Interim Report

as at March 31, 2023

12 May 2023

MARR S.p.A.
Street Spagna, 20 – 47921 Rimini (Italy)
Share Capital € 33,262,560 fully paid-up
Tax Code and registration number in the Register of Enterprises of the Chamber of Commerce of Romagna – Forlì – Cesena and Rimini 01836980365
Company subject to the management and coordination of Cremonini S.p.A. – Castelvetro (MO)

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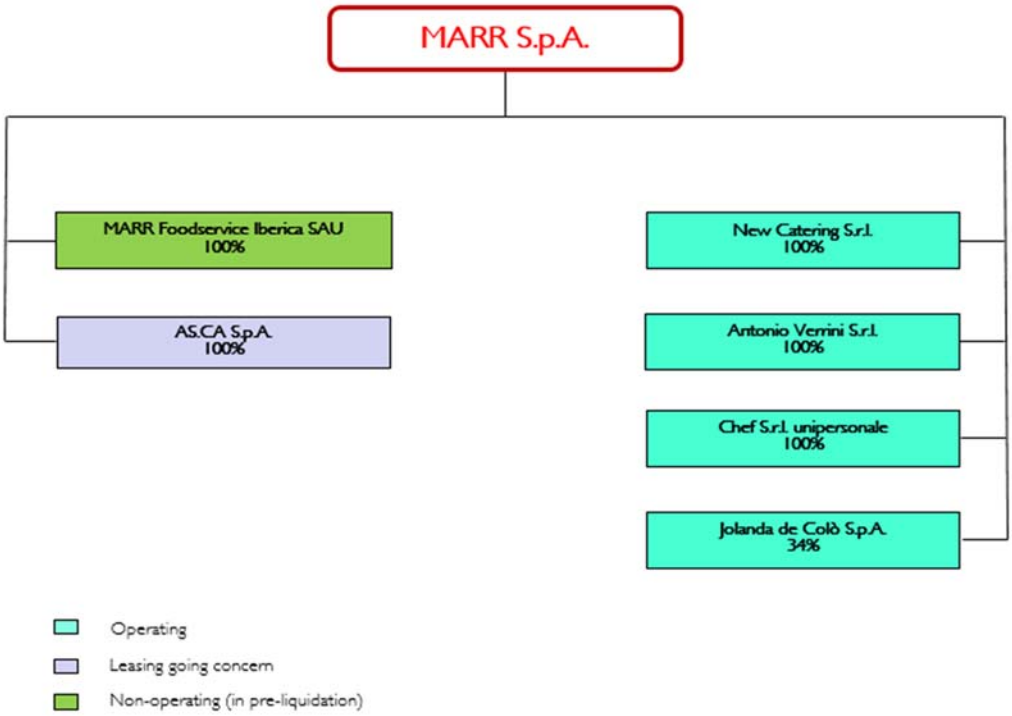
MARR GROUP ORGANISATION

as at March 31, 2023



The structure of the Group as at 31 March 2023 differs from the situation as at 31 March 2022 due to:

- the purchase, finalized on 1 April 2022 by the parent company MARR S.p.A., of all the shares in the newly established company Frigor Carni S.r.l., to which the assets of Frigor Carni S.a.s., a company based in Montepaone Lido (Catanzaro) and operating in the marketing and distribution of food products to the foodservice, with a significant specialization in the offer of fish products, aimed mainly at independent foodservice customers;

- the merger by incorporation into the parent company MARR S.p.A. of the wholly owned company Chef S.r.l. Unipersonale, with legal effects starting from 30 December 2022 and accounting and tax effects starting from 1 January 2022. The merger operation carried out is aimed at obtaining a rationalization of economic, financial and administrative management.

The activity of the MARR Group is entirely aimed at the marketing and distribution of food products to the foodservice, as shown below:

Company	Activity
MARR S.p.A. Street Spagna n. 20 – Rimini	Sale and distribution of perishable, non-perishable, frozen and deep-frozen food products for Foodservice operators.
New Catering S.r.l. Street Pasquale Tosi n. 1300 - Santarcangelo di Romagna (RN)	Sale and distribution of food products to bars and fast food outlets.
Antonio Verrini S.r.l. Street Pasquale Tosi n. 1300 - Santarcangelo di Romagna (RN)	Sale and distribution of fresh, frozen and deep-frozen fish products mainly in the Ligurian and Versilia areas.
Frigor Carni S.r.l. Street Pasquale Tosi n. 1300 - Santarcangelo di Romagna (RN)	Sale and distribution of perishable, non-perishable, frozen and deep-frozen food products mainly in the Calabria Region.

Company	Activity
Jolanda de Colò S.p.A. Street 1° Maggio n. 21 – Palmanova (UD)	Production, sale and distribution of food products in the premium segment (high-end).
MARR Foodservice Iberica S.A.U. Calle Lagasca n. 106 1° centro - Madrid (Spagna)	Non-operating company.
AS.CA S.p.A. Street Pasquale Tosi n. 1300 - Santarcangelo di Romagna (RN)	Company that from February 1, 2020 exercises a business lease to the parent company MARR S.p.A..

All subsidiaries are consolidated line-by-line.
Associated companies are valued at equity.

CORPORATE BODIES

BOARD OF DIRECTORS

Office	Name and Surname	Executive with strategic responsibilities	Executive	Non-executive	Member of Control and Risk Committee	Independence
Chairman	Andrea Foschi			✔		✔
Chief Executive Officer	Francesco Ospitali	✔				
Director	Giampiero Bergami			✔	✔	✔
Director	Claudia Cremonini			✔		
Director (independent)	Alessandro Nova			✔		✔
Director (independent)	Rossella Schiavini			✔	✔	✔
Director (independent)	Lucia Serra		✔			

The functions of the Remuneration Committee and the Appointments Committee are attributed to the entire Board of Directors under the coordination of the Chairman, as required by the Corporate Governance Code and in compliance with the conditions and methods indicated therein (Recommendation No. 26).

BOARD OF STATUTORY AUDITORS

Office	Name and Surname
Chairman	Massimo Gatto
Statutory Auditor	Simona Muratori
Statutory Auditor	Andrea Silingardi
Alternate Staturory Auditor	Alvise Deganello
Alternate Staturory Auditor	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 first quarter of 2023

The unaudited interim management report as at 31 March 2023 was prepared in accordance with the evaluation and measurement criteria established by the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and adopted by the Commission European Union according to the procedure referred to in art. 6 of Regulation (EC) no. 1606/2002 of the European Parliament and of the Council of 19 July 2002, while for the purposes of the disclosure of this report, reference was made to article 154-ter of the legislative decree of 24 February 1998 n. 58.

The first quarter of 2023 closed with total consolidated revenues of 426.6 million Euro, an increase compared to 325.8 million in the same period in 2022, the latter figure having been affected by the trend of the contagions during the first part of the quarter; the total consolidated revenues in the first quarter of 2019 (pre-pandemic) had been 333.4 million Euro.
The trend in revenues in the first quarter of 2023 was affected by the still ongoing inflationary dynamics in the foodservice sector, which have been more accentuated since the second quarter of 2022.

It must be noted that the total consolidated revenues in the last 12 months, from 1 April 2022 to 31 March 2023, and thus without the impact of the pandemic, have exceeded the threshold of 2 billion Euro, reaching 2,031.3 million Euro.

Sales of the MARR Group in the first three months of 2023 amounted to 420.0 million Euro compared to 321.7 million in the same period of 2022 and 329.3 million in the pre-pandemic period in 2019.
Sales to clients in the Street Market and National Account segments in the first quarter of 2023 amounted to 373.0 million Euro, and in comparison with 268.1 million in 2022 (+39.1%) benefit from the contribution of approximately 2.4 million of the company Frigor Carni S.r.l., consolidated on 1 April 2022.
The increase in sales to the Street Market and National Accounts compared to the first quarter of 2022 represents a further over-performance compared to the reference market trends.
On the basis of the findings of the Confcommercio Studies Office (Survey no. 4, April 2023), consumption by quantity, excluding the inflationary component, in "Hotels, meals and out-of-home consumption" in Italy in the first three months of 2023 increased by +9.7% compared to the same period in 2022.
Sales to clients in the Wholesale segment (almost entirely frozen seafood to wholesalers) in the first quarter of 2023 amounted to 47.0 million Euro and, compared to 53.6 million in the same period of 2022, were affected by the temporary unavailability of caught seafood products which characterised the second half of 2022 and also the first months of 2023.

