Interim Report

as at 30 September 2020

13 November 2020

MARR S.p.A.
Via Spagna, 20 – 47921 Rimini (Italy)
Capital Stock € 33.262.560 fully paid
Tax code and Trade Register of Romagna-Forlì-Cesena and Rimini 01836980365
Subject to the management and coordination of Cremonini S.p.A. – Castelvetro (MO)

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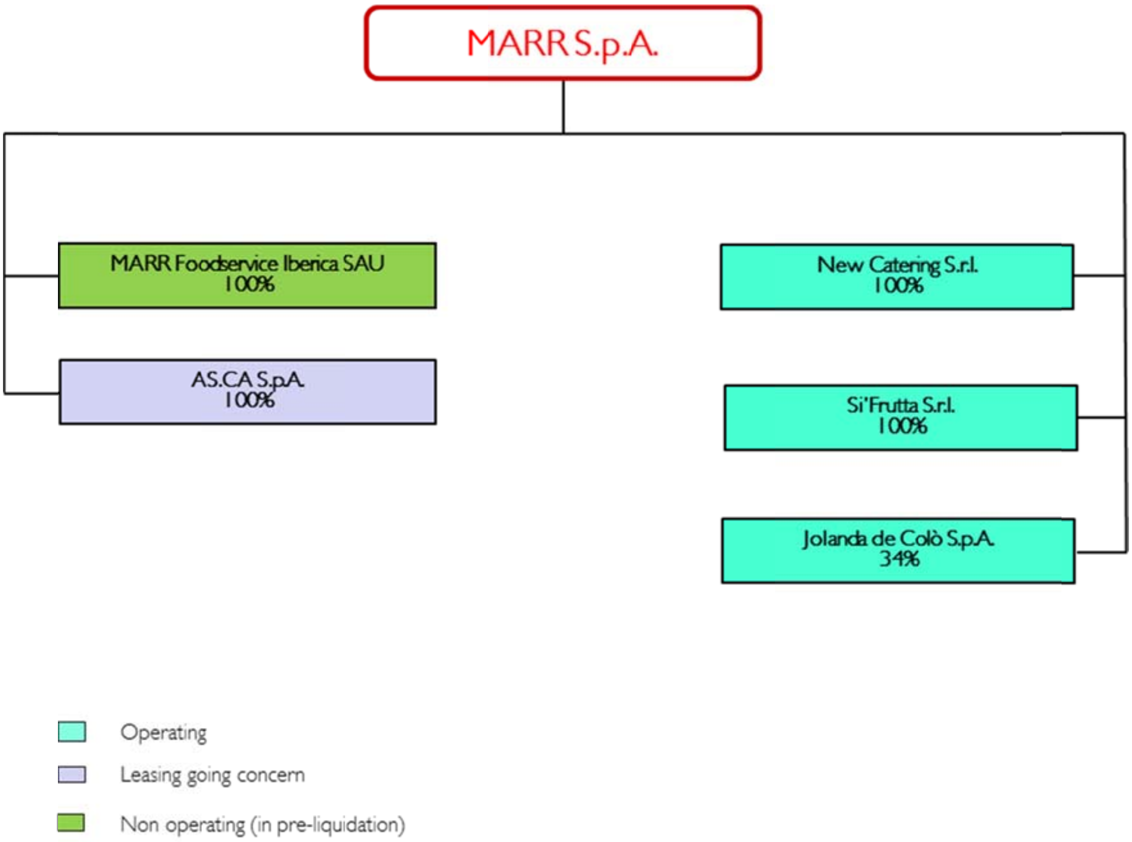
MARR GROUP ORGANISATION

as at 30 September 2020



As at 30 September 2020 the structure of the Group differs from that at 30 September 2019 due to the following transactions concluded by the Parent Company MARR:
- the acquisition on 13 November 2019 of 34% of the shares of Jolanda de Colò S.p.A., a company operating through a distribution and production centre with a surface area of more than 6,000 square metres located in Palmanova (Udine) and which is one of the main operators at a national level in the premium segment (high range), with more than 2,000 products of culinary excellence;
- the purchase on 11 March 2020 of the remaining 60% of the shares of SìFrutta S.r.l.; the purchase from the companies Sì Frutta S.r.l. and Vitali e Bagnoli Multiservice S.r.l. for a total price of 0.8 million Euros allowed MARR to acquire the total control of the shareholding.

The MARR Group's activities are entirely dedicated to the foodservice distribution and are listed in the following table:

Company	Activity
MARR S.p.A. Via Spagna n. 20 – Rimini	Marketing and distribution of fresh, dried and frozen food products for Foodservice operators.
AS.CA S.p.A. Via dell'Acero n. 1/A - Santarcangelo di Romagna (RN)	Company which leases going concerns to the Parent Company, effective from 1 February 2020
New Catering S.r.l. Via dell'Acero n.1/A - Santarcangelo di Romagna (RN)	Marketing and distribution of foodstuff products to bars and fast food outlets.

Company	Activity
MARR Foodservice Iberica S.A.U. Calle Lagasca n. 106 1° centro - Madrid (Spain)	Non-operating company (in pre – liquidation).
Si'Frutta S.r.l. Via dell'Acero n.1/A - Santarcangelo di Romagna (RN)	Supply of fresh fruit and vegetable products to hotels, restaurants, canteens and chains operators and in industrial transformation activities.
Jolanda de Colò S.p.A. Via 1° Maggio n. 21 – Palmanova (UD)	Production, marketing and distribution of food products in the premium segment (high range).

All the controlled companies are consolidated on a line – by – line basis.
Related companies are evaluated by equity method.

CORPORATE BODIES

Board of Directors

Chairman	Ugo Ravanelli
Chief Executive Officer	Francesco Ospitali
Directors	Claudia Cremonini
	Vincenzo Cremonini
Indipendent Directors	Marinella Monterumisi [1]
	Alessandro Nova
	Rossella Schiavini [1]

[1] Member of Control and Risk Committee

Board of Statutory Auditors

Chairman	Massimo Gatto
Auditors	Andrea Foschi
	Simona Muratori
Alternate Auditors	Alvise Deganello
	Lucia Masini

Independent Auditors	PricewaterhouseCoopers S.p.A.

Manager responsible for the drafting of corporate accounting documents	Pierpaolo Rossi

DIRECTORS' REPORT

Group performance and analysis of the results for the third quarter of 2020 and as at 30 September 2020

The interim report as at 30 September 2020, not audited, has been prepared in accordance with the accounting policies and measurement criteria established by the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and adopted by the European Commission according to the procedures in art. 6 of (EC) Regulation 1606/2002 of the European Parliament and Council dated 19 July 2002, while for information and the purposes of this report, reference is made to article 154-ter of the Legislative Decree 58 dated 24 February 1998.

In the analysis of the Group results as at 30 September 2020 it must be pointed out that out-of-home food consumption, which is partly linked to tourism flows, suffered an almost total stoppage from the end of February to the first days of June. According to the findings of the Confcommercio Studies Office (Survey no. 9, October 2020), consumption by quantity in the "Hotels, meals and out-of-home consumption" sector, in other words the reference sector for MARR's activities, recorded a decrease of 22.8% in the first quarter and 68.8% in the second quarter, with a weighted average of – 49.4% at the end of the first half.
Subsequently, out-of-home food consumption showed a positive recovery in the third quarter, despite the penalisation caused by the modest incoming and thus the influx of tourists from abroad, recording a decrease in consumption compared to the same period last year of "only" 33.4%.
During the third quarter, MARR had a reduction in revenues that was less than that of the market (-19.6% for MARR compared to –33.4% for the market) thus confirming the increase of its market share. The restaurants sector especially was less critically affected, given that the hotel sector suffered much more, because of the aforementioned problems affecting tourism.

The total revenues in the third quarter amounted to 409 million Euros compared to 509.1 million in 2019, with a decrease of 19.7%, an improvement on -43.6% at the end of the first six months.

As regards the only sector of activity represented by "Distribution of food products to non-domestic catering", the sales can be analysed in terms of client categories as follows.

The sales of the MARR Group in the first nine months of 2020 amounted to 843.8 million Euros (1,280.4 million in 2019), while those in the third quarter amounted to 402.7 million Euros (500.7 million in 2019), with a decrease of 19.6%.

The sales to clients in the Street Market and National Account categories as at 30 September 2020 amounted to 688.7 million Euros compared to 1,109.8 million in 2019, while the sales in the third quarter amounted to 349.0 million Euros (445.7 million in 2019), with a reduction of 21.7%, in the context of an out-of-home market which, according to the most recent Confcommercio figures (Survey no. 9, October 2020), recorded a fall of -33.4% (by quantity) in the "Hotels, meals and out-of-home consumption" segment, with an almost non-existent inflation rate.

In the main Street Market category (restaurants and hotels not belonging to groups or chains), the sales in the first nine months amounted to 550.3 million Euros (891.8 million in 2019), and those in the third quarter amounted to 298.4 million (378.1 million in 2019).

The sales to National Account clients (operators in Chains and Groups and Canteens) as at 30 September 2020 amounted to 138.4 million Euros (218.0 in 2019), with 50.6 million Euros in the third quarter (67.6 million in the same period of 2019).

The sales to clients in the Wholesale category in the first nine months of 2020 amounted to 155.1 million Euros (170.6 million in 2019), with 53.8 million in the third quarter (55.0 million in 2019).

In the following table we provide reconciliation between the revenues from sales by category and the revenues from sales and services indicated in the consolidated financial statements:

MARR Consolidated (€thousand)	*3rd quarter 2020*	*3rd quarter 2019*	*30.09.20 (9 months)*	*30.09.19 (9 months)*
Revenues from sales and services by customer category				
Street market	298,397	378,080	550,320	891,804
National Account	50,559	67,609	138,392	218,042
Wholesale	53,770	54,981	155,135	170,568
Total revenues form sales in Foodservice	402,726	500,670	843,847	1,280,414
(1) Discount and final year bonus to the customers	(3,025)	(3,118)	(9,906)	(12,309)
(2) Other services	453	515	1,270	1,795
(3) Other	64	68	229	205
Revenues from sales and services	400,218	498,135	835,440	1,270,105

Note
(1) Discount and final year bonus not attributable to any specific customer category
(2) Revenues for services (mainly transport) not referring to any specific customer category
(3) Other revenues for goods or services/adjustments to revenues not referring to any specific customer category

Below are the figures, re-classified according to current financial analysis procedures, with the income statement, the statement of financial position and the net financial position for the first nine months and third quarter of 2020 compared to the corresponding periods of the previous year.

