

PRESS RELEASE

NEXTALIA ANNOUNCES THE ACQUISITION OF DALMA, THE ITALIAN LEADER IN THE CIRCULAR ECONOMY APPLIED TO THE PRODUCTION OF SUSTAINABLE FEED INGREDIENTS

Ambitious growth plan, also through M&A in Italy and Europe, in a key sector for food sustainability

Milan, Marene (Cuneo), July 13th, 2023. Nextalia SGR, on behalf of Nextalia Private Equity Fund, completed the acquisition of Dalma Mangimi S.p.A., Stella Mangimi S.r.l. and Sperina S.r.l. (jointly, "Dalma Group" or "Dalma"), leader in Italy in the circular economy applied to the production of feed ingredients for livestock through the processing of former foodstuff products.

Founded in 1981 by the Massa family, Dalma has developed an innovative industrial process to enhance the nutritional contribution of former foodstuff using them as ingredients in animal feed, supported by a high attention to food quality and safety, significantly contributing to the reduction of food waste.

Thanks to a distinctive approach to environmental sustainability and food waste reduction, Dalma supplies high quality feed ingredients for livestock, reducing the environmental impact of livestock diet (compared to the use of traditional cereals, proteins and oilseeds, which require significant amount of soil, water, fertilizers and fuel to be produced). For example, in an experimental diet with 21% of Dalma ingredients, CO2 emissions were reduced by 25% and water consumption by over 30%.

In addition, the use of Dalma ingredients (mainly cooked and of former foodstuff origin), can improve the general well-being of livestock, also thanks to an optimal microbial profile.

The acquisition of the entire capital of Dalma Group companies was performed by a newly established vehicle, indirectly controlled by Nextalia. As a sign of commitment towards the relevance of the project, the Massa family has reinvested part of the purchase price, resulting in a minority stake in the Group's share capital and aiming at ensuring continuity to support the next phase of growth.

Francesco Canzonieri, Chief Executive Officer of Nextalia SGR, commented: *"The acquisition of Dalma is an important milestone of Nextalia's strategy to support leading Italian entrepreneurial companies, with strong focus on circular economy and sustainability. Nextalia will provide capital and investments to support Dalma's ambitious growth and consolidation plan, also through acquisitions, in a highly fragmented sector, driven by secular growth trends. The acquisition will further strengthen the Italian agri-food value chain, fully supporting our ESG strategy focused on a key UN Sustainable Development Goal (UN SDG): food security and better nutrition, promoting a more sustainable agriculture."*

Bruno Massa, Chairman of Dalma, commented: *"We are proud of the strategic partnership with Nextalia to support Dalma's ambitious growth plan as a leader in the production of safe and sustainable feed ingredients, as well as being able to offer our customers increasingly performing products, also from an environmental point of view. Dalma will be able to provide its suppliers with a better geographical nation-wide coverage and to further improve logistics efficiency. For over forty years, Dalma has focused its attention on continuous improvement in food sustainability, as well as environmental sustainability, producing palatable and nutritious feed ingredients."*

Valentina Massa, Member of the Board of Directors of Dalma Group and Chair of the European Association EFFPA, will continue her institutional activity aimed at the sustainable development of the sector and of Dalma Group, in continuity with the past and fully aligned with the next phase of growth.

Nextalia was assisted by Vitale&Co as financial advisor, by Studio Bonelli Erede for corporate legal aspects and fiscal aspects, by Latham & Watkins as financing legal advisor, by Goetzpartners for business due diligence, by Deloitte for financial & tax due diligence and by Ramboll for ESG due diligence.

Dalma was assisted by the Ethica Group M&A Advisory Team for financial aspects and by Gianni & Orioni for legal aspects.

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Press information

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Nextalia is an asset management company established by Francesco Canzonieri together with leading Italian institutional investors (Intesa Sanpaolo, UnipolSai Assicurazioni, Coldiretti and Micheli Associati). With more than one billion euro of asset under management, Nextalia aims to invest in the real economy and promote sustainable growth. Nextalia acts as the reference platform for private market investments in Italy, leveraging its proprietary network and in-house professional capabilities. Nextalia has established "Nextalia Private Equity", a closed-end alternative investment fund under Italian law, reserved to professional investors and focused on Italian SMEs.

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Dalma Mangimi is an Italian leader in the production of feed ingredients through the transformation of former foodstuff products (e.g., pasta, baked goods and confectionery). Founded in 1981 by the Massa family, Dalma has developed an innovative industrial process to enhance the nutritional value of former foodstuff (for example, bakery and confectionery products) using them as ingredients in animal feed, supported by a high attention to quality and food safety, significantly contributing to the reduction of food waste. The former foodstuff mainly come from the food industry (individual ingredients, intermediate products or finished products, eg with labeling errors, packaging), from logistic distribution centres and from retailers.

Dalma has received ISO 14001 certification since 2019, and has assessed its product life cycle (LCA). Since 2006, Stella Mangimi, a sister company of Dalma, has been carrying out the production of feed based on former foodstuff products throughout central-southern Italy with the same know-how and expertise as Dalma, ensuring full national coverage.

Website: <https://dalmamangimi.com/>