotation on the shelves and consequent consumption.

Similarly, the results of the "Super Burger" in preparation for the autumn-winter peak season.

The growth of beverages in Italy and abroad both in distribution and in terms of sales revenues was positive. Sales abroad remain positive even in the months of July and August. The Presentations of the innovative "Supplements" line continues successfully.

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

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The Interim Management Report at June 30, 2020 will be made available to the public at the Company's registered office and the 1Info storage mechanism (www.1info.it) within the terms and in the manner prescribed by current legislation. The aforementioned documents will also be available for consultation in the Investor Relations section of the website (www.valsoiaspa.com).

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Valsoia S.p.A. (www.valsoia.it) founded in 1990, has developed the Italian market of soy-based vegetable products growing from an initial turnover of around 350,000 euros (1990) to the current 74,8 million euros¹ and today is one of the reference companies in the health food market in Italy. For the consumer, the Valsoia brand represents innovation and attention to health through good, natural and healthy products. From 14 July 2006, Valsoia S.p.A. is listed on the MTA market organized and managed by Borsa Italiana S.p.A.

Per ulteriori informazioni

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Attachments: Financial Statements as at 30 June 2020 attached.

ACCOUNTING STATEMENTS

FIGURES IN EUROS

STATEMENT OF FINANCIAL POSITION	Notes	June 30, 2020	December 31, 2019
CURRENT ASSETS			
Cash and cash equivalents	(1)	35,400,717	36,248,281
Current financial assets		0	0
Trade receivables, net	(2)	14,798,812	8,088,118
Inventories	(3)	7,917,608	6,783,645
Other current assets	(4)	1,128,286	2,202,445
Total current assets		59,245,423	53,322,489
NON-CURRENT ASSETS			
Goodwill	(5)	8,198,307	8,198,307
Intangible assets	(6)	23,402,204	23,483,736
Property, plant and equipment	(7)	9,576,243	9,629,510
Fixed assets for right of use	(8)	2,076,276	2,096,970
Financial assets	(9)	110,000	110,000
Deferred tax assets	(10)	0	170,352
Other non-current assets	(11)	159,298	159,298
Total non-current assets		43,522,328	43,848,173
TOTAL ASSETS		102,767,751	97,170,662

STATEMENT OF FINANCIAL POSITION

Notes

June 30, 2020

December 31, 2019

CURRENT LIABILITIES

Current payables due to banks	(12)	2,597,100	2,592,491
Short-term operative lease payables (IFRS16)	(13)	523,313	536,565
Trade payables	(14)	16,724,136	11,755,366
Tax payables	(15)	841,503	634,989
Provision for risks	(16)	140,619	78,284
Other current liabilities	(17)	2,800,519	2,478,644
Total current liabilities		23,627,190	18,076,339

NON-CURRENT LIABILITIES

Non-current payables due to banks	(18)	4,905,617	6,154,186
Non-current payables (IFRS16)	(19)	1,553,939	1,561,449
Other non-current tax payables	(20)	301,839	301,839
Provision for deferred taxes	(21)	387,648	0
Provision for post-employment benefits	(22)	379,596	399,619
Total non-current liabilities		7,528,639	8,417,093

SHAREHOLDERS' EQUITY

Share Capital	(23)	3,524,533	3,517,141
Legal Reserve		700,605	700,605
Revaluation reserve		26,423,946	23,103,715
IAS/IFRS adjustments reserve	-	1,202,290	1,202,290
Other reserves		37,580,910	37,353,628
Profit/(loss) for the period		4,584,218	7,204,431
Total Shareholders' equity		71,611,922	70,677,230

TOTAL

102,767,751

97,170,662

ACCOUNTING STATEMENTS

FIGURES IN EUROS

INCOME STATEMENT	Notes	June 30, 2020	June 30, 2019
VALUE OF PRODUCTION	(24)		
Revenue from sales and services		43,447,022	37,070,871
Changes in inventories of finished goods		666,855	997,789
Other revenue and income		433,872	582,234
Total value of production		44,547,749	38,650,894
OPERATING COSTS	(25)		
Purchases		(22,560,739)	(19,465,829)
Services		(8,623,239)	(8,652,060)
Cost of use of assets owned by other, of third party assets		(63,347)	(41,252)
Labour costs		(5,583,971)	(5,041,381)
Changes in raw materials inventory		467,109	509,616
Other overheads		(627,034)	(604,547)
Total operating costs		(36,991,221)	(33,295,453)
GROSS OPERATING RESULT		7,556,528	5,355,441
Amortisation, depreciation and write-downs of fixed assets	(26)	(1,140,222)	(1,172,008)
NET OPERATING RESULT		6,416,306	4,183,433
Net financial income/(charges)	(27)	(54,088)	(80,495)
PRE-TAX PROFIT (LOSS)		6,362,218	4,102,938
TAXES	(28)		
Income taxes		(1,220,000)	(410,741)
Deferred tax assets/liabilities		(558,000)	(690,316)
Total taxes		(1,778,000)	(1,101,057)
PROFIT/(LOSS) FOR THE PERIOD		4,584,218	3,001,881
Basic EPS	(29)	0.429	0.282
Diluted EPS	(29)	0.423	0.277