Improvement in operating profitability, with consolidated EBITDA in the first quarter of 2023 amounting to 14.8 million Euro compared to 5.1 million in 2022; the EBITDA had been 17.3 million Euro in the first quarter of 2019.

EBIT for the period amounted to 6.2 million Euro compared to -2.5 million in the first quarter of 2022 (10.7 million Euro in the first quarter of 2019).

At the end of the first three months of 2023, the Net Result, which is affected by the increased net financial charges as a result of the increase in the cost of borrowing in the second half of 2022, amounted to 1.5 million Euro, compared to losses of 2.9 million in the first quarter of 2022.

The table below shows the reconciliation between the data indicated above and the revenues from sales and services of the Group as per the consolidated financial statements:

MARR Consolidated (€thousand)	*31 March 2023*	*31 March 2022**
Revenues from sales and services by customer category		
Street market	253,868	192,186
National Account	119,150	75,904
Wholesale	47,023	53,625
Total revenues form sales in Foodservice	**420,041**	**321,715**
(1) Discount and final year bonus to the customers	(4,943)	(3,276)
(2) Other services	41	51
(3) Other	53	52
Revenues from sales and services	**415,192**	**318,542**

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

* It should be noted that the data as at 31 March 2022 have been restated in order to maintain comparability with the 2023 classification following the redefinition of the channels on some customers.

Below are the tables, reclassified according to the current financial analysis practice, of the economic, equity and financial data referring to the first quarter of 2023 compared with the respective periods of the previous year.

Analysis of the re-classified income statement [1]

MARR Consolidated (€thousand)	*1st quarter 2023*	*%*	*1st quarter 2022*	*%*	*% Change*
Revenues from sales and services	415,192	*97.3%*	318,542	*97.8%*	*30.3*
Other earnings and proceeds	11,407	*2.7%*	7,216	*2.2%*	*58.1*
Total revenues	**426,599**	***100.0%***	**325,758**	***100.0%***	***31.0***
Cost of raw materials, consumables and goods for resale	(379,698)	*-89.0%*	(299,293)	*-91.9%*	*26.9*
Change in inventories	35,354	*8.3%*	35,554	*10.9%*	*(0.6)*
Services	(55,350)	*-13.0%*	(46,188)	*-14.2%*	*19.8*
Leases and rentals	(140)	*0.0%*	(113)	*0.0%*	*23.9*
Other operating costs	(456)	*-0.1%*	(420)	*-0.1%*	*8.6*
Value added	**26,309**	***6.2%***	**15,298**	***4.7%***	***72.0***
Personnel costs	(11,549)	*-2.7%*	(10,243)	*-3.1%*	*12.8*
Gross Operating result	**14,760**	***3.5%***	**5,055**	***1.6%***	***192.0***
Amortization and depreciation	(4,906)	*-1.2%*	(4,827)	*-1.5%*	*1.6*
Provisions and write-downs	(3,696)	*-0.9%*	(2,721)	*-0.8%*	*35.8*
Operating result	**6,158**	***1.4%***	**(2,493)**	***-0.8%***	***347.0***
Financial income	195	*0.0%*	131	*0.0%*	*48.9*
Financial charges	(3,941)	*-0.8%*	(1,515)	*-0.5%*	*160.1*
Foreign exchange gains and losses	(237)	*-0.1%*	(173)	*-0.1%*	*37.0*
Value adjustments to financial assets	0	*0.0%*	(28)	*0.0%*	*(100.0)*
Result from recurrent activities	**2,175**	***0.5%***	**(4,078)**	***-1.3%***	***153.3***
Non-recurring income	0	*0.0%*	0	*0.0%*	*0.0*
Non-recurring charges	0	*0.0%*	0	*0.0%*	*0.0*
Net result before taxes	**2,175**	***0.5%***	**(4,078)**	***-1.3%***	***153.3***
Income taxes	(705)	*-0.2%*	1,177	*0.4%*	*159.9*
Net result attributable to the MARR Group	**1,470**	***0.3%***	**(2,901)**	***-0.9%***	***150.7***

The consolidated economic results for the first quarter of 2023 show total revenues for a total of 426.6 million Euro with an increase of 31% compared to the same period of the previous year (325.8 million Euro as at 31 March 2022) which had seen the month of January penalized by the trend of the contagions.
It should be noted that total revenues for the first quarter of 2023 benefit for 2.4 million Euro from the contribution of the company Frigor Carni S.r.l., consolidated starting from the second quarter of 2022.

The item "Other earning and proceeds" includes 8.9 million Euro of the contributions received from suppliers for the promotional and marketing activities carried out by the MARR Group for them (6.7 million Euro as at 31 March 2022) and for 1.3 million Euro the contribution relating to the electricity and gas tax credit accrued by the Group companies in relation to the first quarter of 2023.

[1] It should be noted that the item Total revenues also includes the amount of contributions received from suppliers for the promotional and marketing activities carried out by the MARR Group, which in the statements prepared according to the International Accounting Standards are classified as a reduction of the "Purchase cost of goods".

[II] EBITDA (Gross Operating Margin) and EBIT (Operating Result) are two economic indicators not defined in the IFRS, adopted by MARR starting from the financial statements as at 31 December 2005.
EBITDA is a measure used by Management to monitor and evaluate its operating performance. The management believes that EBITDA is an important parameter for measuring the Group performance as it is not influenced by the volatility due to the effects of the different criteria for determining the taxable income, by the amount and characteristics of the capital employed as well as by the related depreciation. At today date (subject to further analysis connected to the evolution of IFRS accounting practices) EBITDA (Earnings before interests, taxes, depreciation and amortization) is defined by MARR as Profit/Loss for the year gross of depreciation of tangible and intangible fixed assets , provisions and write-downs, financial charges and income and income taxes.
EBIT (Operating Result), an economic indicator of the Group operating performance. EBIT (Earnings before interests and taxes) is defined by MARR as Profit/Loss for the year before financial charges and income, non-recurring items and income taxes.
Finally, it should be emphasized that the reclassified income statement does not contain indications of Other Profits/Losses (net of the tax effect) shown in the "Statement of other comprehensive income", as required by revised IAS 1 applicable from 1 January 2009.

At the operating cost structure level, compared to the first quarter of 2022, a generalized improvement in the incidence of the same with respect to total revenues can be observed.

The Cost of sales compared to total revenues went from an incidence of 81% as at 31 March 2022 to an incidence of 80.7% as at 31 March 2023.

The Cost of services compared to total revenues went from 14.2% in the previous period to 13% as at 31 March 2023. It should be noted that the cost of electricity and gas in the first quarter of 2023 was positively affected by the reduction in tariffs energy compared to the second half of 2022.

Personnel costs amount to 11.5 million Euro (10.2 million Euro as at 31 March 2022) and include all expenses for employees, including holiday accruals and additional monthly salaries as well as related charges social security contributions, in addition to the provision for severance indemnities and other contractually envisaged costs.
The growth is related to the increase in the workforce which goes from 941 units as at 31 March 2022 to 970 units as at 31 March 2023, mainly due to the effect of the new hires carried out by the parent company MARR S.p.A. for the strengthening of some corporate functions and for the entry into the consolidation area starting from 1 April 2022 of the subsidiary Frigor Carni S.r.l. which has 36 employees. The incidence of personnel costs on total revenues is 2.7% against 3.1% as at 31 March 2022.

As a result of the above, operating profitability recorded a significant improvement with EBITDA [II] settling at Euro 14.8 million against Euro 5.1 million at 31 March 2022, approaching the operating profitability levels of the first quarter of 2019, which had achieved an EBITDA of 17.3 million Euro.

The item “Amortization and depreciation", amounting to 4.9 million Euro, includes 2.9 million Euro (2.8 million Euro as at 31 March 2022) of the amortization related to the right of use recorded in the financial statements for lease contracts as required by IFRS 16. For the residual amount of 2.0 million Euro (1.9 million Euro as at 31 March 2022) it includes the amortization related to buildings, plant, machinery, equipment and other tangible assets and intangible assets owned by the Group.

The item "Provisions and write-downs" amounted to 3.7 million Euro (2.7 million Euro in the first quarter of 2022) and includes provisions to the doubtful debt provision, the provision for additional customer indemnity and other risks and future losses. The increase in the bad debt provision is related to the growth of sales volumes and in percentage terms compared to trade receivables remains substantially in line with the first quarter of 2022.