Analysis of the re-classified income statement

MARR Consolidated (€thousand)	*3rd quarter 2020*	*%*	*3rd quarter 2019*	*%*	*% Change*	*30.09.20 (9 months)*	*%*	*30.09.19 (9 months)*	*%*	*% Change*
Revenues from sales and services	400,218	*97.9%*	498,135	*97.8%*	*(19.7)*	835,440	*97.6%*	1,270,105	*97.5%*	*(34.2)*
Other earnings and proceeds	8,743	*2.1%*	10,954	*2.2%*	*(20.2)*	20,627	*2.4%*	31,991	*2.5%*	*(35.5)*
Total revenues	408,961	*100.0%*	509,089	*100.0%*	*(19.7)*	856,067	*100.0%*	1,302,096	*100.0%*	*(34.3)*
Cost of raw and secondary materials, consumables and goods sold	(291,586)	*-71.3%*	(359,017)	*-70.5%*	*(18.8)*	(638,848)	*-74.7%*	(1,009,573)	*-77.5%*	*(36.7)*
Change in inventories	(25,873)	*-6.3%*	(36,053)	*-7.1%*	*(28.2)*	(48,212)	*-5.6%*	(10,791)	*-0.8%*	*346.8*
Services	(50,576)	*-12.4%*	(56,891)	*-11.2%*	*(11.1)*	(113,672)	*-13.3%*	(147,772)	*-11.3%*	*(23.1)*
Leases and rentals	161	*0.0%*	(170)	*0.0%*	*(194.7)*	34	*0.0%*	(500)	*-0.1%*	*(106.8)*
Other operating costs	(420)	*-0.1%*	(346)	*-0.1%*	*21.4*	(1,151)	*-0.1%*	(1,108)	*-0.1%*	*3.9*
Value added	40,667	*9.9%*	56,612	*11.1%*	*(28.2)*	54,218	*6.3%*	132,352	*10.2%*	*(59.0)*
Personnel costs	(7,969)	*-1.9%*	(9,347)	*-1.8%*	*(14.7)*	(20,978)	*-2.4%*	(28,761)	*-2.2%*	*(27.1)*
Gross Operating result	32,698	*8.0%*	47,265	*9.3%*	*(30.8)*	33,240	*3.9%*	103,591	*8.0%*	*(67.9)*
Amortization and depreciation	(4,153)	*-1.0%*	(3,917)	*-0.8%*	*6.0*	(12,189)	*-1.4%*	(11,462)	*-0.9%*	*6.3*
Provisions and write-downs	(6,779)	*-1.7%*	(3,981)	*-0.8%*	*70.3*	(15,668)	*-1.9%*	(10,797)	*-0.9%*	*45.1*
Operating result	21,766	*5.3%*	39,367	*7.7%*	*(44.7)*	5,383	*0.6%*	81,332	*6.2%*	*(93.4)*
Financial income	314	*0.1%*	192	*0.0%*	*63.5*	957	*0.1%*	611	*0.1%*	*56.6*
Financial charges	(1,521)	*-0.4%*	(1,639)	*-0.3%*	*(7.2)*	(4,639)	*-0.5%*	(4,950)	*-0.4%*	*(6.3)*
Foreign exchange gains and losses	(97)	*0.0%*	258	*0.1%*	*(137.6)*	(110)	*0.0%*	249	*0.0%*	*(144.2)*
Value adjustments to financial assets	36	*0.0%*	0	*0.0%*	*0.0*	(127)	*0.0%*	0	*0.0%*	*0.0*
Result from recurrent activities	20,498	*5.0%*	38,178	*7.5%*	*(46.3)*	1,464	*0.2%*	77,242	*5.9%*	*(98.1)*
Non-recurring income	0	*0.0%*	0	*0.0%*	*0.0*	0	*0.0%*	0	*0.0%*	*0.0*
Non-recurring charges	0	*0.0%*	0	*0.0%*	*0.0*	0	*0.0%*	0	*0.0%*	*0.0*
Profit before taxes	20,498	*5.0%*	38,178	*7.5%*	*(46.3)*	1,464	*0.2%*	77,242	*5.9%*	*(98.1)*
Income taxes	(5,432)	*-1.3%*	(10,861)	*-2.1%*	*(50.0)*	(411)	*-0.1%*	(22,160)	*-1.7%*	*(98.1)*
Total net profit	15,066	*3.7%*	27,317	*5.4%*	*(44.8)*	1,053	*0.1%*	55,082	*4.2%*	*(98.1)*

The consolidated economic results of the first quarter half of 2020, which began very positively, suffered the shock of Covid-19 and of the measures imposed by the institutions in the various different phases of the lockdown, as stated in the previous Half-Year Financial Report.
The subsequent gradual reopening, led to a progressive recovery of the market with positive feedback, ensuring the correct market response to the needs of each specific moment in time.

In the first nine months the MARR Group total revenues amounted to 856.1 million Euros (1,302.1 million Euros in 2019), EBITDA amounted to 33.2 million Euros (103.6 million Euros in 2019), EBIT amounted to 5.4 million Euros (81.3 million Euros in 2019) and total net consolidated profit amounted to 1.1 million Euros (55.1 million Euros in 2019).

It has to be pointed out that these numbers have been particullary affected by the economic, social and sanitary situation of the first half, which led to a general reduction in revenues and marginality (the margin was also penalized by the sale during the lock-down period of fresh perishables that were still in the warehouses and also the of some products, especially frozen seafood, that had been acquired for the summer season), which was partly mitigated by the interventions on fixed operating costs, implemented without reducing the closeness to Customers and without affecting the opportunity of the reopening of foodservice activities.

In particular, trend in revenues from sales and services (-34.3% in the first nine months and -19.7% in the third quarter compared to the previous year) which showed a progressive increase of 4.1% since the beginning of the year up to 23 February 2020 compared to the same period of the previous year, is a consequence of the blocking of tourist and foodservice activities imposed by the measures for containment of the pandemic implemented in Italy from the end of February to 18 May, with a dynamics in sales in each client categories as previously analyzed.

In the third quarter, which due to the business seasonality is historically the most significant of the business year; the results achieved by the MARR Group are the following: total revenues amounting to 409 million Euros (509.1 million Euros in 2019); EBITDA[1] amounting to 32.7 million Euros (47.3 million Euros in 2019) and EBIT amounting to 21.8 million Euros (39.4 million Euros in 2019).

[1] The EBITDA (Gross Operating Margin) is an economic indicator not defined by the IFRS adopted by MARR for the financial statements from 31 December 2005. The EBITDA is a measure used by the company's management to monitor and assess its operational performance. The management believes that the

The item "Other earnings and proceeds", mainly represented by contributions from suppliers on purchases and that includes logistics payments which MARR charges to suppliers, is related to the trend of costs for the purchase of goods and has been negatively impacted by the dynamics of sales.

In this context, actions have been implemented aimed at properly managing the operating costs, by intervening on the reducible fixed costs and optimising the management of the logistics and distribution network, with the objective to mitigate the economic impact generated by the measures imposed by the Government institutions as a consequence of the pandemic..

As regards operating costs, it must been highlighted the decrease in value of Services which go from 147.8 million Euros in 2019 to 113.7 million Euros in the same period of 2020 with a percentage incidence on total revenues from 11.3% in 2019 to 13.3% in 2020.
In the third quarter, cost for Services pass from 56.9 million Euros in 2019 to 50.6 million Euros in 2020 with a percentage incidence on total revenues from 11.2% to 12.4%, therefore highlighting an efficiency resumption related to both the recovery of consumptions levels and the different sales mix.

Regarding the costs for leases and rentals it should be noted that both in the first nine months and in the third quarter of 2020, this item shows a proceed which, net of lease costs relating to contracts with a duration of less than twelve months and therefore not falling within the scope of application of IFRS16, is represented by the reduction in lease installments agreed during the third quarter with tenants following the health emergency[2].
This proceed mainly refers to the rental contracts of the buildings where the distribution centres of the Parent Company are based and amounts to a total of 268 thousand Euros.

The personnel costs also highlight a decrease of 7.8 million Euros in the first nine months (1.4 million Euros in the third quarter), mainly due to the adjustment of the business organization to the market situation through the use of the employment laws made available by the Government (5.1 million Euros approximately since March, thereof 0.9 million Euros in the third quarter), and less overtime work (0.9 million Euros approximately since March 2020, thereof 0.4 million Euros in the third quarter) as well as the benefits of integrating the business activities of AS.CA into MARR (for approximately 1 million Euro since the beginning of the year, thereof 0.3 million Euros in the third quarter).
The above measures generated an average saving of approximately 16% on personnel costs in the third quarter (20% in July, 14% in August, 14% in September).

It must be recalled that the item "Amortization and depreciation" includes, for 6.7 million Euros (6.2 million Euros in the same period of 2019) the depreciation for the first nine months of the right of use accounted for according to IFRS16 in the financial statements for the lease contracts; in the third quarter the depreciation amounted to 2.3 million Euros (2.1 million Euros in the third quarter 2019). the total increase of the item is mainly the effect mainly of the investment plan put in place for some years at the distribution centres of the Parent Company.

The item "provisions and write-downs" amounted to 15.7 million Euros in the first nine months of 2020, an slightly increase compared to the 10.8 million Euros of the first nine months of 2019 (6.8 million Euros in the third quarter 2020 compared to 4.0 million in the same period of the previous year).
This item is composed by 15.1 million Euros related to the bad debt provision (10.4 million Euros in the first nine months of 2019) and by 0.5 million Euros related to the provision for supplementary customer indemnity.
The increase in bad debt provision (+4.7 million Euros in the first nine months and +2.9 million Euros in the third quarter of 2020) is related to the persistence of the current situation of uncertainty on the market which, after a recovery during the summer period, is suffering again because of the new restrictive measures imposed from the second half of October.

By effect of that illustrated above the profit before taxes, net of the financial management which is substantially in line with the same period of the previous year, amounts at 30 September 2020 to a profit of 1.5 million Euros, which compared to a loss of 19.0 million Euros as at 30 June 2020, is driven by a positive result from recurrent activities of 20.5 million Euros in the third quarter.

The net result of the third quarter was equal to a profit of 15.1 million Euros, compared to 27.3 million Euros in the corresponding period of the previous year.

