Interim Report

as at 30 September 2021

12 November 2021

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)
Company subject to the management and coordination of Cremonini S.p.A. – Castelvetro (MO)

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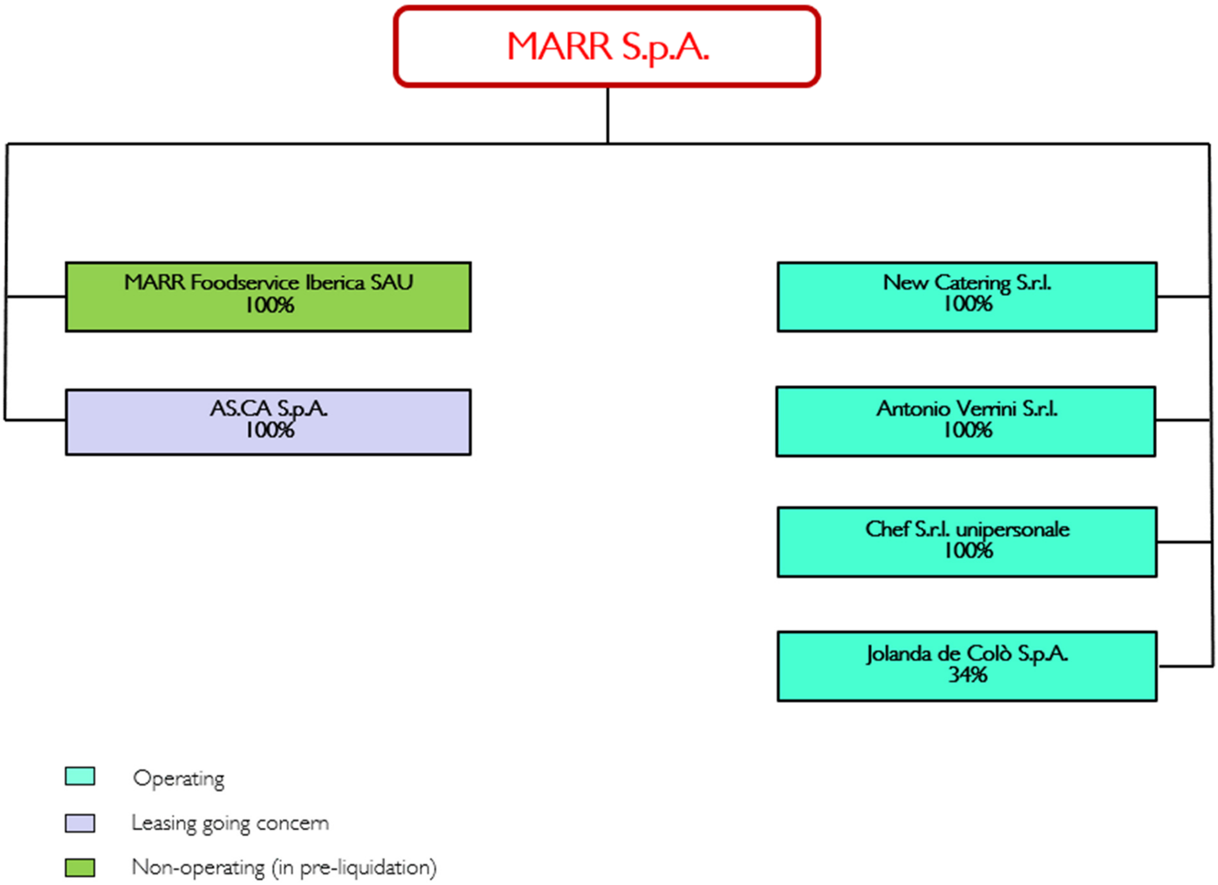
MARR GROUP ORGANISATION

as at 30 September 2021



The structure of the Group at 30 September 2021 differs from that at 30 September 2020 due to the purchase, finalized on 1st April 2021, by MARR S.p.A. of two companies of the Verrini Group operating in fresh fish, both on the foodservice market and on that of distribution to end consumers.

- The company Antonio Verrini S.r.l., specifically established, in the context of the acquisition of the Verrini business, continues to operate in Liguria and Versilia through the 5 distribution centres at its disposal and has the dual objective of further developing the contiguous territories and assisting the Branches MARR in increasing the level of service, on the product categories that characterize it, in favour of the Customers.
- The company Chef S.r.l., which operates by renting the company "Chef Seafood", continues its current activities of processing fish products for their marketing both directly and through the structure of the MARR branches operating in the neighbouring areas.

In addition to the above, it must be noted that on 27 September 2021 the merger by incorporation of the fully owned company SìFrutta S.r.l. was completed, with legal effects starting from 30 September 2021 and accounting and tax effects backdated to 1st January 2021. The merger operation carried out is aimed at obtaining a rationalization of the economic, financial and administrative management, as the activities of SìFrutta S.r.l., from 1st May 2021, were limited to the leasing of the going concerns to the parent company MARR S.p.A..

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 Pasquale Tosi n. 1300 - Santarcangelo di Romagna (RN)	Company which leases going concerns to the Parent Company MARR S.p.A., effective from 1st February 2020.
New Catering S.r.l. Via Pasquale Tosi n. 1300 - Santarcangelo di Romagna (RN)	Marketing and distribution of foodstuff products to bars and fast food outlets.
MARR Foodservice Iberica S.A.U. Calle Lagasca n. 106 1° centro - Madrid (Spagna)	Non-operating company (in pre – liquidation).
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).
Antonio Verrini S.r.l. Via Pasquale Tosi n. 1300 - Santarcangelo di Romagna (RN)	Marketing and distribution of fresh, frozen and deep-frozen fish products mainly in the Ligurian and Versilia area.
Chef S.r.l. unipersonale Via Pasquale Tosi n. 1300 - Santarcangelo di Romagna (RN)	Marketing and distribution of fresh, frozen and deep-frozen fish products mainly in the Romagna Riviera.

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

CORPORATE BODIES

Board of Directors

Office	Name and Surname	Executive	Not executive	Member of Control and Risk Committee	*Independence as provided by the Corporate Governance Code*	*Independence in accordance with art. 148 TUF*
Chairman	Ugo Ravanelli		○			○
Chief Executive Office	Francesco Ospitali	○				
Director	Claudia Cremonini		○			
Director	Paolo Ferrari		○			○
Director (independent)	Marinella Monterumisi		○	○	○	○
Director (independent)	Alessandro Nova		○		○	○
Director (independent)	Rossella Schiavini		○	○	○	○

Board of Statutory Auditors

Office	Name and Surname
Chairman	Massimo Gatto
Statutory Auditor	Andrea Foschi
Statutory Auditor	Simona Muratori
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 third quarter of 2021 and as at 30 September 2021

The interim report as at 30 September 2021, 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.

The third quarter, which in Italy has always been the most significant period in terms of domestic tourism and thus for out-of-home food consumption, was characterised by the presence of a number of tourists above expectations, thanks to a significant increase in domestic holidaymakers, which did not however fully compensate for the decrease in those from abroad, still hampered by the difficulties caused by the Covid pandemic.
In this context, MARR closed the third quarter of 2021 with total revenues for the period of 534.9 million Euros, an increase (+31%) compared to 409.0 million Euros in 2020 and 509.1 million Euros in 2019 (+5%), confirming the ability to consolidate and strengthen its market share.

Compared to the total revenues, the revenues from sales in the third quarter of 2021, which include 22.6 million Euros in sales of the Verrini Group, amounted to 527.0 million Euros, compared to 402.7 million in 2020 and 500.7 million in 2019.

The consolidated EBITDA in the third quarter of 2021 amounted to 48.2 million Euros and, despite the increase in logistical services offered to clients and the relative costs, is an improvement compared to 32,7 million in the same period in 2020 and 47.3 million in 2019.
The third quarter 2021 consolidated EBIT amounted to 39.0 million Euros (21.8 million in 2020 and 39.4 million in 2019) and includes provisions and write-downs for 4.5 million Euros (6.8 million in 2020 and 4.0 million in 2019).

The net consolidated result for the period amounted to 27.2 million Euros (27.3 million in 2019), a significant increase compared to 15.1 million in the same period of 2020.

