



Press release

GREEN OLEO: THE BOARD OF DIRECTORS APPROVES THE HALF-YEARLY FINANCIAL REPORT AS OF JUNE 30, 2023

Main data at June 30, 2023:

- **VALUE OF PRODUCTION: € 34.6 MILLION**
- **ADJUSTED EBITDA: € 3.1 MILLION** (before the effect of the drop in raw materials prices with a lower value of inventories for approximately € 1.5 million and higher costs of € 0.6 million related to the price of methane gas blocked for 50% at the 2022 price). **EBITDA: € 1.05 MILLION**
- **NET WORTH: € 14.0 MILLION**
- **NET FINANCIAL DEBT: € 19.9 MILLION**

Cremona (CR), September 28, 2023 – **GREEN OLEO S.p.A. (the “Company”, or “Green Oleo”)**, one of the leading European producers of fine oleochemicals from renewable sources, has examined and approved its Half-year Report as of June 30, 2023, which was subject to a limited audit.

Beatrice Buzzella, President and CEO, commented: “Despite the difficulties of the macroeconomic scenario in the first half of the year, and the uncertainty the oleochemical sector is experiencing, due to both the destocking policy of industrial companies and the decline in Asian demand, we are nevertheless seizing market opportunities. Indeed, we are focusing on downstream of the production chain, diversifying the risk and differentiating the offer with the aim of mitigating the cyclical nature of the market. In particular, we are strongly focusing on the development of the synthetic esters market, which saw a 42% increase in sales volume in the first half of 2023 compared to the same period in 2022, a trend that is strengthening further in the third and fourth quarters. At the same time, we also expect a general recovery in oleochemicals and related sales volumes during the fourth quarter.”

MAIN ECONOMIC-FINANCIAL RESULTS AS OF JUNE 30, 2023

The **results of the first half of 2023**, as summarized below, were affected by the reduction in industrial demand in general, both as a result of the destocking policy applied by the companies from 2023 onwards, to cope with the increase in inventories recorded in the previous year, and the weakening of Asian demand in particular.

According to the analysis by Eurostat and the European Chemicals Industry Council (Cefic) in 2023, during the first half of 2023, the chemical sector was especially affected, reporting a 12.3% annual basis decline in industrial production by EU27 nations. The most impacted countries were those where the basic chemistry sector has a predominant impact on the industrial fabric of the country, including the Netherlands (-16.5% y/y in terms of industrial production), Germany (-15.8%), Belgium (-13.5%), Italy (-10.8%), Spain (-8%), and France (-4.1%).

This trend also had its effects on the oleochemical industry. However, despite this dynamic, a positive trend is expected in the future, due to the increasing use of green and renewably sourced



chemicals, the increased demand for bio-based lubricants in the automotive sector, the goal of the Transition Pathway for the EU Chemical Industry to have 30% of plastic packaging products and 20% of all plastic materials and synthesized chemical products renewably sourced by 2030.

Below is a summary of GREEN OLEO **main economic - financial data** in the first half of 2023.

The **value of production** stands at € 34.6 million, of which € 33.4 million related to sales revenues (37% of which were generated in Italy and 63% abroad), and € 2.8 million to other revenues and income (including both subsidies for electricity and methane in support of energy- and gas-intensive companies, and the non-repayable Innovation Project financed by the Sustainable Growth Fund), while the change in inventories saw a contraction of € 1.6 million (attributable to the reduction of raw materials prices compared to 2022).

Production costs amounted to approximately € 33.5 million, of which:

- € 23.7 million for raw materials costs
- € 7.2 million for service costs
- € 0.08 million for costs for the use of third party assets
- € 2.4 million for personnel costs
- € 0.1 million for other management costs

ADJUSTED EBITDA amounted to € 3.1 million (with an EBITDA margin equal to approximately 8.9%), gross of a lower valuation of inventories for approximately €1.5 million, attributable to the fall in raw materials prices in the first half of 2023, compared to 2022, and to the effect of hedging the price of methane gas, which had been blocked at the 2022 price for 50% of the supply, with higher costs of approximately € 0.6 million compared to the current prices of the first half of 2023. **EBITDA** is equal to € 1.05 million.

The **net result** amounted to € 115,763.

Net fixed assets amounted to € 25.1 million. Investments in the period amounted to approximately € 1.1 million, of which € 0.3 million in intangible fixed assets, and € 0.8 million in tangible fixed assets.