EBIT as at 31 March 2023 was positive for Euro 6.2 million Euro, with a significant recovery compared to the same period of the previous year, when it was negative for Euro 2.5 million.

Financial management was affected by the increase in the cost of money in progress starting from the second half of 2022 and as a result of this the financial charges associated with short and medium/long-term loans increased from 1.5 million Euro as at 31 March 2022 to 3.9 million Euro as of March 31, 2023.

Current, prepaid and deferred income taxes amount to 705 thousand Euro.

The Net result for the period settles at 1.5 million Euro, with a significant recovery compared to 31 March 2022 which had recorded a loss of 2.9 million Euro.

Analysis of the re-classified statement of financial position

MARR Consolidated (€thousand)	*31.03.23*	*31.12.22*	*31.03.22*
Net intangible assets	170,408	170,377	163,399
Net tangible assets	88,388	83,899	79,739
Right of use assets	74,781	75,368	69,427
Equity investments evaluated using the net equity method	1,828	1,828	1,800
Equity investments in other companies	178	178	175
Other fixed assets	15,972	16,492	23,298
Total fixed assets (A)	**351,555**	**348,142**	**337,838**
Net trade receivables from customers	350,658	353,810	308,730
Inventories	245,267	209,913	235,407
Suppliers	(362,469)	(394,611)	(327,743)
Trade net working capital (B)	**233,456**	**169,112**	**216,394**
Other current assets	62,441	77,760	39,722
Other current liabilities	(16,362)	(16,828)	(29,973)
Total current assets/liabilities (C)	**46,079**	**60,932**	**9,749**
Net working capital (D) = (B+C)	**279,535**	**230,044**	**226,143**
Other non current liabilities (E)	(3,941)	(3,751)	(2,338)
Staff Severance Provision (F)	(7,193)	(7,207)	(8,515)
Provisions for risks and charges (G)	(8,231)	(8,221)	(6,820)
Net invested capital (H) = (A+D+E+F+G)	**611,725**	**559,007**	**546,308**
Shareholders' equity attributable to the Group	(341,118)	(341,457)	(346,597)
Consolidated shareholders' equity (I)	**(341,118)**	**(341,457)**	**(346,597)**
(Net short-term financial debt)/Cash	27,405	80,827	48,922
(Net medium/long-term financial debt)	(219,725)	(219,128)	(176,247)
Net financial debt - before IFRS16 (J)	(192,320)	(138,301)	(127,325)
Current lease liabilities (IFRS16)	(11,153)	(10,813)	(10,385)
Non-current lease liabilities (IFRS16)	(67,134)	(68,436)	(62,001)
IFRS16 effect on Net financial debt (K)	(78,287)	(79,249)	(72,386)
Net financial debt (L) = (J+K)	**(270,607)**	**(217,550)**	**(199,711)**
Net equity and net financial debt (M) = (I+L)	**(611,725)**	**(559,007)**	**(546,308)**

Analysis of the net financial position[3]

Below is the breakdown of the composition of the net financial debt according to the provisions of the ESMA guideline 32-382-1138 of 04/03/2021:

	MARR Consolidated (€thousand)	31.03.23	31.12.22	31.03.22
A.	Cash	6,482	15,257	6,459
	Bank accounts	148,563	176,406	141,889
	Postal accounts	0	0	21
B.	Cash equivalent	148,563	176,406	141,910
C.	**Liquidity (A) + (B)**	**155,045**	**191,663**	**148,369**
	Current financial receivable due to Parent company	9,640	9,404	3,838
	Others financial receivable	0	0	0
D.	**Current financial receivable**	**9,640**	**9,404**	**3,838**
E.	**Current receivables for derivative/financial instruments**	**0**	**7**	**0**
F.	Current Bank debt	(67,186)	(15,884)	(15,766)
G.	Current portion of non current debt	(66,110)	(99,838)	(84,824)
	Other financial debt	(3,984)	(4,526)	(2,694)
H.	Other current financial debt	(3,984)	(4,526)	(2,694)
I.	Current lease liabilities (IFRS16)	(11,153)	(10,813)	(10,385)
J.	**Current financial debt (F) + (G) + (H) + (I)**	**(148,433)**	**(131,061)**	**(113,669)**
K.	**Net current financial indebtedness (C) + (D) + (E) + (J)**	**16,252**	**70,013**	**38,538**
L.	Non current bank loans	(120,112)	(119,768)	(76,400)
M.	Non-current derivative/financial instruments	776	1,015	0
N.	Other non current loans	(100,389)	(100,374)	(99,847)
O.	Non-current lease liabilities (IFRS16)	(67,134)	(68,436)	(62,002)
P.	**Non current financial indebtedness (L) + (M) + (N) + (O)**	**(286,859)**	**(287,563)**	**(238,249)**
Q.	**Net financial indebtedness (K) + (P)**	**(270,607)**	**(217,550)**	**(199,711)**

The financial debt of the MARR Group is affected by the seasonality of the business which records a greater need for working capital during the summer period. Historically, debt reaches its highest level in the first half of the year and then decreases at the end of the year and in particular in the first quarter the increase is associated with the procurement policies implemented in view of the start of the summer season.

Net financial debt at the end of the first quarter amounted to 270.6 million Euro.

As regards the changes in the structure of the financial debt components, it should be noted that during the period the Parent Company MARR S.p.A. repaid mortgage instalments of medium/long-term loans for a total of 43.4 million Euro and carried out the following transactions:
- on 20 February 2023, a medium-term loan agreement of 5 million Euro was signed with Credito Emiliano, with disbursement on the same date, with 36-month amortising with quarterly instalments and a pre-amortization of 12 months.

[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.

The interest rate is equal to the 3 month Euribor + 1.10%. The contract does not include financial covenants.

- on 29 March 2023, a medium-term loan agreement of 5 million Euro was signed with the Bcc Carate Brianza, with disbursement on the same date, with a 54 month amortising term with quarterly instalments and a pre-amortization of 6 months. The interest rate is equal to the 3 month Euribor + 1.30%. The contract does not include financial covenants.

The item "Financial payables for IFRS 16 leases" does not record significant changes compared to the first quarter of 2022.

In addition to the cash flows associated with ordinary operations, during the quarter were made disbursements for investments of approximately 6.5 million Euro, for details of which see the paragraph "Investments" and treasury shares were purchased for a total disbursement of 1. 6 million Euro.

The net financial position as at 31 March 2023 remains in line with the Company goals.

Analysis of the trade net working capital

MARR Consolidated (€thousand)	***31.03.23***	*31.12.22*	*31.03.22*
Net trade receivables from customers	350,658	353,810	308,730
Inventories	245,267	209,913	235,407
Suppliers	(362,469)	(394,611)	(327,743)
Trade net working capital	**233,456**	**169,112**	**216,394**

The Net Trade Working Capital as at 31 March 2023 amounted to 233.5 million Euro, and the increase compared to 216.4 million at the end of the first quarter of 2022 is correlated to the increase in revenues.

The ratio of trade net working capital to sales revenues went from 67.9% as at 31 March 2022 to 56.2% as at 31 March 2023.

In terms of the composition of the Net Trade Working Capital as at 31 March 2023 compared to the same previous period, can be observed an increase in the incidence of Trade Receivables and Trade Payables against a reduction in the incidence of Inventories.

Commercial working capital remains aligned with the Company goals.

Re-classified cash-flow statement

MARR Consolidated (€thousand)	31.03.23	31.03.22
Net profit before minority interests	1,470	(2,901)
Amortization and depreciation	4,906	4,833
Change in Staff Severance Provision	(14)	(41)
Operating cash-flow	**6,362**	**1,891**
(Increase) decrease in receivables from customers	3,152	12,550
(Increase) decrease in inventories	(35,354)	(35,555)
Increase (decrease) in payables to suppliers	(32,142)	(53,215)
(Increase) decrease in other items of the working capital	15,572	18,131
Change in working capital	**(48,772)**	**(58,089)**
Net (investments) in intangible assets	(181)	(145)
Net (investments) in tangible assets	(6,338)	(1,938)
Investments in other fixed assets and other change in non current items	**(6,519)**	**(2,083)**
Free - cash flow before dividends	**(48,929)**	**(58,281)**
Distribution of dividends	0	0
Purchase of treasury shares	(1,607)	0
Cash-flow from (for) change in shareholders' equity	**(1,607)**	**0**
FREE - CASH FLOW	**(50,536)**	**(58,281)**
Opening net financial debt	(217,550)	(141,430)
Effect for change in liability for IFRS16	(2,320)	(2,406)
Other non-monetary changes	(201)	0
Cash-flow for the period	(50,536)	(55,875)
Closing net financial debt	**(270,607)**	**(199,711)**

Net of the impact deriving from IFRS16, ordinary operations generated an improvement in free cash flow before dividends compared to the same period of the previous year.

