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MARR

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MARR
Where there is catering

MARR is the leading company in Italy in the specialised distribution of food products to the non-domestic catering (foodservice sector).

Since June 2005, the company has been listed in the Star Segment on the Italian Stock Exchange.

MARR in 2018 achieved total revenues of 1,667.4 million Euro, EBITDA amounting to 119.3 million Euro and an EBIT of 99.2 million Euro.

Present throughout the country, MARR addresses mainly the segment of commercial catering (restaurants, hotels, pizzerias, fast foods, tourist resorts) and canteens (industrial canteens, schools, hospitals, armed forces), with a product portfolio that includes:

- over 15,000 food products (https://catalogo.marr.it/catalogo), with a significant offer of own brand products, available in diverse types of conservation.

- 8,000 instrumental articles, including utensils for catering, crockery, tableware.

Revenues over 1.6 billion Euro

The clients and the products

MARR Total consolidated revenues

<table>
<thead>
<tr>
<th>Year</th>
<th>Total Consolidated Revenues (million Euro)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>1,544.4</td>
</tr>
<tr>
<td>2017</td>
<td>1,624.6</td>
</tr>
<tr>
<td>2018</td>
<td>1,667.4</td>
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</table>

MARR Net consolidated profit

<table>
<thead>
<tr>
<th>Year</th>
<th>Net Consolidated Profit (million Euro)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>65.5</td>
</tr>
<tr>
<td>2017</td>
<td>68.5</td>
</tr>
<tr>
<td>2018</td>
<td>70.0</td>
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</tbody>
</table>
Within the foodservice sector in Italy, MARR operates as a highly qualified intermediary between food producers and operators of Foodservice. In particular, the Group purchases from selected suppliers worldwide, segmenting its market into **five food and non-food categories**, offering them, through **four sales channels**, to its customers.

With a history of more than 45 years, MARR represents a point of reference for catering operators, proposing itself as the sole supplier nationwide of a wide range of products based on the various types of storage (frozen, fresh, at room temperature), capable of guaranteeing a timely and accurate service and respond to the diverse and changing needs that characterise the various segments of customers served, in a personalised way and quickly.

The main features that form the basis of MARR's competitive advantage are: **efficiency of the logistics system**, **large range of assortment**, **expertise of the commercial structure**, **capability of innovating merchandise**, and **attention to quality control**.
MARR wants to be a qualified and recognized partner in the foodservice market, able to propose solutions according to the needs of catering operators.

The employees of the MARR Group are over 800, to which 850 Sales technicians have to be added.

MARR is controlled by Cremonini S.p.A. with a share of 50.4%. Other shareholders\(^1\) include many Italian and foreign institutional funds - those with a stake of more than 3% of the capital are evidenced in the graph - with a free float of 40.6%.

\(^1\) Major holdings according to the shareholders’ register, integrated by communications pursuant art 120 Law Decree 58/1998 and other available information. Situation as at April 18, 2019.
MARR
Strengths and future objectives

A) An efficient commercial and logistic system

MARR is present throughout the Italian territory, relying on a commercial structure of 850 sales agents, between sales managers and sales technicians.

The logistical-distribution network consists of 35 distribution centres, 5 cash & carry, 4 agents with warehouses, while deliveries are operated through a fleet of 750 trucks, equipped with “temperature control” compartments and an IT system for monitoring deliveries and temperatures capable of guaranteeing the continued maintenance of the “cold chain”.

The distribution centers dedicated to customers are flanked by logistics platforms that optimize incoming flows from suppliers and internal distribution to distribution centers, also serving as storage centers. These facilities are also specialized in the distribution to the customers of Canteens.

The company has more than 20 partnership agreements with local wholesalers, in order to optimise the level of service and make deliveries more efficiently for fresh products.

Two processing centres for meat and fish are used to subject parts of the products to a further process of preparation, to provide customers with portioned, cut, "ready to cook" products and thus simplify the preparation of food in the kitchen.

The distribution network is organised with the objective of delivering the products within 24 hours by the order, all the process is handled by an IT system.
B) A wide range of products offered

MARR offers a wide range of products, separated by both product type and type of conservation. In particular, the types of products are divided in:

- Grocery (43.1% of sales)
- Fish (35.0%);
- Meat (18.1%);
- Fruit and Vegetables (3.3%);
- Equipment (0.5%).