Net financial debt amounted to € 19.9 million (compared to € 18.82 million as of December 31, 2022), and consisted of financial debts for € 21.047 million, cash and cash equivalents for € 1.077 million, and other current financial assets for € 77 thousand. It should be noted that after the end of the first half of the year, on July 7, 2023, Green Oleo was admitted to the Euronext Growth Milan market, with a capital increase of approximately € 5.0 million, resulting in an improvement of the financial position.



SIGNIFICANT EVENTS AFTER THE END OF THE PERIOD

On **July 7, 2023**, Green Oleo received, from Borsa Italiana S.p.A. (“Borsa Italiana”), approval for the trading of its ordinary shares on the Euronext Growth Milan market, the multilateral trading system organized and managed by Borsa Italiana, with the start of trading set for July 11, 2023. Through the IPO operation, the total value of resources raised was approximately € 5.50 million, of which approximately € 5.00 million deriving from the capital increase, and approximately € 0.50 million deriving from the exercising of the over-allotment option for the sale granted by Piema S.r.l. (a company controlled by Beatrice Buzzella and Francesco Buzzella) to Integrae SIM S.p.A., as Global Coordinator. The listing, mainly aimed at major Italian and foreign institutional investors, at the price of € 1.15 per ordinary share, saw the issuing of 4,783,500 ordinary shares, of which 4,348,500 capital increase shares, and 435,000 over-allotment option shares for the sale granted by the shareholder PIEMA S.r.l.

On **August 2, 2023**, Green Oleo announced that, in Q2 2023, it had implemented a strong campaign to promote alternative fatty acids to Tall Oil Fatty Acids (TOFA). These products are used on a large scale in the biodiesel, paint and asphalt industries, and their availability on the market is currently extremely limited, while demand for them is continuing to intensify due to the market’s increasing sensitivity to environmental issues.

On **August 9, 2023**, the Global Coordinator, Integrae SIM S.p.A., fully exercised the greenshoe option for a total of 435,000 shares owned by PIEMA S.r.l. (a company controlled by Beatrice Buzzella and Francesco Buzzella). The purchase price is equal to € 1.15, corresponding to the price established as part of the placement of the company’s shares for a total value of € 500,250.

On **September 13, 2023**, Green Oleo completed its REACH registration process to be able to produce Medium Chain Triglycerides (MCTs).

FORESEEABLE MANAGEMENT EVOLUTION

The third quarter marked an overall trend in volumes in line with the same period of the previous year, while prices settled at a lower level, as had happened in the first half of the year. Also in the third quarter, synthetic esters recorded an annual basis growth of 50% in volumes sold, showing the positive effect of the company’s development strategy. In the fourth quarter, a further growth in synthetic esters volumes sold and a recovery in the oleochemicals segment are expected.

It is assumed that the price reduction effect on stock and stock duration has been substantially absorbed.

Regarding the performance of energy products, it should be noted that the company has prudentially hedged the risk of changes in the price of methane gas for 50% of its requirement, at more favorable values compared to the first half of 2023.



DOCUMENTATION DISCLOSURE

The documentation relating to the financial statements as of June 30, 2023, as required by current legislation, will be made available to the public at the Company's registered office at Via Bergamo, 66 26100 Cremona (CR), and will be published on the company's website at <https://www.greenoleo.com/>, under the section "Investor Relations/Budgets and Reports", as per law, as well as on the website at <https://www.borsaitaliana.it/>, under the section "Stocks/Documents".

This press release is available on the company's website at <https://www.greenoleo.com/>, under the "Investor Relations – Press releases" section, and on the website at <https://www.1info.it/>.

About GREEN OLEO

GREEN OLEO S.p.A. is one of the leading European producers of fine oleochemicals from renewable sources. Based in Cremona, Italy, the company was acquired by the Buzzella family in 2012, when it was merged with a business unit historically active, since 1925, in oleochemical production and previously owned by Croda Cremona S.r.l.

Green Oleo uses locally sourced raw materials and by-products from food industry processes, such as olive acid oils and animal fats. These are internally processed by splitting, distillation, separation, fractionation and hydrogenation, among other processes, to obtain various oleochemical products, including distilled fatty acids, with different matrices depending on the starting fat, stearic acids (stearines), oleic acid, glycerins, fatty acid derivatives, soaps, and esters. Green Oleo's Cremona production site covers an area of 64,000 square meters, of which 20,000 square meters are covered. It employs 75 workers, and has an annual production capacity of 65,000 tons, of which 50,000 tons are fatty acids and glycerins, and 15,000 tons are esters. Green Oleo's customers are industrial companies operating in various sectors, including those of detergents, elastomers, candles, paints, rubbers, tires, and personal care and cosmetics products, which, through further processing, create final products for end-consumers.