Investments

Below is a summary of the net investments made in the first quarter of 2023:

(€thousand)	*31.03.23*
Intangible assets	
Patents and intellectual property rights	140
Fixed assets under development and advances	41
Goodwill	0
Total intangible assets	**181**
Tangible assets	
Land and buildings	563
Plant and machinery	719
Industrial and business equipment	66
Other assets	325
Fixed assets under development and advances	4,665
Total tangible assets	**6,338**
Total	**6,519**

The increases in the item "Land and buildings" include 300 thousand Euro for the amount relating to the purchase of land in the locality Bottanuco where is in progress the construction of a distribution platform and the remaining 263 thousand Euro are related to improvements on buildings owned by the Group.

The increases relating to the items "Plant and machinery", "Industrial and business equipment", "Other assets", concern the modernization and revamping investments implemented on the different branches of the Parent Company MARR S.p.A..

The increase in the item "Fixed assets under development and advances" is determined for 3,562 thousand Euro by the progress of works for the construction of the new Bottanuco distribution platform, and for 922 thousand Euro by the progress of the works to complete the third floor of the headquarters based in Santarcangelo di Romagna. The remainder pertains to investments in the various branches that have not yet entered into operation as at 31 March 2023.

It should be noted that the values of the investments indicated do not take into consideration the amounts capitalized as right of use under the application of IFRS16.

Other information

The Company does not own, and has never owned, shares or quotas of parent companies, even through third parties and/or companies.

MARR as of today holds in its portfolio 557,210 treasury shares, amounting to approximately 0.84% of the share capital.

During the quarter, the Group did not carry out any atypical or unusual transactions.

Significant events during the first quarter 2023

No significant events occurred during the first quarter.

Subsequent events after the closing of the quarter

The Shareholders' Meeting of 28 April 2023 approved the distribution of a gross dividend of 0.38 Euro per share with "ex-coupon" (no. 18) on 22 May 2023, record date on 23 May and payment on 24 May. The profits not distributed, the entity of which will be determined on the basis of the treasury shares in the portfolio when the coupons are distributed, will be allocated to the Extraordinary Reserve.

The Shareholders' Meeting on 28 April 2023 approved the resolution, with regard to the end of the term of office of the corporate bodies, to appoint the Board of Directors (with the number of members remaining 7 and Andrea Foschi as Chairman) and the Board of Statutory Auditors, who will remain in office for three business years until the Shareholders' Meeting for the approval of the financial statements for 2025.

The Shareholders' Meeting also revoked, with respect to the unused part, the authorisation to purchase, sell and dispose of own shares of the Company granted by resolution of the Shareholders' Meeting on 28 April 2022 and simultaneously approved a new authorisation to purchase, sell and dispose of own shares of the Company according to the terms and conditions provided in the resolution proposal approved by the Board of Directors on 14 March 2023 and illustrated in the report available on the Company website www.marr.it in the governance/AGM section.

The Board of Directors meeting of MARR S.p.A. held at the end of the Shareholders' Meeting: i) confirmed Francesco Ospitali as Chief Executive Officer; ii) assessed the possession of the independence requirements envisaged by the law and Code of Corporate Governance for listed companies for the directors Giampiero Bergami, Andrea Foschi, Alessandro Nova and Rossella Schiavini; ii) acknowledged the independence assessment of the Board of Statutory Auditors for its members; iii) set up the Control and Risk Committee, composed of Independent Directors only, and specifically by Giampiero Bergami and Rossella Schiavini.

Outlook

The trend of sales to Street Market and National Account clients in April is consistent with the growth objectives for 2023 and confirms the progressive recovery of margins that had already been highlighted in the first quarter of 2023. The results for April have been achieved in a context of out-of-home food consumption that benefitted from the positive trend in both overseas and domestic tourism during the Easter festivities and the end of month extended weekends.

As regards the sales of frozen seafood products to Wholesale clients, in the light of the recent fishing campaigns, it is expected that there will be a recovery in the coming months after the unavailability of seafood products that characterised the second half of 2022 and the first months of 2023.

As regards the procurement markets, it is expected that the prices of food products may stabilise over the coming months, with possible trading down phenomena for out-of-home food consumption differing by client category; besides, the market rewards the proposal of innovative products and services, in which MARR is continuing to focus its efforts through targeted initiatives.

The entire organization is also involved in policies aimed at recovering operating profitability, along a path which, in terms of market context, management of the gross margin and cost control, is expected on the basis of the trend in the first four months to allow to approach the pre-pandemic EBITDA level in terms of absolute value during the current year.
The organization is also focusing significantly on containing the levels of absorption of working capital in order to attenuate the cost of its financing.

Business continuity

In consideration of the market trend and the solidity of its financial structure, the Company considers the going concern assumption to be appropriate and correct.

Interim Consolidated Financial Statements

MARR Group

Interim Report

as at March 31, 2023

STATEMENT OF CONSOLIDATED FINANCIAL POSITION

(€thousand)	31.03.23	relating to related parties	%	31.12.22	relating to related parties	%	31.03.22*	relating to related parties	%
ASSETS									
Non-current assets									
Tangible assets	88,388			83,899			79,739		
Right of use assets	74,781			75,368			69,427		
Goodwill	167,010			167,010			160,382		
Other intangible assets	3,398			3,367			3,017		
Investments valued at equity	1,828			1,828			1,800		
Investments in other companies	178			178			175		
Non-current financial receivables	14			22			508		
Financial instruments/derivatives	776			1,015			0		
Deferred tax assets	0			0			2,011		
Other non-current assets	22,203			21,561			27,922		
Total non-current assets	**358,576**			**354,248**			**344,981**		
Current assets									
Inventories	245,267			209,913			235,407		
Financial receivables	9,640	*9,640*	*100.0%*	9,404	*9,404*	*100.0%*	3,838	*3,838*	*100.0%*
Financial instruments/derivatives	0			7			0		
Trade receivables	344,413	*18,702*	*5.4%*	348,718	*25,738*	*7.4%*	301,588	*12,439*	*4.1%*
Tax assets	10,850	*3,452*	*31.8%*	7,284	*4,043*	*55.5%*	2,400	*12*	*0.5%*
Cash and cash equivalents	155,045			191,664			148,369		
Other current assets	36,884	*61*	*0.2%*	41,224	*440*	*1.1%*	28,391	*91*	*0.3%*
Total current assets	**802,099**			**808,214**			**719,993**		
TOTAL ASSETS	***1,160,675***			***1,162,462***			***1,064,974***		
LIABILITIES									
Shareholders' Equity									
Shareholders' Equity attributable to the Group	341,118			341,457			346,597		
Share capital	*33,263*			*33,263*			*33,263*		
Reserves	*258,354*			*260,163*			*262,825*		
Net result of the period attributable to the Group	*49,501*			*48,031*			*50,511*		
Total Shareholders' Equity	**341,118**			**341,457**			**346,597**		
Non-current liabilities									
Non-current financial payables	220,501			220,143			176,247		
Non-current lease liabilities (IFRS16)	67,134	*6,638*	*9.9%*	68,436	*6,888*	*10.1%*	62,002	*4,988*	*8.0%*
Financial instruments/derivative	0			0			0		
Employee benefits	7,193			7,207			8,515		
Provisions for risks and costs	6,891			6,566			6,820		
Deferred tax liabilities	1,340			1,655			0		
Other non-current liabilities	3,941			3,751			2,338		
Total non-current liabilities	**307,000**			**307,758**			**255,922**		
Current liabilities									
Current financial payables	137,263	*0*	*0.0%*	120,248	*0*	*0.0%*	103,273	*0*	*0.0%*
Current lease liabilities (IFRS16)	11,153	*989*	*8.9%*	10,813	*982*	*9.1%*	10,385	*761*	*7.3%*
Financial instruments/derivatives	17			0			11		
Current tax liabilities	2,004	*0*	*0.0%*	2,475	*0*	*0.0%*	15,051	*11,639*	*77.3%*
Current trade liabilities	347,762	*18,602*	*5.3%*	365,359	*29,484*	*8.1%*	318,811	*27,973*	*8.8%*
Other current liabilities	14,358	*321*	*2.2%*	14,352	*713*	*5.0%*	14,924	*198*	*1.3%*
Total current liabilities	**512,557**			**513,247**			**462,455**		
TOTAL LIABILITIES	***1,160,675***			***1,162,462***			***1,064,974***		