The sale mix

The products are available at various temperature of conservation: fresh, frozen and room temperature.

Approximately 78% of revenues are generated from the sale of products with controlled temperatures (fresh and frozen products).

The segmentation of the offer contributes to the creation of a competitive advantage for MARR, reducing the dependence on a specific type of product and allowing it to adapt quickly to market needs and manage economic trends of supply and demand.

On line MARR Catalogue

The new MARR Catalogue on the web (https://catalogo.marr.it/catalogo) provides an innovative tool to show the solutions offered by MARR to catering professional operators. A technologically advanced tool to present in an original way a range of over 15,000 references available nationwide, illustrated intuitively and with constantly updated information.

With a few simple steps you can browse through the different categories of products, up to the technical data and multimedia content with photos and over 1,000 videos.

C) The competence of the commercial structure

MARR serves over 45,000 customers, mainly restaurants, hotels and hotel chains, tourist resorts, pizzerias, canteens, holiday camps, kindergartens, schools, clinics, hospitals, nursing homes and public institutions.
Consistent with the evolution of the foodservice market and to respond to the growing needs of the operators who require increasingly articulate and customised services, MARR, as well as taking orders and delivering the products, assists clients with its expertise in planning purchases.

The customer portfolio of MARR is divided into 3 segments:

- **“Street Market”**: operators of non-structured commercial catering (restaurants, bistro, pizzerias, hotels and general structures not belonging to groups or chains) and customers of the bar and fast food sector.

- **“National Account”**: operators in structured catering (restaurants, hotels and in general structures belonging to groups or chains) and Canteens (including industry canteens, schools, hospitals).

- **“Wholesale”**: Food wholesalers, particularly frozen seafood.

### D) The capacity for innovation by type

MARR has expanded its commercial offer with its own brand products and those in exclusivity, whose incidence on revenue is expected to grow in the future. The merchandising innovation also concerns the offer of principally its own brands, capable of simplifying the activities of preparation in the kitchen (e.g. portioned, ready to cook).
E) The attention to quality control

The MARR Quality System (www.marr.it/en/group/quality) has been developed in order to achieve our objectives, which the priorities are: quality, safety, sustainability and the ability to provide products and services compliant to the Customers' requirements.

The MARR Quality System is certified according to the ISO 9001 standard by an accredited and internationally recognized external body. In order to ensure that all stages of the distribution and production process are carried out in full compliance with the applicable EU and national control standards, MARR has achieved certification standards in the supply chain, product and self-control hygiene, in accordance with the following standards:

- ISO 9001 - Guidelines for the design and implementation of a monitoring system based on the HACCP method
- UNI 10854 - Guidelines for the planning and fulfillment of a own-check system based on the HACCP method
- ISO 22000 - Food Safety management system
- ISO 22005 - Traceability system for food processing companies
- ISO 14001 - Environmental Management Systems
- Certification of the control process of the sustainable fish supply chain
- MSC certified sustainable fishery - Chain of Custody
- ASC certified sustainable acquaculture - Chain of Custody
- CCPB Organic Certification - Certification of compliance with the provisions of EC Reg. 834/2007 regarding the activity of "Reception and storage of organic foodstuffs for the preparation of meals"
- Specification for beef labelling according to EC Reg. 1760/2000 - IT 124 ET.

Sustainability (www.marr.it/en/sustainability) is a primary duty for MARR, so we work on the territory in such a way as to achieve the goal of balance between our activities and the environment that surrounds us, without degrading and minimizing the use of resources, also encouraging the dissemination of sustainable products (www.marr.it/en/sustainability).

Animal Welfare MARR is well aware of its ethical, social and ecological responsibilities and has for a long time given priority to the implementation of sustainability strategies in the framework of its policies for supplying and managing logistical distribution processes (MARR Sustainability Programme).

MARR consistent with its way of conducting business, is also involved in Animal Welfare (www.marr.it/en/sostenibilita/benessere-animale) in line with the increasing awareness of its Customers on this topic. In this sense, the main objective is to provide animal products which are safe in terms of health and hygiene, guaranteed from an organoleptic viewpoint and in terms of traceability, and produced with respect to animal dignity and welfare.