EBITDA is an important parameter for measuring the Group's performance as it is not affected by the volatility due to the effects various types of criteria for determining taxable items, the amount and characteristics of the capital used and the relevant amortization policies. Today (following the subsequent detailing of the development of the accounting procedures) the EBITDA (Earnings before interests, taxes, depreciation and amortization) is defined as the business year Profits/Losses gross of amortizations and depreciations, write downs and financial income and charges and income tax.

[2] The benefit deriving from the definition of these agreements has been accounted for consistently with the provisions of the IFRS principle as a reduction in operating costs.

At the end of the first nine months of 2020 the net result amounts to 1.1 million Euros (55.1 million Euros in the corresponding period of 2019).

The tax rate of 2020 is equal to 28.1% (28.7% in the first nine months of 2019).

Analysis of the re-classified statement of financial position *

MARR Consolidated (€thousand)	*30.09.20*	*31.12.19*	*30.09.19*
Net intangible assets	153,380	152,307	152,139
Net tangible assets	74,501	70,960	70,903
Right of use assets	43,172	45,437	55,796
Equity investments evaluated using the Net Equity method	1,923	2,452	516
Equity investments in other companies	300	304	304
Other fixed assets	34,022	33,222	24,938
Total fixed assets (A)	307,298	304,682	304,596
Net trade receivables from customers	388,270	368,642	420,997
Inventories	122,403	170,395	148,087
Suppliers	(280,576)	(324,535)	(375,008)
Trade net working capital (B)	230,097	214,502	194,076
Other current assets	54,296	52,226	60,534
Other current liabilities	(18,008)	(18,298)	(29,194)
Total current assets/liabilities (C)	36,288	33,928	31,340
Net working capital (D) = (B+C)	266,385	248,430	225,416
Other non current liabilities (E)	(1,539)	(1,194)	(1,159)
Staff Severance Provision (F)	(7,390)	(8,298)	(8,141)
Provisions for risks and charges (G)	(6,624)	(7,807)	(7,772)
Net invested capital (H) = (A+D+E+F+G)	558,130	535,813	512,940
Shareholders' equity attributable to the Group	(341,631)	(339,798)	(328,228)
Consolidated shareholders' equity (I)	(341,631)	(339,798)	(328,228)
(Net short-term financial debt)/Cash	92,672	17,269	49,806
(Net medium/long-term financial debt)	(264,988)	(166,859)	(178,315)
Net financial debt - before IFRS16 (L)	(172,316)	(149,590)	(128,509)
Current lease liabilities (IFRS16)	(8,393)	(7,911)	(7,849)
Non-current lease liabilities (IFRS16)	(35,790)	(38,514)	(48,354)
IFRS16 effect on Net financial debt (M)	(44,183)	(46,425)	(56,203)
Net financial debt (N) = (L+M)	(216,499)	(196,015)	(184,712)
Net equity and net financial debt (O) = (I+N)	(558,130)	(535,813)	(512,940)

* It should be noted that the data as at 31 December and at 30 September 2019 have been restated where necessary in order to maintain comparability with the data as at 30 September 2020.

Analysis of the Net Financial Position *

The following represents the trend in Net Financial Position [3].

MARR Consolidated (€thousand)	*30.09.20*	*30.06.20*	*31.12.19*	*30.09.19*
A. Cash	5,612	3,754	10,873	10,171
Bank accounts	229,782	171,154	181,530	231,893
Postal accounts	12	30	90	78
B. Cash equivalent	229,794	171,184	181,620	231,971
C. Liquidity (A) + (B)	235,406	174,938	192,493	242,142
Current financial receivable due to Parent Company	4,364	15,621	1,843	90
Current financial receivable due to Related Companies	0	0	0	0
Others financial receivable	546	774	560	2,178
D. Current financial receivable	4,910	16,395	2,403	2,268
E. Receivables for derivative/financial instruments	3,176	6,073	1,247	0
F. Current Bank debt	(60,609)	(47,360)	(38,796)	(55,367)
G. Current portion of non current debt	(89,824)	(157,080)	(130,076)	(129,136)
Financial debt due to Parent company	0	0	0	0
Financial debt due to Related Companies	0	0	0	0
Other financial debt	(387)	(39,246)	(10,002)	(10,101)
H. Other current financial debt	(387)	(39,246)	(10,002)	(10,101)
I. Current lease liabilities (IFRS16)	(8,393)	(8,568)	(7,911)	(7,849)
J. Current financial debt (F) + (G) + (H) + (I)	(159,213)	(252,254)	(186,785)	(202,453)
K. Net current financial indebtedness (C) + (D) + (E) + (J)	84,279	(54,848)	9,358	41,957
L. Non current bank loans	(236,897)	(172,163)	(137,491)	(148,027)
M. Other non current loans	(28,091)	0	(29,368)	(30,288)
N. Non-current lease liabilities (IFRS16)	(35,790)	(35,622)	(38,514)	(48,354)
O. Non current financial indebtedness (L) + (M) + (N)	(300,778)	(207,785)	(205,373)	(226,669)
P. Net financial indebtedness (K) + (O)	(216,499)	(262,633)	(196,015)	(184,712)

* It should be noted that the data as at 31 December and at 30 September 2019 have been restated where necessary in order to maintain comparability with the data as at 30 September 2020.

The MARR's Group financial debt is affected by the business seasonality, that requires high net working capital during the summer period. Historically, the indebtedness reaches its peak during the first half of the year, and then decrease at the end of the business year.

The financial indebtedness of the MARR Group was also affected at the end of the first nine by the unforeseen Covid-19 outbreak, reaching 216.5 million Euros, an increase of approximately 31.8 million Euros compared to the same period last year, mainly due to the trend in the net trade working capital, which was affected by the reduction in payables to suppliers and only partly compensated by the reduction in the trade receivables.

[3] The Net Financial Position used as a financial indicator of debts is represented by the total of the following positive and negative components of the Statement of financial position:
Positive short term components: cash and equivalents; items of net working capital collectables; financial assets.
Negative short and long term components: payables to banks; payables to other financiers, payables to leasing companies and factoring companies; payables to shareholders for loans.

This trend, as stated in the previous Half-Year Financial Report, has led to the identification of the breach of covenants as at 30 June concerning some contracts as a result of exceeding one of the indices envisaged contractually, which is that concerning the ratio between net financial indebtedness and EBITDA. For these loans, the management team has filed a request to the respective banks for a temporary suspension of the verification of the financial parameters. The timing of the signature of the above agreements had led to classify a portion of these loans amounting to 101.2 million Euros, which instalments would have expired in more than twelve months as per the original amortization plans for the loans, under the current financial indebtedness as at 30 June.

The signature of the above-mentioned covenant holiday agreements in July enable the Group to classify such loans among the non-current liabilities again.

As of today, It must be noted that MARR Group has already achieved all of the covenant holidays related to the verification of the financial parameters based on results at 31 December 2020.

As regards the structure of the financial debts, as stated in the previous Half-Year Financial Report, it must be pointed out that as at 30 September 2020 despite the difficult global situation generated by the lock-down, the Parent Company stipulated the following new contracts:

- loan signed on 24 February 2020 with Banca Intesa San Paolo for total 50 million Euros, divided into two tranches, one of 20 million Euros (granted on 26 February) and the other "bullet" of 30 million Euros (granted on 25 March 2020),; both expiring in February;
- loan granted on 4 March 2020 by Credito Emiliano for 7.5 million Euros, with amortization plan ending in March 2023;
- loan granted on 9 April 2020 by Credit Agricole Italia for 10 million Euros, with amortization plan ending in April 2026;
- loan granted on 13 May 2020 by Unicredit for 30 million Euros, with amortization plan ending in May 2022;
- loan granted on 20 May 2020 by UBI Banca for 25 million Euros, with amortization plan ending in May 2023.

In view of the above, it should also be noted that the two outstanding loans with Banca Intesa San Paolo, which at 31 December 2019, were classified as 9.5 million Euros in current financial payables and 10.3 million Euros in non-current financial debt, those loans were paid off early for total 19.8 million Euros.

In January the last installment of the mortgage loan in place with Banca Intesa San Paolo was also paid and the related mortgage was canceled, while in July the Parent Company repaid to the investors the due principal instalment of the private bond placement in US dollars stipulated in 2013 together with the six-monthly interest payment, with a total outlay of 8,514 thousand Euros.

With regard to the main financial movements in the first nine months of 2020, in addition to the ordinary operating management and the financial outlays relating to the investments made at the distribution centres of the Parent Company, as detailed in the next paragraph "Investments", it is pointed out the payment for the purchase of 60% of the shares of the company SìFrutta S.r.l (0.8 million Euros).

It is also pointed out that, the financial receivables deriving from the valuation of the derivative Cross Currency Swap contracts related thereto and expiring in 2023 (amounting to 3.2 million Euros) have been included in the net financial position as at 30 September 2020 (4.8 million Euros at 30 June 2020).
Were these receivables to have been considered as at 31 December 2019 and 30 September 2019 as well, the financial indebtedness of the Group would have amounted to 192.6 e 180.6 million Euros respectively.

Analysis of the Trade net working Capital *

MARR Consolidated (€thousand)	*30.09.20*	*30.06.20*	*31.12.19*	*30.09.19*
Net trade receivables from customers	388,270	333,733	368,642	420,997
Inventories	122,403	148,277	170,395	148,087
Payables to suppliers	(280,576)	(203,984)	(324,535)	(375,008)
Trade net working capital	230,097	278,026	214,502	194,076

* It should be noted that the data as at 31 December and 30 September 2019 have been restated where necessary in order to maintain comparability with the data as at 30 June e 30 September 2020.

As a result of the health emergency arose at the end of February and of the closure of all business activities from 11 March to 18 May, the results as at 30 September 2020 are not comparable with the ones of the first nine months of 2019, as a result of the impacts described previously concerning the total revenues and the purchase costs of goods.

As at 30 September 2020 trade net working capital amounted to 230.1 million Euros, a slightly improvement compared to the 278.0 million Euros at 30 June 2020, but worsening compared to the 194.1 million Euros at 30 September 2019, because of the decrease in suppliers, only partially offset by the reduction in trade receivables and in inventories.
In this regard, it must be noted that there was a careful review of the procurement policies during the lock-down and the recovery of catering activities starting on 18 May last, along with the summer season not particullary affected by binding regulatory constraints, has enabled a significant decrease in the inventories to be achieved, with respect to both the same period in the previous year and the closing figures as at 30 June 2020.