Performance in the third quarter of 2021 was positive compared to the same period last year in all three client segments. In particular, sales to clients in the out-of-home consumption sector (Street Market and National Account segments) amounted to 456.4 million Euros (348.9 million in 2020 and 445.7 million in 2019), while those to clients in the Wholesale segment amounted to 70.6 million Euros (53.8 million in 2020) and benefitted from a positive concentration of some specific fishing campaigns.

In assessing the revenues for the quarter, some significant elements must be taken into account which show situations that are anything but homogeneous, but which are opportunities for the future if properly managed. In particular, the result of the sales in the reference channel (hotels, restaurants, tourist resorts) and thus the difference compared to the same period in 2019 (taken as reference because it was not affected by the pandemic which affected 2020) differs significantly in terms of:

- territory: growth in the seaside, lake and mountain areas, which have literally been flooded by numerous tourists, is significantly above average; the traditional art and culture centres (typically large cities and cities of art) have improved significantly, but are still lower than average, as the absence of foreign tourists has weighted significantly in negative terms;
- goods: the entire range of products has been received positively by the clientele, although there has been a significant focus on seafood products. This has enabled a dilution of the operating and logistical costs, but especially has guaranteed greater satisfaction, and a consequent increase in loyalty, of the MARR clients, and especially the end consumers, both of which are always in search of quality.

As regards the only sector of activity represented by "Distribution of food products to out-of-home food consumption", the sales can be analysed in terms of client categories as follows, which shows the reconciliation with the revenues from sales of the Group as per the consolidated financial statements:

MARR Consolidated (€thousand)	3rd quarter 2021	3rd quarter 2020*	30.09.21 (9 months)	30.09.20* (9 months)
Revenues from sales and services by customer category				
Street market	377,605	287,689	690,495	533,314
National Account	78,834	61,195	184,678	155,155
Wholesale	70,566	53,842	186,750	155,378
Total revenues form sales in Foodservice	527,005	402,726	1,061,923	843,847
(1) Discount and final year bonus to the customers	(3,750)	(3,025)	(8,793)	(9,906)
(2) Other services	105	453	233	1,270
(3) Other	35	64	104	229
Revenues from sales and services	523,395	400,218	1,053,467	835,440

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 30 September 2020 have been restated in order to maintain comparability with the 2021 classification following the redefinition of the channels on some customers.

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 the third quarter of 2021 compared with the respective periods of the previous year, compared to the same period of the previous year.

Analysis of the re-classified income statement

MARR Consolidated (€thousand)	3rd quarter 2021	%	3rd quarter 2020	%	% Change	30.09.21 (9 months)	%	30.09.20 (9 months)	%	% Change
Revenues from sales and services	523,395	97.8%	400,218	97.9%	30.8	1,053,467	97.8%	835,440	97.6%	26.1
Other earnings and proceeds	11,536	2.2%	8,743	2.1%	31.9	23,442	2.2%	20,627	2.4%	13.6
Total revenues	**534,931**	**100.0%**	**408,961**	**100.0%**	**30.8**	**1,076,909**	**100.0%**	**856,067**	**100.0%**	**25.8**
Cost of raw and secondary materials, consumables and goods sold	(410,700)	-76.8%	(291,586)	-71.3%	40.9	(869,405)	-80.8%	(638,848)	-74.7%	36.1
Change in inventories	(3,399)	-0.6%	(25,873)	-6.3%	(86.9)	27,355	2.5%	(48,212)	-5.6%	(156.7)
Services	(61,698)	-11.5%	(50,576)	-12.4%	22.0	(135,150)	-12.5%	(113,672)	-13.3%	18.9
Leases and rentals	(127)	0.0%	161	0.0%	(178.9)	(340)	0.0%	34	0.0%	(1,100.0)
Other operating costs	(320)	-0.1%	(420)	-0.1%	(23.8)	(1,209)	-0.1%	(1,151)	-0.1%	5.0
Value added	**58,687**	**11.0%**	**40,667**	**9.9%**	**44.3**	**98,160**	**9.1%**	**54,218**	**6.3%**	**81.0**
Personnel costs	(10,460)	-2.0%	(7,969)	-1.9%	31.3	(26,697)	-2.5%	(20,978)	-2.4%	27.3
Gross Operating result	**48,227**	**9.0%**	**32,698**	**8.0%**	**47.5**	**71,463**	**6.6%**	**33,240**	**3.9%**	**115.0**
Amortization and depreciation	(4,651)	-0.9%	(4,153)	-1.0%	12.0	(13,199)	-1.2%	(12,189)	-1.4%	8.3
Provisions and write-downs	(4,554)	-0.8%	(6,779)	-1.7%	(32.8)	(12,147)	-1.1%	(15,668)	-1.9%	(22.5)
Operating result	**39,022**	**7.3%**	**21,766**	**5.3%**	**79.3**	**46,117**	**4.3%**	**5,383**	**0.6%**	**756.7**
Financial income	158	0.0%	314	0.1%	(49.7)	464	0.0%	957	0.1%	(51.5)
Financial charges	(1,731)	-0.3%	(1,521)	-0.4%	13.8	(4,984)	-0.4%	(4,639)	-0.5%	7.4
Foreign exchange gains and losses	(86)	0.0%	(97)	0.0%	(11.3)	449	0.0%	(110)	0.0%	(508.2)
Value adjustments to financial assets	29	0.0%	36	0.0%	(19.4)	(125)	0.0%	(127)	0.0%	(1.6)
Result from recurrent activities	**37,392**	**7.0%**	**20,498**	**5.0%**	**82.4**	**41,921**	**3.9%**	**1,464**	**0.2%**	**2,763.5**
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	(2,880)	-0.3%	0	0.0%	(100.0)
Profit before taxes	**37,392**	**7.0%**	**20,498**	**5.0%**	**82.4**	**39,041**	**3.6%**	**1,464**	**0.2%**	**2,566.7**
Income taxes	(10,175)	-1.9%	(5,432)	-1.3%	87.3	(10,693)	-1.0%	(411)	-0.1%	2,501.7
Total net profit	**27,217**	**5.1%**	**15,066**	**3.7%**	**80.7**	**28,348**	**2.6%**	**1,053**	**0.1%**	**2,592.1**

The total consolidated revenues for the first nine months of 2021 amounted to 1,076.9 million Euros and have increased significantly compared to 856.1 million in the same period of 2020; the total revenues had been 1,302.1 million in 2019.

In terms of total revenues, the contribution of the third quarter of 2021 was of 534.9 million Euros, an increase (+31%) compared to 409.0 million in the third quarter of 2020 and 509.1 million in the third quarter of 2019. (+5%), before the pandemic.
Total revenues as at 30 September 2021 include the contribution from sales of the Verrini Group (consolidated from 1st April 2021) for 38.6 million Euros.
The performance of sales in the first nine months of 2021 compared to the pre-pandemic levels in the same period of 2019 was of -17.1% and in relation to the reference Market the performance can be compared to a variation during the same period in consumption (by quantity) in "Hotels, meals and out-of-home consumption" of -34.2% (Confcommercio Survey, October 2021).

The item "Other earning and proceeds" mainly represented by contributions from suppliers on purchases and which includes the logistical fees charged to suppliers, it is related to the trend of costs for the purchase of goods and its incidence remains constant.

In terms of operating costs, there was a general increase in all items resulting from the increase in sales achieved at 30 September 2021 compared to the same previous period. In particular, there is a decrease in the percentage incidence of the Cost of goods sold (purchase cost of goods plus change in inventories) on total revenues, which goes from 80.3% in September 2020 to 78.2% in September 2021, and also of the percentage incidence of Services on total revenues which goes from 13.3% in September 2020 to 12.5% in September 2021. The percentage incidence of the other items of operating costs, on the other hand, remains substantially in line with that of same period of the previous year.
From the comparison of the third quarter of 2021 with the third quarter of 2020, it emerges that the incidence of the cost of goods sold (purchase cost of goods plus change in inventories) on total revenues is in line and goes from 77.6% in the third quarter of 2020 to 77.4% in the third quarter of 2021. The percentage incidence of Services rendered on total revenues goes from 12.4% in the third quarter of 2020 to 11.5% in the third quarter of 2021.
The cost of employment reflects the increase in sales volume, with a resulting decrease in the use of the social safety nets and also less paid leave being taken. The slight increase in the percentage incidence is affected by the costs relating to the new companies Antonio Verrini S.r.l. and Chef S.r.l., the impact of which is reflected in the income statement from 1st April 2021.