CONTACT:

Issuer

GREEN OLEO S.p.A.
Via Bergamo, 66
26100 Cremona (CR)

Investor Relations Manager

Raffaella Bianchessi
Investor Relations Manager
Email: investor.relations@greenoleo.com
Tel: +39 0372 487256

Euronext Growth Advisor

Integrae SIM S.p.A.
Piazza Castello 24, 20121 Milan
Tel. +39 02 96846864



ANNEXES

Reclassified income statement as of June 30, 2023

Income statement (data in Euros)	30/06/2023	%
Revenues from sales	33,400,686	96.6%
Changes in inventories of work in progress and semi-finished and finished products	(1,584,866)	-4.6%
Other income	2,747,790	7.9%
Value of production	34,563,610	100.0%
Costs of raw materials, ancillary materials and goods net of the change in Inventories	(23,664,789)	-68.5%
Costs for services	(7,203,093)	-20.8%
Costs for the use of third party assets	(78,519)	-0.2%
Personnel costs	(2,434,283)	-7.0%
Various management costs	(134,585)	-0.4%
EBITDA	1,048,341	3.0%
Amortization and depreciation	(1,210,908)	-3.5%
Provisions	-	0.0%
EBIT	(162,568)	-0.5%
Financial income and expenses	(323,327)	-0.9%
EBT	(485,895)	-1.4%
Income taxes	601,658	1.7%
Operating result	115,763	0.3%



Reclassified balance sheet as of June 30, 2023

Balance Sheet (data in Euros)	30/06/2023	31/12/2022	Change %
Intangible fixed assets	904,019	660,900	36.8%
Tangible fixed assets	23,969,867	24,306,900	-1.4%
Financial fixed assets	217,274	448,053	-51.5%
Net fixed assets	25,091,161	25,415,852	-1.3%
Inventories	8,741,405	10,629,864	-17.8%
Commercial credits	9,485,749	7,763,360	22.2%
Commercial debts	(9,597,293)	(10,142,126)	-5.4%
Commercial working capital	8,629,861	8,251,098	4.6%
Other current assets	934,324	247,618	277.3%
Other current liabilities	(1,006,600)	(786,161)	28.0%
Tax credits and debts	4,078,989	3,968,980	2.8%
Net accruals and deferrals	(850,153)	(892,471)	-4.7%
Net working capital	11,786,421	10,789,064	9.2%
Provisions for risks and charges	(2,782,655)	(1,295,988)	114.7%
Severance fund	(221,691)	(263,005)	-15.7%
Net invested capital (loans)	33,873,236	34,645,923	-2.2%
Current financial debt	5,066,440	3,548,898	42.8%
Current portion of long-term financial debt	6,026,614	5,432,420	10.9%
Non-current financial debt	9,953,646	11,954,465	-16.7%
Total bank and financial debts	21,046,700	20,935,784	0.5%
Other current financial assets	(76,912)	(149,833)	-48.7%
Liquid assets	(1,077,280)	(1,961,777)	-45.1%
Net financial debt	19,892,507	18,824,175	5.7%
Share capital	700,000	600,000	16.7%
Reserves	13,164,965	9,649,545	36.4%
Operating result	115,763	5,572,203	-97.9%
Net worth (equity)	13,980,728	15,821,749	-11.6%
Total sources	33,873,236	34,645,923	-2.2%

Net financial debt as of June 30, 2023

Net financial debt (data in Euros)	30/06/2023	31/12/2022	Change %
A. Liquid assets	1,077,280	1,961,777	-45.1%
B. Cash equivalents	-	-	n/a
C. Other current assets	76,912	149,833	-48.7%
D. Liquidity (A)+(B)+(C)	1,154,192	2,111,609	-45.3%
E. Current financial debt	5,066,440	3,548,898	42.8%
F. Current portion of long-term financial debt	6,026,614	5,432,420	10.9%
G. Current financial debt (E)+(F)	11,093,053	8,981,319	23.5%
H. Net current financial debt (G)-(D)	9,938,861	6,869,709	44.7%
I. Non-current financial debt	9,953,646	11,954,465	-16.7%
J. Debt instruments	-	-	n/a
K. Trade payables and other non-current payables	-	-	n/a
L. Non-current financial debt (I)+(J)+(K)	9,953,646	11,954,465	-16.7%
M. Total net financial debt (H)+(L)	19,892,507	18,824,175	5.7%