The Company is still focusing strongly on the management of the trade receivables, implementing methods specific to the situations and requirements of each territorial area and Market segment. Despite the market recovery during the summer months, the introduction from the second half of October of new regulatory constraints in force all over the country, makes more and more important the safeguarding the company equity while remaining close to the clients, thereby enabling the prompt management of the receivables and enhancement of relations with clients customers with a view to the full recovery of consumption levels.

Re-classified cash-flow statement *

MARR Consolidated (€thousand)	*30.09.20*	*30.09.19*
Net profit before minority interests	1,053	55,082
Amortization and depreciation	12,193	11,462
Change in Staff Severance Provision	(908)	(277)
Operating cash-flow	12,338	66,267
(Increase) decrease in receivables from customers	(19,628)	(50,782)
(Increase) decrease in inventories	47,992	10,791
Increase (decrease) in payables to suppliers	(43,959)	59,915
(Increase) decrease in other items of the working capital	(3,465)	6,914
Change in working capital	(19,060)	26,838
Net (investments) in intangible assets	(1,386)	(419)
Net (investments) in tangible assets	(8,691)	(7,589)
Investments in other fixed assets	(10,077)	(8,008)
Free - cash flow before dividends	(16,799)	85,097
Distribution of dividends	0	(51,890)
Other changes, including those of minority interests	780	768
Cash-flow from (for) change in shareholders' equity	780	(51,122)
FREE - CASH FLOW	(16,019)	33,975
Opening net financial debt	(196,015)	(156,656)
Effect for change in liability for IFRS16	(4,465)	(62,031)
Cash-flow for the period	(16,019)	33,975
Closing net financial debt	(216,499)	(184,712)

* It should be noted that the data relating to the flows of the first nine months of 2019 have been restated where necessary in order to maintain comparability with the data as at 30 September 2020.

Investments

The following is a summary of the investments made in the first nine months and in the third quarter of 2020:

(€thousand)	*3rd quarter 2020*	*30.09.20*
Intangible assets		
Patents and intellectual property rights	39	132
Intangible assets under development and advances	22	107
Goodwill	0	1,147
Total intangible assets	61	1,386
Tangible assets		
Land and buildings	49	279
Plant and machinery	301	1,434
Industrial and business equipment	17	195
Other assets	180	460
Fixed assets under development and advances	3135	6,323
Total tangible assets	3,682	8,691
Total	3,743	10,077

With regard to the investments of the first half- year of 2020 it is pointed out the purchase finalized by the Parent Company on 11 March 2020 of the remaining quota of 60% of the company Si'Frutta S.r.l.: this operation resulted in the recognition of a provisionally determined goodwill of 1,147 thousand Euros and the entry of tangible fixed assets for a 217 thousand Euros, mainly concentrated in the "Plant and machinery" and "Other assets" categories.

With regard to the investments of the third Quarter, the continuation of the works for the new headquarters' building located in Santarcangelo di Romagna is highlighted, with a total investment in the period amounting to 2,305 thousand Euros (5,150 thousand Euros in the nine months).

The amounts shown in the item "Plant and machinery" mainly refer to investments in some distribution centres of the Parent Company.

Other informations

The Company neither holds nor has ever held shares or quotas of parent companies, even though third party persons and/or companies; consequently during the 2020 the company never purchased or sold the above-mentioned shares and/or quotas.

As at 30 September 2020 the Company does not hold own shares.

During the first nine months of 2020 the Group did not carry out any atypical or unusual operations.

Significant events in the third quarter of 2020

On 10 July 2020, the Parent Company repaid to the investors the due principal instalment of the private bond placement in US dollars stipulated in 2013 together with the six-monthly interest payment, with a total outlay of 8,514 thousand Euros.

In relation to the events occurred during the first half year please refer to the Half Year Financial Report.

Events occurred after the closing of the quarter

There were no significant event after the closing of the third quarter 2020.

Outlook

Although an "autumn wave" of Covid-19 infections was foreseeable, such a violent wave of the pandemic as that which has occurred in the rest of Europe as well was not predicted. This has obviously created doubts regarding the timeframe for economic recovery, which had begun decisively in the third quarter.
In this regard, the position of the Company in the recent past, present and the near future must be stated and commented on.
During the third quarter, MARR had a reduction in revenues that was less than that of the market (- 19.6% for MARR compared to –33.4% for the market) thus confirming the increase of its market share. The restaurants sector especially was less critically affected, given that the hotel sector suffered much more, because of the aforementioned problems affecting tourism.
This was possible thanks mainly to two steps:

- the strategic approach and guidelines focusing on 5 priorities defined during the initial impact caused by the Covid-19 (enhancing liquidity, proper management of operating costs, consolidation of the leadership position, identification of new business opportunities, further strengthening of the competitive position)
- all of the commercial, management and operating initiatives that MARR had started, developed and consolidated already during the most acute and difficult phase of the lockdown.

Today, with the resurgence of the pandemic, MARR is continuing to apply these modalities of integrated approach methods, with an additional specific attention towards the service to the client initiatives on various fronts: new or renewed product lines capable of providing clients with new business opportunities (e.g. delivery and take away product lines), increased safety measures in management (hygiene, disinfecting, safety of personnel and of diners), the monetising of government incentives (e.g. management of the "holiday bonus"), highly qualifying products for the restaurant (with particular attention on fresh and very fresh products, including fruit and vegetables and seafood), including local and Made in Italy products, for an assortment of products which, in addition to valorising Italian culinary excellence, is instrumental for the obtainment of the "Chain-of-Production Bonus" envisaged in the August law decree.
The implementation of further management models that will enable the Client to remain at the centre of the commitment from the entire Company is scheduled in the near future.
This translates into paths that have the main objective of continuously increasing the level of competence of the sales and operations organization so that the Client always receives clear messages and complete information capable of supporting them in their activity and in their daily choices.
This commitment stems from the conviction that it is fundamental to properly manage the present, without forgetting that a high degree of attention is needed as regards growth strategies, not only organic, for the medium and long-term.
The significance of the out-of-home market must not be forgotten (86 billion in revenues in 2019, with a growth rate of +15% in the previous 5 years – Tradelab Confimprese, April 2020) and neither should the characteristics (conviviality, opportunity, matching) that have always characterised out-of-home food consumption; the latter are part of habits and of a lifestyle that is ready to regain the upper hand as soon as conditions allow it, and the market trend in the last quarter has

confirmed this In this regard, the second wave of the pandemic that has affected Italy in recent weeks is expected to lead merely to a short-term postponement in the recovery of out-of-home food consumption.
The beginning of the last quarter has seen MARR's revenues for October, which had started with a trend in line with that in the third quarter, reaching about 70% compared to the same period last year, as a result of the restriction imposed on the out-of-home food consumption sector by the DPCM (Decree) of 25 October coming into force. The remainder of the fourth quarter will be conditioned by the dynamic measures that characterize the DPCM of 3 November and which will be in force until 3 December; it should be recalled that historically, November is a month of modest significance in terms of revenues.
In this context, MARR maintains its objective of pursuing the constant and continuous growth of its market share, also taking into account the continuity of its business and the financial stability of the consequent management.
In the awareness of its own role as driving player in the market, MARR has also initiated a path for strengthening its own approach to Sustainability by implementing projects in each of the three ESG areas: Environment (green and sustainable products, certification of production lines), Soci (emphasising the transparency, legality and correctness of relations with all stakeholders) and Governance (with the full respect of all applicable Regulations, Codes and best practices).

Going concern

With reference to what is stated in the previous paragraph, while considering the complexity of a rapidly evolving market context, the Company considers the going concern assumption appropriate and correct, taking into account its ability to meet its obligations in the foreseeable future and in particular in the next 12 months, also based on the solidity of the Group's financial structure with reference to which the following is highlighted:
- the significant sources of liquidity currently available, amounting to 230 million Euros approximately as at 30 September 2020;
- agreed credit lines ongoing and unused for a total amount of not less than 220 million Euros as at 30 September 2020;
- the support of the main banks, relying on its position of leadership in its business sector; the banking system paid out loans totaling more than 120 million Euros to the company during the lock-down;
- the support of the banks also led to the temporary suspension ("Covenant holiday") of the assesment of the financial indices both in the contracts providing them as at 30 June 2020 and as at 31 December 2020; this suspension was granted by all of the banks which have paid out loans for which a covenant breach was ascertained;
- The same agreement ("Covenant holiday" as at 30 June 2020 and at 31 December 2020) has been finalized for those who subscribed to the bond loan ("USPP") in US dollars, part of which, for a total of 8.9 million Euros, was paid back on expiry, together with the relative interest, during July.

In addition to the factors considered above, the Group has taken note of a commitment on the part of government institutions to support the operators and subjects most affected by the effects of Covid-19 through safeguard measures that will be implemented in the coming months and which the Group intends use, where possible.