Depreciation as at 30 September 2021, equal to 13.2 million Euros (12.2 million Euros as at 30 September 2020), shows an increase mainly due to the amortization of the "Right of use" in respect of lease agreements in headed by the company Antonio Verrini S.r.l. (purchased as of 1st April 2021).

The item provisions and write-downs amounted to 12.2 million Euros and includes a prudent allocation to the bad debt provision for 11.3 million Euros and the provision for additional customer indemnity and other risks for 0.9 million Euros. .
On the third quarter of 2020, the incidence of provisions and write-downs compared to sales revenues was 1.7% against 0.8% in the third quarter of 2021 due to the higher provisions for bad debts made on 30 September 2020.

The EBITDA at the end of the first nine months amounted to 71.5 million Euros (33.2 million in 2020), while the EBIT amounted to 46.1 million (5.4 million in the same period of 2020).
The consolidated EBITDA in the third quarter of 2021 amounted to 48.2 million Euros and, despite the increase in logistical services offered to clients and the relative costs, is an improvement compared to 32,7 million in the same period in 2020 and 47.3 million in 2019.

As at 30 September 2021, the Operating Result (EBIT) amounted to 46.1 million Euros compared to 5.4 million Euros in the same previous period.
The consolidated EBIT amounted to 39.0 million Euros (21.8 million in 2020 and 39.4 million in 2019) and includes provisions and write-downs for 4.5 million Euros (4.0 million in 2019).

The net result as at 30 September 2021 after 10.7 million Euros in taxes, amounted to 28.3 million Euros (the result before taxation was 1.5 million Euros in the same period of 2020) and is affected by non-recurrent charges amounting to 2.9 million Euros accounted in the second quarter regarding the advance extinction, for a net counter value of about 25 million Euros, finalised on 23 July but notified to the counterparties before 30 June 2021, of the USPP bond loan in US dollars subscribed in July 2013.

In particular, the net consolidated result for the period amounted to 27.2 million Euros (27.3 million in 2019), a significant increase compared to 15.1 million in the same period of 2020.

Analysis of the re-classified statement of financial position

MARR Consolidated (€thousand)	*30.09.21*	*31.12.20*	*30.09.20*
Net intangible assets	163,180	153,488	153,380
Net tangible assets	78,763	75,517	74,501
Right of use assets	64,197	51,849	43,172
Equity investments evaluated using the Net Equity method	1,828	1,828	1,923
Equity investments in other companies	175	300	300
Other fixed assets	27,216	30,264	34,022
Total fixed assets (A)	335,359	313,246	307,298
Net trade receivables from customers	403,079	298,850	388,270
Inventories	162,970	134,581	122,403
Suppliers	(434,015)	(234,579)	(280,576)
Trade net working capital (B)	132,034	198,852	230,097
Other current assets	56,604	45,885	54,296
Other current liabilities	(27,960)	(13,712)	(18,008)
Total current assets/liabilities (C)	28,644	32,173	36,288
Non-current assets held for sale (D)	0	2,400	0
Net working capital (E) = (B+C+D)	160,678	233,425	266,385
Other non current liabilities (F)	(2,165)	(1,868)	(1,539)
Staff Severance Provision (G)	(8,463)	(7,275)	(7,390)
Provisions for risks and charges (H)	(7,978)	(7,100)	(6,624)
Net invested capital (I) = (A+E+F+G+H)	477,431	530,428	558,130
Shareholders' equity attributable to the Group	(343,180)	(338,112)	(341,631)
Consolidated shareholders' equity (J)	(343,180)	(338,112)	(341,631)
(Net short-term financial debt)/Cash	132,648	90,443	92,672
(Net medium/long-term financial debt)	(200,949)	(229,297)	(264,988)
Net financial debt - before IFRS16 (K)	(68,301)	(138,854)	(172,316)
Current lease liabilities (IFRS16)	(9,266)	(8,528)	(8,393)
Non-current lease liabilities (IFRS16)	(56,684)	(44,934)	(35,790)
IFRS16 effect on Net financial debt (L)	(65,950)	(53,462)	(44,183)
Net financial debt (M) = (K+L)	(134,251)	(192,316)	(216,499)
Net equity and net financial debt (N) = (J+M)	(477,431)	(530,428)	(558,130)

Analysis of the Net Financial Position

The following represents the trend in Net Financial Position: [1]

	MARR Consolidated (€thousand)	*30.09.21*	*30.06.21*	*31.12.20*	*30.09.20*
A.	Cash	7,576	4,517	3,633	5,612
	Bank accounts	297,473	291,920	247,842	229,782
	Postal accounts	20	18	16	12
B.	Cash equivalent	297,493	291,938	247,858	229,794
C.	Liquidity (A) + (B)	305,069	296,455	251,491	235,406
	Current financial receivable due to Parent Company	3,924	4,567	5,794	4,364
	Current financial receivable due to Related Companies	0	0	0	0
	Others financial receivable	2,589	1,754	626	546
D.	Current financial receivable	6,513	6,321	6,420	4,910
E.	Receivables for derivative/financial instruments	0	2,730	0	0
F.	Current Bank debt	(25,716)	(60,874)	(66,684)	(60,609)
G.	Current portion of non current debt	(127,425)	(154,449)	(100,125)	(89,824)
	Financial debt due to Parent company	0	0	0	0
	Financial debt due to Related Companies	0	0	0	0
	Other financial debt	(25,793)	(32,355)	(659)	(387)
H.	Other current financial debt	(25,793)	(32,355)	(659)	(387)
I.	Current lease liabilities (IFRS16)	(9,266)	(9,957)	(8,528)	(8,393)
J.	Current financial debt (F) + (G) + (H) + (I)	(188,200)	(257,635)	(175,996)	(159,213)
K.	Net current financial indebtedness (C) + (D) + (E) + (J)	123,382	47,871	81,915	81,103
L.	Non current bank loans	(99,113)	(181,049)	(204,254)	(236,897)
M.	Non-current derivative/financial instruments	0	0	1,818	3,176
N.	Other non current loans	(101,836)	(2,000)	(26,861)	(28,091)
O.	Non-current lease liabilities (IFRS16)	(56,684)	(51,286)	(44,934)	(35,790)
P.	Non current financial indebtedness (L) + (M) + (N) + (O)	(257,633)	(234,335)	(274,231)	(297,602)
Q.	Net financial indebtedness (K) + (P)	(134,251)	(186,464)	(192,316)	(216,499)

Historically, the financial debt of the MARR Group reaches its highest level in the first half of the year and then falls at the end of the year, being influenced by the seasonality of the business which records a high requirement of working capital during the summer.

Compared to 30 June 2021, total net financial debt recorded a decrease of 52.2 million Euros thanks to the cash flow generated by ordinary operations, net of disbursements for investments made in the period, and which confirms liquidity at 30 September 2021 equal to 305 million Euros, a slight increase compared to 30 June 2021.

As regards the changes in the structure of the financial debt components, it should be noted that during the third quarter the Parent Company MARR S.p.A. has carried out the following operations:

[1] 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.

- on 23 July 2021 the early repayment of the USPP bond loan subscribed in July 2013 for the amount of 25.3 million Euros in addition to the amount of 2.9 million Euros relating to the make whole clause for the early termination;
- on 29 July 2021 the issue of an unsecured bond loan (Senior Unsecured Notes) for 100 million Euros with a duration of 10 years was finalized;
- on 31 July 2021 the loan signed on 30 October 2019 with Caixa Bank S.A. was early repaid. for the amount of 23.8 million Euros;
- on 22 September 2021, a medium-term loan with Riviera Banca of 10 million Euros was signed with an amortization plan of 36 months, 12 of which for pre-amortization;
- on 30 September 2021 the syndicated loan with BNL and Cassa Depositi e Prestiti signed on 30 December 2020 for the amount of 80 million Euros was terminated early.

The “Financial payables for IFRS16 leases” increased as a result of the consolidation of the subsidiary companies Antonio Verrini S.r.l. and Chef S.r.l., control of which was finalised on 1st April 2021. The consolidation of the company Antonio Verrini S.r.l. resulted in the entry of n. 52 leases: n. 7 relating to industrial buildings and n. 45 contracts relating to other assets, while the consolidation of Chef S.r.l. resulted in the entry of n. 3 leases: n. 1 relating to an industrial building and n. 2 contracts relating to other assets.