Quality, safety and traceability To ensure compliance with quality and safety requirements, specific measures for process and product control are implemented in all our production sites.

The process control is implemented, through the application of food safety procedures (which include control on arrival from our suppliers, multiple checks on the stages of storage and processing, up to transport and delivery to our customers), also through the use of an IT cold chain control system. The product control, on the other hand, involves a
series of sampling carried out at different stages of the distribution or processing cycle carried out in order to verify the **compliance of the food in terms of labeling, microbiological and product characteristics, absence of residues or prohibited substances**. In fact, on the products distributed by MARR, **several thousand analytical tests** are carried out according to predefined sampling plans.

The determinations are carried out in the MARR analysis laboratory and in accredited external analysis laboratories. The MARR Laboratory is appropriately equipped to carry out routine analyzes on matrices fed with methods developed according to the current national and international procedures and employs technical staff graduated in Food Science and Technology and Biological Sciences.

In order to guarantee food safety throughout the supply chain, MARR has also implemented procedures and advanced identification systems aimed at guaranteeing the **traceability from the reception phase in its own warehouses to the delivery phase to the Customer**. The management of the MARR traceability system allows to certify the documented history of a product or classes of products and the specific responsibilities through the identification and registration of the physical flows that bind the Supplier, MARR and the Customer, thus allowing the complete recall of produced by the market in the case of alert or non-compliance states detected in the context of self-control.

**THE FUTURE OBJECTIVES**

The objectives

In order to continue on its path of growth and increase presence on the market, MARR has the objectives of:

- **increasing the number of products sold per customer**;

- completing the product offer through **private label products and those in exclusivity**;

- increase the level of specialization of the offer and promote product and process innovation to increase the level of service and retain customer loyalty;

- **continuing to develop external lines**, with targeted acquisitions of local operators to:
  - Increase product specialisation and customer segments with particular attention to the development of distribution to the bar and fast food restaurants, a market sector in continuous expansion;
  - Diversification of activities;
  - Optimise the logistics coverage of customers;
MARR
The history of the company

1972  M.A.R.R., Magazzini Alimentari Riuniti Riminesi, was founded in Rimini and started its business supplying and distributing food products to restaurants and hotels on the Adriatic coast.

1979  The Cremonini Group enters into MARR’s capital, contributing to the development of the company.

1983  MARR begins trade in fish products.

The 90s  MARR spreads throughout the country, through the opening of new distribution centres in Sicily, Campania, Lombardy, Lazio, Veneto and Sardinia.

1998/1999  Regional operators are acquired, particularly Adriafood, Copea, Discom, Venturi and Sanremomare.

2003  A pool of institutional investors enters into the capital of MARR (lead by Barclays Private Equity, Arca Impresa Gestioni SGR and Arca Merchant) who subscribe to approximately 33.3% of the capital.


2005  In February, the business unit of Sfera S.r.l. operating in Romagna, Marche and Umbria was acquired.

On June 21st, MARR’s shares are admitted to trading on the STAR segment of the Italian Stock Exchange.

In September, AS.CA. is acquired, a Bologna-based company which becomes part of the development plan in big cities.

2006  In February, the business unit of foodservice distribution of Prohoga, a company operating in Trentino Alto Adige, is acquired.

2007  In January, the closing is signed for the purchase of New Catering, a company from Forli that allows MARR to enter the sector of food distribution to bars and fast food catering.

In the early days of April operational activities begin at the new distribution centre of MARR Tuscany at Bottegone (Pistoia).
In June, **MARR strengthens its position in the sector of fresh seafood products** acquiring, through its subsidiary Baldini Adriatica Pesca s.r.l., a business unit of **F.lli Baldini S.r.l.**, market leader in the distribution of fresh shellfish.

In September, the acquisition of the business unit of the company **Cater**, specialised in collective catering is finalised. With this operation MARR acquires a second distribution centre in Rome.

In December, MARR formalises the purchase of the **business unit of Jolly Hotels**, a leading national hotel chain, relative to the distribution of food products to NH Hotels Group in Italy.

At the beginning of February, MARR finalises the closing to take over the activities of **Minerva S.r.l.**, a company operating around **Lake Garda**, with a strong specialisation in the distribution of fresh and frozen seafood.