Interim Condensed
Consolidated Financial Statements

MARR Group

Interim Report
as at 30 September 2020

STATEMENT OF CONSOLIDATED FINANCIAL POSITION

(€thousand)	*Notes*	30.09.20		31.12.19 *		30.09.19 *	
ASSETS							
Non-current assets							
Tangible assets		74,501		70,960		70,903	
Right of use		43,172		45,437		55,796	
Goodwill		151,068		149,921		149,921	
Other intangible assets		2,312		2,386		2,218	
Investments at equity value		1,923		2,452		516	
Investments in other companies		300		304		304	
Non-current financial receivables		491		490		609	
Non-current derivative/financial instruments		3,176		3,419		4,134	
Deferred tax assets		232		0		0	
Other non-current assets		51,907		38,455		29,879	
Total non-current assets		329,082		313,824		314,280	
Current assets							
Inventories		122,403		170,395		148,087	
Financial receivables		4,910		2,403		802	
relating to related parties		*4,364*	*88.9%*	*1,843*	*76.7%*	*90*	*11.2%*
Current derivative/financial instruments		0		1,247		1,466	
Trade receivables		369,662		360,221		411,313	
relating to related parties		*9,984*	*2.7%*	*10,907*	*3.0%*	*9,852*	*2.4%*
Tax assets		7,146		2,103		2,458	
relating to related parties		*12*	*0.2%*	*12*	*0.6%*	*12*	*0.5%*
Cash and cash equivalents		235,406		192,493		242,142	
Other current assets		47,150		55,228		58,076	
relating to related parties		*451*	*1.0%*	*434*	*0.8%*	*308*	*0.5%*
Total current assets		786,677		784,090		864,344	
TOTAL ASSETS		*1,115,759*		*1,097,914*		*1,178,624*	
LIABILITIES							
Shareholders' Equity		341,631		339,798		328,228	
Share capital		*33,263*		*33,263*		*33,263*	
Reserves		*286,563*		*221,434*		*221,390*	
Profit for the period		*21,805*		*85,101*		*73,575*	
Total Shareholders' Equity		341,631		339,798		328,228	
Non-current liabilities							
Non-current financial payables		264,934		166,793		178,315	
Non-current lease liabilities (IFRS16)		35,790		38,514		48,354	
relating to related parties		*0*	*0.0%*	*499*	*1.3%*	*665*	*1.4%*
Non-current derivative/financial instruments		54		66		0	
Employee benefits		7,390		8,298		8,141	
Provisions for risks and costs		6,624		6,185		6,159	
Deferred tax liabilities		0		1,622		1,613	
Other non-current liabilities		1,539		1,194		1,159	
Total non-current liabilities		316,331		222,672		243,741	
Current liabilities							
Current financial payables		150,817		178,802		194,452	
relating to related parties		*0*	*0.0%*	*0*	*0.0%*	*0*	*0.0%*
Current lease liabilities (IFRS16)		8,393		7,911		7,849	
relating to related parties		*665*	*7.9%*	*660*	*8.3%*	*658*	*8.4%*
Current derivative/financial instruments		3		72		152	
Current tax liabilities		3,375		3,742		14,151	
relating to related parties		*1,810*	*53.6%*	*1,755*	*46.9%*	*10,652*	*75.3%*
Current trade liabilities		280,576		329,640		375,008	
relating to related parties		*30,585*	*10.9%*	*9,867*	*3.0%*	*10,484*	*2.8%*
Other current liabilities		14,633		15,277		15,043	
relating to related parties		*364*	*2.5%*	*598*	*3.9%*	*4*	*0.0%*
Total current liabilities		457,797		535,444		606,655	
TOTAL LIABILITIES		*1,115,759*		*1,097,914*		*1,178,624*	

* The data as at 30 September and 31 December 2019 have been restated where necessary in order to maintain comparability with the data as at 30 September 2020.

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

(€thousand)	Note	*3rd quarter 2020*		*3rd quarter 2019 **		*30 September 2020*		*30 September 2019 **	
Revenues	1	400,218		498,135		835,440		1,270,105	
relating to related parties		*11,437*	*2.9%*	*15,118*	*3.0%*	*29,579*	*3.5%*	*46,849*	*3.7%*
Other revenues	2	8,743		10,954		20,627		31,991	
relating to related parties		*417*	*4.8%*	*173*	*1.6%*	*683*	*3.3%*	*519*	*1.6%*
Changes in inventories		(25,873)		(36,053)		(48,212)		(10,791)	
Purchase of goods for resale and consumables	3	(291,586)		(359,017)		(638,848)		(1,009,573)	
relating to related parties		*(37,285)*	*12.8%*	*(26,258)*	*7.3%*	*(66,729)*	*10.4%*	*(71,228)*	*7.1%*
Personnel costs	4	(7,969)		(9,347)		(20,978)		(28,761)	
Amortizations, depreciations and provisions	5	(4,256)		(4,107)		(12,723)		(11,855)	
Losses due to impairment of financial assets	6	(6,676)		(3,791)		(15,134)		(10,404)	
Other operating costs	7	(50,835)		(57,407)		(114,789)		(149,380)	
of which profits and losses deriving from the accounting elimination of financial assets valued at amortized cost		*(7)*		*(57)*		*(54)*		*(194)*	
relating to related parties		*(713)*	*1.4%*	*(289)*	*0.5%*	*(2,230)*	*1.9%*	*(1,843)*	*1.2%*
Financial income and charges	8	(1,304)		(1,189)		(3,792)		(4,182)	
of which profits and losses deriving from the accounting elimination of financial assets valued at amortized cost		*(102)*		*(234)*		*(441)*		*(822)*	
relating to related parties		*2*	*-0.2%*	*(3)*	*0.3%*	*6*	*-0.2%*	*(10)*	*0.2%*
Income (charge) from associated companies	9	36		0		(127)		92	
Result before taxes		*20,498*		*38,178*		*1,464*		*77,242*	
Taxes	10	(5,432)		(10,861)		(411)		(22,160)	
Result for the period		*15,066*		*27,317*		*1,053*		*55,082*	
Attributable to:									
Shareholders of the Parent Company		15,066		27,317		1,053		55,082	
Minority interests		0		0		0		0	
		15,066		*27,317*		*1,053*		*55,082*	
basic Earnings per Share (euro)	11	0.23		0.41		0.02		0.83	
diluted Earnings per Share (euro)	11	0.23		0.41		0.02		0.83	

* The data relating to the first nine months and the third quarter of 2019 have been restated where necessary in order to maintain comparability with the data of the same period of 2020.

CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

(€thousand)	Note	*3rd quarter 2020*	*3rd quarter 2019*	*30 September 2020*	*30 September 2019*
Result for the period (A)		*15,066*	*27,317*	*1,053*	*55,082*
Items to be reclassified to profit or loss in subsequent periods:					
Efficacious part of profits/(losses) on cash flow hedge instruments, net of taxation effect		(276)	177	770	768
Items not to be reclassified to profit or loss in subsequent periods:					
Actuarial (losses)/gains concerning defined benefit plans, net of taxation effect		0	0	14	0
Total Other Profits/Losses, net of taxes (B)	*12*	*(276)*	*177*	*784*	*768*
Comprehensive Result (A) + (B)		*14,790*	*27,494*	*1,837*	*55,850*
Attributable to:					
Shareholders of the Parent Company		14,790	27,494	1,837	55,850
Minority interests		0	0	0	0
		14,790	*27,494*	*1,837*	*55,850*

CONSOLIDATED STATEMENT OF CHANGES IN THE SHAREHOLDER'S EQUITY
(in thousand Euros)

Description	Share Capital	Other reserves											Retained earnings	Total Group net equity
		Share premium reserve	Legal reserve	Revaluation reserve	Shareholders contributions on capital	Extraordinary reserve	Reserve for exercised stock options	Reserve for transition to Ias/Ifrs	Cash-flow hedge reserve	Reserve ex art. 55 (dpr 597-917)	Reserve IAS 19	Total Reserves		
Balance at 1st January 2019	33,263	63,348	6,652	13	36,496	93,352	1,475	7,290	(1,578)	1,463	(644)	207,868	83,141	324,272
Allocation of 2018 profit						12,759						12,759	(12,759)	
Distribution of MARR S.p.A. dividends													(51,890)	(51,890)
Effect of the trading of own shares														
Other minor variations										(4)		(5)	1	(4)
- Profit for the period													55,082	*55,082*
- Other Profits/Losses, net of taxes									768			768		*768*
Consolidated comprehensive income (1/1 -30/06/2019)														55,850
Balance at 30 September 2019	33,263	63,348	6,652	13	36,496	106,111	1,475	7,290	(810)	1,459	(644)	221,390	73,575	328,228
Other minor variations										(1)			(1)	(1)
- Profit for the period													11,527	*11,527*
- Other Profits/Losses, net of taxes									222		(178)	44		*44*
Consolidated comprehensive income (1/07-31/12/2019)														11,571
Balance at 31 December 2019	33,263	63,348	6,652	13	36,496	106,111	1,475	7,290	(588)	1,458	(822)	221,434	85,101	339,798
Allocation of 2019 profit						64,349						64,349	(64,349)	
Other minor variations										(4)		(4)		(4)
- Profit for the period													1,053	*1,053*
- Other Profits/Losses, net of taxes									770		14	784		*784*
Consolidated comprehensive result (1/1 -30/06/2020)														1,837
Balance at 30 September 2020	33,263	63,348	6,652	13	36,496	170,460	1,475	7,290	182	1,454	(808)	286,563	21,805	341,631

CONSOLIDATED CASH FLOWS STATEMENT (INDIRECT METHOD)

Consolidated (€thousand)	*30.09.20*		*30.09.19**	
Result for the Period	1,053		55,082	
Adjustment:				
Amortization/Depreciation	5,463		5,231	
IFRS 16 depreciation	6,730		6,235	
Change in deferred tax	(2,081)		(717)	
Allocation of provison for bad debts	15,134		10,404	
Provison for supplementary clientele severance indemnity	534		393	
Write-downs of investments non consolidater on a line - by - line basis	127		0	
Capital profit/losses on disposal of assets	(111)		(128)	
relating to related parties	*0*	*0.0%*	*0*	*0.0%*
Financial (income) charges net of foreign exchange gains and losses	3,682		4,431	
relating to related parties	*(6)*	*(0.2%)*	*10*	*0.2%*
Foreign exchange evaluated (gains)/losses	138		159	
Dividends Received	0		(92)	
Total	29,616		25,916	
Net change in Staff Severance Provision	(931)		(278)	
(Increase) decrease in trade receivables	(16,294)		(60,102)	
relating to related parties	*923*	*(5.7%)*	*6,226*	*(10.4%)*
(Increase) decrease in inventories	48,180		10,791	
Increase (decrease) in trade payables	(54,008)		59,590	
relating to related parties	*20,718*	*(38.4%)*	*1,655*	*2.8%*
(Increase) decrease in other assets	(1,381)		(6,728)	
relating to related parties	*(17)*	*1.2%*	*149*	*(2.2%)*
Increase (decrease) in other liabilities	(7,398)		1,421	
relating to related parties	*(234)*	*3.2%*	*(116)*	*(8.2%)*
Net change in tax assets / liabilities	(2,690)		21,368	
relating to related parties	*2,161*	*(80.3%)*	*11,135*	*52.1%*
Interest paid	(4,639)		(4,950)	
relating to related parties	*(15)*	*0.3%*	*(11)*	*0.2%*
Interest received	957		519	
relating to related parties	*21*	*2.2%*	*1*	*0.2%*
Foreign exchange evaluated gains	(138)		(158)	
Foreign exchange evaluated	0		(1)	
Income tax paid	(2,494)		(8,075)	
relating to related parties	*(2,106)*		*(376)*	
Cash-flow form operating activities	**(10,167)**		**94,395**	
(Investments) in other intangible assets	(239)		(419)	
(Investments) in tangible assets	(8,181)		(7,745)	
Net disposal of tangible assets	340		284	
Outgoing for acquisition of subsiaries or going concerns during the year (net of liquidity purchased)	(615)		(180)	
Dividends Received	0		92	
Cash-flow from investment activities	**(8,695)**		**(7,968)**	
Distribution of dividends	0		(51,890)	
Other changes, including those of third parties	782		764	
Net change in liabilities (IFRS 16)	(6,707)		(5,828)	
relating to related parties	*(494)*	*7.4%*	*(490)*	*8.4%*
Net change in financial payables (excluding the new non -current loans received)	17,678		15,915	
relating to related parties	*0*	*0.0%*	*0*	*0.0%*
New non-current loans received	122,500		64,500	
relating to related parties	*0*	*0.0%*	*0*	*0.0%*
Repayment of other long-term debt	(71,460)		(45,260)	
relating to related parties	*0*	*0.0%*	*0*	*0.0%*
Net change in current financial receivables	(1,260)		611	
relating to related parties	*(2,521)*	*200.1%*	*1,867*	*305.6%*
Net change in non-current financial receivables	242		(1,507)	
relating to related parties	*0*	*0.0%*	*0*	*0.0%*
Cash-flow from financing activities	**61,775**		**(22,695)**	
Increase (decrease) in cash-flow	**42,913**		**63,732**	
Opening cash and equivalents	192,493		178,410	
Closing cash and equivalents	**235,406**		**242,142**	

* The data relating to the flows of the first nine months of 2019 have been restated where necessary in order to maintain comparability with the data at 30 September 2020.