With regard to the other main financial movements that took place in the first nine months of 2021, in addition to the ordinary operational management and the disbursements relating to the investments made at the branches of the Parent Company, as better specified in the following paragraph "Investments", payment by of the Parent Company in April for 4.7 million Euros for the purchase of all the shares of Antonio Verrini S.r.l. and 0.2 million Euros for the purchase of all the shares of Chef S.r.l should be outlined.

Finally, it should be noted that the amount of 23.3 million Euros relating to the payable to Shareholders for dividends resolved in the Shareholders' Meeting of 6 September 2021 with payment scheduled for 20 October 2021 was recorded under the item "Other financial payables".

The net financial position at 30 September 2021 remains in line with the Company's objectives.

Analysis of the Trade net working Capital

MARR Consolidated (€thousand)	*30.09.21*	*30.06.21*	*31.12.20*	*30.09.20*
Net trade receivables from customers	403,079	364,244	298,850	388,270
Inventories	162,970	166,369	134,581	122,403
Payables to suppliers	(434,015)	(341,698)	(234,579)	(280,576)
Trade net working capital	132,034	188,915	198,852	230,097

The trade net working capital as at 30 September 2021 was 132.0 million Euros, an improvement compared to 230.1 million as at 30 September 2020 and also a decrease compared to 188.9 million as at 30 June 2021.

The effect of purchase policies and in particular those relating to the purchase of frozen fish products from non-EU countries (*fishing campaigns*) mean that the value of inventories of goods as at 30 September 2021 is substantially in line with the figure as at 30 June 2021, while it is an increase compared to the value as at 30 September 2020. This effect can also be read in the values of trade payables which as of September 30th increased both compared to 30 June 2021 and 30 September 2020.

The Group's focus on the management of trade receivables is confirmed, implementing methods calibrated to the situation and requirements of each territory and market segment; the objective remains that of safeguarding the company assets, maintaining closeness to customers, enabling the timely management of receivables, and enhancing customer relations.

Re-classified cash-flow statement

MARR Consolidated (€thousand)	*30.09.21*	*30.09.20*
Net result before minority interests	28,348	1,053
Amortization and depreciation	13,203	12,193
Change in Staff Severance Provision	1,188	(908)
Operating cash-flow	42,739	12,338
(Increase) decrease in receivables from customers	(104,229)	(19,628)
(Increase) decrease in inventories	(28,389)	47,992
Increase (decrease) in payables to suppliers	199,436	(43,959)
(Increase) decrease in other items of the working capital	12,561	(3,465)
Change in working capital	79,379	(19,060)
Net (investments) in intangible assets	(10,030)	(1,386)
Net (investments) in tangible assets	(6,156)	(8,691)
Flows relating to acquisitions of subsidiaries and going concerns	(4,684)	0
Investments in other fixed assets and other change in non current items	(20,870)	(10,077)
Free - cash flow before dividends	101,248	(16,799)
Distribution of dividends	0	0
Other changes, including those of minority interests	0	780
Cash-flow from (for) change in shareholders' equity	0	780
FREE - CASH FLOW	101,248	(16,019)
Opening net financial debt	(192,316)	(196,015)
Effect for change in liability for IFRS16	(19,899)	(4,465)
Cash-flow for the period	101,248	(16,019)
Dividends approved and not distributed	(23,284)	0
Closing net financial debt	(134,251)	(216,499)

Investments

The following is a summary of the investments made in the first nine months and in the third quarter of 2021.

(€thousand)	*3rd quarter 2021*	*30.09.21*
Intangible assets		
Patents and intellectual property rights	93	332
Concessions, licenses, trademarks and similar rights	0	1
Fixed assets under development and advances	44	171
Goodwill	0	9,526
Total intangible assets	137	10,030
Tangible assets		
Land and buildings	1,752	919
Plant and machinery	420	2,302
Industrial and business equipment	51	347
Other assets	234	1,096
Fixed assets under development and advances	619	1,496
Total tangible assets	3,076	6,160
Total	3,213	16,190

With regard to investments in the third quarter, we note the increase in the item "Land and buildings" mainly due to the purchase of land located in Bottanuco for the amount of 1.6 million Euros and intended for the construction of a new operating unit. The increase in the items "Plant and machinery", "Other assets", "Assets under construction and advances" regards investments in some branches of the Parent Company.

The main increase and decrease of the tangible and intangible fixed assets in the half-year concerned:

- the completion of the headquarters located in the Municipality of Santarcangelo di Romagna (operational since February 2021), in relation to which the increases in the half-year mainly concern the item "Land and buildings" for 1,025 thousand Euros and the item " Plant and Machinery" for 150 thousand Euros.
- the purchase of plant and machinery and industrial and commercial equipment for the new MARR Catania branch (about 700 thousand Euros), operational since mid-March.
- the purchase on 1st April 2021 of the shares in the company Antonio Verrini S.r.l. and those from the company Chef S.r.l.. The acquisition of the company Antonio Verrini S.r.l. entailed the provisional recognition of goodwill equal to 9.3 million Euros and tangible fixed assets for a total net book value of 249 thousand Euros, mainly concentrated in the "Plant and machinery" categories (for 121 thousand of Euros) and "Other assets" (for 121 thousand of Euros).
- the acquisition of Chef S.r.l. entailed the provisional recognition of goodwill equal to 212 thousand Euros and tangible fixed assets for a net book value of 10 thousand Euros, mainly concentrated in the "Other assets" categories and intangible fixed assets for 12 thousand Euros (in the category "Rights to use intellectual property").
- in May 2021, the sale of the property located in Santarcangelo di Romagna in Via dell'Acero 1/A, where the headquarters was previously located, was finalized, substantially equal to the book values. The transaction resulted in a decrease in assets intended for sale equal to 2,400 thousand Euros.

It should be noted that the indicated investment values do not take into account the capitalized amounts as a right of use in the application of IFRS16.

Others information

The Company does not own at 30 September 2021, and has never owned, shares or quotas of parent companies, even through a third party and/or company, therefore during 2021 it did not carry out any purchase or sale transactions on the aforementioned shares and/or shares.

As at 30 September 2021, the Company does not hold treasury shares in portfolio.

During the first nine months of the year, the Group did not carry out atypical or unusual transactions

Significant events in the third quarter of 2021

– On 23 July 2021, the USPP bond loan signed in July 2013, for the residual amount of 33 million dollars, was repaid early;

– On 29 July 2021, the issue of an unsecured bond loan (Senior Unsecured Notes) for 100 million Euros and with a duration of 10 years, intended for a US institutional investor (Pricoa Private Capital, a company of the The Prudential Insurance Company of America).

– On 6 September 2021, the Shareholders' Meeting approved the distribution of a gross dividend of 0.35 Euros with "ex-dividend" (No. 16) on 18 October, record date on 19 October and payment on 20 October.

– The merger by incorporation into MARR S.p.A. was completed on 27 September 2021, by deed of the Notary Stefania di Mauro of Rimini. of the wholly owned company Sìfrutta S.r.l., approved by the Board of Directors on 21 July 2021. The legal effects of the transaction started from 30 September 2021, while the accounting and tax effects are backdated to 1st January 2021.

– On 30 September 2021, the pool loan with BNL and Cassa Depositi e Prestiti was terminated early, backed by a SACE guarantee signed on 30 December 2020 and disbursed on 7 January 2021 for the amount of 80 million Euros, with duration of 45 months, 12 of which for pre-amortization. The early repayment involved a disbursement of a total of 80.134 million Euros, of which 80 million Euros relating to the principal amount and 134 thousand Euros relating to interest accrued in the pre-amortization period, without payment of penalties.

Reference should be made to the Half-Year Financial Report for the significant events that occurred during the first half of the year.

Events occurred after the closing of the quarter

On 6 October 2021, the 2020 Sustainability Report was made available in the Sustainability section of the Company's website through the link https://www.marr.it/en/sostenibilita/bilancio-di-sostenibilita. The Sustainability Report integrates the Non-Financial Declaration (NFD) prepared with the 2020 Annual Report. The document outlines the objectives for the ethical and sustainable development of the Company in the coming years, which aims to illustrate, to all its stakeholders, the path undertaken by MARR for an innovative growth that will continue to characterize its choices for the future.