In mid-July, the purchase of **Emigel** is finalised, a company from Bentivoglio (Bologna), which distributes food to bars and fast food catering. After the purchase of **New Catering** (January 2007), the MARR Group confirms its strategy of consolidation in the bar distribution sector, where New Catering and Emigel create an important reality with a turnover of more than 20 million Euro, three distribution centres (Bologna, Forli and Rimini) and more than 5,000 customers served.

**2009**

In the early months of the year the purchase of the business units of **Baldini** (January) and **Minerva** (February) is finalised.

**2012**

MARR celebrates **40 years of activity**, during which it has become the leading group in food distribution to the foodservice industry in Italy.

In early September the contracts went into effect for the leasing of the company **Lelli Lino and Sons S.r.l.** (“**Lelli**”) and its relative property, located in Anzola dell’ Emilia (Bologna), where the activity of distributing food products to the foodservice and Cash and Carry is managed.

**2013**

On 23rd February, the business lease agreement with Scapa Italia S.p.A. (”**Scapa**”) became effective, through which MARR took over the management of the distribution centres of Marzano (Pavia) and Pomezia (Rome): two spacious, modern and well positioned facilities. The facility of Marzano (opened in 2009) has an total area of 22,000 square meters, while that of Pomezia has an area of 11,000 square meters.

MARR has concentrated on these facilities the logistics and distribution of its own National Account customers (operators of Canteens and Chains and Groups), streamlining further the activities dedicated to the Street Market segment undertaken by its other distribution centres; also using these warehouses as important storage platforms.
On 12th March, the contract for the acquisition of Scapa was signed. MARR already managed the activities from 2013 with a going concern lease contract.

On 31st March, MARR S.p.A. sold its shares (55% of the company capital) in Alisea, a consortium company with limited liability to CIR Food, an Italian cooperative catering company. Following MARR S.p.A.'s sale of all its shares in Alisea - a company operating in the hospital catering sector with total revenues of 14.8 million Euro in 2013 – the activities of the MARR group are focused on supplying the Foodservice.

On 28th May, the subsidiary Sfera S.p.A. signed the purchase contract of the "Lelli" company, which had been already managed directly since 3rd September 2013 through a business lease contract. Subsequently, the subsidiary leased the "Lelli" business unit to MARR S.p.A., who manages it, as of 1st November 2014, through the new branch MARR Bologna, based in Anzola dell'Emilia.

On 1st June, the merger by incorporation of the subsidiary EMI.GEL S.r.l. into the subsidiary New Catering S.r.l. took place, with taxation and accounting beginning 1st January 2014.

On 1st June, it buys SAMA S.r.l., a company of Zola Predosa (Bologna), specialized in the distribution of food products to bars and to the fast restauration. With revenues of over 6 million Euro in 2014 and a sale structure of over 10 agents, SAMA is a point of reference in bars' distribution in the areas of Bologna, Modena and Reggio Emilia. In October, SAMA is merged in New Catering, that is confirmed as leader in the food distribution to the bar sector, with 4 distribution centres (Forlì, Bologna, Rimini and Perugia), over 7,000 clients served and a turnover of over 30 million Euro on annual base.

On 4th April, MARR buys DE.AL. S.r.l., a company from Abruzzo working in the food distribution to the Foodservie with the brand “PAC FOOD”. With over 60 million Euro of sales in 2015 and a distribution center of over 7,000 covered square metres in Elice (Pescara), MARR reinforces its presence in the middle Adriatic.

On 1 October - as a result of the renting of the "PAC Food" going concern from DE.AL Srl to MARR S.p.A. - the MARR Adriatico distribution center starts operations.

On December 30, Speca Alimentari, a company in Baveno (Verbania) located on Lake Maggiore, is acquired. With over 11 million Euro of sales on an annual basis, an experience of over 30 years in food distribution and a distribution center of over 2 thousand square meters located to serve the western part of Lake Maggiore, it strengthens the presence of MARR in the area. On January 1, 2017 - by virtue of the rent of the going concern Speca Alimentari S.r.l. to MARR S.p.A. - the activity of the MARR Speca Alimentari distribution begins.
MARR
The reference market

MARR is a company in constant growth in terms of turnover and profitability, operating in a sector characterised by constant growth rates strongly correlated with the expansive dynamics of extra domestic catering.