For the reconciliation between the opening figures and closing figures with the relevant movements of the financial liabilities deriving from financing activities (as required by paragraph 44A of IAS 7), see Appendix 1 to the following Explanatory Notes.

EXPLANATORY NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Corporate information

MARR S.p.A. (the Parent Company) and its subsidiaries (MARR Group) operates entirely in the commercialisation and distribution of food products to the Foodservice sector.

In particular, the Parent Company, with headquarters in Via Spagna 20, Rimini, operates in the commercialisation and distribution of fresh, dried and frozen food products to the Foodservice.

The Parent Company is controlled by Cremonini S.p.A.,that holds the 50.42% of the share capital.

The interim report as at 30 September 2020 was authorised for publication by the Board of Directors on 13 November 2020.

Structure and contents of the interim condensed consolidated financial statements

The interim condensed consolidated financial statements at 30 June 2020 have been prepared in accordance with the accounting policies and measurement criteria established by the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and adopted by the European Commission according to the procedures in art. 6 of (EC) Regulation 1606/2002 of the European Parliament and Council dated 19 July 2002.
The IFRS also include all of the international accounting standards ("IAS/IFRS") and interpretation of the IFRS Interpretations Committee ("IFRIC"), formerly known as the "Standing Interpretations Committee" (SIC).

Specifically, that interim report has been drawn up in a condensed form, within the framework of the options envisaged by IAS 34 ("Interim Financial Reporting"). These interim condensed consolidated financial statements therefore do not include all the information required by the annual financial statements and must be read together with the annual financial statements prepared for the year ended December 31, 2019.

In particular, the same accounting principles adopted in the preparation of the consolidated financial statements at 31 December 2019 were applied in the preparation of these interim condensed consolidated financial statements, with the exception of the adoption of the new standards, amendments and interpretations in force from 1 January 2020, described below.

The interim condensed consolidated financial statements at 30 September 2020 were prepared on the basis of the going concern assumption, based on the assessments made by the Directors and illustrated in the following paragraph "Going concern".

It is also specified that the Group has applied the provisions of CONSOB Resolution no. 15519 of July 27, 2006 and of CONSOB Communication no. 6064293 of 28 July 2006.

For the purposes of the application of IFRS 8 it is noted that the Group operates in the "Distribution of food products to non-domestic catering" sector only. This sector is subject to seasonal dynamics mainly linked to the flows of the tourist season, which are more concentrated in the summer months and during which the increase in activities , and therefore in net working capital, historically implies greater cash flows and the consequent increase in the financial requirements.

With regard to performance levels in the first nine months of 2020, see what described in the Directors' Report.

The interim condensed consolidated financial statements as at 30 September 2020 have been prepared on the basis of the cost method except for the derivative financial instruments, which are recorded at fair value.

In observance of that provided by Consob, the figures in the Statement of profit or loss are provided both for the first nine months (the period between the start of the business year and the closing date, progressive) and the third quarter of of 2020; they are compared with the figures for the same periods of the previous business year. The figures in the Statement of financial position, concerning the first nine months end closing date, are compared with the figures at the closing date of the previous business year. Therefore, the comments on the items on the Income Statement are made with reference to the same periods for the previous year (30 September and third quarter 2019).

The following classifications have been used:

- "Statement of financial position" by current/ non-current items,
- "Statement of profit or loss" by nature
- "Cash flows statement" (indirect method)

These classifications are deemed to provide information which is better suited to represent the economic and financial situation of the Group.

The figures are expressed in Euros.

The statements and tables contained in this interim condensed consolidated financial statements are shown in thousand Euros.

The interim report is not audited.

This report has been prepared using the principles and accounting policies illustrated below.

Consolidation method

Consolidation is made by using the line-by-line method, which consists in recognizing all the items in the assets and liabilities in their entirety. The main consolidation criteria adopted to apply this method are the following:.

- Subsidiaries have been consolidated as from the date when control was actually transferred to the Group, and are no longer consolidated as from the date when control was transferred outside the Group..
- Assets and liabilities, charges and income of the companies consolidated on a line-by-line basis, have been fully entered in the consolidated financial statements; the book value of equity investments has been written off against the corresponding portion of shareholders' equity of the related concerns, by assigning to each single item of the statement of financial position's assets and liabilities, the current value as at the date of acquisition of control (purchase method as defined by IFRS 3, "Business combinations"). Any residual difference, if positive, is entered under "Goodwill" in the assets; if negative, in the income statement.
- Mutual debt and credit, costs and revenues relationships, between consolidated companies, and the effects of all significant transactions between these companies, have been written off.
- The portions of shareholders' equity and of the results for the period of minority shareholders have been shown separately in the consolidated shareholders' equity and income statement: this holding is determined on the basis of the percentage held in the fair value of the assets and liabilities recorded at the date of original takeover and in the changes in shareholders' equity after this date.
- Subsequently, the profits and losses are attributed to the minority shareholders on the basis of the percentage they hold and the losses are attributed to minorities even if this implies that the minority holdings have a negative balance.
- Changes in the shareholding of the Parent Company in a subsidiary which do not imply loss of control are accounted as equity transactions..
- If the Parent Company loses control over a subsidiary, it:
    - derecognises the assets (including any goodwill) and liabilities of the subsidiary,
    - derecognises the carrying amount of any non-controlling interest,
    - derecognises the cumulative translation differences recorded in equity,
    - recognises the fair value of the consideration received,
    - recognises the fair value of any investment retained,
    - recognises any surplus or deficit in the profit and loss,
    - re-classifies the parent's share of components previously recognised in other comprehensive income to profit and loss or retained earnings, as appropriate.

Scope of consolidation

The interim condensed consolidated financial statements as at 30 September 2020 include the financial statements of the Parent Company MARR S.p.A. and those of the companies it either directly or indirectly controls.

The complete list of subsidiaries included in the scope of consolidation as at 30 September 2020, with an indication of the method of consolidation, is reported in the Group organisation.

The consolidated financial statements have been prepared on the basis of the financial statements as at 30 June 2020 prepared by the subsidiaries included in the scope of consolidation and adjusted, if necessary, in order to align them to the accounting Group policies and classification criteria, in accordance with IFRS.

As at 30 September 2020 the scope of consolidation differs from that at 30 September 2019 due to the following transactions concluded by the Parent Company MARR:
- the acquisition on 13 November 2019 of 34% of the shares of Jolanda de Colò S.p.A., a company operating through a distribution and production centre with a surface area of more than 6,000 square metres located in Palmanova (Udine) and which is one of the main operators at a national level in the premium segment (high range), with more than 2,000 products of culinary excellence;
- the purchase on 11 March 2020 of the remaining 60% of the shares of SìFrutta S.r.l.; the purchase from the companies Sì Frutta S.r.l. and Vitali e Bagnoli Multiservice S.r.l. for a total price of 0.8 million Euros allowed MARR to acquire the total control of the shareholding.

Accounting policies

The criteria for assessment used for the purpose of predisposing the consolidated accounts up for the half-year closed on 30 June 2020 do not differ from those used for the drafting of the consolidated financial statements as at 31 December 2019, excepted for new Accounting Standards, interpretations and changes to the Accounting Standards effective from 1st January 2020 which, it should be pointed out, have had no significant impact on the current equity, economic and financial situation of the Group.

- Changes to IAS 1 and IAS 8. These changes, published by the IASB on 31 October 2018, provide for a different definition of "material", in other words: "*Information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity*".
- Changes to the Conceptual Framework for Financial Reporting, published by the IASB on 29 March 2018. The main changes compared to the 2010 version concern: i) a new chapter on assessment; ii) better definitions and guidance, especially as regards the definition of liabilities; iii) clarifications of important concepts, such as stewardship, prudence and uncertainties in assessments.
- Changes to IFRS 9, IAS 39 and IFRS 7 (Interest Rate Benchmark Reform). These changes focus on the accounting of hedging transactions in order to clarify the potential effects deriving from the uncertainty caused by the "Interest Rate Benchmark Reform". Furthermore, these changes require companies to provide additional information to the investors as regards their hedging transactions that are directly affected by these uncertainties.
- Changes to IFRS3 "Business Combination". These changes, issued by the IASB on 22 October 2018, are aimed at resolving the difficulties that arise when an entity determines whether it has purchased a business or group of assets.

The new accounting standards, amendments and interpretations applicable from subsequent financial years are mentioned below.

- IFRS 17 - "Insurance Contracts". This standard, issued on 18 May 2017, establishes the standards for the recognition, measurement, presentation and representation of insurance contracts included in the standard. The objective of IFRS 17 is to guarantee that an entity provides relevant information which truthfully represents such contracts in order to represent a basis for evaluation by the reader of the financial statements of the effects of such contracts on the equity and financial situation, on the economic results and on the cash flows of the entity. On 21 June 2018, the IASB decided to issue clarifications concerning IFRS 17 "Insurance Contracts", in order to ensure that the interpretation of the standard reflects the decisions taken by the Board, with specific reference to certain points in the contracts subject to variable fees and aspects correlated to IFRS 3 "Business combination". The dispositions of IFRS 17 will be effective as of business years beginning on 1 January 2021 or later.