* *For comparative purposes the amounts as at 31 March 2022 have been restated to reflect the reclassification of the amount of promotional and marketing contributions from the item "Other current assets" as a reduction of the item "Current trade liabilities".*

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

(€thousand)	Notes	1st quarter 2023	relating to related parties	%	1st quarter 2022*	relating to related parties	%
Revenues	1	415,192	*24,769*	*6.0%*	318,542	*13,577*	*4.3%*
Other revenues	2	2,431	*25*	*1.0%*	573	*5*	*0.9%*
Changes in inventories		35,354			35,554		
Purchase of goods for resale and consumables	3	(370,722)	*(45,268)*	*12.2%*	(292,650)	*(34,032)*	*11.6%*
Personnel costs	4	(11,549)			(10,243)		
Amortizations, depreciations and provisions	5	(5,231)			(5,034)		
Losses due to impairment of financial assets	6	(3,371)			(2,514)		
Other operating costs	7	(55,946)	*(921)*	*1.6%*	(46,721)	*(795)*	*1.7%*
of which profits and losses deriving from the accounting elimination of financial assets valued at amortized cost		*(17)*			*(28)*		
Financial income and charges	8	(3,983)	*(40)*	*1.0%*	(1,557)	*(40)*	*2.6%*
of which profits and losses deriving from the accounting elimination of financial assets valued at amortized cost		*(1,068)*			*(300)*		
Income (charge) from associated companies		0			(28)		
Net result before taxes		2,175			(4,078)		
Taxes	9	(705)			1,177		
Net result of the period		1,470			(2,901)		
Attributable to:							
Shareholders of the parent company		1,470			(2,901)		
Minority interests		0			0		
		1,470			(2,901)		
EPS base (euros)	10	0.02			(0.04)		
EPS diluted (euros)	10	0.02			(0.04)		

* *For comparative purposes the amounts as at 31 March 2022 have been restated to reflect the reclassification of the amount of promotional and marketing contributions from the item "Other revenues" as a reduction of the item "Purchase of goods and consumables".*

CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

(€thousand)	Notes	1st quarter 2023	1st quarter 2022
Net result of the period (A)		1,470	(2,901)
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		(200)	8
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
Total Other Profits/(Losses), net of taxes (B)	11	(200)	8
Comprehensive Result (A + B)		1,270	(2,893)
Attributable to:			
Shareholders of the parent company		1,270	(2,893)
Minority interests		0	0
		1,270	(2,893)

CONSOLIDATED STATEMENT OF CHANGES IN THE CONSOLIDATED SHAREHOLDERS' EQUITY

Description	Share Capital	Other reserves												Profits carried over from consolidated	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 for treasury shares	Reserve ex art. 55 (dpr 597-917)	Reserve IAS 19	Total Reserves		
Balance at 1st January 2022	33,263	63,348	6,652	13	36,496	147,177	1,475	7,290			1,444	(1,064)	262,835	53,411	349,507
Other minor variations											(2)		(2)		(2)
- Net result of the period														(2,901)	(2,901)
- Other Profits/Losses, net of taxes									(8)				(8)		(8)
Consolidated comprehensive result (1/1-31/03/22)															(2,909)
Balance at 31 March 2022	33,263	63,348	6,652	13	36,496	147,177	1,475	7,290	(8)		1,442	(1,064)	262,825	50,510	346,597
Allocation of 2021 profit						663							663	(663)	
Distribution of MARR S.p.A. dividends														(31,266)	(31,266)
Effect of the trading of own shares										(4,682)			(4,682)		(4,682)
Other minor variations											(4)		(5)	(1)	(5)
- Net result of the period														29,451	29,451
- Other Profits/Losses, net of taxes									785			577	1,362		1,362
Consolidated comprehensive income (1/04-31/12/22)															30,813
Balance at 31 December 2022	33,263	63,348	6,652	13	36,496	147,840	1,475	7,290	777	(4,682)	1,438	(487)	260,163	48,031	341,457
Effect of the trading of own shares										(1,607)			(1,607)		(1,607)
Other minor variations											(1)		(1)		(1)
- Net result of the period														1,470	1,470
- Other Profits/Losses, net of taxes									(200)				(200)		(200)
Consolidated comprehensive income (1/1-31/03/23)															1,270
Balance at 31 March 2023	33,263	63,348	6,652	13	36,496	147,840	1,475	7,290	577	(6,289)	1,437	(487)	258,355	49,501	341,118

CONSOLIDATED CASH FLOWS STATEMENT (INDIRECT METHOD)

Consolidated (€thousand)	31.03.23	relating to related parties	%	31.03.22*	relating to related parties	%
Net result of the Period	1,470			(2,901)		
Adjustment:						
Amortization / Depreciation	2,000			1,934		
IFRS 16 depreciation	2,906			2,893		
Change in deferred tax	(343)			(1,177)		
Allocation of provison for bad debts	3,371			2,514		
Allocation of provision for risks and losses	150			0		
Provision for supplementary clientele severance indemnity	175			207		
Capital profit/losses on disposal of assets	(51)			(9)		
Financial (income) charges net of foreign exchange gains and losses	3,746			1,385		
Foreign exchange evaluated (gains)/losses	160			147		
Total	**12,114**			**7,894**		
Net change in Staff Severance Provision	(14)			(41)		
(Increase) decrease in trade receivables	934	*7,036*	*753.3%*	12,027	*872*	*7.3%*
(Increase) decrease in inventories	(35,354)			(35,555)		
Increase (decrease) in trade payables	(17,597)	*(10,882)*	*61.8%*	(41,002)	*(7,029)*	*17.1%*
(Increase) decrease in other assets	3,749	*379*	*10.1%*	3,050	*86*	*2.8%*
Increase (decrease) in other liabilities	196	*(392)*	*(200.0%)*	1,644	*(239)*	*(14.5%)*
Net change in tax assets / liabilities	(3,958)	*591*	*(14.9%)*	4,121	*150*	*3.6%*
Interest paid	(3,940)	*(61)*	*1.5%*	(1,515)	*0*	*0.0%*
Interest received	195	*20*	*10.3%*	131	*0*	*0.0%*
Foreign exchange gains	(160)			(7)		
Income tax paid	0			154		
Cash-flow from operating activities	**(42,365)**			**(52,000)**		
(Investments) in other intangible assets	(181)			(145)		
(Investments) in tangible assets	(6,338)			(1,938)		
Net disposal of tangible assets	0			0		
Outgoing for (acquisition)/divestment of subsiaries or going concerns during the year	0			(1,000)		
Cash-flow from investment activities	**(6,519)**			**(3,083)**		
Net change lease liabilities (IFRS16)	(3,282)	*(243)*	*7.4%*	(2,405)	*(178)*	*7.4%*
Net change in financial payables (excluding the new non-current loans received)	50,947	*0*	*0.0%*	(30,530)	*0*	*0.0%*
New non-current loans received	10,000	*0*	*0.0%*	0	*0*	*0.0%*
Repayment of other long - term debt	(43,409)	*0*	*0.0%*	(10,580)	*0*	*0.0%*
Net change in current financial receivables	(236)	*(236)*	*100.0%*	1,949	*1,949*	*100.0%*
Net change in non-current financial receivables	0	*0*	*0.0%*	242	*0*	*0.0%*
Dividends payment (residual 2022)	(148)			(777)		
Purchase of treasury shares	(1,607)			0		
Cash-flow from financing activities	**12,265**			**(42,101)**		
Increase (decrease) in cash-flow	**(36,619)**			**(97,184)**		
Opening cash and equivalents	191,664			249,994		
Closing cash and equivalents	**155,045**			**148,369**		

* *For comparative purposes the amounts as at 31 March 2022 have been restated to reflect the reclassification of the amount of promotional and marketing contributions from the item "Other current assets" as a reduction of the item "Current trade liabilities".*

For the reconciliation between the opening figures and the closing balances with the related changes in financial liabilities deriving from financing activities (as required by paragraph 44A of IAS 7), please refer to Attachment 1 of the following Explanatory Notes.