Outlook

After a positive third quarter 2021, characterized by a favourable summer season supported by domestic tourist flows, it is expected that in the last quarter, with consumption returning to concentrate in the cities, the trend of activities will be positioned at levels comparable to those of the pre-pandemic historical series and, in this sense, the trend in October was in line with these expectations.

Going concern

With reference to the strategies implemented by the Group to tackle the pandemic, please refer to what is indicated in the Half-Year Financial Report at 30 June 2021 and the 2020 Annual Report.
However, it should be noted that in this context the Company considers the assumption of the going concern as appropriate and correct, taking into account its ability to meet its obligations in the foreseeable future and in particular in the next 12 months, on the basis of the solidity of the financial structure of the Group, with reference to which the following is highlighted in particular:

- the confirmation of a substantial stock of available liquidity (more than 300 million Euros at 30 September 2021);

- compliance with the financial covenants as at 30 June 2021 and, on the basis of this and the results as at 30 September 2021, a forecast of their confirmation also for 31 December 2021;
- credit lines granted and not used as at 30 September 2021 for an amount of no less than 200 million Euros;
- the subscription on 29 July 2021 of an unsecured bond loan (Senior Unsecured Notes) for 100 million Euros, intended for a US institutional investor (Pricoa Private Capital, a company of The Prudential Insurance Company of America) with a duration of 10 years.

Interim Condensed
Consolidated Financial Statements

MARR Group

Interim Report
as at 30 September 2021

STATEMENT OF CONSOLIDATED FINANCIAL POSITION

(€thousand)	30.09.21		31.12.20		30.09.20	
ASSETS						
Non-current assets						
Tangible assets	78,763		75,517		74,501	
Right of use	64,197		51,849		43,172	
Goodwill	160,594		151,068		151,068	
Other intangible assets	2,586		2,420		2,312	
Investments at equity value	1,828		1,828		1,923	
Investments in other companies	175		300		300	
Non-current financial receivables	1,129		1,070		491	
Non-current derivative/financial instruments	0		1,818		3,176	
Deferred tax assets	1,546		0		232	
Other non-current assets	33,261		44,894		51,907	
Total non-current assets	344,079		330,764		329,082	
Current assets						
Inventories	162,970		134,581		122,403	
Financial receivables	6,513		6,420		4,910	
relating to related parties	*3,924*	*60.2%*	*5,794*	*90.2%*	*4,364*	*88.9%*
Current derivative/financial instruments	0		0		0	
Trade receivables	394,359		283,150		369,662	
relating to related parties	*8,999*	*2.3%*	*6,042*	*2.1%*	*9,984*	*2.7%*
Tax assets	7,766		6,277		7,146	
relating to related parties	*12*	*0.2%*	*12*	*0.2%*	*12*	*0.2%*
Cash and cash equivalents	305,069		251,491		235,406	
Other current assets	48,838		39,608		47,150	
relating to related parties	*629*	*1.3%*	*484*	*1.2%*	*451*	*1.0%*
Total current assets	925,515		721,527		786,677	
Non-recurring assets held for sale	0		2,400		0	
TOTAL ASSETS	*1,269,594*		*1,054,691*		*1,115,759*	
LIABILITIES						
Shareholders' Equity	343,180		338,112		341,631	
Share capital	*33,263*		*33,263*		*33,263*	
Reserves	*263,229*		*286,510*		*286,563*	
Profit for the period	*46,688*		*18,339*		*21,805*	
Total Shareholders' Equity	343,180		338,112		341,631	
Non-current liabilities						
Non-current financial payables	200,949		231,066		264,934	
Non-current lease liabilities (IFRS16)	56,684		44,934		35,790	
relating to related parties	*5,372*	*9.5%*	*3,537*	*7.9%*	*0*	*0.0%*
Non-current derivative/financial instruments	0		49		54	
Employee benefits	8,463		7,275		7,390	
Provisions for risks and costs	7,978		7,099		6,624	
Deferred tax liabilities	0		1		0	
Other non-current liabilities	2,165		1,868		1,539	
Total non-current liabilities	276,239		292,292		316,331	
Current liabilities						
Current financial payables	178,889		167,462		150,817	
relating to related parties	*11,741*	*6.6%*	*0*	*0.0%*	*0*	*0.0%*
Current lease liabilities (IFRS16)	9,266		8,528		8,393	
relating to related parties	*750*	*8.1%*	*556*	*6.5%*	*665*	*7.9%*
Current derivative/financial instruments	45		6		3	
Current tax liabilities	13,697		1,792		3,375	
relating to related parties	*9,638*	*70.4%*	*770*	*43.0%*	*1,810*	*53.6%*
Current trade liabilities	434,015		234,579		280,576	
relating to related parties	*51,874*	*12.0%*	*9,512*	*4.1%*	*30,585*	*10.9%*
Other current liabilities	14,263		11,920		14,633	
relating to related parties	*480*	*3.4%*	*258*	*2.2%*	*364*	*2.5%*
Total current liabilities	650,175		424,287		457,797	
TOTAL LIABILITIES	*1,269,594*		*1,054,691*		*1,115,759*	

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

(€thousand)	Note	*3rd quarter 2021*		*3rd quarter 2020*		*30 September 2021*		*30 September 2020*	
Revenues	1	523,395		400,218		1,053,467		835,440	
relating to related parties		*12,637*	*2.4%*	*11,437*	*2.9%*	*24,598*	*2.3%*	*29,579*	*3.5%*
Other revenues	2	11,536		8,743		23,442		20,627	
relating to related parties		*409*	*3.5%*	*417*	*4.8%*	*772*	*3.3%*	*683*	*3.3%*
Changes in inventories		(3,399)		(25,873)		27,355		(48,212)	
Purchase of goods for resale and consumables	3	(410,700)		(291,586)		(869,405)		(638,848)	
relating to related parties		*(46,991)*	*11.4%*	*(37,285)*	*12.8%*	*(90,678)*	*10.4%*	*(66,729)*	*10.4%*
Personnel costs	4	(10,461)		(7,969)		(26,697)		(20,978)	
Amortizations, depreciations and provisions	5	(4,961)		(4,256)		(14,061)		(12,723)	
Losses due to impairment of financial assets	6	(4,243)		(6,676)		(11,409)		(15,134)	
Other operating costs	7	(62,145)		(50,835)		(136,700)		(114,789)	
of which profits and losses deriving from the accounting elimination of financial assets valued at amortized cost		*(112)*		*(7)*		*(174)*		*(54)*	
relating to related parties		*(751)*	*1.2%*	*(713)*	*1.4%*	*(2,266)*	*1.7%*	*(2,230)*	*1.9%*
Financial income and charges	8	(1,659)		(1,304)		(6,951)		(3,792)	
of which profits and losses deriving from the accounting elimination of financial assets valued at amortized cost		*(196)*		*(102)*		*(473)*		*(441)*	
relating to related parties		*(50)*	*3.0%*	*2*	*(0.2%)*	*(114)*	*1.6%*	*6*	*(0.2%)*
Income (charge) from associated companies		29		36		0		(127)	
Result before taxes		***37,392***		***20,498***		***39,041***		***1,464***	
Taxes	9	(10,175)		(5,432)		(10,693)		(411)	
Result for the period		***27,217***		***15,066***		***28,348***		***1,053***	
Attributable to:									
Shareholders of the Parent Company		27,217		15,066		28,348		1,053	
Minority interests		0		0		0		0	
		27,217		***15,066***		***28,348***		***1,053***	
basic Earnings per Share (euro)	10	0.41		0.23		0.43		0.02	
diluted Earnings per Share (euro)	10	0.41		0.23		0.43		0.02	

CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

(€thousand)	Note	*3rd quarter 2021*	*3rd quarter 2020*	*30 September 2021*	*30 September 2020*
Result for the period (A)		*27,217*	*15,066*	*28,348*	*1,053*
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		(43)	(276)	8	770
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	0	14
Total Other Profits/Losses, net of taxes (B)	*11*	*(43)*	*(276)*	*8*	*784*
Comprehensive Result (A) + (B)		*27,174*	*14,790*	*28,356*	*1,837*
Attributable to:					
Shareholders of the Parent Company		27,174	14,790	28,356	1,837
Minority interests		0	0	0	0
		27,174	*14,790*	*28,356*	*1,837*