- The IASB has published changes to IAS 1 "Presentation of Financial Statements: Classification of Liabilities as Current or Non-current" with the aim of clarifying how to classify the payables and other liabilities as short-term or long-term. The changes will come into force on 1 January 2022; advance application is allowed.

Main estimates adopted by management and discretional assessments

The preparation of the interim condensed consolidated financial statements requires that the directors carry out discretional assessments, estimates and hypotheses that influence the value of revenues, costs, assets and liabilities, and the indication of potential liabilities at the time of the financial statements. However, uncertainty as to these hypotheses and estimates may lead to outcomes that will require future significant adjustments on the accounting value of these assets and/or liabilities..

Estimates and hypotheses:

Below is an outline of the key hypotheses concerning the future and other significant sources of uncertainty in estimates at the date of closure of the interim condensed consolidated financial statements that could be the cause of significant adjustment to the value of assets and liabilities in coming business years. The results achieved could differ from these estimates. The estimates and assumptions made are periodically revised and the effects of all changes are immediately reflected in the income statement.

- Impairment test: the non-financial assets with an indefinite lifetime are not amortized, but subjected to an impairment test annually or whenever there are indicators of loss of value. In this regard, it should be noted that the results achieved in the third quarter confirm the Group's ability to respond positively to the changing needs of the market considering that, despite the current moment of uncertainty, the medium-long term prospects remain unchanged in the belief that the of non-domestic catering, combined with the tourist vocation of our country, will once again be rewarded by the recovery of flows and consequently by consumption.

- Expected credit losses: the Company is focusing strongly on the management of the trade receivables, implementing methods specific to the situations and requirements of each territorial area and Market segment; the objective remains that of safeguarding the company equity while remaining close to the clients, thereby enabling the prompt management of the receivables and enhancement of relations with clients themselves. In the light of the above, the management team has made a prudential estimate of the expected credit losses, the result of which has been an increase in the allocation to the provision for bad debts compared to the same period last year.

- Economic and financial plans: the Company has reviewed the economic and financial forecasts and the 2020 trends, updating them as a result of the Covid-19 emergency. These forecasts may also be further influenced in coming months by the trends in the number of tourists and the recovery of market consumption levels.

- Other elements in the financial statements that were the object of estimate and assumptions by Management are inventory write-down, and the determination of amortizations.
  These estimates, although supported by well-defined corporate procedures, require hypotheses to be made mainly concerning the future realisable nature of the value of inventories, as well as the remaining useful lifetime of assets that may be influenced by both market performance and the information available to Management.

Management of financial risks

The Covid-19 health emergency and the consequent containment dispositions imposed, with the stoppage of all catering and hotel activities from the end of February until 18 May, have had a significant impact on the dynamics of the sector in which the Group operates, causing economic and financial tensions that have involved all of the operators and have inevitably been reflected in the financial risks to which the Group is exposed during its business activities:

- market risks (including the exchange rate risk, interest rate risk and the price risk);
- credit risk;
- liquidity risk.

The management team immediately implemented a series of interventions aimed at managing both the trade net working capital, with specific regard to a continuous focus on credit management and inventories and financial management.
Specifically, MARR has defined a clear approach which has oriented its operating and management choices on the basis of certain strategic priorities.
On one hand, the improvement of liquidity and making the necessary financial resources available, also thanks to the support of its own shareholders following the suspension of the dividend despite the excellent results achieved in 2019.

In addition, discussions have begun with the banks granting the loans and the other financiers aimed at ensuring that the ongoing loans are maintained, which led during October to the finalization of important "covenant holiday" agreements for the temporary suspension of the verification at 31 December 2020 of the financial indices contained in some of the loan contracts.

It has also worked towards consolidating its leadership and its relations with the Market, ensuring for its professional partners/clients a standard of services in full respect of the health and safety laws throughout the production line, capable of satisfying and guaranteeing the final Consumer. It has thus enhanced its relations with clients, ensuring a closeness to them that has enabled prompt credit management, to which much importance is given through solutions modulated on the basis of credit merit.

Comments to the main items included in the consolidated statement of profit or loss

1. Revenues

(€thousand)	3rd quarter 2020	3rd quarter 2019	30.09.20 (9 months)	30.09.19 (9 months)
Net revenues from sales - Goods	399,710	497,550	834,029	1,268,103
Revenues from Services	80	111	137	243
Advisory services to third parties	25	52	86	161
Manufacturing on behalf of third parties	25	11	37	25
Rent income (typical management)	5	7	18	21
Other services	373	404	1,133	1,552
Total revenues	400,218	498,135	835,440	1,270,105

Revenues from sales and services were affected by the blocking of tourist and foodservice activities imposed by the containment measures of the pandemic implemented in Italy from the end of February until last May 18, with the resuming of activities during the summer season.
For a more detailed analysis of the trend of revenues from sales see the Directors' Report on management performance.

The breakdown of the revenues from sales of goods and from services by geographical area is as follows:

(€thousand)	3rd quarter 2020	3rd quarter 2019	30.09.20 (9 months)	30.09.19 (9 months)
Italy	381,645	473,295	771,093	1,195,996
European Union	10,233	12,209	30,233	43,788
Extra-EU countries	8,340	12,631	34,114	30,321
Total	400,218	498,135	835,440	1,270,105

2. Other revenues

The Other revenues are broken down as follows:

(€thousand)	3rd quarter 2020	3rd quarter 2019	30.09.20 (9 months)	30.09.19 (9 months)
Contributions from suppliers and others	8,159	9,682	15,819	29,522
Other Sundry earnings and proceeds	230	461	3,970	785
Reimbursement for damages suffered	124	645	303	1,080
Reimbursement of expenses incurred	193	149	376	430
Recovery of legal taxes	3	14	13	42
Capital gains on disposal of assets	34	3	146	132
Total other revenues	8,743	10,954	20,627	31,991

The item "Contributions from suppliers and others" mainly consists of contributions obtained from suppliers for the commercial promotion of their products with our customers; for an analysis of their trend see the Directors' Report on management performance. Finally it should be recalled that a part of the contribution from suppliers, related to contracts for the recognition of the end-of-year bonuses, has been included to reduce the cost of purchasing materials
The increase in the item "Other sundry" is mainly due to non-recurrent income related to the receipt of credit that had been among the losses in previous years as a result of a settlement procedure (2,320 thousand Euros).

3. Purchase of goods for resale and consumables

This item is composed of:

(€thousand)	3rd quarter 2020	3rd quarter 2019	30.09.20 (9 months)	30.09.19 (9 months)
Purchase of goods	289,917	356,896	635,205	1,004,124
Purchase of packages and packing material	1,341	1,646	2,654	3,994
Purchase of stationery and printed paper	212	285	455	777
Purchase of promotional and sales materials and catalogues	22	31	116	154
Purchase of various materials	34	86	234	295
Fuel for industrial motor vehicles and cars	60	73	184	229
Total purchase of goods for resale and consumables	291,586	359,017	638,848	1,009,573

As regards the performance of the purchase cost of goods destined for commercialisation, see the Directors' Report on market performance and the related comment on the gross margin.
As highlighted in the previous paragraph, the item "Purchases of goods" benefited in the nine months from 2,931 thousand Euros (897 thousand Euros in the quarter), of the part of contribution from suppliers identifiable as end-of year bonuses.

4. Personnel costs

As at 30 September the item amounts to 20,978 thousand Euros (28,761 in the nine months of 2019) and includes all expenses for employed personnel, including holiday and additional monthly salaries as well as related social security charges, in addition to the severance provision and other costs provided contractually.

In the third quarter personnel costs amount to 7,969 thousand Euros, reduced by 1,378 thousand Euros when compared to the corresponding period of 2019.

As pointed out both in the Directors' Report on management performance and the Half-Year Financial Report, this decrease is the combined result of two factors: on one hand, the adjustment of the business organization to the market situation through the use of employment laws made available by the Government and less overtime work (with a total saving of 6.0 million Euros in the nine months and 1.3 million Euros in the third quarter); on the other hand the benefits resulting from the integration of the business activities of AS.CA into MARR (approximately 1million Euros since the beginning of 2020 and 0.3 million Euros in the third quarter).

5. Amortizations, depreciation and provisions

(€thousand)	3rd quarter 2020	3rd quarter 2019	30.09.20 (9 months)	30.09.19 (9 months)
Depreciation of tangible assets	1,748	1,699	5,145	4,931
Amortization of intangible assets	110	102	314	296
Depreciation of right of use	2,296	2,115	6,730	6,235
Adjustment to provision for supplementary clientele severance indemnity	102	191	534	393
Total amortization, depreciation and provisions	4,256	4,107	12,723	11,855

6. Losses due to impairment of financial assets

This item is composed of:

(€thousand)	3rd quarter 2020	3rd quarter 2019	30.09.20 (9 months)	30.09.19 (9 months)
Allocation of taxable provisions for bad debts	5,931	3,198	13,449	8,655
Allocation of non-taxable provisions for bad debts	745	593	1,685	1,749
Total Losses due to impairment of financial assets	6,676	3,791	15,134	10,404

The increase in the item is mainly related to a greater provision made in the face of the current situation of uncertainty on the market, also considering the new restrictive measures imposed from the second half of October all over the country.

7. Other operating costs

The details of the "Other operating costs" are as follows:

(€thousand)	3rd quarter 2020	3rd quarter 2019	30.09.20 (9 months)	30.09.19 (9 months)
Operating costs for services	50,576	56,890	113,672	147,772
Operating costs for leases and rentals	(161)	170	(34)	500
Operating costs for other operating charges	420	347	1,151	1,108
Total other operating costs	50,835	57,407	114,789	149,380

The operating costs for services mainly include the following items: sale expenses, distribution and logistics costs for our products for 91,644 thousand Euros (119,983 thousand Euros in 2019), utility costs for 6,880 thousand Euros (8,478 thousand Euros in 2019), handling costs for 2,860 thousand Euros (4,607 thousand Euros in 2019), third party works for 2,372 thousand Euros (3,558 thousand Euros in 2019) and maintenance costs amounting to 3,643 thousand Euros (3,927 thousand Euros in 2019).

In the quarter, the main items composing the operating costs for services are detailed as follows: sale expenses, distribution and logistics costs for our products for 42,079 thousand Euros (46,589 thousand Euros in 2019), utility costs for 2,892 thousand Euros (3,436 thousand Euros in 2019), handling costs for 1,367 thousand Euros (1,882 thousand Euros in 2019), third party works for 790 thousand Euros (1,391 thousand Euros in 2019) and maintenance costs amounting to 1,173 thousand Euros (1,324 thousand Euros in 2019).