EXPLANATORY NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Structure and contents of the consolidated financial statements

The interim management report as at 31 March 2023 was prepared in compliance with the evaluation 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 procedure referred to in 'art. 6 of Regulation (EC) no. 1606/2002 of the European Parliament and of the Council of 19 July 2002, while for the purposes of the disclosure of this report, reference was made to article 154-ter of the legislative decree of 24 February 1998 n. 58.

In the "Valuation criteria" section, the reference international accounting standards adopted in preparing the quarterly report as at 31 March 2023 do not differ from those used in preparing the consolidated financial statements as at 31 December 2022, with the exception of the accounting standards, amendments and interpretations applicable from 1 January 2023.

For the purposes of applying IFRS 8, it should be noted that the Group operates in the sole sector of the "Distribution of food products to non-domestic foodservice"; as regards the performance in the first quarter of 2023, please refer to what is set out in the Directors' Report on management performance.

The consolidated financial statements as at 31 March 2023 present, for comparative purposes, the data for the income statement for the first quarter of 2022, while for the balance sheet the balances for the year ended 31 December 2022 and the quarter ended 31 March 2022.

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 believed to provide information better suited to represent the equity, economic and financial situation of the Group.

The functional and presentation currency is the Euro.

The statements and tables contained in this quarterly report are shown in thousands of Euro.

The interim management report is not audited.

This report was prepared using the valuation principles and criteria 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 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 share of components previously recognised in other comprehensive income to profit and loss or retained earnings, as appropriate.

Scope of consolidation

The consolidated financial statements as at 31 March 2023 include the financial statements of the parent company MARR S.p.A. and that of the companies in which it directly or indirectly holds control.
Control is obtained when the Group is exposed or has the right to variable returns, deriving from its relationship with the investee entity and, at the same time, has the ability to affect these returns by exercising its power over that entity. Specifically, the Group controls an investee if, and only if, the Group has:

- power over the investee entity (i.e. holds valid rights which give him the current ability to direct the relevant activities of the investee entity);
- the exposure or rights to variable returns deriving from the relationship with the investee entity;
- the ability to exercise one power over the investee to affect the amount of its returns.

Generally, there is an assumption that a majority of voting rights entail control. In support of this presumption and when the Group holds less than the majority of voting rights (or similar rights), the Group considers all relevant facts and circumstances to establish whether it controls the investee, including:

- contractual agreements with other holders of voting rights;
- rights deriving from contractual agreements;
- voting rights and potential voting rights of the Group.

The Group reconsiders whether or not it has control of an investee if the facts and circumstances indicate that there have been changes in one or more of the three relevant elements for the purposes of defining control.
The complete list of equity investments included in the scope of consolidation as at 31 March 2023, with an indication of the method of consolidation, is shown in Attachment 1.
The consolidated financial statements have been prepared on the basis of the financial statements as at 31 March 2023 prepared by the companies included in the scope of consolidation and adjusted, where necessary, in order to align them with the accounting standards and group classification criteria compliant with IFRS.

The scope of consolidation as at 31 March 2023 differs from that as at 31 March 2022 due to the purchase finalized on 1 April 2022, by the parent company MARR S.p.A., of all the shares in the company Frigor Carni S.r.l. and for the merger by incorporation within the parent company MARR S.p.A. of the wholly owned company Chef S.r.l. Unipersonale which took place on 30 December 2022.

No new business combinations were finalized during the first quarter of 2023.

Evaluation criteria

The valuation criteria used for the preparation of the consolidated financial statements for the quarter ended 31 March 2023 do not differ from those used for the preparation of the consolidated financial statements closed on 31 December 2022. The new amendments and interpretations applicable from 1 January 2022 set out below, it should be noted that they have not had a significant impact on the present equity, economic and financial situation of the Group.

- Changes to IAS 16 Property, Plant and Equipment
- Changes to IAS 37 Onerous Contracts – Cost of Fulfilling a Contract
- Changes to IFRS 3 Reference to the Conceptual Framework
- Changes to IFRS (cycle 2018-2020)

Changes to IAS 16 Property, Plant and Equipment - the changes concerned the issue of Proceeds before Intended Use. In particular, in May 2020, the IASB issued amendments to IAS 16, which prohibit a company from deducting from the cost of property, plant and equipment the amounts received from the sale of manufactured items while the company is preparing the asset for the intended use. Instead, a company will recognize such sales proceeds and any related costs in the income statement.

Changes to IAS 37 Onerous Contracts – Cost of Fulfilling a Contract - in May 2020, the IASB issued amendments to IAS 37 par. 68A which clarify the nature of the costs directly related to the contract, consisting both in the incremental costs of the execution of the contract and in the other costs directly connected to the execution of the contracts. The adoption of these changes has not produced significant effects.

Changes to IFRS 3 Reference to the Conceptual Framework - in May 2020, the IASB issued amendments to IFRS 3, which update a reference to the Conceptual Framework for Financial Reporting without changing its accounting requirements for business combinations. The amendments to IFRS 3 are applied prospectively.

Improvements to IFRS (cycle 2018-2020) – in May 2020, the IASB published the annual improvements to the IFRS for the 2018-2020 cycle. The amendments modified the following principles: i) IFRS 1 — First-time Adoption of International Financial Reporting Standards, the amendments simplify the first application of the IFRS by a subsidiary/associate/joint venture entity which becomes a first time adopter after its parent/participant in relation to the measurement of the translation reserve at the date of transition to IFRS; ii) IFRS 9 — Financial Instruments, the amendments clarify which fees must be included in the 10% test to assess whether the modification to the contractual terms of a financial liability are substantially different from those of the original financial liability, iii) IAS 41 — Agriculture, in relation to the exclusion of tax cash flows in the fair value measurement of a biological asset; iv) IFRS 16 — Leases, the amendments refer to illustrative example 13 of IFRS 16 in which a potential misinterpretation of lease incentives has been eliminated. This amendment having as its object an illustrative example of IFRS 16 which is not an integral part of the standard has not been approved by the European Union.

Main estimates adopted by management and discretional assessments

As part of the preparation of these condensed consolidated financial statements, the Directors of the Company have made discretionary assessments, estimates and assumptions that influence the values of revenues, costs, assets and liabilities, and the indication of potential liabilities at the balance sheet date. However, the uncertainty surrounding these assumptions and estimates could lead to outcomes that will require, in the future, a significant adjustment to the book value of these assets and/or liabilities.

Estimates and hypotheses used

The key assumptions regarding the future and other important sources of uncertainty in the estimates at the balance sheet date that could produce significant adjustments in the book values of assets and liabilities in the coming years are presented below. The results that will be achieved may differ from these estimates. The estimates and assumptions are reviewed periodically and the effects of each change are immediately reflected in the income statement.

- Goodwill impairment test: non-financial assets with an indefinite useful life are not amortised, but subjected to impairment tests annually or whenever there are indicators of loss in value. In this regard, it should be noted that the trends in the first quarter are in line with the forecasts that had been taken as a reference on 31 December 2022 for carrying out the impairment test and no indicators of impairment are identified.

- Expected credit losses (receivable write-down): the attention that the Company reserves to the management of trade receivables remains high by implementing methods calibrated to the situations and needs of each territory and market segment; the objective remains that of safeguarding the company's assets by maintaining proximity to the customer which allows timely credit management and the strengthening of the relationship with the customer.

- Economic and financial plans: the Company has revised the economic and financial and performance forecasts formalized in the 2023 Budget. Likewise, it has made forecasts reflected in the cash flows underlying the impairment test for the next three years. The trends in the first quarter of 2023 confirm the Budget forecasts.

- Other elements of the financial statements which have been the subject of estimates and assumptions by Management are the inventory write-down fund and the determination of depreciation.

These estimates, while supported by well-defined company procedures, in any case require assumptions to be made regarding mainly the future realizability of the value of inventories, as well as the residual useful life of the assets which can be influenced both by market trends and by the information available to the Management.

Financial risks management

The financial risks to which the Group is exposed in carrying out its business are as follows:
- market risk (including exchange rate risk, interest rate risk, price risk);
- credit risk;
- liquidity risk.

The Group uses derivative financial instruments for the sole purpose of hedging, on the one hand, certain non-functional currency exposures and, on the other hand, part of the floating rate financial exposure.