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 2020	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 income (1/1 -30/09/2020)														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
Other minor variations										(1)		(2)		(2)
- Profit for the period													(3.466)	*(3.466)*
- Other Profits/Losses, net of taxes									(48)		(3)	(51)		*(51)*
Consolidated comprehensive income (1/10-31/12/2020)														(3.517)
Balance at 31 December 2020	33.263	63.348	6.652	13	36.496	170.460	1.475	7.290	134	1.453	(811)	286.510	18.339	338.112
Distribution of MARR S.p.A. dividends						(23.283)						(23.283)		(23.283)
Other minor variations										(8)		(6)	1	(5)
- Profit for the period													28.348	*28.348*
- Other Profits/Losses, net of taxes									8			8		*8*
Consolidated comprehensive result (1/1 -30/09/2021)														28.356
Balance at 30 September 2021	33.263	63.348	6.652	13	36.496	147.177	1.475	7.290	142	1.445	(811)	263.229	46.688	343.180

CONSOLIDATED CASH FLOWS STATEMENT (INDIRECT METHOD)

Consolidated (€thousand)	*30.09.21*		*30.09.20*	
Result for the Period	28,348		1,053	
Adjustment:				
Amortization/Depreciation	5,652		5,463	
IFRS 16 depreciation	7,551		6,730	
Change in deferred tax	(1,967)		(2,081)	
Allocation of provison for bad debts	11,284		15,134	
Provision for risk and loss fund	590		0	
Provison for supplementary clientele severance indemnity	272		534	
Write-downs of investments non consolidater on a line - by - line basis	125		127	
Capital profit/losses on disposal of assets	164		(111)	
relating to related parties	*0*	*0.0%*	*0*	*0.0%*
Financial (income) charges net of foreign exchange gains and losses	7,400		3,682	
relating to related parties	*114*	*1.5%*	*(6)*	*(0.2%)*
Foreign exchange evaluated (gains)/losses	(82)		138	
Total	**30,989**		**29,616**	
Net change in Staff Severance Provision	(374)		(931)	
(Increase) decrease in trade receivables	(121,503)		(16,294)	
relating to related parties	*(2,957)*	*2.4%*	*923*	*(5.7%)*
(Increase) decrease in inventories	(27,355)		48,180	
Increase (decrease) in trade payables	196,913		(54,008)	
relating to related parties	*42,362*	*21.5%*	*20,718*	*(38.4%)*
(Increase) decrease in other assets	2,923		(1,381)	
relating to related parties	*(145)*	*(5.0%)*	*(17)*	*1.2%*
Increase (decrease) in other liabilities	1,710		(7,398)	
relating to related parties	*222*	*13.0%*	*(234)*	*3.2%*
Net change in tax assets / liabilities	12,300		(2,690)	
relating to related parties	*9,916*	*80.6%*	*2,161*	*(80.3%)*
Interest paid	(7,864)		(4,639)	
relating to related parties	*(129)*	*1.6%*	*(15)*	*0.3%*
Interest received	464		957	
relating to related parties	*15*	*3.2%*	*21*	*2.2%*
Foreign exchange evaluated gains	82		(138)	
Income tax paid	(1,464)		(2,494)	
relating to related parties	*(1,048)*	*71.6%*	*(2,106)*	*84.4%*
Cash-flow form operating activities	**115,169**		**(10,167)**	
(Investments) in other intangible assets	(161)		(239)	
Devaluation of goodwill	0		0	
(Investments) in tangible assets	(8,348)		(8,181)	
Net disposal of tangible assets	2,283		340	
Outgoing for acquisition of subsiaries or going concerns during the year (net of liquidity purchased)	(4,640)		(615)	
Cash-flow from investment activities	**(10,866)**		**(8,695)**	
Other changes, including those of third parties	4		782	
Net change in liabilities (IFRS 16)	(1,783)		(6,707)	
relating to related parties	*2,028*	*(113.7%)*	*(494)*	*7.4%*
Net change in financial receivables / payables for derivatives	1,808		0	
Net change in financial payables (excluding the new non -current loans received)	(47,218)		17,678	
relating to related parties	*0*	*0.0%*	*0*	*0.0%*
New non-current loans received	190,000		122,500	
relating to related parties	*0*	*0.0%*	*0*	*0.0%*
Repayment of other long-term debt	(193,384)		(71,460)	
relating to related parties	*0*	*0.0%*	*0*	*0.0%*
Net change in current financial receivables	(93)		(1,260)	
relating to related parties	*1,870*	*(2010.8%)*	*(2,521)*	*200.1%*
Net change in non-current financial receivables	(59)		242	
relating to related parties	*0*	*0.0%*	*0*	*0.0%*
Cash-flow from financing activities	**(50,725)**		**61,775**	
Increase (decrease) in cash-flow	**53,578**		**42,913**	
Opening cash and equivalents	251,491		192,493	
Closing cash and equivalents	**305,069**		**235,406**	

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 "Company" or the "Parent Company") and its subsidiaries (the "MARR Group" or the "Group") operate entirely in the marketing and distribution of food products to the Foodservice.

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 hold the 50.42% of the share capital.

The consolidated financial statements for the business year closing as at 30 September 2021 were authorised for publication by the Board of Directors on 12 November 2021.

Structure and contents of the interim condensed consolidated financial statements

The interim condensed consolidated financial statements at 30 September 2021 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, 2020.

In particular, the same accounting principles adopted in the preparation of the consolidated financial statements at 31 December 2020 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 1st January 2021, described below.

The interim condensed consolidated financial statements at 30 September 2021 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 27 July 2006, by CONSOB Communication no. 6064293 of 28 July 2006 and the recommendations of ESMA 2013/319.

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 2021, see what described in the Directors' Report.

The interim condensed consolidated financial statements as at 30 September 2021 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 2021; 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 2020).

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 carried out using the line-by-line method which consists in incorporating all the assets and liabilities items in their entirety. The main consolidation criteria adopted for the application of this method are set out below.
- Subsidiaries are consolidated from the date on which control was effectively transferred to the Group, and cease to be consolidated on the date on which control is transferred outside the Group.
- The assets and liabilities, charges and income of companies consolidated with the global integration method are fully included in the consolidated financial statements; the book value of the equity investments is eliminated against the corresponding fraction of the shareholders' equity of the investee companies by attributing to the individual elements of the assets and liabilities their current value at the date of acquisition of control (purchase method as defined by IFRS 3 " Business combination "). Any residual difference, if positive, is recorded under the asset item "Goodwill"; if negative, to the income statement.

- The reciprocal debt and credit relationships, costs and revenues, between consolidated companies and the effects of all significant transactions between them are eliminated.
- The shares of shareholders 'equity and the results for the period of minority shareholders are shown separately in the consolidated shareholders' equity and income statement: this interest is determined on the basis of the percentage held by them in the fair value of the assets and liabilities recognized at the date of original acquisition and in changes in shareholders' equity after that date.
- Subsequently, the profits and losses are attributed to the minority shareholders on the basis of the percentage held by them and the losses are attributed to the minorities even if this implies that the minority shares have a negative balance.
- Changes in the controlling interest in a subsidiary that do not result in the loss of control are accounted for as capital transactions.
- If the parent company loses control of a subsidiary, it:
    - eliminates the assets (including any goodwill) and liabilities of the subsidiary,
    - eliminates the book values of any minority interests in the former subsidiary,
    - eliminates the accumulated exchange differences recognized in equity,
    - recognizes the fair value of the consideration received,
    - recognizes the fair value of any interest held in the former subsidiary, recognizes any profit or loss in the income statement,
    - reclassifies the portion attributable to the parent company of the components previously recognized in the comprehensive income statement in the income statement or in retained earnings, as appropriate.

Scope of consolidation

The interim condensed consolidated financial statements as at 30 September 2021 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 2021, 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 September 2021 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 2021, the scope of consolidation differs from that at 30 September 2020 due to the following transactions concluded by the Parent Company MARR:

- the purchase, finalized on 1st April 2021, by MARR S.p.A., of 100% of the shares of two companies: Antonio Verrini S.r.l. and Chef S.r.l.;
- on 27 September 2021 by MARR S.p.A was completed the merger by incorporation of the fully owned company SìFrutta S.r.l., with legal effects starting from 30 September 2021 and accounting and tax effects backdated to 1st January 2021.