The costs for the leases and rentals totaled 34 thousand Euros in the nine months and 161 thousand Euros in the quarter. This revenue is related to the reduction in rents agreed during the third quarter with the tenants following the health emergency; it mainly concerns the leasing contracts of the buildings where the branches of the Parent Company are located and amounts (both for the nine months and the quarter) to a total of 268 thousand Euros. In accordance with the provisions of the IFRS principle, the benefit deriving from these agreements is recognized as a reduction in operating costs. Net of this effect, the cost of lease payments for contracts expiring within twelve months and therefore not falling within the scope of IFRS16 amounts to 234 thousand Euros in the nine months and to 107 thousand Euros in the third quarter.

The operating costs for other operating charges mainly include the following items: "other indirect duties, taxes and similar costs" for 518 thousand Euros, "local council duties and taxes" for 228 thousand Euros and expenses for credit recovery for 166 thousand Euros.

8. Financial income and charges

(€thousand)	3rd quarter 2020	3rd quarter 2019	30.09.20 (9 months)	30.09.19 (9 months)
Financial charges	1,521	1,639	4,639	4,950
Financial income	(314)	(192)	(957)	(519)
Foreign exchange (gains)/losses	97	(258)	110	(249)
Total financial (income) and charges	1,304	1,189	3,792	4,182

The net effect of foreign exchange mainly reflects the performance of the Euro compared to the US dollar, which is the currency for imports from non-EU countries.

It is specified that the financial charges included interest expenses for 978 thousand Euros in the nine months (thereof 7 thousand Euros related to lease contract with the related Company Le Cupole of Castelvetro (MO), for the lease of the buildings located in Via Spagna, 20 – Rimini) e 325 thousand Euros in the quarter as a result of the application of IFRS 16.

9. Income (charge) from investment at equity value

The item amount to a loss of 127 thousand Euros in the nine months (profit of 36 thousand Euros in the third quarter) and mainly reflects the evaluation by equity method of the partecipation in the associate Jolanda de Colò S.p.A.

10. Taxes

(€thousand)	***3rd quarter 2020***	*3rd quarter 2019*	***30.09.20 (9 months)***	*30.09.19 (9 months)*
Ires-Ires charge transferred to Parent Company	1,520	9,225	1,810	19,070
Irap	701	1,790	758	3,820
Previous years tax	(76)	(29)	(76)	(13)
Net provision for deferred tax liabilities	3,287	(125)	(2,081)	(717)
Total taxes	5,432	10,861	411	22,160

11. Earnings / (losses) per share

The following table is the calculation of the basic and diluted Earnings:

(Euros)	***3rd quarter 2020***	*3rd quarter 2019*	***30.09.20 (9 months)***	*30.09.19 (9 months)*
Basic Earnings Per Share	0.23	0.41	0.02	0.83
Diluted Earnings Per Share	0.23	0.41	0.02	0.83

It must be pointed out that the calculation is based on the following data:

Earnings:

(€thousand)	***3rd quarter 2020***	*3rd quarter 2019*	***30.09.20 (9 months)***	*30.09.19 (9 months)*
Profit/(Loss) for the period	15,066	27,317	1,053	55,082
Minority interests	0	0	0	0
Profit/(Loss) used to determine basic and diluted earnings per share	15,066	27,317	1,053	55,082

Number of shares:

(number of shares)	***3rd quarter 2020***	*3rd quarter 2019*	***30.09.20 (9 months)***	*30.09.19 (9 months)*
Weighted average number of ordinary shares used to determine basic earning per share	66,525,120	66,525,120	66,525,120	66,525,120
Adjustments for share options	0	0	0	0
Weighted average number of ordinary shares used to determine diluted earning per share	66,525,120	66,525,120	66,525,120	66,525,120

12. Other profits/losses

The other profits/losses accounted for in the consolidated statement of other comprehensive income consist of the effects produced and reflected in the period with reference to the following items:
- effective part of the interest rate hedging operations undertaken with regard to specific variable-rate loans; effective part of the operations for hedging exchange risk rate related to the bond in US dollars closed with an operation of private placement in the month of July 2013; effective part of the term exchange purchase transactions carried out to hedge the underlying goods purchasing operations. The value indicated, amounting to to a total profit of 770 thousand Euros in the nine months (768 thousand Eurosa in the same period of the previous year) is shown net of the taxation effect (that amounts to approximately -243 thousand Euros in the first nine months). In the third quarter, the hedging operations evaluation has led to a loss in the comprehensive income statement of 276 thousand Euros (+177 thousand Euros in 2019).

According to the IFRS these profits/losses have been entered in the net equity and highlighted (according to IAS 1 revised, in force from 1st January 2009) in the consolidated comprehensive income statement.

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Rimini, 13 November 2020

The Chairman of the Board of Directors

Ugo Ravanelli

Appendices

These appendices contain additional information compared to that reported in the Notes, of which they constitute an integral part.

- Appendix I Reconciliation of liabilities deriving from financing activities as at 30 September 2020 and at 30 September 2019.

Appendix 1

RECONCILIATION OF LIABILITIES DERIVING FROM FINANCING ACTIVITIES AS AT 30 SEPTEMBER 2020 AND AT 30 SEPTEMBER 2019

			Non-financial changes				
	30/09/2020	Cash flows	Other changes/ reclassifications	Purchases	Exchange rates variations	Fair value variation	31/12/2019
Current payables to bank	60,609	20,978	0	835	0	0	38,796
Current portion of non current debt	89,824	(47,305)	7,053	0	0	0	130,076
Current financial payables for bond private placement in US dollars	259	(8,483)	316	0	(1,233)	0	9,659
Current financial payables for IFRS 16 lease contracts	8,393	(6,708)	6,668	522	0	0	7,911
Current financial payables for leasing contracts	125	(202)	56	0	0	0	271
Current financial payables for purchase of quotas or shares	0	(800)	0	800	0	0	0
Total current financial payables	159,210	(42,520)	14,093	2,157	(1,233)	0	186,713
Current payables/(receivables) for hedging financial instruments	3	(72)	0	0	0	3	72
Total current financial instruments	3	(72)	0	0	0	3	72
Non-current payables to bank	236,843	106,012	(6,660)	0	0	0	137,491
Non-current financial payables for bond private placement in US dollars	28,091	0	34	0	(1,189)	0	29,246
Non-current financial payables for IFRS 16 lease contracts	35,790	0	(2,724)	0	0	0	38,514
Non-current financial payables for leasing contracts	0	0	(56)	0	0	0	56
Non-current financial payables for purchase of quotas or shares	0	0	0	0	0	0	0
Total non-current financial payables	300,724	106,012	(9,406)	0	(1,189)	0	205,307
Non-current payables/(receivables) for hedging financial instruments	54	(66)	0	0	0	54	66
Total non-current financial instruments	54	(66)	0	0	0	54	66
Total liabilities arising from financial activities	459,991	63,354	4,687	2,157	(2,422)	57	392,158

Reconciliation of variations with Cash Flows Statement (Indirect Method)	
Cash flows (net of outgoing for acquisition of subsidiaries or merger)	64,154
Other changes/ reclassifications	4,687
Exchange rates variations	(2,422)
Fair value variation	57
Total detailed variations in the table	66,476
Other changes in financial liabilities	10,971
Net change in Rights of use	4,465
New non-current loans received	122,500
Non current loans repayment	(71,460)
Total changes shown between financing activities in the Cash Flows Statement	66,476

	30/09/2019	Cash flows	Non-financial changes Other changes/ reclassifications	Purchases/ IFRS 16	Exchange rates variations	Fair value variation	31/12/2018
Current payables to bank	55,367	14,324	0	0	0	0	41,043
Current portion of non current debt	129,136	(33,094)	85,034	0	0	0	77,196
Current financial payables for bond private placement in US dollars	9,499	(752)	7,984	0	1,515	0	752
Current financial payables for IFRS 16 lease contracts	7,849	(5,827)	6,347	7,329	0	0	0
Current financial payables for leasing contracts	269	(180)	223	0	0	0	226
Current financial payables for purchase of quotas or shares	181	(180)	0	0	0	0	361
Total current financial payables	202,301	(25,709)	99,588	7,329	1,515	0	119,578
Current payables/(receivables) for hedging financial instruments	152	(10)	0	0	0	152	10
Total current financial instruments	152	(10)	0	0	0	152	10
Non-current payables to bank	148,027	52,334	(85,014)	0	0	0	180,707
Non-current financial payables for bond private placement in US dollars	30,163	0	(7,624)	0	420	0	37,367
Non-current financial payables for IFRS 16 lease contracts	48,354	0	(6,347)	54,701	0	0	0
Non-current financial payables for leasing contracts	125	0	(158)	0	0	0	283
Non-current financial payables for purchase of quotas or shares	0	0	0	0	0	0	0
Total non-current financial payables	226,669	52,334	(99,143)	54,701	420	0	218,357
Non-current payables/(receivables) for hedging financial instruments	0	0	0	0	0	0	0
Total non-current financial instruments	0	0	0	0	0	0	0
Total liabilities arising from financial activities	**429,122**	**26,615**	**445**	**62,030**	**1,935**	**152**	**337,945**

Reconciliation of variations with Cash Flows Statement (Indirect Method)	
Cash flows (net of outgoing for acquisition of subsidiaries or merger)	26,795
Other changes/ reclassifications	445
Exchange rates variations	1,935
Fair value variation	152
Total detailed variations in the table	**29,327**
Other changes in financial liabilities	10,087
New non-current loans received	64,500
Non current loans repayment	(45,260)
Total changes shown between financing activities in the Cash Flows Statement	**29,327**

STATEMENT BY THE RESPONSIBLE FOR THE DRAFTING OF CORPORATE ACCOUNTING DOCUMENTS PURSUANT TO ART. 154-BIS PARAGRAPH 2 OF LEGISLATIVE DECREE 58 DATED 24 FEBRUARY 1998

The manager responsible for preparing the company's financial reports, Pierpaolo Rossi, declares, pursuant to paragraph 2 of Article 154-bis of the Consolidated Law on Finance, that the accounting information contained in this interim report corresponds to the document results, books and accounting records.

Rimini, 13 November 2020

Pierpaolo Rossi
Manager responsible for the drafting
of corporate accounting documents