Market risk

(i) Exchange risk: exchange risk arises when recognized assets and liabilities are expressed in a currency other than the functional currency of the company (the Euro). The Group operates internationally and is therefore exposed to exchange rate risk especially with regard to commercial transactions denominated in US dollars. The Group method of managing this risk consists, on the one hand, of entering into forward contracts for the purchase/sale of foreign currency specifically intended to hedge individual commercial transactions, if the forward exchange rate is favorable compared to that of the transaction date.

(ii) Interest rate risk: the risks relating to changes in interest rates refer to loans. Long-term loans from banks are mostly at variable rates and expose the Group to the risk of changes in cash flows due to interest. Against this risk, the parent company has historically entered into Interest Rate Swap contracts specifically related to the partial or total hedging of certain loans. Fixed-rate loans expose the Group to the risk of changes in the fair value of the loans themselves.

As regards the use of other short-term credit lines, management's attention is aimed at safeguarding and consolidating relations with credit institutions in order to stabilize the spread applied to the Euribor as much as possible.

(iii) Price risk: the Group carries out purchases and sales worldwide and is therefore exposed to the normal risk of fluctuations in prices typical of the sector.

Credit risk

The Group has adopted a Credit Procedure and Credit Management Guidelines which define the rules and operating mechanisms which guarantee monitoring of the customer solvency and the profitability of the relationship with the same.

The Group deals only with known and reliable clients. It is Group policy that clients requesting deferred payment terms are subject to verification procedures of their class of merit. Furthermore, the balance of receivables is monitored during the year so that the amount of non-performing positions is not significant.

The customer monitoring activity is mainly divided into two phases. A preliminary one, in which personal and fiscal data is collected and the information is verified – obtained both from the Sales Force and by reading the commercial information – with the aim of assigning conditions consistent with the potential and reliability of each individual new client. The activation of the new customer is subject to the completeness and regularity of the data mentioned above and to the approval of several corporate entities according to the criteria indicated in the current policy. Each new customer is assigned a credit line on the basis of their potential and reliability, taking into account various information including the type of activity carried out, the number of years of activity, reputation with other suppliers, seasonality, expected turnover and agreed terms of payment.
Once the above phase has been successfully completed, the so-called commercial relationship monitoring phase is entered. In order to ensure risk containment and reduction of payment days, all orders received from clients are analyzed in terms of exceeding the assigned credit line and/or the presence of overdue outstanding; this control involves the inclusion of blocks on master data with different levels of severity as specified in the current policy.

The daily activity of order fulfillment control on clients with past due and/or out of credit situations is of fundamental importance in order to promptly and preventively implement all the measures necessary to bring the customer back within the company parameters, reduce the risk and regularly follow up on the continuity of the commercial relationship.

Liquidity risk

The Group manages liquidity risk with a view to maintaining an adequate level of liquidity for operational management. The Group manages the liquidity risk mainly through the constant monitoring of the centralized treasury of the collection and payment flows of all the companies. This allows in particular to monitor the flows of resources generated and absorbed by the normal operating activity.
Given the dynamic nature of the sector, in order to cope with ordinary management and the seasonality of the business, obtaining liquidity through the use of adequate credit lines is privileged.

As far as the management of the resources absorbed by investment activities is concerned, the retrieval of sources through specific long-term loans is generally preferred.

Comments on the main items of the consolidated statement of profit or loss

1. Revenues

(€thousand)	1st quarter 2023	1st quarter 2022
Net revenues from sales - Goods	415,099	318,435
Revenues from Services	19	27
Manufacturing on behalf of third parties	3	1
Rent income (typical management)	3	3
Other services	68	76
Total revenues	415,192	318,542

The first quarter of 2023 closed with revenues of 415.2 million Euro, with a significant increase compared to the 318.5 million Euro of the first quarter of 2022, recording a growth of 31.0%.
In comparison with the same period of the previous year, it should also be considered that the first quarter of 2022 began with a month of January penalized by the trend of the contagions and had recorded a progressive recovery in consumption in February and March due to the improvement of sanitary conditions.
It should be noted that total revenues for the first quarter of 2023 benefit for 2.4 million Euro from the contribution of the company Frigor Carni S.r.l., consolidated starting from the second quarter of 2022.

For a more detailed analysis of sales by business segment, reference should be made to what has already been disclosed in the Directors' Report on management performance.

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

(€thousand)	1st quarter 2023	1st quarter 2022
Italy	393,051	298,507
European Union	18,290	12,209
Extra-EU countries	3,851	7,826
Total	415,192	318,542

2. Other revenues

Other revenues and income are made up as follows:

(€thousand)	1st quarter 2023	1st quarter 2022
Other Sundry earnings and proceeds	830	170
Revenues for accrued tax credits	1,254	0
Reimbursement for damages suffered	183	288
Reimbursement of expenses incurred	106	81
Recovery of legal taxes	7	21
Capital gains on disposal of assets	51	13
Total other revenues	2,431	573

As at 31 March 2023, the item "Other Sundry earnings and proceeds" mainly consists of revenues related to the sale of consumables.

The item "Revenue for accrued tax credits" represents the contribution relating to the tax credit for electricity and gas accrued by the Group companies in relation to the first quarter of 2023. For the MARR Group, consumption mainly refers to electricity necessary for the operation of the refrigeration and cooling systems and the gas is used in a residual way only for heating the buildings.

It should be noted that the amount of contributions recognized by suppliers for promotional and marketing activities (marketing contributions, fixed and variable promotional contributions, flow centralization) are classified as a reduction of purchase of goods for resale and consumables.

3. Purchase of goods for resale and consumables

The item consists of:

(€thousand)	1st quarter 2023	1st quarter 2022
Purchase of goods	380,486	299,277
Purchase of packages and packing material	1,193	1,201
Purchase of stationery and printed paper	198	181
Purchase of promotional and sales materials and catalogues	42	71
Purchase of various materials	169	146
Discounts and rebates from suppliers	(11,600)	(8,403)
Fuel for industrial motor vehicles and cars	234	177
Total purchase of goods for resale and consumables	**370,722**	**292,650**

With regard to the trend in the cost for the purchase of goods intended for marketing, please refer to the Directors' Report and the related comment on the gross margin.

The item "Discounts and rebates from suppliers" includes 2.6 million Euro (1.7 million Euro as at 31 March 2022) for the amount of the award recognized by suppliers upon reaching certain turnover targets and purchase volumes and for 8.9 million Euro (6.7 million Euro as at 31 March 2022) the amount of contributions received from suppliers for the promotional and marketing activities carried out by the Group for them.

4. Personnel costs

Personnel costs amount to 11.5 million Euro (10.2 million as at 31 March 2022) and include all expenses for employees, including holiday accruals and additional monthly salaries as well as related social security charges, in addition to the provision for severance indemnities and other contractually envisaged costs.
The growth is related to the increase in the workforce which goes from 941 units as at 31 March 2022 to 970 units as at 31 March 2023 mainly due to the effect of the new hires carried out by the parent company MARR S.p.A. for the strengthening of some corporate functions and for the entry into the consolidation area starting from 1 April 2022 of the subsidiary Frigor Carni S.r.l. which has 36 employees. The incidence of labour costs on total revenues is 2.7% against 3.1% as at 31 March 2022.

The maintenance of a careful resource management policy remains confirmed, with particular reference to the management of hours of holidays and leave and overtime hours.

5. Amortizations, depreciation and provisions

The item consists of:

(€thousand)	1st quarter 2023	1st quarter 2022
Depreciation of tangible assets	1,850	1,798
Depreciation of right of use	2,906	2,893
Amortization of intangible assets	150	136
Adjustment to provision for supplementary clientele severance indemnity	175	207
Allocation of provision for risks and losses	150	0
Total amortization, depreciation and provisions	**5,231**	**5,034**

It should be noted, as detailed in the table above, that the item "Depreciation" includes the depreciation of the right of use (equal to 2,907 thousand of Euro) as a result of the application of IFRS 16.

6. Losses due to impairment of financial assets

The item consists of:

(€thousand)	**1st quarter 2023**	1st quarter 2022
Allocation of taxable provisions for bad debts	2,035	2,446
Allocation of non-taxable provisions for bad debts	1,336	68
Depreciation of investments in other companies	0	0
Total Losses due to impairment of financial assets	**3,371**	**2,514**

As at 31 March 2023, the item fully includes the bad debt provision for adjustment to the presumed realizable value. The increase in the provision in absolute terms is related to the increase in the amount of trade receivables resulting from the higher sales volumes.