Accounting policies

The criteria for assessment used for the purpose of predisposing the consolidated accounts up for the period ended 30 September 2021 do not differ from those used for the drafting of the consolidated financial statements as at 31 December 2020, excepted for new Accounting Standards, interpretations and changes to the Accounting Standards effective from 1st January 2021 which, it should be pointed out, have had no significant impact on the current equity, economic and financial situation of the Group.

- Amendments to IFRS 4 Insurance Contracts – deferral of IFRS 9
- Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 Interest Rate Benchmark Reform – Phase 2
- Amendments to IFRS 3 Business Combinations; IAS 16 Property, Plant and Equipment; IAS 37 Provisions, Contingent Liabilities and Contingent Assets; and Annual Improvements 2018-2020

Accounting standards issued but not yet in force

The other standards and interpretations which, at the date of preparation of these financial statements, had already been issued but were not yet in force are listed below:

- IFRS 17 Insurance Contracts (issued on 18 May 2017); including Amendments to IFRS 17
- Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current and Classification of Liabilities as Current or Non-current - Deferral of Effective Date
- Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of Accounting policies
- Amendments to IAS 8 Accounting policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates
- Amendments to IFRS 16 Leases: Covid-19-Related Rent Concessions beyond 30 June 2021
- Amendments to IAS 12 Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction

The Group does not expect significant impacts on the equity, economic and financial situation resulting from the application of the aforementioned principles.

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.

- Goodwill impairment test: non-financial assets with an indefinite useful life are not amortized, but are subjected to impairment tests annually or whenever there are indications of impairment. In this regard, it should be noted that, after a start to the year that was affected, in the first quarter of 2021, by the market situation, the first timid

signs of a recovery in consumption were detected as early as April. In the second quarter there was a strong growth in revenues (353.3 million Euros compared to 185.3 million Euros the previous year), with growth rates well above those of the entire market. The third quarter of 2021 recorded total revenues for the period of approximately 534.9 million Euros, up on the previous year (+30%) and also on the same quarter of 2019 (+4%), confirming the Company's ability to consolidate and strengthen its market share.
In light of the scenario outlined, the management therefore believes that the Group's ability to respond positively to the market situation is confirmed and there are no indicators of impairment of value for these activities.

- Expected credit losses (credit write-downs): the Company pays great attention to the management of trade receivables by implementing procedures tailored to the situations and needs of each territory and market segment; the goal remains to safeguard the company assets by maintaining proximity to the customer that allows for timely credit management and strengthening the relationship with the customer. In light of this, the Management made a prudential estimate of the expected credit losses, which resulted in an increase in the provision for bad debts compared to the same period of the previous year.

- Economic and financial plans: following the Covid-19 event, the Group had revised the economic and financial forecasts and future performance. The trend in the first half and third quarter 2021 more than confirms the forecasts of the economic and financial plans, presented to the Board of Directors on 19 February 2021, at the time of approval of the impairment test procedure.

- Other elements of the financial statements that have been the subject of estimates and assumptions by the Management are the inventory write-down provision and the determination of depreciation. These estimates, although supported by well-defined company procedures, nevertheless require assumptions to be made concerning mainly the future realizable value of the inventories, as well as the residual useful life of the assets that can be influenced both by market trends and by the information available to the Management.

Management of financial risks

The Covid-19 health emergency and the consequent tax containment provisions had significantly impacted the dynamics of the sector in which the Group operates, resulting in economic and financial tensions that affected all operators and which had an inevitable impact on financial risks. to which the Group is exposed in carrying out its activities:

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

The management had immediately implemented a series of interventions aimed at managing both the commercial net working capital, with particular reference to continuous attention to the management of credit and inventories and to financial management, with a strengthening of liquidity and a comparison with the lending banks.
Considering the market trend especially in the second and third quarters of 2021, described in the Directors' Report, the Group's exposure to these risks is greatly attenuated.

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

1. Revenues

(€thousand)	3rd quarter 2021	3rd quarter 2020	30.09.21 (9 months)	30.09.20 (9 months)
Net revenues from sales - Goods	523,255	399,710	1,053,129	834,029
Revenues from Services	55	80	108	137
Advisory services to third parties	21	25	80	86
Manufacturing on behalf of third parties	11	25	17	37
Rent income (typical management)	3	5	9	18
Other services	50	373	124	1,133
Total revenues	523,395	400,218	1,053,467	835,440

Revenues from sales in the third quarter of 2021 amounted to 523.4 million Euros, compared to 400.2 million in the same period of the previous year, of which 38.6 million Euros relating to the activities of the Verrini Group part of MARR since last April.

For an analysis of the revenue trend of the third quarter of 2021 and a comparison with the same period of the previous year, see the Directors' Report.

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

(€thousand)	3rd quarter 2021	3rd quarter 2020	30.09.21 (9 months)	30.09.20 (9 months)
Italy	495,382	381,645	986,124	771,093
European Union	17,441	10,233	42,097	30,233
Extra-EU countries	10,572	8,340	25,246	34,114
Total	523,395	400,218	1,053,467	835,440

2. Other revenues

The Other revenues are broken down as follows:

(€thousand)	3rd quarter 2021	3rd quarter 2020	30.09.21 (9 months)	30.09.20 (9 months)
Contributions from suppliers and others	11,151	8,159	21,526	15,819
Other Sundry earnings and proceeds	159	230	1,280	3,970
Reimbursement for damages suffered	157	124	368	303
Reimbursement of expenses incurred	56	193	212	376
Recovery of legal taxes	12	3	40	13
Capital gains on disposal of assets	1	34	16	146
Total other revenues	11,536	8,743	23,442	20,627

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 noted that part of the contribution from suppliers, relating to the contracts for the recognition of year-end bonuses, is exposed to a reduction in the cost of purchasing goods.

The item "Other sundry" decreased in comparison with the previous nine months due to the inscription of 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 2021*	*3rd quarter 2020*	*30.09.21 (9 months)*	*30.09.20 (9 months)*
Purchase of goods	408,541	289,917	864,868	635,205
Purchase of packages and packing material	1,572	1,341	3,200	2,654
Purchase of stationery and printed paper	227	212	560	455
Purchase of promotional and sales materials and catalogues	33	22	73	116
Purchase of various materials	140	34	313	234
Fuel for industrial motor vehicles and cars	187	60	391	184
Total purchase of goods for resale and consumables	410,700	291,586	869,405	638,848

As highlighted in the preceding paragraph, the "Purchase of goods" benefits over nine months from 5,102 thousand Euros (1,918 thousand Euros in the quarter) for the portion of the contribution from suppliers classifiable as end of year bonuses.

4. Personnel costs

As at 30 September 2021 the item amounts to 26,697 thousand Euros (20,978 thousand Euros over nine months of 2020) 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 amounted to 10,460 thousand Euros, an increase of 2,491 thousand Euros compared to the same period of 2020.
The increase over the same period of the previous year reflects the increase in sales volumes, resulting in less use of social safety nets and also less use of holidays.

5. Amortizations, depreciations and provisions

(€thousand)	*3rd quarter 2021*	*3rd quarter 2020*	*30.09.21 (9 months)*	*30.09.20 (9 months)*
Depreciation of tangible assets	1,857	1,748	5,310	5,145
Amortization of intangible assets	123	110	338	314
Depreciation of right of use	2,672	2,296	7,551	6,730
Adjustment to provision for supplementary clientele severance indemnity	31	102	272	534
Provision for risk and loss fund	278	0	590	0
Total amortization, depreciation and provisions	4,961	4,256	14,061	12,723

Depreciation at 30 September 2021, equal to 13.2 million Euros (12.2 million Euros as at 30 September 2020), shows an increase mainly due to the amortization of the "Right of use" in respect of lease agreements in headed by the company Antonio Verrini S.r.l. (purchased as of 1st April 2021).