The turnover of the foodservice sector in Italy is estimated over 70 billion Euro (drinks included) and is equal to 5% of GDP.

About 35% of the Italian food expenditure is destined to the out of home, with consumption structurally stable.

The catering universe is made up of around 180,000 facilities, of which those in the Canteens sector account for 13% of the value of meals away from home, while commercial catering represents the remaining 87%, of which 14.8% consists of structured commercial catering (customers in the Chains & Groups segment for MARR).

The market of supplies to the foodservice, referring to the cost of food products purchased (drinks excluded) has a value of over 16 billion Euro.

The offer to the Foodservice is articulated and pulverised. The largest share, about 59%, is held by the wholesaler distributors segment (including Logistic providers and the Food Delivery Service share of the C & C channel), 17% by producers, 13% by the C & C channel and 11% by retail.

The Wholesalers channel, which is worth about 10 billion Euro, of which MARR is a leader with a market share of over 15%, is segmented into two categories:

- local players: more than 3,000, with an individual annual turnover not exceeding 5 million Euro and with a strong product specialisation;

- specialised distributors: about 50 operators, with a regional presence and an offer on various categories of products.

Among the specialised distributors MARR is the only company to have an extensive Italian national coverage.

MARR, which serves over 45,000 foodservice customers out of a potential 180,000 in Italy, has a market share in numbers of about 25% compared to that in value of about 15%, therefore with an important potential growth on already loyal customers.

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2 Gira Foodservice 2017 and company estimates.
MARR

The economic-financial results

MARR has confirmed over the past years the growth in economic-financial results in terms of turnover and profitability.

Revenues of 1,667.4 million Euro

More specifically, in 2018 the Group achieved total consolidated revenues equal to 1,667.4 million Euro, compared to 1,624.6 million Euro in 2017.

Consolidated EBITDA of 119.3 million Euro

The consolidated gross operative margin (EBITDA) amounted to 119.3 million Euro (116.0 in 2017).

Consolidated operating income (EBIT) amounted to 99.2 million Euro (97.0 in 2017).

Net income of 68.5 million Euro

Consolidated net income totalled 68.5 million Euro (65.5 million in 2017).

Balance sheet data

At 31st December 2018, net financial debt was 156.6 million Euro (157.6 million at the end of 2017) and with a ratio net debt to EBITDA of 1.3.

Consolidated shareholders’ equity at the end of 2018 amounted to 324.3 million Euro, compared to 304.7 million Euro at the end of 2017.
MARR
Summary

Head Office: Via Spagna, 20 - 47921 Rimini

N° of distribution centres: 35

Localisation centres: Rimini (n° 5), Riccione, Cesenatico (FC), Bologna (n° 2), Opera (MI), San Michele al Tagliamento (VE), Tai di Cadore (BL), Capena (RM), Uta (CA), Carasco (GE), Taggia (IM), Portoferraio (LI), Casoria (NA), Monopoli (BA), Cinisi (PA), Torino, Spezzano Albanese (CS), Arco (TN), Forli, Bottegone (PT), Roma, Costermano (VR), Anzola dell’Emilia (BO), Marzano (PV), Pomezia (RM), Zola Predosa (BO), Elice (PE), Baveno (VB), Perugia e Cervia (RA).

N° “Cash & Carry”: 5

N° Agents with warehouse: 4

N° of Partnerships: Over 20

Facilities: 2 processing and storage
2 stocking platforms

N° of employees: 846 (average number in 2017)

Board of Directors: Paolo Ferrari
Chairman

Francesco Ospitali
CEO
Pierpaolo Rossi
Director (executive)
Claudia Cremonini
Director
Vincenzo Cremonini
Director
Marinella Monterumisi
Independent Director
Alessandro Nova
Independent Director
Ugo Ravanelli
Independent Director
Rossella Schiavini
Independent Director

Board od Statutory Auditors: Massimo Gatto
Chairman
Andrea Foschi
Statutory Auditor
Paola Simonelli
Statutory Auditor
Alvise Deganello
Alternate Auditor
Simona Muratori
Alternate Auditor

Independent Auditors: PricewaterhouseCoopers S.p.A.