7. Other operating costs

The details of the main items of "Other operating costs" are shown below:

(€thousand)	**1st quarter 2023**	1st quarter 2022
Operating costs for services	55,350	46,188
Operating costs for leases and rentals	140	113
Operating costs for other operating charges	456	420
Total other operating costs	**55,946**	**46,721**

The item "Operating costs for services" mainly includes the following items: costs for the sale, handling and distribution of our products for 45,792 thousand Euro (37,677 thousand Euro in the first quarter of 2022), utility costs for 4,034 thousand Euro (4,491 thousand Euro in the first quarter of 2022), costs for third-party processing of 808 thousand Euro(655 thousand Euro in the first quarter of 2022) and maintenance costs of 1,608 thousand Euro(1,342 thousand Euro in the first quarter of 2022).

Costs for the use of third-party assets amount to a total of 140 thousand Euro (113 thousand Euro in the same period of 2022) and refer to lease agreements with a term of less than one year that do not fall within the scope of application of the IFRS.

Operating costs for miscellaneous operating expenses mainly include the following items: "other indirect taxes, duties and similar charges" for179 thousand Euro (181 thousand Euro in the first quarter of 2022), "credit recovery expenses" for 57 thousand Euro (69 thousand Euro in the first quarter of 2022), and "municipal duties and taxes" for 81 thousand Euro (82 thousand Euro in the first quarter of 2022).

8. Financial income and charges

The details of the main items of "Financial income and charges" are shown below:

(€thousand)	**1st quarter 2023**	1st quarter 2022
Financial charges	3,940	1,515
Financial income	(194)	(131)
Foreign exchange (gains)/losses	237	173
Total financial (income) and charges	**3,983**	**1,557**

The item "Financial charges" includes interest expense for 573 thousand Euro deriving from the application of IFRS 16 (529 thousand Euro as at 31 March 2022). Net of this amount, which remains in line with the same period of the previous year, financial charges show a growth correlated to the increase in interest rates applied to medium and long-term mortgages. The net effect of exchange balances mainly reflects the trend of the Euro against the US Dollar, the reference currency for non-EU imports.

9. Taxes

The table below provides evidence of the charge for current, prepaid and deferred taxes.

(€thousand)	**1st quarter 2023**	1st quarter 2022
Ires/Ires charge transferred to Parent Company	682	150
Irap	366	27
Net provision for deferred taxes	(343)	(1,354)
Total taxes	**705**	**(1,177)**

10. Earnings per share

The calculation of basic and diluted earnings per share looks like this:

(Euros)	**1st quarter 2023**	1st quarter 2022
Basic Earnings Per Share	0.02	(0.04)
Diluted Earnings Per Share	0.02	(0.04)

It should be noted that the calculation is based on the following data:

Result of the period:

(€thousand)	**1st quarter 2023**	1st quarter 2022
Net result of the period	1,470	(2,901)
Minority interests	0	0
Result used to determine basic and diluted earnings per share	**1,470**	**(2,901)**

Number of shares:

(number of shares)	**1st quarter 2023**	1st quarter 2022
Weighted average number of ordinary shares used to determine basic earning per share	66,325,386	66,525,120
Adjustments for share options	0	0
Weighted average number of ordinary shares used to determine diluted earning per share	**66,325,386**	**66,525,120**

11. Other profits/losses

The value of other profits/losses contained in the consolidated comprehensive income statement refers to the effective part of the transactions carried out to hedge the risk of changes in the interest rate on medium/long-term loan agreements, for -200 thousand Euro.

These gains/losses were accounted for, in accordance with the provisions of the IFRS, in equity and highlighted (as required by IAS 1 revised, applicable from 1 January 2009) in the statement of comprehensive income.

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Rimini, 12 May 2023

For the Board of Directors

The Chairman

Andrea Foschi

Appendices

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

- Appendix 1 – Reconciliation of liabilities deriving from financing activities as at March 31, 2023 and March 31, 2022.

Appendix 1

RECONCILIATION OF LIABILITIES DERIVING FROM FINANCING ACTIVITIES AS AT MARCH 31, 2023 AND AS AT MARCH 31, 2022

			Non-financial changes				
	31/03/2023	Cash flows	Other changes/ reclassifications	Acquisition	Exchange rates variations	Fair value variation	31/12/2022
Current payables to bank	67,186	51,302	0	0	0	0	15,884
Current portion of non current debt	66,110	(42,820)	9,092	0	0	0	99,838
Current financial payables for bond private placement in Euros	267	(697)	285	0	0	1	678
Current financial payables for purchase of shares of Frigor Carni S.r.l.	1,700	0	0	0	0	0	1,700
Current financial payables for purchase of shares of Antonio Verrini S.r.l.	2,000	0	0	0	0	0	2,000
Current financial payables for IFRS 16 lease contracts	11,153	(3,282)	3,622	0	0	0	10,813
Current financial payables for dividends approved and not distributed (year 2022)	0	(148)	0	0	0	0	148
Total current financial payables	148,416	4,355	12,999	0	0	1	131,061
Current payables/(receivables) for hedging financial instruments	17	0	0	0	0	17	0
Total current financial instruments	17	0	0	0	0	17	0
Non-current payables to bank	120,112	9,411	(9,068)	0	0	0	119,769
Non-current financial payables for bond private placement in Euros	99,889	0	0	0	0	15	99,874
Non-current financial payables fot IFRS 16 lease contracts	67,134	0	(1,302)	0	0	0	68,436
Non-current financial payables for purchase of quotas or shares	500	0	0	0	0	0	500
Total non-current financial payables	287,635	9,411	(10,370)	0	0	15	288,579
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	**436,068**	**13,766**	**2,629**	**0**	**0**	**33**	**419,640**

Reconciliation of variations with Cash Flows Statement (Indirect Method)	
Cash flows (net of outgoing for acquisition of subsidiaries)	13,766
Other changes/ reclassifications, included the acquisition	2,629
Exchange rates variations	0
Fair value variation	33
Total detailed variations in the table	**16,428**
Other changes in financial liabilities	50,947
Distribution of dividends (year 2022)	(148)
Net change in financial payables (IFRS16)	(962)
New non-current loans received	10,000
Net change in derivative/financial instruments	0
Non current loans repayment	(43,409)
Total changes shown between financing activities in the Cash Flows Statement	**16,428**

	31/03/2022	Cash flows	Non-financial changes Other changes/ reclassifications	Purchases	Exchange rates variations	Fair value variation	31/12/2021
Current payables to bank	15,834	(30,153)	0	0	0	0	45,987
Current portion of non current debt	84,756	(10,580)	43,109	0	0	0	52,227
Current financial payables for bond private placement in Euros	264	(696)	284	0	0	0	676
Current financial payables for purchase of quotas or shares	2,000	(1,000)	0	0	0	0	3,000
Current financial payables for IFRS 16 lease contracts	10,385	(2,710)	3,021	0	0	0	10,074
Current financial payables for dividends approved and not distributed	421	(777)	0	0	0	0	1,198
Total current financial payables	113,660	(45,916)	46,414	0	0	0	113,162
Current payables/(receivables) for hedging financial instruments	11	0	0	0	0	11	0
Total current financial instruments	11	0	0	0	0	11	0
Non-current payables to bank	76,400	0	(43,089)	0	0	0	119,489
Non-current financial payables for bond private placement in Euros	99,846	0	0	0	0	4	99,842
Non-current financial payables for IFRS 16 lease contracts	62,001	0	(2,717)	0	0	0	64,718
Total non-current financial payables	238,247	0	(45,806)	0	0	4	284,049
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	**351,918**	**(45,916)**	**608**	**0**	**0**	**15**	**397,211**

Reconciliation of variations with Cash Flows Statement (Indirect Method)	
Cash flows (net of outgoing for acquisition of subsidiaries)	(44,916)
Cash flows for payment of the residual debt installment for the purchase of Verrini S.r.l.	(1,000)
Other changes/ reclassifications, included the acquisition	608
Exchange rates variations	0
Fair value variation	15
Total detailed variations in the table	**(45,293)**
Net change in financial payables (excluding the new non-current loans received)	(31,541)
Distribution of dividends	(777)
Net change in financial payables (IFRS16)	(2,406)
New non-current loans received	0
Net change in derivative/financial instruments	11
Non-current loans repayment	(10,580)
Total changes shown between financing activities in the Cash Flows Statement	**(45,293)**

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, 12 May 2023

Pierpaolo Rossi
Manager responsible for the drafting
of corporate accounting documents