6. Losses due to impairment of financial assets

This item is composed of:

(€thousand)	3rd quarter 2021	3rd quarter 2020	30.09.21 (9 months)	30.09.20 (9 months)
Allocation of taxable provisions for bad debts	3,538	5,931	9,489	13,449
Allocation of non-taxable provisions for bad debts	705	745	1,795	1,685
Depreciation of investments in other companies	0	0	125	0
Total Losses due to impairment of financial assets	4,243	6,676	11,409	15,134

The decrease in the item is related to the greater provision that was made on 30 September 2020 in the face of market uncertainty, also considering the new regulatory restrictions in place starting from the second half of October 2020 throughout the country.

7. Other operating costs

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

(€thousand)	3rd quarter 2021	3rd quarter 2020	30.09.21 (9 months)	30.09.20 (9 months)
Operating costs for services	61,698	50,576	135,150	113,672
Operating costs for leases and rentals	127	(161)	341	(34)
Operating costs for other operating charges	320	420	1,209	1,151
Total other operating costs	62,145	50,835	136,700	114,789

The operating costs for services mainly include the following items: sale expenses, distribution and logistics costs for our products for 109,505 thousand Euros (91,644 thousand Euros in 2020), utility costs for 9,589 thousand Euros (6,880 thousand Euros in 2020), handling costs for 3,317 thousand Euros (2,680 thousand Euros in 2020), third party works for 2,248 thousand Euros (2,372 thousand Euros in 2020) and maintenance costs amounting to 3,657 thousand Euros (3,643 thousand Euros in 2020).

During the quarter, the composition of the main items of operating costs is as follows: sale expenses, distribution and logistics costs for our products for 50,439 thousand Euros (42,079 thousand Euros in 2020), utility costs for 4,461 thousand Euros (2,892 thousand Euros in 2020), handling costs for 1,673 thousand Euros (1,367 thousand Euros in 2020), third party works for 894 thousand Euros (790 thousand Euros in 2020) and maintenance costs amounting to 1,323 thousand Euros (1,173 thousand Euros in 2020).

The “Costs for the leases and rentals” totalled 341 thousand Euros and 127 thousand Euros in the quarter and represents the lease contracts not within the scope of application of IFRS16 accounting standard.

The increase at 30 September 2021 compared to the same period of the previous year is due to the fact that last year the item recorded a positive effect due to the reduction in the rents of the buildings where the branches of the Parent Company are located, which had been agreed with the landlords following the health emergency. In accordance with the provisions of the IFRS principle, the benefit deriving from these agreements was recognized as a reduction in operating costs.

The operating costs for other operating charges mainly include the following items: “other indirect duties, taxes and similar costs” for 524 thousand Euros, “local council duties and taxes” for 155 thousand Euros and “expenses for credit recovery” for 141 thousand Euros.

8. Financial income and charges

(€thousand)	3rd quarter 2021	3rd quarter 2020	30.09.21 (9 months)	30.09.20 (9 months)
Financial charges	1,731	1,521	7,864	4,639
Financial income	(158)	(314)	(464)	(957)
Foreign exchange (gains)/losses	86	97	(449)	110
Total financial (income) and charges	1,659	1,304	6,951	3,792

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.

The item "Financial charges" contains the amount of approximately 2.9 million Euros referring to the *make whole* clause following the early repayment on 23 July 2021 of the last tranche of the residual debt of 33 million dollars relating to the USPP bond loan signed in July 2013 and with an original maturity in July 2023.

9. Taxes

(€thousand)	3rd quarter 2021	3rd quarter 2020	30.09.21 (9 months)	30.09.20 (9 months)
Ires-Ires charge transferred to Parent Company	9,327	1,520	10,338	1,810
Irap	1,733	701	2,382	758
Previous years tax	(60)	(76)	(60)	(76)
Net provision for deferred tax liabilities	(825)	3,287	(1,967)	(2,081)
Total taxes	10,175	5,432	10,693	411

10. Earnings / (losses) per share

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

(Euros)	3rd quarter 2021	3rd quarter 2020	30.09.21 (9 months)	30.09.20 (9 months)
Basic Earnings Per Share	0.41	0.23	0.43	0.02
Diluted Earnings Per Share	0.41	0.23	0.43	0.02

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

Earnings:

(€thousand)	3rd quarter 2021	3rd quarter 2020	30.09.21 (9 months)	30.09.20 (9 months)
Profit/(Loss) for the period	27,217	15,066	28,348	1,053
Minority interests	0	0	0	0
Profit/(Loss) used to determine basic and diluted earnings per share	27,217	15,066	28,348	1,053

Number of shares:

(number of shares)	***3rd quarter 2021***	*3rd quarter 2020*	***30.09.21 (9 months)***	*30.09.20 (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**

11. 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 interest rate hedging operations against some variable rate loans.

In the third quarter, the valuation of hedging transactions generated an overall income of 8 thousand Euros (-770 thousand Euros in 2020).
These profits / losses have been accounted for, consistently with the provisions of IFRS, in shareholders' equity and highlighted (as required by IAS 1 revised, applicable from 1st January 2009) in the statement of comprehensive consolidated income.

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Rimini, 12 November 2021

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 1 Reconciliation of liabilities deriving from financing activities as at 30 September 2021 and at 30 September 2020.

Appendix 1

RECONCILIATION OF LIABILITIES DERIVING FROM FINANCING ACTIVITIES AS AT 30 SEPTEMBER 2021 AND AT 30 SEPTEMBER 2020

	30 September 2021	Cash flows	Non-financial changes: Other changes/ reclassifications	Dividends approved and not distributed	Purchases	Exchange rates variations	Fair value variation	31 December 2020
Current payables to bank	25,716	(40,968)	0	0	0	0	0	66,684
Current portion of non current debt	127,425	(88,077)	115,377	0	0	0	0	100,125
Current financial payables for bond private placement in US dollars	0	(28,860)	27,386	0	0	876	0	597
Current financial payables for bond private placement in EUR	164	0	164	0	0	0	0	0
Other current financial payables	1,200	0	1,200	0	0	0	0	0
Current financial payables for IFRS 16 lease contracts	9,266	(7,411)	2,527	0	5,622	0	0	8,528
Current financial payables for leasing contracts	0	(56)	56	0	0	0	0	56
Current financial payables for purchase of quotas or shares	1,000	(4,930)	0	0	5,930	0	0	0
Current financial payables for dividends approved and not distributed	23,384	0	0	23,384	0	0	0	0
Total current financial payables	188,155	(170,302)	146,710	23,384	11,552	876	0	175,990
Current payables/(receivables) for hedging financial instruments	45	(6)	45	0	0	0	45	6
Total current financial instruments	45	(6)	45	0	0	0	45	6
Non-current payables to bank	99,113	10,000	(115,141)	0	0	0	0	204,254
Non-current financial payables for bond private placement in US dollars	99,836	100,000	(26,976)	0	0	0	0	26,812
Non-current financial payables for IFRS 16 lease contracts	56,684	0	11,750	0	0	0	0	44,934
Non-current financial payables for leasing contracts	0	0	0	0	0	0	0	0
Non-current financial payables for purchase of quotas or shares	2,000	0	0	0	2,000	0	0	0
Total non-current financial payables	257,633	110,000	(130,367)	0	2,000	0	0	276,000
Non-current payables/(receivables) for hedging financial instruments	0	(49)	0	0	0	0	0	49
Total non-current financial instruments	0	(49)	0	0	0	0	0	49
Total liabilities arising from financial activities	**445,833**	**(60,357)**	**16,388**	**23,384**	**13,552**	**876**	**45**	**452,045**

Reconciliation of variations with Cash Flows Statement (Indirect Method)	
Cash flows (net of outgoing for acquisition of subsidiaries)	(55,427)
Other changes/ reclassification	16,388
Exchange rates variations	876
Fair value variation	45
Total detailed variations in the table	(38,118)
Other changes in financial liabilities	(47,218)
Net change in financial liabilities for IFRS16	12,494
New non-current loans received	190,000
Net change in financial instrumets/derivates	(10)
Non current loans repayment	(193,384)
Total changes shown between financing activities in the Cash Flows Statement	(38,118)

	30 September 2020	Cash flows	Non-financial changes Other changes/ reclassifications	Purchases	Exchange rates variations	Fair value variation	31 December 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)	64,154
Other changes/ reclassification	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**

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 November 2021

Pierpaolo Rossi
Manager responsible for the drafting
of corporate accounting documents