ACCOUNTING STATEMENTS

FIGURES IN EUROS

STATEMENT OF COMPREHENSIVE INCOME	Notes	June 30, 2020	June 30, 2019
PROFIT (LOSS) FOR THE PERIOD		4,584,218	3,001,881
OTHER COMPREHENSIVE INCOME/(EXPENSE) WHICH MAY BE SUBSEQUENTLY RECLASSIFIED TO PROFIT/(LOSS) FOR THE PERIOD			
RECLASSIFIED TO PROFIT/(LOSS) FOR THE PERIOD		0	0
Total		0	0
OTHER COMPREHENSIVE INCOME/(EXPENSE) WHICH WILL NOT BE SUBSEQUENTLY RECLASSIFIED TO PROFIT/(LOSS) FOR THE PERIOD			
RECLASSIFIED TO PROFIT/(LOSS) FOR THE PERIOD		0	0
Total		0	0
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD (LOSS)		4,584,218	3,001,881

ACCOUNTING STATEMENTS

FIGURES IN EUROS

STATEMENT OF CASH FLOWS FOR THE PERIODS ENDED AT	June 30, 2020	June 30, 2019
(EUR 000)		
A Opening current net cash	33,655,790	30,318,514
B Cash flow from operating activities for the period		
. Profit/(Loss) for the period	4,584,218	3,001,881
. Net financial (income)/charges and Taxes for the period	1,832,088	1,181,552
. Amortisation, depreciation and write-down of fixed assets	853,266	1,172,008
. Capital (gains) - Losses from asset disposal	(8,732)	2,069
. Charges for SOP (Stock Option Plans)	393,123	100,000
. Net change in other provisions	174,269	(138,503)
- <i>Cash flow from operating activities before changes in working capital</i>	<i>7,828,232</i>	<i>5,319,007</i>
(Increase)/Decrease in trade receivables	(6,823,450)	(4,443,905)
(Increase)/Decrease in Inventories	(1,133,142)	(1,392,827)
Increase/(Decrease) in trade payables	4,968,771	4,711,545
Net change in other current assets/liabilities	382,548	863,071
- <i>Changes in Working Capital</i>	<i>(2,605,273)</i>	<i>(262,116)</i>
- <i>Changes in other operating assets/liabilities</i>	<i>(11,359)</i>	<i>(12,713)</i>
Total(B)	5,211,600	5,044,178
C Taxes paid	0	0
D Cash flow from (used in) investment activities		
- Net increases in property, plant and equipment	(880,873)	(1,004,482)
- Net increases in intangible assets	(124,550)	(106,090)
- Net change in other non-current assets/liabilities	0	(4,000)
Total(D)	(1,005,423)	(1,114,572)
E Cash flow from (used in) financial activities		
Increase/(decrease) in medium/long-term loans	(961,613)	(1,241,856)
Net financial income/(charges)	(54,088)	(80,495)
Share capital increase	7,392	0
Dividends	(4,050,041)	(4,033,786)
Total(E)	(5,058,350)	(5,356,137)
F Cash flow for the period (B+C+D+E)	(852,173)	(1,426,531)
G Closing current net cash (A+F)	32,803,617	28,891,983

ACCOUNTING STATEMENTS

FIGURES IN EUROS

STATEMENT OF CHANGES IN EQUITY	SHARE CAPITAL	LEGAL RESERVE	WR-BACK/REALIGN RESERVES	ADJUST. RESERVE IAS/IFRS	OTHER RESERVES	PROFIT/ (LOSS) FOR THE PERIOD	TOTAL SHAREHOLDERS' EQUITY
BALANCE AS AT JANUARY 1, 2019	3,503,025	700,605	16,765,093	(1,202,290)	37,490,166	10,097,960	67,354,559
Allocation of 2018 profit					6,064,173	(6,064,173)	0
Realignment reserve Art.1 Law 145/2018			6,338,622		(6,338,622)		0
Dividends						(4,033,787)	(4,033,787)
SOP charges					100,180		100,180
Share Capital Increase	14,116						14,116
Comprehensive income/(loss)							
- Result for the period						3,001,881	3,001,881
BALANCE AT JUNE 30, 2019	3,517,141	700,605	23,103,715	(1,202,290)	37,315,897	3,001,881	66,436,949

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